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**DIFFERENCES IN PERCEPTION OF SERVICE QUALITY  
BY CUSTOMERS AND MANAGERS OF THE KENYA  
POWER AND LIGHTING COMPANY LTD. //**

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FULFILLMENT OF THE REQUIREMENTS OF THE DEGREE OF MASTER OF  
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## DEDICATION

This project is dedicated to the following:

- My dear wife Betty, sons Wesley and William, and daughter Wendy for their patience and perseverance throughout the course.
- The memory of my late sister, Margaret who taught me that it is never too late to go after my dreams.
- My parents without whose upbringing I would not have known the value of education

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## **ABSTRACT**

This study attempted to answer the question of how KPLC managers view the quality of service they give to their customers, and the level of quality of service the customers expected to receive from the company. Additionally, the study attempted to answer the question of how the customers perceive the quality of service they received from the Kenya Power and Lighting Company Ltd. These were determined by measuring the gaps between perception of quality of service by managers and customers. The difference in perception of service quality leads to the existence of various gaps in the provision of quality service by organizations. An identification of these gaps can help an organization to focus on particular aspects of its service delivery and therefore meet or exceed their customer expectations of quality, and in this way use service quality as a competitive tool.

The research was conducted by collection of primary data from the customers and managers of the company. A questionnaire based on service quality attributes was used to collect the data, from which certain findings were made. It was established that managers have a good idea of what customers expect in terms of service quality. However, this study established that there are gaps in service delivery as measured by customer perception of service quality and management perception of service delivery. It was also established that managers did not believe their service delivery met customer expectations. Similarly, customers perceived that service delivered did not meet their expectations.

From these findings therefore, the researcher believes that there exists gaps between customers and managers of KPLC in perception of the service quality on three of the four gaps that were studied. It is recommended that the company establishes the driving forces behind these gaps to enable it take measures to close them and therefore improve on the service quality that it provides its customers.

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## **LIST OF ABBREVIATIONS**

- AOQ - Actual outcome quality
- APQ - Actual process quality
- CE – Customers expectations
- EAPL - East Africa Power and Lighting Company Ltd
- ISO – International Standards Organization
- KENGEN- Kenya Electricity Generating Company Ltd
- KPC – Kenya Power Company Ltd
- KPLC- Kenya Power and Lighting Company Ltd
- LP- Large power customers
- MP- Medium power customers
- PCE -Prior customer expectations
- PQ – Perceived quality
- SC- Small commercial customers
- TANESCO- Tanzania Electricity Supply Company Ltd
- UEB- Uganda Electricity Board



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# CHAPTER 1

## INTRODUCTION

### 1.1 Background

The service industry has been one of the growth sectors in Kenya's recovering economy, with service associated companies in the country registering rapid growth in size and profitability, as can be seen from mobile telephone providers, banks and airline carriers. The economies of Western Europe and America have become service economies, with service accounting for approximately three quarters of gross national product and nine out of ten jobs the economy creates (Chen *et al*, 1992).

One of the pertinent issues that often arise in services is the issue of quality. Quality can be viewed from two perspectives, that is, quality from the perspective of the customer, and quality from the perspective of the producer. Consumers look at quality of a product or service as the extent to which a product or service does what it is supposed to do. They additionally look at the quality of the design i.e. how quality characteristics are designed into a product or a service. Producers basically view quality from conformance perspective, which is about making sure that a product or service is produced according to the design (Chase et al, 2003). This project adopted the user-based definition of quality which looks at service quality as the extent to which a service meets customers' needs or expectations. (Zhang, 2001).

The evaluation of quality then has to take into account both the customer and management views which ultimately depend on one another. While the management perception of service quality can affect the design, development and delivery of service that is offered, the consumer perception is more about the evaluation of delivery of the services that is offered by the organization. Services have some characteristics that make the evaluation of quality different

from that of tangible goods. These characteristics are intangibility, heterogeneity and inseparability (Chen *et al*, 1992).

The focus of service quality measurement has been principally based on asking customers their expectations and perceptions of the service they receive from different organizations. The perceived service quality is based on a consumer's judgment about a service's overall excellence or superiority. It is considered relative to expectations. However expectations are dynamic, and may shift from person to person and from culture to culture (Zeithaml *et al*, 1996).

The concept of perception of service quality by customers arises out of the existence of a gap between the quality of service that customers expect to receive and the quality of service that they believed they actually received. This gap is known as the service gap and is the gap that many service organizations mainly focus on (Donnelly *et al*, 1995). However, simply looking at this gap and searching for solutions to close it might not, by itself, be adequate in matching customer expectations. Other gaps in the service process may be contributing to service shortfalls and must be identified and dealt with by the service managers if service quality is to be ultimately improved.

One of these gaps is the difference between the customer perception of service quality and what the management believes they deliver. This gap can lead to the question of whether managers overestimate the service delivery by their organization. In a study of the hotel industry by Coyle and Dale (1993), it was found that managers tend to be very self assured and believed that they knew best what their customers wanted. This study identified a number of gaps existing between the perceptions of customers and those of providers. It is possible of course to have such scenario being replicated in other segments of the service industry, and more so in a developing country such as Kenya.

This kind of scenario may arise because in a majority of service providers, managers are assigned the responsibility of knowing and understanding customer expectations. However the same managers normally have the least contact with customers, a factor that can limit their accurate assessment of customer needs (Tsang and Qu, 2000).

## **1.2 The Kenya Power and Lighting Company Ltd**

The history of The Kenya Power and Lighting Company Ltd dates back to 1875 when Seyyied Bargash, the Sultan of Zanzibar, acquired a generator to light his palace and nearby streets, (<http://www.kplc.co.ke>). This marked the evolution of the company to its present status.

In 1908, Harrali Esmailjee Jeevanjee, a wealthy merchant in Mombasa, acquired the generator and transferred it to the Mombasa Electric Power & Lighting Company. At around the same time, an engineer, Mr. Clement Hertz, was granted the exclusive rights to supply electricity to the then district and town of Nairobi. This led to the formation of the Nairobi Power & Lighting Syndicate.

In 1922, the two utilities in Nairobi and Mombasa were merged under a new company incorporated as the East African Power & Lighting Company (EAPL). Later, in 1932, EAPL acquired a controlling interest in the Tanganyika Electricity Supply Company Ltd. (TANESCO), and four years after this, obtained a generating and distribution license for Uganda, thereby entrenching its presence in the East African region.

In 1948, the Uganda Electricity Board (UEB) was established by the Ugandan Government to take over distribution of electricity in the country. In 1954, the Kenya Power Company (KPC) was created and was managed by the EAPL for the purpose of transmitting power from Uganda to Kenya through the Tororo Nairobi

line and in 1964, the EAPL sold its majority stockholding in TANESCO to the Government of Tanzania.

With its operations confined only to Kenya, EAPL was renamed the Kenya Power & Lighting Company Ltd (KPLC) in 1983. The company continued running the industry until 1997 when the functions of generation were split from transmission and distribution. The Kenya Power Company, which had been under the management of KPLC since 1954, became a separate entity responsible for public-funded power generation projects.

In 1998, the Kenya Power Company was re-launched as the Kenya Electricity Generating Company (KenGen), with the responsibility of developing and running power generation in the country. The Kenya Power and Lighting Company Ltd remained with the function of transmitting, distributing and retailing electricity to end users throughout the country. It owns and operates the national transmission and distribution grid, and retails electricity to more than 924,000 customers throughout Kenya (KPLC, 2007).

From the vision and the quality policy statement of the company, it can be concluded that the issue of quality is given some significance. The company was recently awarded an ISO 9001:2000 quality management system certification. This means that the company has put in place a quality management system with a formal quality policy and a focus on quality improvement. The achievement of this certification therefore means that the company must strive to improve on the quality of the service it offers its customers, and sustain the quality efforts so that it has satisfied customers. Proposals are at advanced stages to liberalize the power distribution sector with a view to creating competition in the sector and choice for customers. It is hoped that this will also reduce wastage. Satisfied customers are an important factor in customer retention, and for KPLC this will prove very important when the industry is finally

liberalized. Quality in the provision of services will differentiate the company from its competitors, and therefore act as a source of competitive advantage.

### **1.3 Problem Statement**

Service quality has been found to be critical in enabling service companies to identify and implement strategies to meet customer expectations (Maina, 2001). The question of quality of service is an issue which the Kenya Power and Lighting Company Ltd must continue to address if it is to satisfy customers. For instance, the East African business summit, in 2003 identified the issue of quality of service and reliability of electricity supply as one of the biggest challenges facing KPLC (The East African, September 29 to October 5, 2003). Issues of quality of service being offered by the company has also been given wide attention in other sections of the media, with internal company reports putting the number of supply interruptions at 11000 per month, as per June 2006.(Stima News Magazine,2006). Other complaints that have arisen and have been identified include delayed connections for new supplies and slow response to breakdowns among others (Nyaoga, 2003).

