



## **Online service quality and customer satisfaction among small tax payers: Critical analysis of Zambia revenue authority**

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### **Abstract**

The purpose of the study was to critically analyse the online Service quality and customer satisfaction among small tax payers at the Zambia Revenue authority in relation to the Tax payer service charter. The sample size was 271 and was derived at statistically. The study adopted a Correlational research design and data were collected using a structured questionnaire based on the modified E-S-QUAL and E-Rec S-QUAL research instrument. Data were analysed using SPSS (Version 20). In addition to descriptive statistics, the scoring index method and both the correlation and regression analysis were done and summaries were presented. The findings of the study were: (1), the perception of small tax payers on the online service quality was high. (2) The findings further indicated a moderate relation between online service quality and customer satisfaction. The regression relationship has a coefficient of 0.461 which according to Cohen (1992) signifies a moderate relationship. This relationship when assessed from the scatter plot, it signifies a moderate positive relationship. (3). The study also revealed that Zambia Revenue Authority has in place and operates two management information system which are the Tax online system and the Automated System for Custom Data (ASYCUDA). It was furthermore established that ZRA also has the corporate strategic plan 2016-18 and Tax Payers Charter. The study recommendations are that Zambia Revenue Authority should: (1) Institute measures to have on site customer service representative available online. (2) A long side automated online services, provide an option for tax payers speak (interact online) to a live person especially when there is an urgent problem to be resolved. (3) Outsource more than one internet service providers (ISP) to provide internet service in order to avoid service interruption to tax payers.

**Keywords:** online service quality, customer satisfaction

### **1. Introduction**

The provision of quality services to the public by the government to its citizens remains a major challenge. In Zambia, there is a total population of slightly over sixteen million people (16 million) of which about two millions people (2 million) are registered tax payers which includes both the Large tax payer, medium tax payers and the Small Tax payers. The small tax payers comprises of about two hundred and twelve thousand in total population (212,000) in Lusaka Province. For the purpose of administrative management, small tax payers are categorised based on the Turnover threshold of eight hundred thousand per annum and below (800,000). The provision of standard service delivery to this lower segments of tax payers is of a daunting challenge due to the special needs this segments posits. The peculiar challenges of the small tax payers include lack of technical knowledge and proficiency on the use of computers. The other factors could include lack on intermediaries such as accountants or economists to handle the financial aspects of the business to enhance compliance due to limited resources and lack of proper accounting records. Varying levels of literacy and diversity of languages and the lack of financial inclusion and the culture of having cash unbanked. The income Tax Act (Chapter 323 of the Laws of Zambia) is the legislation that governs income tax in Zambia. Income tax is tax that is charged on profits made by limited companies,

Partnerships and self-employed individuals. For the purposes of Tax Administration and in relation to the management of Tax, Tax Payers have been classified according to the Annual turnover. The classifications are Small tax Payer, medium tax payers and Large Tax payer (LTP). The tax payers whose turnover which is less than eight hundred thousand kwacha (800,000) per annum are liable to turn over tax and are classified as Small tax payers.

#### **1.1 The Statement of Problem**

Many governments around the world have come up with various measures on how to modernise their tax systems which are also called tax administration reforms. Zambia is one of the countries through the recommendations from the international momentary fund which has implemented the tax reforms. One of the measures was to, first integrate fragment elements of the tax administration within a single, functionally organized domestic tax, second the reorganization of the field officers on the basic of tax segments, with separate functionally organized offices focused on the large, medium and small tax payers respectively with the outcomes of improved tax compliance and third increased revenue collection, provision of better services to tax payers and traders to reduce the compliance burden ([www.zra.org.zm/history](http://www.zra.org.zm/history))<sup>[16]</sup>. It was on this basis that the study was carried out to critically analyze the online service quality and customer

satisfaction among small tax payers segment. The overall research problem addressed in this study was that despite Zambia Revenue Authority putting up a robust Tax online system for its revenue administration which includes e-filing, e-payments and client feedback system, there has been however an increase in Tax Online system down time and Low Small tax payers compliance (ZRA Annual Report, 2017) <sup>[17]</sup>. Further, there has been an increase in the tax payers queuing up to receive the service at the Zambia revenue authority customer service centre. This study sought to undertake a critical analysis of the Service delivery and customer satisfaction at Zambia Revenue based on Tax payer's service charter, how do the small tax payers perceive the quality of service by ZRA? Are there on time services provided to enhance tax compliance? These are some of the questions that necessitated this study?

