



**THE UNIVERSITY OF ZAMBIA IN ASSOCIATION  
WITH THE ZIMBABWE OPEN UNIVERSITY**

**DISSERTATION TITLE: AN EVALUATION OF SERVICE LEVEL AGREEMENTS ON  
CUSTOMER SATISFACTION-THE CASE OF ZAMTEL**

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**A RESEARCH REPORT SUBMITTED TO THE UNIVERSITY OF ZAMBIA IN PARTIAL  
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# Abstract

This research was based on the evaluation of Zamtel SLAs on customer satisfaction. This study applied a mixed methods sequential exploratory research design to determine SLA factors that influence the adoption of Zamtel services. The research was conducted using two phases. The first phase being the qualitative approach which mainly addressed the descriptive and second phase was an explanatory analysis of SLAs on customer satisfaction. These factors of the SLAs were then used as the main thematic areas for this study.

The findings under the qualitative analysis indicated that Zamtel SLAs are partially effective on impacting customer satisfaction. Zamtel still needs to make investment in improving communication, technology, infrastructure, and minimize the service quality gaps to adequately improve the problem of poor speed network (mobile and internet) delivery and hence enhance customer satisfaction. In addition, Zamtel should redesign the KPIs to focus on how SLAs can be enhanced to improve customer.

The overall bivariate regression model between customer satisfaction and Zamtel SLAs had a coefficient of 0.636, implying that for every change in the variables that constitute Zamtel SLAs, customer satisfaction changes about 63.6%. The overall significance of the model had a probability value (p-value) of 0.000 implying a good fitted model to explain the impact of SLAs on customer satisfaction. Both the R-square and the Adjusted R-square values of 0.159 and 0.155 were above 5%, according to statistical theory, this implies a good fitted model

The results of the multivariate SLA variables for Zamtel impacted on customer satisfaction positively except for one variable outsourcing and key performance indicators which impacted on customer satisfaction negatively and significantly. The model estimated an R-squared value of 0.432 (approximately 43.2%) of variations in customer satisfaction (CS) at Zamtel was explained by the model. This was a good fit since 43.2% was greater than 5%. On the other hand, the model was correctly specified as the probability (0.000) of the F-statistic critical value is 0%. This meant that the joint influence of the explanatory variables on customer satisfaction are statistically significant at 1 percent level of significance.

Zamtel should intensify communication by enlightening messages to the customers on the network interruptions. Zamtel management should pay attention to service processes and ensure that the

employees are well trained. In addition, it should to invest more on technologies that will ensure efficiency and competitiveness in serving customer and overall satisfactions of the customers to eliminate service quality gaps.

# Certificate of Approval

The University of Zambia and Zimbabwe Open University has approved the dissertation of **Bwalya Edna Chanda** as fulfilment for the awards of the Degree of Master of Business Administration.

Name

Signature

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**Dr. Bwalya Chilolo**

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Supervisor

# Declaration

I **Bwalya Edna Chanda** declare that the research work reported in this thesis is my own, except where otherwise indicated and acknowledged. It is submitted in partial requirement for the award of a Master's degree in Business Administration at University of Zambia and Zimbabwe Open University. To my knowledge, the thesis has not either in whole or in part been submitted for a degree or diploma to any other university or institution.

Signature of Student: .....

Date: .....

# **Dedication**

This Master's Degree/ dissertation is dedicated to my dear husband Raymond Sooli Kawina and my son Nathanael Tabo Kawina

# Acknowledgement

First and foremost I would like to thank God the giver of life and wisdom. My sincerely thanks to Dr. Bwalya Chilolo for his invaluable assistance, unfailing guidance, invaluable comments and unreserved intellectual assistance in undertaking this research study.

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# List of Selected Abbreviations and Acronyms

ADSL	Asymmetric Digital Subscriber Line
B2B	Business to Business
B2C	Business to Consumer
CIO	Chief Information Officers
COM	Communication
CPCC	Consumer Protection and Competition Commission
CS	Customer Satisfaction
DOMSAT	Domestic Communications Satellites
ECZ	Examination Council of Zambia
E.G	For Example
GRZ	Government Republic of Zambia
GSM	Global System for Mobile Telecommunication
ICT	Information Technology
IT	Infrastructure and Technology
KPI	Key Performance Indicators
LTE	Long Term Evolution
SEM	Structural Equation Modelling
SEM	Structural Equation Modelling
SERVQUAL	Service Quality
SLA	Service Level Agreement
SP	Service Provider
SPSS	Statistical Package for Social Science
SQG	Service Quality Gap
VAS	Value Added Services
Zamtel	Zambia Telecommunication Company
ZICTA	Zambia Information Communication and Technology Authority

# Chapter One

## Introduction and Background

### 1.0 Introduction

In the current modern age where the telecommunication market is evolving towards services. Many public sector organisations such as the Zambia Telecommunication Company (Zamtel) which are state owned enterprises play a significant role in the life of its stakeholders and the economy of Zambia at large. Service level agreements (SLAs) have always played an important role as a Zamtel management tool to achieve dramatic improvements in the areas of customer service so as to attain superior customer service satisfaction. Zamtel provides service oriented applications commonly deployed across a network to provide quick, reliable access to software to customers who depend on them to complete work or personal related activities.

The Zamtel Complaints Report for Quarter 1, 2016 and ZICTA 2018 finding of Zamtel K4.8 million revealed that poor service quality provision and noted some customer complaints over network interruptions, wrong billing, failing to recharge and slow internet services. Successful SLAs and customer satisfaction hinges on the business performance against competitors as the organisation strives to avoid migration of customers to other mobile service provider.

Kelley, N.J. (2012) defines SLA is a formal written agreement between the service provider and the service customer or user. It defines the parameters of service the user expects and the provider guarantees to deliver. An SLA can be contractual to deal with providers either outside the organization or in-house. An SLA is a formal written agreement that defines the parameters of service the user expects and the provider has guaranteed to deliver. This formal written agreement or legal contract specifies the minimum expectations and obligations existing between the service provider and the customer. In order for an SLA to be fully respected it must be agreed upon by both parties. The key to successful SLAs is the high quality, reliable service offered by Zamtel to meet customer expectation. SLAs acceptance are on the basis of the service infrastructure's ability to fulfil Zamtel's obligations to the customer.

Verma D.C. (2004) breaks down the typical components of SLAs into seven as;

- 1.0.1 *Type of service to be provided:* It specifies the type of service and any additional details of type of service to be provided. In case of an IP network connectivity, type of service will

describe functions such as operation and maintenance of networking equipment, connection bandwidth to be provided.

- 1.0.2 *The service's desired performance level, especially its reliability and responsiveness:* A reliable service will be the one which suffers minimum disruptions in a specific amount of time and is available at almost all times. A service with good responsiveness will perform the desired action promptly after the customer requests for it.
- 1.0.3 *Monitoring process and service level reporting:* This component describes how the performance levels are supervised and monitored. This process involves gathering of different type of statistics, how frequently this statistics will be collected and how this statistics will be accessed by the customers.
- 1.0.4 *The steps for reporting issues with the service:* This component will specify the contact details to report the problem to and the order in which details about the issue have to be reported. The contract will also include a time range in which the problem will be looked upon and also till when the issue will be resolved.
- 1.0.5 *Response and issue resolution time-frame:* Response time-frame is the time period by which the service provider will start the investigation of the issue. Issue resolution time-frame is the time period by which the current service issue will be resolved and fixed.
- 1.0.6 *Repercussions for service provider not meeting its commitment:* If the provider is not able to meet the requirements as stated in SLA then service provider will have to face consequences for the same. These consequences may include customer's right to terminate the contract or ask for a refund for losses incurred by the customer due to failure of service.
- 1.0.7 *Escape clauses and constraints:* Escape clauses are conditions under which the service level does not apply, or under which it would be considered unreasonable to meet the requisite SLAs for example when the service provider's equipment have been damaged in flood, fire or war. The clauses often also impose some constraints on the behaviour by the customer.

Not all of the components of an SLA may be present in all contracts, but a good SLA would provide an overview of the different items that can go wrong with the provided service, and attempt to cover those situations as part of the SLA agreement. Since the importance of customer satisfaction cannot be over emphasised, therefore, failure by Zamtel to implement robust SLAs to strongly manage customer service provisions may lead to poor customer service and perennial

complaints from all customers. That again may also result in the loss of customers and revenue hence leading to poor financial performance, financial adequacy and position of an organisation. To this end, this research seeks to evaluate the impact SLAs on customer satisfaction using a case of Zamtel.

### **1.1 Background to the Study**

SLAs have been used in IT organizations and departments for many years. The definition of SLAs in a customer satisfaction context is becoming extremely important as service-oriented systems are starting to cross organizational boundaries and third-party service providers are starting to emerge. Zamtel is perceived as the technological innovation that will transform future investments in telecommunication. As Zamtel services become more omnipresent, public and private enterprises still grapple with concerns about Zamtel services. One such concern is about service level agreements (SLAs) and their appropriateness. While the benefits of using Zamtel services are well defined, the debate about the challenges that may inhibit the all-in-one adoption of these services still continues. SLAs are seen as an instrument to help foster adoption. However, Zamtel SLAs are alleged to be ineffective, meaningless, and costly to administer. This could impact widespread acceptance of Zamtel services.

Zambia's liberalization of the economy from 1991 signified trouble for Zamtel, not because it was facing competition per se, but because its operations were dogged by old technology, lack of recapitalization and a larger workforce than the leaner private sector entrants, which would include Zamcell, later renamed Celtel, then Zain, now Airtel. In the wake of these changing dynamics, Zamtel has over the years faced a number of significant challenges. First, retaining existing customers in a predominantly pre-paid and high churn market had become more difficult and costly. Similarly, new customer acquisition becoming more elusive than ever as potential customers have more options to choose from and mobile phone operators offer attractive deals to lure prospects. Third, as mobile phone operators have had to incur additional expense in keeping existing customers and acquiring new ones, their average revenue per user has declined, leading to deterioration of their financial performance to a point the government selling 75% to Lap Green.

In light of the above challenges, Zamtel wanted to make customer satisfaction a strategic priority. A report by Calvin A. (2010) revealed that the financial position and performance of an organization is anchored on customer satisfaction. Moreover, satisfied customers are loyal and



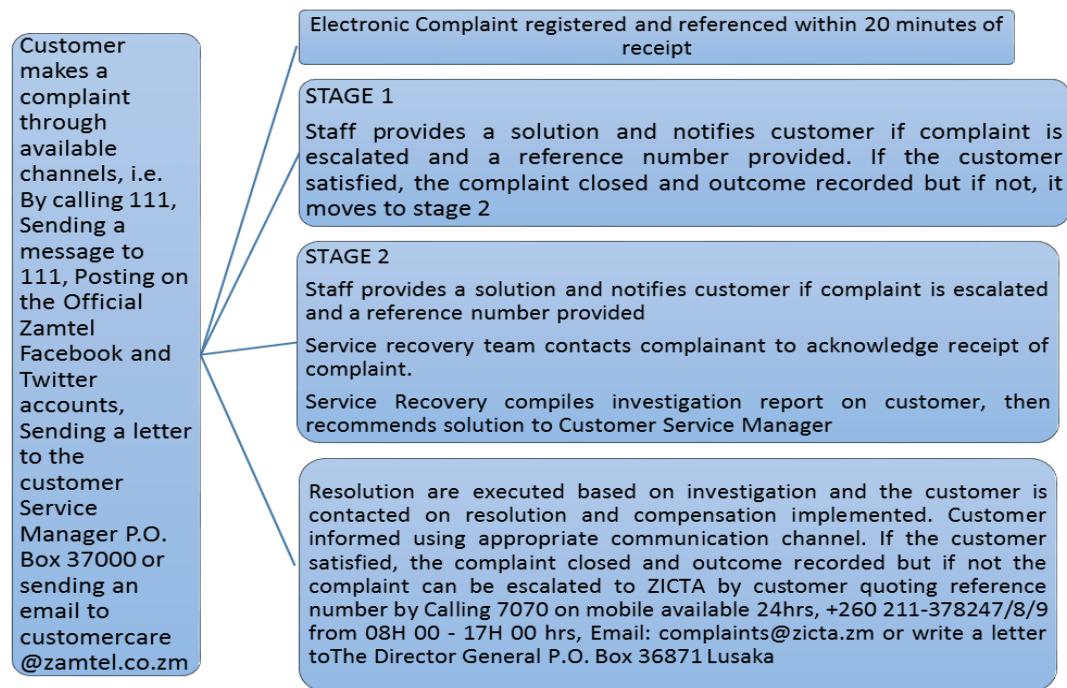
have a higher propensity to stay with their existing service provider than the less satisfied ones and are more likely to recommend the service provider to others, leading to improved bottom line for the company.

Customer migration is a common factor that signal poor customer service. Customers' decisions take account of long waiting time on customer care queues, poor reception and complaint handling in service centers, courteous and knowledge of employees in service centers. ZICTA fined Zamtel a sum of K4.8 million for failing to adhere to the quality of service parameters as outlined in the quality of service guidelines during the fourth quarter of 2017 and first quarter of 2018 respectively (ZICTA 2018). In addition, the fine was for failing to meet the set parameter on call set up successful rate, mean opinions call, http successful internet logins and successful SMS rate for both quarters.

Zamtel installed the Wireless Local Loop (WLL) system to cater for peri-urban communities that are closer to the exchanges but cannot be serviced by wireline technology. However, deployment and coverage of the WLL system was very limited. The service quality in the WILL systems aggrieved most of the customers forcing Zamtel to conducting a gradual replacement of the analogue WLL system with digital technology, mainly in urban areas along the line of rail.

Zamtel is one of the telecommunication companies in Zambia that has various services offered to its esteemed customers such as international roaming, fixed landline, mobile, Asymmetric Digital Subscriber Line (ADSL), fibre to home internet, Zamtel Long Term Evolution (LTE), electronic mobile money and Value Added Services (VAS) such as face book, twitter, Zamtel tunes, Zamtel life, Zamtel share and Examination Council of Zambia (ECZ) results service. Thus, in order for Zamtel to meet all these services to its customers it developed a complaints procedure for ensuring that the customer complaints are resolved within the agreed time and terms as shown below.

**Figure 1. 1 Complaint's Procedure**



*Source: Zamtel Charter (2017)*

Zamtel SLA on mobile service is an important focus area for telecommunication industrial systems, highlighting the crucial interplay between service provider and service consumer satisfaction (Zamtel Charter, 2017). SLAs and service policies are key issues at Zamtel's service orientation. A SLA incorporates a time bound and a probability bound on a particular path through the system. It will make clear the metric against which the service is being judged, how the service provision will be measured, and the penalty to be exacted if the service is not delivered within the agreed level of quality of service. For this and many other reasons, the mobile service provide must be concerned with the quantitative core of an SLA in that at least 90 percent of all requests receive a response within an agreed time.

An SLA is part of the contract between the service consumer and service provider and formally defines the level of service. According to Zamtel Charter (2017), the SLA defines the availability, reliability and performance quality of delivered telecommunication services and networks to ensure the right information gets to the right person in the right location at the right time, safely and securely. The rapid evolution of the telecommunications market is leading to the introduction of new services and new networking technologies in ever-shorter time scales.

Zamtel developed SLAs for various reasons. From a simple perspective, an SLA is developed between two parties to spell out who is responsible for what, what each party will do, and sometimes more importantly what each party will not do. From a business perspective, an SLA is developed for these reasons. Because of a competitive market, Zamtel is using SLAs to establish itself as reliable providers and hence attract customers. Service interactions across organizations increasingly permeate business processes and become critical to fulfilling business goals. SLAs establish a commitment to quality levels required by service users and providers to interact effectively (Hamid, T. et al, 2012). Moreover, SLA management helps customers validate and supervise the quality of services through scheduled and on-exception reports. In one vision of the future, standardized services will be offered by multiple service providers. For example, realtors provide many different levels of service to home sellers, and all must provide a minimum level of service.