The issues have been recognized by the company, and it has therefore been trying to be innovative to improve on the quality of the service it offers its customers. The company has therefore developed a customer service charter and has been awarded ISO 9001:2000 quality management system in its efforts to improve the quality of services ([http:// www.kplc.co.ke](http://www.kplc.co.ke)). In this regard, a customer satisfaction survey has also been carried out. The effect of these efforts has not been felt fast enough, judging by the number of complaints the company continues to receive (KPLC, 2007).

The company has in the recent past engaged in massive efforts to increase its customer base by 150,000 per year (Stima News Magazine, 2006). The company is likely to experience increased quality related problems with more customers to

serve. A lower perceived service quality on the other hand is likely to affect the satisfaction levels of both the new and old customers.

Little empirical evidence has been presented in the evaluation of service quality in Kenya from the perspective of both the providers and customers. Nyaoga (2003) carried out an analysis of the perception of service quality on services offered by the Kenya Power and Lighting Company Ltd in Mt. Kenya Region. Njoroge (2003) carried out a study on customers' perception of service quality in a decentralized system in the public utility sector in Kenya. Both studies concluded that customers were not satisfied by the quality of services offered. Similar studies carried out by Maina (2001), and Gachengo (2004) covering the mobile phone services and the Kenya Police arrived at similar conclusions. Additionally, Mugambi (2006) carried out a survey on internal service delivery systems in Kenya Commercial Bank to gauge the service quality as perceived by internal customers.

In spite of all these studies, there still exist shortfalls on the quality of services offered. This is evidenced by various complaints covered in both the print and electronic media, and cutting through nearly the whole of the service sector. This leads to a question mark on manager's perception of service quality. This study aims to build on the above studies by bringing in the managerial perception of quality to gauge whether the service managers recognize the customer's quality requirements.

The study therefore attempted to answer the question of how KPLC managers view the quality of service they actually give to their customers, and the level of quality of service the customers expect to receive from the company. Additionally, the study attempted to answer the question of how the customers perceive the quality of service they received from the Kenya Power and Lighting Company Ltd. These were determined by measuring the gaps between



perception of quality of service by managers and customers. The answers received led to the establishment of the gaps that exist between what the company through the managerial staff perceived as their service quality offering and what the customers think the company gave them.

#### **1.4 Research Objective**

The objective of this research was to establish the difference in perception of service quality by customers and managers of the Kenya Power and Lighting Company Ltd.

#### **1.5 Importance of the Study**

1. This study should be of interest to the managers of KPLC in their effort to improve the quality of the services they offer to their customers. Ways and means can be found to bridge the gaps that were identified in this study, and this can result in improved quality of service.
2. This study can also be used as a reference point by other service providers in the country in identifying gaps within their own service operations, and therefore a means to improving the quality of service within their own entities.
3. The study will also be used to enrich the academic field in the area service quality.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Service Business

Service business is the management of organizations whose primary business requires interaction with customers to produce the service (Chase *et al*, 2003). The sector encompasses a diverse and complex range of organizations and enterprises. According to Ghobadian *et al* (1994), some of the enterprises that belong to this group include the following:

- (a) National and local government: for example, education, health, social security, police, the military, transport, legal, information, and credit;
- (b) Non-profit private services: for example, charities, churches, research foundations, mutual societies, and art foundations;
- (c) For-profit private services: for example, utilities, hotels, airlines, architects, restaurants, solicitors, retailers, entertainment, banks, insurance companies, advertising agencies, consultancy firms, market research companies, and communications.

Further, services can be categorized as either facilities based, where customers must go to the service facility, and field based services, where production and consumption of the service takes place in the customer's environment. Operationally, services are classified by the extent of customer contact in the creation of the service. Customer contact refers to the physical presence of the customer in the system, and creation of the service refers to the work process involved in providing the service itself. This leads to three types of services:

- 1) Pure service – This is where the organization deals with services in which the customer must be present for the service production (e.g., fast food restaurant, nursing home).

2) Mixed service – In this case the organization deals with a service in which there is both face-to-face as well as back office contact with the customer (e.g. commercial airline, banks, utilities etc).

(3) Quasi-manufacturing service – Here the organization is involved in services with no face-to face contact with the customer (e.g. credit card, long-distance phone etc).

In general the greater the contact times between the service system and the customer, the greater the degree of interaction between the two during the production process. It then follows from the conceptualization that a service system with a high degree of customer contact is more difficult to control and rationalize than one with a low degree of customer contact. This is because in a high contact system the customer can affect the time of demand, the exact nature of the service, and the quality, or perceived quality of the service because the customer is involved in the process.

## **2.2 Quality**

Quality is a multi-dimensional construct (Zhang, 2001). Thus, quality can be seen differently from different perspectives. These different perspectives about quality, in turn affect quality practices. A common understanding and vision of what is meant by quality will help the organization to focus its quality improvement efforts. Thus, defining quality is not only important from a semantic point of view but, more importantly, it is required to direct employees' efforts towards a particular common cause. The common vision of quality is arguably more important in service organizations (Ghobadian *et al*, 1994). There are five generic categories of quality.

Strategic quality is the strategic benefits that result from product and service quality (Garvin, 1993). Quality is a way to differentiate a product from its competitors. It potentially provides the producing firm with a sustainable competitive advantage that allows it to earn above average profits. A product or service that exceeds the quality of competing offerings can increase a firm's market share and improve customer perceptions of the product (Deming, 1986).

Product-based quality is a function of a specific, measurable variable. Differences in the quality reflect differences in the quantity of some product attributes, such as the number of stitches per inch on a shirt or the number of cylinders in an engine (Evans and Lindsay, 1996). It stems from the product design and operation. One of the problems with this definition is that it does not depend on external standards or reference; thus, the assessment of product attributes may vary considerably among individuals.

User-based quality is based on the presumption that quality is determined by what a customer wants. Individuals have different wants and needs, hence, different quality standards. Juran defined it as "fitness for intended use", or how well the product performs its intended function (Zhang, 2001). This approach relies on the organization's ability to determine customer requirements and then meet these requirements.

Value-based quality is based on value, the relationship of usefulness or satisfaction to price. This perspective views a quality product as being useful as a competing product but is sold at a lower price. It offers greater usefulness or satisfaction at a comparable price. Competition makes businesses seek to satisfy customer's needs at a lower price. The value approach to quality incorporates a firm's goal of balancing product characteristics (the customer side of quality) with internal efficiencies (the operations side).

Manufacturing-based quality is defined as the desirable outcome of engineering and manufacturing practice or conformance to specifications. Specifications are targets and tolerances determined by designers of products and services. Conformance to specifications is the key definition of quality since it provides a means of measuring quality. Specifications are however meaningless if they do not reflect attributes that are deemed important to the consumer. This definition is useful to organizations that perceive their problems as lying within the transformation or engineering process.

### **2.3 Service Quality**

Service quality is a concept that has aroused considerable interest and debate in the research literature because of the difficulties in both defining it and measuring it with no overall consensus emerging on either (Wisniewski, 2001). There are a number of different definitions as to what is meant by service quality. One that is commonly used defines service quality as the extent to which a service meets customers' needs or expectations. In this context it can be seen as the difference between customer expectations of service and perceived service. If expectations are greater than performance, then perceived quality is less than satisfactory.

Essentially, service quality represents a customer's assessment of the overall level of service offered by an organization (Parasuraman *et al.*, 1988), and this assessment is often based on perceptions formulated during service encounters (Bitner *et al.*, 1990; Johnston, 1995). The majority of the service dimensions depicted in the conceptual model relate to the human-interaction elements of service delivery. Thus, service quality is depicted as a product of service dimensions comprised of employee-related behaviours and organizational practices which, taken together, have the capacity to influence service performance and customer satisfaction (Agus *et al.*, 2007).

There are arguably major differences between service and manufactured goods. These differences have an impact on the approach and substance of quality management (Ghobadian *et al*, 1994) .Some of the salient differences are:

*(1) Inseparability of production and consumption.*

In service industries, usually the producer creates or performs the service at the same time as the full or partial consumption of the service takes place. The high visibility of the conversion process means that it is not possible to hide mistakes or quality shortfalls.

