

Effect of Service Quality on Customer Satisfaction: Experience from Telecommunication Industry in Tanzania

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ABSTRACT

The purpose of this research was to investigate the effect of service quality on customer satisfaction in the telecommunication industry, from the perspective of Tigo-Pesa service in Dar es Salaam. The study was guided by the following objectives: to determine the types of services received by customers through Tigo-Pesa service and the service quality of Tigo-Pesa services through gap analysis of expectations and perceptions of customers. Quantitative and qualitative research approaches using descriptive research design were employed. The research surveyed 364 Dares Salaam people subscribed to Tigo-Pesa services. The methods of data collection were questionnaires (quantitative data) and in-depth interviews (qualitative data). In addition, the research employed the Statistical Package for the Social Sciences (SPSS) for data input and analysis. The findings revealed that the majority of people in Dar es Salaam are using Tigo-Pesa services for depositing and withdrawing money. Analysis revealed that the tangible dimension of Tigo-Pesa service quality is the strongest among the five dimensions, while the responsiveness dimension is the weakest. Furthermore, the study recommends that Tigo-Pesa should regularly conduct customer satisfaction surveys so as to identify areas that need to be improved, and also that Tigo-Pesa Company should open ATMs in order to help customers deposit money, withdraw money, buy airtime and pay bills when agent shops are closed.

Keyword: Services Quality, Customer Satisfaction, Telecommunication Industry, Tanzania and Tigo-Pesa Service

Introduction

Mobile money transfer is being adopted mostly in developing countries in different ways. In developing countries mobile money transfer solutions has been deployed as a means of extending financial services to the community known as the “unbanked” or “under banked”, which is estimated to be as much as 50% of the world’s adult population. According to the financial access 2009 report “half the world is unbanked”. These payment networks are often used for micropayments. The use of mobile money transfer in developing countries has attracted public and private organizations. Mobile money transfer refers to payment services operated under financial regulation and performed from or via a mobile device (Ivatury and Mark 2006). Instead of paying with cash, cheque, or credit cards, a customer can use a mobile phone to pay for a wide range of services and digital or hard goods. Although the concept of using non-coin based currency systems has a long history, it is only recently that the technology to support such systems has become widely available.

Achievement of a service provider depends on the quality of service being offered which determines customers’ needs (Jones 2002). Service quality is an important area for the service provider because, according to Connor & Douglas (2003, p.167), the need for survival and growth in every developing competitive markets are main critical factors in the search for

providing high service quality and achieving customers' needs. Researchers have shown that providing high service quality to customers retains them, attract new ones, enhances corporate image and above all guarantees profitability and survival (Ladhari&Negi, 2009). Thus it is important for service organizations such as a telecommunication service provider to ensure the high quality service for establishing, maintaining profitable and loyal customers.

Telecommunication is one of the fast developing industries in Tanzania. Today's innovation in telecommunication have enabled the launch of new access methods of mobile money transfer services which allows direct electronic transfer of money from one mobile phone number to another, with cash deposits, cash withdrawals and purchasing goods or services (payment). There are four mobile network operators in Tanzania which offer mobile money transfer services, and these includes Vodacom (M-Pesa), Tigo (Tigo-Pesa), Airtel (Airtel Money) and Zantel (EzyPesa). In today's competitive environment delivering high quality services is the key for gaining competitive advantages (Zekiri, 2011). And this is achieved through satisfying customers' needs. Customers' needs have a positive effect on an organization's success and profitability but satisfied customers from the foundation of any successful business, because customers' satisfaction leads to brand awareness, post purchases and positive word of mouth (Kotler &Zairi, 2000). Due to poor and low performance, many customers tend to switch to other companies which offer the best services (Frempong&Henten, 2004). Companies want to create and maintain competitive advantages against rivals, so it should offer high services to their customers (Ishfaq, 2010). Despite the importance of service quality in telecommunication in Tanzania there is limited knowledge about its effects on meeting customers' needs. Thus telecommunication industries must struggle to provide the best quality services to their customers in order to compete and survive for a long period in the market (Ishfaq 2010). Therefore the competition for customers among telecommunication industry in Tanzania is becoming brutal. This brutal competition developing concern among firms of the significance of providing and maintaining high service quality, which leads to customers' satisfaction with service quality from mobile money transfer services in Tanzania is not so clear as to what extent customers are satisfied with the quality service provided.

Literature Review

Service quality and Customer satisfaction

Service quality (SQ), in its contemporary conceptualisation, is a comparison of perceived expectations (E) of a service with perceived performance (P), giving rise to the equation $SQ=P-E$. This conceptualisation of service quality has its origins in the expectancy-disconfirmation paradigm. A business with high service quality will meet or exceed customer expectations whilst remaining economically competitive. Evidence from empirical studies (Adewoye, 2013; Agboola, 2001; Yinus and Oladejo, 2014) suggests that improved service quality increases profitability and long term economic competitiveness. Improvements to service quality may be achieved by improving operational processes; identifying problems quickly and systematically; establishing valid and reliable service performance measures and measuring customer satisfaction and other performance outcomes. Service providers need to embrace the relationship marketing, to cultivate a long term relationship so that, their customers can move along the 'ladder of customer relationship' To attain customer loyalty, long-term

viability and profitability and consequent success. Excellent service is a profit strategy and the ultimate aim of the company is to be continually productive and profitable.

The model for service quality is based on SERVQUAL. The SERVQUAL Instrument measures the five dimensions of Service Quality. These five dimensions are: tangibility, reliability, responsiveness, assurance and empathy.

Tangibility

Since services are tangible, customers derive their perception of service quality by comparing the tangible associated with these services provided. It is the appearance of the physical facilities, equipment, personnel and communication materials (Zeithaml & Berry, 2006). The quality of Tigo-Pesa Services represents tangibles. These qualities provide concrete cues for customers to evaluate the capability of the service provider.

