



Service quality and customer satisfaction in the pay TV industry: A case study of Multichoice Zambia Limited

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Abstract

The study aimed at assessing the effect of service quality of Multichoice on customer satisfaction. The target population constituted Multichoice Customers, Managers, and agents offering Service to customers on behalf of Multichoice. The study used a case study design adopting a mixed research in order to gain deep insights and better understanding of the subject under investigation. Questionnaires and structured interviews were used to collect both qualitative and quantitative data. Quantitative data was analysed using Excel and Statistical Package for Social Sciences (SPSS) in order to generate frequencies and graphs for easy interpretation and analysis of data, while content analysis was used to analyse qualitative data. The findings of the study revealed that service quality positively correlated ($r = 0.589$) with customer satisfaction. The findings further revealed customer satisfaction with the facilities, service delivery, and number of channels on their packages, convenience and the variety of customer service support platforms available. However, despite indicating satisfaction with the above quality of services, the participants scored Pricing of content, Reliability and not showing latest contents lowly. Following the research findings, the following recommendations were developed: 1. Multichoice management should set-up quality assurance on 3rd party vendors and suppliers to improve reliability of the overall service quality. 2. Multichoice should put in place a service quality model that will guide the continuous monitoring service quality offered. 3. Multichoice management should put in place continuous improvement plans in order to continuously monitor the performance of operating systems.

Keywords: service quality, customer satisfaction and pay TV

1. Introduction: Background of the study

Service quality is an area of concern for the Pay TV industry. Service quality is known to increase revenue, reduce churn and help a company achieve competitive advantage, and sustainable growth on the market through customer satisfaction. (Haslinda, 2014) ^[9]. The neglect of service quality leads to high churn rates, loss of revenue, negative brand reputation and loss of market share. Service quality in the past years had received little attention in Zambia, especially among companies that offer Pay TV. In this sense, there was no deliberate effort or standard operating procedures used to guide the service provision and also to regulate the quality of service offered to customers. Customers' needs are rapidly changing and this is an indicator that organisation's must proactively work to meet the needs of their customers. Profit making is of the main objectives of a business. However, satisfying all stakeholders needs is of utmost importance because this brings about sustainable growth of any organisation as service quality is a primary factor for business success (Jobber D. 2010) ^[11]. Service providers are expected to meet certain standards of service delivery to their customers regardless of the nature of their business (Kotler, 2003) ^[14]. It is argued that the growth and survival of companies largely depend on their customers to which Multichoice is no exception.

(Naspers, 2015) ^[15] reports that Multichoice places great importance on customer satisfaction and this can be seen from the initiatives employed such as expanding the call centre,

extending the operating hours and increasing call centre capacity, investing in technology and increasing content offering, staff training and development and several other initiatives aimed at reducing churn aimed at increasing customer satisfaction.

Customers' needs are rapidly changing and this is an indicator that organisations must proactively work to meet the needs of their customers. Profit making is one of the main objectives of a business. However, satisfying all stakeholders needs is of utmost importance because it brings about sustainable growth as service quality is a primary factor for business success (Jobber D., 2010) ^[11]. Service providers therefore are expected to provide high standards of service delivery to customers regardless of the nature of their business. (Kotler, 2003) ^[14]. It is argued that the growth and survival of companies largely depend on their customers to which Multichoice is no exception.

1.1 Statement of the Problem

Multichoice mission is to provide high quality pay television through cutting edge technology, content and service ensuring pleasant viewing and enjoyment for its subscribers (Naspers, 2015) ^[15]. Multichoice has running for 20 years in Zambia and has faced customer satisfaction challenges. Customer satisfaction is an ongoing problem affecting Multichoice customers. Complaints received through the call center range from 1,500 to approximately 10,000 per month seeking service support from Multichoice. The walk-in-centers receive

