THE EFFECT OF SERVICE QUALITY MANAGEMENT ON CUSTOMER LOYALTY IN THE TELECOMMUNICATION INDUSTRY: A CASE STUDY OF MTN UGANDA LIMITED SME CUSTOMERS

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A POSTGRADUATE DISSERTATION PRESENTED TO THE FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTERS DEGREE IN BUSINESS ADMINISTRATION

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DEDICATION

This work is dedicated to my children; Shanelle Marie Nalubega, Jesse Edmond Kamoga , Wasswa Joel Mpuuga , Kato Justin Ssaka and my husband Mr. Emmanuel Muyomba who supported me during the time of my studies.

ACKNOWLEDGEMENT

ABBREVIATIONS

CVI	-	Content Validity Index
EDT	-	Expectancy-Disconfirmation theory
ICT	-	Information Communication Technology
SME	-	Small and Medium Enterprises
SPSS	-	Statistical Package for Social Sciences
UCC	-	Uganda Communications Commission

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ABSTRACT

The study focused on the role of reliability, responsiveness and service tangibility on customer loyalty at MTN Uganda Limited. It was guided by three objectives which were: to establish the effect of service reliability on customer loyalty; to assess the effect of service responsiveness on customer loyalty; and to examine the contribution of service tangibility on customer loyalty.

A case study design was adopted by the study. Data was collected from 122 respondents. SPSS version 20 was applied to generate the results of the study objectives. Data sources included primary data and secondary data. Questionnaires were used to collect quantitative data.

The findings showed that reliability; responsiveness and service tangibility were significantly related to customer loyalty. The findings imply that service quality is not the only factor that could lead to customer loyalty in the telecom sector. In conclusion, all the findings on the relationships between reliability, responsiveness and service tangibility revealed significant effect on customer loyalty. The findings confirmed that service quality was a major determinant of customer loyalty at MTN Uganda.

The study recommends therefore, that management of MTN Uganda offer specialized training to staff in the area of service quality so as to foster reliability, responsiveness as well as service tangibility. The study recommends that in order to satisfy customers and turn them into loyal customers, MTN needs to deliver service in a more reliable, responsive and tangible manner. Likewise, to provide total satisfaction to customers, the management of the company should carryout customer loyalty surveys so as to assess whether its meeting customer expectations as desired by the customers.

CHAPTER ONE

GENERAL INTRODUCTION

1.0   Introduction

Much as customer loyalty is vital in the telecommunications sector and a key to the success of any organisation, still there are evident gaps in promoting customer loyalty in Uganda's telecom sector (UCC Report, 2014). The report stresses the need for telecom companies to become more reliable and responsive during service delivery. This study examined the effect of service quality management on customer loyalty in telecom companies in Uganda using MTN Uganda as a case study. According to this study, the independent variable was service quality management whereas, customer loyalty was the dependent variable. This chapter presents the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study and significance of the study.

1.1   Background of the Study

Customer loyalty is developed over a period of time. It is from a steady practice of meeting and exceeding customer expectations (Wicks and Roethlein, 2009). Iddrisu (2011) posits that the cost of attracting a new customer may be five times the cost of keeping a current customer happy. Kotler and Keller (2009) defined customer loyalty as the degree to which a customer exhibits repeat purchasing behavior from a service provider, possesses a positive attitudinal disposition toward the provider, and considers using only this provider when a need for this service exists. Iddrisu (2011) posits that loyalty is interpreted as true loyalty rather than repeat purchasing behavior, which is the actual re-buying of a brand, regardless of commitment. Service

organization's customers will remain loyal to service organization if their evaluation to what they obtained is relatively larger than they expect to get it from competitors (Al-Kurdi, 2011).

With stiff competition between providers, customer satisfaction is a necessity for survival in the market. At the same time, Ugandans are becoming equipped with necessary knowledge about quality service delivery. Many telecom service providers in Uganda offer various products and services in the market. The companies have to compete with each other to ensure optimal customer satisfaction in terms of products or services (UCC Report, 2014). Quality is generally regarded as being a key factor in the creation of worth and in influencing customer loyalty. Hence, the telecom industry in Uganda has to be strategically positioned to provide quality services to satisfy customers. To provide improved quality service, telecom companies need to investigate degree of customers' sensitivity and expectations toward service quality.

This is because service quality represents a necessary ingredient to convince customers to choose an organization other than others. Therefore, providing service of high quality is deemed the most effective way to ensure service organization superiority over its competitors by retaining loyal customers. Service quality helps in cementing the relationship between customers and the organisation and it is a two-way flow of value (Wicks and Roethlein, 2009). Nevertheless, some customers may remain loyal due to high switching barriers or the lack of real substitutes, while others will continue to be loyal because they are satisfied with the services provided (Al-Kurdi, 2011). Therefore, service providers must avoid being complacent since retained customers may not always be the satisfied ones and similarly not all satisfied customers may always be retained.

Telecommunication service providers are of paramount importance to both developed and developing economies such as Uganda (BM Uganda Report 2010/2011). Telecom service

providers are projected to contribute greatly to the national goal of achieving status as a developed nation by the year 2040 (Vision Uganda, 2040). In Uganda, the Uganda Posts and Telecommunications Corporation had a monopoly over Uganda's communications sector until the Uganda Communications Act was enacted in 1997. This opened up the telecommunications industry that further led to a gradual influx of mobile telecom players in Uganda. Celtel Uganda was the pioneer mobile phone company in Uganda and launched its services in 1995. In January 2004, the company name was changed to "Celtel International" (BM Uganda Report 2010/2011). In April 2005 the company was acquired by and became a subsidiary of Zain. In 2010 the company was purchased by Bharti Airtel from Zain and was rebranded as 'Airtel'. MTN Uganda currently the largest provider of telecommunications services in Uganda, a subsidiary of MTN South Africa launched its services in Uganda on 21 October 1998. Within a few months of its launch, MTN had a bigger market share than Celtel due to its more affordable pricing and wide area coverage. It maintained that position, ahead of Airtel with roots of the pioneer mobile phone company in Uganda, and Uganda Telecom, which joined the mobile communications market afterwards (BM Uganda Report 2010/2011).

The UCC Annual Report (2013) revealed that work overload and the time available to complete required tasks has become a deterrent to customer loyalty and was forcing many customers to search for better offers elsewhere. The lapses in service reliability, responsiveness, staff competence, service security, courtesy, communication, tangibility and understanding customers have been a major causes of poor service delivery which has contributed customer disloyalty. According to the BM Uganda Report 2013 customer disloyalty was attributed to sim-pack churning which is explained by the fluctuations in market share of the company. Although MTN prides itself of having realized growth in clientele base, this is because the company continues to

invest heavily in telecom infrastructure which supports the company's ability to deliver quality services. However, the increase in the number of vandalism cases on network infrastructure is one of the cardinal factors impeding network improvement.

By 2014 MTN had recorded more than 200 incidents of infrastructure vandalism largely attributed to the theft of fiber cables by individuals and activities of road construction (UCC Report, 2014). This has undermined the delivery of quality telecom services putting customer loyalty at risk. According to the UCC Report (2015), the growth recorded by the telecommunication companies has also been declining overtime and now is expected to be below average. The report further revealed that with the joining of new players in the telecom sector, has led to a reduction in the market shares of the major players such as MTN and Airtel. According to the MTN Performance Review Report (2014), sales per employee were on the decline, delays in response to customer complaints, declining quality and quantity of output and continuous delays in task completion. Likewise, the Business Development Coordinators were failing to effectively monitor product inventories and merchandising of the company products hence causing stock outs of the company products and limited promotional materials respectively (MTN Sales Report, 2014).

In the telecommunications sector, customer loyalty is key in business though customer disloyalty is prevalent in the sector. Much as commitment to customer loyalty is reflected in most of the company's quality targets with the aim of realizing delivery of reliable products and services that make customers feel safe, this is still not the case in the sector (UCC Report, 2014). At MTN which is Uganda's leading telecomm company, customer loyalty is critical to the achievement of its goals which is to provide improved service delivery to its clients and customers with efficiency and effectiveness. According to MTN Annual Report (2015), the company aspires to provide

specialized and personalized services that will create a memorable experience to customers at each encounter. In order to realize customer loyalty, MTN Uganda draws a lot of attention towards delivery of quality services and products to customers. Like other telecom companies in Uganda, MTN Uganda struggles to ensure customer loyalty during the delivery of its services and products. Therefore, it is against this background that the researcher investigated the effect of service quality management on customer loyalty at MTN Uganda.

1.1.1 Background to the Case Study

Uganda's telecom industry is very competitive with many players such as MTN Uganda, Airtel Uganda, Africell, UTL, Smile, Vodafone and Smart Telecom. The UCC Report (2014) showed that the country had more than 19.5 million people connected to different mobile telecommunications, with MTN and Airtel having the biggest share of more than 17 million users split between them. In 2015, MTN Uganda MTN Uganda recorded 8.9 million subscribers across Uganda. The company operates a number of service centres across the country through the company delivers its products and services (BM Uganda Report, 2013). Some of the products offered by the company include mobile and fixed telecommunications, mobile money services and internet service provisioning. As Uganda's leading telecom firm, MTN has witnessed steady growth. However, this growth has come with unforeseen challenges of customer loyalty.

MTN Uganda being the major player and the second to enter the Ugandan market has been facing some challenges. Nonetheless, the Ugandan mobile market is characterized by intense competition which has led to consolidation among the operators, culminating in the merger of Warid Telecom by Bharti Airtel in 2013. Other players include regional heavyweights MTN from South Africa and France's Telecom/Orange (Economic Times, 2010) recently acquired by Africell in 2014. It is

upon this background that the study sought to establish the effect of service quality management on customer loyalty in MTN Uganda Limited.

1.2 Statement of the Problem

In an effort to improve customer loyalty, telecom companies have put a lot of attention on improving service quality management in regard to service reliability, responsiveness and tangibility among other things (UCC Report, 2012). Regardless of these efforts, MTN Uganda has continued to experience shifting customers which has manifested in the form of increase in the number of dormant sim cards, customers switching to competitors, declining repeat purchase of the company's products and services and low customer recommendation of others to join the network (MTN Annual Performance Report, 2014). For example for the period 2012 to 2014, the company recorded a 24% of dormant sim cards. Likewise, during the mandatory sim card registration, the company lost many customers which it had to switch off due to having not registered their sim cards. The UCC (2014) reported a continuous decline in the service rating of the company which has driven many customers into seeking better service quality from other telecom companies. In the period 2014/2015, the company recorded declines in incomes, profits and sharp increases in operational costs (MTN Annual Performance Report 2015). The UCC Customer Satisfaction Report (2013) revealed that there was slow response to customer complaints and the company's network could not be relied on to offer effective mobile money services. For these reasons, the study established the effect of service quality management on customer loyalty of MTN Uganda Limited.

1.3   General Objective

The study established the effect of service quality management on customer loyalty in MTN Uganda Limited.

1.4   Specific Objectives of the study

i)   To establish the effect of service reliability on customer loyalty in MTN Uganda.

ii)   To assess the effect of service responsiveness on customer loyalty in MTN Uganda.

iii)   To examine the contribution of service tangibility on customer loyalty in MTN Uganda.

1.5   Research Questions

i)   What is the effect of service reliability on customer loyalty in MTN Uganda?

ii)   What is the effect of service responsiveness on customer loyalty in MTN Uganda?

iii)   What is the contribution of service tangibility on customer loyalty in MTN Uganda?

1.6   Scope of the study

1.6.1 Geographical Scope

The study was carried out in Kampala district one of MTN's regional territories and focused on Rubaga division. The division was selected because of the presence of many SMEs located in the area. The study covered the areas of Kabuusu, Nalukolongo, Wankulukuku, Mutundwe, Nateete, Ndeeba, Wakaliga, Busega Mengo and Masanafu. The SMEs comprised of companies with subscription to less than 10 postpaid lines and operating an intercom with less than five extension lines. For purposes of this study, the researcher considered SMEs who for the last 5 years have been consuming the products of MTN.

1.6.2 Content Scope

The study focused on establishing the effect of service quality management on customer loyalty in MTN Uganda. Service quality management was conceptualized as service tangibility, responsiveness and reliability whereas, customer loyalty was measured according to attitudinal loyalty and behavioral loyalty.

1.6.3 Time Scope

The study covered a period of seven financial years 2013-2015 in order to have enough information for the study and reports on the institution were accessed. In addition, this is the period during which MTN experienced customer attrition to competition according to the MTN Annual Reports (2012 to 2015). According to available data, between 2013 and 2015, MTN's service rating by the Uganda Communications Commission declined which contributed to the decline in customer loyalty. According to the UCC Report (2014), telecom companies continued to experience challenges in service quality management resulting into customer disloyalty. The report further showed that during this same period, MTN recorded high customer attrition to other companies in the industry. Whereas, the evidence that was used to justify the existence of the problem in the company was acquired within this period, the study was conducted within a period of one year starting 2015 to 2016.

1.7   Significance of the Study

The significance of the study included the following;

i)   The results of the study may help the management of MTN realize the effect of service quality management on customer loyalty so as to develop the necessary strategies to strengthen loyalty through relaying emphasis on service quality.

ii)   For the academicians, the study may bring out the relationship between service quality management and customer loyalty. The results may contribute to the existing pool of knowledge and debate on service quality management and customer loyalty, which in turn may be used as a future reference for other researchers by drawing examples from the Ugandan setting.

iii)   For the policy makers such as the Ministry of ICT, Uganda Communications Commission among others, the findings and recommendations may be useful in the development and strengthening of the existing policies and regulations in the telecommunication sector.

iv)   The findings of the study may give a better understanding of the determinants of customer loyalty in telecommunications companies in Uganda that require the usage of firm level micro data as opposed to macro level data. This may test the robustness of the evidence brought forward by studies from other countries.