Reliability

It is the ability to perform the promised service dependably and accurately. Reliability means that the company delivers on its promises-promises about delivery, service provision, problem resolutions and pricing (Zeithaml & Berry, 2006). Customers want to do business with companies that keep their promises, particularly their promises about the service outcomes and core service attributes. Tigo Company needs to be aware of customer expectation of reliability. Firms that do not provide the core service that customers think they are buying fail their customers in the most direct way.

Responsiveness

It is the willingness to help customers and provide prompt service (Zeithaml & Berry, 2006). This dimension emphasizes attentiveness and promptness in dealing with customer's requests, questions, complaints and problems. Responsiveness is communicated to customers by length of time they have to wait for assistance, answers to questions or attention to problems. Responsiveness also captures the notion of flexibility and ability to customize the service to customer needs.

Assurance

It means to inspire trust and confidence. Assurance is defined as employees' knowledge of courtesy and the ability of the firm and its employees to inspire trust and confidence (Zeithaml & Berry, 2006). This dimension is likely to be particularly important for the services that the customers perceives as involving high rising and/or about which they feel uncertain about the ability to evaluate. Trust and confidence may be embodied in the person who links the customer to the company, for example, the marketing department. Thus, Tigo (Agents) are aware of the importance to create trust and confidence from the customers to gain competitive advantage and for customers' loyalty.

Empathy

It means to provide caring individualized attention the firm provide its customers (Zeithaml& Berry, 2006). In some countries, it is essential to provide individual attention to show to the customer that the company does best to satisfy his needs. Empathy is an additional plus that the trust and confidence of the customers and at the same time increase the loyalty. In this competitive world, the customer's requirements are rising day after day and it is the companies' duties to their maximum to meet the demands of customers, else customers who do not receive individual attention will search elsewhere.

Tigo-Pesa Service in Tanzania

MIC Tanzania Limited (Tigo) is the oldest wireless telecommunications company in Tanzania with 13.6% market share in the country. MIC Tanzania Limited (Tigo) was formerly known as Mobitel when it started to offer mobile telecommunication services in Tanzania, it was then known as Buzz when the company started to use GSM network in 2001. Since 2006 the mobile phone company is commonly referred to as Tigo in the aftermath of the full control taken by Millicom International Cellular to the company. The mobile company was the first licensed operator in the Tanzanian cellular market. Tigo, which at the time known as Mobitel was partially state owned launched the first analogue Extended Total Access Communications System (ETACS) network in Dar es Salaam in 1994 and on Zanzibar the following year. Tigo introduced its GSM services in August 2001. As at December 31, 2006, Tigo's GSM network was consisting of 501 base stations with the capacity to handle a maximum of 740,000 concurrent subscribers, and covered about 50% of the total population in Tanzania. TIGO Tanzania has launched TIGO PESA on 2009, a mobile money transfer service. TIGO PESA enables subscribers to send money anywhere in the country, from their mobile phones. The service competes against Airtel (Airtel money), Vodacom's (M-Pesa) and Zantel's(Ezy-pesa). This enables subscribers send money anywhere in the country. TIGO PESA plays an important role in decreasing the dependence on cash and moving towards a situation where consumers will be able to use their electronic accounts to mobilize cash, dispense it to their friends, relatives and business partners. (Telecom paper BV 2000 – 2011)

Customer Satisfaction

According to Evans and Dean (2003), the customer is the judge of quality. Understanding customer needs, both current and future and keeping pace with changing market require effective strategies for listening to and learning from customers, measuring their satisfaction relative to competitors and building relationships. Satisfaction and dissatisfactions information are important because understanding them leads to the right improvements that can create satisfied customers who reward the company with loyalty. Satisfaction can be expressed in many ways, like positive word-of-mouth, giving compliments to the service provider and brand loyalty to the service organization. Quite often it is assumed that satisfied consumers will be brand loyal. That needs not be the case, especially even now entrants have come to the satisfied customers will show a higher repurchase rate than dissatisfactions of customers is an important one. Customer satisfaction leads to repeat purchases and repeat purchases lead to loyal customers. In turn, customer's loyalty leads to enhanced brand equity

and higher profits. On the other hand the only measure of acceptable quality is customers satisfaction, which takes into account both objective and subjective interpretations of the needs and expectations of customers. If the customers are satisfied with the products and services offered, the organization has not only correctly interpreted customer needs and expectations but it is also providing products and services of acceptable quality.

Importance of Customer Satisfaction

Customer satisfaction is very important in today's business world as according to Deng (2009) the ability of a service provider to create high degree of satisfaction is crucial for product differentiation and developing strong relationship with customers. Customer satisfaction makes the customers loyal to one telecommunication service provider. Previous researchers have found that satisfaction of the customer can help the brands to build long and profitable relationship with their customers (Eshghi, Haughton and Topi, 2007). Though it is costly to generate satisfied and loyal customers however, that would prove profitable in a long run for a firm (Anderson, Fomell and Mazvanchery, 2004). Therefore, a firm should concentrate on the improvement of service quality and charge appropriate fair price in order to satisfy their customers, would ultimately help the firm to retain its customers (Gustafsson, Johnson and Roos, 2005).

Factors Influencing the Customer Satisfaction Regarding Tigo - Pesa

The following is a discussion of factors that are the widely cited as determinants of customer satisfaction regarding Tigo – Pesa.

- **Consistence in Service Delivery**

Determining what your customers want, consistency starts with knowing why your company, or department, or job classification exists. It begins with pinpointing the "products" or "services" your customers actually want to buy and the intrinsic reason(s) why they buy them. Consistent service delivery entails having a clear view of your products and services from your customers' perspective. It involves knowing the true needs, wants, expectations and requirements of your target customers.