*(2) Intangibility of service.*

Many services are essentially intangible. The lack of tangible attributes means that it is difficult for the producer to describe the service and for the customer to ascertain its likely virtues. The customer cannot see, feel, hear, smell, or touch the product before it is purchased. Therefore, the customer often looks for signs of quality: for example: word of mouth; reputation; accessibility; communication; physical tangibles; etc.

*(3) Perishability of services.*

Services are perishable and cannot be stored in one time period for consumption at a later date. This means that, unlike manufactured goods, it is not possible to have a final quality check. The service provider needs to get the service right first time, every time.

*(4) Heterogeneity of services.*

It is often difficult to reproduce a service consistently and exactly. A number of factors can affect the extent of the heterogeneity of service provisions. First, delivery of service often involves some form of contact between the consumer and service provider. The behaviour of the service provider influences the consumer's perception of quality. It is difficult to assure

consistency and uniformity of behaviour. Moreover, it is not easy to standardize and control this facet of service delivery. In effect what the firm intends to deliver may be entirely different from what the consumer receives. Second, service operations depend on consumers to articulate their needs or provide information. The accuracy of the information and the ability of the service provider to interpret this information correctly has a significant influence on the consumer's perception of service quality. Third, the priority and expectations of the consumer may vary each time he or she use the service. Moreover, priority and expectations may change during the delivery of the service. The variability of service from one period to another and from customer to customer makes quality assurance and control difficult. Service providers have to rely heavily on the competence and ability of their staff to understand the requirements of the consumer and react in an appropriate manner.

## **2.4 Service Quality and Competitive Advantage**

Service organizations ranging from small business to large corporations existing throughout the business world are constantly seeking unique ways of differentiating their offering. The willingness and ability of managers in service firms to respond to changes in the service economy will determine whether their own organizations survive and prosper (Johnson, Sirikit, 2002). Insights about how to differentiate through improved service quality, i.e. to gain a competitive advantage, require comparing quality assessments to those of competitors, (Parasuraman *et al.*, 1988). Such a comparison provides a strategic lens by helping to establish priorities for service quality improvement as well as identifying which service quality attributes to emphasize in differentiating the firm's service offer. To use service quality as a tool for competitive advantage requires a proactive approach by an organization.

The proactive approach to management of quality in services is a case where service quality is used to differentiate the organization's service offering. Here, usually, quality is one of the primary drivers of the business. Corporate image is built around the quality of the offering with the accent on gaining customer satisfaction. The quality phenomenon is the source for strengthening and differentiating the offering and the organization from what is offered by the competitors.

Competitive advantage results either from implementing a value-creating strategy not simultaneously being implemented by any current or potential competitors or through superior execution of the same strategy as competitors. Sustainability is achieved when the advantage resists erosion by competitor behavior.

The available evidence indicates that service organizations which adopt a strategic approach to quality management significantly improve their competitiveness (Ghobadian *et al*, 1994). Furthermore, Reichheld and Sasser (1995) propose that high levels of satisfaction lead to increased customer loyalty. They also indicate that increased customer loyalty is the single most important driver of long-term financial health. Recent studies also affirm that customer satisfaction leads to customer retention (Hallowell, 1996). Adoption of a proactive approach to service quality implies the company has to invest in quality improvement processes. However, since it improves customer retention, it is a worthwhile investment for any company.

## **2.5 Challenges in Attaining Service Quality**

Attaining service quality has its own myriad of challenges. Huq (2005) identified some of the challenges associated with implementation and attainment of TQM in a service organization. These can generally be seen as the same challenges



that any organization can experience in their endeavor to attain service quality. Some of these barriers are discussed here.

### **2.5.1 Limited Perspective of Quality.**

The qualitative and quantitative results of the study by Huq (2005) indicate that all too often, service companies that adopt quality management practices attempt to identify concepts that apply only to service organizations, looking for the short cut to success without investing the time and costs associated with full-fledged quality improvement techniques. As a result, many of the key precepts and demands of practices, and their inherent benefits, are rationalized away.

### **2.5.2 Resistance to Change**

Another challenge is caused by resistance to change (Huq, 2005). The propensity to resistance is expressed through resentment about managements approach, doubts and uncertainty. Some employees also resent the increased responsibility. Employees complain about the way changes are communicated, and the failure by the top management to provide the resources.

### **2.5.3 Commitment of Resources**

Commitment of resources to a long-term process like quality management implementation is especially challenging during times of company downsizing and cost cutting. For proper implementation and control, team building is of supreme importance. Teams not only bridge the gap between top management and the lower echelons of the workforce structure, they also help create employee ownership of the project (Huq, 2005).

### **2.5.4 Measures of Quality**

Measures of cost of quality and causes of quality variation are two problem areas companies have to face. In a service operation a product leaves the system immediately after it is produced. Therefore, it is quite difficult to appraise the

product and quality problems become evident only after a customer complains. In addition, since all service operations focus on human interaction and process, management can easily overlook systemic problems and blame the workers when something goes wrong (Huq, 2005). Knowledge of the costs involved can alter the employee's behavior towards the quality initiative. When, for example, service providing teams realize that a complaint may not only mean a lost customer, but could also mean a lawsuit, this can eventually result in embracing quality.

#### **2.5.5 Difficulties in Assigning Specific Responsibility**

Mugambi, (2006), in a study of internal service delivery systems, identified difficulties in assigning specific responsibility as one of the challenges service companies face in quality improvement. This is because the overall perception of service quality by customers is influenced at different stages of service delivery, yet it is difficult to attribute quality problems to a particular stage of delivery.

#### **2.5.6 Time Required to Improve Service Quality**

Some quality problems often require major effort over a long period of time to resolve. This is because service quality is more dependent on people than systems and procedures. Attitudes and beliefs take longer to change.

### **2.6 Perceived Service Quality.**

Customers do not evaluate service solely on the outcome of a service; they also consider the process of service delivery. The criteria consumers use for evaluating service quality is based on the comparison of consumer expectations with the actual service performance. Thus the perceived service quality is based on a consumer's judgment about a service's overall excellence or superiority. Perceived service quality is different from the actual goods quality because it involves a higher level of abstraction rather than a specific attribute of a product; and a judgment is usually made within a consumer's evoked set.

The quality of service is usually built up from the myriad of individual characteristics that determine customer satisfaction. To bridge the gap between specific characteristics and the abstract concepts of quality, it is useful to consider service quality in terms of broader dimensions, (Zeithaml, 1988). Such dimensions can serve as a framework for analyzing and designing quality and may be utilized in setting a company's quality strategy.

In a study of four consumer service industries, Parasuraman *et al.* (1988) identified five quality dimensions that linked specific service characteristics to consumer expectations of quality. These five basic dimensions are:

1. Tangibles. This is the appearance of physical facilities, equipment, personnel and communication materials.
2. Reliability. This is the ability to perform the promised service dependably and accurately.
3. Responsiveness. This is the willingness to help customers and provide prompt service.
4. Assurance. This is the competence of the system and its credibility in providing a courteous and secure service.
5. Empathy. This is the approachability, ease of access and effort taken to understand customer needs.

## **2.7 Measurement of Service Quality**

Quality in a service organization is a measure of the extent to which the service delivered meets the customer's expectations. The nature of most services is such that the customer is present in the delivery process. This means that the perception of quality is influenced not only by the service outcome but also by the service process. The perceived quality lies along a continuum. Unacceptable quality lies at one end of this continuum, while ideal quality lies at the other end. The points in between represent different gradations of quality (Ghobadian *et al.*, 1994).

The perceived quality can be represented as follows:

Prior Customer Expectations + Actual Process Quality + Actual Outcome Quality  
= Perceived Quality

$$PCE + APQ + AOQ = PQ$$

This paradigm implies that prior expectations are compared with the actual service delivery process and the service outcome and that it is through this comparison that the perceived quality is fashioned.

Prior customer expectation is the a priori image of what will be received when the consumer purchases a service.

Actual quality is the real level of service quality provided. This is determined and controlled by the service provider. It is possible to quantify and set standards for some, if not all, of the service quality characteristics. It is, however, imperative to note that the quality of a service is determined by the customer's perception and not by the perceptions of the providers of the service. Thus, it is crucial that customer requirements are determined, and service delivery and outcome designed, to meet these requirements.

Perceived quality is the customer's feel for the quality of the service. It determines the extent of the customer's satisfaction. The three key possible quality outcomes are:

1. Satisfactory quality, where customer's expectations (CE) are exactly met  
i.e.  $PCE = PQ$
2. Ideal quality, where perceived quality is higher than customer's expectations i.e.  $PQ > PCE$ ;
3. Unacceptable quality, where perceived quality is lower than customer's expectations i.e. that is to say,  $PQ < PCE$ .