1.8   Justification of the Study

In the case of Uganda, the telecommunications sector has undergone several reforms geared among other things toward improvement of customer loyalty by telecom companies. The reforms in the sector brought about the formation of the service quality framework which is now operational in all telecom companies. The restructuring of the telecom sector has not helped eliminate the delivery of substandard telecom services to the public. This notion was supported by the UCC report of 2013 which revealed that telecom companies were facing challenges in the delivery of quality services which undermined customer loyalty. From the existing literature (Parasuraman et al. 2005; Zeithaml et al, 2006; Zeithaml and Bitner, 2000), lot of research has been carried out on service quality in organisations in the public and private sectors, however, few studies have been carried out to investigate the effect of service quality management on customer

loyalty in telecom companies. Thus, providing a research gap to be filled; by the study after examining the effect of service quality management on customer loyalty at MTN Uganda Limited.

1.9   Conceptual Framework

The conceptual framework was developed after review of related literature on the study variables. The model shown in the figure below examines the relationship between service quality management and customer loyalty. Service quality management is principal in connecting the service to the customer in such a way that customer loyalty is attained.

Figure 1.1: Conceptual framework

Independent variable   **Dependent variable**

Service Quality	**Customer Loyalty**
• Reliability	• Repeat purchases
• Responsiveness	• Positive word of mouth
• Tangibility of service	• Customer retention
	• Price insensitivity

Moderating variable

Government policy
• Telecom sector policies
• Telecom sector regulations
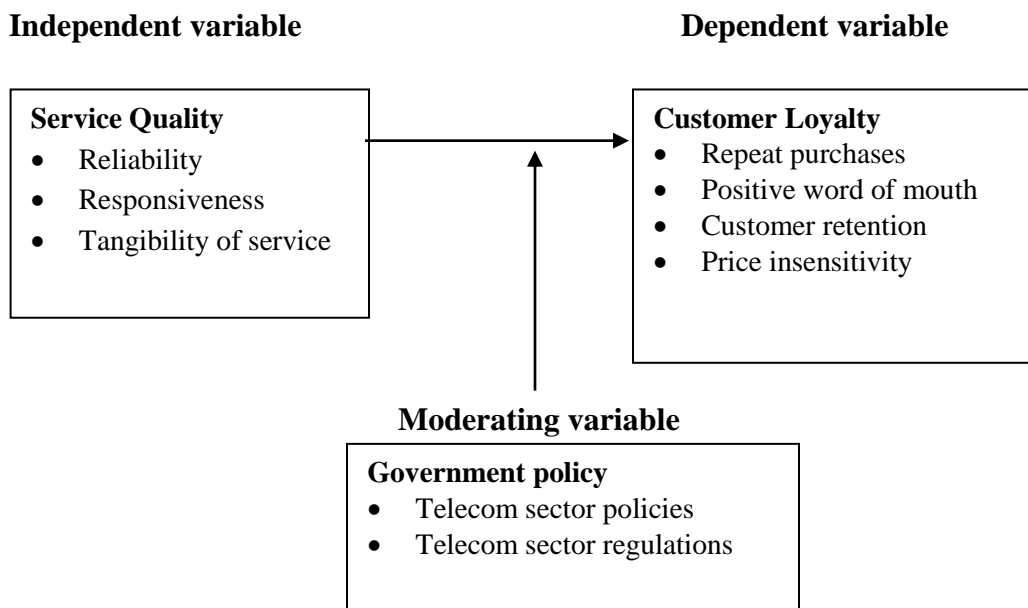
Source: Developed from the literature of Parasuraman, et. al., 2005; Zeithaml, et, al., 2006; Zeithaml and Bitner, 2000

After conducting extensive literature review, the theoretical framework was designed. The presented conceptual framework explains the interface between the independent variable and the dependent variable and the expected out come. The model shown in the figure above examines the relationship between service quality management and customer loyalty. Service quality

management plays a big role in enhancing customer loyalty in such a way that, repeat purchases, positive word of mouth and customer retention are attained as Parasuraman, et. al., (2005) asserts. According to Zeithaml, et. al., (2006), service quality is positively related to customer loyalty. The same was observed by Kotler, Armstrong, Saunders and Wong (2002) for the relationship between service quality and customer loyalty positing that through reliability, responsiveness and tangibility of services this would promote favorable service quality which will in turn enhance customer loyalty.

Service quality was measured according to reliability, responsiveness and tangibility of services whereas, customer loyalty was measured according to repeat purchases, positive word of mouth and customer retention. According to the model, the reliability of telecom services determines customer loyalty in that this resulted into repeat purchases, positive word of mouth and customer retention. Similarly, when customers perceive the company to be responsive during service delivery, this influences them to become loyal to the company. On the other hand, service tangibility in regard to ambience, environment, layout, presentation was important in determining customer loyalty. Therefore, the study attempted to establish how the identified service quality management dimensions affect customer loyalty with government policies as the moderating factor which comprised of policies, regulations, rules and the telecom act.

1.10   Definition of Key Terms

- **Service Quality:** Parasuraman, et. al., (2005) defined service quality as the customer's comparison between service expectation and service performance. Thus, delivering quality service means conforming to customer expectations on a consistent basis.

- **Reliability** is the ability to perform the promised service dependably and accurately or "delivering on its promises. Parasuraman, et. al., (2005).

- **Responsiveness** is the knowledge and courtesy of employees and their ability to convey trust and confidence. It also includes competence, courtesy, credibility and security. It concerns the willingness or readiness of employees to provide service (Parasuraman, et. al., 2005).

- **Service tangibility** entails the physical evidence of the service. Specifically, the concept explores the physical facilities of the service provider, the appearance of personnel, the tools and equipment used to provide the service including other customers in the service facility. Tangibles are used by firms to convey image and signal quality (Zeithaml, et. al., 2006).

- **Customer loyalty** is the degree to which a customer exhibits repeat purchasing behaviour from a service provider, possesses a positive attitudinal disposition toward the provider, and considers using this provider when a need for this service arises (Gremler and Brown, 1996).

1.11   Conclusion

This chapter provided a background to the problem of the study, the general objective of the study, research objectives, research questions, scope of the study, importance of the study, the model and the definition of key terms, which led to the next chapter of literature review on service quality management and customer satisfaction.

CHAPTER TWO

LITERATURE REVIEW

2.0   Introduction

This chapter gives a discussion of the literature on the study variables i.e. service quality management and customer loyalty. This chapter helped broaden the researcher's understanding of the variables under study, as well as form the foundation for the methodology. The literature review was focused on the study objectives thus; establish the effect of service reliability on customer loyalty; assess the effect of service responsiveness on customer loyalty; and examine the contribution of tangibility on customer loyalty, in relation to existing studies on service quality management and customer loyalty.

2.1   Theoretical Review

Mugenda and Mugenda (2003) define a theory as a system of explaining phenomena by stating constructs and the laws that interrelate these constructs to each other. Theories have been reviewed to explain the effect of service quality on customer loyalty. Consequently, in the course of its development, a number of different competing theories based on various standards have been postulated for explaining customer loyalty. For the purpose of this study, Expectancy Disconfirmation theory was adopted for the study. Expectation confirmation theory (alternatively expectation disconfirmation theory) is a cognitive theory which seeks to explain post-purchase or post-adoption satisfaction as a function of expectations, perceived performance, and disconfirmation of beliefs. The structure of the theory was developed in a series of two papers by Oliver in 1977 and 1980.

Drawing on the shortcomings of the early theories of customer satisfaction, Oliver (1977; 1980) proposed the Expectancy-Disconfirmation theory (EDT) as the most promising theoretical framework for the assessment of customer satisfaction. The theory proposes that users first form expectations or belief probabilities of attribute occurrence. They then form post-usage perceptions about performance and a comparison between initial expectations and performance known as disconfirmation of expectations. A positive disconfirmation means performance was better than expected, and a negative disconfirmation means performance was worse than expected. According to EDT, the better performance is, or the more positive the disconfirmation, the greater the satisfaction. The model implies that customers purchase goods and services with pre-purchase expectations about the anticipated performance.

The expectation level then becomes a standard against which the product is judged. That is, once the product or service has been used, outcomes are compared against expectations. If the outcome matches the expectation confirmation occurs. Disconfirmation occurs where there is a difference between expectations and outcomes. A customer is either satisfied or dissatisfied as a result of positive or negative difference between expectations and perceptions. Thus, when service performance is better than what the customer had initially expected, there is a positive disconfirmation between expectations and performance which results in satisfaction, while when service performance is as expected, there is a confirmation between expectations and perceptions which results in satisfaction.

According to this EDT model, satisfying the customers is not limited only to their expectation of products or services. Rather than these factors, satisfying the customers from perceived information is the first step that can attract the customer's trust over offered products and services

by business. If they realize that perceived information of product or service can satisfy their initial expectations, then occurred positive disconfirmation leads to their satisfaction. In versus, if the perceived information of products or services does not match with their initial satisfaction, then negative disconfirmation leads to their dissatisfaction. Oliver (1977; 1980) divided customer's demands into two concepts that are expectations and desires. Expectations are defined as a set of standards that predict expectations and perceptions of customers about specific product or service. On the other hand, desires are defined as a set of attributes that present more value to the customers. In contrast, when service performance is not as good as what the customer expected, there is a negative disconfirmation between expectations and perceptions which causes dissatisfaction. The researcher argues that when there is quality service delivery through reliability, responsiveness and tangibility, telecom companies are likely to yield better results to support customers' pre-purchased expectations.

Adaptation-level theory is another theory, which is consistent with expectation and disconfirmation effects on satisfaction. This theory was originated by Helsen in 1964 and applied to customer satisfaction by Oliver. Helson (1964) simply put his theory as follows: 100 "it posits that one perceives stimuli only in relation to an adapted standard. The standard is a function of perceptions of the stimulus itself, the context, and psychological and physiological characteristics of the organism. Once created, the 'adaptation level' serves to sustain subsequent evaluations in that positive and negative deviations will remain in the general vicinity of one's original position. Only large impacts on the adaptation level will change the final tone of the subject's evaluation. This theory is gaining acceptance, as it is able to explain some counterintuitive predictions made by assimilation-contrast theories. (Oliver 1977).

From the reviewed literature, there does not seem to be much criticism of the EDT theory but the theory has been used as the best alternative when studying service quality and customer satisfaction. Therefore, the EDT theory was used to underpin the study. The theory is relevant in that it recognizes the importance of managing service quality by private organisations with the aim of promoting customer satisfaction. It holds the view that the level of an organization's customer loyalty is determined by its ability to remain reliable, responsive and tangible so as to have loyal customers. The theory was used to enable telecom companies to address the critical customer loyalty challenges the sector is facing. By so doing the model was used to help telecom companies align service reliability, responsiveness and tangibility so as to diagnose specific areas of strength and weakness and enhance customer loyalty.

2.2   Over View of Uganda's Mobile Telecommunications Industry

The Uganda Communications Commission (UCC) is the regulator of the communications sector in Uganda. One of the functions of UCC, under the Uganda Communications Act 2013, is to promote the interests of consumers and operators as regards the quality of communications services and equipment. In this regard, UCC carried out a Quality of Service (QoS) performance exercise on the five (5) operational Global System for Mobile communications (GSM) networks From February-June 2014 in Jinja, Kabale, Kampala, Kasese, Masaka, Mbale, Mbarara and Mukono. The five (5) operators then were Airtel Uganda Limited, MTN Uganda Limited, Uganda Telecom Limited (UTL), Orange Uganda Limited and Warid Telecom Uganda Limited. The networks were evaluated against UCC Key Performance Indicators which are: less than 2% for dropped call rate (DCR), less than 2% for blocked call rate (BCR) and greater than or equal to 98% for successful call rate (SCR). In this study, it was found out that all the five (5) operators failed the blocked call rate and the successful call rate tests safe for dropped call rate, UCC quality of service report

(2014). The gap here is that this study was using machine to machine communications whereby UCC quality of service equipment would communicate directly with the signals from the operators machine and record calls data directly, however, the study did not use the SERVQUAL model.

The 8 players in this market are; MTN Uganda, Airtel Uganda, Uganda Telecom, Africell Uganda, Smile Telecom, K2 Telecom, Smart Telecom (formerly Sure telecom) and Vodafone Uganda (UCC, Annual Market and Industry Report, 2016). This growth in the number of players came about as a result of the liberalization of the telecommunication sector in Uganda in 1998 with the entry of a new private player then MTN in the industry. According to the Uganda Communications Commission Report (2016), the number of mobile SIMS subscribers as of December 2016 stands at 22,698,037 constituting 63.4% of Uganda's Population. 11 Players under this market structure normally struggle to win customer loyalty by offering differentiated products, bundled products, value added services and sometimes through price war.

2.3   Service Quality Management

In order for a company's offer to reach the customers there is a need for services. These services depend on the type of product and it differs in the various organizations. Service can be defined in many ways depending on which area the term is being used. Kotler and Keller (2009) defined service as any intangible act or performance that one party offers to another that does not result in the ownership of anything. A service can also be defined as an intangible offer by one party to another in exchange of money for pleasure. Quality is one of the things that consumers look for in an offer, which service happens to be one. Quality can also be defined as the totality of features and characteristics of a product or services that bear on its ability to satisfy stated or implied needs (Kotler et. al., 2002).

It is evident that quality is also related to the value of an offer, which could evoke satisfaction or dissatisfaction on the part of the user. Service quality is the extent to which customers' perceptions of service meet and/or exceed their expectations. Therefore, service quality is the way in which customers are served in an organization which could be good or poor. Zeithaml, Parasuraman and Malhotra (2002) defined service quality as the differences between customer expectations and perceptions of service. Zeithaml and Bitner (2003) argued that measuring service quality as the difference between perceived and expected service was a valid way and could make management to identify gaps to what they offer as services. The aim of providing quality services is to satisfy customers.