- **Complaint Handling**

Complaints are a goldmine of information complaints offer businesses an opportunity to correct immediate problems (Anderson & Simester, 2004). In addition, they frequently provide constructive ideas for improving products, adapting marketing practices, upgrading services, or modifying promotional material and product information. While occasional problems with service of merchandise are, to some extent, inevitable, dissatisfied customers are not. Companies can learn to recover from mistakes. A good recovery can turn angry, frustrated customers into loyal ones. Recognizing the importance of responding fairly and efficiently to buyer disappointment in the marketplace, many businesses have established effective and innovative systems for resolving consumer complaints. Within any industry,

those companies with a positive philosophy and a reputation for fair complaint-management have a competitive edge.

- **Price Fairness**

According to Bolton, (2003) defined fairness as a judgment of whether an outcome and or process to reach an outcome are reasonable, acceptable, and just. Most of fairness issues are related with pricing because customers usually think about price at the first place when they wanted to purchase products or services, and price helps in determine the customer satisfaction (Anderson & Simester, 2004).

The Mobile Money Transfer Service

The mobile money transfer is an evolving technology that proposes to modify the ways in which users transmit and exchange money (Ivatury and Mark 2006). And the active mobile money in Tanzania are; Tigo-Pesa, M-Pesa (Vodacom), Airtel Money, and EzyPesa (Zantel). As a new technology in most parts of the world, it can either be accepted or rejected by users depending on several factors. Unfortunately, statistics shows that, about (50%) of information technologies are considered failures as they fall short of the customer's expectations and are hence rejected (Lippert & Davis, 2006). Therefore, it is imperative to the managers of such technologies, which often requires heavy investments in terms of money, research and infrastructure development is able to predict the drivers and inhibitors of technology adoption. Thus, understanding and anticipating the issues that would lead to adoption or rejection of such technology early in the development process is very crucial.

Theoretical Concept

The construct of this study is embedded on Customer satisfaction theory and Innovation diffusion theory this is based on the fact that customer satisfaction have to do with customer reaction to the state of fulfillment, and customer judgment of the fulfilled state. There are many benefits for a company from a high customer satisfaction level (Oliver, 1997). According to Fornell (1992) satisfaction apart from heightening customer loyalty and prevention of customer churn, it also lowers customers' price sensitivity, reduces the costs of failed marketing and of new customer creation. It also reduces operating costs due to customer fluctuations, improves the effectiveness of advertising and enhances business reputation. Zeithamal and Bitner, (1996) argue that the main factor determining customer satisfaction is the customers' own perceptions of service quality. Service qualities as the customers' satisfaction or dissatisfaction are formed by their experience of purchase and use of the service (Parasuraman, Zeithamal and Berry, 1988).

Also Innovation Diffusion Theory is one of the theories that explain the acceptance of mobile technology (Teo & Pok, 2003). Diffusion of Innovation, Rodgers J (1998) defines innovation diffusion theory as "the process by which innovation is communicated through certain channels over time among the members of the social system". It conceptualizes the sequence of events where individual passes through initial point of basic knowledge of innovation, through forming a favorable or unfavorable attitude toward it, through a decision to either adopt or reject it, and through utilization of innovation to finally seeking reinforcement of the adoption decision made (Rodgers, 1983). The key elements of this process are innovation, communication channels, time and social systems or innovation's perceived characteristics, the individual's attitude and belief, and communication received by the

individual from his social environment (Karahanna, Straub & Chervany, 1999). (Rodgers, 1983) considers five attributes of innovation which influence the adoption of innovations, which are: relative advantage, compatibility, complexity, trialability and observability. Therefore, researcher will use customer satisfaction theory because it suit much with the study

Empirical Review

Since 2005, Mobile Money Transfer services have been used in a number of ways in developing countries. It is the theory which explains the adoption of money transfer services and its effect to developing countries. A study conducted by Porteous (2006) on the adoption of Mobile Money Transfer services in Africa found out that Mobile Money Transfer s in Africa are in the following forms; transmitting airtime, paying bills and transferring money. Many researches done in the past about mobile banking has been about the effect of mobile money services and their impact on the growth of economic development of the society at large. Satisfying customer is an essential element to stay in the business in the modern world of global competition. Customer satisfaction is a subjective measure. It is a measure of perception, not reality although when it comes to reality, although when it comes to a happy customer, perception is more important than reality. Customer need to demand bigger, better, faster and improved service which results to improved customer's expectation, (Bob E. Hayes, 1998). The study by Morawczynski and Pickens (2009) found out that M-Pesa users send smaller but more frequent remittances, suggesting that the system might allow informal insurance networks to function more effectively. The inconspicuous nature of M-Pesa transfers allows individuals to increase their personal savings, because friends and relatives would be less likely to know about the timing or amount of transfers.

A variety of qualitative studies provide some insights into the characteristics, patterns and potential impacts of M-Pesa usage. For example, Morawczynski and Pickens (2009) find that M-Pesa users in Kenya use it to send money instead of using transport services or friends and relatives because it is more accessible and affordable, although it carries a high risk of theft. During the study, 7.4% to 53.9% of respondents indicated that they had transferred money to someone else's mobile phone. The majority of the transfers conducted were as a favor to family and friends – however there is also significant usage of money pay for goods and services. On the other hand, 4.8% to 68% of respondents surveyed indicated that they had received money from someone else before. Another study conducted by Financial Sector Deepening (FSD) Kenya (FSD, 2008) which included a survey of over 3, 000 M-Pesa customer in Kenya revealed beyond any doubt that more than 80 percent of users were happy with the service, many claiming that their life was better off because of it. The survey showed that the majority of customers used the service for domestic remittances: on average sending about US\$25 per transaction.