about 500 to 1,000 Customers daily seeking complaints resolution. (Naspers, 2015) [15] The issues necessitating complaints range from poor transmission signal, premature account disconnections, delays in activating accounts and perceived delay in installation of decoders and satellite dishes after purchase. Despite having a robust distribution network, trained staff, latest technology used in delivering service coupled with various self-service options for payments and other support services, Multichoice is still faces with challenges in satisfying its existing customers. According to the 2016 Multichoice employee report for Multichoice Africa, the (NPS) Net Promoter Score- the measure of how willing customers are to recommend Multichoice to friends and family as at October 2017, was 56%, (CSAT) Customer satisfaction score for the period April- October 2017 was at 64% compared to the annual set target of 90%.Furthermore, the economic challenge faced by Zambian citizens means to a great extent that customers have to balance up their expenditures on livelihood related matters in comparison with pay TV content which is classified as a luxury. According to a report by the World Bank (BANK, 2016) [1], Zambia is rated as MIC (Middle –income country). Since 2015, Zambia has been under strain and growth had slowed to less than 3%. Economic growth has been slow and poverty remains at a national average of 54% and rural poverty rate at 77%. The study was guided by the specific objectives as outlined below:

1.2 Specific objectives of the study

1. To establish Multichoice key performance indicators
2. To assess the quality of service quality by Multichoice
3. To determine the relationship between Multichoice service quality and customer satisfaction

1.3 Significance of the Study

This study is significant to the Multichoice, because it brings out the service quality dimensions that can be used assessing the level of customer satisfaction. The study offered insights on the level of customer satisfaction with the service quality offered, in order for Multichoice Zambia management develop and implement effective service quality delivery to customers to ensure that customer satisfaction is achieved.

This study provided empirical support to Multichoice management’s strategic decision making in the improving the service quality dimensions’ and to provide a justifiable, valid

And reliable guide in designing workable service delivery improvement strategies. Furthermore, it is hoped that the findings of the study can guide other researchers to further research into specific aspects of service quality dimensions and customer satisfaction in the Pay TV industry

2.1 Conceptual Framework

The below conceptual framework was used to guide this study. The framework was formulated by Parasuraman *et al.*, (1988).

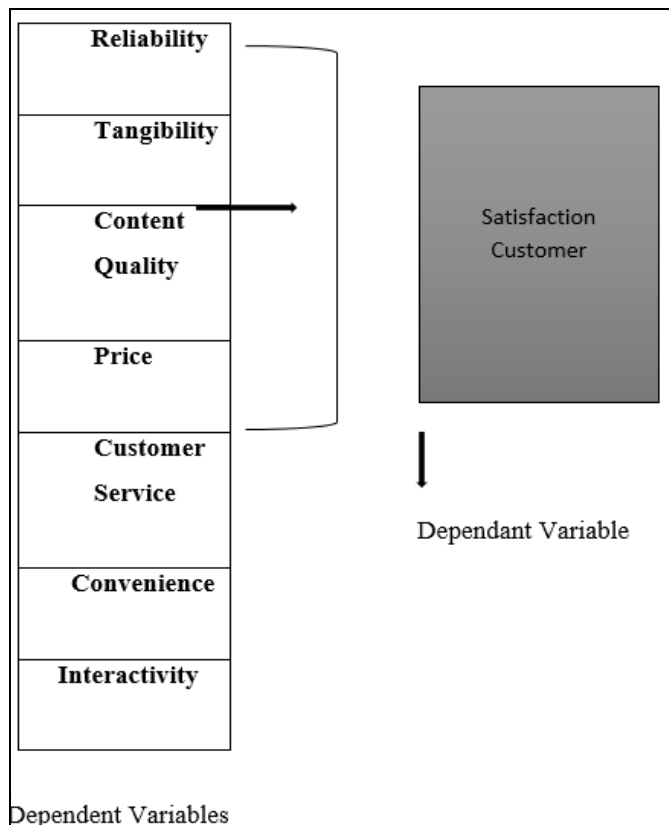


Fig 1

2. Literature Review

Here under is relevant literature reviewed based on the global, regional and local model perspective guided by the research objectives.

