An Assessment of Customer Service in the Nigeria Telecommunication Industry: A Comparative Study of ZAIN and MTN

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ABSTRACT

This study examined customer services in the Nigeria telecommunication industry by comparing Zain and MTN companies. Primary data were collected from a total of 60 respondents. Data collected were on consumer service elements such as: reliability, delivery frequency, delivery accuracy, quality of salespeople, technical knowledge of the service provider, responsiveness, tailored service, flexibility in delivery, customer complaints among others. Data were analysed using descriptive and inferential statistics. From the results, it was evident that customer service was particularly poor as there was no significant mean difference in customer service between the two companies. The study concluded that achieving appropriate and effective customer service is a critical factor for success in this growing and competitive industry. Based on this, it was recommended among other things that the key requirements for a successful customer service be pursued vigorously through service engineering that is related directly to the customers' key service requirements as an appropriate customer service strategy.

INTRODUCTION

Many scholars, among whom, Seithaml, Parasuraman and Berry (1990), Woodruffe (1995) and Gronroos (1990) agree that quality customer service is a way of positioning traditional services to enhance customers patronage, satisfaction and a firm's performance towards an enduring and sustainable relationship in the marketplace. The Nigeria telecommunication industry has greatly expanded in recent years, but unfortunately too, customer incidents have also increased in this industry in recent times. In many cases, customers have to deal with the problem of no network while tariffs are being charged. This situation among others does not seem to be better even with the privately owned telecommunication companies in Nigeria.

Customer service related quality dimensions include; provider's ability to keep promises and perform the service dependably, reliably and accurately, willingness to help the customer and deliver service promptly, knowledge of the customers' service needs, courtesy and credibility of the

service provider's personnel and ability to give caring and tailored attention to individual customers. Many of these activities are not commonly reported where there are deficiencies in service standard, thus, it is impossible to arrive at accurate assessment of how these companies are delivering customers services in Nigeria. Thus, creating a terrible customer experience in the service structure of the telecommunication industry.

Moreso, the essence of telecommunication is to help the customer and the recipient to achieve effective communication through non-distorted message delivery. Thus, from this perspective, anything that falls short of this expectation or that impedes the free diffusion, reception, perception and understanding with appropriate feedback whether at the structural, articulatory or processing level amounts to communication barrier. Naturally, occurring errors in communication constitute an impediment since they contribute to lack of clarity and understanding.

Worst still, most of the studies done in this sector have paid little or no attention to customer services as a possible problem of the industry but rather on the technical aspects of the industry. A recent study by Steven and Baker (1995) on the relationship between service quality, consumer satisfaction and purchase intentions found that consumers perception of high service quality and satisfaction results in a very high level of purchase intention.

Consequently, many researchers and proponents of customer service research have acknowledged that customer service matters more than the conventionally tended resources (Material, Labour and Capital) and that customer service should be managed explicitly (Congram and Friedman, 1991; Booms and Bitner, 1992; and Gummesson 1994).

PURPOSE OF THE STUDY

The main purpose of this study was to examine the conformity or otherwise of the services provided in this industry in meeting customer service requirements by comparing ZAIN and MTN accompanies. Thus, the specific objectives of this study include:

To determine empirically the level of customer service in the Nigeria telecommunication industry.

(i) To ascertain if there is any significant difference between ZAIN and MTN companies in meeting their customers' service requirements.

(ii) To proffer suggestions on how to bridge the gap, if any, in meeting the desired level of customer service in Nigeria.

Research Questions

Three research questions were developed to provide direction for the study, these include:

(a) Do MTN or ZAIN companies conformed to meeting customers service requirements in their service package and delivery?

(b)   Is there any significant difference between the two companies in terms of delivering the desired customer service?

(c)   Is there any area of customer service that is deficient and needs strategy change? If so, in what way(s)?

Research Hypothesis:

One null hypothesis was developed to guide the study.

H_o: There is no significant mean difference in customer service conformity between MTN and ZAIN companies.