Zamtel SLAs are tools meant to assist customers use new technologies and services as a commitment for specified performance levels intended to satisfy and deliver the expectations of the customers. The SLA spell out who is responsible for what, what each party is expected to do, and from time to time what each party is not expected to do (Kaur,K. et al, 2012). It is an official commitment that prevails between the company itself and customers. Particular aspects of the service quality, availability, and responsibilities are agreed between Zamtel and the service user. It can further be highlighted that SLAs at Zamtel is identified as a way to provide incentives for achieving desired quality, speed, availability, capacity, reliability, user-friendliness, timeliness, conformity, efficiency and effectiveness.

The rapid development in the telecommunications sector in Zambia has led to the ushering in of new services and networking technologies within shorter time frames by Zamtel. The role of SLA for Zamtel has provided an excellent mechanism for creating a common understanding with its customers about services and service delivery. Therefore, developing a successful SLA has had a complex undertaking, and yet has not been the solution to every problem (Mehmet, S., 2011). Some of the SLA have been formed in a way that falls short of the agreement resulting in the bigger problems than those it is trying to solve.

Zamtel has over the years invested in infrastructure development to support the SLA services it offer. For instance, Zamtel launches 4.5G LTE-2300 network in its quest to improve

communication services, pushing forward its technology vision by deploying state of the art, cutting edge 4.5G long term evolution communication. This deployment has a crucial step for Zamtel meant to allow the company to offer innovative high-definition services to its customers on the Copperbelt and help the company attain its vision to be technology innovation leaders on the market (November 2016 Consumer Protection Activity Report)

Despite the government reforms to make Zamtel competitive, customer complaints increased and described poor network service quality as any eventuality that leads to disruption of the primary service of the mobile telecommunication industry. This includes factors such as cell site breakdowns, unreliable network services and even poor network quality.

## **1.2 Problem Statement**

Zamtel is one of the telecoms service providers in Zambia that provides a wide range of services that include local, national, long distance, and international fixed telephone services, mestic satellite telephone also called Domsat, mobile telephone, and leased internet line services. However, the 2016 Zamtel Customer Survey Report indicated that customers' discontent level had grown over time with the slow or delayed process of activation or registration of new Sim cards from the time of purchase. The report further indicated that landline phones take longer to be installed and activated from the date of application by the customer. Delayed restoration of network outages in certain areas affects internet, mobile and telephone services. The report indicated that the process of configuring mobile internet setting takes long to be activated by customer care team. Many customers experience loss of airtime from customer's mobile account, delayed solutions and feedback from customer service agents once the complaint has been resolved and Message centre number takes long to be activated by agents once customer reports.

Furthermore, the 2017 Zamtel Annual Report indicated that despite implementing the SLA with the aim of satisfying its customer's needs, wants and expectations in a competitive telecommunication industry, there has been growing customer complaints of failing to access the toll free line customer care number (111) making it almost impossible to go through as the line would go unanswered by the agents for longer periods. The response from the technical team takes longer than the SLA stipulates to resolve fixed line and internet faults. In addition, customers failing to receive and send messages on their mobile phones has increased the frustration customers are experiencing. If a customer is overbilled or erroneously billed by the system, they are

compensated in terms of talk-time or bundles instead of a refund. The cost of receiving a refund or compensation for not receiving a service or being overbilled is high for many customers and hence the process of being refunded takes long by the customer care team.

The ZICTA 2018 Complaints report first Quarter indicates the number of customer complaints have increased as Zamtel is failing to meet the set parameters of the Quality of Standards in services offered by Zamtel. Despite the platform being available, the response time in resolving customer problems has remained a challenge. Therefore, this study sought to evaluate the impact of Zamtel SLAs on customer satisfaction and will also be an attempt at resolving some of the above stated problems.

### **1.3 Purpose of the Research**

The purpose of this research study was to evaluate the impact of SLAs on customer satisfaction with a case study being of Zambia Telecommunication (Zamtel). This study will contribute to addressing some of the challenges that customers face from the SLAs that are provided by Zamtel. In addition, the study will assist Zamtel to improve the SLAs to cope with the evolution of telecommunication towards good customer satisfaction and the increasing competition from the competitors namely MTN and Airtel.

### **1.4 Objective of the Study**

This study was guided by one general objective and four specific objectives

#### **1.4.1 General Objective**

- i. To evaluate Zamtel SLAs on customer satisfaction.

#### **1.4.2 Specific Objectives**

In light of the general objective of this study, the following are some of the specific objectives that guided the study.

- i. To determine the key indicators used to measure customer satisfaction.
- ii. To find out the effects of the SLAs on Customer satisfaction with Zamtel Services.
- iii. To identify challenges that affect customer service provision.
- iv. To ascertain the best practices Zamtel SLAs could employ to improve customer satisfaction

## **1.5 Research Questions**

This study was guided by one main research question and three specific questions

### **1.5.1 Main Research Question**

- i. What is the effect of SLAs on customer satisfaction at Zamtel?

### **1.5.2 Specific Research Questions**

Some of the specific research questions include:

- i. How effective are Zamtel SLAs on customer satisfactions?
- ii. What are the key indicators used to measure Customer satisfaction at Zamtel Services?
- iii. What are the main challenges of the SLAs in meeting the customer satisfactions?

## **1.6 Significance of the Study**

This study will help in designing appropriate SLAs which will deliver customer satisfaction. It is intended to enhance the body of knowledge on the role and impact of SLAs on customers' satisfaction. It will help Zamtel develop SLAs that are inclusive of the community expectation.

## **1.7 Research Study Assumptions**

The research study assumed the following, that;

- i. Zamtel customers will take interest in the project.
- ii. Financial and material resources will be available.
- iii. ZICTA will provide the necessary information.

## **1.8 Research Hypothesis**

The research study was based on the following hypothesis

- H<sub>0</sub>: Effective Service Level Agreements has an impact on customer satisfactions  
H<sub>1</sub>: Effective Service Level Agreements have no impact on customer satisfactions

## **1.9 Theoretical Framework**

The SLA literature provided insight into the relationship between SLAs and Customer Satisfaction. This involved a review of how communication, service quality gap, infrastructure and technology, KPI and how these factors influence customer satisfaction.

The Contractual theory was instrumental to contract management. Solli-Saether and Petter (2009) state that a contract stipulates a lawful framework that binds the right, roles and responsibilities of the parties in the contract as well as the integral policies, goals and strategies. This theory presents

the environment for each party in the contract arrangement to exercise their contractual obligation efficiently in a collaborative manner within the bounds of their relationship as the contract detects. Therefore, a specific Service Level Agreements can be determined between operator who is faced with service quality gaps and customer who has expectations, with measures on how the service will be supplied and the benchmarks clearly stated.

## **1.10 Definitions of Key Terms**

According to the research study, the understanding of the key operational terms are as defined below;

### **1.10.2 Customer Satisfaction**

Customer satisfaction is a marketing term that measures how products or services supplied by a company meet or surpass a customer's expectation. According to Churchill and Surprenant (1982) customer satisfaction is an outcome of purchase and use resulting from the buyers' comparison of the rewards and costs of the purchase in relation to the anticipated consequences.

#### **1.10.6 Service Level Agreement**

It is the availability, reliability and performance quality of delivered telecommunication services and networks to ensure the right information gets to the right person in the right location at the right time, safely and securely

## **1.11 Outline of the Study**

The study spans around five chapters. Chapter one being the introduction, chapter two being the literature review, chapter three addresses the research methodology, chapter four addresses the research results and finally chapter five being the conclusion and recommendations with a brief discussion of the policy implications.

## **1.12 Chapter Summary**

The research has emphasized SLA focusing the increase in service quality has a positive effect on customer satisfaction. Since customer satisfaction corresponds to the result of evaluating the service in terms of whether that service has met their needs and expectations, the issue of quality is central to solving this problem. One of the more challenging aspects of quality service is to provide for the uniqueness of each situation and of each customer. For that, the organization needs to remember to treat customers like people and not numbers

This chapter presented the problem that the research was intended to solve and outlined the direction that the study took in order to meet its goal. Four research questions and two hypotheses were formulated in this research. The theoretical framework, based on Contractual Theory and Total Quality Management Theory, was also used to illustrate the model on which the research was developed. SPSS was the main data analysis technique used to execute the quantitative analysis on the data and test for model-data fit. The study was a mixed methods sequential exploratory study using a two-phased approach.



# **Chapter Two**

## **Literature Review**

### **2.0 Introduction**

In this Chapter, the researcher has made an attempt to study and understand the complex concepts of how SLAs affect customer satisfaction. This attempt includes, understanding the conceptual frameworks of SLAs on Customer satisfaction, analysing research studies made by earlier researchers in respect of SLAs influence on Customer Satisfaction in the Telecommunication Industry. For this, the researcher has used various books, research Journals and websites. The detailed list is further elaborated in the Bibliography. Through this Literature Survey researcher wants to find out which are the important parameters of SLAs the influence Customer Satisfaction in respect of Zamtel's services.

The theoretical and empirical advances have been summarized and discussed regularly in the scholarly literature. The literature review will focus on the theoretical framework and empirical studies on how SLAs are essential in ensuring customer satisfaction.

### **2.1 Theoretical framework**

The core of communication, service quality, infrastructure and technology and KPIs enhance the value of the SLAs that Zamtel offers to customers.

Service Level Agreements (SLAs) can be used to govern interactions between service providers and service consumers. A service level agreement (SLA) is a contract between two parties promising a certain level of service (Mehmet, S., (2011). The level of service expected, whether technical (response time, CPU load) or non-technical (time to helpdesk problem resolution), is always measurable. One type of SLA is static and used for all customers, like those dictated by service providers while one can be a customer or not. Metrics are recorded by the consumer and must be reported to and validated by the provider in order for the penalty clause of a 10% refund to take effect.

The other type are individual and specific based on the needs of the consumer and capabilities of the provider, in which case they are negotiated and include organization-specific guarantees.

Typically these service providers have an SLA template which can be tailored to the needs of the customer. This tailoring can happen in a series of meetings prior to beginning the service experience; there are also methods for negotiating SLAs automatically at run-time. Services covered by SLAs typically have reporting requirements so both the provider and consumer can compare actual performance to target performance. The typical lifecycle of an SLA involves creation, implementation and assessment, and eventually termination. Others recognize the need for the SLA to evolve and be renegotiated over its lifetime.

### **2.1.1 Communication**

The relationship between communication and satisfaction has been investigated by many communication scholars (Markovic, S., et al, 2010 and Mehmet, S., 2011). Employee effective communication becomes very important because the quality of employee communication is a reflection of the quality of corporate communications to its customers. Mehmet (2011) study found that effective communication has a positive effect on building customer attachment. Without effective communication it is impossible to establish and develop healthy relations with customers. The best means for consumers to achieve quality is through the communication between the service provider (staff) and the recipient of the service (customer). Research by Kaur, K et al (2012) has also shown that the quality of the interpersonal communication between the customer and the employee greatly influences customer satisfaction. Many services require personal communications between customers and the firm's employees, and these communications strongly influence the customers' perception of the service quality. Effective communication is an intricate set of exchange processes which also influences customer satisfaction. One of the key factors towards service success is the effectiveness in handling customer complaints. Kelley, N.J. (2012) study shows that when the customers do not get their complaints handled properly, they will start looking for other brands.

Communication skill or competences are important for staff in dealing with customers. Information or messages should be clear and need to be communicated in a right way (Mehmet, S., 2011). Customers naturally want to deal with people whom they can trust, are knowledgeable, technically able and at the same time friendly and polite to customers. Ahmad, S., et al (2012) findings found that employees who are knowledgeable of guests' needs will satisfy the customers. Friendly attitude and courteous behaviour of the service workers at service firms leaves a positive impression on the customer which lead

towards customer satisfaction. The finding also indicated that lowest customer satisfaction occurred when there are unfriendly and unresponsive staffs

The network of relationships via communication enhance competitive position in which the organization is involved. All of the relationships in some way contribute to adding value, reducing costs and increasing innovation (Gronhold, L., et al 2015). The combination of communication ultimately helps the organization to enhance its relationships with its own customers. For customers in the cellular industry, communication via relationship marketing can be very satisfying, in that customers feel an affinity with the service provider beyond mere purchase. The feeling of an acquaintance with the organization are not just anonymous customers but it is because they often receive special treatment and extra pampering by the service provider. Customers are likely to receive timely and relevant communications of offers that would be of interest to them from their service provider thus enhancing customer satisfaction.

### **2.1.2 Service quality Gap**

Service literature has contributed to the confusion over the relationship between consumer satisfaction and service quality. Service providers need to understand how their objectives meet or exceed the customers' satisfaction with their performance. The importance of this issue has led to several efforts to clarify the relationship between satisfaction and service quality (Blešiř et al., 2011). It has been pointed out that the quality of a service can be observed as the features with which certain needs of customers are satisfied. Marketing concepts have introduced various approaches to quality measurement of certain products and services. In addition, consumers observe and rate the same product differently, based mainly on their own motives and attitudes.

In previous service research, meeting and exceeding expectations of customers has been a perspective that has gained most attraction. This concept has had an all-inclusive and cuts across service domains, but expectations change and experiences with alternate service providers could shape the customers' expectations and ultimately satisfaction. The important research gap here is attaining customers' expectation towards a particular service (Blešiř et al. 2011). A gap is the difference, imbalance or disparity which is determined to exist between customers' perception of firm performance and their prior expectation. Service quality perceived by customers is therefore

as a result of a comparison of customers' expectation of services that the organization should offer versus their perception of the performance delivered by the service organization.

$$\text{Service Quality} = \text{Customer's Perception} - \text{Customer's Expectations}$$

Management of service quality largely focuses on managing the gaps between expectations and perceptions of customers (Boon-itt, S. et al, 2012). The goal of the firm is to minimize the gap between perception and expectation.

Service quality and customer satisfaction are conceptually different, but there exists a high relationship between them. The perceived service quality is an antecedent to satisfaction and leads to customer satisfaction. Firms that are clearly interested in providing outstanding customer value would be expected to have culture that reinforces high quality (Allame et al, 2010). A high quality service can level the customer's perception and exception towards an offering. Quality has to satisfy, and preferably exceed, the needs and expectations of the customers. That is why; service quality is widely seen as a key antecedent to successful customer relationships. A service offer, which is inferior or indistinct, may lead to greater problems in attracting and retaining satisfied customers.

In the today's competitive world, the goods and services companies consider satisfaction as an important criterion in measuring quality of their efforts. Customer satisfaction can be defined as the feelings of pleasure or disappointment about perceived quality (Boon-itt, S., et al, 2012). Indeed, customer satisfaction is a determinant indicator of consumer autonomous. It has been examined and confirmed in past studies that the services quality influences customers' satisfaction so much that services quality is cause and customer satisfaction is effect (Lo Liang, K. et al (2010). If the company can offer the services that can meet the customers' needs and wants, then the customers' satisfaction will be accomplished and also their loyalty will be increased.

Tabatabaei, H. et al (2010) indicates that customer satisfaction is based on the subjective service quality gap comparisons between expectations and actual quality received. Quality is therefore driven by and defined by the customer. Product and service attributes that create a perception of quality will increase customer satisfaction and ultimately customer demand. Therefore, application of total quality management aims at satisfying the needs of customers which are constantly

changing with time, environments and circumstances and thus minimize the service quality gaps between customer expectations and actual quality received.

The ability to control process to meet design specifications is essential to ensuring customer satisfaction and minimization of service quality gaps. The changes in customer needs may be in terms of desire for better quality of product or services, bigger size or reduced cost. Therefore processes have to be designed and brought to speed to meet the changing needs of customers and manage competition so that they do not shift to other producers (Allame, S.M., et al (2010). Technology advancement is key in improving SLA quality as innovations in certain fields may cause existing technologies obsolete.