Among the customer complaints revealed by the study was that agents sometimes ran out of cash, the occasional case of attempted fraud and the occasional network complication. However the overall view of M-Pesa by customers was remarkably positive. M-Pesa had substantially changed the market for domestic transfers, almost eliminating the role of bus companies and post office (FSD, 2008). The FSD (2008) study also revealed that a significant group used M-Pesa to buy pre-paid airtime directly from their accounts, and an intriguing 21 percent said that they used the service to 'store money'. However, an analysis of inactive accounts showed that only 1.6 percent (60,000 out of 4 million) remained inactive for more than 30 days. The average residual amount held in these accounts after 30 days was just Ksh 1,468, or approximately US\$2.

The mobile payments systems provides an avenue for linking bank account holders to the unbanked population in the area with the limited access to formal banking services.(BOT report on Balancing Act Africa, issue 541 February 2011). Here two regulators in Tanzania sign a memorandum of Understanding (MoU) on the service as the joint supervision between Bank of Tanzania (BOT) and Tanzania Regulatory Authority (TCRA) as the result of strong growth of mobile payment services in the country. Mobile Payment schemes involve not only funds transfer but also payments of retail goods and services. Mobile payment services are especially used to top-up mobile phone credits, airtime transfers between mobile phones and corporate bill payments-waer and electricity for instance the report say.Studies done on service quality and customers' satisfaction in Ethiopia (Negi, 2009), Pakistan (Khan, 2011) and Zimbabwe (Ameng, 2010) have identified important dimensions of service quality in the conventional banking but not on the effect of service quality on satisfaction of customers' needs in telecommunication industry but rather in different industries except for Downe et al. (2011).

However, similar studies done in Kenya by Jack &Suri (2011), Mbiti (2009) and Mbogo (2010) on telecommunication industry did not look at service quality of Tigo-Pesa but rather on adoption of M-Peasa service. As it can be noted, most of these studies have been done outside Tanzania. Similar studies done in Tanzania by Mlawa (2013), on the effect of service quality on customers' satisfaction in telecommunication industry did not look at Tigo-Pesa users but rather on M-Pesa users. Thus, the research problem will base on the effect of service quality on customers' satisfaction in telecommunication industry: A case of Tigo–Pesa service in Dares salaam. Whereby, this will help to understand the level of satisfaction to customers who are using Tigo-Pesa at least for 12 months) when they receive Tigo-Pesa services, will determine the types of services received by customers through Tigo-Pesa to dares salaam peoples, and will also help to examine to what extent do different service dimension have contributed to satisfaction of customers' needs.

Methodology

The research design applicable in the study concerning assessment of the effect of services quality on customer satisfaction in telecommunication industry, are exploratory and descriptive research design. The study is includes 364 sample size out of 1000 target population. Quantitative and qualitative research approaches using descriptive research design were employed. The research surveyed 364 Dares salaam People subscribed to Tigo-Pesa services. The methods of data collection were; questionnaires (quantitative data) and in-depth interviews (qualitative data). In addition the research employed Statistical Package for the Social Science (SPSS) for data input and analysis.

Results and Discussions

Table 1 Types of services customers received through Tigo-Pesa service

Types of services through Tigo-Pesa.	Frequency	Percent	Cumulative percent
Deposit money	19	5.2	5.2
Withdraw money	62	17.0	22.3
Deposit and with draw money	144	39.6	61.8
Bill payment	95	26.1	87.9
Buying pre pay airtime	40	11.1	98.9
Others	4	1.1	100.0
Total	364	100.0	

Source: Analysis of field data (2021)

Table 1 indicates that 39.6% respondents use Tigo-Pesa services for depositing and withdraw of money, this was followed by 26.1% who use Tigo-Pesa service for bill payment, 17.0% respondents who use Tigo-Pesa service for withdrawing of money only, 11.0% of respondents uses the Tigo-Pesa service for buying of airtime, 5.2% of respondents use Tigo-Pesa service for depositing money only while the remaining 1.1% of respondents use Tigo-Pesa service for other purposes which have not been specified by the respondents. The findings suggest that the majority of dares salaam peoples use Tigo-Pesa service for depositing and withdraw of money since they want to have access to their money at any time.

Research Objective two: to examine the service quality of Tigo-Pesa service through gap analysis of expectation and perception of customers.

The SERVQUAL dimension or items (tangibles, reliability, responsiveness, assurance and empathy) are main variables used in this objective. The researcher had break done the dimensions into 22 items to address the objective (22 items for expectation and 22 items for perception) and each item was measured using five Point Likert Scale: 1 Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly agree

Table 2 meaning Attached to the various Response Values

Response value	Meaning	Meaning of collapse category
1.	Strongly disagree	Disagreement
2.	Disagree	
3.	Neutral	Neutral
4.	Agree	Agreement
5.	Strongly agree	

Source: Development for this research (2021)

As presented in table 2 scores or response values of 1 and 2 would be regarded as “disagreement” with the particular statement, the response value 3 would be regarded as “neutral” with a particular statement while 4 and 5 would be regarded as an “agreement” with the particular statement.

Furthermore the researcher had coded the dimensions so to ease the analysis of data collected.

Summary of Dimensions under the Expectations of the Respondents of Tigo-Pesa Service Quality.

1. Respondents expectations on tangible dimension of Tigo-Pesa service quality

Table 3 Tangible Dimension (Expectation of Respondents)

CODE	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
T1	16	4.4	55	15.1	12	3.3	238	65.4	43	11.8	364	100
T2	-		16	4.4	-	-	239	65.7	109	29.9	364	100
T3	-		4	1.1	3	0.8	235	64.6	122	33.5	364	100
T4	-		-	-	-	-	216	59.3	148	40.7	364	100
Weighted Tangibles percentage		1.1		5.2		1.0		63.7		29.0		

Source: analysis of field data (2021)

The researcher used the following codes to represent the items of tangible dimension of Tigo-Pesa service quality.