Theoretical Background and Literature Review

The development of customer service is the outcome of contributions from scholars and practitioners over the years (Zeithaml, Parasuraman, and Berry 1990; Townsend, 1990; McDonald, 1996 and Gronroos, 1990). Thus, it is a provision of an offer that is characterized by benefits and value to the customer, customer satisfaction and customer perceived quality.   Within this quality tradition becomes a matter of influencing customer perceived quality through designing and managing the service dimensions in such a way that the services are perceived favourably. Thus, quality is often used synonymously with customer satisfaction. Hence, the perceived service quality is usually explained by means of the disconfirmation model, according to which a customer compares his or her experiences of a service with his or her expectations, thus, getting the expectations confirmed or disconfirmed (Oliver, 1997).

There are two aspects of quality; the process quality – which has to do with how a particular service is delivered and the outcome quality – which signifies what is being delivered. Thus, customer perceived quality can be influenced by managing customers expectations, experiences and image. In a service quality model developed by Gronroos (1990), service quality consist of design quality, production and delivery quality. According to Gronroos (1990) as reported in Gronroos and Gummesson (1994), design quality has to do with how well the service offering is designed, with the support of drawings, specifications, flow charts or whatever means. Production and delivery quality refers to how well the offering is produced as compared to the design. Thus, low production and delivery quality results in delays, the need to correct errors, missed sales opportunities and even disruptions in customer relations.

The importance of customer service as a critical success factor had since been recognized (Benson, 1998). There are perhaps, many different reasons for this resurgence, but the major change stems from a growing realization that satisfying the customer is the key to achieving competitive success. Service, today is the key factor of differentiation in a customer's decision to buy. In other words, good customer service can provide the distinctive difference between one company's offer and the other. Therefore, the customer service strategy must play a major role in the determination of

company strategy. Thus, the ability of a company to improve service levels and to maintain this improvement is a challenge that faces many service institutions. A number of factors have led to this change, this include:

- The growth in customer expectations, which made service fulfillment to become a priority for any successful marketing strategy.
- The growing sophistication and professionalism of customers, which made many buyers to recognize the importance of service as well as price in the product offerings.
- Markets have increasingly become service sensitive, thus, there is little else to differentiate between a firm's offerings
- The development of new ideas such as relationship marketing and service management where fulfilling service expectations is the key and customer retention becomes a priority.

However, many studies have been undertaken to measure the effects of poor customer service and they concluded quite categorically that where service is not available, or where service delivery is unreliable, many customers will readily turn to an alternative supplier's products to fulfill their requirements (Gleen and Barnes, 1995). Therefore, once the positive need for a customer service policy has been recognized and accepted, it is necessary to determine the basic requirements, which might include:

(a)   an understanding of the different segments that exist within the market;

(b)   an awareness of the customers' needs or perceived needs within these segments;

(c)   a clear determination of quantifiable standards of customer service in relation to the different market segments;

(d)   an understanding of the trade-off between the costs and levels of customer service;

(e)   an accurate measurement of the service being provided and

(f)   partnering with customers to ensure an understanding and appreciation of the service provided.

Thus, it would also be important to understand what minimum requirements are necessary in meeting customers' minimum requirements to cross the threshold of customer satisfaction. If their minimum requirements are met, it then becomes possible to achieve customer satisfaction. In order to identify key customer service components and then design a suitable customer service package, Rushton, Oxley and Croucher (2005) have developed a six step approach to developing a sustainable customer service policy. This include:

(a)   Identification of the main elements of the service.

(b)   A determination of the relative significance of each service element.

(c)   Establishing company competitiveness at current service levels offered.

(d)   An identification of distinct service requirements for different market segments.

(e)   Development of specific customer service packages.

(f)   A determination of monitoring and control procedures.

Zeithaml et al (1990) identified five customer related quality dimensions as follows:

(a)   Tangibles – this involves quality perception in terms of equipment, consumer goods, people, communication materials, performance, aesthetics and durability.

(b)   Reliability – This is the provider's ability to keep promises and perform the service dependably and accurately and include such features as security, promptness and punctuality.

(c)   Responsiveness – Refers to the provider's willingness to help the customer and deliver prompt service, which also covers recovery, the ability of the service provider to correct errors and to do so even with a minimum inconvenience to the customer.

(d)   Assurance – This covers knowledge, courtesy and credibility of the service provider's personnel. Thus pleasant behaviour can promote customer relationship.