Measuring service quality is a better way to dictate whether the services are good or bad and whether the customers will or are satisfied with it. Haywood (1988) listed three components of service quality, called the 3 "Ps" of service quality. In the study, service quality was described as comprising of three elements; physical facilities, processes and procedures; personal behaviour on the part of serving staff, and professional judgment on the part of serving staff but to get good quality service. Haywood stated that an appropriate, carefully balanced mix of these three elements must be achieved. What constitutes an appropriate mix, according to him will, in part, be determined by the relative degrees of labour intensity, service process customization, and contact and interaction between the customer and the service process. From the look of things, this idea could be designed to fit with evaluating service quality and the employee perspective.

2.3.1   Dimensions of Service Quality Management

Evaluation of service quality becomes difficult due to three characteristics that are inherent in services intangibility, heterogeneity and inseparability (Berry and Parasuraman, 1991). However, Parasuraman et al. (1985) proposed a framework consisting of ten determinants or dimensions of

service quality: reliability, access, Understanding of the customer, responsiveness, competence, courtesy, communication, Credibility, security, and tangible considerations. Parasuraman, Zeithaml and Malhotra (2005) used these dimensions as a basis for a comparative evaluation of the determinants of service quality between developed and developing societies. These ten service quality dimensions are related to certain economic factors and socio-cultural factors. The Service quality dimensions of reliability, access and understanding the customer are linked to conventional economic development aspects such as levels of affluence, technology, education, competition, and communications infrastructure.

The responsiveness dimension is attributed to socio-cultural influences concerning the value of time. Finally, the Service quality dimensions of security and tangibility are linked with Maslow's (1970) hierarchy along which individual needs are arranged: physiological needs, safety needs, belonging and love, esteem needs, and self-actualization needs. Lower level needs are said to dominate higher level needs and to direct behavior until they are Satisfied. While individuals in developing societies have yet to master and fully satisfy the lower level needs (physiological and safety needs), individuals in developed societies have come a long way in fully meeting those needs, and are preoccupied with addressing higher order needs and emotions (Parasuraman, Zeithaml and Malhotra, 2005).

Service reliability means consistently performing the service dependably and accurately. According to Berry and Parasuraman (1991), service reliability is the service-core to most customers and managers should use every opportunity to build a do-it-right-first attitude. Specifically, managers are encouraged to include reliability issues in their mission statements, set reliability standards, teach the importance of reliability in training programs, appoint reliability

teams to study specific services and recommend ways to improve reliability, measure error rates and reward error-free service. Portraying the reliability and consistency with which the service is delivered can take two routes. The first involves emphasizing the technological superiority and dependability of the process by which the service is produced a high tech approach. While technological drivers such as advances in Telecommunications, satellite, digital, and web technology are increasing the Tradability of services and expediting the globalization of services. The second concerns the consistent and dependable performance of the service Personnel a high touch approach. Social interaction and personal connectivity form the basis for emotional bonds, especially in services with high credence properties.

Since production and consumption of the service are inseparable, a customer's ease of contact with and timely access to the service supplier is crucial. With a few exceptions, researchers once established the relationship between national wealth and the degree of individualism maintained in a society. Parasuraman, Zeithaml and Berry. (1985) argued that as national wealth increases, members of a society have access to resources that allow them to be more independent. These resources include both non-personal and personal means of contact. The highly advanced and reliable communication infrastructure in developed societies presents various alternatives through which the customer/supplier connection is possible. Among these possible alternatives, non personal contact modes, such as telephone, facsimile, electronic mail, and telex, rank highest in terms of both ease of contact and timely access. Unfortunately, the majority of developing societies are still plagued with limited or unreliable communication networks, thus boosting the relative importance of direct personal contacts between the customer and the service supplier.

The premise of knowing the customer serves as the underlying basis behind a consistently growing area of interest in marketing thus relationship marketing. For service business, strong customer relationships are of particular importance because of their inherently interpersonal focus and the relative lack of objective measures for evaluating service quality. There are essentially three levels of relationship marketing (Berry and Parasuraman, 1991): The first level is based on financial incentives, such as price discounts, given to the customers to retain them; the second level is where firms combine financial and social benefits, emphasizing staying in touch with clients, learning about their wants and needs, customizing the relationship, etc.; the last level solidifies this relationship with structural and psychological bonds in addition to social and financial bonds.

Building on Berry and Parasuraman's framework, Kumar, Kee and Manshor (2009) added a strategic dimension in the levels of relationship whereby value-added benefits were provided by both relational partners as in strategic alliances. Mass-customization as a service strategy originates from a customer-centric approach facilitated by information technology. Many customers still have to be informed and briefed about the functional aspect and benefits of the service, and may be persuaded to patronize the service on the basis of marketing-mix strategies especially price discounts.

One of the major determinants of service quality is timely and adequate response. Employees should be willing and able to deliver timely and substantive response to inquiries and complaints of customers. Service recovery and problem solving have long been recognized as important parts of services quality (Kuo, 2003). The relative importance of timely versus substantive response differs between different organizations. Such differences arise as a result of the relative value with which time is regarded in each of these markets. While some customers place a higher value on

time, Some characterize time as a limited and scarce resource; the term saving time in fact implies reallocating time across activities to achieve greater efficiency (Berry et al., 1991). The marketing literature assumes that there is a relationship between time scarcity and consumers' desire for goods and services that offer convenience.

Certain customers have perceived time as money and tried to use it efficiently with a focus on the present. The goal was to strive towards completion without detailed scheduling. Thus, merely responding to a customer's inquiry or satisfactorily resolving a customer's complaint a goal that is generally regarded as sufficient in its own end tends to fall short of meeting a customer's expectations of quality of service. In service organizations, these tasks should be addressed and resolved swiftly. Competence Possession of the required knowledge and skills to provide the service is critical to the success of any service supplier. Competence of the service firm could be centralized around the organization as a whole or around the contact personnel. Communicating the quality of the service with customers is better achieved by focusing on the competence of the organization providing the service. Expertise and skills are to be reflected in the organization. On the other hand, competence and trust are focused on the individual's reliability and dependability.

Another cultural factor that supports such strategies is power distance. Employees at different levels of the organization are regarded as unequal in roles, power, and skills. Superiors are highly regarded people. Unfortunately, employees at such high management levels are rarely accessible to the ordinary customer. Consequently, customers seek to correlate the competence of the ordinary contact employee with that of the organization as a whole. On the other hand, a small power distance, whereby both superiors and subordinates of an organization regard one another as people like me. With an egalitarian environment, hierarchy in organizations reflects nothing more than

inequality of roles that is established for convenience. The focus is more on individuals than on roles in interaction (Zeithaml et. al., 2006). Thus, employees are generally regarded as competent in their own role or domain. In service markets, competence and achievement of individual employees is of a relatively higher importance.

Since a customer's satisfaction with the service is largely dependent upon his/her interaction with the service provider, the number, appearance, and behavior of employees in the service environment can either induce approach or avoidance behavior. Customers typically do not distinguish between the service and the service provider. Thus, service personnel should respect and reflect the customers' cherished values and norms. The difference between services lies in the manifestation of such courtesy. In an individualist culture, individuals attach great importance to their privacy, freedom and experience (Laroche et al., 2004). However, on the other hand, important features of a collectivist culture include accepting social norms and beliefs defined by the in-group and maintaining harmony within the in-group (Zeithaml et. al., 2006). The study by Zeithaml and Bitner (2003) validated that the normative component was significantly higher than the attitudinal component for a collectivist sample as compared to a non-significant normative component in an individualistic sample.

In individualistic societies, emphasis of service personnel is placed upon reflecting a deep respect and dedication to individual rights, beliefs, attitudes, and privacy. In contrast, in the collectivist societies, service personnel should not only abide by the widely accepted social norms and obligations of the community, but also mirror their respect and commitment toward these norms (Laroche et al., 2004). Service companies encourage favorable word-of-mouth communication. In many situations customers seek the opinions of others before selecting a bank or a car repair shop.

However, more detailed and complex information needs to be provided about the benefits of service to elite customers since their level of education and their cognitive structures are well suited for such elaborations. In short, they have the ability to give more deliberate thought to purchase choices. These customers are more likely to utilize central processing of information (Zeithaml et. al., 2006), given other factors are constant. In less educated societies, communications are often explicit, direct, and unambiguous.

On the contrary, these customers, despite high intelligence, are prone to peripheral processing in general because poor information flow restricts their ability to use central processing. Non-business related informal communications (or small talks) and the quality of interaction, form the basis of mutual understanding and trust (Laroche et al., 2004). These consumers collect their evidence more from endorsements of satisfied customers, brand and manufacturer's image, and also through interpersonal factors like family, social group, and social class. Marketing managers should tackle the predominantly consciousness associated with the individualistic nature of elite societies by stressing the individual benefits to be reaped from the service. On the other hand, the predominantly consciousness associated with the collectivistic nature of the uneducated, is best handled by projecting the public benefits of the service as well as its acceptance by the society (Zeithaml et. al., 2006).

Given the intangible nature of services and the inseparability of production and consumption of the bulk of services, it is difficult for customers to perform prior evaluation of a firm's service. Thus, the trustworthiness, believability, and credibility of the service supplier are crucial determinants of patronage (Zeithaml and Bitner, 2003). Recently, corporate credibility has been shown to play an important role in influencing attitudes and purchase intentions. Corporate credibility forms part of

a positive corporate image or reputation. Customers are more likely to demand that service providers be efficient and task-oriented. Consequently, the credibility issue is better addressed through conveying to the potential customers a glimpse of the firm's outstanding performance through the years, supported by a statistical data. On the other hand, where emphasis is placed on belonging to organizations that are generally regarded as the source of expertise, order, duty, and security in the society (Zeithaml et. al., 2006), weak customers with little self-confidence are more dependent on the service providers for assurance (Laroche et al., 2004). Thus, the service supplier operating in a weak society (the uneducated) should stress the company's long tradition and importance in the society as a means of highlighting the credibility and trustworthiness of the firm.

Due to the low reliability of service firms in developed societies, there is a high concern and need for freedom from danger, risk or doubt which include physical, financial and emotional security (Parasuraman et al., 1985). Along with physical risk are the financial as well as emotional risks. Laroche et al., (2004) discussed three types of need: need for security (physical and financial), need for justice, and need for self-esteem. Customers need stability and predictability of their safety and financial concerns. There is also a need for distributive, procedural, and interactional justice during a service encounter. Finally, at the highest level, there is the need for self-esteem that is the key to customer delight. It can be argued that in undeveloped societies, consumers are at a lower order need (security) whereas in developed societies consumers are at a higher order need (self esteem), since the lower order needs are not yet fulfilled in undeveloped societies. On the other hand, in developed societies the stakes are probably at the emotional level since there is a very low chance that the above physical mishandlings would occur. Even if it does occur, crisis management and compensation is adequate and forthright.

Tangibility refers to the physical evidence of the service, consisting of physical facilities, appearance of personnel, tools or equipments, physical presentation of the service, and other customers in the service facility (Parasuraman et al., 1985). Customers are generally satisfied with acceptable performance of the service in terms of the core benefits it promises to offer. In general, these consumers are highly functional in their choice criteria partly due to personality factors that are in turn shaped by higher-level influences such as values, meanings, culture, and philosophy of life (Zeithaml et. al., 2006). The core benefits of a service refer to the essence of the service that can never be substituted by fancy facilities and tangibles. On the other hand, the high level customers are generally satisfied only when the service offers extended benefits beyond the functional ones. These extended benefits tend to be more intangible than the core service. Zeithaml and Bitner (2003) explain the impact of services capes in influencing customers at the physiological, sociological, cognitive and emotional levels. In terms of Maslow's hierarchy, product needs are of a lower Order compared to those of undeveloped societies that are of a higher order. Thus, while a Service supplier in a less developed country could be preoccupied with communicating the Quality and value of the service per second, a supplier in a developed society can take extra Effort to present added benefits such as lifestyles and sensory experiences.

2.4   Customer Loyalty

Customer loyalty is an aspect of consumer behavior. Organizations are focusing on this area due to the growing concerns for building long-term relationships with customers. Customer loyalty has been identified in the marketing literature to be a competitive, growth and survival tool for many companies, especially in the highly globalized, industrialized and competitive markets. According to Oliver (1999) customer loyalty is said to be a deeply held commitment to rebuy or repurchase a preferred product/service consistently in the future, thereby causing repetitive, same-brand or same

brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour. Generally, it is agreed upon that growth and survival of companies depend on how loyal their customers are in almost all industries (Boohene & Agyepong, 2011).

Customer loyalty is the long and uninterrupted retention of the relationship by offering service that meets and even goes beyond the customer needs. Customer loyalty is defined with consideration paid to the amount of buying for a given trademark. According to Faizan, Nawaz and Khan (2011), the term customer loyalty is used to describe the behavior of repeat customers, as well as those that offer good ratings, reviews, or testimonials. Some customers do a particular company a great service by offering favorable word of mouth publicity regarding a product, telling friends and family, thus adding them to the number of loyal customers. However, customer loyalty includes much more. It is a process, a program, or a group of programs geared towards keeping a client happy so he or she will provide more business. Customer loyalty is all about attracting the right customer, getting them to buy, buy often, buy in higher quantities and bring you even more customers. However, customer loyalty is built by keeping touch with customers using email marketing, thank you cards and more, treating the employees well so they treat the customers well, showing that the institution cares and remembering what customers like and don't like, building it by rewarding them for choosing the institution over the competitors and finally building it by truly giving a damn about them and figuring out how to make them more success, happy and joyful (Butcher, 2001).