(T1) Tigo-Pesa outlets have modern equipment

(T2) Tigo-Pesa outlets’ physical facilities are visually appealing

(T3) Tigo-Pesa agents are well dressed and appear neat

(T4) Physical environment of Tigo-Pesa outlets’ are clean

Respondents were examined on different issues pertaining on their expectation they have on the tangible dimension of Tigo-Pesa service quality. Table 3 shows that 92.7% of the respondents agree, 6.3% of the respondents disagree and 1.0% are neutral. This implies that the of the respondents’ expectations is for Tigo-Pesa outlets to have modern equipment’s, visually appealing facilities, clean environment and to have their agents appearing neat.

2. Respondents expectation on reliability dimension of Tigo-Pesa service quality

Table 4 Reliability Dimension (Expectation of Respondents)

CODE	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
R5	-	-	-	-	-	-	242	66.5	122	33.5	364	100
R6	-	-	12	1.6	-	-	183	50.3	169	46.4	364	100
R7	-	-	-	-	-	-	231	63.5	133	33.5	364	100
R8	-	-	3	0.8	-	-	168	46.2	193	53.0	364	100
R9	-	-	1	0.3	24	6.6	181	49.7	158	43.4	364	100
weighted reliability percentage		-		0.5		1.3		55.2		43.0		

Source: analysis of field data (2021)

The researcher used the following codes to represent the items of reliability dimension of Tigo-Pesa service quality.

(R5) Tigo-Pesa promise fulfillment in doing something at a certain time

(R6) Tigo-Pesa agent's sincere interest in solving problem

(R7) Tigo-Pesa is dependable

(R8) Tigo-Pesa agents keeping records accurately

(R9) Tigo-Pesa agents provide services at promised time

Table 4 shows that 98.7% of the respondents agree to the items of reliability, where as 1.0% of respondents are neutral. However 0.5% of respondents disagree to the reliability items. This implies that the majority of respondents expectations is for Tigo-Pesa agents' to fulfill their promises in doing something sincerity in solving problems, to be dependable, to keep records accurately and lastly is to provide service on promise.

3. Respondents expectations on responsiveness dimension of Tigo-Pesa service quality

Table 5 Responsiveness Dimension (Expectation of Respondents)

CODE	Strongly disagree		Disagree		Neural		Agree		Strongly agree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
Rs10	-	-	1	0.3	33	9.1	171	47.0	159	43.7	364	100
Rs11	-	-	10	2.7	8	2.2	175	48.1	171	47.0	364	100
Rs12	1	0.3	62	17.0	-	-	129	35.4	172	47.3	364	100
Weighted responsiveness percentage		0.1		7		3.8		43.4		46		

Source: Analysis of field data (2021)

The items of responsiveness dimension of Tigo-Pesa service has been coded as follows;

(Rs10) Tigo-Pesa agent provide prompt service

(Rs11) Tigo-Pesa agent's willingness to help customers

(Rs12) Tigo-Pesa agent response to customers' requests

Table 5 that 89.4 of respondents agree to the item of responsiveness dimension of Tigo-Pesa service, 7.1% disagree and only 3.8% are Neural, from the table above it can be said that customer in dares salaam have their expectations on Tigo-Pesa agents to provide prompt service, to help customers willingly and also to respond to customers' requests.

4. Respondents' expectation on assurance dimension of Tigo-Pesa service quality.

Table 6 Assurance Dimension (Expectation of Respondents)

CODE	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
A13	-	-	9	2.5	15	4.1	174	47.8	166	45.6	364	100
A14	-	-	-	-	-	-	230	63.2	134	36.8	364	100
A15	-	-	-	-	2	0.5	209	57.4	153	42.0	364	100
A16	-	-	17	4.7	-	-	208	57.1	139	38.2	364	100
Weighted assurance percentage		-		1.8		1.2		56.3		40.7		

Source: Analysis of field data (2021)

The item of assurance dimension of Tigo-Pesa service quality has been coded as followed;

(A13) Tigo-Pesa agent's behavior instills confidence to customers.

(A14) Customers feel secure in their transactions with Tigo-Pesa services

(A15) Tigo-Pesa agents are sympathetically and reassuring

(A16) Tigo-Pesa agent's politeness

Table 6 indicates that 97% of the respondents agree to the expectation items of assurance dimension on Tigo-Pesa service quality, 1.8% of the respondent disagree and only 1.2% of the respondents are neutral. This suggests that customer in dares salaam have their expectation of Tigo-Pesa agents to instill confidants to customers, to be polite and to be sympathetic and reassuring. The finding also suggests that customer at dares salaam expect to be secured while making transaction with Tigo-Pesa service.

5. Respondents' expectation on empathy dimension of Tigo-Pesa service quality

Table 7 Empathy Dimension (Expectation of Respondents)

CODE	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
E17	-	-	14	3.8	9	2.5	178	48.9	163	44.8	365	100
E18	-	-	-	-	-	-	234	65.3	130	35.7	365	100
E19	-	-	-	-	-	-	247	67.9	117	32.1	365	100
E20	-	-	-	-	-	-	237	65.1	127	34.9	365	100
E21	-	-	-	-	13	3.6	210	57.7	141	38.7	365	100
E22	-	-	-	-	-	-	201	55.2	163	44.8	365	100
Weighted empathy percentage		-		0.6		1.0		60.0		38.4		

Source: Analysis of field data (2021)

The items of empathy dimension of Tigo-Pesa service quality have been coded as follows;

(E17) Tigo-Pesa agents have adequate support from management

(E18) Tigo-Pesa agents give individual attention to customer

(E19) Tigo-Pesa agents knowing customers' needs

(E20) Tigo-Pesa agents give personal attention

(E21) Tigo-Pesa agents has customers' best interest at the heart

(E22) Tigo-Pesa service operation hours are convenient.