## 1.2 Research Objectives

The following objectives guided the study:

### 1.2.1 General Objectives

To critically analyse the ZRA online Service quality and customer satisfaction in revenue collection among small tax payers in relation to the Tax payer service charter.

### 1.2.2 Specific Objectives

1. To establish small tax payers perceptions on the quality of the online services offered by ZRA.
2. To assess the extent to which online services quality are correlated with customer satisfaction among small tax payers at ZRA.
3. To ascertain ZRA Policy measures aimed at further enhancing quality of online service and customer service delivery.

## 1.3 Research hypothesis

**H<sub>0</sub>:** The perception of small tax payers on the online service quality is Low at ZRA.

**H<sub>1</sub>:** The perception of small tax payers on the online service quality is high at ZRA.

**H<sub>0</sub>:** There is no association between online service quality and customer satisfaction among small tax payers at ZRA.

**H<sub>1</sub>:** There is association between online service quality and customer satisfaction among small tax payers at ZRA.

**H<sub>0</sub>:** The ZRA Policy measures to enhance quality of online service are not satisfactory.

**H<sub>1</sub>:** The ZRA Policy measures to enhance quality of online service are satisfactory

## 1.4 Theoretical Framework

Satisfaction of needs and wants of targeted customer is the contemporary thinking of marketing (Kotler, 2000) <sup>[6]</sup>. The theoretical framework that underpins customer satisfaction and service marketing lies in the expectancy disconfirmation theory (EDT). This theory was introduced by Oliver in 1981 as a model for studies of customer satisfaction in the retail and service industry. The expectancy–disconfirmation theory posits that customers form their satisfaction with a target product or service as a results of subjective or direct comparisons between their expectations and perceptions (Oliver, 1981) <sup>[12]</sup>. The Customers are asked to provide their perceptions or an evaluations of the comparisons, using a “worse or better than expected scale.

## 2. Literature Review

They are several studies done by scholars on the customer's perception on the quality of online service in different industries as tabulated below in Table 1.

**Table 1:** Summary of Literature Reviewed

Title	Author/Year	Findings	Gap(s)
Consumer perception and behavioural intention in Apparel E-Shopping: A Study on Chinese College Students. China	Li P. Chen J and Liu Z. 2017 <sup>[8]</sup>	The findings were that were that individual preference and the perceived price range on the website positively affected CS and experience. Also the consumer satisfaction positively affected online design intention and repurchase intentions. The results provided a valuable reference for apparel brands to develop consumer–centered online shopping service.	The study on Li, p et (2017) had a Target population of 203 undergraduate students while this study Target population was 74,000 with a sample size of 271 of small tax payers which makes this study relevant.
Factors Affecting Customer adoption of E-Banking Services in Jordan	Emad Masoud Hanan Abu Taqa 2017 <sup>[9]</sup>	The study concluded that there was a significant effect of (E-Service Quality, E-Perceived Usefulness, and E-reliability) on the adoption of E-Banking.	The study by Taqa on factors affecting Customer adoption of E-servic was carried out in Jordon while this study was done in Lusaka.
Measuring patients perception on the quality of care in democratic republic of congo.	Nyandwe J Mapatano M A Lussamba PS Kandala NB- 2017 <sup>[11]</sup>	It was found that the highest and lowest perception score were related to the fact that the hospital had their patients best interest at heart	Nyandwa <i>et al</i> (2017) used a descriptive research design while this study has used correlational research design. Exit interviews were used in that study while this study used a questionnaire and random sampling.
A Study on customers perception of online banking and e-service quality among Chennai customers India	G Kumar V M Shenbagaraman 2017 <sup>[7]</sup>	The Findings from this study revealed that variables compensation and recovery access, personalisation and assurance play a major role in online banking service quality. Also the study revealed that customer satisfaction leads to customer loyalty.	The current study had a sample size of 271 while in Kumar and Shenbagarman had only 98 respondants and the study was carried out in india while this study was in zambia
A study on Customers perception and satisfaction	D.N.V Krishna Reddy and	It was concluded that around 71% of people have positive perception and are satisfactory with E-	The Judgemental design was used in Reddy <i>et al</i> (2015) and this method was

