

CHRISTIAN SERVICE UNIVERSITY COLLEGE



SCHOOL OF BUSINESS

DEPARTMENT OF MARKETING

TOPIC:

AN ASSESSMENT OF CUSTOMER PERCEPTION OF SERVICE DELIVERY OF ECG

ASHANTI EAST

BY

PRICKA REBECCA

DUAH ISAAC KWAKU

GYASI FOSU RICHLOVE

ACHIAA AFUA ATAA JNR

ANTWI – BOASIAKO LYDIA

JOSEPH KWABENA BIMPEH

A DISSERTATION SUBMITTED TO THE MARKETING DEPARTMENT, CHRISTIAN SERVICE

UNIVERSITY COLLEGE IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE

AWARD OF A DEGREE IN BACHELOR OF BUSINESS ADMINISTRATIO

MAY, 2015

DEDICATION

This piece of work is dedicated to our parents, guardians, family members, relatives, friends and loved ones who with their support and prayer helped and encouraged us to the successful completion of this course. We humbly say God bless you all.

ACKNOWLEDGEMENT

We wished to thank God who have made it possible for us to come this far.

Our gratitude also to Mr Sapon Appiah (Bishop) of Christian Service University College School of Business, Our Supervisor for taking much time off his tight schedule to read through the thesis, and making the necessary corrections and numerous suggestions for the successful completion of our research work.

Again, we are appreciative to the entire Christian Service University College management and staff for their enormous assistance towards the achievement of this research work.

Furthermore, we are grateful to the entire management and to the staff of Electricity Company of Ghana, Ashanti: East Region for their immense contribution towards the success of this research.

Finally Mrs. Amponsah Akuffo of Max-Winn innovations who help in typing of our work and to all our colleagues.

May the Good Lord bless you all.

ABSTRACT

The need for safe and reliably electricity distribution is paramount for the socio-economic development of Ghana. This study thus examined customer perception of service delivery by Electricity Company of Ghana (ECG). The study was descriptive, using both primary and secondary data. Data was gathered with the help of questionnaires and analysed using the Statistical Package for the Social Sciences (SPSS). The study found that Electricity Company of Ghana (ECG) customers have the following expectations from the organisation: timely service delivery, knowledgeable staff, quick response to complaints, adequate support to customers, and more transparent billing system. It was however evident that the most significant expectations were timely service delivery, knowledgeable staff, quick response to complaints. However, majority of the customers perceive Electricity Company of Ghana (ECG)'service quality dimensions (i.e. tangibility, reliability, responsiveness and assurance) to be generally weak and far below their expectation. The effect on customers is that most customers would switch to another service if there were options available to them. Key recommendations therefore included the need for improved customer support service by Electricity Company of Ghana (ECG). Again, it was recommended that Electricity Company of Ghana (ECG) should improve on its response rate to customer enquiries and complaints. It was also recommended that there is the need for staff to be trained on effective customer relationship management. This will address the general complaint of poor customer relationship found in the study.

TABLE OF CONTENT

Statement of Authenticity	i
Dedication	ii
Acknowledgement	iii
Abstract	iv
List of Tables	viii
List of Figures	ix

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study	1
1.2 Statement of the Problem	3
1.3 Objectives of the Study	4
1.4 Research Questions	5
1.5 Significance of the Study	5
1.6. Scope of the Study	5
1.7 Organization of the study	6

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction	7
2.1 The Concept of Service	7
2.2 Service Delivery	8
2.3 Service Quality	8
2.3.1 Perspective of service quality	11
2.3.2 Service-based Component of Quality	13

2.4 Service Quality Dimensions	13
2.5 Customer Service Practices and Satisfaction	17
2.6 Customer expectations	18
2.7 Customer Perception of Service Delivery	22
2.8 Customer Satisfaction	25
2.9 The relationship between customer expectations, perceptions and satisfaction	27

CHAPTER THREE: RESEARCH METHODS

3.0 Introduction	30
3.1 Research Design	30
3.2 Sources of Data	31
3.3 Population and Sample Size	31
3.4 Sample Size and Sampling Procedure	31
3.5 Data Collection Instruments	32
3.6 Data Collection Procedure	33
3.7 Validity	33
3.8 Analysis Method	33
3.9 Ethical Considerations and Limitations of the Study	34

CHAPTER FOUR: PRESENTATION OF FINDINGS, DISCUSSIONS AND ANALYSIS

4.1 Introduction	35
4.2 Demographic Characteristics of Respondents	35
4.2.1 Gender of Respondents	35
4.2.2 Age of Respondents	36
4.2.3 Years of Experience Dealing with ECG	37
4.2.4 Level of Education	38
4.3 Expectation of Service Delivery	39
4.4 Perception of Service Delivery	40
4.4.1 Tangibility of Service Delivery	41
4.4.2 Reliability of Service Delivery	41
4.4.3 Responsiveness of Service Delivery	43
4.4.4 Assurance of Service Delivery	44
4.4.5 Empathy of Service Delivery	45
4.5 Effect on Level of Satisfaction with Service Delivery	47

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND

RECOMMENDATION

5.1 Introduction	49
5.2 Summary of Findings	49
5.3 Conclusion	50
5.4 Recommendation	51

LIST OF TABLES

Table 3.1 Sample Size	32
Table 4.1 Gender of respondents	36
Table 4.2 Age of respondents	36
Table 4.3 Number of Years Spent Dealing Directly with ECG	37
Table 4.4 Level of Education	38
Table 4.5 Expectation of Service Delivery	39
Table 4.6 Perception of Tangibility of Service Delivery	41
Table 4.7 Perception of Reliability of Service Delivery	42
Table 4.8 Perception of Responsiveness of Service Delivery	43
Table 4.9 Perception of Assurance of Service Delivery	44
Table 4.11 Level of Satisfaction with Service Delivery	48

LIST OF FIGURES

Figure 2 A Dynamic Model of Expectation (Source: Gronroos, 2007)	19
Figure 2.2 Continuum of perceived Service Quality (Parasurman et al, 1990)	24

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Excellent service to customers is one of the primary goals of organisations, and defines the ability to provide promised products or services. Generally, for most organisations, performance is measured in terms of profits and customer base. This usually results from their ability to satisfy the elements of quality service delivery. To satisfy these expectations, organisations have had to go beyond the traditional modes of assessments and apply marketing techniques for understanding customer requirements.

In the current competitive environment, most organisations have survived on numerous innovations and technology transfers into several facets of their operations all in an effort to become customer oriented to be able to command a sizeable share of the market, or at the minimum post significant growth. Thus, the customer focus in sectors that provide services has become essential for satisfying customers

One of the espoused reasons of quality service delivery is the perception it creates on the minds of customers and its potential effect on performance. The point has been made that “success depends on customers’ perception or judgment on the quality of products/services provided by the organisation” (Manjunatha, 2004). According to Schacter (2011) “perception is the organization, identification, and interpretation of sensory information in order to represent and understand the environment”.

Generally, it is accepted that service quality is customer perceptions and customer expectations, and is necessary to create customer satisfaction. Oliver (1997) argues that “service quality can be described as the result from customer comparisons between their expectations about the service they will use and their perceptions about the service company”. Kabir and Carllsson (2010) deduced from the above statement that “if the perceptions would be higher than the expectations the service will be considered excellent, if the expectations equal the perceptions the service is considered good and if the expectations are not met the service will be considered bad”.

The essence of understanding or analyzing customer perceptions is to be able to address negative perceptions whilst strengthening positive perceptions in order to ultimately satisfy the customer. Whilst Oliver (1997) is arguing that customer satisfaction is “a judgment that a product or service feature, or the product or service itself, provides pleasurable consumption; Gibson (2005) puts forward that “satisfied customers are likely to become loyal customers and that means that they are also likely to spread positive word of mouth”. Thus, understanding which factors that influence customer satisfaction makes it easier to design and deliver service offers that corresponds to the market demands.

For organisations in the utility sector, customer perceptions are equally relevant. This is considering the fact that customers continue to grow in their taste. Importantly, the need for safe and reliably electricity distribution is paramount for the socio-economic development of Ghana. This is captured by the government’s vision of making Ghana a net exporter of electricity in the West coast of Africa. ECG’s corporate vision statement reads “to be among the leading electricity distribution companies in Africa”. Additionally, Electricity Company of Ghana

(ECG) has as its mission “to provide quality, reliable and safe electricity services to support the economic growth and development of Ghana”. However, the current state of electricity distribution in Ghana is nowhere near its own vision and mission.

In the light of the current reality in terms of the operating environment, there is the need to know how customers feel about service delivery and products of ECG as a way of becoming more effective in prosecuting their core mandate. The current study therefore takes up this challenge of assessing customers’ perception of service delivery and products of ECG.

