

SERVICE QUALITY DIMENSIONS AND ORGANISATIONAL RANKING IN THE TELECOMMUNICATION SUB-SECTOR IN NIGERIA: A CASE OF FOUR MAJOR TELECOM COMPANIES

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Abstract

Accurate identification of service quality dimensions goes a long way in preparing any organization towards satisfying its customers which is necessary for increased loyalty. This paper identifies the pertinent service quality dimensions amongst customers of four leading telecommunication companies in Nigeria. Customers' rankings of extant service quality dimensions were analyzed using excel. The results show the responsiveness, up to date equipment that can deliver reliable services, and trust as the most highly ranked service quality dimensions preferred by customers of the study area. It was recommended that Service providers in the telecommunication industry should ensure that service staff increase the level and promptness of their response to customers inquiries and complaints, acquire latest technology equipment that is reliable and that service staff should demonstrate high levels of empathy, integrity and good human relations in their dealings with customers.

Keywords: *Service Quality Dimensions, Service Delivery, Telecommunication Companies, Customer Satisfaction, Customer Loyalty*

Introduction

The service sector is a major component of Nigeria's economy as shown by the GDP. From 2012 the sector's contribution to GDP has been the highest up from contributing almost equally with the other two components of agriculture and industry. For instance, in 2011, the three components of the GDP, agriculture, industries, and services contributed almost equally, each contributing over thirty percent. Between 2012 and 2016 the service sector took leading contributing up to 56.1% in 2015 while agriculture and industry jointly contributed 43.9% (NBS, 2016). This prominent position of the service sector is not only limited to Nigeria alone.

In India, the sector constitutes over 50% of India's GDP (Ajamair, Gilal & Hussain 2016). The three authors showed that external trade, government spending, market volume, and population growth were major contributors to the service sector.

Similarly, in Ethiopia, Kabeta and Sidhu (2016) indicated that the service sector led the Ethiopian economy. Their study showed that the service sector was ahead of other sectors in productivity between 1999 and 2005 while GDP growth between 2005 and 2013 came majorly from the distributive trade portion of the service sector.

In spite of this leading role in the service sector, most studies have concentrated on the agricultural and industrial sectors leaving out the service sector. This paucity of attention is capable of undermining the potential of the sector to contribute to Nigeria's economic growth and development. This also explains the exploratory nature of this study to generate basic information about certain key aspects of a component of the service sector upon which further research can be developed. Some key questions are raised which are: What are the key dimensions of quality service delivery in the telecommunication sector using a sample of Airtel, MTN, Etisalat and GLO customers? Of these quality service delivery dimensions, how do the customers rank them? Two research objectives are advanced in line with the two research questions. The objectives are: Identify the quality service delivery dimensions that are important to telephone customers and to identify the ranking of these quality service delivery dimensions. Quality service and quality service delivery are taken together because of the difficulty in separating service from the delivery since service is rendered only at the point of delivery, unlike products which are first produced and then delivered before they are used, sometimes with a considerable time lag between the production, delivery, and usage.

Literature Review:

The section of the review of relevant literature is divided into two. The first section looks at the dimensions of service quality while the second part considers the delivery aspect of service

Quality Service Dimensions

Several studies have been carried out on service quality each bringing out the dimensions of quality. Gronroos (1984), one of the early researchers identified three quality dimensions as technical quality, functional quality, and corporate image. The technical dimension is what a client receives from the company, in the case of a telephone company, it is making and receiving a call or receiving and using internet bites. The technical dimension can be measured with more objectivity. The functional dimension has to do with how the service is transferred to the

customer which involves interaction. In our case, the functional dimension includes the whole process of making SIM cards and recharge cards available and handling customers' complaints. The third service quality dimension according to Gronroos is the corporate image which relates to how the customer sees the organization offering the service. All three dimensions are interrelated and combine to determine service quality as perceived and expected by the customer.

Gronroos (1988) identified five gaps that can exist in the service sector. These are gaps in knowledge, policy, delivery, communication, and quality. A knowledge gap exists if management is unable to decipher correctly the customer's expectation while the policy gap occurs as a result of management's inaccurate perception of the service quality specifications. There is a delivery gap when the expected service is not being delivered. When the service being delivered is not properly communicated through external means, then a communication gap exists. When the expected service differs from the perceived service, then there is a service quality gap.