towards electronic banking in Khammam District. India	Dr.M.Sudhir Reddy, 2015 <sup>[13]</sup>	Banking service	biased will whose outcomes cannot be generalised while the outcomes from the correlation design can be generalised
The effect of Service Quality on customer satisfaction, Loyalty and happiness in Five Asian Countries	Gong T and Youjae Yi (2018)	Overall Service quality had a positive influence on customer satisfaction, which in turn leads to customer loyalty and customer happiness	The current study employed a Theoretical framework while Gong and Yi (2018) employed a conceptual framework

### 3. Research Methodology

The research design used in this study was Correlational design. The study was carried out in Lusaka district, Zambia. Random sampling was used to select Lusaka district as the study site since the Zambia revenue authority had a centralised customer service centre based in Lusaka. The selection of Lusaka district was also because it was strategically located for accessibility by the small tax payers. The Target population of the research was the Small tax payers segment of the Zambia Revenue Authority. The small tax payers comprises of an estimated population of Seventy four thousand(74,000) small tax payers in Lusaka District and Two hundred and twelve thousand nine hundred and twenty six (212,926) for Lusaka Province with Lusaka district recording

the highest out of the Eight districts in Lusaka Province. Data were collected through questionnaires and content analysis of the ZRA Policy on measures aimed at enhancing quality of online service and customer service delivery. The statistical package for social sciences (SPSS) was employed to run bivariate regression analysis, Pearson-product Moment correlation and other relevant statistical tests. Reliability of measurement scales was estimated by analyses of internal consistence and Cronbach’s alpha coefficient.

### 4. Presentation of Findings

The study objectives and hypothesis guided the presentation of research findings and discussion in form of themes and sub-themes.

#### 4.1 Small tax Payers perception on the quality of online service

**Table 2:** Respondents distribution by Perception on the quality of online service

	Efficiency(4)	System availability(3)	Contact (3)	Privacy/ Security(2)	Perception on Quality of online service	(%)
Strongly agree	74	39	140	15	268	8.24
Disagree	129	113	170	41	453	13.93
Neutral	221	200	138	102	661	20.33
Agree	503	365	286	275	1429	43.94
Strongly agree	157	96	79	109	441	13.56
Total Scores	1084	813	813	542	3252	100

Source: Field data 2018 <sup>[1]</sup>

Table 2 illustrates the overall Score for the respondents on the perception on the quality of online service offered by ZRA. Four dimensions were used to assess online service quality and these are Efficiency, System availability, contact and Privacy/Security on the quality of online services. The Small payers perception overall score was 3252.A total of 1429 representing 43.94% agree and 441 scores strongly agree giving a total score of 1870 representing 57.50%.The neutral score for the respondents was 661 representing 20.33% and the 268 scores represent strongly disagree amounting to

8.24%.The disagree has a score of 453 representing 13.93% and overall disagree was 22.17%.The highest score was 1870 on the agree, while disagree was 721 and thirdly was 661 neutral and the total score was 3252.The mode of the score was 1429 agree representing 43.94%.

#### 4.2 Correlation of Service quality of online service with customer satisfaction

The study further sought to establish the degree of association between online Service Quality and Customer Satisfaction.

**Table 3:** Pearson Moment bivariate correlation between service quality and customer satisfaction

		Overall SQ Perception	Customer satisfaction
Online Service Quality Perception	Pearson Correlation	1	.461**
	Sig. (2-tailed)		.000
	N	271	271
Customer satisfaction	Pearson Correlation	.461**	1
	Sig. (2-tailed)	.000	
	N	271	271

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Field data 2018<sup>[1]</sup>

**Table 4:** Table of beta Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	27.824	1.573		17.691	.000
Customer satisfaction	1.145	.134	.461	8.520	.000