The provider of the service should ensure that either condition (1) or condition (2) is attained each time the service is delivered. To be competitive it is necessary to set marginally higher levels of satisfactory and ideal quality than those of competitors (Ghobadian *et al*, 1994).

## **2.8 Service Quality Model**

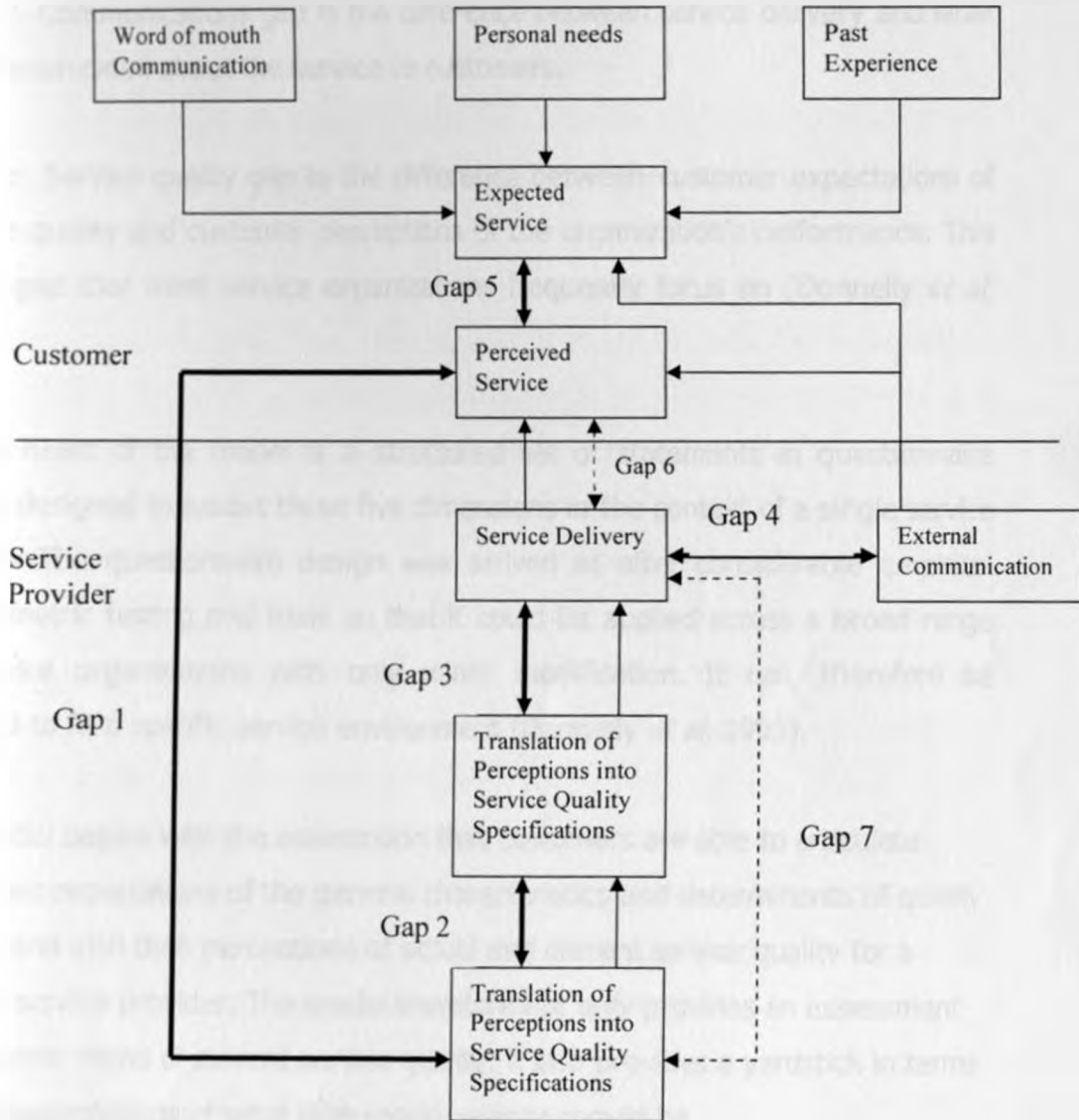
Much of the recent research on service quality has been carried out within the framework of the service quality model developed from the extensive research of Parasuraman *et al*. (1985, 1988, and 1991). The service quality model was derived from the magnitude and direction of five "gaps" (see figure 2.1) which are:

Gap 1: Understanding the difference between customer expectations and management perceptions of customer expectations. If there is a mismatch then management in the service provider organization must understand customer expectations adequately if the right priorities are to be set, the right resource allocations made, and the right corrective actions taken. Such a gap may be caused by inadequate research into customer needs; poor internal communications, or inadequate management structures (Donnelly *et al*, 1995).

Gap 2: This is the design gap and is the difference between management perceptions of consumer expectations and service quality specifications. Management understanding of customer expectations must be accurately translated into appropriate quality specifications and performance standards. This gap might be caused by inadequate commitment to service quality, inappropriate goal setting, or management who are inexperienced in this area (Donnelly *et al*, 1995).

Gap 3: Service performance gap is the difference between service quality specifications and the service actually delivered. Such a gap may arise because

**Figure 2.1 Service quality model**



Source: Parasuraman *et al.*, 'A Conceptual Model of Service Quality and its Implications for Future Research', *Journal of Marketing*, Fall 1985 page 44

of a shortage of resources in key areas; lack of commitment and motivation; inadequate quality control procedures; or inadequate staff training.

Gap 4: Communications gap is the difference between service delivery and what is communicated about the service to customers.

Gap 5: Service quality gap is the difference between customer expectations of service quality and customer perceptions of the organization's performance. This is the gap that most service organizations frequently focus on (Donnelly *et al*, 1995).

At the heart of the model is a structured set of statements in questionnaire format designed to assess these five dimensions in the context of a single service provider. The questionnaire design was arrived at after considerable empirical psychometric testing and trials so that it could be applied across a broad range of service organizations with only minor modification. It can, therefore be adapted to fit a specific service environment (Donnelly *et al*, 1995).

The model begins with the assumption that customers are able to articulate both their expectations of the general characteristics and determinants of quality service and also their perceptions of actual and current service quality for a specific service provider. The model therefore not only provides an assessment of customer views of current service quality; it also provides a yardstick in terms of their expectations of what that service quality should be.

The first four gaps (Gap 1, Gap 2, Gap 3 and Gap 4) affect the way in which service is delivered, and the existence of these four gaps leads to the extent of Gap 5. In other words, the extent of Gap 5 depends on the size and direction of the first four gaps. However, Gap 2, Gap 3 and Gap 4 are not relevant to the research scope of the present study. The principal focus of the present research

is Gap 5, Gap 1 and the two additional gaps (Gap 6 and Gap 7) which are identified in the model. Each of these gaps (Gap 5, Gap 1, Gap 6 and Gap 7) is discussed and elaborated on in the following sections.

### **Gap 5: Customer perceptions of service quality**

Measurement of the gap (Gap 5) between customers' expectations and their perceptions of service quality may provide management with important insights about how well actual service performance compared with the expectations of the customers'. Therefore, study of Gap 5 is an extremely useful tool for management in monitoring the service delivery in KPLC. Thus it is important to test customer perceptions (actual experience) to see whether service quality provided by the company is meeting, exceeding or falling below expectations.

### **Gap 1: Management's perceptions of customer expectations**

This gap is pertinent to a critical question: "Do KPLC managers understand what customers expect from service quality in the company?" Management perceptions about what customers expect from service quality should ideally be congruent with the expectations expressed by customers. Most senior management executives have the authority and responsibility for setting service priorities and for designing and developing service quality standards, so, if they do not fully understand what customers expect, they might trigger a chain of bad decisions, resulting in poor perceived service quality.

### **Two additional gaps in service quality model**

Apart from the original five gaps proposed by Parasuraman *et al.* (1985), there are two additional gaps that have been identified and that were not included in the original service quality model (Lewis, 1987). These gaps are labeled as Gap 6 and Gap 7, with a broken line in figure 2.1:



**Gap 6: The difference between consumer perceptions of service delivery and what management believes they deliver.**

This gap is pertinent to the simple question, "Do managers overestimate the company's service delivery in meeting customer expectations of service quality?"