Ehigie (2006) customer loyalty can be achieved in some cases by offering a quality product with a firm guarantee. Customer loyalty is also achieved through free offers, coupons, low interest rates on financing, high value trade-ins, extended warranties, rebates, and other rewards and incentive

programs. The ultimate goal of customer loyalty programs is happy customers who will return to purchase again and persuade others to use that company's products or services. This equates to profitability, as well as happy stakeholders. The concept of customer loyalty is anchored on the theory of consumer behavior which is the study of when, why, how, and where people do or do not buy a product. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the buyer decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioral variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.

Customer behaviour study is based on consumer buying behaviour, with the customer playing the three distinct roles of user, payer and buyer. Consumer behavior includes motivational theory, personality theory, and consumer behavior model among others. There are various dimensions of customer loyalty like the service quality, service features and customer complain handling. Loyal customers are more likely to give information to the service provider (Coelho and Henseler, 2012). Managing loyalty is important because it means not only managing behaviour but also managing a state of mind. It is argued that the findings in the field of brand loyalty did not generalize to service loyalty for the following reasons: service loyalty is dependent on the development of interpersonal relationships as opposed to loyalty with tangible products, in case of services, the influence of perceived risk is greater and intangible attributes such as confidence and reliability are the important factors to maintain the customer loyalty in the service context (Szymigin and Carrigan, 2001). He also identified the two dimensions of loyalty (relative attitude and repeat patronage behaviour) and four categories of loyalty which include loyalty (positive relative attitude, high

repeat patronage), latent loyalty (positive relative attitude, but low repeat patronage), spurious loyalty (low relative attitude, high repeat patronage), and no loyalty (low on both dimensions).

As identified by the researchers that customer loyalty as a construct is comprised of both customers' attitudes and behaviors. Customers' attitudinal component represents notions like: repurchase intention or purchasing additional products or services from the same company, willingness of recommending the company to others, demonstration of such commitment to the company by exhibiting a resistance to switching to another competitor, and willingness to pay a price premium. On the other hand, the behavioral aspect of customer loyalty represents- actual repeat purchase of products or services that includes purchasing more and different products or services from the same company, recommending the company to others and reflecting a long-term choice probability for the brand (Chodzaza and Gombachika, 2013). It can be concluded that customer loyalty expresses an intended behavior related to the product or service or to the company.

Chu, Lee and Chao (2012) has defined customer loyalty as the mind-set of the customers who hold favorable attitudes toward a company, commit to repurchase the company's product/service, and recommend the product/service to others. The researchers have used the definition of Chu, Lee and Chao (2012) for this study. In the case of commercial banks, some level of customer loyalty has been realized regarding attitudinal loyalty, behavioral loyalty and cognitive loyalty, however, there have also been major deterrents to customer loyalty which have undermined customer loyalty at the banks. Given the current situation in commercial banks, it is hoped that the situation will change once a study is conducted to provide information on how the banks' customer loyalty can be improved through attitudinal, behavioral and cognitive loyalty.

According to Iddrisu (2011), loyalty is developed over a period of time from a consistent record of meeting, and sometimes even exceeding customer expectations. Customer loyalty can therefore be achieved in some cases by offering a quality product with a firm guarantee or through free offers, coupons, low interest rates on financing, high value trade-ins, extended warranties, rebates, and other rewards and incentive programs. The ultimate goal of these is to develop happy customers who will return to purchase again and persuade others to use that company's products or services. This equates to great cost savings and profitability to the company through the keeping of current customers as against attracting new ones as well as making stakeholders happy (Mukherjee, 2009). Loyal customers are those who are not easily swayed by price inducement from competitors, and they usually purchase more than those less loyal customers. However, there are many factors for such manner of customers to remain loyal.

2.5   Service Reliability and Customer Loyalty

Reliability refers to the ability to deliver expected standard at all time, how the organization handle customer services problem, performing right services for the first time, providing services within promised time and maintaining error free record. The reliability construct in the SERVQUAL model represents the service provider's ability to perform the promised service dependably and accurately. This is achieved through keeping promises to do something, providing right service, consistency of performance and dependability, service is performed right at the first time, the company keeps its promises in accuracy in billing and keeping records correctly ,available merchandise and error-free sales transactions and records. Reliability also consists of accurate order fulfillment; accurate record; accurate quote; accurate in billing; accurate calculation of commissions; keep services promise (Yang et al., 2003). The higher customers appreciate on reliability, the higher the overall evaluation of retail service quality is (Ndubisi, 2006). Therefore,

service reliability has a greater impact on services than on goods (Xi and Zhang, 2009). Reliability is defined as the ability to perform the promised service dependably and accurately. In its broadest sense, reliability means that the organisation delivers on its promises about delivery, service provision, problem resolution, and pricing.

Customers want to maintain good relations with organisations that keep their promises, particularly promises about the service outcomes and core service attributes. According to some empirical studies, reliability is the most important dimension of service quality. In the virtual environment, it is vital to make customers trust that the organization is going to perform what it promises to do (Giese and Cote, 2002). Therefore, high service reliability is the flawless performance of a pre specified service, such as a train that arrives on schedule, a well-tuned car after maintenance, or a charity fund that rightfully redistributes subscribers' donations (Xi and Zhang, 2009). In service markets, especially with highly specialized services, customers are often expected to contribute to a service by providing information about the specifications desired. Service reliability means consistently performing the service dependably and accurately. According to Ananth, Ramesh and Prabaharan (2011), service reliability is the service core to most customers and managers should use every opportunity to build a do-it-right-first-time attitude.

Specifically, managers are encouraged to include reliability issues in their mission statements, set reliability standards, teach the importance of reliability in training programs, appoint reliability teams to study specific services and recommend ways to improve reliability, measure error rates and reward error-free service (Kotler, Armstrong, Saunders and Wong, 2002). Portraying the reliability and consistency with which the service is delivered can take two routes. The first

involves emphasizing the technological superiority and dependability of the process by which the service is produced a high tech approach.

The second concerns the consistent and dependable performance of the service personnel a high touch approach. Social interaction and personal connectivity form the basis for emotional bonds, especially in services with high credence properties (Xi and Zhang, 2009). Some of the reliability factors under service quality are staff keeping promises, sincere interest in solving customers' problems, staff performing service right the first time, provides services at the time they promise to do so, insisting on error-free records and staff telling customers exactly when services will be performed. Kumar et al (2009) continue to add to reliability factor items like service provider performing the service the right time it is wanted by the customers, Service is done right from the beginning, having trust that the staff will solve any problem if it occurred and clients' transactions being error free. Eshghi, Roy and Ganguli (2008) observe that reliability is the strongest predictor of customer loyalty because it embeds the dynamic capability to perform the promised service dependably and accurately.

Whether the service is realized according to service specifications is a reliability question. Kuo (2003) states that service realization not only concerns the outcome of the service process but also the actual creation and execution of the service. It involves the service encounter, human contact, operations, time and environmental factors. Under these circumstances, customers are focused on the employee encounter, length of waiting lines and other features of service realization assert Negi (2009). A mismatch between service specifications and customer needs will not lead to satisfaction and in turn loyalty either regardless of the quality of the realization. Customers will always want to see at least some of their needs and demands reflected in the service specifications

(Ahmed, et.al 2010). Thus, the better the match between service specifications and customers' needs, the more satisfied customers are and in turn loyal to the company. Service reliability is a salient dimension of customer satisfaction evaluation, meaning that it has to be achieved to attain customer loyalty (Saunders, Lewis and Thornhill, 2009). However, customer loyalty will vary with their experiences and the service information available to them before, during and after service delivery.

In regards to telecom services, Jay and Barry (2014) noted that the reliability of machine parts or product parts is considered as consistently good in quality or performance which is able to be treated at any time. For telecom environment condition and technical reliability are equated to reliable design that is functional. Stiakakis and Georgiadis (2009) found reliability as fundamental criterion of superior electronic service quality. Yang and Fang (2004) stated that reliability consists of accurate order of fulfillment, accurate record, accurate quote, accurate billing, and accurate calculation of commissions which keep the service promising to the customer. There are the two important factors that give effects to the banking service; consistency and dependability. First, consistency refers to uniformity or compatibility between things or parts.

This means that the quality is always the same, doing things in the same way and having the same standards. Frei, et. al. (1999) suggest that service quality should include uniformity of service output around an ideal target value determined by customers. Banks need to address the changing needs in predictable and consistent manner. Second, dependability refers to the assurance of providing services as expected. Trust is another key factor influencing the adoption of various types of service in electronic banking (Rexha, et. al., 2003). For that reason, security has been considered as one of major concerns for telecom institutions. For that reason, companies should

provide accurate transaction such as correct details of customers, routine transaction records, and receipt printing. Information accuracy and order accuracy is another critical dimension in providing online service quality (Collier and Bienstock, 2006).

2.6   Service Responsiveness and Customer Loyalty

Responsiveness is defined as the ability to respond to customer requirements timely and flexibly. Responsiveness is the determinant that defines the willingness to help customers and to provide prompt services. It is the desire and willingness to assist customers and deliver prompt service. It involves features such as the opening hours of the service provider, the politeness of the employees and the time the customer has to wait in order to get the service. Eugene and Jamie (2000) observed that responsiveness includes customers always being informed when the service is done, staffs always respond to customer's requests; employees serving customers without delay or hesitation are part of the responsive factor. Eshghi, Roy and Ganguli (2008) observes that responsiveness measures the extent to which organisations put in place measures to requests and suggestions and provide assistance to customers in case of problems. It therefore means that effective response has positive impact on customer loyalty. In other words, it describes how quickly and effective the response to the customer is. Willingness to help customers is likely to have an important and positive effect on customer' perceived service quality and customer loyalty in the telecom sector.

Ananth, Ramesh and Prabaharan (2011) also found that responsiveness is positively related to service quality and customer satisfaction. It is also involves understanding needs and wants of the customers, convenient operating hours, individual attention given by the staff, attention to problems and customers' safety in their transaction (Saunders, Lewis and Thornhill, 2009). Aqeel,

et. al., (2014) found that services such as prompt communication to the customer are vital. Customers are concerned whether their organisation will provide the right information to the right customers promptly. This creates public confidence, and thus helps customers to make the right decisions at the right time. Responsiveness is likely to have an important and positive effect on customer loyalty (Saravanan and Rao, 2007).The higher customers appreciate problem solving, the higher overall evaluation of retail service quality is. Customers judge a firms responsiveness shown in response to their questions, complaints and problems. This was stressed further by Namasivayam (2004) who also emphasized that when a customer has a need, meet it, be easily accessible and available to customers. They emphasize that responding fast to customer requests breeds better relations which in turn impact on customer satisfaction (Wang and Hing-Po, 2002).

Brady and Robertson observe that when the service failure occurs the firm's response has the potential to either restore customer satisfaction and reinforce loyalty or fail to handle and drive the customers to competition. customer too have an ardent desire of getting services at places where they feel comfortable and where the service provided is in their perception of highest quality as advanced. Namasivayam (2004) observes that consistently addressing the needs of the customer through attention to detail, prompt and courteous assistance, and the use of knowledgeable employees is the first objective in providing a memorable experience. Eshghi, Roy and Gangul (2008) say that good service delivery elicits the best outcome in terms of customer loyalty. This study will focus on flexibility in terms of customer complaints resolutions and readiness to respond requiring systems as a measure of responsiveness.

Mariappan (2006) stated that revolution of information technology has brought astonishing changes in business environment which no other sector has been influenced by advancement in

technology as much as the telecom sector. Telecom companies have to adopt technology to deliver their services and at same time reduce cost due to creation of value added services for customers (Zhu, Wymer and Chen, 2002). It is crucial for telecom companies to better understand the changing customers' needs and adopt the latest information technology system in order to compete more effectively with global organizations (Malhotra and Mukherjee, 2004). Through technology, companies are able to perform consistently and respond quickly in line with customers' requirement that will bring up the level of customers' satisfaction. Shariq and Tondon (2012) argued that customers prefer to use telecom services due to the adaptation of new technology that customers need to be ensured in term of security. Subsequently, timeliness can be defined as the quality or habit of arriving or being ready on time or punctual. Timeliness is occurring at a suitable time, seasonable, opportune and well-time. The establishment of speed in operation that reduces waiting time is an important factor of telecom services quality (Mobarek, 2007). Dilijonas, et. al. (2009) identified that elements which contributed to timeliness in banking services are speed, high uptime, errors, cash backup, and quality service at reasonable cost.

2.7   Service Tangibility and Customer Loyalty

Tangibility relates to the physical aspects or evidence of a service. Physical aspects of retailer include appearance of equipment and fixtures, physical facilities, materials associated with the service, appearance of personnel and communication materials, convenience of physical facilities and layouts. In addition to the appearance of the facilities, it also takes into account the convenience offered to the customer by the layout of physical facilities (Ananth, et. al., 2011). The higher customers appreciate on the physical aspects, the higher the overall evaluation of retail service quality. (Bellini, et. al., 2005). Angur et al (1999) found that business premises should have a high standard of decoration and a nice environment to positively influence service quality which

will consequently lead to customer loyalty. The physical service setting is a very important tangible factor that influences service quality perceptions.

Bitner (1992) proposed that the physical setting of the place of service, including not only visual aspects such as color and texture, but also noise, odors, and temperature is of particular importance and capable of altering customer expectations and strongly influencing consumer responses and satisfaction. Bitner (1992) called the combined physical and sensory elements of the place of service the services cape. Wakefield and Blodgett (1996) also found that services cape in terms of layout, aesthetics, electronic displays, seating, and cleanliness on consumers' perceptions of service quality has a relatively consistent and strong effect on customer retention and their re-patronage intentions. They noted that the strongest element in the perception of service quality was the aesthetic appeal of the facility architecture and décor, remarking that customers' first impressions of the facilities influence their overall assessment of the services.