Table 1

Author/Year	Findings	Gap
Haitman & Khodabandeh/ 2015	A positive effect was found to exist between service quality factors and customer satisfaction	Study conducted in 3 countries but with less sample size. Use of qualitative method only limited further insights on customer perceptions and opinions
Kuong & Hiep/ 2014	The research findings found that assurance, bundle of services, responsiveness ad tangibles has more effect on customer satisfaction while the empathy, switching costs reliability and price were not too strong	The research findings are only indicative of the extent to which each dimension affects customer satisfaction and used a sample size that may not give significance generalisations.
Wanjiru Sarah / 2013	Reliability, network quality are crucial in satisfying customers and that service quality and customer satisfaction have an effect on company performance	The study used general service quality dimensions and it did not measure actual factors in pay Television industry

Gwaza Nzamo/ 2014	Identified lack of communication as a result of customer dissatisfaction Lack of internal support to frontline staff in delivering service, such empowerment through training and required tools Lack of reward and recognition of staff delivering the service to external customers.	The use of qualitative method limited the information output of respondents, a combination could have brought out specific recommendations that will find solutions to the findings
Themba Mary/ 2013	There was lack of general customer satisfaction with the services delivery. Inconsistent network services affected satisfaction	SERVQUAL not best model to measure the delivery because most of the factors recorded negative relationship, the further study may consider Gap analysis or SERVPERF
Sinchinsambwe/ 2017	Foreign banks registered better in quality through Tangibility, responsiveness, reliability and assurance than compared to local banks.	The study conducted the study in one town, a larger population could have been identified as these findings may not be accurate due to cultures of people, management styles and resources available
Mwiiya <i>et al.</i> , 2017	The service quality dimensions were all positively correlated with customer satisfaction	The study used the SERVPERF model in measuring quality. SERVQUAL Model would have been appropriate as it would have given the researcher chance to contextualise it to the education sector.

3. Methodology

The research design that was adopted in this study was case study. This method was since the paper sought useful to gain understanding on an entity; Multichoice. It offered detailed contextual analysis of limited events and condition (Blumberg, 2008) [2]. The study used both quantitative and qualitative methods for data collection. The study sample included Multichoice customers, Multichoice management and multichoice accredited agents. This research sample size was 150 customers, who walked into Multichoice offices. 10 Multichoice managers and 18 accredited agents. This sample was based on the findings of (Fielding, 1996) [6] which states that a sample size must be at least 30% of the total population under research. Primary data collection was done through 5 point Likert scale questionnaires and structured interview guides. Secondary data was collected through literature review. This type of questionnaires is important for assessing opinions of participants that are not exact. Thus structured interview was used to gain more insight on customer satisfaction. The analysis was based on quantitative data collected from questionnaires and qualitative information from interview guides. Primary data collected was analysed using descriptive and thematic analysis. The data was analysed using Microsoft Excel and SPSS to check for a relationship between the independent variables of service quality dimensions and dependent variable identified as customer satisfaction. The qualitative data collected was analysed using thematic and descriptive statistics to summarize the pattern of findings. All ethical considerations such as participant’s consent, anonymity and confidentiality were taken into consideration during the study.

4. Presentation of findings

The findings from the data collected are presented as follows:

4.1 Establish Key Multichoice Performance Indicators

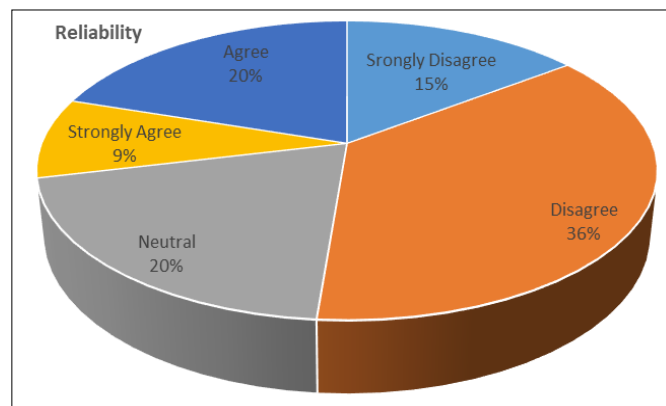
The study established 7 key performance indicators for Multichoice. These are *Reliability, tangibility, customer service, content, price, convenience and interactivity*. These indicators are critical in establishing the service quality offered by Pay TV company. The above findings are supported by a study conducted by (Dawi, 2015) [4] which

revealed that there has been negligible effort to effort to develop service quality dimensions for Pay TV organisations. (Haitman, 2015) [8] In his study conducted on customer satisfaction of IPTV customers, highlighted the need to customise the service quality dimensions in order to critically identify the factors causing dissatisfaction among customers.