1.2 Statement of the Problem

Various arguments have been advanced in favour of the need to know what the customer wants. Authors such as Gonzalez & Garzia (2008) for example make the point that “it is important for the organization to know what the customers are thinking about their service so that failures can be avoided and improvements can be made”. According to Ha and Jang (2009), “service failure occurs when customer perceptions do not meet customer expectations”.

As a result, various organisations continue to make efforts to avoid service gaps and other service failures. Eskildsson (1994) provides evidence of the many attempts at improving the processes and services from the perspective of the customer. Again, studies by authors such as Schneider & Bowen (1985) and Tornow & Wiley (1991) showed a positive correlation between the attitude of customers and employee and customer perceptions of service quality. They also found that customer satisfaction is directly related to the attitude and perceptions of employees, in turn, the attitude and perceptions of employees relate to the organization and its management

practices. They also said that customer satisfaction is not just relating to the values and attitudes of employees, which means that the overall effectiveness of the organization has direct impact on values and attitudes.

Therefore, customers perception of an organisation is vital for the reasons stated above. Unfortunately not many studies have focused on this aspect of service delivery in the utility sector. This study thus seeks to contribute to filling this gap using Electricity Company of Ghana as a case study.

1.3 Objectives of the Study

The study generally assesses customers' perception of service delivery and products of Electricity Company of Ghana (ECG). Specifically, the study:

- i. To find customer expectations of service delivery at ECG, Ashanti East
- ii. Examine customers' perception of the dimensions of service delivery at ECG
- iii. To establish the relationship between customers' perception of service delivery and level of satisfaction

1.4 Research Questions

To achieve the set objectives, the following research questions have been proposed:

- i. What are customer perceptions of service delivery from Electricity Company of Ghana?
- ii. How do customers perceive the dimensions of service delivery at Electricity Company of Ghana (ECG)?

iii What is the relationship between customers' perception of service delivery and level of satisfaction?

1.5 Significance of the Study

The study is significant in several respects. In the first place management of Electricity Company of Ghana (ECG) get a firsthand knowledge of how customers see their service delivery. This will help them address weaknesses revealed by the customer. Again, the study will reveal the exact driving factors of these perceptions held by customers. This will serve as a basis for strengthening or varying strategies. The study will further establish the real effect of these perceptions on customer satisfaction. Finally, the study will contribute to literature on the subject matter and serve as a reference for students and other researchers engaged in similar studies.

1.6 Scope of the Study

This study is a single case study involving only Electricity Company of Ghana. However, the study is also limited to Electricity Company of Ghana (ECG) Ashanti East Region. Respondents selected were basically customers of ECG Ashanti East Region. The study is limited to customers' perception products and service delivery of the company.

1.7 Organization of the study

The study consists of five interrelated chapters. Chapter one will discuss the background, problem statement, scope, significance, and objectives for undertaking this research project. Chapter Two will look at existing literature related to the study to gain an understanding of the research topic. Chapter Three will present the research methodology that the researcher will use to undertake the study. Chapter Four will constitute the findings and discussions of the findings

to the study. Chapter five will summarize the findings of the study and also make recommendations that would contribute to solving the problem raised, as well as a recommendation for further study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter focuses on literature review. The review serves as a framework that guides the analysis of the research findings. Areas reviewed have a direct bearing on the research objectives. This includes the concept of service delivery and the associated service quality dimensions, customer expectations and customer perceptions of service delivery.

2.2 The Concept of Service

According to Looy, Gemmel, and Van Dierdonck, (2003), service is “any activity that one party can offer to another that is essentially intangible and does not result in the ownership of anything”. Gronroos (2000), defined service as, “ a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems”.

Zeithaml, Bitner, and Gremler, (2006), puts it in most simple terms “services are deeds, processes, and performances”. These definitions give a clue about the nature of services as processes rather than products. The definition that fits more in describing service is given by Looy, Gemmel, and Van Dierdonck, (2003), as “all those economic activities that are intangible and imply an interaction to be realized between service provider and consumer. This definition puts service as a process involving the employee and the customer where the employee is the seller and represents the service being delivered.

2.2 Service Delivery

In the words of Kirkwood (2009) the delivery of a service typically involves six factors: The accountable service provider and his service suppliers (e.g. the people), equipment used to provide the service (e.g. vehicles, cash registers, technical systems, computer systems), the physical facilities (e.g. buildings, parking, waiting rooms), the requesting service consumer, other customers at the service delivery location and customer contact. The 'service encounter' is defined as all activities involved in the service delivery process. Piercy (1990) says that some service managers use the term 'moment of truth' to indicate that defining point in a specific service encounter where interactions are most intense.

As Pilkington et al (2006) suggest, in some service industries, especially health care, dispute resolution, and social services, a popular concept is the idea of the caseload, which refers to the total number of patients, clients, litigants, or claimants that a given employee is presently responsible for. On a daily basis, in all those fields, employees must balance the needs of any individual case against the needs of all other current cases as well as their own personal needs.

2.3 Service Quality

For decades, many researchers have developed a service perspective (Zeithaml, 2009, Ramsaran and Fowdar, 2007). Chang (2008) describes that the concept of service quality should be generally approached from the customer's point of view because they may have different values, different ground of assessment, and different circumstances. Parasuraman, Zeithaml and Berry (1990) mention that service quality is an extrinsically perceived attribution based on the

customer's experience about the service that the customer perceived through the service encounter.

According to the work of Kumra (2008), service quality is not only involved in the final product and service, but also involved in the production and delivery process, thus employee involvement in process redesign and commitment is important to produce final tourism products or services.

Another research study on service quality is presented by Grönroos (2007) who focuses on a model that is a comparison between customer expectations of the service and their experience of the service they have received before. This model is named "total perceived service quality". As he emphasizes on what customer is really looking for and what they evaluate, the service quality is based on two dimensions. The first dimension is the technical quality and this dimension refers to the outcome, what is delivered or what the customer gets from the service. The next dimension is the functional quality which refers to the manner in which the service is delivered or how it is delivered. Both dimensions affect the corporate image and the perception of quality in various ways. According to total perceived service quality model, perceived quality of a service is not only affected by the experiences of the quality dimensions that the consumer used for evaluating whether quality is perceived as good, neutral, or bad. It is also affected by the perceived quality of given service as well as the outcome of the evaluation process.

Chang (2008) support the earlier line of thinking by Grönroos but Parasuraman, Zeithaml, and Berry developed "The Gap Analysis Model", which is a well known model of service quality. This model shows an integrated view of the consumer-company relationship. The main idea of the model is focused on the premise that service quality is dependent on the size and direction of the five gaps that can exist in the service delivery process.

- a. Gap 1: the gap between customer expectations and those perceived by management to be the customers' expectations.
- b. Gap 2: the gap between managements perception of consumer expectations and the firms service quality specifications.
- c. Gap 3: the gap between service quality specifications and service delivery.
- d. Gap 4: the service delivery, external communication gap.
- e. Gap 5: the perceived service quality gap, the difference between expected and perceived service (Parasuraman et al, 1990).

The first four gaps are identified as functions of the way in which service is delivered from the service provider to the customer, while gap number five is connected to the customer and as such is considered to be the truth of service quality. Gap five is also the gap that the SERVQUAL instrument influences. Edvardsson (1996) mentioned that it is important for a service organization to define the level of quality at which to operate; he argued that it is more relevant to speak of the “right quality” than of merely high quality.

2.3.1 Perspective of service quality

The word quality means different things to people according to the context. Lovelock and wirtz (2007, P. 418) mention that David Garvin identifies five perspectives on quality.

The transaction view of quality is synonymous with innate excellence: a mark of uncompromising standards and high achievement. This viewpoint is often applied to the performing and performing of visual arts. It is argued that people learn to recognize quality only through the experience gained from repeated exposure and managers or customers will also know quality when they see it is not very helpful.

The product- based approach sees quality as a precise and measurable variable. Differences in quality, it is argued, reflect differences in the amount of an ingredient or attribute possessed by the product or service. Because this view is totally objective, it fails to account for differences in the tests, needs, and preferences of individual customers or even entire market segments.

User based definitions starts with the premise that quality lies in the eyes of the beholder. These definitions equate quality with maximum satisfaction. This subjective, demand oriented perspective recognizes that different customers have different wants and needs.

The manufacturing based approach is supply based and is concerned primarily with engineering and manufacturing practices, quality is also operation driven.

Finally, the value based definitions define quality in terms of value and price. By considering the trade off between perception and price, quality comes to be defined as “affordable”.

Grönroos (1983) also describes different definitions and one of them comes from Philip Crosby (1979) who defines service quality as conformance to specifications. Services are performances and often they are performed in the presence of the customer. Services have a nature of varying from one firm to on other and from one situation to on other. It is also possible to make a distinction between technical and functional service quality, technical quality is connected to what is delivered and functional quality is connected to how it is delivered. On other example is Jarmo Lehtinen who describes customer quality in terms of process quality and output quality. The process quality is evaluated during the service delivery and output quality is evaluated after the service delivery.