Furthermore, the tangibles of a service or service provider can be represented by the physical appearance of employees and other physical infrastructures. This has also seen the introduction of a dress code or uniform for employees across the country (Kim and Jin, 2002). The ambient conditions of the company greatly contribute to service quality. Brady and Cronin (2001) found that consumers react not only to products, but also to the features that accompany the product. They asserted that consumers make their purchase decision and respond to more than simply the tangible product or service being offered but respond to the total product. One of the most significant features of the total product is the place where it is bought or delivered. Atmospherics relates to the effort to design buying environments to produce specific emotional effects in the buyer that enhance his purchase probability. In some cases, the place, more specifically the

atmosphere of the place, is more influential than the product itself in the purchase decision. In some cases, the atmosphere is the primary product. They called this atmospherics or the effort to design buying environments to produce specific emotional effects in the buyer which enhance his purchase probability.

In some cases, this sensory input was recalled more clearly than was the product itself and the emotions triggered were of greater importance than the utility of the product in customers' ultimate choice of products. Atmospheric clues affect consumer moods and emotions which, in turn, affect purchase behavior and response to products (Jiang and Wang, 2006). The other tangibility aspect is the interior design of premises and facilities. The interior design of the premises and facilities influences customers' perception of service quality, customer satisfaction and loyalty. Kalcheva and Weitz (2006) found that the interior environment of business settings had an impact on consumer purchasing behavior, particularly on re-patronage intentions or decisions. Le Bel (2005) and Berry et al., (2006) explored the relation between emotion and perception of service quality with specific reference to the service facility and concluded that the interior environment can create mood or trigger feelings, which in turn affect behavior, customer satisfaction, and perceptions of service quality. The interior environment can influence customer emotions especially in extended service transactions (Berry et al., 2006). Baker and Cameron (1996) found that bright lighting, uncomfortable temperature, fast or loud music, oversaturated and warm colors, uncomfortable seating, and glare create negative emotions and cause customers to overestimate wait times.

Conversely, lower lighting levels, temperatures within a comfort range, soft and slow music, light and cool colors, and comfortable seating created positive emotions and caused customers to

underestimate wait times. They concluded that the interior environment can enhance the consumer experience in extended service interactions by creating positive emotions and reducing negative emotions. The adequacy of personnel and facilities are also aspects of tangibility that influence service quality perceptions. They affect the time taken by the business to the deliver the service. Waiting time is a part of many service encounters and can influence service quality perceptions (Brady and Cronin 2001). When customers perceive waiting time as favorable, they perceive the service quality to be higher (Brady and Cronin 2001). When they perceive waiting time as too long or too short, their evaluation of service quality declines (Taylor 1994). All elements of the interior environment, including the physical setting and ambient conditions, function as service clues that give customers an indication of the quality of the service to be received (Reimer and Kuehn 2005) and become important in determining customer loyalty.

2.8   Service Quality Management and Customer Loyalty

Service quality is defined as the difference between customers' expectations and perceptions of service (Parasuraman, Zeithaml and Berry, 1988) and can often be seen as a way to build a competitive advantage. Service quality as a multi-dimensional construct commonly regarded as customer judgments about service supplier and customer interactions and service itself (Zeithaml, et. al., 1996). According to Saunders, Lewis and Thornhill (2009), it is obvious that the perceptions of service quality and commitment are related to loyalty, but each of the aforementioned factors, may have a different impact on customer loyalty in a particular market. There are two kinds of reasons that can determine relationship breakdown between the customer and the organization - the natural causes (customer demand extinction) and artificial causes (inadequate product specifications, insufficient quality of service level).

It is obvious that in order to increase customer loyalty the organization must seek to eliminate both natural and artificial customer exit reasons. Service quality analysis makes an impact on the development of the customer loyalty concept–service quality can be regarded as one of the most frequently analyzed customer loyalty determinants. Tangible and intangible constituents of service quality were important in evaluating either customer view of an organization or customer trust in an organization (Saunders, Lewis and Thornhill, 2009). It has been defined that service quality is very important for customer satisfaction, and by it service quality impacts customer loyalty (Oliver, 1999). It can be stated, that the limitation of service quality studies is the inconsistency in determining the link between service quality and customer loyalty. Some studies have found that service quality determines customer satisfaction and affects customer loyalty through satisfaction (Berry et al., 2006). Other studies, in contrast, have justified the influence of customer satisfaction on the quality of service (Reimer and Kuehn 2005).

Kalcheva and Weitz (2006) attributed the approach of research into service quality to American and Nordic schools of thought. The approach of American school of thought to service quality is best revealed in SERVQUAL model developed by Parasuraman, et. al., (1985). In conceptualizing the basic service quality model the authors identified ten key determinants of service quality: access, communication, competence, courtesy, credibility, tangibility, reliability, responsiveness, security and understanding the customer. Later the authors grouped SERVQUAL dimensions into five and added assurance and empathy dimensions (Parasuraman, et. al., 1988). The approach of the Nordic school of thought is reflected in Berry, et. al., (2006) works where the author analyses service quality as a construct with two components – technical (or outcome) and functional (or process).

The technical component of quality shows the outcome obtained by the client by using the service whereas the functional component reflects the relation between the customer and the organization and the assessment of the service environment (Reimer and Kuehn 2005). Technical and functional quality components have been analyzed and dealt with the many authors - Brady and Cronin (2001) distinguished service environment as a quality component, Kalcheva and Weitz (2006) proposed to see service environment as a functional factor. It is obvious that both technical and functional quality components should be analyzed in the loyalty studies. The SERVQUAL model has been criticized due to the lack of generalizability across different retail sectors and not adequate capturing of customer perceptions in retail environment. Therefore new model for retail service quality measurement, Retail Service Quality Scale (RSQS), was introduced by Dabholkar, et. al., (2001).

The model has five dimensions (personal interaction, physical aspects, policy, problem solving and reliability), six sub-dimensions and 28 items. The physical aspect dimension refers to tangible dimension of SERVQUAL (Parasuraman, et. al., 1988) when attractive appearance of the store and materials associated with the services the store provides and convenience for the customer is evaluated. The reliability dimension stands for how the store keeps its promises. According to Le Bel (2005), reliability of the store can have an impact on the image of the store and service quality. Personal interaction is the combination of tangible and intangible service (Reimer and Kuehn 2005) and refers to the service personnel skills and behaviour. The problem solving shows how well and sincere the store handles with customer problems. The policy dimension refers to the quality of merchandize, parking conditions, operating hours.

Service industries are particularly much more affected due to the unique nature of their intangible products. Service marketing is different from goods marketing, and is usually more complex to manage. In service industries, the distinctive features of services (intangibility, inseparability, perishability and heterogeneity) require an understanding of and satisfaction of customer needs and expectations, creating, communicating and delivering customer value, and keeping promises. Within the services sector, service quality has been identified as an important topical issue accounting for effective service management as well as that of customer service loyalty. Both are regarded as strategic tools with potential to enhance competitiveness within the service organizations (Mobarek, 2007).

Competition in the mobile phone service sector has been intense all over the globe of which Uganda is no exception. Every firm in the sector has not relented in its effort in making its products and services known to the general public all with the aim of capturing market share. Even though several studies have been conducted on customer loyalty around the world, in the service industries however, little has been done (Mobarek, 2007). It is interesting to note that in the Ugandan mobile telephone service sector, no empirical study has been conducted to show the relationship between service quality and customer loyalty. In order to close this research gap in the literature, this study sought to identify and empirically analyze the factors that influence customer loyalty in the Ugandan mobile phone service sector and establish their relationship with service quality.

2.9   Conclusion

From the above literature review it is evident that service quality management in telecom companies impacts on customer loyalty. This study intends to investigate the relationship between

service quality management and customer loyalty as a significant factor to success of an organization. The reviewed literature did not relate customer loyalty to specific stages of service quality management and they are supposed to go through all the stages.

CHAPTER THREE

METHODOLOGY

3.0   Introduction

This chapter deals with the practical procedures for carrying out this study. It gave the details of the research design to be adopted, population of the study, sample size and sampling procedure, data collection methods, data analysis techniques and limitation of the study that were applied. It gave the framework within which data was collected and analyzed.

3.1   Research Design

This study adopted a case study research design to study the effect of service quality management on customer loyalty in MTN Uganda. A single-case design was considered appropriate as the interest of the research is to establish the effect of service quality management on customer loyalty at the time of the study. It made a detailed examination of a single subject, group or phenomenon and enables collection of sufficient data regarding effects of service quality management and customer loyalty (Mugenda and Mugenda, 1999). A case study design was adopted because the study was only carried at MTN. The study adopted only a quantitative approach which was descriptive and analytical in nature. The quantitative approach involved using scientific or mathematical data to understand a problem such as analyzing surveys to predict consumer loyalty. The approach was used to compile questionnaires and then examined the results to produce data-driven analysis. The quantitative approach provided figures which were useful in generalizing the results on service quality management and customer loyalty.

3.2   Study Population

The population of the study was comprised of SME Post Paid customers in Rubaga Division who were 190 (MTN Customer Report, 2015). To provide the views of the customers was either the manager or owner. The SMEs comprised of companies with subscription to less than 10 postpaid lines and operating an intercom with less than five extension lines.

3.3   Area of Study

The researcher conducted the study in the Rubaga division, Kampala district. MTN was chosen because it is Uganda's leading telecom service provider with a broad presence in all regions of the country (UCC Report, 2015). The district of Kampala and in particular Rubaga division was chosen for a number of reasons, first, because in comparison to other districts, the largest number of customers of the company are located in the district. Secondly, because of time and resource constraints, it was not possible for the study to cover all the regions of Uganda.

3.4   Sampling Size and Selection

3.4.1   Sampling Size

A total sample size of 122 was selected from the population size of 190 respondents. The sample size was determined using the Krejcie and Morgan's (1970) table of sample size determination. The SME was the unit of analysis.

3.4.2   Sample Selection

Mugenda and Mugenda (1999) define sampling as a formulation of a procedure for selecting the subjects or cases to be included in the sample. In other words, a sampling technique is a plan for obtaining a sample from a given population (Kothari, 2003). This study used systematic random sampling to select the sample size. According to Mugenda and Mugenda (1999), systematic

sampling is a statistical method involving the selection of elements from an ordered sampling frame. In this approach, progression through the list is treated circularly, with a return to the top once the end of the list is passed. Systematic sampling is a type of probability sampling method in which sample members from a larger population are selected according to a random starting point and a fixed periodic interval. When using systematic sampling a target population was selected prior to selecting participants. The population of SMEs was identified based on those companies that had been in business for a period of 5 years or more. This interval called the sampling interval is calculated by dividing the population size by the desired sample size. The research chose a sample size through a systematic approach after identifying a fixed starting point and thereafter a constant interval of 2 was selected to facilitate participant selection. This approach was used for the selection of SMEs.

3.6   Data Sources

3.6.1 Primary Data

Primary data was obtained through the use of self-administered questionnaires to respondents. Primary data was obtained from the field and in particular from the selected respondents in the geographical scope of the study. This is the first hand information that was collected from the respondents.

3.6.2 Secondary Data

The secondary data was used to enhance the investigation and it was obtained from existing literature by use of a documentary checklist. These documents included MTN Uganda records such as operational reports, quarterly and annual reports, journals articles, internet articles among others.

3.7 Data Collection Methods and Research Instruments

The data collection methods that were used in collecting data included the following;

3.7.1 Questionnaire

Using the questionnaire, the researcher developed a questionnaire that included specific objectives of the study for respondents to complete in writing. A closed ended questionnaire was used and anchored on a Likert scale ranging from strongly disagree (1) to strongly agree (5). The questionnaire obtained specific responses which were easy to analyze. It gave an accurate profile of the situation and the data that was provided was used to describe who, what, how, when and where concerning the variables in the study and also establish the relationship between the independent and dependent variables. This method was used to collect data from customers and operational staff.

3.7.3 Document Review

Document review is the process whereby each party to a case sorts through and analyzes the documents and data they possess to determine which are sensitive or otherwise relevant to the case. Information on the topic was collected from already existing archived documents. Document review was the main source of secondary data from text books, internet, media, journals, articles, bulletins, reports, policies, minutes, news papers, other researches and magazines.

3.8 Validity and Reliability

To ensure that items in the instrument are reliable and valid, the instruments were subjected to validity and reliability tests as explained below:

3.8.1 Validity Test

In order to determine the appropriateness of the instrument used in the research, a pre-test was conducted and the validity of the instrument was measured by its content. According to Mugenda and Mugenda, (2003), there are three techniques of validity in data; construct validity, content validity and criterion-related validity. Construct validity is a measure of degree to which data obtained from an instrument meaningfully and accurately reflects or represents a theoretical concept. Experts in the fields of service quality management and customer loyalty was given the instruments to assess what concept the instrument is trying to measure and to determine whether the checklist accurately represents the concept under study. Content validity is a measure of the degree to which data was collected using a particular instrument represents a specific domain of indicators or content of a particular concept. Content validity can be assessed by using two different instruments which must measure the same concept. Validity was determined by using Content Validity Index (C.V.I). C.V.I = Total items rated correct divided by the total number of items in the questionnaire. Kathuri and Pal (1993) argue that items with validity coefficients of at least 0.70 are accepted as valid and reliable in research.

Table 3.1: Validity

Variable	Anchor	Number of items	Content Validity Indices
Reliability	Likert Scale	14	.802
Responsiveness	Likert Scale	14	.874
Tangibility	Likert Scale	10	.773
Customer loyalty	Likert Scale	10	.894

Source: Primary data, 2016

The computed CVIs for the different items all of them scored above 0.7 showing that they have met the acceptable standards (Amin, 2005). From the results all the Content Validity Indices ranged from .773 to .894, therefore meeting the acceptable standards.