Philip and Hazlett (1997) developed the PCP model which looks at three quality dimensions as Pivotal, Core and Peripheral. These appear similar to Gronroos three dimensions of Technical, Functional and Corporate image. Parasuraman et al (1985) broke the three major dimensions of Gronroos (1984) and Philip & Hazlett (1997) into more attributes in their GAP model. The attributes include Reliability, Responsiveness, Competence, Access, Courtesy, Communication, Credibility, Security, Understanding, Knowing the customer, and Tangibles. Parasuraman et al (1988) came up with a SERVQUAL model while Cronin and Taylor (1992) coined SERVPERF. SERVQUAL considers service quality in terms of Tangibles, Reliability, Responsiveness, Assurance, and Empathy. SERVPERF had similar qualities but with statements rendered in performance form.

Dabholkar et al (1996) in their Retail Service Quality Scale (RSQS) model identified the following service quality dimensions: Personal interaction quality, Physical service environment quality, and Outcome quality. Brady and Cronin (2001) developed a service quality model that identified service quality dimensions to include Personal interaction, physical service, and outcome.

Frost and Kumar (2000) came up with INTSERVQUAL, an internal service quality model which measures the service quality of internal customers like first-line contact staff and support staff. They showed that INTSERVQUAL is influenced principally by responsiveness while SERVQUAL is affected majorly by reliability.

All the models explain service quality in terms of the core service with its technical dimension, the manner in which the service is delivered including the responsiveness and comportment of the service staff and the image of the organization offering the service which is affected by all other variables including what is communicated in the form of deliberate advert and word-of-mouth from other customers. To corroborate this, Rust and Oliver (1994) identified three main service quality dimensions to include service product, service delivery, and service environment.

Service Delivery

The delivery aspect of telecommunication adopted by the four telecom companies in this Case Study can be classified as the second-generation network service. A newer generation is emerging that is more open and cheaper than the type represented by the four Companies (Airtel, MTN, Etisalat and GLO). The open network is represented by Companies such as Skype, Google, Instagram, and WhatsApp, amongst others. These are also referred to as Next Generation Networks (Schultz, 2010). In a study of a big multinational communications company situated in the United States named Tier One Telco, Schultz (2010) identified 32 Critical Success Factors for the open networks all emanating from three broad factors that account for quality service delivery. The three broad factors are Technical, Business, and Organization. The Open Networks or Next Generation Networks came first in Business Success Factors (CSFs) and third in overall CSF. For organizational influence, the structure took a leading role; top management support came fifth while culture had the least impact. Wilson (1996) had shown the absence of a direct connection between corporate culture and service delivery performance.

Wollard (2006) identified best practices amongst some outstanding hotel service providers to include good interactions between clients, service providers and the organization with some of the following attributes: staff that maintain good communication, warm character, and enjoy rendering service and helping, organization that treats employees as they would their customers,

‘systems and standards’ that ensure satisfaction to every client, and a management that encourage service employees to personalize their service delivery. Timmerman (2013) supported Wollard (2006) by showing a strong link between staff service delivery and customer loyalty, even though the connection between customer loyalty and the financial outcome was not strong.

In Doyle (2012) work of ‘Strategic Customer Relationship Management (CRM) involving Customer concern, On-the-job learning, and Management leadership, he identified strategic characteristics critical to service providers' ability to deliver quality service to include ‘harmony, service vision, holistic CRM, individualism, and leadership. This calls for synergy between the service employees and the organization. The pivotal role of service workers was also echoed by Zhao (2010) when he showed that service employees play a significant role in the quality of service delivery.

At the organizational typology levels of public, faith-based and non-profit, Burrows (2004) showed differences in clients’ satisfaction with service delivery. Customers of not-for-profit organizations were most satisfied, followed by those of faith-based organizations. Customers of public organizations ranked last in satisfaction with service delivery. A gap will be filled by considering the satisfaction of customers of private commercial organizations.

Table 1: SUBSCRIBERS’ DATA AS AT MARCH, 2017

CDMA SUBSCRIBERS	GSM INTERNET SUBSCRIBERS	GSM NON-INTERNET SUBSCRIBERS	OTHERS	TOTAL Telephone SUBSCRIBERS
0.218 million	98.97 Million	53.02 Million	0.252	152.46 Million

Source: Compiled from NCC in Okeke, M. (2017). Nigeria: Economy Crawling Out of Recession?, Zenith Economic Quarterly, 13 (2): 5-10

Table 2: MARKET SHARE OF 4 TELECOM COMPANIES AS AT DECEMBER, 2018

COMPANY	NO. OF CUSTOMERS	% MARKET SHARE
MTN	67,133,009	39
AIRTEL	44,180,484	26
GLO	45, 255,297	26
9MOBILE	15,919,015	9
TOTAL	127,232,508	100