### **2.1.3 Infrastructure and Technology**

Alhamad, M., et al (2010) defined information technology infrastructure (ITI) as the physical services, and the management that support all computing resources in an organization. They further stated that it supports all organizations ITI applications including Operations, documentation, integration, and maintenance. ITI includes both the technical and managerial expertise to provide reliable service and Badidi, E. (2013) stated that information technology infrastructure includes a group of shared, tangible information technology resources that provide foundation to enable present and future business prosperity. Information technology infrastructure capabilities enable the various types of information technology application required to support current and future business objectives, also enable the competitive positioning of business ideas.

Bardhan, I. R., et al (2010) in their study of the effect of information technology investment on customer satisfaction hypothesized that IT investment is positively related to perceived quality and perceived value which are critical to customer satisfaction.

Compatibility is the ability to share any type of information across any technology component throughout the organization (Alhamad, M. et al, 2010). Technology compatibility help span organization boundaries, employee empowerment, make information and knowledge readily available in the organization and to the customers. Their findings showed that a positive correlation between compatibility and reliability of service, in that compatibility creates ease of use by the customers.

It is recognised among business executives and academic researchers that marketing is all about creating and delivering service that has value to the customers (Pergelova, 2010). There is a general consensus that quality customer service is not only the most important factor for achieving the paramount marketing outcome, namely, customer satisfaction, it is also the principal criterion for measuring the competitiveness of the customer service process, because it is positively associated with the market value of firms. Therefore, much interest is being shown in evaluating the effects of IT investments on intangible measures of firm performance, such as greater responsiveness to customer needs and overall customer experience, which are reflected in customer satisfaction (Armbrust, M. et al, 2010). Improving customer satisfaction is one of the prime motivations for making IT investments. Telecommunications companies are interested in how IT investments influence customer service, and the positive causal mechanisms that mediate the effect of IT systems on customer satisfaction.

A consumer perception is considered in terms of general and common support functions of online transactions provided by an ICT as a measurement of perceived payment system quality. By using ICT, both provider and customers can benefit from transaction cost savings (Badidi, E. (2013). The magnitude of the transaction cost savings on the customer side depends to a larger extent on the convenience and reliability of an offering. System quality is driven by factors such as fast page loading, clear presentation, and simple, intuitive navigation processes are also very important to the completion of transactions. Thus, scholars suggest that system quality is the key to creating a successful IT system that enhances customer satisfaction

Marchand et al (2000) studied the link between information technology and firm performance and their study revealed that three set of factors keeps a firms performance, the quality of IT management practices, IT management processes should sense, gather, organize and disseminate information. In other words, IT management is positively related to a firms performance and continuous customer satisfaction. Sambamurthy et al (2003) in their study revealed that information technology infrastructure capabilities in firm impacts customer focus and market focus. This in other words means that IT infrastructure capabilities enable firms to position their IT asset so as to capture information about customers as well as disseminate information to customer in other to create satisfaction. Also Sambamurthy (2003) in another study

argue that IT capabilities have a positive impact on the quality of organizational processes and the development of digital process and the development of digital process capabilities

#### **2.1.4 Key Indicator Indicators (KPI)**

Customer satisfaction can be interpreted as an overall evaluation of service quality attributes or service attribute performance. Several studies discussed the relationship between two constructs of KPI and overall customer satisfaction. It is argued that the relationship in most cases is nonlinear and asymmetric (Brynjolfsson, E. et al, 2010). More importantly, there is no direct relationship as the KPIs are developed to monitor the services and products offered by the service provider to meet the success of KPIs is subjected to rise in profitability, sales and customer repurchase.

The essential meaning of quality can be captured by measuring the value of the customer. However, for the existing KPIs to measure customer value, it does not adequately manifest the concept of customer value itself. Therefore, the modification of these tools becomes the prerequisite to continuously improve quality performance. The measurement of customer value during acquisition and use is based on intangible aspects (cognitive judgment) (Jahanshani, A. A. et al, 2014). Along the value stream, these measures are translated (transformed) into tangible aspects, which comprise aspects such as shorter lead-time, reduced defects, and lower costs.

The company needs to have existing processes and practices to measure customer experience. It is also important to measure insights from users and influencers and not only gather feedback through sales channels. Successfully establishing a new KPI system in a context of broader customer experience need jointly commitment to the company's customer experience vision e.g. marketing, operations and IT department (Fanderl et al. 2016). When tracking the customer experience it is also essential to obtain the right information in the system. Tracked data can be monitored in various patterns. Depending on what information the company is seeking the data can be analyzed in past patterns, present patterns, potential patterns or combination of them all.

#### **2.1.5 Customer satisfaction**

Ciovica, L., et al (2014) state that customer satisfaction is a collective outcome of perception, evaluation, and psychological reaction to the consumption expectation with a product or services. Calvin A. (2010) suggests satisfaction as a response of a customer to an evaluation of the difference between expectations and the actual performance of the product perceived after its

consumption.

Sriyam, A. (2010) argued that customer satisfaction implies a comprehensive mental state derived from a combination of emotions caused by a customer's actual experience and disconfirmation of expectation and emotions prior to the buying experience. Customer satisfaction is a post-consumption evaluative judgement concerning a specific product or service. Customer satisfaction is a personal feeling of either pleasure or disappointment resulting from the evaluation of services provided by an organization to an individual in relation to expectations (Vega–Vazgues, M., et al 2013). Service providers frequently place a higher priority on customer satisfaction, because it has been seen as a prerequisite to customer retention. As a positive outcome of marketing activities, high customer satisfaction leads to repeat visitation to stores, repeat product purchases, and word-of-mouth promotion to friends, while low customer satisfaction has been associated with complaining behaviour. A satisfied customer often stays loyal longer, and is likely to patronise the firm in future. Customer satisfaction can be conceptualized as either transaction-specific satisfaction or cumulative satisfaction. Transaction-specific satisfaction is a customer's evaluation of her or his experience and reactions to a specific company encounter. Cumulative satisfaction refers to customers overall evaluation of patronage experience from inception to date.

There are many factors that affect customer satisfaction. According to Pathnadabutr, A. (2012) these factors include friendly employees, courteous employees, knowledgeable employees helpful employees, accuracy of billing, billing timeliness, competitive pricing, service quality, good value, billing clarity and quick service. Khan, M. (2013) recognized that prompt and courteous service as one of the important components of customer satisfaction. Therefore, in order to achieve customer satisfaction, organisations must be able to satisfy their 'customers' needs and wants

In order to attain customer satisfaction in an SLA, it is necessary to meet their expectations. According to earlier study (Čolaković et al., 2013) the starting point in the process of defining and ensuring the quality of the service parameters should be the users. Earlier studies have suggested a numerous indicators of customer satisfaction. Stranjancevic and Bulatovic (2015) concluded that quality of service has a direct impact on customer satisfaction and positively influences perceived value. Quality is marked as a key indicator in customer satisfaction.



Kelley, N.J. (2012) found that satisfied customers were likely to tell others of their favourable experiences and thus engage in positive word of mouth advertising. Dissatisfied customers, on the other hand, were likely to switch brands and engage in negative word of mouth advertising. The value of what is communicated by the customers is reflected by the significance of customer satisfaction and customer retention in strategy development for a "market oriented" and "customer focused" firm thus cannot be underestimated. Customer satisfaction was often described as the essence of success in today's highly competitive world of business once the right information is communicated to the existing and potential customers.

Fanderl, H., Neher, K., Pulido, A. (2016) found that customer satisfaction was based on the disconfirmation of expectation theory, in which the customer compared expectations with perceived quality resulting in confirmation or disconfirmation of an SLA. If the product or service, however, did not meet expectations, then customers would be dissatisfied. One-dimensional factors were attributes for which the relationship between attribute performance and (dis)satisfaction was linear. The more (less) an attribute fulfilled the requirements, the more (less) customers were satisfied. Excitement factors were attributes that make customers very satisfied or even delighted if products or services achieved these factors fully. Customers were, however, not dissatisfied if products or services did not meet these requirements

## **2.2 Empirical Framework**

Markovic, S., & Raspor, S. (2010) undertook a comparative study of the service quality of casual dining restaurants in Phuket, Thailand, by comparing the perspective of Thai and international customers. Results showed that service quality factors had a positive impact on overall customer satisfaction. In turn, customer satisfaction is likely to increase customer loyalty (word-of-mouth endorsements and repurchase intention) in casual dining restaurant environment.

Sriyam (2010) examined the customer satisfaction towards service quality of front office staff at one of the midscale hotels in Pattaya, Thailand. Using SERVQUAL, the findings of this study showed the highest level of customer expectation was assurance, while the highest level of customer perception was tangibility. The finding showed that the customers' perceived service performance exceeded customer expectations towards the service quality of front office staff.

Chompupor and Ghuangpeng (2013) discussed factors affecting customer satisfaction at a four star accommodation at Mahasarakham, Thailand. The study explored factors affecting

service quality perceived by a local hotel guest based on the SERVQUAL framework and the impact of service quality on customer service satisfaction and customer buying intention. The study found that the SERVQUAL factors tangibles, reliability, responsiveness, assurance, and empathy were reinforced by communication, infrastructure and technology, and hence perceived to have impacts on the service quality of the hotel. It was also found that customer service satisfaction affected customer buying intentions. Marković et al. (2013) conducted a study on expected and perceived service quality in the Croatian and Slovenian hotel industry. The research results identified high levels of guest expectations and perceptions regarding the service quality, and the importance of intangible aspects of hotel service

Sriyam, A. (2010) in their study of the effect of information technology investment on customer satisfaction hypothesized that IT investment is positively related to perceived quality and perceived value, the study findings revealed that IT investment have a positive effect on perceived quality and perceived value for firms in the service sectors than in the manufacturing sector. Also Badidi, E. (2013) studied information technology infrastructure (ITI) capability and firm performance, the study revealed that ITI is positively related to customer and market focus, process management and performance management of firms respectively.

Organisations that increase level of customer satisfaction, decreases the probabilities that customers will be pointing at the defects in the quality service (Khan, M. 2013). In service level agreements, it is important to offer a better perspective of the relative importance of service quality determinants by developing more comprehensive models of the drivers of customer satisfaction. The organisation must be able to identify resemblance between the customer satisfaction and service quality. In addition, service providers must be careful to stipulate these two are different concepts in a SLA.

In the ever growing competitive telecommunication industry, consumers are demanding for high quality in services and products. Badidi, E. (2013) states that customers are now searching for quality and can arguably be the most important consumer trend of the 1980s. The important feature of telecommunication firms has been to concentrate on quality delivery, the way it is produced and being supplied to the final customer. SLA have been seen to provide a facility that helps the service provider to have continuous improvements in the quality of services perceived according to the

customer expectations positively affects the satisfaction level and customer's perceptions about the company.

In spite of this, it is essential noting that there are numerous distinct conceptualizations of quality. Marković S. et al (2013) advised that service quality is anticipated to have a positive effect on overall customer satisfaction. Therefore, the effect of expectations of quality on customer satisfaction is positive and significant. Providing quality service is deemed as an important strategy for success and survival in today's competitive environment (Zeithaml et al., 2013). The primary emphasis of SLA in both academic and managerial effort focused on determining what service quality means to customers.

Kelley, N.J. (2012) highlights that for service providers, accomplishing customer satisfaction is important because it motivates customer loyalty, repeated business with customer and positive word of mouth. However quality is not the only factor that influences the customer satisfaction, there are other factors besides quality like Performance, Expectations, desires and price factor. The SLA must seek to guarantee the quality of service descendent to customer satisfaction.

Customer satisfaction is a crucial success factor to excel in the service industry, as highlighted by Jahanshani, A. A., et al (2014). The way to ensure the quality of service is to define a legal contract, which is SLA, between a service provider and a consumer. In general, a customer requests mobile based application services from a mobile service provider by agreeing with the quality of service requirements specified in the SLA. When the mobile service provider can guarantee the SLA, the customer is satisfied. If the level of service is better than the specified in the SLA, the customer satisfaction level will be more than satisfied.

The SLA must identify other components beside quality that influences the satisfaction of customers. Kelley, N.J. (2012) observed that the value, corporate reputation, Image and transaction satisfaction are critical for an organisation because they take time to rebuild. In addition, service quality such as those of intangible nature like human interaction in service delivery with those tangible nature, design and décor elements, the effect of atmospherics, employee appearance and appearance of equipment \*Kotler, P. et al, L. 2012). A clear understanding of all these factors that affect the relationship between service quality, and customer satisfaction results in overall performance of the firm and can help to ensure better implementation of resource that firm required putting in place.

Customer satisfaction facilitates the measure of how SLA are provided in meeting customer expectation. It is a key performance indicator in the organisation's SLA terms. Normally, telecommunication firms monitor and examine the satisfaction level of customers on an ongoing base by using different scales to measure the level of customer satisfaction which is mainly based on service encounter experienced on their last visit.

A service-level agreement needs to be established in the early specification phase for a commissioned service, and the service provider needs to ensure not later than that point in time that the SLA is credible.

KPIs are important indicators to track progress and help to manage and improve the performance of companies. API investigated whether KPIs are derived from strategic goals and they found that this is barely the case (Marković S., et al 2013). Only 15 percent of the respondents of a survey of 1100 organizations believed that their KPIs were linked to the strategy and objectives of their company. So although literature emphasizes the importance of a link between strategic goals and KPIs, this is often not the case in SLA practice.

As mentioned before related to electronic service quality, researchers mostly use existing service quality scales for measuring mobile service quality (Blešiš et al. 2011). This is the reason for not having a proper scale to measure mobile service quality directly for a long time. Shin and Kim (2008) further states that it could have been considered as a lack because mobile services has their own characteristics such as mobility, anytime and anywhere computing, and social conditions.

There has been an essential growth in the body of knowledge that has emerged over the last decade, with the growth of the mobile telecommunication services. Bodik, P., et al (2010) reveals that the study in Canada modified the American Customer Satisfaction Model to depict the antecedents and consequences of customer satisfaction for young cellular subscribers. The questionnaires were used to collect the feedback of young cellular subscribers. Their findings revealed that the perceived service quality and perceived value of SLAs are the key determinants affecting the satisfaction of customers with mobile services. Customer loyalty is a vital component derived from customer satisfaction.

The study by Gronhold, L., et al (2015) explored the determining factors of customer satisfaction in the Hong Kong mobile phone services sector. An exploratory factor analysis was conducted

after a survey (interviews and questionnaires) on twenty attributes accompanied by confirmatory factor analysis and found four determinants of customer satisfaction which include transmission quality and pricing policy, network coverage, customer service and staff competence. These were vital components that solidified customer loyalty staying on an SLA. They concluded that the survey of cellular phone customers in Hong Kong revealed that transmission quality and coverage of network are most important

Bouchenak, S. (2010) undertook a study in Modelling customer satisfaction New Zealand's telecommunication services industry that found that the factors of friendliness and competence were affecting overall service quality more than the parameters voice clarity and response time. Some components of personnel characteristics in delivering the service such as friendliness and competency were more likely to influence the whole service quality than other factors such as time taken or clear voice in responding. Scholars like Kelley, N.J. (2012) explored the impact of quality-related factors on customer value and customer satisfaction using structural equation modelling (SEM) in China. To gather information, he used questionnaires and interviews. The competency variables of the staff were responsible for quality SLA and customer expectations.

An investigation by Ciofica, L., et al (2014) on the effect of different service features and switching barriers in the Korean mobile telecommunication services sector on customer loyalty and customer satisfaction. Questionnaires were used to gather information and a structural model proposed was tested using the Structural Equation Modelling. The findings revealed that satisfaction of customers is considerably and positively affected by value added services, call quality and customer support delivered by competent staff. In addition, there study found that the satisfaction of a customer and switching of barriers had a meaningful positive impact on the loyalty of customers.

In a survey that was conducted in Qatar, Creswell, J. W., et al (2011) investigated how perceived service quality, satisfaction and trust determined loyalty in e-commerce settings at the level of construct dimensions. They found that only assurance does appear to play an imperative role in building trust. Of particular interest is the finding that word-of-mouth is an antecedent of trust and intention.