Grönroos (1983) describes that the analyses of the study resulted in four conclusions. Conclusion number one is that service quality is determined by the customer’s perceptions which result from comparing expectations that the customer have before receiving the service and the actual

experience that the customer get from the service delivery. If the expectations are met the service quality is described as satisfactory. They can also be exceeded and than they are considered as more than satisfactory. Conclusion number two is that the evaluation depends on the service process and also the service outcome. As the third conclusion it is described that it exists two types of service quality: quality at the level where the regular service is delivered and the quality level where expectations or problems are handled.

2.3.2 Service-based Component of Quality

Lovelock and Wirtz (2007, P.420) describe that researchers argue that the nature of service quality requires a distinctive approach to indentify and measure service quality. The intangible, multifaceted nature of many services makes it harder to evaluate the quality of a service compared to products. Because customers are often involved in service production, a distinction needs to be drawn between the process of service delivery and the actual output of the service which is called technical quality. Other researchers suggest that the perceived quality of service is the result of an evaluation process in which customers compare their perceptions of service delivery with the expected outcome.

2.4 Service Quality Dimensions

The SERVQUAL model of Parasuraman, Berry, and Zeithaml (1988) proposes a five-dimensional construct of perceived service quality: tangibles; reliability; responsiveness; assurance; and empathy – with items reflecting both expectations and perceived performance.

Tangibles: the appearance of physical facilities, the personal. The tools or equipment used to provide the service and communication material. In other words, it is every material that is used to give tangibility to service.

Reliability: this is the consistency of the service performance, which breeds dependability, from the first time the service is correctly performed to the ability of the firm to keep its promises. According to Zeithaml, Bitner, and Gremler, (2006), it is the ability to perform the promised service dependably and accurately.

Responsiveness: this is the willingness on the part of the service supplier (employee) to assist the customer and provide prompt service.

Assurance: the knowledge-ability and courtesy of employees towards the customers, their ability to inspire trust and confidence in handling the customers.

Empathy: This is a quality of the employee to care for the customer and give them individualized attention. The ability to put him/her self in the customer's shoes by seeing things through the customer's eyes. According to Zeithaml, Bitner, and Gremler, (2006), "it means treating customers as individuals, giving them customized service".

Further, Crosby (1979) had noted earlier that service quality has become an important research topic because of its apparent relationship to costs, profitability (Buzzell and Gale, 1987; Rust and Zahorik, 1993; Zahorik and Rust, 1992), customer satisfaction (Bolton and Drew, 1991), customer retention (Reichheld and Sasser, 1990), and positive word of mouth. There are many research instruments developed to measure the perceived service quality. Among such general instruments, the most popular being the SERVQUAL model. From the above discussion it can be concluded that SERVQUAL is still suitable as an assessment tool to measure the service

quality perceptions in various industries, whether it is based on difference score, gap score or performance only.

Zaim, Bayyurt, and Zaim (2010), found out that tangibility, reliability and empathy are important factor for customer satisfaction, whereas responsiveness and assurance are important factor, found by Mengi (2009). Kumar., Mani, Mahalingam and Vanjikovan, (2010 and Lai (2004) found that assurance, empathy and tangibles are the important factor, and on the other hand, Baumann, Burton, Elliott, and Kehr (2007), found that tangibles are not related to customer satisfaction.

Ahmed, Nawaz, Usman, Shaukat, Ahmad, and Iqbal (2010), find out that empathy is negatively related to customer satisfaction. Researchers have identified various determinants of customer satisfaction in various industries. Arasli, Smadi, and Katircioglu, (2005) pointed out that reliability dimension of SERVQUAL has the highest impact on customer satisfaction, whereas reliability is not related to customer satisfaction, found by Chaniotakis and Lympelopoulou (2009).

According to Levesque and McDougall (1996), competitive interest rate is one of the important determinants of customer satisfaction. They found that a good “employee customer” relationship can increase the satisfaction level. They pointed out that problem-recovery is important to maintain the customer satisfaction. However, the results did not confirm that satisfactory problem-recovery can increase satisfaction. At least, it can maintain the satisfaction level.

Finally, they concluded that competitiveness and convenience are the two important determinants of customer satisfaction. On the other hand, Jamal and Naser (2003) found that convenience and competitiveness are not the critical factors for all gender, age and income groups.

On a careful inspection of the dimensions of quality, a major focus rests on the component of human interaction in the service delivery that consists of human behavior and attitudes. Looy, Gemmel, and Van Dierdonck (2003) is also of the same opinion that customers are not one-dimensional in judgment, because a lot of other factors influence service quality, most researchers agree on these dimensions of service quality as a measure of service quality.

Various studies in service management have shown that the perception of the quality of services through the eyes of the customer is formed by a judgment of many encounters, with an organization. According to Zeithaml, Bitner, and Gremler, (2006), “customers perceive services in terms of quality of the service and how satisfied they are overall with their experiences.” However, these encounters are mainly the joint effort of the employees who have contacts with the customers, and the customers themselves, who therefore may be in better position to understand them, and solve their service related problems.

2.5 Customer Service Practices and Satisfaction

Customers perceive service in terms of quality, but how satisfied they are with the overall experience, is what defines their satisfaction. Kotler and Keller.(2006) points out that whether the buyer is satisfied after purchase depends on the offer’s performance in relation to the buyers expectations.

However, according to Zeithaml, Bitner, and Gremler, (2006) although service quality and customer satisfaction are used interchangeably, there is indeed a distinction. Customer Satisfaction is when the outcome of the service matches the expectations of the service. As pointed out by Looy, Gemmel, and Van Dierdonck (2003), even though they differ one is a component of the other. Zeithaml, Wilson, and Bitner (2008) define it the customer’s evaluation

of a product or service in terms of whether the product or service has met his needs or expectations. Failure to meet needs results in dissatisfaction, or a poor perception of the service quality. Satisfaction can be acknowledged in various senses depending on what needs the customer had before the service; it ranges from feelings of fulfilment, contentment, pleasure, delight, relief, and ambivalence. Although it tends to be measured as a static quantity, it is dynamic and evolves over time being influenced by a variety of factors.

Service quality is one of those factors that contribute to customer satisfaction, in other words a component of customer satisfaction measure. As Looy, Gemmel, and Van Dierdonck, (2003), points out the distinction between the two is a very important one. The level of customer satisfaction is the result of the customers comparison of the service quality expected in a given service encounter, with the perceived service quality. In addition, the distinction is that in measuring customer satisfaction, the actual experience of the customer is the basis of assessments while in service quality measurement the customer experience is not required.

According to Zeithaml, Bitner, and Gremler, (2006), satisfaction or dissatisfaction is a measure or evaluation of a product or service's ability to meet a customer's need or expectations. If the customers of an organization are satisfied by their services the result is that, they will be loyal to them and consequently be retained by the organization, which is positive for the organization because it could also mean higher profits, higher market share, and increasing customer base. According to Grönroos (2001), "through improved customer retention and more cross-sales, this can be expected to have a positive effect on profit."

2.6 Customer expectations

Ekinci (2002) argues that the term expectation in service quality literature has different meanings for different authors. According to Tam (2005), it is important for success in influencing customer satisfaction to understand how customer expectations develops and update even if the term expectation is vague and difficult to interpret in surveys. Kandampully (2000) argues that the management of these customer expectations is also an imperative concept in tourism companies for further products and services designed to match and exceed those expectations.

Grönroos (2007) suggested that in order to increase long term quality, the customer expectations should be focused, revealed, and calibrated and he also developed the dynamic model of expectation that describes that the quality of professional services develops in a customer relationship over time. This model is illustrated in fig (1) which classifies the expectations into three distinguishable types and can be characterized in the following;

- a. Fuzzy expectations exist when customers expect a service provider to solve a problem but do not have a clear understanding of what should be done.
- b. Explicit expectations are clear in the customer's minds in advance of the service process. They can be divided into realistic and unrealistic expectations.
- c. Implicit expectations refer to element of a service which are so obvious to customers that they do not consciously think about them but take them for granted" (Grönroos, 2007, P. 100)

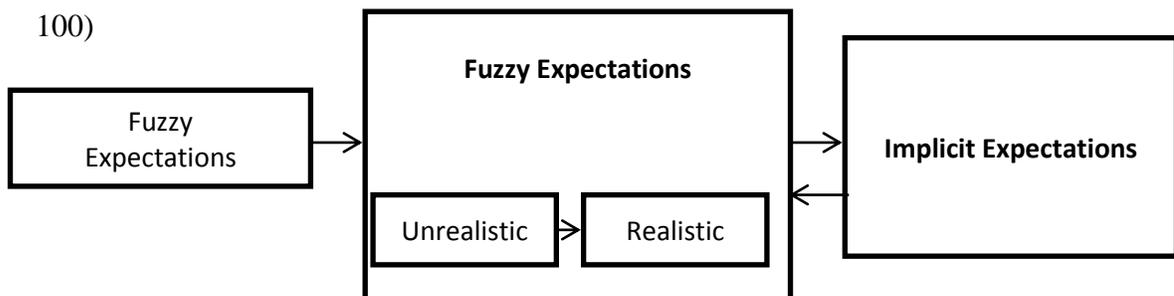


Figure 2.1 A Dynamic Model of Expectation (Source: Gronroos, 2007)

Following fig 2.1, Grönroos, (2007) stated that an explicit service provider should understand fuzzy expectations because these expectations still have impact on customer satisfaction about quality and customers will be disappointed in case the service provider does not fulfill it. The characteristics in this customer expectations are: “customers may feel that there is a need for understanding what would fulfill this need or change their current state in general, but they do not have a clear understanding of what would fulfill this need or change in the current situation”. (Grönroos, 2007, p.100) also state that customers expect something more in addition to be done but they don’t know exactly what and how it should be done. The author also said that if the service provider “can make the explicit of these expectations for the customer and for itself, it is an opportunity for the customer”.