Table 3: INTERNET SUBSCRIPTION

COMPANY	NO. OF SUBSCRIBERS
MTN	43,899,957
AIRTEL	29,757,791
GLO	28,054,948
9MOBILE	9,919,820
TOTAL	111,632,516

Source: Nigerian Telecommunication Commission (NCC), 2019, <https://www.ncc.gov.ng/stakeholder/statistics-reports/industry-overview#view-graphs-tables>

RESEARCH METHODOLOGY

The study concentrated on Wireless GSM Internet Subscribers of MTN, Globacom, Airtel, and Etisalat. As at March, 2017, according to the Nigerian Communication Commission (NCC) there were a total of 89.97 million of such Subscribers from the four networks distributed as follows: MTN – 35.75 million (39.73%), Globacom – 22.1 million (24.56%), Airtel – 20.5million (22.80%), and Etisalat – 11.62 million (12.91%) in this order (Okeke,2017). The remaining GSM Subscribers of the Code Division Multiple Access (CDMA) represented by companies like Visafone and Multilinks were only 217,566 representing 0.14% of the total market. The study area, therefore, constitutes 87 percent of the Nigerian Telecommunication sector.

The primary source of data for this study is a well-structured questionnaire patterned after Parasuraman et al., 1988; Finn and Lamb, 1999 containing 22 items core items in addition to items generating Biodata of the respondents. The questionnaire items were limited to this number and also concise so as not to bore the respondents and thereby improve the response rate (Cooper & Schindler, 2010). The instrument covers three major areas of quality delivery dimensions which are Tangibles made up of the core service and the facilities, Responsiveness which deals with how prompt service personnel responds to customers, and Assurance which relates to the mannerism with which service employees relate to clients. Nine items cover the subjects of Tangibles, 4 items deal with Responsiveness while the other 9 items elicited responses on Assurance.

To contextualize the reliability and validity of the instruments of previous Researchers, the split-half method was used to assess the reliability of the instrument. The items were well correlated with a coefficient of 89% showing a satisfactory consistency. The validity of the instrument was improved upon by peer-reviewing the items and incorporating suggestions from three colleagues.

To achieve the dual objectives of the study which are to identify the quality service delivery dimensions that are important to telephone customers; and to identify the ranking of these quality service delivery dimensions vis-à-vis the rankings of extant literature, the excel software was employed. This method was chosen amongst others because the measures were ordinal and the study involved comparing the rankings of quality service delivery dimensions of more developed societies with those in Nigeria. The Likert scale was employed to rank the measures and also provide some quantitative measures.

The total population of the focal study area was made up of all residents of Aso Hills Estate, Mararaba, Nasarawa State which were 100. Being less than 200, the entire population was studied (Sekaran, 2005). Ninety-one responses were found to be useful while 5 were discarded with 4 not retrieved thus yielding a response rate of 91%. This response rate was considered very satisfactory having exceeded the threshold of 50% according to Mills and Smith (2011).

ANALYSIS AND DISCUSSION OF RESULTS

For your Telephone Companies, kindly give numbers to the items 1-9 in the boxes provided beside each item according to your order of preference of the services you would like to receive from them with regards to physical facilities, equipment, and appearance of personnel

Rank

5. Should be reliable: to perform the promised service dependably and accurately	5.154
1. Should have up-to-date equipment	5.192
7. Should be dependable: Should do things by the time they promise	5.615
6. When customers have problems, they should be sympathetic and reassuring	5.615
2. Physical facilities should be visually appealing	6.462
4. The appearance of physical facilities should be in keeping with the type of services	6.500
8. Should provide their services at the time they promise	6.077
3. Should keep accurate records	6.962
9. Employees should be well dressed and appear neat	9.269

For your Telephone Companies, kindly give numbers to the items 1-4 in the boxes provided beside each item according to your order of preference of the services you would like to receive from them with regards to Responsiveness involving help to customers and provision of prompt service.

Rank

13. Not being too busy to respond to requests promptly	2.500
12. Always willing to help customers	2.846
11. Accepting customers' expectation of prompt service	2.962
10. Being informed of when a service will be provided	3.346

For your Telephone Companies, kindly give numbers to the items 1-9 in the boxes provided beside each item according to your order of preference of the services you would like to receive from them with regards to Assurance involving courtesy, knowledge, the ability of employees to inspire trust and confidence

14. Customers should be able to trust employees	4.796
15. Customers should feel safe in their transactions with the service employees	5.231
16. The employees should be polite	5.500
21. Employees should accept customers' expectation to have customers' best interests at heart	5.731
17. Employees should get adequate support to do their jobs well	6.077
18. The company should accept customers' expectation of individual attention	6.077
20. Employees should accept customers' expectation to know what they need.	6.115
19. Employees should accept customers' expectation of personal attention	6.192
22. Employees to accept customers' expectation of operating hours convenient to all of them	6.692