Source: Field data 2018<sup>[1]</sup>

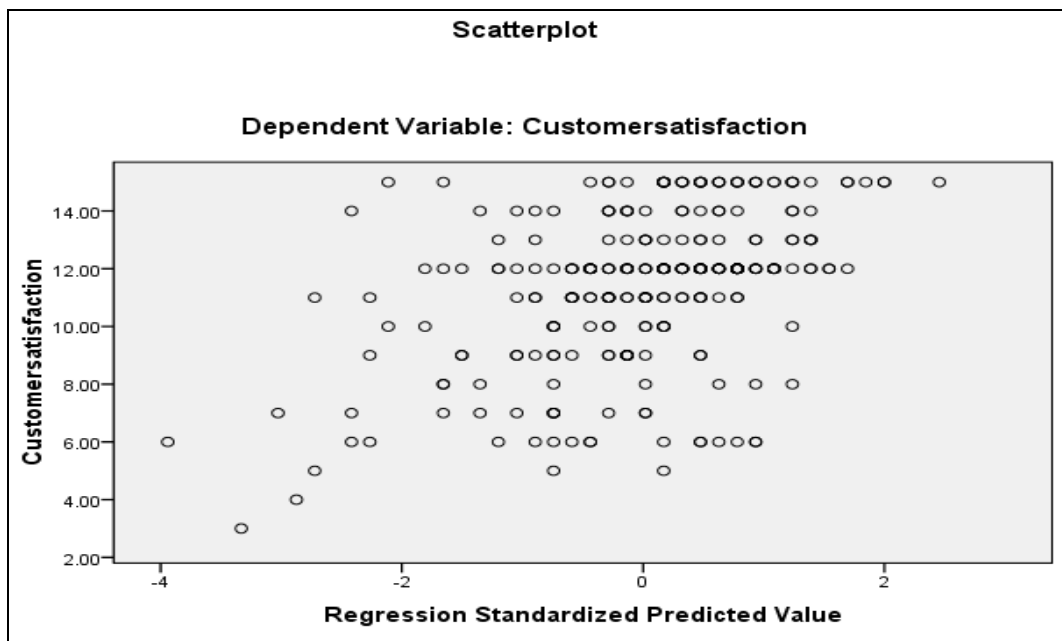
Table 4 illustrates the table of coefficients. The independent variable is Overall service quality and the dependant variable is Customer satisfaction. The Unstandardized Coefficients (b)

are the regression coefficients. The regression equation is as follows,

**Overall service quality =27.824+1.145(Customer Satisfaction) Equation 1**

Table 4 illustrates the table of coefficients, From the Unstandardized Coefficients, the Standard error for constant was 1.573 standard error on Customer satisfaction was 0.134. The Standardized coefficients (Beta) was 0.461. The t-test for constant was 17.691 and 8.520 on customer satisfaction. The 2 sided Observed level of significance was 0.000.

**Scatter plot diagram**



Source: Field data 2018<sup>[1]</sup>

**Fig 1:** Respondent distribution by regression on Scatter plot

Figure 1 illustrates the relationship between the independent Variable Service Quality and dependent Customer satisfaction. The coefficient correlation indicates 0.461 which means the relationship is a Positive correlation. The Variables are concentrated between zero (0) and 0.5 heading a Positive direction.

**Cronbach alpha test**

**Table 5:** Table of Reliability statistics testing internal consistency of data

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.741	.753	12

Source: Field data 2018<sup>[1]</sup>

A Cronbach alpha test was carried out to test the reliability of the test items for internal consistency. The Cronbach alpha produced a reliable measure of .741 which is a moderate indicator and the Standardized items of 0.753. The total number of the test items were 12.

**4.3 ZRA Policy measures aimed at enhancing quality of online service.**

The policy measures ZRA has put in place includes the operationalization of the Tax Online systems and automated system for customer data (ASYCUDA) for efficient Tax Collection and Management of Customs duties and Taxes. The formulation of the Corporate Strategic plan for the 2016-2018 and its implementation and the Tax Payers charter.