4.2 Assess the Quality of Service by Multichoice

The second objective of this was to assess the level of customer satisfaction with the service quality offered by Multichoice. 51% of participants revealed that Multichoice services are not reliable, while 29% disagreed. 68% confirmed their satisfaction with the physical environment, only 49% agreed to viewing latest content and 61% agreed that Multichoice offers a variety of customer service support. However only 45% revealed that the pricing of Multichoice packages is fair, 80% agreed that the service support is convenient and 84% confirmed that they are willing to recommend family and friends to buy the products and services of Multichoice.

Reliability

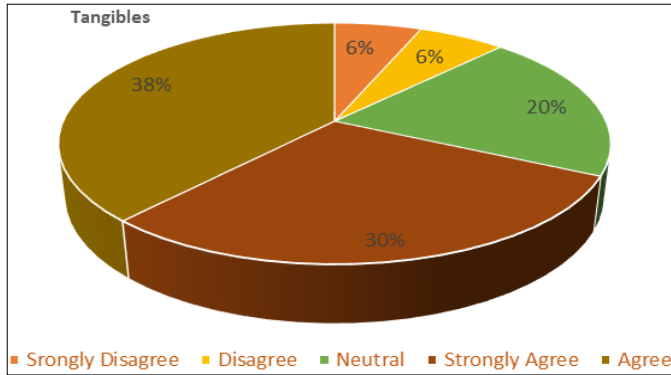


Source: Field Data 2018

Fig 2

The findings revealed that 51% of customers cumulatively disagreed that Multichoice services are reliable while 20% agreed and 9% strongly agreed.

Tangibles

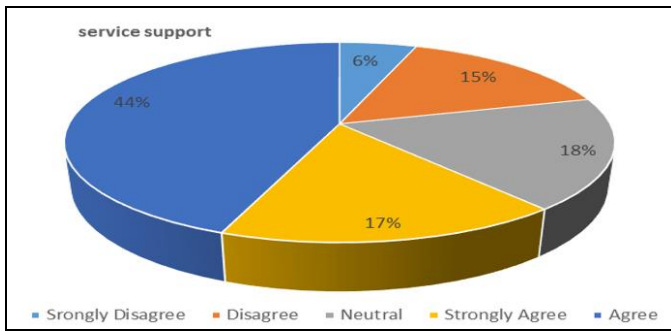


Source: Field Data 2018

Fig 3

The study revealed that the general facilities and the physical environment in Multichoice offices were of good standard. 68% participants agreed that the facilities at Multichoice are of good standard and 32% disagreed.

Service Support

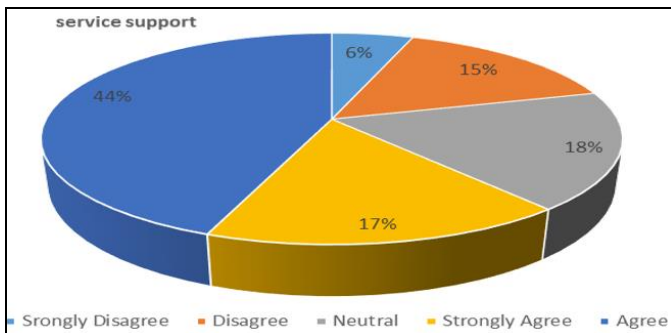


Source: Field Data 2018

Fig 4

The study revealed that 61% of participants confirmed that the customer service at Multichoice is good and 21% disagreed to the notion.