3.8.2 Reliability Test

A pre-test on the reliability of the research instruments was carried out to establish whether the instruments are consistent in measuring the concepts it is intended to measure. Reliability in research is influenced by random error (Mugenda and Mugenda, 2003). They continue to argue that random error may arise from inaccurate coding, ambiguous instructions to the subjects, interviewer's fatigue and interviewer's bias to mention a few and these errors are deviations from a true measurement due to factors that have not been addressed by the researcher. The researcher therefore ensured that the instruments minimized random error and hence increased the reliability of the data collected. In order to measure reliability, a score obtained in one item was correlated with scores obtained from other items in the instrument. Cronbach's Coefficient Alpha was then computed to determine how items correlated among themselves. Cronbach's Alpha is a general form of the Under-Richardson (K-R) -20 formula. According to Sekaran (2003), coefficient alpha of 0.7 and above was considered adequate.

Table 3.2: Reliability

Variable	Anchor	Number of items	Cronbach Alpha Value
Reliability	Likert Scale	14	.810
Responsiveness	Likert Scale	14	.815
Tangibility	Likert Scale	10	.797
Customer loyalty	Likert Scale	10	.870

Source: Primary data, 2016

According to Cronbach (1950), coefficient alpha of 0.7 and above is considered adequate. From the results all the Cronbach alpha coefficients ranged from .797 to .870, therefore meeting the acceptable standards.

3.9   Data Management and Analysis

After collecting the questionnaires and the interview schedules, the researcher did central editing to check the questionnaire for obvious errors such as wrong entry, and missing or inappropriate replies. The researcher also contacted respondents for clarifications where necessary.

3.9.1   Quantitative Data Analysis

The data collected was compiled, sorted, edited and coded to have the required quality, accuracy and completeness. It was then entered into the computer with the facilitation of Statistical Package for Social Sciences (SPSS Version 20) for analysis. SPSS is a data management and analysis program. It allowed the researcher to store and analyze very large amounts of large data. The statistics that SPSS is capable of are far more complex than the statistics that can be done in excel which makes it more desirable as an analysis tool. Using SPSS, the data was cleaned and analyzed according to the research questions.

3.9.2   Data Presentation

 To present the results, frequency tabulations were generated to present the results of the sample characteristics and item means, standard deviations, whereas, Pearson correlation was used to present the results of the objectives of the study. Regression analysis was used to understand the combined effect of the dimensions used to measure service quality management on customer loyalty.

3.10 Ethical Considerations

When carrying out research the following ethical considerations were observed. Permission of the people who were to be studied was sought to conduct research involving them. This was done by attaining an introductory letter from the University introducing the researcher to the management of the SMEs. Written or verbal informed consent from all respondents was sought before interviews are conducted and the purpose and objectives of the study was carefully explained to the respondents. The researcher was careful not to cause physical or emotional harm to respondents and ensure objectivity during the research so as to eliminate personal biases and opinions. Likewise to ensure confidentiality of the respondents, the researcher designed the tools in such a manner where the respondent were not required to provide personal details such as names.

3.11 Limitations of the Study

The case study analysis used by the study undermined the quality of information that was collected to represent the views of all SME Post Paid customers at MTN

The time horizon used in the study only collected data at a point in time, therefore providing views as of when the study was carried out. However, the research encouraged customers to provide as much information as possible and to bridge this gap, the researcher pointed out that a longitudinal study was more appropriate for the study so as to gain a clear understanding of customer loyalty at MTN.

The items used to measure the study variables were adopted from other studies that had been conducted on other sectors in developing and developed countries which could have undermined the quality of data that was collected for the study. In order to ensure that the right questions were

asked during the interviews, the tools were moderated by experts in the field of marketing to ensure that the right questions were used to collect data for the study.

3.12   Conclusion

Chapter three dealt with research methodology, providing the research design adopted for the study, the population from which a sample size was selected scientifically, the tools used to collect the data, testing of the tools, data analysis, ethical considerations and limitations of the study. The following chapter dealt with the analysis, presentation and interpretation of the study results.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND PRESENTATIONS OF FINDINGS

4.0   Introduction

This chapter presents the empirical findings, analysis and interpretation of the study according to the objectives of the study which included; establishing the effect of service reliability on customer loyalty, assessing the effect of service responsiveness on customer loyalty and to examine the contribution of service tangibility on customer loyalty. The chapter is composed of demographic characteristics and study objectives.

4.0.1 Response Rate

Response rate in survey research refers to the number of people who answered the survey divided by the number of people in the sample. Therefore, response rate is viewed as an important indicator of survey quality. Amin (2005) posits that higher response rates assure more accurate survey results. From the 122 questionnaires that were distributed, 107 useable questionnaires were filled and returned giving a response rate of 87.8%. The high response rate was justified by the fact that the researcher was active and focused in collecting data.

4.1   Demographic Characteristics of Respondents

Demographic information is aggregate and probabilistic information about groups, not about specific individuals. To present demographic characteristics, frequency tabulations were used to indicate variations of respondents based on gender, age, tenure as client/staff, highest level of education and years of operation. The demographic characteristics were presented basing on the responses from the respondents.

4.1.1 Gender Distribution

Frequency tabulation was used by the researcher to present the distribution of gender of the respondents. Table 4.1 below presented the results:

Table 4.1: Showing Gender Distribution

Category	Frequency	Percentage
Male	66	61.7
Female	41	38.3
Total	**107**	100.0

Source: Primary data, 2016

From the results in table 4.1 above, 61.7% of the respondents with a count of 66 comprised of the male whereas, the female with a count of 41 accounted for 38.3%. From the results it is clear that the male were more responsive than the female. This indicates that the majority of the respondents who were male were the owners or managers of these SMEs

4.1.2 Age Group Distribution

Frequency tabulation was used by the researcher to present the distribution of the age groups of the respondents. Table 4.2 below presented the results:

Table 4.2: Showing Age Group Distribution

Category	Frequency	Percentage
20-25 years	7	6.5
26-30 years	21	19.6
31-35 years	42	39.3
36-40 years	27	25.2
40+ years	10	9.3
Total	**107**	100.0

Source: Primary data, 2016

According to the results in table 4.2, 39.3% with a count of 42 of the respondents were under the 31-35 years age group, 25.2% with a count of 27 respondents belonged to the 36-40 years age group, 19.6% with a count of 21 belonged to 26-30 years age group, 9.3% of the respondents were under the 40 years and above age group, whereas, 6.5% were under the 20-25 years age group. The results implied that the respondents were mature enough and had enough experience in business and could therefore provide the required information on service quality management and how it can enhance customer loyalty at MTN.

4.1.3 Tenure as Customer of MTN

Frequency tabulation was used by the researcher to present the tenure as consumer of the company respondent category distribution. Table 4.3 below presented the results:

Table 4.3: Tenure as Customer of MTN

Category	Frequency	Percentage
< 1 year - 1 year	6	5.6
2 – 3 yrs	14	13.1
4 – 5 yrs	37	34.6
6 – 10 yrs	28	26.2
Above 10 yrs	22	20.6
Total	**107**	100.0

Source: Primary data, 2016

From the results in table 4.3 above, 34.6% of the respondents had conducted business with the company for 4-5 years, 26.2% had carried out business with the company for 6-10 years, 20.6% had conducted business with the company for over 10 years, 13.1% had carried out business for 2-3 years and 5.6% had conducted business for less than 1 year. This is implication that the majority of the SMEs had conducted business with the company for at least more than 4 years and were

enjoying the services of MTN. This was also confirmation that they possessed the required experience to provide information for the study.

4.1.4 Level of Education distribution

Frequency tabulation was used by the researcher to present the level of education respondent category distribution. Table 4.4 below presented the results:

Table 4.4: Level of Education Distribution

Category	Frequency	Percentage
Below Diploma	21	19.6
Diploma	27	25.2
Bachelors degree	38	35.5
Professional Qualification	6	5.6
Masters	11	10.3
Others	4	3.7
Total	**107**	100.0

Source: Primary data, 2016

From the results above, the majority of the respondents (35.5%) were degree holders, 25.2% were diploma holders, 19.6% possessed qualifications lower than diploma level, 10.3% were masters holders, 5.6% held professional qualification level of education and 3.7% held other qualifications. This implies that data was collected from respondents who were able to read and understand and would therefore provide the required information on how service quality management affected customer loyalty.

4.2   Descriptive analysis for Customer Loyalty

This section focuses on the respondents' level of agreement and disagreement in regard to customer loyalty at MTN. In order to achieve this, the study used a number of self administered questions to collect data. The self administered questions were rated on the 5 point Likert scale ranging between strongly agree, agree, undecided, disagree and strongly disagree. The self administered questions item means showed the average response from the respondents for each item in relation to customer loyalty. The findings are shown in table 4.5 below:

Table 4.5: Item Means for Customer Loyalty

Items	Min	Max	Mean	StDev
I usually talk positively about MTN to other people	1	5	3.61	.951
I would definitely recommend MTN to my friends and relative	1	5	3.63	.759
I would encourage my friends and relatives to do business with MTN	1	5	3.44	.877
I do not have any regrets with MTN	1	5	3.56	.676
Every time I need to communicate, I do it with the MTN network	1	5	3.02	.774
It is likely that I will continue to be a customer of MTN in the future	1	5	3.57	.792
I really prefer to remain customer of MTN	1	5	3.58	.752
Whenever I need telecom services, MTN is my first choice	1	5	3.68	.700
It is rare that I wish to move to another telecom company	1	5	3.33	.792
I usually talk positively about MTN to other people	1	5	3.65	.742

Source: Primary data, 2016

According to the results in table 4.5 on customer loyalty, the respondents agreed that whenever customers needed telecom services, MTN was their first choice (mean=3.68; SD=.700) and usually talked positively about MTN to other people (mean=3.65; SD=.742) which was justification that the respondents were to some extent contented and happy about their choice of MTN as their telecom service provider. The respondent revealed that they would definitely recommend MTN to their friends and relatives (mean=3.63; SD=.759) which was justification that the customers would spread positive word of mouth about the company. This is why they agreed that they would continue to be customers of MTN in the future (mean=3.57; SD=.792) and preferred to remain

customers of MTN (mean=3.58; SD=.752) and did not have any regrets (mean=3.56; SD=.676). This is corroboration that the company was to some extent delivering services to customers as expected resulting customer satisfaction with company products and services.

In agreement with the results, Kumar and Advani (2009) posits that it is not only about customers doing a particular company a great service by offering favorable word of mouth publicity regarding a product/service, telling friends and family, but also, it is a process, a program, or a group of programs geared toward keeping a guest happy so he or she will provide more business. The ultimate goal of these is to develop happy customers who will return to purchase again and persuade others to use that company's products or services. This is in line with the standard deviation results of less than 1 which point to the fact that the results on customer loyalty were relevant in explaining customer repeat purchases of MTN products and services, customer retention and positive publicity about the company by the customers. Therefore, the management of MTN should develop strategies that foster customer loyalty in regard to the results of the study.

4.3   Descriptive analysis for Service Quality Management Dimensions

4.3.1 Descriptive Analysis for Service Reliability

In order to assess the level of agreement and disagreement on the different items used to measure service reliability in the questionnaire, item mean analysis was carried out. The researcher anchored the responses of the respondents on five Likert scale ranging from strongly disagree to strongly agree and the results are presented below.

Table 4.6: Item Means for Service Reliability

Items	Min	Max	Mean	Stand Dev
There is accessibility to the company premises	1	5	3.81	.719
MTN delivers services immediately	1	5	3.60	.774
The staff are always available when needed	1	5	3.01	.709
There exists bureaucracy in getting services	1	5	3.67	. 751
It is always easy to get all the information I need from MTN	1	5	2.65	.852
There is access to all required information at MTN	1	5	2.42	.763
MTN consistently meets my expectations	1	5	3.44	.783
MTN provides services to customers as promised	1	5	3.45	.654
MTN is dependable in handling customers	1	5	3.33	.723
MTN staff give prompt service	1	5	3.52	.681
MTN provides services at the promised time to the customers	1	5	3.01	.769
MTN ensures that customers' records are maintained error-free	1	5	3.24	.731
MTN has sincere interest in solving my problems.	1	5	3.45	.674
MTN has user friendly hours of service.	1	5	3.62	.571

Source: Primary data, 2016

4.3.1.1 There is access to Premises

From the results, the respondents agreed that there was accessibility to the company premises (mean=3.81; SD=.719) which is confirmation that customers could accesses the business premises from different locations throughout the country. Likewise, there was consent that there existed bureaucracy in getting services (mean=3.67; SD=. 751). This is corroboration that the procedures followed to acquire services were hampered by delays. From the results, it is clear that the MTN's point of sales were evenly distributed which allowed customers easy accessibility.

4.3.1.2 Delivers services immediately

The results revealed that MTN had user friendly hours of service (mean=3.62; SD=.571), to some extent the company delivered services immediately (mean=3.60; SD=.774) and staff gave prompt services (mean=3.52;SD=.681). This position was supported by Berry et al. (1990) who asserted that service reliability meant consistently performing the service dependably and accurately. Al-Fawzan (2005) continues to add service provider performing the service the right time it is wanted

by the customers, service is done right from the beginning, having trust that the staff will solve any problem if it occurred and clients' transactions being error free was paramount. This is justification that the management of the company should always seek to know what customers expect the company to do for them by standardizing services and providing specialized services for customers.

4.3.1.3 Easy to get information needed

From the results there was disagreement that it was always easy to get information needed from MTN (mean=2.65; SD=.852) and that there was access to all required information (mean=2.42; SD=.763). These results are in line with the assertions of Gonzalez, et. al., (2004) who revealed that customers want to maintain good relations with organisations that keep their promises, particularly promises about the service outcomes and core service attributes. They continue to posit that in service markets, especially with highly specialized services, customers are often expected to contribute to a service by providing information about the specifications desired.