Grönroos, (2007) mentions that customers normally presume that explicit expectations will be met and unrealistic expectations might be exited. Service providers have to help customers adjust these unrealistic expectations into more realistic ones to ensure that a service delivery will meet customer expectations. In this stage, service providers should be aware of the more vague promise or “implied –in-fact” promise because it can form unrealistic explicit expectations that lead customers to believe that services offered will include features that in fact are not included. Beside explicit expectations, implicit expectations also have to be fulfilled because they are apparent that customers are clearly expressed. Such implicit services will become explicit if they are not fulfilled.

(Grönroos, 2007, p.101) also mentions that both fuzzy and implicit provider expectations should be detected, because they can form explicit expectation as seen in the thick narrows (Fig. 2); called “intonation dynamics”. It shows how the service provider can and should actively manage expectations. At last, the service provider should design the service offering to customers in

order to meet all their expectations, and the dynamic approach to manage service contexts are therefore concerned.

According to Lovelock and Wirtz (2007) understanding the expectations of customers mean understanding that when customers evaluate service they compare their expectations with what they think they received from the supplier and if the expectations are met or even exceeded customers believe that the service have high quality. Customer expectations vary depending on what kind of business the service is connected to. Expectations also vary depending on different positioning strategies of different service providers. Thirdly the expectations are influenced by previous experiences of the service provider, competing services in the same industry or related services in different industries.

If the customer don't have any previous experience they are more likely to base their expectations on word of mouth, news stories or the marketing efforts of the company. One more thing to consider is that customer expectations vary over time because they are influenced by advertising, new technologies, service innovation, social trends and so on. A successful company is able to meet expectations in every step. Reliability in meeting customer service expectations is one of the most important dimensions of the service element (Berry, 1995). Simply providing an expected service in a reliable manner does not allow for an organization to exceed customers' expectations.

Customers do not view a service that is expected to be provided by an organization as one which should receive praise. According to Leonard Berry (1995), "Companies that surprise customers with unusual caring, commitment, or resourcefulness during the service process receive the extra credit." The providing of service that is above and beyond expectations cannot be accomplished

until expected service is determined. Customer desires and needs must be determined when implementing a competitive customer relations program.

2.7 Customer Perception of Service Delivery

Customer perception of service delivery is very vital for the performance of the product or service. Perception is generally informed by the customer's experience of the product or service as well as a function of the environment.

Fiore and Kim (2007) present a conceptual framework that concerns the influences on the consumption experience by environmental variables such as physical elements of the service environment, individual variables, individual attributes and person-environment variables or situations. The physical environment has the possibility to provide ideas about the influence of customer perceptions on the brand image. Zeithaml and Bitner (2000) argue that customers do perceive quality in more than one way and they also have perceptions about multiple factors when quality is assessed.

Baker et al. (2002); Bitner (1990); Minor et al (2004) also put forward that the environment influences customer satisfaction. For example, the environment in a hotel will affect customer satisfaction. Lovelock and Wirtz (2007) discusses how confirmation or disconfirmation of expectations relates to satisfaction and delight: The terms "quality" and "satisfaction" are sometimes used interchangeably. Some researchers believe, however, that perceived service quality is just one component of customer satisfaction, which also reflects price/ quality trade-offs, and personal and situation factors.

Baker et al (2002) also describes three components that influence the service encounter elements. The first component is physical environment and includes for example music, lightning and external and internal environmental design, the second one is customer interactions with intangible and tangible elements in the service environment and the periods when customers interact with physical facilities and other tangible elements in the service environment. Andaleeb and Conway, 2006; Wu and Liang, 2005) mentions the second component that is connected to the relationship between the service employee and the customer. Behaviour is a key determinant of how the service will be appreciated.

Bitner (1992); Baker et al., (2002) is describing the third component that is about how customers are influenced from the appearance, perceptions and behaviour of other customers. Baker and Cameron (1996), discusses that it is shown that the behaviour of other customers affect perceptions and that makes it important for service providers to be careful about the interaction between customers.

According to Lovelock and Wirtz (2007) a service encounter is a period of time during which the customer interact directly with the service provider. Some of these encounters are very brief and consist of just a few steps. If you use a service that requires the customer to make a reservation this first step might have been taken days or even weeks before the customer arrives at the service facility.

Lovelock and Wirtz also (2007 also discusses The Servuction Model. It is static and describes a single service encounter or moment of truth. Service processes usually consist of a series of encounters, such as your experience with a flight that consist of steps from making reservation to checking in, taking the flight, and retrieving customer's bags on arrival. Knowledge of role and

script theories can help us to understand, design, and manage both customer behaviour and employee behaviour during those encounters.

From the discussion above we understand that this part is connected to the Continuum of Perceived Service Quality. The following model is shown below;

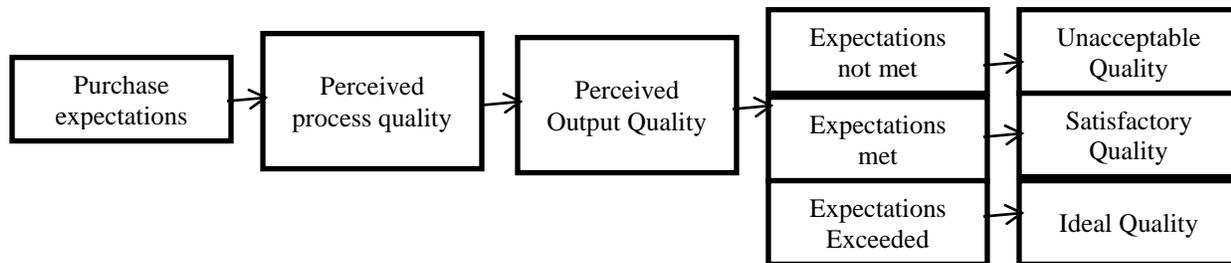


Figure 2.2 Continuum of perceived Service Quality (Parasurman et al, 1990)

2.8 Customer Satisfaction

The definition of customer satisfaction (CS), as specified by ISO 10002 (Customer Satisfaction, Complaints), is the “customer’s perception of the degree to which the customer’s requirements have been fulfilled” (ISO, 2004). The marketing departments of firms have sought improvement of services using customer satisfaction as a benchmark for performance evaluation. The public sector also uses customer satisfaction as a service index. New Public Management (NPM) reforms employ CS as part of the evaluation of administrative services, and the Government Performance Results Act (GPRA) states that the government of the USA shall disclose CS data as a benchmark of its performance.

Therefore, customer satisfaction can be regarded as a common evaluation scale for measuring customer satisfaction or dissatisfaction for quality of service. Satisfaction is defined as an emotional post-consumption response that may occur as the result of comparing expected and actual performance (disconfirmation), or it can be an outcome that occurs without comparing

expectations (Oliver, 1996). Contemporary literature on satisfaction in addition defines customer satisfaction as the primary and direct link to outcome measures (e.g., Anderson and Fornell, 1994; Andreassen, 1998; Athanassopoulos, 1999).

Conversely, Poisz and Grumbkow (1988) on their part, view satisfaction as a discrepancy between the observed and the desired. This is consistent with value-percept disparity theory (Westbrook and Reilly, 1983) which was developed in response to the problem that consumers could be satisfied by aspects for which expectation never existed (Yi, 1990). The value-percept theory views satisfaction as an emotion response triggered by a cognitive evaluative process (Parker and Mathews, 2001). In other words, it is a comparison of the object that one values rather than an expectation.