**5. Discussion of Findings**

**5.1 Small tax Payers perception on the quality of online service**

The study was about the small tax payers with regards to their perceptions on the quality of online services offered by Zambia Revenue Authority. The results revealed that 1870 perception scores out of a Total of 3252 perception score of respondents representing 57.5% agree and had a highest perception. The perception of small tax payers with regards to online service quality was perceived by small tax payers as high. The Modal score was 1429 scores on agree representing 43.94%. It is interesting to note that Masoud and Taqa (2017)



<sup>[9]</sup> also included perception on E-Service quality as a factor that affected customers perception and adoption of e-banking service in Jordan. The findings from *ibid* were statistically significant of (E-Quality, E-Perceived usefulness, E-security, E-Reliability) on the adoption of e-banking service. E-service quality was the most significant factor affecting customer perception on the E-banking. The outcomes in the current study are consistent with the findings in Masoud and Taqa (2017) <sup>[9]</sup>. However, when compared with Liu *et al* (2017) <sup>[8]</sup>, in a study on consumer perception and behavioural intentions in Apparel E-Shopping. Individual preference and perceived price range on website positively affected customer satisfaction and experience and not online service quality.

When compared to Samsunisa (2015) <sup>[14]</sup> on the quality of online service such as e-banking by different groups of customers had different perceptions towards e-banking. The findings were that different groups of customers had different perception towards online banking.

It is interesting to note that the variable "site has customer representative online" under contact dimension indicated that 135 respondents representing 49.8% disagreed which meant that they had a low perception. Another variable, site offers ability to speak to a live person under contact dimension indicated that 137 respondents representing 50.6% disagreed which meant that 137 respondents did not agree that ZRA website offers the ability to speak to a live person and this was perceived as low perception. However, findings on both variables is at variance with the article "effective communication is key to call centre operations in which it was emphasized that without the correct model of communication in play, call centre operations will have an extremely tough time relaying messages and imperative information to those agents who connect to its customers" (Epstein, 2011) <sup>[4]</sup>. When compared to the Tax payers charter, it can be noted that that the ZRA service charter omits to provide a measure for online interactive support and the ability to speak to a live online customer representative on site despite ZRA Putting up telephone numbers on their website.

When compared to the Tax payers charter, small tax payers perception on the overall online service quality was perceived high, which meant small tax payers were satisfied with current level of service delivery by ZRA that included Tax registration process which is undertaken to be done in 3 working days. The 30 days ZRA has undertaken to pay refunds from the date of lodgements of a Value added Tax (VAT) form, Income refunds, customers deposit refunds, and duration of Tax clearance certificate and the 20 minutes service efficiency if satisfactory. Other service delivery guidelines includes fairness, acknowledgements of comments and complaints and queries to be resolved in 3 working days are also perceived as high by small tax payers.

## 5.2 Correlation of quality of online service with customer satisfaction

The study further sought to establish the degree of association between online service quality and customer satisfaction.

### 5.2.1 Extent to which online services are correlated with customer satisfaction

From the presentation of the results, online service quality is

correlated with Customer satisfaction. The results indicate correlation coefficient of 0.461. The coefficient of 0.461 indicates a moderate association between online service quality and customer satisfaction. According to Cohen (1992)<sup>[3]</sup> if the Correlation coefficient falls between -.5 to -0.3 or 0.3 to 0.5 indicates a moderate association which range the current results. The moderate association could be attributed to an innovative online payments system piloted through the banks using the Improved E-Payment system. To this effect, ZRA and banks have entered into partnerships to implement a payment system through internet known as straight2bank (S2B) Electronic tax in which tax payers are allowed to pay online.

### 5.2.2 Regression Analysis

The results from Table 30 on the presentation of findings indicates the measure of the relation of online service quality and the corresponding customer satisfaction through the equation of Overall service quality = 27.824 + 1.145(Customer Satisfaction). This results indicates a Linear relation from the product moment correlation and according to the Coefficients of determination ( $R^2$ ) of 21.2%. This means the variation of online service quality was due to customer satisfaction. Further the decrease or increase in online service quality perceptions equally affected the customer satisfaction in the study. When compared to Ibrahimi *et al* (2015) <sup>[5]</sup>, the results of the survey suggest the relations of 3 out of 4 elements of service quality dimensions were important to maximise customer satisfaction which are in line with the findings of study. However, in a similar study of Mwangi (2015) <sup>[10]</sup> the results indicate that there was no relationship between online tax system and tax compliance level among small tax payers in Mount Meru. The results from the Mwangi (2015) <sup>[10]</sup> are at variant with the findings of the study as the present study indicated a relationship between online service quality and customer satisfaction which could enhance tax compliance.