The study by Fanderl, H., et al (2016), investigated how specific characteristics of SLAs impact relational governance in information technology outsourcing relationships. Data for the study were

collected through a survey of South Korean IT executives. Results of the study support the fundamental proposition of complementarity between formal contracts and relational governance, and indicate that well-structured SLAs have significant positive influence on the various aspects of relational governance in IT outsourcing relationships. However, the study also reveals that change characteristics of SLAs may act as a substitute for relational governance as these characteristics were found to dampen the level of trust and commitment through moderation effects. Overall, the findings support the proposition that well-developed SLAs not only provide a way to measure the service provider's performance, but also enable effective management of outsourcing engagements through the development of partnership-style relationships with high levels of trust and commitment.

Hamid, T., et al (2012) supports the findings of Lai et al. (2007) in which he tested the Service Quality model in China's mobile communication industry by utilizing the confirmatory and exploratory factor analysis of the data collected via questionnaires and interviews. It was found that the SERVQUAL instrument has a valid means for determining service quality in communication. Service quality in an SLA has an essential impact on the satisfaction of customers. Perceived customer value has a controlling effect on the linkage between service quality and customer satisfaction. In addition, Communication convenience was also observed as an indispensable service quality dimension in the mobile services sector of China.

### **2.3 Conceptual Framework**

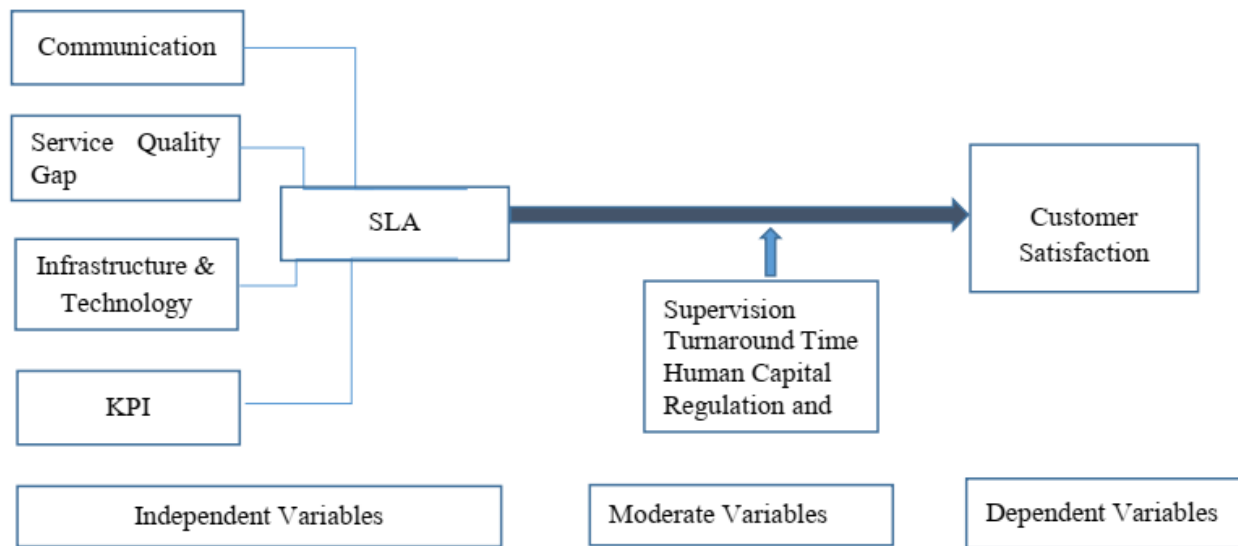
The framework of this study shows that there are two angles to the study with the dependable variable relying on the independent variable. In this case the independent variable is SLA and for purposes of this study. SLA attributes include communication, service quality gaps, infrastructure and technology, and KPIs while customer satisfaction is a dependable variable as tabulated in the in figure 2.3. The moderating variables include supervision, turnaround time, human capital, motivation, regulation and organizational policy. This implies that customer satisfaction is directly dependent on how SLAs are implemented by Zamtel to achieve organizational goals and objectives. The conceptual framework was tested using data that was collected from the Zamtel employees.

Customer satisfaction is a customer's reaction to the state of satisfaction, and customer's judgment of satisfaction level (Fanderl, H., et al 2016). The concept of customer satisfaction against service

quality gap, communication, infrastructure, technology and KPI is interrelated with each other; moreover satisfaction of customer depends upon these SLA variables (Pitt et al., 1995).

Zeithaml et al. (2013) support the direct linkage between service qualities and repurchase intentions of customers because of the direct link between SLAs and customer satisfaction.

**Figure 1. 2 SLA - Customer Satisfaction**



Source: AUTHOR - SLA-Customer Satisfaction model done by Author of this research: 2018

The applied structure is expected to create mindfulness and comprehension of the circumstance under evaluation.

Communication: measures the difference between the actual service provided to customers, response or feedback to queries and the service provided in the organizations promotions

Service Quality Gap: measures the extent of customer perception of the terms and the clause of the SLA contract, keeping promises, customer services and policies of the Zamtel

Technological and infrastructure: assumed as the yardstick in differentiating good and bad services

Customer Satisfaction: evaluates whether the customer was satisfied with the services, transaction, and their relationship with the Zamtel SLAs.

Supervision, Human Capital, Regulation and Policy: measures the ability to take charge of destructive and negative tendencies in terms of SLAs thereby enhancing the turnaround time.

KPIs: focus on time, quality, availability and reliability of performed activities

### 1. The Gaps Model

Levy et al (2001) states that gaps exist when customers' expectations are greater than their perceptions of the delivered service causing dissatisfaction and the feeling that the SLA quality of a service is poor. Organizations must therefore reduce the service gap in order to improve customers' satisfaction. According to Levy et al, four factors affect the service gap namely the knowledge gap, the standards gap, the delivery gap and the communication gap. The diagram below illustrates them.

**Table 2. 1 The Gaps Model**

SERVICE GAP				
Customer Expectations of Quality	Management Perceptions of customer perceptions	Standard service Delivery	Actual Service Delivered	Customer Perceptions of Quality
<b>Knowledge Gap</b>	<b>Standards Gap</b>	<b>Delivery Gap</b>	<b>Communications Gap</b>	<b>Company Communication about quality</b>

Source: *Levy, M., et al (2001)*

Knowledge gaps are the difference between customer expectations and organization's perception of customer expectations. An example of Zamtel Knowledge gap is where customers want to buy products or services without understanding the contract. In certain areas some customers don't have media networks as well as poor reading culture in order for them to get more information on the Zamtel services.

Standards gaps are the difference between the organization's perceptions of customers' expectations and customer service standard it sets. When Zamtel is developing SLA, it will have preconceived expectations of the customer. The environment in which organisation operates differs because customers are exposed to competition and ever changing technology.

Delivery gaps are the difference between organization's service standards and the actual service provided to customers. Communication gaps are the difference between the actual service provided



to customers and the service provided in the organizations promotions. Curbing the delivery gap requires Zamtel to first meet the standards that have been set by ZICTA and then the changing customer expectation in order to provide good quality service to customers. The challenge that arise are network interruptions, stiff competition, these affect the standards put in the SLA

These four gaps make up the service gap. The organization's main objective is to reduce the service gap by reducing each of the gaps, therefore improving service quality through understanding the level of service customers expect, setting standards for providing customer service, implementing programs for delivering service that meets the standards and undertaking communication programs to inform customers about the service offered by the organization.

### **1.1 Chapter Two Summary**

The literature review has looked at the research on customer satisfaction related to service level agreements, it is attributes focusing on service quality, service quality gaps, communication, infrastructure, technology and key performance indicators. The current service level agreement literature has been reviewed and analyzed on the determinants of customer satisfaction. This led to the initial short-listing of dimensions to be studied in the empirical survey. In addition, the literature related to the evaluation of SLAs on customer satisfaction. The literature review was a very important part of the research study. It was with the help of extensive literature review that the study was designed. The literature review helped in the identification of the constructs and appropriate dimensions to be studied.

# **Chapter Three**

## **Research Methodology**

### **3.0 Introduction**

Chapter two presented the literature review, the review of other studies including the review of concepts, theories and positions of leading management scientists on the phenomena of SLAs. This chapter presents the way in which the research endeavour was undertaken and the logic behind every phase of the study.

### **3.1 Adopted Research Methods**

The research methodology adopted in this study is a mixed methods sequential exploratory research design. The mixed method has been applied in Doctor of Philosophy-PhD theses by Kassab, R.Y. (2013) focusing on a methodology for Automated SLA Compliance Prediction at Newcastle University and Hamilton, H.G. (2015) focusing on an Examination of Service Level Agreement Attributes that Influence Cloud Computing Adoption at Nova South-eastern University. The mixed methods research design was chosen because qualitative or quantitative method alone would not be able to answer the research questions for this study. The research was executed in two phases.

#### **3.1.1 Research Design for Phase One - Qualitative Study**

The qualitative approach was used in phase one of this study. The first step involved content analysis and literature reviews. The content analysis involved a research of SLA Attributes on customer satisfaction.

#### **3.1.2 Research Design for Phase Two - Survey**

This used the output from phase one to develop a survey instrument that was administered to Zamtel employees. The instrument utilized closed ended Likert-style questions relating to the proposed attributes to capture quantitative data for analysis. Creswell & Clark (2011) indicated that the primary purpose of this survey was to collect quantitative data to determine which attributes should be included in SLAs, thereby answering the main research question. In the sequential exploratory design, the methods were implemented sequentially.

### 3.2 Data Collection

Data collection was done in a two staged questionnaire. This focuses primarily on a qualitative study and data collection was through the use of interviews as well as reports from the Zamtel and ZICTA which produce a common set of SLA attributes that have been verified by SLA experts. Literature and content reviews provided a preliminary list of attributes that formed the basis for the interviews that was conducted in this phase.

A survey instrument comprising close-ended questions to capture the views of respondents about SLA attributes produced in qualitative research. The survey instrument was administered to users and non-users of Zamtel services. The instrument is designed so that it could be self-administered or administered by an interviewer.

The instrument was structured so that each Zamtel employee could indicate the levels of uncertainty and specificity that they believed are relevant to each attribute. The survey targeted approximately 320 businesses with an expected minimum response rate of approximately 30%. Data were, therefore, expected to be received for at least 96 respondents (see calculation of sample size below). The survey was administered to business representatives who have responsibility for or would input into the process for adoption of Zamtel customer services. The survey instrument was completed by Chief Information Officers (CIOs), IT Managers, Infrastructure Managers, Legal Officers or delegates who were part of the team reviewing the SLA for decisions relating to service adoption such as cloud computing.

### 3.3 Targeted Population and Sample Size

The study had a targeted population of 600 respondents and a convenience sample of 206 respondents will be sampled. The sample comprised of personnel in the legal department, IT and Engineering department, Marketing and sales as well as customer care. The Cochran formula highlighted by Israel (1992) shall be used to compute the sample size for this research. This formula is shown below.

$$n_0 = Z^2 pq / e^2$$

where  $p = 0.5$ ,  $q = 1 - p = 1 - 0.5 = 0.5$  and  $e = 6.8279$

$$n_0 = 1.96^2 \times 0.5^2 / 0.068279^2$$
$$n_0 = 206$$

Where  $n_0$  is the sample size,  $Z$  is the confidence level,  $p$  is the degree of variability in the sample,  $q$  is  $p - 1$  and  $e$  is the level of precision. The 95% confidence level will be used with a precision level or margin of error of 6.8279%. The maximum variability in the population of users of 0.5 will be assumed. Therefore, using the Cochran formula for calculating sample size,  $n_0 = 206$

### **3.4 Pre-Analysis Data Screening**

Data collected was screened to ensure that the survey have been correctly entered, identify missing values and decide how to treat them, and identify multivariate outliers and find a way to resolve them.

### **3.5 Data Analysis**

The instrument based on design, is expected to be fully completed by the respondent before it can be submitted for inclusion in the dataset. The SPSS software will be used to provide the frequencies for each variable. The frequency tables produced by SPSS will give a summary of the responses for each variable. Outliers could adversely impact the reliability of the results. According to Cousineau and Chartier (2010), outliers are observations or measures that are suspicious because they are much smaller or much larger than the vast majority of the observations. Therefore, Cousineau and Chartier claimed that outliers can be problematic to research and argued that suitable remedies must be applied to deal with them. The outliers were removed before final analysis. Qualitative data analysis will focus on literatures such as thematic, text and content analyses of the data collected from interviews and desk research.

### **3.6 Ethical Considerations and Reliability**

The importance of Research Ethics in modern research processes cannot be overemphasized, especially with regard to methods used in data sourcing and gathering. This is because human interaction is often required in data sourcing and gathering. Research is understood as original investigation undertaken in order to gain knowledge and understanding. It includes work of direct relevance to the needs of commerce and industry, as well as to the public and voluntary sectors, the invention and generation of ideas, images, performances and artefacts, including design, where these lead to new or substantially improved insights; and the use of existing knowledge in experimental development to produce new or substantially improved materials, devices, products and processes, including design and construction (RDI ilearn, 2010).

Respondents were given a clear explanation of what the research is about, so they were well informed about what they are participating in. Creswell, J. W., et al (2011) argues that ethical issues involve obtaining the subjects' informed consent to participate in the study, securing confidentiality and considering the possible consequences of the study for the subjects'. While interviewing bureaucrats, therefore, this study took into consideration confidentiality and integrity. The aim was to reach a mutually benefiting agreement with regard to the use of data, its analysis, and dissemination. It was also made clear to the informants that they are free to not answer certain questions, may postpone part of the interview and could end the interview at their convenience.

Entry to the offices concerned was obtained through official channels, by applying to the departmental heads in order to carry out the studies. Information obtained from respondents is kept confidential subject to the laws of Zambia. Incorporating confidentiality into research implies that private data identifying the subjects need not be reported. Protecting subjects' privacy by changing their names and identifying features is an important issue in the reporting of interviews. Respondents are guarded against any abuse since the study results could have an impact on their employment. The study and its dissemination are committed to the integrity of those under investigation. Therefore, in order to overcome ethical challenges, at the level of getting respondents, informed consent was obtained and also sensitivity to cultural and political issues was applied.

Academic studies are concerned with reliability and validity. For reliability to be maintained it is incumbent on the scientific investigator to document his/her procedure since the reliability of the data is 'the extent to which a measurement procedure yields the same answer however and whenever it is carried out' (Creswell, J. W., et al, 2011). Therefore, to ensure that this study could not be replicated by another scholar, developing a clear case study protocol and database is ideal. The protocols contain the research questionnaire and interview guide. Steps taken in the pre-fieldwork, during field work and report preparation will be documented in the form of a diary and timeline, to ensure consistency and justification for the whole process.

### **3.7 Chapter 3 Summary**

This chapter has described the methodology adopted to conduct an evaluation of SLAS and their impact on customer satisfaction – the case for ZAMTEL. It has outlined the research stance and design of the research. The main methods for collecting data were interview guides and survey

questionnaire. Techniques for sampling have been outlined as well as the processes for data analysis, a description of how issues of validity, reliability and generalizability were managed which calls for adherence to the scientific research canons. The next chapter presents the study findings of this research.

# Chapter Four

## Presentation of Findings

### 4.0 Introduction

This chapter focused on the comprehensive empirical presentation of descriptive and inferential statistics of findings from employees by evaluating the impact of Zamtel SLAs on customer satisfaction. As earlier discussed two phases were used during the process of concluding this study. The first phase concentrated on the qualitative aspect of the study while the second phase addressed the quantitative study. The study addressed both quantitative and qualitative, but with more biased towards quantitative analysis as the main objective of the study was to evaluate the impact of SLAs on Zamtel customer satisfaction. The results of both phases of this research are presented below.

### 4.1 Demographic Characteristics of Respondents

This part describes the general characteristic of respondents involved in the study. It explains characteristics like gender, educational level and work experience when the study was conducted. This further shows the strength of each factor used.