However, Giese and Cote (2002) affirms that, even though the literature contains significant differences in the definition of satisfaction, all the definitions share some common elements. When examined as a whole, three general components can be identified: 1) consumer satisfaction is a response (emotional or cognitive); 2) the response pertains to a particular focus (expectations, product, consumption experience, etc.); and 3) the response occurs at a particular time (after consumption, after choice, based on accumulated experience, etc). Satisfaction, according to the existing literature comprises the following three basic components:

Response: There are differences within each type of satisfaction with respect to the characteristics of the satisfaction response. For example, the consumer satisfaction response to dinner in a restaurant differs from the consumer satisfaction response to dental treatment. Whereas the former satisfaction response may encompass a feeling of pleasure, the latter satisfaction response may encompass a feeling of relief.

Furthermore, a consumer satisfaction response may reflect a hedonic cognitions (Oliver, 1997, p. 318), meaning that it reflects cognitions that are not emotionally processed. An example is the consumer satisfaction response to using a pencil. The response varies in intensity depending on the situation. That is the strength of the satisfaction response, ranges from strong to weak, making use of terms such as, "like love," "excited ," "thrilled," "very satisfied," "indifferent," etc.

2.9 The relationship between customer expectations, perceptions and satisfaction

Oliver (1997) mentions that customer satisfaction has a big research tradition of more than three decades. He also gives a definition about customer satisfaction: “a judgment that a product or service feature, or the product or service itself, provides pleasurable consumption related fulfillment. On other definition from Oliver (1997) is that customer satisfaction is as an overall emotional response to an entire service experience for a specific service encounter after purchasing consumption.

In an earlier article Oliver (1980) discusses that satisfaction can be understood as the discrepancy between expectations and perceptions. Differences are to be expected between importance attributes but also segments. Pizam and Ellis (1999) explain that customer satisfaction can be described as a comparison between performance and expectations.

Oliver and Swan (1989) expand the definition and mention that customer satisfaction is an affective term and they identify five different types of satisfaction which are pleasure, relief, novelty and surprise. There are many definitions but according to White and Yu (2005) one

consensus that can be found is that the construct includes either cognitive or affective responses and customer satisfaction can be either product or service focused.

Gibson (2005) found in his studies that satisfied customers become repeat purchasers of a product or service and provide positive word of mouth. That means that it is important to understand what factors that influences customer satisfaction in order to create good products or services. Zeithaml and Bitner (2003) expands this discussion and describes that there is an overwhelming interest in service quality and the reason for that is that both practitioners and researchers believe that quality is crucial for the success of any business organization. The construct has great impact on customer satisfaction, repeat purchase behaviour and in the long run also the profitability of the organization. Bitner (1990) also mentions that if the service is affective it has a direct and immediate effect on the customer satisfaction.

Zeithaml and Bitner (2003) argue that customer satisfaction has become a major contributor for enhancing a service company such as long term profitability, customer loyalty, and customer retention. That means for example that it is important to encourage the staff to deliver the right service to the right people in reasonable time and showing good manner. Satisfied customers may also give positive word of mouth and for that reason attract new customers and create long term business profit.

Oliver (1980) suggest that in order to create customer satisfaction it is important for the company managers to identify which product or service attributes that can enhance customer satisfaction or delightfulness, than the performance can be improved and it will also be possible to find out

which attributes that are expected by the customers (expected attributes can create dissatisfaction by their absence). Many researchers argue that customer satisfaction has big impact on customer intentions to repurchase (Cronin, Brady, and Hult, 2000). Andersson and Furnell (1995) also argue that satisfaction is an indicator of intentions to return to the supplier.

Therefore, in order to achieve the Set objectives of this research, the research questions stated earlier is to be administered.

CHAPTER THREE

RESEARCH METHODS

3.0 Introduction

In this chapter the methodology of research is presented. The areas captured in this chapter are the research design, source of data, population of the study, the sample size used for the study, the sample techniques used in selecting the respondents, the data collection tools and the data analysis techniques.

3.1 Research Design

The researchers used the descriptive approach. According to Yin (2003) A descriptive study is one in which information is collected without changing the environment (i.e., nothing is manipulated). Sometimes these are referred to as “correlational” or “observational” studies. Thus it is the basic plan for conducting the data collection and analysis phase. Again, descriptive survey is about describing, observing and documenting aspects of a situation to establish existing relationships.

The justification for using the descriptive research design is that although the descriptive research does not fit neatly into the definition of either quantitative or qualitative research methodologies, it however has the ability to utilize elements of both within the same study. Again, the descriptive research design is appropriate for answering the ‘what’ and ‘why’ kind of research questions posed in the chapter one.

3.2 Sources of Data

The researchers collected data from both primary and secondary sources. The primary data were collected through the use of questionnaires administered personally by the researcher to the various respondents. The secondary data on the other hand were collected from institutional documents and company data available.

3.3 Population and Sample Size

Bryman et al (2003), describe a study population as the whole group that the research focuses on. The population for this study consist customers of Electricity Company of Ghana (ECG) Ashanti East. Statistics from ECG gave the population of customers as indicated in the table below:

Table 3.1 Customer Population

Category of Customers	Population size
Prepaid Customers	54000
Postpaid customers	300,000
Total	354,000

Source: Field Data (2015)

3.4 Sample Size and Sampling Procedure

The researchers classified the population into three groups, comprising large commercial organizations, Small and Medium Enterprises (SMEs) and domestic customers. This approach was used because of the relatively large population stated above. Considering the large population of large commercial organization and domestic customers, the focus was limited to Small and Medium Enterprises (SMEs) customers which is reasonable size for our research. The

population of this group based on the classification stood at 5047. A proposal by Bartlet et al (2001) suggests that if the population is within the region of 1679, a sample of 118 is ideal. Thus for every 1679 customers 118 were selected. This totalled 354 after three selections. The remaining ten in the population were then added to arrive at a final figure of **364** as the sample size of the study.

The study used both the stratified sampling method and the simple random method. When sub-populations vary considerably, it is advantageous to sample each subpopulation (stratum) independently. Stratification is the process of grouping members of the population into relatively homogeneous subgroups before sampling. In this study, the various respondent categories were stratified. The strata were mutually exclusive: every element in the population was assigned to only one stratum. The strata were also collectively exhaustive: no population element was excluded. Tornow (1991)

Subsequently random sampling was applied within each stratum in selecting the respondents. The justification for using a simple random sampling technique is based on the fact that simple random sample is an unbiased surveying technique. In other words, every object has the same probability of being chosen. This improves the validity and reliability of the study.

3.5 Data Collection Instruments

The researchers used questionnaire as the tool for obtaining the data for the research. The questionnaire was made up of structured questions. Questionnaire was chosen to allow the respondents the opportunity to answer the questions at their convenience. The questionnaire was used because it is relatively easy to analyse because of its usually structured nature that facilitates easy coding and analysis. Again, a large sample of the given population can be

contacted at relatively low cost; whilst being simple to administer (Eriksson & Wiedeshiem – Paul, 2001).

Further, the format was familiar to most respondents; they are usually simple and quick for the respondent to complete, information is collected in a standardised way, they are usually straightforward to analyse, they can be used for sensitive topics which users may feel uncomfortable speaking to an interviewer.

3.6 Data Collection Procedure

Questionnaires were prepared and distributed to the respondents to be filled. The respondents were given some time to provide responses. The questionnaire was validated by giving some copies to colleague students and lecturers to read and correct ambiguous statements, wrong spellings and construction. Customer respondents were selected and given the questionnaire form selected households being served by Electricity Company of Ghana.

3.7 Validity

Validity is whether the methods approaches and techniques actually measure and are related to the problem at hand. According to (Eriksson & Wiedeshiem – Paul, 2001), validity is defined as an instrument to measure exactly what it is supposed to measure. To increase the validity a simplified outline of the questionnaire was sent to the respondents in advance. This gave the respondents the possibility to prepare for the response and to obtain the correct information.

3.8 Analysis Method

The study used mean and t-test techniques in analysing the findings relative to the research objectives. The researchers used mean and t-tests derived from the various responses to interpret the results. This was facilitated by the Statistical Package for the Social Sciences (SPSS.). Basically, primary data generated by the study were edited and tested for consistency and reliability. The data were examined, categorized, tabulated and coded to address the research objectives and the research questions.

3.9 Ethical Considerations and Limitations of the Study

There were ethical issues relating to the principles of voluntary participations. It was required that people should not be coerced into taking part in the research. Also the notion of voluntary participation is the requirement of informed consent. This means that participants in the research must be fully informed about the procedures and risks involved in the research before allowing them to give them consent to participate. Ethical standards required that participants are not put in situation where they might be at risk of harm, both physical and psychological, as a result of their participation (Trochim, 2006).

To address these ethical issues, a covering letter was attached to the questionnaire, which explained the purpose of the questionnaire and informed the participants that no information identifying the respondents will be disclosed under any circumstances and only the researcher will have access to them. Before the start of interviews and questionnaire, the participants were asked for their consent and informed that they were free not to answer any question they were not comfortable with. Also, they were assured that, identifying information will not be made available to anyone who is not directly involved in the study.