Please rank your telephone Companies according to your preference 1-4 by inserting the numbers of their positions in the box beside each company

23. MTN	2.038
24. AIRTEL	2.770
25. GLO	2.923
26. ETISALAT	3.308

Discussion

The figure indicated against each item indicates the average ranking of respondents of this survey. Since the ranking was done within a group of service quality dimensions, comparisons across groups are not possible. However, within each service quality group, it is possible to identify which quality items are more important to the customers of the four telephone companies. The serial numberings are those of the original questionnaire items suggesting that the relative ranking of the service quality items was unknown to the researcher at the point of designing the set of questionnaires.

The relative ranking of the items suggests the service quality dimensions deserving priority attention by the telephone companies and regulatory bodies like the NCC and the Consumer protection agency. Quality dimensions have been shown to impinge positively on overall service

quality which in turn affects customer satisfaction leading to their loyalty to the company (Alabar, Ode, & Gbande, 2018). Concerning physical facilities, equipment, and personnel appearance, customers indicated product dependability as a top priority. The product should perform its intended function accurately and without failing. The second quality dimension was that equipment should be up to date. The third most important service quality dimension was that service personnel should empathize with customers especially when they have challenges and should reassure them in addition to solving such challenges. Interestingly, employees' dressing and appearance were the least ranked followed by keeping accurate records. Kasser, Preko and Tee (2018) showed these quality dimensions to be positively related to overall service quality which in turn positively related to customer satisfaction and loyalty in the Ghanaian banking sector.

Within the group of dimensions involving responsiveness to customers including promptness of action, four variables were identified and ranked; of these four, not being too busy to respond to customers' requests was ranked most important. This was followed by the willingness of service personnel to help customers. Being informed of when a service will be provided was ranked fourth. The importance of responsiveness as service quality dimension is supported by the work of Mamman (2018) where he found responsiveness to rank highest in the perception of banking service quality in Katsina State, Nigeria. Responsiveness was followed by the reliability of service.

The next group of service dimensions was on assurance involving the knowledge, ability, and courtesy of employees to inspire trust and confidence amongst customers. Nine service quality dimensions were identified and ranked in this group. The ability of customers to trust employees was ranked first by respondents followed by the feeling of safety by customers during transactions. This aligns with the work of Ayodele and Esiti(2018) where trust was one of the variables that significantly impacted customer loyalties among GSM customers in North-Eastern Nigeria. The expectation of operating hours being convenient to all was ranked last followed by the expectation of personal attention.

The last group of variables was the ranking of telephone companies by respondents. Interestingly, this agreed with the a-priori expectation of the researcher. MTN was ranked as the most preferred telecommunication company. This was followed by Airtel and then by Glo. Nigerianfinder.com (2017), however, ranked Glo as the second most popular telecommunication company in Nigeria. Etisalat, now 9mobile, was ranked as the fourth most preferred company by

this study. These rankings compare significantly with those by Eze (2018) who showed rankings of 10 best telecom networks and internet service providers in Nigeria where MTN was equally ranked as first with an investment of USD1.8 billion. MTN was, however, followed by Glo and 9mobile with Airtel coming forth instead of second as shown by our study. The changing positions of Glo and Airtel are due to the internet and non-internet subscribers. While Airtel has more non-internet subscribers, Glo internet subscribers exceed those of Airtel; when combined, Airtel has the upper hand over Glo in terms of several subscribers as shown in Tables 1 to 3 (NCC, 2018; NCC, 2019).

Conclusion

In keeping with several types of research that have shown responsiveness as the most important service quality dimension, a cardinal element in this study is that service staff should not be too busy to attend to customers but should be available and should show a willingness to attend to them. Of the tangible dimension, the service should be dependable and should achieve what it was meant to do; equipment should be up to date and should be reliable to deliver the required service. MTN was shown as the most preferred service provider followed by Airtel and the GLO.

Recommendations

Flowing from the results of the study, the following recommendations are made:

1. Service providers in the telecommunication industry should ensure that service staff is increasing their level and promptness of the response to customers inquiries and complaints as this was shown to be the priority in the service quality dimensions.
2. Equipment should be of the latest technology and should be relied upon to deliver the service required by the customers
3. Service staff should demonstrate high integrity as trust was ranked very high in the quality dimension preferred by customers. Customers want to feel safe when dealing with employees
4. Companies should ensure they have in their employment staff with a high level of empathy and good human relations to be able to demonstrate a willingness to assist customers even when it is not convenient. This will guarantee their responsiveness to customers' demand.

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