### 4.2 Demographic Analysis on Gender of the Respondent

**Table 4 1 Gender of Respondents**

Gender	Frequency	Percent (%)
Male	85	41.3
Female	121	58.7
Total	206	100.0

*Source: Results extracted from SPSS 25.*

In this study, gender was of great significance so as to determine the impact of Zamtel SLAs towards customer service between male and female. As can be deduced from the table below, the female respondents had the highest frequency and percentage outcomes. From a total of 206 questionnaires administered 41.3 percent were male respondents with 58.7 percent being female respondents. This analysis was done to indicate the number of male and female employees that participated in the research study. Generally in Zambia women are more employed in service

industry as compared to men. This analysis did affect the results of the study or the way gender impacts on customer service.

### 4.3 Demographic Analysis on Work Length of the Respondent

**Table 4 2 Respondents' Years of Employment**

Year Period	Frequency	Percent (%)
1 – 3 Years	131	63.6
4 – 6 Years	75	36.4
Total	206	100.0

*Source: Results extracted from SPSS 25.*

In this study, the factor of work length among the respondents were also taken into account, that is, the group of employees ranging in the period 1 – 3 years as well as those in the range between 4 – 6 years so as to gain enough insight among respondents with various work experiences. According to the study, 63.6 percent of employees fell in the range of 1 to 3 years and this was the highest percentage while those that were in the range of 4 to 6 years were 36.4 percent as indicated in table 4.3. This meant that the respondents' length of experience was dominated by the work length group of 1 to 3 years. This could be attributed with the nature of position (lower management) which a majority of the respondents held.

This analysis was done to demonstrate the length of service participants have served at Zamtel which was important for this study to give a clear indication that the employees that participated had an effect on the results of the study because the longer an employee stays with the organisation, the more knowledgeable and experience they become with the interaction of quality of service and customer satisfaction.

### 4.4 Demographic Analysis on Educational Level

**Table 4 3 Management Position of the Respondents**

	Frequency	Percent
Lower Management	177	85.9
Middle Management	29	14.1
Total	206	100.0

*Source: Field data as extracted from SPSS 25.*

The position in the management levels by Staff at the Zamtel presented in table 4.3 indicated that the research sample had a membership of 206 of which 85.9 percent and 14.1 percent were in



lower management and middle management. This analysis shows the hierarchical distribution of the employees that participated in the research study and had an effect on the findings of the research study as most of the decisions of the service quality and adherence to policy and regulation are at middle management while the actual resolution of the queries and customer concerns are made at lower management.

#### **4.5 Demographic Analysis on Educational Level**

**Table 4 4 Highest Academic Level of Respondents**

	<b>Frequency</b>	<b>Percent</b>
Degree	124	60.2
Diploma	75	36.4
Certificate	7	3.4
Total	206	100.0

*Source: Results extracted from SPSS 25.*

For the case of highest academic qualification which may also contribute especially on the perception meaning among employees, the results were such that 60.2 percent were having University degree as their highest qualification. This may imply that the more educated the better SLAs are utilized to the advantage of customers. Other respondents had diploma and certificates as their highest academic qualifications were 36.4 percent and 3.4 percent respectively as shown in table 4.4. This analysis is important in this study as it gave an indicative picture of the level of education that the respondents that participated in the study.

#### **4.6 Phase One – Qualitative Study**

The principal objectives of phase one is to address the content analysis and literature reviews. The content analysis includes a research of SLA on customer satisfaction.

##### **4.6.1 Content Analysis of Key Variables of SLAs on Customer Satisfaction**

The findings of SLAs on Customer Satisfaction has been broken down into key variable which include the following;

##### **4.6.1.1 Communication**

This section covers issues concerning Zamtel's communication impact towards customer satisfaction. Results from table 4.5 to 4.7 indicates Zamtel's communication perception towards customers. These results entails a mixed feelings of responses by respondents. Table 4.5 shows

the response ratings on whether Zamtel communicates to customers in case of any changes or interruptions in the SLAs

**Table 4 5 Zamtel communicates to customers in case of any changes or interruptions in the SLAs**

<b>Response</b>	<b>Frequency</b>	<b>Percent (%)</b>
Strongly Disagree	14	6.8
Disagree	39	18.9
Neutral	54	26.2
Agree	64	31.1
Strongly Agree	35	17.0
Total	206	100.0

*Source: Field data as extracted from SPSS 25.*

Table 4.5 shows 64 out of 206 with a percentage of 31.1 percent strongly agreed signifying the highest response rate, 35 out of 206 with a percentage of 17.0 percent just agreed. Combining strongly agree and agree shows that 99 out of 206 with a percentage of 48.1 percent (that is below the 50 percent rate) are in support that Zamtel communicates with customers in case of any changes or interruptions in the SLAs however, this is not satisfactory enough on how Zamtel communicates with its customers in regard with customer satisfaction. In summary, the combined responses of those who were neutral and disagreed constituted 107 out of 206 with a percentage of 51.9 percent. This rate is more than 50 percent signifying that Zamtel's communication with customers regarding interruptions and changes in SLAs to customers is not satisfying.

**Table 4 6 Zamtel provides adequate feedback to customer queries and complaints**

<b>Response</b>	<b>Frequency</b>	<b>Percent (%)</b>
Strongly Disagree	7	3.4
Disagree	26	12.6
Neutral	60	29.1
Agree	85	41.3
Strongly Agree	28	13.6
Total	206	100.0

*Source: Field data as extracted from SPSS 25.*

Table 4.6 below indicates as to whether Zamtel provides adequate feedback to customer queries and complaints. Results from the table shows that 85 out of 206 with a percentage of 41.3 percent agreed while 28 out of 206 with a percentage of 13.6 percent strongly agreed. A combined rate of

agree and strongly agree shows that 113 out of 206 with a percentage of 54.9 percent indicated that Zamtel provides adequate feedback to customer queries and complaints. The rest of the responses sum up to a rate of 45.1 percent. Since the majority of the response rate is more than 50 percent (about 54.9 percent) implied that in terms of adequate feedback to its customers, Zamtel is doing partially fine though it could do better by ensuring that the percentage of those disagreeing, strongly disagreeing as well as though just being neutral are reduced tremendously so as to increase perception rates of agree and strongly agree.

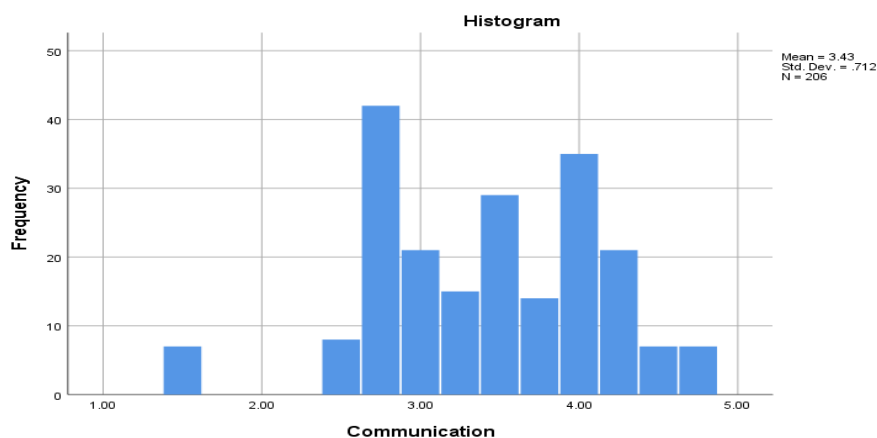
**Table 4 7 Response (feedback) time to customer queries and complaints is short**

Response	Frequency	Percent (%)
Strongly Disagree	0	0.0
Disagree	56	27.2
Neutral	72	35.0
Agree	71	34.5
Strongly Agree	7	3.4
Total	206	100.0

Source: Field data as extracted from SPSS 25.

Table 4.7 below shows as to whether the response or feedback time to customer queries and complaints is short. Results show that 71 out of 206 with a percentage of 34.5 percent just agreed while 7 out of 206 strongly agreed. A combined total of 78 out of 206 with a percentage of 37.9 percent supported were in support that response time to customer queries and complaints is short. This figure is quite smaller than 50 percent hence it can be concluded that response time to queries and complaints to customers is not satisfying.

**Figure 4. 1 Communication Patterns of Zamtel towards Customer Satisfaction**



Source: Results extracted from SPSS 25.

Figure 4.1 below shows the overall impact of communication on customer satisfaction. Results underlying communication patterns on average shows that communication impact on customer satisfaction is below 50 percent as shown by the frequency figures. This implies that Zamtel's communication though having an impact on customer satisfaction is not very significant.

#### 4.6.1.2 Service Quality Gap

**Table 4 8 There is lack and inadequate Training and Knowledge which compromise the quality of service and Customer Satisfaction**

Response	Frequency	Percent (%)
Strongly Disagree	35	17.0
Disagree	68	33.0
Neutral	28	13.6
Agree	39	18.9
Strongly Agree	36	17.5
Total	206	100.0

*Source: Field data as extracted from SPSS 25.*

This section covers service quality gap and how it is perceived towards customer satisfaction. Results in table 4.8 show that a total of 75 out 206 with a percentage of 36.4 percent (sum of agree and strongly agree) are in support that there is lack and inadequate training and knowledge which compromise the quality of service and Customer Satisfaction. The results on both strongly disagree and disagree indicate 103 out of 206 with a percentage of 50 percent while 28 out of 206 with a percentage of 13.6 percent. This implies that a majority of respondents believed that Zamtel does not lack adequate training and knowledge which compromise quality of service and customer satisfaction but the same time it could be argued that a number large enough believes the opposite which could imply that the Zamtel should increase transparent delivery of information.

**Table 4 9 There is lack of Transformation Leadership in providing Quality Service at Zamtel**

Response	Frequency	Percent (%)
Strongly Disagree	28	13.6
Disagree	56	27.2
Neutral	43	20.9
Agree	50	24.3
Strongly Agree	29	14.1
Total	206	100.0

*Source: Field data as extracted from SPSS 25.*

Results on table 4.9 have a similar view as results in table 4.7. These mixed feelings by respondents implies that Zamtel needs to enhance clear dissemination of information so as to have a transparent view of its policies. Table 4.5 shows results showing as to whether there is a lack of empowerment, centralization and lack of transformation leadership in providing service at Zamtel. An aggregated result for both strongly disagree and disagree showed that 84 out of 206 with a percentage of 40.8 percent while 79 out of 206 with a percentage of 38.4 percent indicated agree and strongly agree with 43 out of 206 with a percentage of 27.2 percent were neutral.

**Table 4 10 There is inadequate customer awareness and educational programmes at Zamtel**

Response	Frequency	Percent (%)
Strongly Disagree	47	22.8
Disagree	49	23.8
Neutral	25	12.1
Agree	71	34.5
Strongly Agree	14	6.8
Total	206	100.0

*Source: Field data as extracted from SPSS 25.*

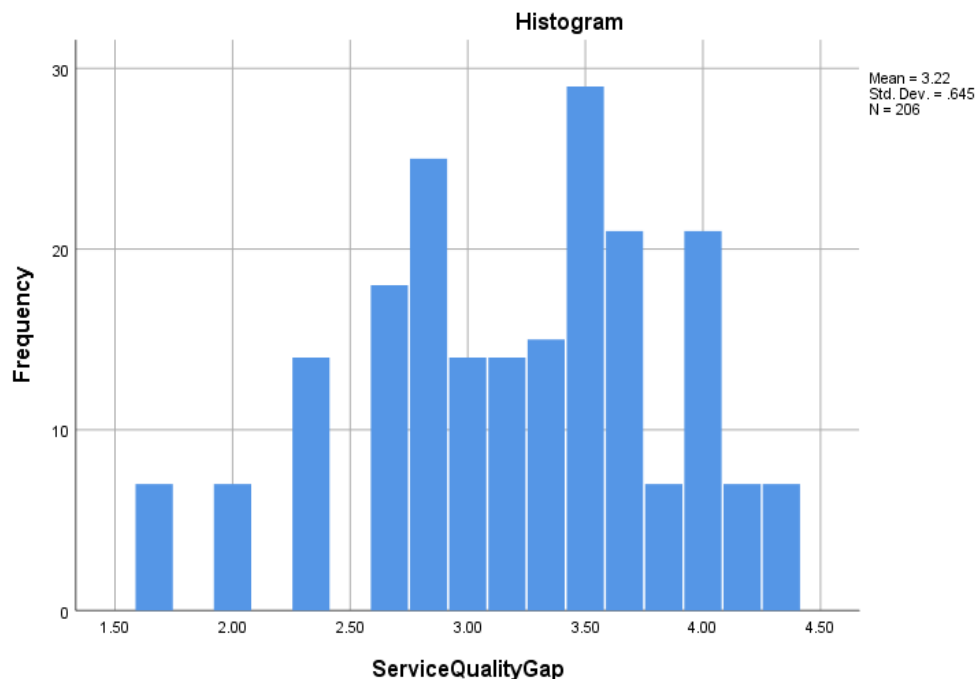
Table 4.10 results shows the perception by respondents on whether there is inadequate customer awareness and educational programmes at Zamtel. Results revealed that a total of 47 out of 206 with a percentage of 22.8 percent indicated strongly disagree while 49 out of 206 with a percentage of 23.8 percent showed disagree. 25 out of 206 with a percentage of 12.1 percent indicated neutral. The remaining 71 out of 206 with a percentage of 34.5 percent indicated agree and 14 out of 206 with a percentage of 6.8 percent indicated strongly agree. Again it can be deduced that respondents have a mixed feelings on how Zamtel has adequate or inadequate customer awareness and educational programmes. Even though a majority thinks there is adequate customer awareness and educational programmes at Zamtel.

Further results are shown in appendix two on whether there is a gap between customer expectation of quality service and Zamtel's quality of service delivered. Results showed that about 47.6 percent of the respondents indicated that strongly agree and agree with about 20.9 percent indicating disagree and strongly disagree while 31.6 percent were neutral. This implied a mixed perception

or view. Indicating a mixed feelings by respondents means that Zamtel should also pay particular attention in closing up this gap so as to fully impacted positively on customer satisfaction.

Furthermore, results on whether Zamtel provides standard service delivery as promised in the SLAs also showed mixed views. Results also indicated that 86 out of 206 with a percentage of 41.8 percent responded agree and strongly agree while 39 out of 206 with a total percentage of 18.9 percent strongly disagreed and disagree while 81 out of 206 with a percentage of 39.3 percent were neutral. This means that even though Zamtel provides standard delivery as promised in the SLAs, Zamtel needs to provide a transparent view of how this service is delivered so as to impact largely on customer satisfaction.

**Figure 4. 2 Overall Service Quality Gap patterns on Customer Satisfaction**



*Source: Results extracted from SPSS 25.*

The overall measure of service quality gap is depicted in figure 4.2 of the histogram below. Measured by the modal value of the histogram, it can be concluded that less than 30 percent of service quality gap impacts on customer satisfaction. This implies that though impacting positively on customer satisfaction, Zamtel should seek to improve in areas of improving service quality gap so as to also increase customer satisfaction.

#### 4.6.1.3 Infrastructure and Technology

**Table 4 11 Zamtel invests in Infrastructure and Technology to enhance delivery of Quality SLA**

Response	Frequency	Percent (%)
Strongly Disagree	8	3.9
Disagree	4	1.9
Neutral	39	18.9
Agree	85	41.3
Strongly Agree	70	34.0
Total	206	100.0

*Source: Field data as extracted from SPSS 25.*

This section covers infrastructure and technology, and how it is perceived towards customer satisfaction. Results in table 4.11 show that a total of 12 out of 206 with a percentage of 5.8 percent (sum of disagree and strongly disagree) are not in support that Zamtel invests in technology to enhance delivery of quality SLAs. The results on both strongly agree and agree indicate 155 out of 206 with a percentage of 75.3 percent while 39 out of 206 with a percentage of 18.9 percent were neutral. This implies that a majority of respondents believed that Zamtel invests in infrastructure and technology to enhance delivery of quality SLA but at the same time it could be argued that a number large enough believes the opposite which could imply that Zamtel should increase transparent delivery of information and new technology should be implemented. In addition, Zamtel's should expand the available infrastructure to increase capacity and efficiency that supports the growing number of subscribers.