Table 7 indicates that 98.4% of the respondents agree to the expectation items of empathy dimension on the Tigo-Pesa services quality, 0.6% of the respondents disagree and only 1.0% of the respondents are neutral. This suggest that, the majority of customer in dare salaam expect Tigo-Pesa agents to have adequate support from management, to give individual attention to customers, to know customers' needs, to give personal attention, to have their best interest in their heart. The results also suggest that customers expect Tigo-Pesa service to operate at convenient hour to all customers.

Summary of Dimensions under the perception of respondent of Tigo-Pesa service quality

1. Respondents' perception on tangible dimension of Tigo-Pesa service quality

Table 8 Tangible Dimension (Perception of Respondents)

CODE	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
T1	40	11.0	130	35.7	52	14.3	122	33.5	20	5.5	364	100
T2	29	8.0	92	25.3	31	8.5	150	41.2	62	17.0	364	100
T3	37	10.2	119	32.7	5	1.4	147	40.4	56	15.4	364	100
T4	25	6.9	119	32.7	37	10.2	139	38.2	44	12.1	364	100
Weighted tangible percentage		9.0		31.6		8.6		38.3		12.5		

Source: Analysis of field data (2021).

Table 8 indicates that 50.8% of the respondents agree to the items of tangibles dimension on Tigo-Pesa service, 40.6% of the respondents disagree and only 8.6% of the respondents were neutral. This suggest that dares salaam peoples believes that Tigo-Pesa outlets have modern equipment, visually appealing facilities, clean environment and to have their agents appear neat. However not all customers are satisfied with the tangible dimension of Tigo-Pesa services quality, this implies there are still area of weakness that Tigo-Pesa needs to improve in order to increase customers satisfaction.

2. Respondents' perception on reliability dimension of Tigo-Pesa service quality

Table 9 Reliability Dimension (Perception of Respondents)

CODE	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
R5	60	16.4	110	30.2	27	7.4	131	36.0	36	9.9	364	100
R6	27	7.4	116	31.9	23	6.3	131	36.0	67	18.4	364	100
R7	19	5.2	119	32.7	18	4.9	154	42.3	54	14.8	364	100

R8	36	9.9	119	32.7	19	5.2	147	40.4	43	11.8	364	100
R9	52	14.3	113	31.0	10	2.7	150	41.2	39	10.7	364	100
Weighted reliability percentage		10.7		31.7		5.3		39.2		13.1		

Source: Analysis of field data (2021).

Table 9 shows that 52.3% of the respondents agree to the items of reliability dimension of Tigo-Pesa service quality, 42.4% of respondents disagreed and 5.3% of the respondents were neutral. This implies that the majority of customers believe that Tigo-Pesa agents fulfill their promises in delivery the service they promise, show sincerity in solving problems, are dependable, keep records accurately and lastly provide service on promise. Nevertheless, there is relatively high percentage of dissatisfaction among customers suggesting that not all customers are satisfied with Tigo-Pesa services

3. Respondent's perception on responsiveness dimension of Tigo-Pesa service quality

Table 10 Responsiveness dimension (Perception of Respondents.)

CODE	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
Rs10	45	12.4	132	36.3	4	1.1	138	37.9	45	12.4	364	100
Rs11	68	18.7	129	35.4	18	4.9	101	27.7	48	13.2	364	100
Rs12	81	22.3	101	27.7	5	1.4	118	32.4	59	16.2	364	100
Weighted responsiveness percentage		17.8		33.1		2.5		32.7		13.9		

Source: Analysis of field data (2021)

The perception of respondent on responsiveness dimension of Tigo-Pesa considering 3 items (Rs10, Rs11 and Rs12) is shown in table 10. The findings reveal that 50.9% disagreed to the item of the responsiveness dimension of Tigo-Pesa service, 46.6% agree and only 2.5% were neutral. According to this finding dares salaam peoples fill that Tigo-Pesa agents do not provide prompt service, do not help the customers' willing, they don't respond to customers request, even so table 10 also show a relative high percentage of customers who are satisfied with responsiveness dimension as well.

4. Respondents perception on assurance dimension of Tigo-Pesa service quality.

Table 11 assurance dimension (Perception of Respondents).

CODE	Strongly disagree		Disagree		Neutral		Agree		Strongly agree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
A13	7	1.9	101	27.7	10	2.7	180	49.5	66	18.1	364	100
A14	44	12.1	99	27.2	13	3.6	160	44.0	48	13.2	364	100
A15	31	8.5	127	34.9	12	3.3	158	43.4	36	9.9	364	100
A16	58	15.9	118	32.4	29	8.0	110	30.2	49	13.5	364	100
Weighted assurance percentage		9.6		30.6		4.4		41.8		13.7		

Source: Analysis of field (2021)

The perception of respondents on assurance items is shown in table 11 which indicates that 55.5% of the respondents agree to the items (A13, A14, A15 and A16), 40.2% of the respondents disagree and only 4.4% of the respondents were neutral. This suggests that dares salaam peoples believe that Tigo-Pesa agents instill confidence to customers, are polite, sympathetic and reassuring. The findings suggest that customer feels secured while making transaction with Tigo-Pesa service. In spite of this, the findings also suggest that not all customers are satisfied with assurance dimension of Tigo-Pesa service quality as there is relative high percentage among them.