(e)   Empathy – The ability of the service provider to put him or herself in the position of others, to adopt their perspectives and give caring, individualized attention. This includes service availability and comprehensiveness.

Although the concept of customer service has gained currency among scholars, a lot of controversies still surround what constitute the exact meaning of customer service. As Abbott (1955), Benry and Parasuraman (1993), Booms and Bitner (1992) and Glynn and Barnes (1995) asserted that customer service implies adequate service, within which the customer remains satisfied. This notion of customer service is within the framework of marketing concept, which according to Oliver (1997) is ideologically determined. Based on the above backgrounds, customer service as used in this study is the capacity for self sustaining growth based on meeting the norms and values of the customer. This means that, customer service is all about a firm's ability to transform herself and the customer with the application of requisite skills through creativity and advancement in line with customer values and expectations.

At this juncture, it must be borne in mind that, customer service has two major components, these are "good customer service" and "poor customer service." While the former involves a normative judgement, it indicates a preferred relationship that should ideally govern the relationship between the firm and its customers. The latter is characterized by such problems, among others, as poor network, high tariff for services not provided, and pervasive corruption. It can be seen from the foregoing analysis that customer service and a firm's performance are inseparable, because no meaningful growth can take place without good customer service.

METHODOLOGY

This was a cross sectional survey. The study population consists of all MBA II students who registered for Marketing management and strategy course in

the 2008/2009 academic session. Thus, the total population was 60 students. Because of the smallness of the population size, the study carried out a census of all the members of the class. Both primary and secondary data were used in the study. Primary data were collected through a well constructed and validated questionnaire constructed by the researcher. But before administering the questionnaire, the instrument was face validated using marketing experts in the Department of Marketing, University of Uyo. A pilot survey was also conducted with another group who were not targeted in this study, this yielded a reliability coefficient of 0.678 or 68 percent using Cronbach's alpha reliability coefficient. A four point Likert's scale was used in gathering the needed information as follows: Strongly agree (SA), agree (a), disagree (D) and strongly disagree (SD) rated as 4, 3, 2 and 1 respectively. The data were analysed using both descriptive and inferential statistics. Thus, an item mean of 2.5 and above was considered as reasonable customer service or conforming, while mean scores below 2.5 was regarded as non conforming. All the variables used in the study were extracted from current literatures.

RESULTS AND DISCUSSION

In Table 1, items 1, 3,6,8,9 scored less than 2.50 indicating that the respondents did not generally accept them as conforming to the minimum acceptable customer service standard needed by customers. The remaining 6 items scored above 2.50; hence the respondents agree that the skills listed in these 11 items are the customer service skills to be inculcated in customer service package and delivery.

In Table 2, while items number 5,7,8, and 11 scored above 2.50, the remaining items 1, 2, 3, 6, 9 and 10 were not perceived by customers to be conforming to customer service needs as they were all below 2.5 minimum standard expected by the customers. The results of this analysis simply suggest that both companies are not delivering the expected customer service as evidenced in the result. This finding agrees with Oliver (1997), who noted that service firms need various social and interpersonal skills in their service package and delivery. Levitt (1972) advocated for a situation where customer service will be standardized and not limited to specific skills, but rather, service marketers should be trained in a wide range of social, interpersonal, and communication skills to be able to cope with the challenges of service marketing in contemporary times. The respondents' opinion about these companies service quality go on to confirm that the inculcation of these skills is a key element in effective and efficient customer service delivery.

Hypothesis (H$_o$)

There is no significant mean difference in customer service level between MTN and ZAIN companies.

From the t-distribution in Table 3, the calculated t-value of 0.41 is less than the critical value of t (2.02). This result implies that there is no significant mean difference in customer service level between MTN and ZAIN companies. This finding agrees with the views of Ibok (2008) who observed that service institutions in Nigeria are performing marginally, with no reasonable level of customer service. Glynn and Barnes (1995) also stated that customer service must be a responsibility for all and that appropriate attention should be paid to customer care and service programmes with the active participation of the customers, as this will improve service quality, boost competition and improve overall corporate performance.