**Table 4 12 Zamtel has available technology that supports customer services and satisfaction**

Response	Frequency	Percent (%)
Strongly Disagree	0	0.0
Disagree	12	5.8
Neutral	53	25.7
Agree	71	34.5
Strongly Agree	70	34.0
Total	206	100.0

*Source: Field data as extracted from SPSS 25.*

Results in table 4.12 below also indicate that 141 out of 206 with a combined percentage of 68.5 percent believed that Zamtel has available technology that supports customer services and

satisfactions however about 5.8 percent believed Zamtel does not have available technology while others were neutral about it. This means that Zamtel needs to utilize fully its available technology so that it can be seen and felt by its customers.

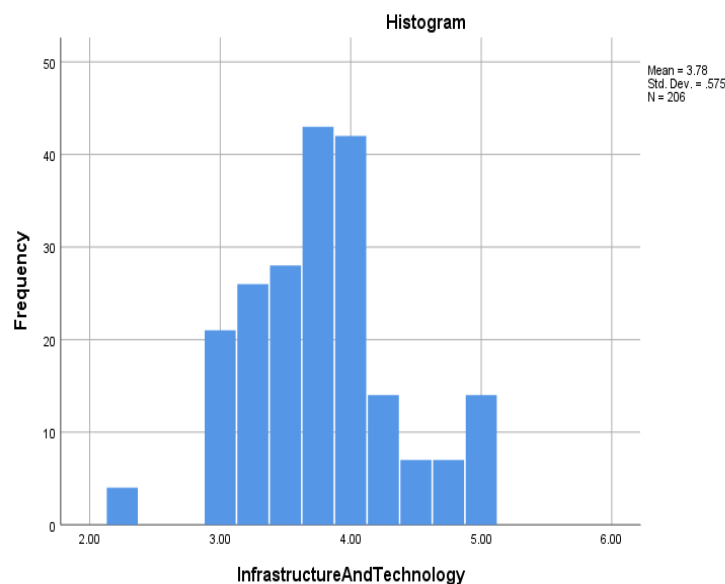
**Table 4 13 Zamtel has a speed network (mobile and internet) adequate to satisfy customers**

Response	Frequency	Percent (%)
Strongly Disagree	21	10.2
Disagree	78	37.9
Neutral	64	31.1
Agree	43	20.9
Strongly Agree	43	20.9
Total	206	100.0

Source: Field data as extracted from SPSS 25.

Results in table 4.13 below shows that 41.8 percent (20.9 percent plus 20.9 percent ) believed that Zamtel has a speed network adequate enough to satisfy its customers however, 48.1 percent (10.2 percent plus 37.9 percent ) did not believe in Zamtel having a speed network. This implied that Zamtel needs to speed up its network by either increasing on new technology as well as new equipment so as to enhance customer satisfaction. Also that were neutral constituted 53 out of 206 with a percentage of 25.7 percent were not sure whether Zamtel has a speed network adequate to satisfy customers.

**Figure 4. 3 Overall patterns of Infrastructure and Technology on Customer Satisfaction**



Source: field data 2019



According to the figure 4.3 below about the overall patterns of infrastructure and technology on customer satisfaction, it can be seen that less than 50 percent of infrastructure and technology on average impact customer satisfaction. This implies that Zamtel needs to enhance on infrastructure and technology so as to increase customer satisfaction. Even though there is a positive impact on customer satisfaction there is still more to be desired.

#### 4.6.1.4 Key Performance Indicators

**Table 4 14 Zamtel has failed to meet contractual obligations, customer loyalty and trust**

Response	Frequency	Percent (%)
Strongly Disagree	42	20.4
Disagree	42	20.4
Neutral	53	25.7
Agree	62	30.1
Strongly Agree	7	3.4
Total	206	100.0

*Source: Field data as extracted from SPSS 25.*

This section covers KPIs, and how it is perceived towards customer satisfaction. Results in table 4.14 show that a total of 84 out 206 with a percentage of 40.8 percent (sum of disagree and strongly disagree) are not in support that Zamtel has failed to meet contractual obligations, customer loyalty and trust. The results on both strongly agree and agree indicate 69 out of 206 with a percentage of 33.5 percent while 53 out of 206 with a percentage of 25.7 percent were neutral. This implies that a majority of respondents believed that Zamtel has not failed to meet contractual obligations, customer loyalty and trust but at the same time it could be argued that a large number believes the opposite which could imply that Zamtel should increase transparent delivery of information.

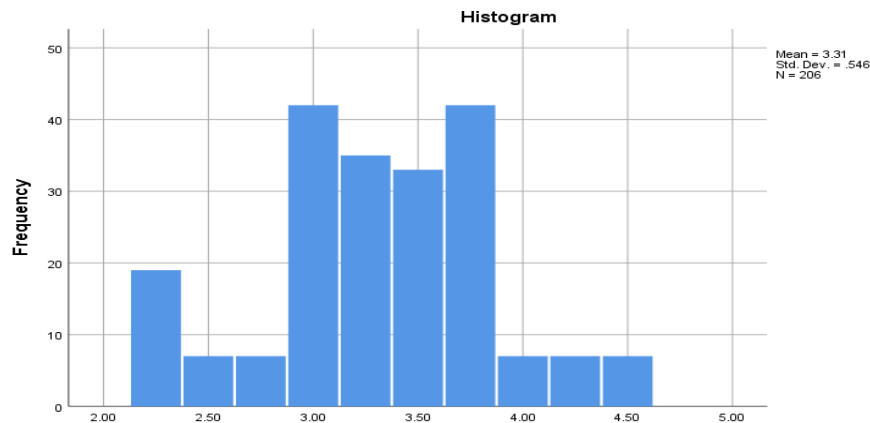
**Table 4 15 Zamtel measures and monitors performances of products and services (mobile internet) which are key components of service quality**

Response	Frequency	Percent (%)
Strongly Disagree	8	3.9
Disagree	18	8.7
Neutral	42	20.4
Agree	84	40.8
Strongly Agree	54	26.2
Total	206	100.0

*Source: Field data as extracted from SPSS 25.*

Results from table 4.15 indicate that 67.0 percent of respondents were in favour that Zamtel measures and monitors performances of products and services (mobile internet) which are key to components of service quality. About 12.6 percent believed otherwise with 20.4 percent being neutral about it. This implies that even though Zamtel is meeting this obligations, it can do better so as to enhance on customer satisfaction.

**Figure 4. 4 Overall Patterns of Key Performance Indicators on Customer Satisfaction**



*Source: field data 2019*

Figure 4.4 above shows the overall patterns of KPIs on customer satisfaction. It can be seen that there was less than 50 percent of KPIs on average, impact customer satisfaction. This implied that Zamtel needs to enhance on KPIs so as to increase performance and customer satisfaction.

#### **4.7 Phase Two – Quantitative Study**

The quantitative phase of this study involved the quantifying of responses drawn from phase one so as to give a numerical analysis of the main objective of this study which is to establish or evaluate the impact of Zamtel SLAs on customer satisfaction coupled with specific objectives that need an analysis. The analysis begins by addressing the descriptive statistics of the main study variables. These are depicted in table 4.16 below. Furthermore, a detailed regression analysis is carried out on the identified key variables of the study.

#### 4.7.1 Descriptive Statistics of Key Variables

Drawn information from table 4.16 below, it can be deduced that the mean and standard deviation have been calculated for each of the key variables such as customer satisfaction (CS), communication (C), service quality gap (SQP), infrastructure and technology (IT) as well as Key Performance Indicators (KPIs) that have been employed in this study. The key variables used in table 4.16 below were drawn from a summary of specific 5 Likert scaled questions using SPSS' transformation technique.

**Table 4 16 Descriptive Statistics of the Key Variables**

	Minimum Statistic	Maximum Statistic	Mean Statistic	Std. Dev. Statistic	Skewness Statistic	Kurtosis Statistic
Customer Satisfaction (CS)	2.30	4.40	3.6311	0.52023	-0.796	0.216
Communication (C)	1.50	4.75	3.4260	0.71246	-0.371	-0.001
Service Quality Gap (SQG)	1.67	4.33	3.2152	0.64503	-0.411	-0.349
Infrastructure & Technology (IT)	2.25	5.00	3.7767	0.57532	0.213	0.252
Key Performance Indicators (KPI)	2.25	4.50	3.3083	0.54572	-0.146	-0.170
N Statistic	206					

*Source: Results extracted from SPSS 25.*

The results in tale 4.16 showed that a good dispersion of the data collected on the base of a 5 point Likert scale with a mean varying from 3.215 to 3.777 and standard deviation ranged from 0.520 to approximately 0.712.

Drawn from the descriptive statistics in table 4.16 above, a test for normality can be deduced. The purpose of testing normality is to define if the distribution of the scores on the dependent variable is normal. If not, the subsequent results could be invalid (Hair et al., 2005). Normality can be assessed by analysing Skewness and Kurtosis (Pallant, 2001). On one hand, Skewness presents the symmetry of the distribution and Kurtosis, on the other hand, it's about the 'peakedness' of the distribution. The closer Skewness and Kurtosis values are to 0, the more normal the distribution (Pallant, 2001). In this study's case, items can be considered normally distributed as the Skewness and Kurtosis values are close to 0 (see table 4.16 above).

#### 4.8 2018 Quarter 1 Churn Rate and Customers Satisfaction

Customer churn is when an existing customer, user, player, subscriber or any kind of return client stops doing business or ends the relationship with a company. Churn rate is critical to Zamtel as it has an impacted on the customer base, profits as well as competitiveness of Zamtel. In context of

this study, it refers to customer turnover or rate at which customers pull out of the SLAs due to the level of dissatisfaction with the Zamtel product or service.

**Table 4. 17 2017 Quarter 2 Churn and Customer Satisfaction**

	<b>Target</b>	<b>Achieved</b>	<b>Talent Sphere Rating</b>
GSM Churn Rate	3.46%	5.7%	Not Achieved
Customer Satisfaction Survey	90%	80%	Not Achieved

*Source: Customer Retention Report-2017 Quarter 2 Churn and Customer Satisfaction Statistics*

The 2017 Quarter 2 Churn and Customer satisfaction shows that the GSM Churn rate and the customer satisfaction survey were not achieved. This indicates that the number of mobile subscribers who left Zamtel SLAs were above the target threshold of 3.46 percent by 1.24 percent. In addition, the survey also indicates that customer satisfaction was not achieved as it fail below the target threshold by 10 percent. The success of SLAs and customer satisfaction are conditioned to the tupe of services customers are offered. The high churn rate is a signal to poor services which do not meet customer satisfaction which can been seen from table 4.17 as Zamtel failed to achieve customer satisfaction survey

#### **4.9 Regression Analysis of the Estimated Model**

The estimated multivariate regression model results are as shown below:

$$\begin{aligned}
 CS &= 2.034 + 0.367C + 0.142SQG + 0.156IT - 0.213KPI \\
 t &= (6.688) \quad (7.799) \quad (3.045) \quad (2.639) \quad (-3.963) \\
 p - value &= (0.000) \quad (0.000) \quad (0.003) \quad (0.009) \quad (0.000)
 \end{aligned}$$

According to the equation above four explanatory variables adopted as representatives of Service Level Agreement (SLA) have a majority of positive and statistically significant effect on Customer Satisfaction (CS) at Zamtel except for KPIs which impacts customer service negatively. This means that for every unit increase in communication (C) with customers, service quality gap (SQG) addressed as well as infrastructure and technology (IT) enhanced customer satisfaction. However, for every unit increase in Key Performance Indicators (KPIs), customer satisfaction is decreased. This implies that in general that an overall increase in SLAs explanatory variables,

customer satisfaction is enhanced at Zamtel. This also suggests that the effects or impact of SLAs on customer satisfaction are statistically significant (all p-values less than 1 percent) and not likely to be due to chance. As for the constant (2.034) implies that customer satisfaction is 2.034 when all the predictor variables are unchanging or equal to zero.

Furthermore, the model estimated in this study has an R-squared value of 0.432 (approximately 43.2 percent) of variations in customer satisfaction (CS) at Zamtel is explained by the model. This is a good fit since 43.2 percent is greater than 5 percent. On the other hand, the model is correctly specified as the probability (0.000) of the F-statistic critical value is 0 percent. This means that the joint influence of the explanatory variables on customer satisfaction are statistically significant at 1 percent level of significance.

**Table 4 18 Summary of Model Estimation Results**

Dependent Variable: Customer Satisfaction (CS)

Method: Least Squares

Variable	Unstandardized Beta	Std. Error	t-Statistic	Prob.
Constant	2.034	0.304	6.688	0.000***
Com	0.367	0.047	7.799	0.000***
SQG	0.142	0.046	3.045	0.003***
IT	0.156	0.056	2.639	0.000***
KPI	-0.213	0.054	-3.963	0.000***

Source: Author's compilation from SPSS 25. P-value of the model specified level of significance: \*\*\***p<0.01**

**Table 4 19 Regression Model Statistics**

<i>Number of Observations</i>	<i>F-Statistics</i>	<i>Prob.*</i>	<i>R-Squared</i>	<i>Adjusted R-Squared</i>	<i>Durbin Watson Statistics (DW)</i>
206	38.264	0.000	0.432 (43.2%)	0.421 (42.1%)	1.656

Source: Author's compilation from SPSS 25. P-value of the model specified level of significance: \*\*\***p<0.01**

The overall bivariate regression model between customer satisfaction and Zamtel SLAs is shown below. The coefficient on SLAs is 0.636, this implies that for every unit increase in SLAs, customer satisfaction is impacted with about 63.6 percent (0.636) positively and significantly. This means that for every change in the variables that constitute Zamtel SLAs, customer satisfaction changes about 63.6 percent. The overall significance of the model had a probability value (p-value)

of 0.000 implying a good fitted model to explain the impact of SLAs on customer satisfaction. Both the R-square and the Adjusted R-square values of 0.159 and 0.155 were above 5 percent, according to statistical theory, this implies a good fitted model.

**Table 4 20 Bivariate Model Between Customer Satisfaction and Zamtel SLAs**

Model		Coefficients <sup>a</sup>		Standardized Coefficients Beta	t	Sig.
		Unstandardized Coefficients B	Std. Error			
1	(Constant)	1.450	.353		4.107	.000
	SLAs	.636	.102	.398	6.205	.000

a. Dependent Variable: *Customer Satisfaction*

Source: Results extracted from SPSS 25.

#### **4.10 Challenges Affecting Customer Service Provision**

This section addressed the following question:

*In your view what do you think has been the challenges that affect customer service provision at Zamtel?*

A variety of responses were triggered from respondents with the prominent responses being that Zamtel is facing a lack of good systems such as enhanced communication with customers which is as a result of management not providing enough labour perhaps to address this vice. According to information in appendix 2 it can also be seen that this response is associated with a frequency of 8 and 3.9 percent. Another challenge which had the highest frequency is the response that Zamtel lack infrastructure to suit systems or new technology. This was associated with a frequency of 8 and 3.9 percent as shown in appendix 2.

Appendix 2 shows that the remaining responses had a frequency of 7 and 3.4 percent with a majority also revolving around the lack of worker motivation. This could have been attributed to other challenges observed that include inefficiency in the sharing of knowledge and communication before launching a project. The inefficiency encountered arise from lack of documented processes and procedures in dealing with the inefficiency in deliveries of products

and services. The growth in subscribers' population result in some of the customer queries not to be resolved on time. In addition, the challenge is that the terms of service of the Zamtel products and services are not clearly stipulated to customers in most of the time are behind the marketing team.