Pricing

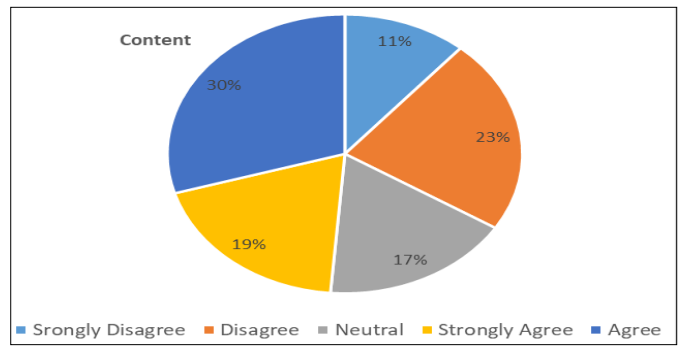


Source: Field Data 2018

Fig 5

The findings revealed that only 39% of participant's agreed That Multichoice packages are fairly prices while 34% disagreed.

Content

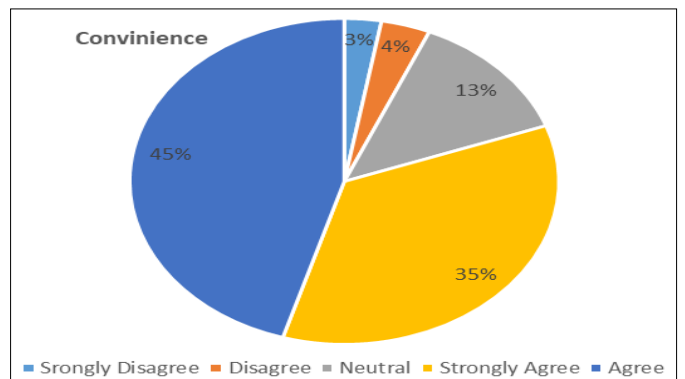


Source: Field Data 2018

Fig 6

The findings revealed that 49% of respondents confirmed that they watch latest content on their packages while 43% disagreed to the notion.

Convenience

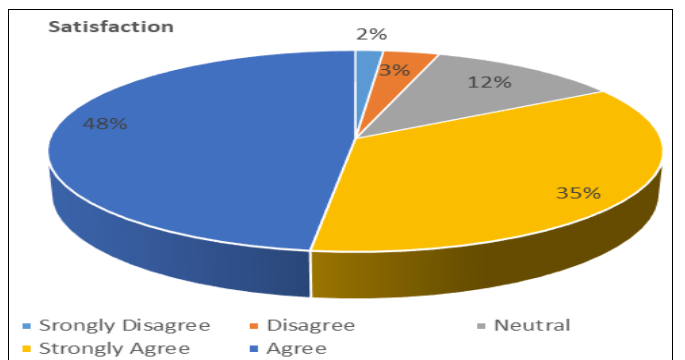


Source: Field Data 2018

Fig 7

The findings revealed that 80% of participants agreed that Multichoice payment systems are easily accessible.

Satisfaction



Source: Field Data 2018

Fig 8

The revealed that 83% of respondents agreed and strongly agreed that they are willing to recommend new customers to join Multichoice

4.3 Establish the relationship between Service Quality and customer satisfaction

The study findings revealed that there is a significant relationship between service quality dimensions and customer satisfaction. The regression of this study revealed that holding all factors (reliability, tangibles, service support, content, price and convenience) constant factor affecting customer satisfaction is 3.126. This also shows that taking all other variables constant, a unit increase in reliability will lead to a.051 increase in customer satisfaction; a unit increase in tangibles will lead to a.150 increase in customer satisfaction; a unit increase customer service support will lead to.030 increase in customer satisfaction; a unit increase in content will lead to.130 increase in customer satisfaction; a unit

increase in price will lead to -.204 decrease in customer satisfaction, and a unit increase in convenience will lead to.122 increase in customer satisfaction.

This finding can be confirmed by other studies that provided empirical evidence on the relationship between service quality and customer satisfaction. (Sichinsambwe, 2017) ^[17], (Dorang, 2014) ^[5] and (Wanjiru, 2013) ^[18] (Fielding, 1996) ^[6]. This empirical evidence shows that multichoice must take special consideration and craft strategies that will continuously improve the reliability, tangibility, service support, content, price convenience and interactivity so that they achieve customer satisfaction. This is because all business strives to achieve sustainable growth.