**Gap 7: The difference between management's perception of consumer expectations and management's perception of its service delivery.**

This gap measures the internal situation: "Do managers believe they deliver as much as they believe customers expect?" Measuring management perceptions of service quality is just as important as measuring consumers' perceptions, because management perceptions of service quality directly affect service quality standards. Measurement of the gap (Gap 7) between management perceptions of consumer expectations and management perceptions of an organization's service quality delivery could help to know whether or not management has confidence in meeting customers' expectations.

A measurement of the three gaps (Gap 5, Gap 1 and Gap 6) could provide better insights for KPLC managers to evaluate and identify service quality problems. By understanding the extent and direction of these three gaps, managers would be able to identify whether their service was exceeding, meeting or falling below customers' expectations, and would gain clues about how to close any gaps.

The SERVQUAL model has been successfully used in Kenya, with different adaptations by Maina (2001), Nyaoga (2003), Gachengo (2004) and Mugambi (2006), on service quality studies covering various sectors of the service industry. The same model will be used with adaptation to the electrical utility industry for the purpose of this study.

## **CHAPTER 3 RESEARCH METHODOLOGY**

### **3.1 Research Design**

The research design was a case study and consisted of collection of a set of primary data from the managers of the Kenya Power and Lighting Company Ltd and a second set of primary data from the various categories of customers of the company.

For the purpose of the study, the KPLC managers were defined as officers of senior level and above. KPLC categorizes management staff on a scale ranging from MG 13 for the lowest management staff to MG1 for the managing director. The study focused on staff starting at level of MG 7 and above because they are the ones who are at the core of company operations and, more crucially, they grasp the key issues involved in quality service. This category of staff number 191 (KPLC, 2007).

The population of customers consisted of customers from various segments within the company. The Kenya Power and Lighting Company Ltd categorize customers under domestic, small commercial, medium commercial and large industrial segments depending on their power consumption requirements. The total customer population was 924,329 (KPLC, 2007).

### **3.2 Sample and Sampling Technique**

The study was located in three of the four regions where the company conducts business. These were Nairobi, Coast and West Kenya. It was considered that the regions were representative of the company.

The sample for the KPLC managers was identified using the simple random sampling. The sampling frame consisted of a list of all managerial staff of level

MG 7 and above. Using a 95 % confidence level, with the margin of error fixed at 0.2 on the 5 point scale, and using the rule of thumb of one - sixth of the range (Cooper and Schindler, 2003), the sample size of the managers was determined to be 43.

For the customer survey, the proposed sample size was 350. The figure was arrived at in the absence of a pilot survey, but taking into account that studies conducted on KPLC customers by Nyaoga, (2003) had a response rate of 74% on a sample of 100 customers from Mt. Kenya region, and Njoroge, (2003) used a sample size of 350 with a response rate of 76% on a study based in Nairobi and West Kenya regions of the company. The sampling method used was disproportionate stratified sampling of the three categories of customers. This kind of sampling was used to give a realistic figure to the medium and large industrial/commercial customers who were fewer but very important to the company.

**Table 3.1: Apportionment of sample units from the population units**

Customer category	No. of customers	% of total population	Stratum size
Domestic	769,163	83.2	240
Small commercial	145,704	15.7	70
Medium/Large commercial	9,462	1.1	40
Total	924,329	100	350

### 3.3 Data Collection

The study used primary data that was collected from the customers and managers of the company. Literature and survey instruments developed by past studies for the telecommunication industry formed the basis of the questionnaire. The questionnaire was modified to adapt only the attributes that are relevant for

the case of a company operating in an electrical supply industry. There were two questionnaires, one for customers, and the other one for the managers.

The customer questionnaire was divided into three parts. Part one was general and was designed to capture the general information about the respondents. The second part was designed to measure the respondents' expectations regarding service quality by the Kenya Power and Lighting Company Ltd. The third part was to capture the respondents' perceptions of service quality actually offered. Both parts two and three used the five- point Likert scale to measure the expectation and satisfaction of customers on the quality of service offered by the company.

The managers' questionnaire was administered to the company managers, with the focus on finding how important the company views the various attributes as concern the quality of service offered by the company. It was divided into three parts. Part one was designed to capture general data, part two was designed to capture the importance of the quality attributes to the managers, and part three was designed to capture the managers' perception of the quality of service they give to the customers. Again, both parts two and three used the five- point Likert scale to measure the expectation and satisfaction of customers on the quality of service offered by the company.

### **3.4 Data Analysis and Presentation**

The study used the SERVQUAL model to analyze customer expectations, their perceptions on the quality of service and the gap between the managers' and customers' perceptions of the quality of service.

Descriptive statistics was used to investigate the service quality gaps. Thus the evaluations were done using the mean, and standard deviation was used to measure the spread.

Inferential statistics was used to evaluate the significances of the results established. The test of differences that was employed was the difference between mean test using the t-test for analysis between the managers, and within various categories of customers. The test is applicable where there are two different populations where the sample size is greater than 30 and therefore has characteristics approaching the normal distribution. In comparing the various categories of customers with managers, independent t- test was used. The test was done by pairing each category of customers with the managers. For analysis of the differences between the categories of customers, Kruskal-Wallis test was used.

## CHAPTER 4

### DATA ANALYSIS, FINDINGS AND DISCUSSIONS

#### 4.1 Introduction

In this chapter, data pertaining to the various categories of KPLC customers' expectation of service, their perception of quality of service received, the KPLC managers' perception of customers' expectations and their perception of service delivery was analyzed and interpreted. Data collection for the domestic and small commercial customers was done at bill paying centers, while for the medium and large commercial/industrial customers, the drop and pick method was utilized.

##### 4.1.1 Response from Customers

The questionnaires were checked for correct entries and ten customer questionnaires were rejected because of incomplete information in some parts and double entries in others. Table 4.1 below shows a summary of the response rate with respect to the usable questionnaires and the target sample size for the KPLC customers.

**Table 4.1: Response rate of the target sample of customers**

Respondent category	Targeted respondents	Actual Respondents	% Response rate
Domestic customers	240	230	95.8
Small Commercial customers	70	52	74.3
Medium/Large power customers	40	32	80
Total	350	314	89.7

*Source: Targeted respondents are obtained from Chapter 3 while respondents are obtained from research data.*

As shown in the table, 230 of the targeted 240 domestic customers (95.8%), 52 of the targeted 70 small commercial customers (74.3%) and 32 of the targeted medium and large power customers (80%) responded to the questionnaire. Overall, the response rate was 89.7% which the researcher found adequate and

sufficient for the purpose of data analysis. This compares favorably well with other studies on perceived quality, such as 87% by Njoroge (2003).

The education levels of the KPLC customers who responded are summarized table 4.2 below.

**Table 4.2: Education levels of various categories of respondents.**

Education level	Number of respondents	Percentage
University/ College	177	56.3
Polytechnic	34	10.8
Secondary	87	27.8
Elementary	11	3.5
No formal education	5	1.6
Total	314	100

*Source: research data*

From the above table, it is evident that 67.1% of the respondents had post secondary education which can be attributed to the fact that the study was conducted in the urban areas of Mombasa, Nairobi and Nakuru.

The age brackets of the respondents are shown in table 4.3 below

**Table 4.3 Age distribution of various categories of respondents.**

Age bracket	Number of respondents	Percentage
Above 50	19	6
41 to 50	43	13.7
31 to 40	133	42.4
20 to 30	119	37.9
Total	314	100

*Source: Research data*

From table 4.3 it is evident that a majority of the respondents (42.4%) were aged between 31 and 40. This is followed by age group 20 to 30.

The respondents under customer category have operated the accounts for the duration summarized in the table 4.4 below

**Table 4.4: Age of respondents' accounts with KPLC**

Account age	Number of respondents	Percentage
Over 5 years	173	55.1
Between 2 and 5 years	111	35.4
Under 2 years	30	9.5
Total	314	100

*Source: Research data*

From table 4.4, it is evident that a majority of the respondents had operated their accounts with KPLC for over 5 years. This can be explained by the monopolistic nature of the utility, where customers have limited or no options of switching to an alternative service provider.

#### **4.1.2 Response from KPLC Managers**

A total of 31 usable questionnaires were received from the managers of KPLC. This was 72.1 % of the total questionnaires and was considered adequate for the purpose of this research.

The respondents from the Kenya Power and Lighting Company Limited had worked at their positions for the duration summarized in table 4.5 below

**Table 4.5: Duration of service in present position for KPLC managers**

Number of years of service in present position	Number of respondents	Percentage
Less than 1 year	2	6.5
Between 1 year and 3 years	13	41.9
Over 3 years	16	51.6
Total	31	100

*Source: Research data*



The statistical analysis of the answers to the questions was carried out using Microsoft Office Excel 2003 and SPSS statistical analysis software. The various tables relating to the objective of the study and indicating the computed means, standard deviation, variance, coefficient of variation are shown in the attached appendices.