CHAPTER FOUR

PRESENTATION OF FINDINGS, DISCUSSIONS AND ANALYSIS

4.0 Introduction

This chapter presents the findings to the various objectives set for the study. The specific objectives of the study included an examination of customer expectation of service delivery, an assessment of customer perception of service delivery, factors influencing the current level of service delivery and the relationship between customer's perception of service delivery and level of satisfaction. Findings are presented under each of the objectives and discussed accordingly. Conclusions are drawn on each finding in the context of the literature reviewed.

4.2 Demographic Characteristics of Respondents

This section presents findings in relation to respondents' demographic characteristics. Areas investigated include gender, age, level of education and years spent as a customer of ECG. These characteristics were investigated into because they help to understand some of the factors underlying the various responses.

4.2.1 Gender of Respondents

Table 4.1 below depicts the gender of the respondents sampled. From the table we find a significant dominance of the male respondents. Specifically, the male respondents dominated about 70% of the respondents. Generally, it shows that the male customers of the organization deal a lot more with the organization than the female customers. This is based on the fact that the respondents were sampled at the premises of the organisation.

Table 4.1 Gender of respondents

Gender	Frequency	Percentage (%)
male	254	70.0
female	110	30.0
Total	364	100.0

Source: Field Data (2015)

4.2.2 Age of Respondents

Table 4.2 below shows the age range of respondents. Age is a variable that is arguably associated with the level of experience with a particular subject in an organizational context. It was considered important to know the average age of the respondents. Findings are depicted below:

Table 4.2 Age of respondents

Age	Frequency	Percentage (%)
21-30 years	73	20.0
31-40 years	254	70.0
above 50 years	37	10.0
Total	364	100.0

Source: Field Data (2015)

From the table we find that about 70% of the respondents were aged between 31 and 40 years. The two remaining age groups (21-30 and 50 and above), also recorded rates of 20% and 10% respectively. It suggests that more than 2/3 of the customers visiting the premises of the organization with a complaint or for other reasons are 31 years and above.

4.2.3 Years of Experience Dealing with ECG

Another important variable investigated was the number of years respondents had been dealing directly with ECG. This was considered important because it is likely to have a bearing on his assessment of service delivery over the period. Findings obtained in respect of this objective are shown on table 4.3 below:

Table 4.3 Years of Experience Dealing with ECG

Years of Employment	Frequency	Percentage (%)
less than 3 years	146	40.0
3-6 years	73	20.0
7-10 years	73	20.0
more than 10 years	73	20.0
Total	364	100.0

Source: Field Data (2015)

From the table we find that slightly more than 1/3 of the respondents (40%) had experience dealing with ECG under three (3) years. 20% had experience dealing with ECG for a period between 3-6 years, Another 20% also been dealing directly with ECG for a period between 7-10 years whilst the remaining 20% had experience dealing with ECG for more than 10 years (see table 4.3 above). The implication to the study is that about 60% of the respondents had a minimum experience of 3 years of dealing with ECG. It shows that majority of the respondents have experience dealing with ECG and for that matter have a significant experience with their service delivery quality.

4.2.4 Level of Education

Investigation carried into respondents' level of education is also depicted on table 4.4 below. The table reveals that about 40% of the respondents had obtained their First Degree whilst the 6.7% were Second Degree holders. 33.3% also reported being HND holders whilst the remaining 20% were either secondary school leavers or had basic education. It shows customers dealing directly with ECG are spread across the educational ladder.

Table 4.4 Level Of Education

Level Of Education	Frequency	Percentage (%)
basic	24	6.7
secondary	48	13.3
HND	122	33.3
first degree	146	40
second degree	24	6.7
Total	364	100.0

Source: Field Data (2015)

4.3 Expectation of Service Delivery

Another key objective was to examine customers' expectations of service delivery. The researchers employed the one-sample mean tests to measure the responses to each of the variables investigated under this factor, using a test value of 1.5. Findings are indicated in the table 4.5 below:

Table 4.5 Expectation of Service Delivery

	<i>Test Value = 1.5</i>		
	<i>t</i>	<i>df</i>	<i>Sig. (2-tailed)</i>
timely service delivery	6.254	363	.001
knowledgeable staff	4.350	363	.002
quick response to complaints	2.891	363	.000
adequate support to customers	1.633	363	.010
more transparent billing system	5.656	363	.020

Source: Field Data (2015)

From the table above, we can see (moving from left-to-right) the observed t -value, the degrees of freedom (“ df ”), and the statistical significance (p -value) (“**Sig. (2-tailed)**”) of the test carried out. The significance of each of the variables tested is measured by the p -value (in the column labelled “**Sig. (2-tailed)**”). The study used a margin of error of 5% (0.05). Therefore a variable is significant if it recorded a p -value < 0.05 .

Looking at the values recorded for each of the variables tested under customer expectations, it can be seen that all the variables recorded p -values that are statistically significant, in other words the p -values were less than 0.05 ($p < .05$). It show that ECG customers expect “timely service delivery”, “knowledgeable staff”, “quick response to complaints”, “adequate support to customers”, and “more transparent billing system”. It is however evident that the most significant expectations are “timely service delivery”, “knowledgeable staff”, “quick response to

complaints". This was established based on the fact that these variables recorded the most significant p -values (see table above).

4.4 Perception of Service Delivery

Another key objective of the study was to assess customers' perception of service delivery. This objective also employed the one-sample mean tests to measure the responses to each of the variables investigated. The assessment was carried out under five different criteria commonly used for assessing service quality (). It includes the tangibility, reliability, responsiveness, assurance and empathy of service delivery in the case organization. Findings obtained are presented under each of the assessment criteria used.

4.4.1 Tangibility of Service Delivery

Table 4.6 Perception of Tangibility of Service Delivery

	<i>Test Value = 1.5</i>		
	<i>t</i>	<i>df</i>	<i>Sig.</i> <i>(2-tailed)</i>
ECG has up to date technology	2.348	363	.524
ECG's has adequate infrastructure to support its operations	3.221	363	.201
ECG is easily accessible	5.150	363	.111

Source: Field Data (2015)

From the table above, we find the significance level each of the variables tested under schedule quality. It is seen that none of the variables recorded a p -value < 0.05 . It implies that none of the variables recorded values that were statistically significant. It suggests that most customers perceive the tangibility of ECG's service delivery is very weak. According to the respondents, does not have up to date technology, it does not have adequate infrastructure to support its operations whilst accessibility is also very poor.

4.4.2 Reliability of Service Delivery

This is the consistency of the service performance, which breeds dependability, from the first time the service is correctly performed to the ability of the firm to keep its promises. According to Zeithaml, Bitner, and Gremler, (2006), it is the ability to perform the promised service dependably and accurately.

The table below also reveals customers' perception of the reliability of ECG's service delivery. From the table, we find that none of the variables tested recorded a p -value <0.05 . All the p -values recorded were greater than 0.05. The implication is that none of the variables was statistically significant.

Table 4.7 Perception of Reliability of Service Delivery

	<i>Test Value = 1.5</i>		
	<i>t</i>	<i>df</i>	<i>Sig.</i> <i>(2-tailed)</i>
When ECG promises to do something by a certain time they do	2.128	363	.631
ECG shows a sincere interest in solving your problems	2.167	363	.443
ECG provides good customer support	3.273	363	.333
staff exhibit good manners and hospitality	-3.633	363	.234

Source: Field Data (2015)

It generally suggests that the reliability of ECG's service delivery is generally weak. According to the respondents, when ECG promises to do something by a certain time, they do not do it on time, they do not appear to show sincere interest in solving problems, customer support is very low whilst most staff do not exhibit good manners and hospitality.

4.4.3 Responsiveness of Service Delivery

This is the willingness on the part of the service supplier (employee) to assist the customer and provide prompt service (Zeithaml et al 2006). An assessment was also carried out on the level of responsiveness of ECG's service delivery as perceived by the respondents. The responses were measured using the t-test technique. Findings obtained are shown in the table below:

Table 4.8 Perception of Responsiveness of Service Delivery

	<i>Test Value = 1.5</i>		
	<i>t</i>	<i>df</i>	<i>Sig.</i> <i>(2-tailed)</i>
Employees always respond to your request	3.154	363	.211
ECG keeps customers informed about delivery time	1.400	363	.110
Employees give prompt service	1.710	363	.231
customers are confident in employees	2.432	363	.225

Source: Field Data (2015)

From the table a similar trend is observed just as was recorded in the earlier service dimensions assessed. Generally, none of the variables recorded *p-values* that were statistically significant. It generally suggests weakness in the responsiveness of ECG's service delivery. According to the respondents employees do not always respond to request, ECG does not always keep customers informed about delivery time, employees do not give prompt service which reflects in a lack of confidence in employees.