CONCLUSION AND RECOMMENDATIONS

Customers constitute the very essence of a firm's existence, therefore every firm has the responsibility to ensure that its customers are adequately satisfied. Therefore, alleviating customer service through the inculcation of the right attitude and skills is very crucial for effective and efficient service package and delivery. The empirical results generated in this study suggest that there is need for deep understanding of some basic customers' values which should be planned along the following dimensions:

- An understanding of the service elements that is crucial to profitability and customer's continued patronage.
- An understanding of the company's strength and weaknesses in delivering the desired customer satisfaction.
- An understanding of competitor's strength and weaknesses.

Based on the findings and conclusions drawn from this study, the following recommendations were made:

(a) Customer service programme should be seen as a project to be achieved and should be entrenched at all levels of the organization from top management to the least operative.

(b) Periodic staff training should be accorded high priority in service institutions as this is one way they can standardize and differentiate their services from others.

(c) Service engineering is not only necessary but is crucial for effective customer service delivery; therefore, service engineering must flow from service design and production to monitoring of post consumption behaviour.

(d) Effective management of customer incidents is also recommended as this will help in identifying complaints, while appropriate measures should also be taken to address unwarranted customer incidents caused by frivolous staff attitude.

(e) To help employees understand the importance of customer service and the practical implications of customer service programmes, customer satisfaction guides should be issued to all employees. This guide should describe the most important elements of customer service and the standards that apply in the organization.

(f)   Finally, if customer service in the organizations is seen as a line management function, staff may not appreciate its critical importance to the success of the organization. Therefore, customer service must be led from the top to the bottom, while service standards can be improved through training and introduction of customer service programees. As skilled staff members are essential to the effective delivery of customer service.

Table 1: Perception of Customer Service with Respect to Celtel
N = 36

S/N	SERVICE VARIABLES	4 SA	3 A	2 D	1 SD	10 Total	2.5 Mean	Remarks
1	Provides customer service as promised	20	6	28	15	69	1.92	NC
2	Its dependable in handling customers' service problems	48	18	12	12	90	2.5	C
3	Performs the service right the first time	16	12	24	16	68	1.89	NC
4	Staff are well trained and knowledgeable	20	21	20	14	75	2.1	NC
5	Employees are always willing to help	56	6	20	10	92	2.6	C
6	Employees give prompt service	32	24	20	10	86	2.39	NC
7	Employees are always ready to respond to your request	48	24	8	12	92	2.6	C
8	There is individual customer's attention	28	21	16	14	79	2.2	NC
9	Customers are not charged for services not rendered	32	6	22	15	75	2.1	NC
10	There is effective service reliability	48	18	12	12	90	2.5	C
11	There is a machinery for customer query handling	56	6	20	10	92	2.6	C

Source: Field Survey, 2009
NC = Non conforming
C = Conforming

Table 2: Perception of Customer Service with Respect to MTN
N = 24

S/N	SERVICE VARIABLES	SA 4	A 3	D 2	SD 1	Total 10	Mean 2.5	Remarks
1	Provides customer service as promised	12	15	24	4	55	2.3	NC
2	Dependable in handling customers' service problems	16	6	16	10	48	2.0	NC
3	Performs the service right the first time	16	9	20	7	52	2.2	NC
4	Staff are well trained and knowledgeable	12	12	12	11	47	1.9	NC
5	Employees are always willing to help	32	15	8	7	62	2.6	C
6	Employees give prompt service	12	15	16	8	51	2.1	NC
7	Employees are always ready to respond to your request	28	24	8	5	65	2.7	C
8	There is individual customer's attention	32	24	10	3	69	2.9	C
9	Customers are not charged for services not rendered	12	12	16	9	49	2.0	NC
10	There is effective service reliability	12	15	24	4	55	2.3	NC
11	There is a machinery for customer query handling	32	15	12	5	64	2.7	C

Source: Field Survey, 2009
NC = Non conforming
C = Conforming

Table 3: T-test Analysis of Customer Service Provided by ZAIN and MTN

SAMPLE	N	0	SD	S	t-cal/t-critical
CELTEL	36	3.64	1.54	1.40	
MTN	24	3.42	1.61	2.43	0.41 2.02

$P < 0.05$, df = 5

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