#### **4.2 Measures of Customer Expectations of Service**

For each of the service quality attributes in this study, the respondents were asked to rate their expectations of the quality of service offered by KPLC on a five – point Likert scale. The mean score for each question was calculated and was used to indicate the level of importance the respondents attached to the question. This is shown in table 4.6 below. As per the Likert scale, a score above 2.5 is considered important. The results were categorized into an operationalized SERVQUAL model to show the dimensions of service quality and how the respondents value their importance.

From this table, it is evident that large and medium power customers rated reliability as the most important dimension, followed in order of importance by responsiveness, assurance, empathy and tangibles. For small commercial customers, the ratings in order of importance were reliability, responsiveness, empathy, tangibles and assurance. Domestic customers rated reliability as the most important dimension followed in order by empathy, responsiveness, assurance and tangibles. Looking at each question individually, it is evident that the minimum mean score was 3.78 for large and medium power customers, 3.96 for small commercial customers and 4.16 for domestic customers. This implies that all the 22 quality attributes covered here were important to the customers.

Domestic customers have the highest expectations, with a mean of 4.59 out of a possible 5. This is followed by small commercial customers at 4.54 and large and medium power customers with a mean score of 4.42. This implies that different measures may be required to manage the different level of expectations.

**Table 4.6: Measures of expectation of service by the three categories of customers**

	Service Quality Item	Results		
		LP & MP Customers	SC Customers	Domestic Customers
	<b>Reliability</b>			
1	Ability to perform service right the first time	4.84	4.88	4.7
2	Ability to offer dependable service	4.84	4.67	4.61
3	Willingness to solve customers' problems	4.59	4.81	4.79
4	Provision of service at the time it is promised	4.56	4.63	4.73
5	Ability to generate and send correct bills	4.56	4.56	4.76
	<b>Mean</b>	<b>4.68</b>	<b>4.71</b>	<b>4.72</b>
	<b>Responsiveness</b>			
6	Employees give prompt service	4.46	4.63	4.68
7	Employees are always willing to help	4.63	4.67	4.65
8	Employees are never too busy to respond to your request	4.5	4.62	4.49
9	Proximity and accessibility to KPLC managers and supervisors when in need	4.56	4.52	4.60
	<b>Mean</b>	<b>4.54</b>	<b>4.61</b>	<b>4.61</b>
	<b>Assurance</b>			
10	You feel safe in your transactions with company staff	4.63	4.52	4.70
11	Courtesies, friendly and polite employees	4.56	4.73	4.66
12	Employees have knowledge to answer your questions	4.59	4.58	4.68
13	Behaviour of employees instill confidence in you	4.41	4.44	4.50
14	The company giving you individualized attention	4.22	4.35	4.43
15	Feeling of security when in KPLC premises	4.10	4.58	4.62
	<b>Mean</b>	<b>4.41</b>	<b>4.53</b>	<b>4.59</b>
	<b>Empathy</b>			
16	The company has convenient business hours	4.38	4.44	4.55
17	Accessibility to emergency offices during supply breakdown	4.59	4.65	4.81
18	The company has your interests at heart	4.19	4.60	4.66
	<b>Mean</b>	<b>4.39</b>	<b>4.56</b>	<b>4.67</b>
	<b>Tangibles</b>			
19	The company has modern looking equipment	3.9	4.3	4.43
20	The company's physical facilities are visually appealing	3.78	3.96	4.16
21	The company's customer service staff appear neat	3.88	4.13	4.28
22	Appearance and understandability of electricity bills	4.56	4.65	4.62
	<b>Mean</b>	<b>4.03</b>	<b>4.26</b>	4.37
	<b>Overall mean</b>	<b>4.42</b>	<b>4.54</b>	<b>4.59</b>

### 4.3 Measures of Expectations of Service by KPLC Managers

This was determined by asking the respondents to rate on the five- point Likert scale their expectations on the quality of service they expect to give their customers.

**Table 4.7: Measures of expectation of service by managers**

	<b>Service Quality Item</b>	<b>Results</b>
	<b>Reliability</b>	
1	Ability to perform service right the first time	4.97
2	Ability to offer dependable service	4.90
3	Willingness to solve customers' problems	4.87
4	Provision of service at the time it is promised	4.81
5	Ability to generate and send correct bills	4.58
	<b>Mean</b>	<b>4.83</b>
	<b>Responsiveness</b>	
6	Employees give customers prompt service	4.90
7	Employees are always willing to help	4.68
8	Employees are never too busy to respond to customer request	4.35
9	Proximity and accessibility to KPLC managers and supervisors when customer is in need	4.39
	<b>Mean</b>	<b>4.58</b>
	<b>Assurance</b>	
10	Customers feel safe in their transactions with company staff	4.55
11	Courtesies, friendly and polite employees	4.45
12	Employees have knowledge to answer customer's questions	4.77
13	Behaviour of employees instill confidence in customers	4.68
14	The company giving customers individualized attention	4.45
15	Customers feel secure when in KPLC premises	4.39
	<b>Mean</b>	<b>4.55</b>
	<b>Empathy</b>	
16	The company has convenient business hours	4.39
17	Accessibility to emergency offices during supply breakdown	4.71
18	The company has customers' interests at heart	4.65
	<b>Mean</b>	<b>4.58</b>
	<b>Tangibles</b>	
19	The company has modern looking equipment	4.10
20	The company's physical facilities are visually appealing	4.06
21	The company's customer service staff appear neat	4.19
22	Appearance and understandability of electricity bills	4.71
	<b>Mean</b>	<b>4.27</b>
	<b>Overall mean</b>	<b>4.56</b>

The 22 questions were similar to the questions administered on customers. The mean score for each question was calculated and was used to indicate the level of importance the respondents attached to the question. The mean expectations are shown in table 4.7 above.

From the results in the table, the managers of KPLC rated reliability as the most important quality dimension, followed in order of importance by responsiveness, empathy, assurance and finally tangibles. Looking at each of the 22 attributes individually, the least mean score was 4.06, indicating that managers considered all of them important. This compares well with customer expectation.

#### **4.4 Measures of Satisfaction of Quality of Service by Customers**

For each of the quality attributes covered in the questionnaire, the respondents were asked to rate their satisfaction with the quality of service offered by KPLC. This was measured on the 5 point Likert scale, with the mean of the scores taken to indicate the level of satisfaction with quality of service. The results are shown in the table 4.8 below. Scores above 2.5 are taken to indicate satisfaction with the level of service as perceived by customers.

The minimum score is 3.13 for large and medium power customers, 2.88 for small commercial customers and 2.57 for domestic customers. It can therefore be seen that all the measures of quality of service are rated as satisfactory by all the categories of customers. Similarly, the mean score for large and medium power customers is highest at 3.54, followed by 3.36 for small commercial customers and lastly 3.27 for domestic customers.

**Table 4.8: Measures of satisfaction of quality of service by the three categories of customers**

	Attribute Description	Customers Perception		
		LP & MP customers	Small C. Customers	Domestic Customer
1	Ability to perform service right the first time	3.88	3.48	3.3
2	Ability to offer dependable service	3.59	3.46	3.3
3	Willingness to solve customers' problems	3.34	3.27	3.2
4	Provision of service at the time it is promised	3.19	3.06	2.9
5	Ability to generate and send correct bills	3.94	3.44	3.3
6	Employees give prompt service	3.47	3.23	3.2
7	Employees are always willing to help	3.44	3.23	3.2
8	Courtesies, friendly and polite employees	3.53	3.54	3.3
9	Employees are never too busy to respond to your request	3.38	3.33	3.1
10	You feel safe in your transactions with company staff	3.75	3.44	3.5
11	Employees have knowledge to answer your questions	3.78	3.42	3.5
12	Behaviour of employees instill confidence in you	3.59	3.19	3.3
13	The company giving you individualized attention	3.31	3.36	3.1
14	The company has convenient business hours	3.53	3.59	3.7
15	Accessibility to emergency offices during supply breakdown	3.66	3.33	3.0
16	The company has modern looking equipment	3.38	3.33	3.3
17	The company's physical facilities are visually appealing	3.13	3.38	3.2
18	The company's customer service staff appear neat	3.84	3.71	3.4
19	Appearance and understandability of electricity bills	4.13	3.67	3.5
20	The company has your interests at heart	3.34	3.15	3.0
21	Feeling of security when in KPLC premises	3.41	3.42	3.4
22	Proximity and accessibility to KPLC managers and supervisors when in need	3.28	2.88	2.5
	<b>Mean Score</b>	<b>3.54</b>	<b>3.36</b>	<b>3.2</b>

#### 4.5 Measures of Satisfaction with Quality of Service by Managers

For each of the quality attribute covered in the questionnaire, the managers were asked to rate their satisfaction with the quality of service they offer their customers. This was measured on the 5 point Likert scale, with the mean of the scores shown in table 4.9 below. Scores above 2.5 are taken to indicate satisfaction with the level of service as perceived by the managers.