4.4.4 Assurance of Service Delivery

Another important dimension of service delivery assessed is the assurance of service delivery. This describes the knowledge-ability and courtesy of employees towards the customers, their ability to inspire trust and confidence in handling the customers. Variables captured under this dimension seek to establish the level of safety and assurance customers have in service from ECG. Findings obtained using the t-test technique is shown in the table below:

Table 4.9 Perception of Assurance of Service Delivery

	<i>Test Value = 1.5</i>		
	<i>t</i>	<i>df</i>	<i>Sig.</i> <i>(2-tailed)</i>
Employees of ECG are courteous with customers	2.889	363	.251
customers feel safe in dealings with employees	2.800	363	.232
Employees are very knowledgeable	2.700	363	.030
most customers have a good experience of ECG's service	1.800	363	.164

Source: Field Data (2015)

From the table, it is seen that the only variable that recorded a statistically significant value is the variable "Employees are very knowledgeable" (P=0.030). It shows that the customers believe that ECG staffs are very knowledgeable in terms of their job. The other variables however all recorded p-values > 0.05 (see table above). It shows that the level of assurance of ECG's service delivery is generally low. According to the respondents employees are generally not courteous, whilst it is not all the time safe in dealing with employees.

4.4.5 Empathy of Service Delivery

The final dimension assessed is the level of empathy shown in the service delivery by ECG. The table below provides the findings obtained with respect to each variable tested under this dimension. From the table, we find that the variables “Employees give individual attention to you” and “ECG has convenient operating hours” both recorded p-values that were statistically significant (0.000 and 0.004 respectively). It suggests that customers generally are given individual attention whilst their operating hours are generally considered convenient by the most customers.

However, the remaining variables “Employees provide prompt information to customers”, “Customer care service is satisfactory”, and “employees understanding customers specific needs” all recorded p-values that were not statistically significant ($p > 0.05$). It generally shows a mixed perception about the empathy dimension of ECG’s service delivery.

Table 4.10 Perception of Empathy of Service Delivery

	<i>Test Value = 1.5</i>		
	<i>t</i>	<i>df</i>	<i>Sig.</i> <i>(2-tailed)</i>
Employees give individual attention to you	-3.100	363	.000
Employees provide prompt information to customers	-6.167	363	.150
Customer care service is satisfactory	-9.000	363	.290
employees understanding customers specific needs	-10.608	363	.125
ECG has convenient operating hours	-4.500	363	.004

Source: Field Data (2015)

On the whole, however, it is evident that customers largely see ECG's service delivery to poor and far below their expectation. An initial assessment of their expectation shows a significant gap between their expectation and the service they receive from the company. It shows the need for the organization to strengthen the quality of its service delivery. Generally, the findings are not consistent with ECG's stated mission which is to provide quality, reliable and safe electricity services to support the economic growth and development of Ghana. According to Manjunatha (2004) excellent service to customers is one of the primary goals of organizations, and defines the ability to provide promised products or services.

As indicated by Schacter (2011) one of the espoused reasons of quality service delivery is the perception it creates on the minds of customers and its potential effect on performance. As noted by Kabir and Carlsson (2010) if the perceptions would be higher than the expectations the service will be considered excellent, if the expectations equal the perceptions the service is considered good and if the expectations are not met the service will be considered bad

4.5 Effect on Level of Satisfaction with Service Delivery

The study further examined the level of satisfaction of customers with the current state of service delivery. This objective again used the t-test analysis technique in measuring the responses obtained from the respondents. Findings are depicted on the table below. From the table, it is seen that the customers generally are not impressed with the service delivery of ECG. Again, most of the customers do not see quality in their service whilst majority also do not consider ECG to be customer friendly.

These were established based on the various p-values ($p > 0.05$) recorded for each of the variables tested under this objective. The implication is that customers are generally not satisfied with the service delivery of ECG. As evidenced from the table below, most customers ($p = 0.01$) would switch to another service if there were options available to them.

Table 4.11 Level of Satisfaction with Service Delivery

	<i>Test Value = 1.5</i>		
	<i>t</i>	<i>df</i>	<i>Sig.</i> <i>(2-tailed)</i>
Will switch to another service if there were options	-7.454	363	.001
Very impressed with service	-7.650	363	.340
Very impressed with quality	-4.591	363	.250
Customer friendly	-3.643	363	.212

Source: Field Data (2015)

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents a summary of the findings to the study. The chapter also includes a general conclusion drawn from the various discussions and analysis; as well as recommendations to address weaknesses identified.

5.2 Summary of Findings

Demographic Characteristics of Respondents

The study found that the male respondents constituted about 70% of the respondents. It was concluded that, it generally shows that the male customers of the organisation deal a lot more with the organisation than the female customers. The study again found that that more than 2/3 of the customers visiting the premises of the organisation with a complaint or for other reasons are 31 years and above. Again, it was found that about 60% of the respondents had a minimum experience of 3 years of dealing directly with ECG. Analysis of their level of education showed that customers dealing directly with ECG are spread across the educational ladder.

Expectation of Service Delivery

The study found that those ECG customers have the following expectations form the organization: timely service delivery, knowledgeable staff, quick response to complaints, adequate support to customers, and more transparent billing system. It was however evident that the most significant expectations were timely service delivery, knowledgeable staff, quick response to complaints.

Perception of Service Delivery

The study found that most customers perceive the tangibility of ECG's service delivery is very weak. Customers also reported that the reliability of ECG's service delivery is weak. Again, the study found weakness in the responsiveness of ECG's service delivery as perceived by the customers. An assessment of the level of assurance in their service delivery also found it to be very low whilst customers gave a mixed perception about the empathy dimension of ECG's service delivery. The general conclusion was that those customers largely see ECG's service delivery to poor and far below their expectation.

Effect on Level of Satisfaction with Service Delivery

The study found that the customers generally are not impressed with the service delivery of ECG. Again, most of the customers do not see quality in their service whilst majority also do not consider ECG to be customer friendly. Most customers would switch to another service if there were options available to them.

4.3 Conclusion

The study has examined customers' perception of service delivery by ECG and its effect on their level of satisfaction with the organization. Several findings were made and discussed. This included the fact that almost all the dimensions of the company's service delivery were perceived to be generally weak. This suggests that there is the need for ECG to ensure that every aspect of service delivery is critically examined so that weaknesses identified are adequately addressed to enhance customer satisfaction.

According to the work of Kumra (2008), service quality is not only involved in the final product and service, but also involved in the production and delivery process, thus employee involvement in process redesign and commitment is important to produce final tourism products or services.

5.4 Recommendation

Based on the various findings and discussions, the following are recommended:

1. There is the need for improved customer support service by ECG. This is based on the finding that most customers found this aspect of their service delivery to be very low.
2. Again ECG should improve on its response rate to customer enquiries and complaints. This aspect of their service delivery was also perceived to be very low.
3. Further, there is the need for staff to be trained on effective customer relationship management. This will address the general complaint of poor customer relationship found in the study.
4. Most customers do not perceive ECG to be sincerely giving the needed assistance to its customers, thus, ECG should make effort to address customers need with sincerity.

References

- Ahmed, I., Nawaz, M., Usman, A., Shaukat, M., Ahmad, N. and Iqbal, H. (2010), "Impact of Service Quality on Customers' Satisfaction: Empirical evidence from telecom sector of Pakistan", *Interdisciplinary Journal of Contemporary Research in Business* 1(12), 98-113.
- Al-hawari, M. (2008), "The Influence of Traditional Service Quality Factors on Customer Satisfaction: A Practical Study within the Context of Australian Banking", *The Business Review, Cambridge* 11(2), 114-119.
- Al-Wugayan, A. and Pleshko, L. P. (2010), "A study of satisfaction, loyalty, and market share in Kuwait banks", *Allied Academies International Conference. Academy for Studies in International Business. Proceedings* 10(1), 2-8.
- Anderson, A.; Joseph, F.; Hair, R.; and Tatham, R. (1998) *Multivariate Data Analysis*. 5th ed. London: Upper Saddle River.
- Andreassen, T.W. and Lindestand, B. (1998), "Customer loyalty and complex services: the impact of customer image on quality, customer satisfaction and loyalty for customers with varying degrees of service expertise", *International Journal of Service Industry Management* 9(1), 7-23.
- Angur, M. G., Nataraajan, R., and Jahera, J. S. (1999), "Service Quality in the banking industry: an assessment in a developing economy", *International Journal of Bank Marketing* 17(3), 116-123
- Baumann, C.; Burton, S.; Elliott, G.; and Kehr, H. (2007), "Prediction of attitude and behavioural intentions in retail banking", *The International Journal of Bank Marketing* 25(2), 102-116.
- Beerli, A., Martin, J. D., and Quintana, A. (2004), "A model of customer loyalty in the retail banking market", *European Journal of Marketing* 38(1/2), 253-275.

Bharadwaj, S.G.; Varadarjan, P.R.; and Fahy, J. (1993), "Sustainable competitive advantage in service industries: a conceptual model and research propositions", *Journal of Marketing* 57(special issue), 83- 99.