From the results, the standard deviation result of less than 1 is proof that service reliability determined service quality management at MTN. Likewise, the standard deviation results provided evidence that the results obtained on service reliability could be applied to MTN and therefore could be generalized on other telecommunications companies in Uganda's telecom industry. The general view from the results is that the results on service reliability as a service quality management practice at MTN provided confirmation that there was some level of service reliability at the company. This implies that continued service reliability will go a long way in helping the management of MTN develop better strategies to manage service quality. In line with

the standard deviation results, item mean results were in support that the respondents agreed that reliability was an important factor on which MTN's activities depended.

4.3.2 Descriptive analysis for Service Responsiveness

In order to assess the level of agreement and disagreement on the different items used to measure service responsiveness in the questionnaire, item mean analysis was carried out. The researcher anchored the responses of the respondents on a five Likert scale ranging from strongly disagree to strongly agree and the results are presented below.

Table 4.7: Item Means for Service Responsiveness

Items	Min	Max	Mean	Stand Dev
MTN gives me undivided attention	1	5	3.53	.857
The staff have always responded to my queries	1	5	3.05	.783
The staff provide adequate explanations where there is an anomaly	1	5	3.46	.798
MTN offers services prompt to customers	1	5	3.40	.876
MTN is always willing to help customers	1	5	3.77	.875
MTN readily responds to customers' requests	1	5	3.35	.774
Employees give customers personal attention.	1	5	3.78	.760
MTN recognizes me as a valued customer.	1	5	3.44	.794
Employees have knowledge to answer my questions.	1	5	3.71	.782
Employees are never too busy to answer my questions.	1	5	3.00	.756
Employees understand the specific needs of the customer.	1	5	3.67	.798
Employees are always willing to help	1	5	3.66	.776
MTN makes contact information readily available.	1	5	3.35	.766
MTN has a fast and efficient service.	1	5	3.35	.725

Source: Primary data, 2016

4.3.2.1 Assistance to Customers

From the results, the majority of the respondents agreed that MTN was always willing to help customers (mean=3.77; SD=.875) which is confirmation that the company had the customers' best interests at heart. In line with the findings, Al-Fawzan (2005) observed that responsiveness involves customers always being informed when the service is done, staffs always respond to

customer's requests, employees serving customers without delay or hesitation are part of the responsive factor. Kalidoss and Ravikumar (2014) support this position by positing that a correct match between staff skills and customers' expectation resulted in better service quality towards customers. This was stressed further by Al-Fawzan (2005) who also emphasized that when a customer has a need, meet it, be easily accessible and available to customers.

4.3.2.2 Attention to Customers

Similarly the results showed that employees gave customers personal attention (mean=3.78; SD=760) and were knowledgeable to answer questions (mean=3.71;SD=.782) which is justification that MTN provided personalized services to customers through its staff as a way of making customers feel important and in turn cause them to do more business with the company. Swanson and Kelley (2001) in agreement with the findings posit that one of the major determinants of service quality is timely and adequate response. For this reason employees should be willing and able to deliver timely and substantive response to inquiries and complaints of customers.

4.3.2.3 Understand Needs of Customers

On the other hand, employees understood the specific needs of the customers (mean=3.67;SD=.798) and were always willing to help (mean=3.66;SD=.776) which is justification that the company was responsive to customers' specific needs and assistance required by them. In support of this notion, Magnini et al (2007) observes that responsiveness measures the extent to which the company put in place measures to requests and suggestions and provide assistance to customers in case of problems. It therefore means that effective response has positive impact on customer loyalty.

From the results, the standard deviation result of less than 1 is evidence that service responsiveness determined service quality management at MTN. Likewise, the standard deviation results provided confirmation that the results obtained on service responsiveness could be applied to MTN and generalized on other telecommunications companies in Uganda's telecom industry. The generally the results show that service responsiveness was used as a strategy to manage service quality at MTN which was justification that there was some level of service responsiveness at the company. This showed that continued service responsiveness was paramount in helping the management of MTN promote service quality management. In line with the standard deviation results, item mean results were in support that the respondents agreed that service responsiveness was an relevant in determining the company's ability to carry out service quality management.

4.3.3 Descriptive Analysis for Service Tangibility

In order to assess the level of agreement and disagreement on the different items used to measure service tangibility in the questionnaire, item mean analysis was carried out. The researcher anchored the responses of the respondents on a five Likert scale ranging from strongly disagree to strongly agree and the results are presented below.

Table 4.8: Item Means for Service Tangibility

Items	Min	Max	Mean	Stand Dev
The company premises are clean and neat	1	5	3.89	.791
The staff are organized in the way they provide services	1	5	3.79	.843
The staff ratio to customers is adequate	1	5	3.47	.767
MTN uses modern equipment during service delivery	1	5	3.86	.876
MTN has visually appealing facilities	1	5	3.77	.784
The technology used helps me interact with MTN efficiently	1	5	3.80	.892
The locations of the different outlets are convenient	1	5	3.68	.872
MTN is clean and has well catered facilities	1	5	3.87	.874
MTN provides easy to read and understand statements and mailed documentation.	1	5	3.40	.894
MTN has visually appealing written material associated with the service	1	5	3.78	.862

Source: Primary data, 2016

4.3.3.1 Appearance of Premises

According to the results in table 4.8 on service tangibility, there was agreement that the company premises were clean and neat (mean=3.89; SD=.791) and had well catered facilities (mean=3.87; SD=.874). This is confirmation that hygiene was upheld by the company despite occurrences of overcrowding which provided a conducive environment for customers to transact with the company staff. In agreement with this view, Ananth et al. (2011) referred to tangibility as modern looking equipment, physical facility, employees are well dressed and materials are visually appealing which have a direct influence on the customer's perception of service quality. The tangible factors including physical environment have some effects on customers in service organizations as well as employees.

4.3.3.2 Ambiance of the Premises

MTN had visually appealing written material associated with the service (mean=3.78;SD=.862) whereby, they were dressed in uniforms and held name tags for easy identification. In line with the findings, it has been confirmed by Namasivayam (2004) that customers depend on the physical and

tangible evidence to which they have access to give evaluation of the quality of the intangible service components. This is confirmation that the general ambience of MTN premises played a role in promoting service quality which in turn influenced consumers' decisions to stay with the company.

4.3.3.3 Equipment Used to Deliver Services

The company used modern equipment during service delivery (mean=3.86; SD=.876) and the technology used helped customers interact with MTN efficiently (mean=3.80;SD=.892). This is justified by MTN's policy of standardized branding of outlets across the country so as to promote the company's image in the financial sector. While surrounding conditions can include temperature and music, spatial layout and functionality may include furniture and the layout features. Signs may include symbols, artifacts, signage and style of decor. According to Wakefield and Blodgett (1996), the tangible physical surroundings may more directly influence customers' affective responses.

4.3.3.4 Orderly Service Delivery

The staff were organized in the way they provided services (mean=3.79; SD=.843) and the locations of the different outlets were convenient (mean=3.68;SD=.872). This is justification that staff followed set procedures during service delivery while also making sure that they deliver quality and timely services to customers. The qualitative data alongside quantitative data gathered showed that there were still some lapses in the provision of tangible services to the customers. The study established that service tangibility at MTN has a positive influence on customer loyalty. The more customers perceive the services to be tangible, the more they will be satisfied with the services.

From the results, the standard deviation result of less than 1 is evidence that service tangibility promoted service quality management at MTN. similarly, the standard deviation results provided verification that the results obtained on service tangibility applied to the company and could be generalized on other telecommunications companies in Uganda. Generally the resulted showed that service tangibility had been adopted as a service quality management strategy at MTN which was explanation that the company promoted service tangibility through making sure the appearances, ambiance, arrangement and equipment of the outlets are good, conducive and accessible. This showed that continued service tangibility was paramount in helping the management of MTN promote service quality management.

4.4 Correlation Results

4.4.1 Service Reliability and Customer Loyalty

In order to understand the relationship between reliability and customer loyalty, the Pearson's correlation test was used. The Pearson correlation coefficient was used because it presents data in a numerical way to quantify the relationship between two variables where the correlation coefficient is determined. Where if the correlation coefficient, is positive, then an increase in the independent variable would result in an increase in dependent variable, however if it was negative, an increase in independent variable would result in a decrease in the dependent variable. Larger correlation coefficients would suggest a stronger relationship between the variables and vice versa. The results are presented in table 4.9 below.

Table 4.9: Service Reliability and Customer Loyalty

		Service Reliability	Customer Loyalty
Service Reliability	Pearson Correlation	1	.506(**)
	Sig. (2-tailed)		.000
Customer Loyalty	Pearson Correlation	.506(**)	1
	Sig. (2-tailed)	.000	
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Primary data, 2016

The correlation results in table 4.9 above indicated a strong significant and positive relationship between reliability and customer loyalty (r = 0.506^{**}, p<.01). The study revealed that there is a strong and statistically significant positive correlation between reliability and customer loyalty at 0.506** with a significance of 0.000 at the level of 0.01. The implication of this is that service reliability determined customer loyalty. Whereby, when the level of service reliability is high, this will have a positive effect on customer loyalty. According to Al-Fawzan (2005), reliability is one of the most important dimensions of service quality because it is vital to make customers to trust that the organization is going to perform what it promises to do. Therefore, high service reliability is the flawless performance of a pre-specified service. A mismatch between service specifications and customer needs will not lead to satisfaction and in turn loyalty either regardless of the quality of the realization.

Customers will always want to see at least some of their needs and demands reflected in the service specifications (Ahmed, et. al., 2010). The better the match between service specifications and customers' needs, the more satisfied customers are and in turn loyal to the company. Service reliability is a salient dimension of customer satisfaction evaluation, meaning that it has to be achieved to attain customer loyalty (Saunders, Lewis and Thornhill, 2009). However, customer

loyalty will vary with their experiences and the service information available to them before, during and after service delivery.

4.4.2 Service Responsiveness and Customer Loyalty

To investigate the relationship between responsiveness and customer satisfaction, a Zero-order correlation table was generated. To study the relationship between responsiveness and customer satisfaction, Pearson's correlation test was used and the results are presented in table 4.10 below.

Table 4.10: Service Responsiveness and Customer Loyalty

		Service Responsiveness	Customer Loyalty
Service Responsiveness	Pearson Correlation	1	.447(**)
	Sig. (2-tailed)		.000
Customer Loyalty	Pearson Correlation	.447(**)	1
	Sig. (2-tailed)	.000	
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Primary data, 2016

Correlation results indicated a moderate significant and positive relationship between responsiveness and customer loyalty (r = 0.447^{**}, p<.01). The results in the above table indicate that there is a moderately low and statistically significant positive correlation between responsiveness and customer loyalty at 0.447** with a significance of 0.000 at the level of 0.01. The correlation results between responsiveness and customer loyalty provide evidence that service responsiveness was paramount in determining customer satisfaction in regard to service orientation, value for money, dependability and diligence. In support of the findings, the company's responsiveness makes it dependable and in turn causes customer loyalty. One of the major determinants of service quality is timely and adequate response. Employees

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should be willing and able to deliver timely and substantive response to inquiries and complaints of customers. While some customers place a higher value on time, some characterize time as a limited and scarce resource; the term saving time in fact implies reallocating time across activities to achieve greater efficiency (Berry et al., 2002).

Magnini et al (2007) observes that responsiveness measures the extent to which the company put in place measures to requests and suggestions and provide assistance to customers in case of problems. It therefore means that effective response has positive impact on customer loyalty. Al-Fawzan (2005) observes that consistently addressing the needs of the customer through attention to detail, prompt and courteous assistance, and the use of knowledgeable employees is the first objective in providing a memorable experience. Effective customer service policies focus on providing consistent services.

4.4.3 Service Tangibility and Customer Loyalty

Correlation analysis was done where by all responses for each variable; service tangibility and customer satisfaction were aggregated into a single index and respectively and then Pearson's correlation Co-efficient (r) technique was used to assess the nature and magnitude of the relationship. Table 4.11 gives Pearson's correlation Coefficient for the two variables which include; service tangibility and customer loyalty.

Table 4.11: Service Tangibility and Customer Loyalty

		Service Tangibility	Customer Loyalty
Service Tangibility	Pearson Correlation	1	.323(**)
	Sig. (2-tailed)		.000
Customer Loyalty	Pearson Correlation	.323(**)	1
	Sig. (2-tailed)	.000	
**. *Correlation is significant at the 0.01 level (2-tailed).*			

Source: Primary data, 2016

Correlation results indicated a moderate significant and positive relationship between service tangibility and customer loyalty (r = 0.323^{**}, p<.01). The results indicate that there is a moderately low and significant positive correlation service tangibility and customer loyalty at 0.323** with a significance of 0.000 at the level of 0.01. The results provide justification that when the company draws a lot of attention to service tangibility, this would enhance customer loyalty. This is supported by Brady and Robertson (2001) who asserts that the tangible physical surroundings may more directly influence customers' effective responses. So, the environment is a key factor which has a great influence on people's feelings, which is one of the reactions that encourage and force people to remain in the place where they are in or to leave. Berry and Parasuraman (1991) suggested that customers develop their understanding of the relationship between the environment of a given service and the quality of the service they may expect to receive.

In addition, it has been confirmed that customers depend on the physical and tangible evidence to which they have access to give evaluation of the quality of the intangible service components (Namasivayam, 2004). Customers are generally satisfied with acceptable performance of the service in terms of the core benefits it promises to offer. On the other hand, the high level customers are generally satisfied only when the service offers extended benefits beyond the functional ones. These extended benefits tend to be more intangible than the core service.

4.5   Multiple Regression Model

Regression analysis is widely used for prediction and forecasting, where its use has substantial overlap with the field of machine learning. Regression analysis is also used to understand which among the independent variables are related to the dependent variable, and to explore the forms of these relationships. In restricted circumstances, regression analysis can be used to infer causal relationships between the independent and dependent variables. A regression analysis was carried out to examine the extent to which study variables (reliability, responsiveness and service tangibility) predict customer loyalty at MTN. The results are presented in table 4.12 below.