5. Respondents' perception on empathy dimension of Tigo-Pesa service quality.

Table 12 Empathy Dimension (Perception of respondents)

CODE	Strongly disagree		Disagree		Neural		Agree		Strongly agree		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
E17	48	13.2	104	28.6	2	0.5	167	45.9	43	11.8	364	100
E18	24	6.6	111	30.5	9	2.5	152	41.8	68	18.7	364	100
E19	19	5.2	119	32.7	6	1.6	158	43.4	62	17.0	364	100
E20	79	21.7	103	28.3	1	0.3	164	45.1	17	4.7	364	100
E21	16	4.4	183	50.3	2	0.5	131	36.0	52	8.8	364	100
E22	12	3.3	152	41.8	5	1.4	170	46.7	25	6.9	364	100
Weighted empathy percentage		9.1		35.4		1.1		43.2		11.3		

Source: Analysis of field data (2021)

Table 12 indicates that 54% of the respondents agree to the items of empathy (E17, E18, E19, E20, E21 and E22) dimension on Tigo-Pesa service, 44.5% of the respondents disagree and only 1.1% of the respondents were neutral. This suggest that the majority of dares salaam peoples believe that Tigo-Pesa agents have adequate support from management, give individual attention to customers, know customer's needs, give personal attention and have their best interest at the heart. The results also suggest that the majority of customers believe that Tigo-Pesa service to be operating at convenient hours to all customers. On the other hands not all customers are satisfied with empathy dimension of Tigo-Pesa service quality as there is a considerable percentage of dissatisfaction of customers as show in table 12.

Gaps between Perception and expectation of Dimension of Tigo-Pesa service quality

Table 13 Summary Gap Score Between Perception and Expectation.

Dimensions	Item es	Expectation (E)		Peeception (P)		Gap (P- E)
		Mea n	S.D	Mea n	S.D	
Tangible	1	3.65	1.016	2.87	1.157	-0.78
	2	4.21	0.657	3.34	1.246	-0.87
	3	4.30	0.543	3.18	1.313	-1.12
	4	4.41	0.492	3.16	1.202	-1.25
Average gap score for tangible dimension						-1.01
Reliability	5	4.34	0.473	2.93	1.310	-1.41
	6	4.40	0.662	2.26	1.284	-1.14
	7	4.37	0.482	3.29	1.214	-1.08
	8	4.51	0.548	3.12	1.261	-1.39
	9	4.36	0.617	3.03	1.314	-1.33
Average gap score for reliability dimension						-1.27
Responsiveness	10	4.34	0.651	3.02	1.317	-1.32
	11	4.39	0.670	2.81	1.370	-1.58
	12	4.12	1.080	2.94	1.471	-1.18
Average gap score for responsiveness dimension						-1.36
Assurance	13	4.37	0.681	3.54	1.133	-0.83
	14	4.37	0.483	3.19	1.300	-1.18
	15	4.41	0.504	3.11	1.229	-1.30

	16	4.29	0.698	2.93	1.342	-1.36
Average gap score for assurance dimension						-1.17
Empathy	17	4.39	0.713	3.15	1.315	-1.24
	18	4.62	0.480	3.35	1.270	-1.27
	19	4.22	0.477	3.34	1.240	-1.19
	20	4.27	0.699	2.83	1.328	-1.39
	21	4.12	0.548	2.95	1.179	-1.17
	22	4.21	0.498	3.12	1.131	-1.09
Average gap score for empathy dimension						-1.23

Source: Analysis of field data (2021)

1. Gaps between perception and expectation tangible dimension of Tigo-Pesa service quality: Analysis in Table 13 shows the greatest gap score tangible dimension among the four items is -1.25 and the least gap is -0.78. The findings suggest that the physical outlets of Tigo-Pesa are not clean. However table 13 also reveals that Tigo-Pesa outlets have modern equipment, this implies that Vodacom uses up to date facilities.
2. Gaps between perception and expectation reliability dimension of Tigo-Pesa service quality: Analysis in Table 13 also shows the gap scores each of the five factors making up the reliability dimension of the SERVQUAL instrument. In this dimension, the greatest gap is -1.41 and the least gap is -1.08. The findings suggest that Tigo-Pesa does not keep its promises in delivering services. However customers believe that Tigo-Pesa service is dependable implying that the service providers do not necessarily need management supervision to fulfill their responsibilities.
3. Gaps between perception and expectation of responsiveness dimension of Tigo-Pesa service quality, Furthermore table 13 reveals that expectation of respondents exceed the perception of the service that is being offered by Tigo-Pesa in all the three area of responsiveness dimension of Tigo-Pesa service quality. Thus among three customers, greatest gap is -1.58 and the least gap is -1.18. This means that Tigo-Pesa agents are not willing to provide assistance to their customers.
4. Gaps between perception expectation of assurance dimension of Tigo-Pesa service quality: More over table 13 also present the gap score for each of the items of assurance dimension. From the four items of assurance dimension the greatest gap score was -1.36 and the least gap score -0.83. The findings suggest that Tigo-Pesa agents are not polite this implies that customers are dissatisfied with behavior and manners of that were shown by the service providers. However it is evident that Tigo-Pesa agent's conduct instill confidence to customers.
5. Gaps between perception and expectation of empathy dimension of Tigo-Pesa quality: Lastly, table 13 shows greatest gap score for empathy dimension being -1.39 and the least gap score is -1.09. The findings suggest that the customers are not getting that much attention. From Tigo-Pesa agents, this implies that the service providers are busy doing other things rather than listening to customers' demands. However the findings also reveal that the operating hours of Tigo-Pesa service are convenient.