Bhattacharya, S and Singh (2008), "The emergence of hierarchy in customer perceived value for services: a grounded analysis", *Journal of American Academy of Business, Cambridge* 13(1), 65-71.

Cheng, T., Lai, L., and Yeung, A. (2008), "The driving forces of customer loyalty: a study of internet service providers in Hong Kong", *International Journal of E-business Research* 4(4), 26-42.

Cohen, D.; Gan, C.; Yong, H.; and Chong, E. (2007), "Customer Retention by Banks in New Zealand", *Banks and Bank Systems* 2(1), 40-56.

Cronin, J.J., Brady, M. K. and Hult, G. T. M. (2000), "Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environment", *Journal of Retailing* 76(2), 193-218.

Day, G. S. (1994), "Capabilities of Market driven organizations", *Journal of Marketing* 58 (special issue), 37-52.

Donio, J., Massari, P., and Passiante, G. (2006), "Customer satisfaction and loyalty in a digital environment: an empirical test", *The Journal of Consumer Marketing* 23(7), 445-457.

Duggirala, M.; Rajendran, C.; and Anantharaman, R.N. (2008), "Provider-perceived Dimensions of total quality management in healthcare", *Benchmarking* 15(6), 693-722.

Eakuru, N., and Mat, N. (2008), "The Application of Structural Equation Modeling (SEM) in Determining the Antecedents of Customer Loyalty in Banks in South Thailand", *The Business Review, Cambridge*10 (2), 129-139

Faullant, R., Matzler, K., and Fuller, J. (2008), "The impact of satisfaction and image on loyalty: the case of alpine ski resorts", *Managing Service Quality* 18(2), 163-178.

Fogli, L. (2006) *Customer Service Delivery*. San Francisco

Jossey-Bass.Fujun, L.; Hutchinson, J.; Li, D.; and Bai, C. (2007), "An empirical assessment and application of SERVQUAL in mainland China's mobile communications industry", *The International Journal of Quality & Reliability Management* 24(3), 244-262.

Gee, R.; Coates, G. and Nicholson, M. (2008), "Understanding and profitably managing customer loyalty", *Marketing Intelligence and planning* 26(4), 359-374.

Gilmore, A. (2003) *Services Marketing and Management*. 1st ed. London: Sage Publications Ltd.

Gounaris, S. P., Stathakopoulos, V. and Athanassopoulos, A. D. (2003), "Antecedents to perceived service quality: An exploratory study in the banking industry", *The International Journal of Bank Marketing*21(4/5), 168-190.

Gronroos, C. (2000) *Service Management and Marketing: A Customer Relationship Management Approach*. 2nd ed. West Sussex: John Wiley & Sons, Ltd.

Gronroos, C.A. (1984), "Service quality model and its implications", *European Journal of Marketing* 18(4), 36-44.

Hair, J.; Black, W.; Babin, B.; Anderson, R.; and Tatham, R. (2007) *Multivariate Data Analysis*. 6th ed. New Jersey: Pearson Education, Inc.

Harwood, M. (2002) Branding on a budget: Building the community Bank's image. *America's Community Banker*. 11(4), 24-28.

Hofstede, G. (2001) *Culture's consequences: Comparing Values, Behaviours, Institutions, and Organizations across Nations*. 2nd ed. London: Sage Publications, Inc.

Hsu, J., and Hsu, C. (2008), "The Relationships between Service Quality and Customer Satisfaction in a Leading Chinese Web 2.0 Company", *The Business Review, Cambridge* 11(1), 84-89.

Jamal, A. and Naser, K. (2003), "Factors influencing customer satisfaction in the retail banking sector in Pakistan", *International Journal of Commerce and Management* 13(2), 29.

John, B. and Snorre, S. (1997), "Corporate identity and private banking: a review and case study", *The International Journal of Bank Marketing* 15(5), 169-184.

Johnston, R. (1997), "Identifying the critical determinants of service quality in retail banking: importance and effects", *The International Journal of Bank Marketing* 15(4), 111-119.

Johnson, W. C.; and Weinstein, A. (2004) *Superior Customer Value in the new economy, concept and cases*, 2nd edition. Boca Raton, CRC Press.

Lin, H. H. and Wang, Y. S. (2006), "An examination of the determinants of customer loyalty in mobile commerce contexts", *Information and Management* 43(3), 271-282.

Mengi, P. (2009), "Customer Satisfaction with Service Quality: an empirical study of Public and Private Sector Banks" *IUP Journal of Management Research* 8(9), 7-17.

Mick, D. and Fournier, S. (1999), "Rediscovering Satisfaction", *Journal of Marketing* 63(4), 5.

Morgan, G.; Leech, N.; Gloeckner, G.; and Barrett, K. (2004) *SPSS for Introductory Statistics*. 2nd ed. New Jersey: Lawrence Erlbaum Associates, Inc.

Ndubisi, N. (2005), "Customer loyalty and antecedents: a relational marketing approach", *Allied Academies International Conference. Academy of Marketing Studies. Proceedings* 10(2), 49-54.

Oliver, R. (1980), "A cognitive model of the Antecedents and consequences of satisfaction decisions" *Journal of Marketing Research* 17(4), 460.

Pallant, J. (2001) *SPSS: Survival Manual*. 1st ed. Buckingham: Open University Press

Parasuraman, A., Berry, L. L. and Zeithaml, V. A. (1985), "A Conceptual Model of Service Quality and Its Implications for Future Research" *Journal of marketing* 49(4), 41.

Parasuraman, A., Berry, L. L. and Zeithaml, V. A. (1988), "SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality" *Journal of Retailing* 64(1), 12.

Parasuraman, A., Berry, L. L. and Zeithaml, V. A. (1991), "Refinement and reassessment of the SERVQUAL scale" *Journal of Retailing* 67(4), 420-450.

Pfeifer, P. (2005), "The optimal ratio of acquisition and retention costs" *Journal of Targeting, Measurement and Analysis for Marketing* 13(2), 179-188.

Pleshko, L. (2009), "A preliminary study of the relationships among customer satisfaction, loyalty and market share in fast food consumers", *Allied Academies International Conference. Academy for Studies in International Business. Proceedings* 14(1), 38-44.

Appendix 1
CHRISTIAN SERVICE UNIVERSITY COLLEGE (CSUC)

QUESTIONNAIRE (CUSTOMERS)

TOPIC:

AN ASSESSMENT OF CUSTOMER PERCEPTION OF SERVICE DELIVERY AND
PRODUCTS OF ECG

This is part of a study assessing customer perception of service delivery by ECG. Kindly read the questions and answer to the best of your ability. This is purely for academic work and not meant for any other considerations; information provided will therefore be treated as confidential.

1. Background Information

Gender	Tick
Male	
Female	

Age	Tick
Less than 20 years	
21-30 years	
31-40 years	
41-50 years	
51-60 years	

How long have you been a customer of ECG	Tick
Less than 1 year	
6-10 years	
11-15 years	
16-20 years	
More than 20 years	

Level of education	Tick
Basic	
Secondary	
vocational	
First degree	
Second degree	

2. Expectation of Service Delivery

To what extent do you agree with the following as constituting your expectation of service delivery from ECG?

(Key: 1-Strongly Agree 2-Agree 3-Neutral 4-Disagree 5-Strongly Disagree)

	1	2	3	4	5
timely service delivery					
knowledgeable staff					
quick response to complaints					
adequate support to customers					
more transparent billing system					

3. Perception of Service Quality

What is your extent of agreement with the following components of service delivery by ECG?

(Key: 1-Strongly Agree 2-Agree 3-Neutral 4-Disagree 5-Strongly Disagree)

Tangibility	1	2	3	4	5
ECG has up to date technology					
ECG's has adequate infrastructure to support its operations					
ECG is easily accessible					

Reliability	1	2	3	4	5
When ECG promises to do something by a certain time, they do					
ECG shows a sincere interest in solving your problems					
ECG provides good customer support					
staff exhibit good manners and hospitality					

Responsiveness	1	2	3	4	5
Employees always respond to your request					
ECG keeps customers informed about delivery time					
Employees give prompt service					
customers are confident in employees					

Assurance	1	2	3	4	5
Employees of ECG are courteous with customers					
customers feel safe in dealings with employees					
Employees are very knowledgeable					
most customers have a good experience of ECG's services					

Empathy	1	2	3	4	5
----------------	---	---	---	---	---

Employees give individual attention to you					
Employees provide prompt information to customers					
Customer care service is satisfactory					
employees understanding customers specific needs					
ECG has convenient operating hours					

4. Level of Satisfaction with Service Delivery

On a scale of 1-5 (1-strongly agree, 2-agree, 3-not sure, 4-disagree, 5-strongly disagree), kindly indicate the extent to which you agree with the following

statement	1	2	3	4	5
Will switch to another service if there were options					
Very impressed with service					
Very impressed with quality					
Customer friendly					

Any other comment

.....

.....

.....

.....