ZRA Policy measures aimed at enhancing quality of online service.

In trying to establish ZRA Policy measures aimed at enhancing online service quality perceptions, the study first sought Operationalization of Tax online systems and Automated Systems for Custom DATA (ASYCUDA) to be presented first as the measures to enhance online service quality.

### 5.2.3 Operationalization of Tax Online Systems and Automated System for Custom Data (ASYCUDA)

The Zambia revenue authority has put in place and operates two(2) management information system which are the Tax online system and the Automated System for Custom Data (ASYCUDA). The Tax online system is used for domestic tax administration and management system used for registration, deregistration, returns and payments for domestic tax payers while the Automated System for customs Data is Used for processing customs transaction (ASYCUDA) consists of a transaction processing module for customs declaration, a payment module for payment processing and a Transit module for management and acquittal of transit declaration (Auditor report, 2014)<sup>[2]</sup>. These measures are aimed at improving revenue collection through cost efficient methods and the

provision of flexibility in the manners customers are served which measure improves both traditional and online customer service.

#### 5.2.4 Corporate Strategic plan 2016-2018

The Zambia revenue authority has Policy measures aimed at enhancing service delivery. The measures are embedded in the corporate Strategic plan for the 2016-2018 and the Tax payer's charter. The corporate strategic plan has been aligned with the Medium term expenditure Framework. The medium term expenditure is a government expenditure strategic tool the government uses to monitor government revenues and expenditures in the medium term. Among the areas prescribed by the medium term expenditure framework (MTEF) is enhancement of domestic revenue collection. The medium term expenditure framework has been aligned both with Vision 2030 in which Zambia will be a middle income country and the Seventh National development plan. (SNDP2017-2021). According to the ZRA corporate strategic plan, specific strategic plans, initiatives that will assist in the achievement of the revenue collection include the following: encouraging increased use of e-payment by tax payers, introduction of the IT Solutions (electronic cash registers) for managing collections of Value added Tax from cash traders, and building capacity for specialized audits skills to counter transfer pricing and base erosion, conducting of seminars and works for members of staffs and Tax payers. (www.zra.org.zm).<sup>[15]</sup>

In order to enhance quality assurance in service delivery, ZRA has further implemented a Queue management system and further refurbished the customer service Centre as this would enhance customer satisfaction. In addition, ZRA has put in place a Small and Medium Enterprise Taxation Compliance Strategy 2018-2020. (ZRA Annual report, 2017).<sup>[17]</sup>

#### 5.2.5 Tax Payers Charter

To enhance service delivery and customer satisfaction, ZRA has expounded the Customer satisfaction perspective in the corporate strategic plan 2016-2018 into critical success factor area. The critical success factors in this case is the area in which performance could be measured to enhancing quality of online service and customer service delivery. The following below are some of the key performance indicators (KPI) outlined in the Tax payers charter to measure performance. (www.zra.org.zm)<sup>[15]</sup>

#### Standards for ZRA Service delivery.

Zambia Revenue Authority has set the below benchmarks for service delivery

- Tax registration-ZRA has undertaken to complete the process within 3 working days.
- Tax Clearance Certificate-According to the ZRA standard for service delivery. Tax Clearance certificates will be issued within 48 hours upon receipt of an application from the tax payers.
- Service Efficiency-ZRA has undertaken to attend to clients within 20 minutes of their arrival at the customer service Centre.
- Information-ZRA has undertaken to provide clear information on tax matters

- Acknowledge comment complaints-ZRA has undertaken to acknowledge comments. Complaints and queries within 5days of their receipt.
- Respond comments and complaints-ZRA has undertaken to respond to all comments, complaints within 14 days of their referral to the appropriate manager.
- Performance Reporting-ZRA has undertaken in the Standard delivery charter to publish information about their performance against these targets four (4) times a year. (www.zra.org.zm) <sup>[15]</sup>

ZRA has in place Policy measures aimed at further enhancing online service quality and customer satisfaction in the Tax payers charter such as the provision of service efficiency to clients within 20 minutes at the customer service Centre although the same has not been provided for online small tax payers. The Corporate strategy document 2016-2018 also provides measures under the balanced score on how to improve business process through operational efficiency. The forth perspective covers Customer satisfaction whose objective was to provide accurate, timely and profession services to internal and external customers and which supports the ZRA mission statements of cost effective and transparent system, professionally managed to meet the expectation of all stakeholders which includes customers who are Tax payers. The implications of the benchmarks to the study was that if ZRA could not meet the set standards in the Tax payer's charter through service delivery. This could mean that small tax payers would perceive the online service quality as low and could results in low customer satisfaction.