From the table it can be seen that managers rated the quality of service as ranging between good and satisfactory, with the minimum rating on the attributes as 3.48. Compared to customers, managers consistently overrated the quality of service they give to customers, with their overall mean at 3.87.

**Table 4.9: Measures of satisfaction of quality of service by managers**

	Attribute Description	Managers Perception
1	Ability to perform service right the first time	3.97
2	Ability to offer dependable service	4.09
3	Willingness to solve customers' problems	4.19
4	Provision of service at the time it is promised	3.48
5	Ability to generate and send correct bills	4.29
6	Employees give prompt service	3.71
7	Employees are always willing to help	3.74
8	Courtesies, friendly and polite employees	3.54
9	Employees are never too busy to respond to your request	3.48
10	You feel safe in your transactions with company staff	3.77
11	Employees have knowledge to answer your questions	3.58
12	Behaviour of employees instill confidence in you	3.55
13	The company giving you individualized attention	3.74
14	The company has convenient business hours	4.32
15	Accessibility to emergency offices during supply breakdown	4.06
16	The company has modern looking equipment	3.87
17	The company's physical facilities are visually appealing	3.52
18	The company's customer service staff appear neat	3.71
19	Appearance and understandability of electricity bills	4.22
20	The company has your interests at heart	4.16
21	Feeling of security when in KPLC premises	4.22
22	Proximity and accessibility to KPLC managers and supervisors when in need	4.03
	Mean rating	3.87

#### **4.6 Management's Perception of Customer Expectation**

The understanding gap (gap 1) measures the difference between the management's perception of customer expectations and the actual customer expectations of service quality. This gap was found by measuring the difference between the management's expectation and customer expectation of service

quality. The difference was tested using independent t- test at a level of significance of 0.05.

$H_0$ : There is no difference between the management's perception of customer expectations and the customer expectation of service quality.

$H_A$ : There is significant difference between the management's perception of customer expectations and the customer expectation of service quality.

For the purpose of this study, the comparison was done for each category of customers.

#### **4.6.1 Understanding gap (Large and Medium Power Customers)**

A positive gap indicates that managers overestimated customer expectations, while a negative gap indicates that managers underestimated customer expectations. Using a 2 tail test, with significance level at 0.05, the results in table 4.10 below shows that managers overestimated customer expectations in eighteen attributes; however the differences are significant for only three of those attributes. These three are willingness to solve customers' problems, employees giving prompt service and the company having the interest of customers at heart.

#### **4.6.2 Understanding gap (Small Commercial Customers)**

A positive gap indicates that managers overestimated customer expectations. Negative gap indicates that managers underestimated customer expectations.

Using a 2 tail test, with significance level at 0.05, the results in table 4.11 shows that managers overestimated customer expectations in sixteen attributes; however the differences are significant for only two of those attributes.

**Table 4.10: Mean difference between managers' perception of customer expectations and customer expectations of service quality for large and medium power customers**

	Attribute Description	Customers expectation	Managers' Perception	Gap	t value
1	Ability to perform service right the first time	4.84	4.97	0.13	-1.704
2	Ability to offer dependable service	4.84	4.90	0.06	-0.703
3	Willingness to solve customers' problems	4.59	4.87	0.28	-2.382**
4	Provision of service at the time it is promised	4.56	4.81	0.25	-1.981
5	Ability to generate and send correct bills	4.56	4.58	0.02	-0.107
6	Employees give prompt service	4.46	4.90	0.44	-3.549**
7	Employees are always willing to help	4.63	4.68	0.05	-0.404
8	Courtesies, friendly and polite employees	4.56	4.45	-0.11	0.708
9	Employees are never too busy to respond to your request	4.50	4.35	-0.15	0.936
10	You feel safe in your transactions with company staff	4.63	4.55	-0.08	0.472
11	Employees have knowledge to answer your questions	4.59	4.77	0.18	-1.348
12	Behaviour of employees instill confidence in you	4.41	4.68	0.27	-1.962
13	The company giving you individualized attention	4.22	4.45	0.23	-1.264
14	The company has convenient business hours	4.38	4.39	0.01	-0.070
15	Accessibility to emergency offices during supply breakdown	4.59	4.71	0.12	-0.599
16	The company has modern looking equipment	3.90	4.10	0.20	-0.843
17	The company's physical facilities are visually appealing	3.78	4.06	0.28	-1.478
18	The company's customer service staff appear neat	3.88	4.19	0.31	-1.733
19	Appearance and understandability of electricity bills	4.56	4.71	0.15	-0.703
20	The company has your interests at heart	4.19	4.65	0.46	-2.601*
21	Feeling of security when in KPLC premises	4.10	4.39	0.29	-1.343
22	Proximity and accessibility to KPLC managers and supervisors when in need	4.56	4.39	-0.17	0.913

Note: \*\* Statistically significant at probability < 0.05



**Table 4.11: Mean difference between managers' perception of customer expectations and customer expectations of service quality for small commercial customers**

	Attribute Description	Customers expectation	Managers' Perception	Gap	t value
1	Ability to perform service right the first time	4.88	4.97	0.09	-1.507
2	Ability to offer dependable service	4.67	4.90	0.23	-2.576**
3	Willingness to solve customers' problems	4.81	4.87	0.06	-0.768
4	Provision of service at the time it is promised	4.63	4.81	0.18	-1.676
5	Ability to generate and send correct bills	4.56	4.58	0.02	-0.145
6	Employees give prompt service	4.63	4.90	0.27	-2.724**
7	Employees are always willing to help	4.67	4.68	0.01	-0.037
8	Courtesies, friendly and polite employees	4.73	4.45	-0.28	2.170
9	Employees are never too busy to respond to your request	4.62	4.35	-0.27	1.862
10	You feel safe in your transactions with company staff	4.52	4.55	0.03	-0.188
11	Employees have knowledge to answer your questions	4.58	4.77	0.19	-1.295
12	Behaviour of employees instill confidence in you	4.44	4.68	0.24	-1.677
13	The company giving you individualized attention	4.35	4.45	0.10	-0.670
14	The company has convenient business hours	4.44	4.39	-0.05	0.40
15	Accessibility to emergency offices during supply breakdown	4.65	4.71	0.06	-0.388
16	The company has modern looking equipment	4.30	4.10	-0.20	1.073
17	The company's physical facilities are visually appealing	3.96	4.06	0.10	-0.512
18	The company's customer service staff appear neat	4.13	4.19	0.06	-0.295
19	Appearance and understandability of electricity bills	4.65	4.71	0.06	-0.338
20	The company has your interests at heart	4.60	4.65	0.05	-0.065
21	Feeling of security when in KPLC premises	4.59	4.39	-0.20	1.04
22	Proximity and accessibility to KPLC managers and supervisors when in need	4.52	4.39	-0.13	0.69

Note: \*\* Statistically significant at probability < 0.05

These two are ability to offer dependable service and employees giving prompt service. However managers underestimated expectation of customers on courtesy, friendliness and polite employees.

### **4.6.3 Understanding gap (Domestic Customers)**

This is shown in table 4.12 below. A positive gap indicates that managers overestimated customer expectations, while a negative gap indicates that managers underestimated customer expectations. Using a 2 tail test, with significance level at 0.05, the results shows that managers overestimated customer expectations in ten attributes; however the differences are significant for only three of those attributes. These three are ability to offer service right the first time, ability to offer dependable service and employees giving prompt service. However managers underestimated expectation of customers on the other twelve attributes, though there was no significant difference between management perception of customer expectations and customer expectations of service quality in these attributes.

### **4.7 Service Quality Gap**

This gap measures the service quality by comparing the customer expectation of service quality with their perception of the actual service delivered. The service quality gap was found by measuring the difference between the perceived quality of service and the expected quality of service. This difference was tested using a paired t – test.

$H_0$ : There is no difference between the customer perception of service quality and the customer expectation of service quality.

$H_A$ : There is significant difference between the customer perception of service quality and the customer expectation of service quality.