Table 2

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.126	.420		7.448	.000
	Reliability	.051	.061	.084	.831	.408
	Tangibility	.150	.077	.195	1.938	.056
	Content Quality	.130	.058	.222	2.226	.028
	Customer service	.030	.070	.046	.435	.664
	Price	-.204	.061	-.343	-3.354	.001
	Convenience	.122	.087	.145	1.403	.164

The research findings from the interview guide with managers at Multichoice indicated that the key performance indicators for Multichoice include, increased revenue collection, increase in sales volumes and setting high customer service standards in order to win a bigger share of the market. This is in agreement with the study conducted by (Khodabandeh, 2016) ^[12] that there is need to constantly monitor the performance of a company with the above attributes identified by the managers. Further the agents reported that service quality is affected by the quality of internal service support to frontline staff. This ultimately affects the service that is offered to external customers. (Gwaza, 2016)^[7] in his study on the effect of internal service quality on external service quality identified that internal service support is critical as it has a direct impact on the service quality to external customers. Internal service is important because if it is not well managed it can have an effect on the moral of staff thereby affecting service delivery and customer satisfaction. The study revealed that service quality has an effect on customer satisfaction. According to a study by (Dawi, 2015) ^[4], in his preliminary study, he identified the key performance indicators for the pay television setting which were applied to this study. These are Reliability, Tangibility, Customer service, content, price, convenience and interactivity.

5. Conclusion and Recommendations

5.1 Conclusion

The relationship between the service quality dimensions and customer satisfaction showed that there was a significant relationship. The regression established that holding all factors (reliability, tangibles, service support, content, price convenience) constant factor affecting customer satisfaction is 3.126. This also shows that taking all other variables constant,

a unit increase in reliability will lead to a.051 increase in customer satisfaction; a unit increase in tangibles will lead to a.150 increase in customer satisfaction; a unit increase in customer service support will lead to.030 increase in customer satisfaction; a unit increase in content will lead to.130 increase in customer satisfaction; a unit increase in price will lead to a -.204 decrease in customer satisfaction and a unit increase in convenience will lead to.122 increase in customer satisfaction. Tangibility, Customer service and convenience recording a perfect relationship with customer satisfaction. Price, however, recorded negatively correlated with customer satisfaction.

Agents interviewed revealed that the key indicators for Multichoice include, high sales, increase in subscriber numbers and receipt of less customer complaints.

5.2 Recommendations

The study developed the following recommendations originating from this study;

1. Multichoice Management should set up quality assurance on third party vendors and suppliers. This will improve on the reliability of service delivery, third party agents carry almost 80% of cash collections for Multichoice and thus the need to ensure that they standardize the service provision in line with the service provision charter of Multichoice Zambia.
2. Multichoice management must in the same vain introduce a service quality model that will allow managers to effectively monitor the service quality offered in all its outlets, this will increase the overall score of service quality dimensions.
3. Multichoice Management should engage in continuous improvement of operating systems used in delivering

service. These systems include the customer management systems, self-service platforms and other payment platforms so that customers enjoy seamless viewing of content.

4. Multichoice management should invest in back end internal service quality improvement.
5. Furthermore, Multichoice management should consider reviewing the prices of its various packages. This will lead to increased subscriber numbers as it has benefits to the organisation such as increased revenue collections and market domination.
6. Multichoice management should set up a service quality scoreboard that will guide the evaluation of service quality offer with the suggested dimensions in the customer care department.

5.3 Suggestions for further studies

The study was assessing the level of customer satisfaction with the service quality by Multichoice. This has given insights to Multichoice on how service quality is perceived by customers. Further study on Multichoice Zambia needs to be conducted in other parts of the country with a bigger sample size in order to capture wider opinion of customers. This will help to gather different views because the management style or the needs of customers may Vary in other parts away from Lusaka. Further studies should be carried out to test the effect of internal processes and their effect on service delivery.

6. References

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