In addition, appendix 2 revealed that Zamtel is facing numerous challenges in the deployment and delivery of communications infrastructure that include high technology acquisition and deployment costs especially in the development of the national telecommunications backbone infrastructure, limited coverage and poor quality of existing telecommunications and Internet infrastructure in the country, high cost and limited access to ICT infrastructure incurred by individuals and businesses, management and operation of ICT

#### **4.11 Measures to be taken in order to Improve Zamtel SLAs and the Management of SLAs**

This section addressed the following question:

*In your view or opinions what measures if any can improve the effectiveness of Zamtel SLAs and the processes of managing SLAs generally?*

A variety of responses were triggered from respondents with the prominent responses being that Zamtel should acquire new machineries and all members of staff should be trained on new skills with frequencies 8 and 3.9 percent associated with the responses. The rest of the responses included a closer and proper monitoring of employee performance and reshuffling of management and employees (see appendix 2).

# **Chapter Five**

## **Discussion of the Findings**

### **5.0 Introduction**

This section focuses on the effects of Zamtel SLAs on customer satisfaction. This section specifically discusses findings based on response from Zamtel employees based in Lusaka. In this section, three specific objectives on the effect of Zamtel SLAs on customer satisfaction are discussed.

The main objective of the study was to evaluate the effects of Zamtel SLAs on customer satisfaction. The specific objectives include to determine the key indicators used to measure customer satisfaction, to find out the effects of the SLAs on Customer satisfaction with Zamtel Services, to identify challenges that affect customer service provision and to ascertain the best practices Zamtel SLAs could employ to improve customer satisfaction.

### **5.1 Demographic Characteristics of Respondents**

Among the respondents at Zamtel in Table 4.1 indicates that the majority (58.7 percent) of the respondents were female and 41.3 percent were male. According the study, 63.6 percent of employees fell in the range of 0 to 3 years and this was the highest percentage while those that were in the range of 4 to 6 years were 36.4 percent as indicated in table 4.3. This meant that this study's year of employment respondents was dominated by the work length group of 0 to 3 years.

Table 4.5 indicated that most respondents (85.9 percent) were at lower level while 14.1 percentage were in middle management. The results showed that the Zamtel employees who were the respondents in the study were such that 60.2 percent had a University degree as their highest qualification. Other respondents had diploma and certificates as their highest academic qualifications were 36.4 percent and 3.4 percent respectively as shown in table 4.4. This may imply that the more educated the better SLAs are utilized to the advantage of customers.



## **5.2 Analysis of Quantitative Findings**

Since the study discusses the effects of SLAs on Customer satisfaction, a model was constructed so as to give an estimation on how SLA variables identified in the questionnaire impact on customer satisfaction at Zamtel. The SLAs constituted explanatory variables while Customer Satisfaction is the explained variable. The following are the explanatory variables that made up SLAs and were abbreviated accordingly:

- a. Communication (Com)
- b. Service Quality Gap (SQG)
- c. Infrastructure and Technology (IT)
- d. Key Performance Indicators (KPI)

These are known as explanatory variables because they jointly explain variations on Customer Satisfaction (CS) as SLAs.

In the estimated multivariate regression, when all other variables are equal to zero, customer satisfaction is equal to 2.034 (constant). A unit increase in communication, service quality gap, IT leads to a unit increase customer satisfaction whereas a unit increase in KPI leads to decrease in the level of customer satisfaction.

In the study analysis, communication, service quality gap, infrastructure and technology as well as KPI emerged as significant predictors of customer satisfaction. However, the top three factors in order of importance were communication service quality gap, infrastructure and technology. Customer repurchase intention is influenced by communication, service quality, and technology advancements. Communication, service quality gap, infrastructure and technology emerged as significant predictors of SLAs to be successful in satisfying customer. These findings are consistent with past research results such as Brynjolfsson, E., et al (2010) who found that minimizing service quality gaps with a reliable service and constant communication are key in the telecommunication industry.

### **4.12.3.1 Communication on Customer Satisfaction**

Communication plays a central role in the provision of services by Zamtel. The findings on the equation shows that for every unit increase in communication (C) on SLA with customers, customer satisfaction is enhance positively. This is validated by tables 4.5 to 4.7 which indicate

that customers are dissatisfaction with the communication and feedback regarding queries and complaints. The findings shows that customers do not normally receive communications regarding interruptions and changes in SLAs, the response time to queries, complaints and feedback to customers is not satisfying. The findings imply that once communication is enhanced, customer satisfaction is positively increased. The findings by Mehmet, S., (2011) indicates that the competitive telecommunication companies value communication and uninterrupted services as indispensable service quality dimension. Customers are regarded to receive good quality calls when they communicate without any inconvenienced. It is imperative that Zamtel provides responses and solutions to these problems within a good time.

When a product is being launched, the customers and Zamtel agree to proper communication. Enhancing the facilities and systems that support communication by Zamtel concerning the products or services will increase customer satisfaction as customers will have adequate information about the services or products they are being offered. In retrospective, Zamtel will receive feedback from the customers which will help anticipate the changes in customers' preference. This eliminates misconceptions of the products or services that both parties may have.

Most customers prefer to be made aware of any interruptions in the services they pay for. Customers expect to receive notification of any network/internet interruption in reasonable time for decision making as well as to avoid speculate about the causes of outages. Customer satisfaction and retention are positively affected by communication on services offered and time frame it takes for the problem to be rectified.

#### **4.12.3.2 Service Quality Gap (SQG) on Customer Satisfaction**

Customer satisfaction and loyalty to the service or product is largely explained by the extent to which SQG is enhanced.

The findings on the equation shows that for every unit increase in service quality gap (SQG) on SLA with customers, customer satisfaction is positively affected. The complaints and queries are minimized when the SQG is addressed. The finding shows that to minimise or enhance customer satisfaction, Zamtel should invest on technology and infrastructure to enhance the service performance, consistently using experienced staff and from time to time, retrain the employees to keep them abreast with changing telecommunication environment.

Communication and technology are mainly used as re-enforcers in minimising service quality gaps as the organisation is aiming at enhancing customer satisfaction (Begum, S. et al, 2013). Customer satisfaction is based on the subjective service quality gap comparisons between expectations and actual quality received. This finding implies that communication, infrastructure capacity and technology reputation are used as a proxy for service quality by the customer and has a positive impact on customer satisfaction. The study concludes that in the mobile telecommunications services sector, reputation is intertwined with the perceived service quality and ultimately with enhanced customer satisfaction. In other words, building and maintaining a positive reputation through innovative communications strategies and public relations campaigns can sustain high customer satisfaction in the long term. This implies that service providers should have competent, friendly and approachable employees who pay close attention to the specific needs of customers and provide prompt customer service.

Bouchenak, S. (2010) findings supports the positive effects of service quality on overall customer satisfaction. The effect of experiencing quality service on customer satisfaction is positive and significant. Providing quality service is deemed as an important strategy for success and survival in today's competitive environment. The primary emphasis of SLA is having a skilled and managerial effort focused on increasing the needs of customers in service quality.

Service quality is enhance with highly motivated, qualified and experienced employees. The study found that service quality is affected by the length an employee stays with the organisation as they become more knowledgeable with the interaction of quality of service and customer satisfaction. In addition, having motivated and skilled staff with high qualifications supplements the efforts of addressing SQG. The finding by Calvin A. (2010) and Brynjolfsson, E. et al (2010) indicated that customer satisfaction is enhanced through by skilled, committed, motivated and well informed employee. The findings also are reinforced through trainings, rewards, and involvement in decision making.

The findings on customer satisfaction and service quality gap confirm the theory that higher levels of quality leads to higher levels of customer satisfaction (Kotler & Keller, 2012). The findings reveal that minimising the SQG increases percentages of satisfaction. A higher proportion of quality in SLA experienced by the customers confirms that the relationship between customer satisfaction and service quality was positive. These results also complied with the theory that

“perceived service quality is a component of customer satisfaction” (Zeithaml et al., 2013) and the definition of customer satisfaction that a collective outcome of perception, evaluation, and psychological reaction to the consumption expectation with a product or services because service quality has the highest percentage as reason for satisfaction

The findings by Lo Liang, K. et al (2010) supported the results in the study by Wang et al. (2004) which investigated the impact of quality-related factors on customer value and customer satisfaction using structural equation modelling (SEM) in China. The findings revealed that all the service quality factors (reliability, dependability, conformance, durability and Serviceability) had significant and positive impact on customer satisfaction. Also customer perceived value had a moderating effect on the service quality and customer satisfaction link. Therefore, customer satisfaction is enhanced when SQG are reduced and possibly eliminated through high speed network, reliable services or products, products or services meeting the specified standard, competitive services or products that stand a taste of time in the market and speed with which the product can be put into service when it breakdown.

#### **4.12.3.3 Infrastructure and Technology on Customer Satisfaction**

The findings show that a unit increase in infrastructure and technology increases the level of customers’ satisfaction positively. The findings by Begum, S. et al (2013) revealed that network quality improvement emanating from new technologies, infrastructure and the expertise required to run the network is used as a benchmark in differentiating good and bad services while the variation in services offered develops the excellence for service quality. Customers have become more sophisticated, it becomes essential to consider the use of technology to respond to their continuously changing needs. Infrastructure takes into account satellites, optic fibre installation, machinery, and tower/ transmission sites (transmission sites to improve voice and data service and also improve national mobile coverage) while Technology includes ICT facilities, Softwares, wireless, bundles, Quality of calls, LTE (Long Term Evolution). Mobile service providers are highly involved with the customers. Therefore, it service industry can no longer be regarded as a business dealing with money transaction alone, but it is also seen as a business related to information.

The service sector is a very competitive industry. For Zamtel to stay well ahead of the competition, they need to employ open innovation approach to develop disruptive innovative products and services that enable them to displace established market leaders. A study by Intellect (2013) also reported that “80 percent of banks” technology budgets spent on maintaining existing complex and inefficient systems (‘run the bank’) leaving 20 percent available for implementing any sort of change (‘change the bank’). Since customer satisfaction has direct relationship with technological innovations, Zamtel need to adequately budget for technological innovations in order to achieve their expected customer experiences.

#### **4.12.3.4 Key Performance Indicator**

The finding show that the current KPI have not helped to enhancing customer satisfaction. (Brynjolfsson, E. et al, 2010) found that the relationship between KPI and customer satisfaction in cases is nonlinear and asymmetric. The relationship between KPI and customers satisfaction is mostly not direct and not positive as shown the multivariate regression model. The selection of the amount of KPIs differs per business relationship, but it seems to be that the amount of KPIs depends on the scope of services, complexity of processes and the sub market that a service provider serves. The nature and scope of the KPIs could explain why KPIs where negatively impacting the customer satisfaction. It could be explained from the complaints of customers on communications, interruption, poor feedback and the stiff completion on the market. Therefore, Zamtel needs to upgrade the existing KPIs to meet the changing customer expectations as well as design measures that will enhance competitiveness of Zamtel products or services on the market.

It is evident from the literature and the examples assessed in this report that service levels are achieved successfully where the SLAs stipulate specific measurements and indicators of service provision and include ongoing reviews to ensure a continuous improvement in service. Failures occurred where at the outset, there is a lack of understanding of the level of service to be provided by Zamtel staff, a lack of proper communication with the customer or community; lack of useful indicators to appraise service changes and need for a robust review mechanism as part of an ongoing continuous improvement strategy. Therefore, robust SLAs embedded in a continuous improvement strategy can provide the necessary safeguard against service level issues and any difficulties that may arise in maintaining and improving service levels.

SLAs are not a panacea and will not automatically solve all customer satisfaction relationship, either with external providers or between internal units, but do offer the potential to bring greater clarity and certainty to the relationship. It is crucial to the effective operation of SLAs that it is remembered that the process of developing, monitoring and managing SLAs is as important as getting the content of the SLA document right.

#### **4.12.1 Summary of chapter**

This chapter has discussed and explained the actual findings of descriptive and inferential statistics using tables, figures and regression analysis. All the three tested hypotheses confirmed that effective Zamtel SLAs have a positive impact on customer satisfactions. The next chapter concludes and gives recommendations based on the findings

# Chapter Six

## Conclusion and Recommendations

### 5.0 Conclusion

The primary objective for this empirical study was to evaluate the Zamtel's SLAs on customer satisfaction. This objective was met through the use of qualitative and quantitative analysis. Phase one involved a qualitative analysis which mainly addressed the content analysis of SLAs on customer satisfaction. Four variables, communication, Service Quality Gap, Infrastructure and Technology and Key Performance Indicators were used in evaluating the impact of SLA on customer satisfaction. The overall conclusion that can be drawn their analysis is that Zamtel SLAs are partially effective on impacting customer satisfaction. Zamtel still needs to make investment in improving communication, infrastructure, technology and minimize the service quality gaps to adequately improve the problem of poor speed network (mobile and internet) delivery and hence customer satisfaction. In addition, Zamtel should redesign the KPIs to focus on how SLAs can be enhanced to improve customer satisfaction.

The explanatory analysis of the overall findings on how SLAs impact on customer satisfaction shows that most respondents believed that implementation of SLAs has improved customer relations (50 percent and 20.9 percent agreeing and strongly agreeing respectively). This implied that the implementation of SLAs impacts on the Zamtel customer satisfaction positively but there is need for Zamtel to invest in service delivery so that customer satisfaction can be enhanced.

Phase one's output provided the input to the quantitative study of phase two. While phase one played a role in the analysis of this study, phase two indicated direct interpretation and address of the research objectives as well as hypothesis of this study. The major findings of the study can be summarized as follows:

- 5.0.1 Drawn from a multiple regression to determine or address the main objective of the study, it was found that three adopted explanatory variables that constitute Zamtel SLAs (Com, SQG and IT) had positive impact on customer satisfaction with an exception of OKPI variable which had a negative impact. This meant that most Zamtel SLAs impacted positively on customer satisfaction.

- 5.0.2 Furthermore, the bivariate relationship between customer satisfaction and SLAs for Zamtel was a positive and significant at 1 percent level. This implied overall the composite measure of SLA was impacting customer satisfaction positively. This outcome also answers the main research question of how SLAs impact customer satisfaction at Zamtel.
- 5.0.3 Finally, it can be concluded that even though Zamtel SLAs impact on customer satisfaction positively, there are gaps arising from the number of GSM Churn leaving Zamtel to competitors, low network, intermitted services and some constraints arising from lack of education on necessary skills by management to its members of staff on new ways to enhance customer satisfaction.

There are quite a number of challenges highlighted that hamper customer satisfaction with the main ones being the lack of proper and good systems due to the poor investments by Zamtel management. It supports the assertion that Zamtel lacks new infrastructure to support new systems or technologies. Other challenges identified included the lack of transparency mainly in the recruitment procedure as some recruited members lacked the necessary skills to meet the customer satisfaction demands. There are a number of remedial measures which were highlighted by the respondents such as the challenge to acquire more machinery by Zamtel as well as the need to educate members of staff on skills that enhance customer satisfaction.

In Summary, this research is a preliminary step to determine Zamtel SLA contents and attributes that could help build trust and commence work towards standardizing SLAs for Zamtel. It is further anticipated that the results of this research will help both the provider and the business consumers to better understand each other and reduce the uncertainties that exist in Zamtel SLAs.

This study provides results that should help to foster greater adoption and use of Zamtel services through more meaningful Zamtel SLAs. According to the research study, the overall probability value (p-value=0.000) drawn from the multiple regression model was less than 5 percent, the research study therefore reject the alternative hypothesis stating that effective SLA have no impact on customer satisfaction and accept the null hypothesis that effective SLA have an impact on customer satisfaction.



## **5.1 Recommendations of the Study**

The following recommendations should be considered when choosing effective Service Level Agreement in enhancing customer satisfaction.