Customers' satisfaction with handling of complaints by Tigo-Pesaagents**Table 14 Handling of Complaints by Tigo-Pesa agents**

Handling complaints	Frequency	Percent	Cumulative percent
Very dissatisfied	59	16.2	16.2
Dissatisfied	182	50.0	66.2
Neutral	1	0.3	66.5
Satisfied	98	26.9	93.4
Very satisfied	24	6.6	100.0
Total	364	100.0	

Source: Analysis of field data (2021)

Results in the table 14 shows that 66.2% of respondents are dissatisfied with the way complaints are handled by Tigo-Pesa agents, 33.5% or respondents are satisfied and minority comprising of only 0.3% are neutral. The findings suggest that majority of dares salaam peoples are unhappy or dissatisfied on the way complaints are handled by Tigo-Pesa agents, while the minority are satisfied with the service. This suggests not all customers are satisfied with the service

Customers' satisfaction with the consists of Tigo-Pesain providing quick service**Table 15 Providing Quick Service**

Quick service	Frequent	Percent	Cumulative percent
Very dissatisfied	40	11.0	11.0
Dissatisfied	124	34.1	45.1
Neutral	1	0.3	45.3
Satisfied	125	34.3	79.7
Very satisfied	74	20.3	100.0
Total	364	100.0	

Source: Analysis of field data (2021)

Table 15 indicates that 54.6% of the respondents are satisfied with consists of Tigo-Pesa in providing quick service 45.1% of the respondents are dissatisfied and 0.3% of the respondents were neutral. That is they are neither satisfied nor dissatisfied. These findings suggest that the respondents are satisfied with quick services being provided by Tigo-Pesa.

Never the less the findings also reveal that a high percentage of customers are dissatisfied with the service, this implies that not all customers are satisfied.

Customers' overall satisfaction of Tigo-Pesa services**Table 16 Overall satisfactions of Tigo-Pesa services**

Overall satisfaction	Frequent	Percent	Cumulative percent
Very poor	27	7.4	7.4
Poor	135	37.1	44.5
Undefined	5	1.4	45.9
Good	164	45.1	90.9
Very good	33	9.1	100.0
Total	364	100.0	

Score: Analysis of field data (2021)

Table 16 shows 53.2% of the respondents rate the overall satisfaction of Tigo-Pesa as good, 44.5% of respondents on the other hand had rate overall satisfaction as poor, 1.4% of respondents had rate overall satisfaction of Tigo-Pesa service as undefined. The result indicate that the majority dares salaam peoples are satisfied with Tigo-Pesa service. However the findings also revealed that a relative high percentage of customers are dissatisfied as well with services from Tigo-Pesa. Therefore, this implies that the overall satisfaction of Tigo-Pesa is not good to all customers.

Discussion of findings.

The customer interviewed indicate that the service they use most with Tigo-Pesa is Depositing and withdrawing money the reason being it serves them time as there are many Vodacom outlets for them to obtain money anytime they want and so there is no need to go to the banks or ATM to draw or deposit money. However, findings indicate that majority of dares salaam peoples use Tigo-Pesa in paying bills, as it makes easy for them since they don't make unnecessary visit for payments of bills or even make unnecessary queues at the payment center. The interview made by the researcher indicate that majority of customers choose Tigo-Pesa service due to high signal strength that it has, thus from opinions of interviewees it can therefore be said that Tigo-Pesa service is reliable and worth using. In the issues relating the overall service quality of Tigo-Pesa service interviewees indicate that the service is good and they were generally satisfied with the service that they get from Tigo-Pesa. The respondents further indicate that, as sometimes the service providers can become very annoying in handling complaints that are brought to them.

The results revealed the responsiveness dimension of Tigo-Pesa service quality to be the weakest. Customers are sometimes impatience; failure to get prompt service may cause them to switch to other Mobile Operator Networks (Vodacom, Airtel, and Zantel). In order to improve this service quality dimension, it is recommended that Vodacom management should be fully committed to this cause and strives to encourage and empower all personnel against a common goal. This can be done by the management of Vodacom to place more emphasis on their employees who should be encouraged to be caring and provide individualized attention on their customers. One way of holding this is through providing adequate training to the

personnel in the areas of providing prompt service, willingness to help and response to customers' request.

The results revealed that the majority of Dares salaam peoples are not satisfied with the service charges set by Tigo-Pesa; this will result to Dares salaam peoples switching to other Mobile Operator Networks (Vodacom, Airtel and Zantel) which offers a lower service charge. Once customers start to other Mobile Operator Networks, bringing them back will be difficult for Tigo-Pesa as it may cost them additional expenses. Therefore the management of Tigo-Pesa should develop a competitive and dynamic based pricing regime, by doing this; it will help to attract and keep more customers and increase the company's revenue. Most customers also pointed out that the only area that needs some improvements is on service charges which are found to be how expensive.

Conclusion and Recommendations

In conclusion, knowing how customers perceive service quality and being able to measure service quality can benefit management of service organizations. Measuring service quality can help management provide reliable data that can be used to monitor and maintain improved service quality. Using the SERVQUAL model to assess service quality enables management to better understand the various dimensions and how they affect service quality and customers' satisfaction. This will help the management to identify those areas that have strength and weakness and thereby make necessary improvements.

The sustainable growth of the company (Tigo-Pesa) attaining high customers satisfaction is very important, because with high level of satisfaction tend to be more loyal to the service provider. (Jones and Sasser, 2000). From the research analysis, it was however evident that a number of initiatives could be taken into consideration by Tigo-Pesa in order to improve customers satisfaction with Tigo-Pesa services. Using the SERVQUAL instrument, the study reveal the customers' overall means score of expectation was higher than the perceptions in all dimension of Tigo-Pesa is failing to meet the expectations of their customers. This problem may lead to customers becoming more cautious and particular in their assessment of the service supplier and may end up thinking that their choice may not have been the good one. Therefore the implication to management of Tigo-Pesa is that it should focus on all dimensions of service quality and make efforts to improve them in order to have better performance that would lead to higher perceived service quality and customers satisfaction. Furthermore the management of Tigo-Pesa should provide training to their agents as they are the ones who make contact with the customers. The training should focus on the ability to help customers resolve their queries and problems quickly. In the process of resolving such problems, they should show a caring, courteous attitude and sincere interest in helping customers.

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