#### 6. Summary

The first objective was to establish small tax payers' perception on the service quality of online service. The results indicates that 1870 scores out of a Total of 3252 score of respondents representing 57.5% agree and had a highest perception. The perception of small tax payers with regards to online service quality was perceived by small tax payers as high. The Modal score was 1429 scores on agree representing 43.94%. It is interesting to note that Masoud and Taqa (2017) <sup>[9]</sup> also included perception on E-Service quality as a factor that affected customers perception and adoption of e-banking service in Jordan. The findings from the study was triangulated with the findings of Masoud and Taqa (2017) <sup>[9]</sup> and Liu *et al* (2017)<sup>[11]</sup> and the findings from the study of Samsunisa(2015)<sup>[14]</sup> whose findings were that different groups of customers had different perception towards online banking. The findings from the study rejects the perception of small tax payers on the quality of online service being low at ZRA.

The second objective of the study was to assess the extent to which online services correlated with customer satisfaction among small tax payers at ZRA. The findings from the study revealed that there was a correlation coefficient of 0.461 which indicates a positive correlation. The coefficient of 0.461 indicates a moderate association between online service quality and customer satisfaction. According to Cohen (1992)<sup>[3]</sup> if the Correlation coefficient falls between -.5 to -0.3 or 0.3 to 0.5 indicates a moderate association. Further, the research findings indicate a sig (2-tailed) value of 0.000. Since the Sig. (2-tailed) value lies between 0.000 to 0.05 or  $P < 0.5$  (Probability valve) the outcome is said to be significant.

The findings are in line with the research hypothesis which indicated that there was a correlation between the online service quality and customer satisfaction.

The third objective was to ascertain ZRA Policy measures further aimed at enhancing quality of online service and customer service delivery. From the literature, it has been revealed that Zambia revenue authority has in place and operates two (2) management information system which are the Tax online system and the Automated System for Custom Data (ASYCUDA). The Tax online system is used for domestic tax administration and management system used for registration, deregistration, returns and payments for domestic tax payers while the Automated System for customs Data is used for processing customs transaction (ASYCUDA) consists of a transaction processing module for customs declaration, a payment module for payment processing and a Transit module for management and acquittal of transit declaration (Auditor report, 2014) <sup>[2]</sup>. Zambia Revenue Authority has in place a Corporate strategic plan 2016-2018. The corporate strategic plan has been aligned with the Medium term expenditure Framework. The medium term expenditure is a government expenditure strategic tool the government uses to monitor government revenues and expenditures in the medium term. Among the areas prescribed by the medium term expenditure framework (MTEF) is enhancement of domestic revenue collection. The medium term expenditure framework has been aligned both with Vision 2030 in which Zambia will be a middle income country and the Seventh National development plan.(SNDP2017-2021).The specific service quality measures has been outlined in the Tax payers.

### 6.1 Implications of the research findings

There are a number of studies conducted in the Global perspective on the customer perceptions of quality of online service. The research instruments of measurement applied is different in each and every study and because of this reason the findings from these studies is different. The implication is that similar studies can be conducted in different study sites the outcomes cannot be generalised to other parts of the globe, Regional and locally.

## 6.2 Conclusion

### 6.2.1 Small tax Payers perception on the service quality of online service

The research results indicated the findings of the small tax payers with regards to their perceptions on the quality of online service offered by Zambia Revenue Authority. The results indicates that 1870 scores out of a Total of 3252 score of respondents representing 57.5% agree and had a highest perception. The perception of small tax payers with regards to online service quality was perceived by small tax payers as high. The Modal score was 1429 scores on the agree representing 43.94%. It is interesting to note that Masoud and Taqa (2017) <sup>[9]</sup> also included perception on E-Service quality as a factor that affected customers perception and adoption of e-banking service in Jordan. Banking.