- 5.1.1 Zamtel management should pay attention to service processes and ensure that the employees are well trained. Competence would greatly improve the process and consequently improve customer perception.
- 5.1.2 Zamtel should define key performance metrics of customer needs and ability to respond to complaints on time which is key to Zamtel's growth and competitive today and in future.
- 5.1.3 Zamtel should merge the existing gaps between service quality, communication and technology to develop SLAs that meet the needs and expectations of the customers.
- 5.1.4 Zamtel should improve the information technology infrastructure flexibility, by regularly training and retraining their IT personnel with the aim of being responsive to customer's complaints as they arise from time to time.
- 5.1.5 Zamtel should intensify communication by enlightening messages to the customers on the network interruptions.
- 5.1.6 Zamtel should to invest more on technologies that will ensure efficiency and competitiveness in serving customer and overall satisfactions of the customers to eliminate service quality gaps. Customer satisfaction should be kept in mind when upgrading existing systems or while buying new systems altogether.
- 5.1.7 Zamtel should invest in technology and infrastructure that will differentiate their products from competitors through delivery of superior quality service because today's customers have more choices for their financial needs than ever before.

## **5.2 Recommendation for Future Research**

It was not possible to evaluate every aspect that is connected with this concept of SLAs on customer satisfaction to the industry and in other organizations in Zambia. Further research should be carried out in the following areas in future:

5.2.1 Researcher of this study recommends further studies to investigate the influence of perception gap, interpretation gap and service gap to customer satisfaction of telecommunication companies.

5.2.2 Further studies could be extended by examining the effect of lead time together with different policies for fulfilling customers' satisfaction levels. Another extension would be investigating the impact of lead time on other service level agreement, such as the ready rate.

## **5.3 Policy Implications drawn from the Study**

This research, therefore, has substantial implications to the project currently being executed by the Zambia Information & communications Technology Authority to propose metrics for Zamtel services. Therefore, upgrading the infrastructure and technology will satisfy the standards generated by ZICTA and ultimately lead to customer satisfaction in a competitive mobile telecommunication industry.

The knowledge base for Zamtel SLAs in this study provided a new perspective for studying the influence of Zamtel SLAs on the intention to adopt Zamtel services. Overall, this study should add to the knowledge base for Zamtel and SLAs. It should aid in the development of standards for Zamtel SLAs and provide the basis for which metrics and KPIs can be developed to help monitor service agreements for Zamtel services. It is also expected that the results of this study will help to develop more meaningful Zamtel SLAs to foster greater adoption of Zamtel services, in particular businesses moving more of their critical applications to the Zamtel.

There is much latitude for future research in this area. In this study, the conceptual model was validated qualitatively using descriptive analysis as well as explanatory analysis and then quantitatively using a multivariate regression analysis. Future studies could apply the model to study Zamtel's adoption in different contexts or seek to extend the initial model. In addition, further research could look at applying the covariance Structural Equation Modelling technique in the analysis to assess whether a similar fit would result. Further studies could also focus on

developing KPIs and metrics for the SLA contents that have been identified in this study and obtain the perspectives of business users on these metrics in a quantitative study similar to this research. This should help with the generalizability of the model and assist in taking Zamtel closer to SLA standardization.

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# Appendices

## Appendix 1



## UNIVERSITY OF ZAMBIA

**STRICTLY PRIVATE & CONFIDENTIAL MBA PAPER**

## RESEARCH QUESTIONNAIRE

<b>TOPIC</b>	AN EVALUATION OF SERVICE LEVEL AGREEMENTS ON CUSTOMER SATISFACTION-THE CASE OF ZAMTEL LIMITED.
<b>RESEARCHER</b>	<b>BWALYA EDNA CHANDA (Mrs.)</b> C/o University of Zambia Institute of Distance Education Jesmondine, Lusaka, Zambia Contact Number +260 950 003 368
<b>DATE</b>	APRIL 2018



## **Dear Participant**

You have been selected to participate in the University of Zambia in conjunction with the Zimbabwe Open University academic research study which seeks to evaluate the Service Level Agreements (SLAs) on customer satisfaction the case of ZAMTEL. The central goal of the research is to improve the performance and functioning of ZAMTEL. You were selected on the premise that you are an employee of ZAMTEL who in many respects is more familiar with the operations of the company.

To participate in this study, simply fill out the assessment questionnaire attached to this letter. You will be required to read the question or statement provided and then judge the question or statement provided and rate based on the extent to which you agree.

The general purpose is to investigate how ZAMTEL can improve and manage the process of delivering high service quality standards to their customers in order to achieve high level of customer loyalty or satisfaction. In addition, the study will analyse the effects of service quality on customer satisfaction by discussing the relationship between the both concepts. Therefore, your honest and open participation is vital to our ability to accurately discover the above phenomenas.

There are various questions in the assessment questionnaire, formulated to evaluate SLAs on customer satisfaction at ZAMTEL. I anticipate that this survey should take no more than 55 minutes to complete. You may choose to skip any question you feel uncomfortable in answering.

While you may not experience direct benefits from participation, information collected in this study will benefits ZAMTEL and all its stakeholders in terms of attempts to improve underperformance. Improvements in performance will lead to improved revenue, increased market share and improved job opportunities among many others.

Return of the questionnaire will be considered consent. Participation in this survey is completely voluntary. All questionnaires are received anonymously and will be treated as such. Thank you for your participation!

If you have any comments, questions, or concerns with regards to the survey, the questions, or the purpose of the study, please contact Bwalya Edna Chanda walychanda@gmail.com or on contact mobile phone number + 260 950 00 3368.

Yours Faithfully

Bwalya Edna Chanda (Mrs.)

Student - Master's Degree in Business Administration Program

**University of Zambia in conjunction with Zimbabwe Open University**

# PART A

## General Information

1. Your Age .....
2. What is your gender?  
a) Male                      b) Female
3. What is your position at Zamtel .....  
a) Lower Management    b) Middle Management                      c) Senior Management
4. Which department do you work under?  
.....
5. How many years have you worked with the organisation?  
a) 0 - 3 years      b) 4 – 6 years                      c) 7-9 years      d) 10 years and above
6. What are the terms of employment that the organisation offers?  
a) Permanent      b) probationary                      c) Temporal      d) Contract      e) others .....
7. What is the level of your education?  
a) PhD      b) Masters                      c) Degree                      d) Diploma      e) Certificate      f) Others .....

## PART B

### Service Level Agreements

This part of the questionnaire stipulates the extent to which ZAMTEL has adopted and implemented Service Level Agreements against the highlighted practices in the table below

#### Question 1.

**Tick to give your rating using the following key.**

**1. Strongly disagree   2. Disagree   3. Neutral   4. Agree   5. Strongly agree**

S/N	Service Level Agreements (SLA)	Ratings				
Customer satisfaction		1	2	3	4	5
1.	ZAMTEL receives repeat business from its customers.					
2.	ZAMTEL customers compliments the company on its customer service.					
3.	ZAMTEL Customers write to the organization to complain about the poor quality of business.					
4.	ZAMTEL Customers verbally complain about the quality of business					
5.	ZAMTEL delivers its customer service to within time.					
6.	ZAMTEL generates few errors in the delivery of its work.					
7.	ZAMTEL undertakes training and development of its customer service to improve customer service satisfaction					
8.	Employees at ZAMTEL have knowledge and competencies to deliver customer service satisfaction					
9.	Customers at ZAMTEL are furnished with adequate information about the products and services					

10.	The implementation of SLA has improved customer relations within ZAMTEL					
<b>Communication</b>						
1.	Management communicates SLAs with employees so that employees are aware and well equipped					
2.	Zamtel communicates to customers in case of any changes or interruptions in the SLA					
3.	Zamtel provides adequate feedback to customer queries and complaints					
4.	Response (feedback) time to customer queries and complaints is short					
<b>Service Quality Gap</b>						
1.	Employee knowledgeable is vital to avoid Service Quality Gaps in SLAs delivery					
2.	There is lack and inadequate training and knowledge which compromise the quality of service and customer satisfaction.					
3.	There is lack of empowerment, centralization and lack of transformational leadership in providing quality service at ZAMTEL.					
4.	There is inadequate customer awareness and educational programs at ZAMTEL.					
5.	There is a gap between customer expectation of quality service and the Zamtel's quality of service delivered					
6.	Zamtel provides standard service delivery as promised in the SLAs					
<b>Infrastructure and Technology</b>						
1.	ZAMTEL invests in technology to enhanced delivery of quality SLA					
2.	ZAMTEL has available technology that's supports customer services and satisfaction.					
3.	ZAMTEL has a speed network (mobile and internet) adequate to provide satisfy customers.					
4.	Network (mobile and internet) reliable adequately to meet and satisfy customers expectation					

<b>Outsourcing and KPIs</b>						
1.	ZAMTEL has failed to meet contractual obligations, customer loyalty and trust.					
2.	Outsourcing of the provision of some customer service is responsible for ZAMTEL poor services					
3.	ZAMTEL measures and monitors performance of products and services (mobile, internet) are key components of service quality					
4.	Quality, reliable and clear signal or network play a significant role in SLAs					

## PART C

### **Question 2.**

In your view what do you think has been the challenges that affect customer service provision at ZAMTEL?

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### **Question 3.**

In your view or opinions what measures if any can improve the effectiveness of ZAMTEL SLAs and the processes of managing SLAs generally?

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**I thank you for your participation**

## Appendix 2

### SPSS Outputs

#### A Multivariate Regression Model for CS

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.657 <sup>a</sup>	.432	.421	.39586	1.656

a. Predictors: (Constant), Outsourcing And KPIs, Infrastructure And Technology, Service Quality Gap, Communication

b. Dependent Variable: Customer Satisfaction

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.984	4	5.996	38.264	.000 <sup>b</sup>
	Residual	31.497	201	.157		
	Total	55.481	205			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Outsourcing And KPIs, Infrastructure And Technology, Service Quality Gap, Communication

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.034	.304		6.688	.000
	Communication	.367	.047	.503	7.799	.000
	Service Quality Gap	.142	.046	.176	3.045	.003
	Infrastructure And Technology	.156	.059	.173	2.639	.009
	Outsourcing And KPIs	-.213	.054	-.223	-3.963	.000

a. Dependent Variable: Customer Satisfaction

**Residuals Statistics<sup>a</sup>**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	3.0011	4.3532	3.6311	.34205	206
Residual	-.95262	.78578	.00000	.39197	206
Std. Predicted Value	-1.842	2.111	.000	1.000	206
Std. Residual	-2.406	1.985	.000	.990	206

a. Dependent Variable: Customer Satisfaction

**Bivariate Model between CS and SLA****Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	SLAs <sup>b</sup>	.	Enter

a. Dependent Variable: Customer Satisfaction

b. All requested variables entered.

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.398 <sup>a</sup>	.159	.155	.47831	2.204

a. Predictors: (Constant), SLAs

b. Dependent Variable: Customer Satisfaction

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.810	1	8.810	38.507	.000 <sup>b</sup>
	Residual	46.672	204	.229		
	Total	55.481	205			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), SLAs

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	1.450		4.107	.000
	SLAs	.636	.398	6.205	.000

a. Dependent Variable: Customer Satisfaction

Residuals Statistics <sup>a</sup>					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.9861	4.0718	3.6311	.20730	206
Residual	-1.20245	.77107	.00000	.47714	206
Std. Predicted Value	-3.111	2.126	.000	1.000	206
Std. Residual	-2.514	1.612	.000	.998	206

a. Dependent Variable: Customer Satisfaction

### Respondents' Views on What Challenges Affect Customer Service Provision

Respondent		Frequency	Percent
Valid	1. Customer company transparency 2. Poor implementation of strategies 3. Temporal based workforce	7	3.4
	Challenges that ZAMTEL is facing is lack of good systems due to the management not providing at the point of need.	8	3.9
	Customers sometimes are unable to explain their problem and this may happen multiple times. This is completely normal as	7	3.4
	Dysfunction. In increased. al systems. Lack of man power in the customer service department.	7	3.4
	In my view I feel what affects the customer service are the conditions of services to employees. Employees require adequacy	7	3.4



Inadequate vetting of new human resource and also inadequate training	7	3.4
Inadequate knowledge of Zamtel products and services in certain members of staff	7	3.4
Inefficiency and knowledge sharing and communication before launching a project and dealing with crisis that result from	7	3.4
Inefficiency in deliveries of products and services	7	3.4
Inefficiency in serving and communication when it comes to launching a project or program.	7	3.4
Lack of documented processes and procedures	7	3.4
Lack of information given to customers and close looping with customers	7	3.4
Lack of new infrastructure to suit systems (new technology)	8	3.9
Lack of proper machines and poor management systems	7	3.4
Lack of transparency in employing staff. Some people lack the skills and education to carry out the duties assigned to them	4	1.9
Lack of transparency in recruitment criteria used	7	3.4
Management	7	3.4
Not attending to some of the customer queries on time	7	3.4
Outdated call center systems	7	3.4

Perhaps the man power may not be sufficient to meet the load of customer queries coming in.	7	3.4
Poor communication - The customers service can be on point but the problems or failure on the network are not communicate	4	1.9
Poor implementation of strategies	7	3.4
Some of the challenges that affect customers service provision at Zamtel is the number of employees on the temporal contracts	7	3.4
Systems that offer effective customer resolution	7	3.4
Technology necessary for efficient customer feedback and aggressive customer retention following the complaints procedure	7	3.4
The call center capacity	7	3.4
The challenge is that the terms of service of the Zamtel products and services are not clearly stipulated	7	3.4
The worst challenge from what I have seen is communication breakdown. Many times the marketing team is ahead of customers	7	3.4
Total	192	93.2
Missing	14	6.8
Total	206	100.0

*Source: Results extracted from SPSS 25*

**Respondents' Views on Measures Zamtel should take in order to improve and Manage SLAs Generally**

	<b>Respondent</b>	<b>Frequency</b>	<b>Percent</b>
Valid		21	10.2
	-Proper monitoring of performance among employees in delivering proper customer service is a necessity. - Response time in something that should be taken seriously as it causes interrupts delays in terms of how the company delivers its services.	4	1.9
	1. Analysis before implementation 2. Increasing inflow and outflow of information on products and services.	7	3.4
	Acquiring new modern machines and employing competent people to manage the systems	7	3.4
	Acquisition of new machines	8	3.9
	All members of staff need to be educated on skills	8	3.9
	Analysis before action	7	3.4
	Change Management	7	3.4
	Constant and close monitoring of performance of employees	7	3.4
	Constant monitoring	7	3.4
	Decentralization of management	7	3.4
	Document and clearly indicate all SLAs processes and procedures and educate everyone who is involved.	7	3.4
	Ensuring that adequate resources are available	7	3.4
	Have a close looping team that can make follow ups with responsible departments and give feedback to customers within the SLA's	7	3.4
	Having high quality systems that will be able to work properly. Having high man power to resolve all customer complaints	7	3.4

I personally would want to mobilize the people/customers about the products and services before implementing them and just to make aware of the difference so that they get to know what they are doing	7	3.4
I think a sense of agency is required. Zamtel does not need to wait for more customers to explain or come through with the same problem for them to recite to everyone else including the complainant.	7	3.4
Improvement in new projects implementations	7	3.4
Keen attention to be taken to meet objectives surrounding SLA's ahead of time in order to effectively meet the specified out terms of agreement of the SLA's	7	3.4
Management must be more inclusive in decision making. They should take the views of lower management seriously.	7	3.4
Management should listen to us in lower hierarchy.	7	3.4
More emphasis should be put on SLAS and the importance of implementing them to the affected parties	7	3.4
Surveys can be carried out to get information from customers and training programs	7	3.4
Taking ownership and following through escalated queries	4	1.9
Technological advancements. Strictly customer service monitoring and complaints handling.	7	3.4
They should make the system less bureaucratic.	7	3.4

What is important is conduct a survey on the serving employees because this is the only way to gather information on the ground.	7	3.4
ZAMTEL should be able to invest in more advanced technology to enhance delivery of quality SLA, should also have available technology that support customer satisfaction	7	3.4
Total	206	100.0

*Source: Results extracted from SPSS 25*

## **Customer Satisfaction Survey**