Table 4.12: Showing the Regression Analysis

Model	Un standardized Coefficients		Standardized Coefficients	T	Sig.	R Square	Adjusted R Square
	B	Std. Error	Beta				
(Constant)	0.625	0.112		8.21	0.000	.334	.321
service tangibility	0.021	0.031	0.112	2.144	0.013		
service responsiveness	0.206	0.037	0.256	3.214	0.007		
service reliability	0.614	0.041	0.421	7.223	0.000		
Dependent Variable: **Customer Loyalty**							

Source: Primary data, 2016

According to table 4.12, reliability, responsiveness and service tangibility predict 32.1% of customer loyalty (Adjusted R Square=0.321). The standard error of the regression provided the absolute measure of the typical distance that the data points fell from the regression line. The standard error of the regression model was used to determine how precise the model's predictions were using the units of the dependent variable. The statistic indicated how far the data points are from the regression line on average. The regression model was significant and thus reliable for making conclusions and recommendations. The most significant predictor of customer loyalty was reliability (Beta= 0.421), followed by responsiveness (Beta= .256) and then followed by service

tangibility (Beta= 0.112). The findings revealed that reliability and responsiveness were strong predictors of customer loyalty whereas service tangibility was a weak predictor of customer loyalty. This means that when the company puts a lot of emphasis on improving service quality in regard to making their services reliable, ensure high responsiveness during service delivery and service tangibility, this would cause the much needed customer loyalty which would in turn result into company effectiveness and efficiency.

4.6   Conclusion

This chapter dealt with the presentation and interpretation of the results of the sample characteristics and the study objectives employing frequency tabulation, item mean analysis, correlations and regression analysis when studying the effect of service quality on customer loyalty at MTN Uganda. The results showed that reliability, responsiveness and tangibility were determinants of customer loyalty at the company. This chapter therefore, led to chapter five which dealt with the discussion, conclusion and recommendations.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the discussion, conclusions, and recommendations arising out of the research findings in chapter four and suggests areas for further study.

5.1 Summary of the Findings

5.1.2 Service Reliability and Customer Loyalty

The findings on the effect of reliability and customer loyalty revealed a significant relationship (r=.506**). This is confirmation that when the company services were reliable, this would enhance customer loyalty. The correlation findings were also supported by regression analysis results which showed that reliability was a significant predictor of customer loyalty.

5.1.3 Service Responsiveness and Customer Loyalty

According to the correlational findings on the effect of responsiveness on customer loyalty, a significant relationship was observed (r=.447**). This is confirmation that through responsiveness during service delivery by the company, this had a positive effect on customer loyalty. The correlational results are in line with the regression analysis which revealed that responsiveness predicted customer loyalty.

5.1.4 Service Tangibility and Customer Loyalty

Similarly, the association between service tangibility on customer loyalty revealed a significant relationship between the study variables (r=.323**). The findings suggest that service tangibility

was paramount in promoting customer loyalty. The correlational results are in agreement with the regression analysis findings which revealed that service tangibility predicted customer loyalty.

5.1.5 Service Quality Management and Customer Loyalty

The findings from regression analysis showed that service reliability, responsiveness and tangibility explained 32.1% of the change in customer loyalty with customer reliability as the strongest determinant of customer loyalty.

5.2 Conclusions

5.2.1 Service Reliability and Customer Loyalty

The findings on the effect of reliability on customer loyalty revealed that the company delivered reliable telecom services much as there was need for more improvement to be made so as to enhance customer loyalty. The positive significant relationship between reliability and customer loyalty was confirmation that for the customers to be loyal to the company there was a need to make their telecom services more reliable. This is justification that reliability was paramount in improving customer loyalty.

5.2.2 Service Responsiveness and Customer Loyalty

The findings established that service responsiveness influenced customer loyalty at MTN which was an implication that delivery of telecom services in a responsive manner impacted on customer loyalty at the company. The positive significant relationship between responsiveness and customer loyalty is justification that to attain desirable customer loyalty, there was need to provide services to customers in a timely manner as this would promote customer loyalty.

5.2.3 Service Tangibility and Customer Loyalty

The findings validate that service tangibility which is a component of service quality was essential for customer loyalty. Effecting service tangibility by management would promote service orientation, value for money, dependability and diligence. This was confirmation that service tangibility was major in enhancing customer loyalty at the company.

5.3   Implications of the Theory

In line with the Expectancy Disconfirmation theory, service reliability such as dependability, accessibility and consistence promoted customer loyalty at MTN. This study was guided by the Expectancy Disconfirmation theory, the findings touch upon the core of this theory and are in line with the issues put forward by the theory with respect to customer expectations. True to the form of a cross sectional survey design, the study utilized a small sample to gain insight into the nature of the interested concepts. The results, however, were preliminary and cannot be generalized easily. Although the theory was used in earlier studies, the results were preliminary and some parts were too vague and incoherent to be considered as a complete model that is representative of customers of telecom organizations. This study has shown that it is possible to take a part of the Expectancy Disconfirmation theory and refine it with an expanded sample. One of the major implications of this study is that the theory can serve as a productive framework from which to study customers' expectations in more detail. Several aspects served to increase the reliability of observation findings that described the conceptions. The observational reliability in this study with respect to the findings in the previous studies yielded a means for generalizing other samples in the same population, further strengthening the Expectancy Disconfirmation theory as a viable theory of customers' loyalty.

5.4 **Recommendations**

In light of the research findings, the following recommendations are made:

a) **Service Reliability and Customer Loyalty**

The findings revealed that reliability as a component of service quality greatly contributed to customer loyalty at MTN. Therefore, management of MTN Uganda should be committed to the provision of reliable telecom services such as delivery of services on time, as promised by the company, with a personal touch from the staff and ensure that the delivery process is adhered to and fully implemented according to the satisfaction of the customers. This calls for top management support and employee commitment as this will promote customer loyalty.

b) **Service Responsiveness and Customer Loyalty**

The findings revealed that responsiveness as a dimension of service quality was statistically significant to overall customer loyalty as MTN's level of responsiveness was found to be a strong predictor of customer loyalty. The management of MTN should appreciate the fact that responding to customer needs and wants as expected by them was paramount and should be implemented in a way resulting not only in better service delivery but also in general understanding and satisfaction of all. Therefore, it is important to understand the expectations of customers so as to deliver telecom services in a responsive manner as this will enhance customer loyalty.

c) **Service Tangibility and Customer Loyalty**

The findings revealed that service tangibility as a component of service quality had a significant effect on customer loyalty. Therefore, the management of MTN Uganda should

commit to making telecom services more tangible for the customers which are acceptable to customers, easy to feel and credible in supporting physical surroundings as this will enhance customer loyalty. This could be achieved through putting in place attractive deco, lighting, layout and aeration in the business premises that promote customer loyalty.

5.5   Areas for Further Research

i)   This study concentrated on reliability, responsiveness, service tangibility and customer loyalty at MTN Uganda. Future research should attempt to widen the scope of the study to cover other telecom companies which offer similar services to ascertain the findings.

ii)   The study adopted a case study type of research design which focused on MTN Uganda only at a point in time. To study the variables in a more detailed way, a longitudinal study is more appropriate.

iii)   From the findings, the regression analysis revealed that the model could only explain 32.3% in variance of customer loyalty; a study should be carried out comprising of other factors which were not part of the model. These include; customer relationship management, effective communication, customer satisfaction, among others.

iv)   Further studies should be undertaken on the organizational practices meant to enhance service quality in telecom companies so as to generate information that can be helpful in the telecom sector.

v)   A study including the staff of MTN to study the effect of service quality management on loyalty could also be carried out to ascertain the results.

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APPENDIX I

QUESTIONNAIRE

Dear Respondent,

I am carrying out a study on The Effect of Service Quality Management on Customer Loyalty in the Telecommunications Industry: A Case of MTN Uganda Limited. You have been selected as one of the respondents on this subject. The information you give is purely for academic purposes and will be treated with utmost confidentiality. Kindly answer these questions personally and not through others so that we can be able obtain correct & accurate data.

SECTION I: General Information (Please tick in the appropriate option)
1. What is your gender?

Male	Female

2. What is your age bracket?

20-25 years	26-30 years	31-35 years	40 years and above

3. How long have you been a client of MTN?

< 1 year	2 – 3 yrs	4 – 5 yrs	6 – 10 yrs	10 yrs>

4. What is the highest level of education you have attained?

Below Diploma	Diploma	Degree	Professional Qualification	Masters	PhD

5. Years of operation at the company

1-10 yrs	11-20 yrs	21-30 yrs	31 yrs & above

Please indicate the extent to which you agree with the statements below regarding Confusion proneness (SD- Strongly Disagree, D- Disagree, N- Not Sure, A- Agree and SA- Strongly Agree)

SECTION II: Service Reliability

Items	SD	D	N	A	SA
There is accessibility to the company premises					
MTN delivers services immediately					
The staff are always available when needed					
There exists bureaucracy in getting services					
It is always easy to get all the information I need from MTN					
There is access to all required information at MTN					
MTN consistently meets my expectations					

	SD	D	N	A	SA
MTN provides services to customers as promised					
MTN is dependable in handling customers					
MTN staff give prompt service					
MTN provides services at the promised time to the customers					
MTN ensures that customers' records are maintained error-free					
MTN has sincere interest in solving my problems.					
MTN has user friendly hours of service.					

SECTION III: Service Responsiveness

Items	SD	D	N	A	SA
MTN gives me undivided attention					
The staff have always responded to my queries					
The staff provide adequate explanations where there is an anomaly					
MTN offers services prompt to customers					
MTN is always willing to help customers					
MTN readily responds to customers' requests					
Employees give customers personal attention.					
MTN recognizes me as a valued customer.					
Employees have knowledge to answer my questions.					
Employees are never too busy to answer my questions.					
Employees understand the specific needs of the customer.					
Employees are always willing to help					
MTN makes contact information readily available.					
MTN has a fast and efficient service.					

SECTION IV: Service Tangibility

Items	SD	D	N	A	SA
The company premises are clean and neat					
The staff are organized in the way they provide services					
The staff ratio to customers is adequate					
MTN uses modern equipment during service delivery					
MTN has visually appealing facilities					
The technology used helps me interact with MTN efficiently					
The locations of the different outlets are convenient					
MTN is clean and has well catered facilities					
MTN provides easy to read and understand statements and mailed documentation.					
MTN has visually appealing written material associated with the service					

SECTION V: Customer Loyalty

Items	SD	D	N	A	SA
I usually talk positively about MTN to other people					
I would definitely recommend MTN to my friends and relatives					
I would encourage my friends and relatives to do business with MTN					
I do not have any regrets with MTN					
Every time I need to communicate, I do it with the MTN network					
It is likely that I will continue to be a customer of MTN in the future					
I really prefer to remain customer of MTN					

Whenever I need telecom services, MTN is my first choice					
It is rare that I wish to move to another telecom company					
I usually talk positively about MTN to other people					

Thank You

APPENDIX II

TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN POPULATION

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size
         "S" is sample size.

Krejcie, Robert V., Morgan, Daryle W., "Determining Sample Size for Research Activities", Educational and Psychological Measurement, 1970.

APPENDIX III

Moslem Girls Primary School

Lena Guest House

Samona Products Limited

Mk International School

Busega Guest House

Executive End Guest House

Best Hotel

Stallion Hotel

Continental Whiteland College

Kabowa Midland Modern Islamic School

Sports View Guest House

Sembule Steel Rolling Mills

Elvic Solutions Limited

London High School

Avani International U Ltd

Kabowa Isamic Institute

Namirembe Rest House

Malcom Health Centre Kasubi

Cave Guest House

Paradise View Hotel

Brac Uganda Mirco Finance

African Institute Of Socisl Dev't

Emirates Hotel

Namungoona Salaf Theological Institute

Kampala District Forum Of Pha Network

Sap Slum And Aid Project N.G.O

Jailer Transport Service

Makula Unform Designers

Aponye (U) Ltd

United Nations (Wfp)

Golden Multi Purpose Ltd

Iats Services Ltd

Mbs Fruits Agencies Ltd

Rich Mond Chemicals

Sparkle Recreational Centre

Prayosha Enterprises Ltd

Ecare Investments Ltd

Missonaries Of The Poor

Excel Junior School

Tiross Manufucturers (U) Ltd

Ntake Bakery Company Ltd

Light College Kitebi

Kampala Univesity

Natete Bakery

Serene Suites

Swift Distributors

Mk Publishers (U) Ltd

Uganda Local Government Association

Silver Bakery

Xing Xing Furniture

Seb Construction Ltd

Durban Motel

Roof Tech

Multi Technology U Ltd

Tents 4 Events

Pride Microfinance Nakulabye Branch

Finca Nakulabye Branch

Equity Bank Nakulabye Branch

Vision Hotel

Victrious Kindergaten Day Care Center

Rwenzori Bakers And Confectore

Fair Price Properties

Contact Graphics

Community Dev't Resource Network

Geo-Milk Consultants Africa

Uganda Medical Workers Union

Heps Uganda

Manhatan Guest House

Infoc Uganda

Sanyu Babies Home

Scripture Union Of Uganda

Event Look

Inter Religion S Council Of Uganda

Uganda Tea Development Agency

Retail Protection Services Ltd

Boston Guest House

Ivy's Service And Washing Bay

Vine International Christian Academy

Sam Sam Hotel

Uganda Private Midwives Associctaion

Hotel Sojovalo

Lukyamuzi Glass Mart

Justice Forum

Wakisa Ministries

Lamex Pharmaceuticals Ltd
School Of Technology & Management (Bakuli Branch)
Marvin Hotel
Oil Com Limited Natete Branch
Pride Micro Finance Limited Natete Branch
Omega Construction Ltd
Katon Manufactured Ltd