### 6.2.2 Extent to which online quality service is correlated with customer satisfaction

Based on the research findings, online service quality positive

correlated with Customer satisfaction. The results indicate correlation coefficient of 0.461. The coefficient of 0.461 indicates a moderate association between online service quality and customer satisfaction. According to Cohen (1992) <sup>[3]</sup> if the Correlation coefficient falls between -.5 to -0.3 or 0.3 to 0.5 indicates a moderate association which range the current results. Therefore, it can be concluded that there is a moderate association between online service quality and customer satisfaction among small tax payers at the Zambia revenue authority. The moderate association between online service quality and customer Satisfaction could be accounted for based on the partnerships signed between ZRA and Banks (e.g. Atlas Mara) on an E-Payment system known as Straight2 bank. This innovation has enabled small tax payers remit payments to ZRA online.

### 6.2.3 ZRA Policy measures aimed at further enhancing quality of online service and customer delivery

The third objective was to ascertain ZRA Policy measures aimed at enhancing quality of online services and customer satisfaction. From the literature, it has been revealed that Zambia revenue authority has in place and operates two (2) management information system which are the Tax online system and the Automated System for Custom Data (ASYCUDA). The Tax online system is used for domestic tax administration and management system used for registration, deregistration, returns and payments for domestic tax payers while the Automated System for customs Data is used for processing customs transaction (ASYCUDA) consists of a transaction processing module for customs declaration, a payment module for payment processing and a Transit module for management and acquittal of transit declaration (Auditor report, 2014) <sup>[2]</sup>. ZRA has further in place a Corporate strategic plan 2016-2018. This corporate strategic plan is aligned with the Medium term expenditure Framework. The medium term expenditure is a government expenditure strategic tool the government uses to monitor government revenues and expenditures in the medium term. Among the areas prescribed by the medium term expenditure framework (MTEF) is enhancement of domestic revenue collection. The medium term expenditure framework has been aligned both with Vision 2030 in which Zambia will be a middle income country and the Seventh National development plan. (SNDP2017-2021). The specific online service quality measures has been outlined in the Tax payers. The Policy documents includes the Tax payers charter, Vision 2030, Medium expenditure framework (MTEF), Corporate strategy for 2016-2018 and the Seventh Nation development Plan (SNDP) seems the appropriate tools for the institution, however the research study has identified areas that requires improvements such as the revision of the Tax Payers charter to incorporate online contact support for small tax payers which could be interactive as this could enhance prompt Resolution of customer complaints online as opposed to the traditional off line service and enhance compliance as enforcements.

## 6.3 Recommendations

The increase in the Tax amnesty waiver from 4,500 applicants in April 2017 to 848 788 in August 2017 indicates an

increase in non-Tax Compliance levels among Tax Payers and this can be attributed to many factors such as Low literacy levels of Tax Payers, Lack of adequate tax Education by the ZRA, economic factors, Social factors, Changes in legislation, service quality, high tax rates, insufficient tax audit, deterrent effects of tax penalties, citizens tax compliance behaviours. The present study considered only one factor; online service quality perception. The research has shown there is a moderate relation between online service quality and customer satisfaction. The regression relationship has a coefficient of 0.461 which according to Cohen (1992) <sup>[3]</sup> signifies a moderate relationship. This relationship when assessed from the scatter plot, the dots are clustered on the top right all the way down to the zero signifying a positive relationship. Therefore in order to attain significant relationship, the Zambia revenue authority ought to improve in the following ways.

1. Zambia revenue authority through the commissioner general has written off an estimated amount of seven hundred thousand kwacha (700,000) through the Tax amnesty. Improved online service quality and customer can avert this situation and make the customers more tax compliant through effective communication.
2. ZRA should put up measures to have on site customer service representative available online.
3. ZRA site should offer the ability to speak(interact online) to a live person if there is a problem on site
4. ZRA Should have more than one internet service providers(ISP) to provide internet service should one internet service provider(ISP) be down as this with reduces customer dissatisfaction arising from long period of down time(Network challenges in ZRA centres).

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