This was done separately for each category of customers.

**Table 4.12: Mean difference between managers' perception of customer expectations and customer expectations of service quality for domestic customers**

	Attribute Description	Customers expectation	Managers' Perception	Gap	t value
1	Ability to perform service right the first time	4.70	4.97	0.27	5.561**
2	Ability to offer dependable service	4.61	4.90	0.29	4.228**
3	Willingness to solve customers' problems	4.79	4.87	0.08	1.114
4	Provision of service at the time it is promised	4.73	4.81	0.08	0.907
5	Ability to generate and send correct bills	4.76	4.58	-0.18	-1.311
6	Employees give prompt service	4.68	4.90	0.22	3.467**
7	Employees are always willing to help	4.65	4.68	0.03	0.323
8	Courtesies, friendly and polite employees	4.66	4.45	-0.21	-1.788
9	Employees are never too busy to respond to your request	4.49	4.35	-0.14	-1.194
10	You feel safe in your transactions with company staff	4.70	4.55	-0.15	-1.274
11	Employees have knowledge to answer your questions	4.68	4.77	0.09	0.866
12	Behaviour of employees instill confidence in you	4.50	4.68	0.18	1.829
13	The company giving you individualized attention	4.43	4.45	0.02	0.202
14	The company has convenient business hours	4.55	4.39	-0.16	-1.563
15	Accessibility to emergency offices during supply breakdown	4.81	4.71	-0.10	-0.775
16	The company has modern looking equipment	4.43	4.10	-0.33	-2.229
17	The company's physical facilities are visually appealing	4.16	4.06	-0.10	-0.699
18	The company's customer service staff appear neat	4.28	4.19	-0.09	-0.611
19	Appearance and understandability of electricity bills	4.62	4.71	0.09	0.601
20	The company has your interests at heart	4.66	4.65	-0.01	-0.134
21	Feeling of security when in KPLC premises	4.62	4.39	-0.23	-1.557
22	Proximity and accessibility to KPLC managers and supervisors when in need	4.60	4.39	-0.21	-1.357

Note: \*\* Statistically significant at probability <0.05

#### **4.7.1 Service Quality Gap (Large and Medium Power customers)**

This gap was tested using a 2 tail test, with significance level at 0.05. The results are shown in table 4.13 below. A negative gap indicates that the customers perceived that service delivery did not meet their expectations, while a positive gap indicates that customers perceived that service delivery met their expectations. All the attributes studied showed a negative gap.

The results shows that there is significant difference between the customer perception of service quality and the customer expectation of service quality in all attributes except attribute number 18 which is on the appearance and neatness of the customer service staff.

#### **4.7.2 Service Quality Gap (Small Commercial Customers)**

The result for small commercial customers is shown in table 4.14 below. A negative gap indicates that the customers perceived that service delivery did not meet their expectations, while a positive gap indicates that customers perceived that service delivery met their expectations. All the attributes studied showed a negative gap

Using a two tail t - test with a significance level at 0.05, the results show that there is a significant difference between the perceived level of service and the expected level of service in all service attributes for the small commercial customers.

#### **4.7.3 Service Quality Gap (Domestic Customers)**

This gap was tested using a 2 tail test, with significance level at 0.05. The results are shown in table 4.15 below. A negative gap indicates that the customers perceived that service delivery did not meet their expectations.

**Table 4.13: Mean difference between customers' expectations and perceptions of service quality for large and medium power customers.**

	Attribute Description	Customers expectation	Customers Perception	Gap	t value
1	Ability to perform service right the first time	4.84	3.88	-0.96	5.875**
2	Ability to offer dependable service	4.84	3.59	-1.25	11.365**
3	Willingness to solve customers' problems	4.59	3.34	-1.25	6.698**
4	Provision of service at the time it is promised	4.56	3.19	-1.37	6.420**
5	Ability to generate and send correct bills	4.56	3.94	-0.62	3.898**
6	Employees give prompt service	4.46	3.47	-0.99	4.748**
7	Employees are always willing to help	4.63	3.44	-1.19	6.523**
8	Courtesies, friendly and polite employees	4.56	3.53	-1.03	4.843**
9	Employees are never too busy to respond to your request	4.50	3.38	-1.12	5.786**
10	You feel safe in your transactions with company staff	4.63	3.75	-0.88	5.074**
11	Employees have knowledge to answer your questions	4.59	3.78	-0.81	4.463**
12	Behaviour of employees instill confidence in you	4.41	3.59	-0.82	4.104**
13	The company giving you individualized attention	4.22	3.31	-0.91	5.326**
14	The company has convenient business hours	4.38	3.53	-0.85	3.750**
15	Accessibility to emergency offices during supply breakdown	4.59	3.66	-0.93	3.694**
16	The company has modern looking equipment	3.90	3.38	-0.52	2.160**
17	The company's physical facilities are visually appealing	3.78	3.13	-0.65	3.219**
18	The company's customer service staff appear neat	3.88	3.84	-0.04	0.197
19	Appearance and understandability of electricity bills	4.56	4.13	-0.43	2.609**
20	The company has your interests at heart	4.19	3.34	-0.85	3.482**
21	Feeling of security when in KPLC premises	4.10	3.41	-0.69	2.502**
22	Proximity and accessibility to KPLC managers and supervisors when in need	4.56	3.28	-1.28	6.192**

Note: \*\* Statistically significant at probability <0.05

**Table 4.14: Mean difference between customers' expectations and perceptions of service quality for small commercial customers.**

	Attribute Description	Customers expectation	Customers Perception	Gap	t value
1	Ability to perform service right the first time	4.88	3.48	-1.40	9.293**
2	Ability to offer dependable service	4.67	3.46	-1.21	7.758**
3	Willingness to solve customers' problems	4.81	3.27	-1.54	9.684**
4	Provision of service at the time it is promised	4.63	3.06	-1.57	10.423**
5	Ability to generate and send correct bills	4.56	3.44	-1.12	7.107**
6	Employees give prompt service	4.63	3.23	-1.40	10.171**
7	Employees are always willing to help	4.67	3.23	-1.44	8.825**
8	Courtesies, friendly and polite employees	4.73	3.54	-1.19	8.855**
9	Employees are never too busy to respond to your request	4.62	3.33	-1.29	7.046**
10	You feel safe in your transactions with company staff	4.52	3.44	-1.08	6.291**
11	Employees have knowledge to answer your questions	4.58	3.42	-1.16	8.029**
12	Behaviour of employees instill confidence in you	4.44	3.19	-1.25	7.300**
13	The company giving you individualized attention	4.35	3.36	-0.99	4.710**
14	The company has convenient business hours	4.44	3.59	-0.85	5.332**
15	Accessibility to emergency offices during supply breakdown	4.65	3.33	-1.32	7.145**
16	The company has modern looking equipment	4.30	3.33	-0.97	4.669**
17	The company's physical facilities are visually appealing	3.96	3.38	-0.58	3.584**
18	The company's customer service staff appear neat	4.13	3.71	-0.42	2.262**
19	Appearance and understandability of electricity bills	4.65	3.67	-0.98	5.832**
20	The company has your interests at heart	4.60	3.15	-1.45	7.050**
21	Feeling of security when in KPLC premises	4.58	3.42	-1.16	6.531**
22	Proximity and accessibility to KPLC managers and supervisors when in need	4.52	2.88	-1.64	7.952**

Note: \*\* Statistically significant at probability <0.05

A positive gap indicates that customers perceived that service delivery met their expectations. All the attributes studied showed a negative gap.

**Table 4.15: Mean difference between customers' expectations and perceptions of service quality for domestic customers.**

	Attribute Description	Customers expectation	Customers Perception	Gap	t value
1	Ability to perform service right the first time	4.70	3.34	-1.36	19.021**
2	Ability to offer dependable service	4.61	3.33	-1.28	17.463**
3	Willingness to solve customers' problems	4.79	3.20	-1.59	22.650**
4	Provision of service at the time it is promised	4.73	2.96	-1.77	25.324**
5	Ability to generate and send correct bills	4.76	3.32	-1.44	19.440**
6	Employees give prompt service	4.68	3.21	-1.47	21.421**
7	Employees are always willing to help	4.65	3.26	-1.39	20.492**
8	Courtesies, friendly and polite employees	4.66	3.31	-1.35	20.620**
9	Employees are never too busy to respond to your request	4.49	3.10	-1.39	19.457**
10	You feel safe in your transactions with company staff	4.70	3.55	-1.15	16.324**
11	Employees have knowledge to answer your questions	4.68	3.50	-1.18	17.101**
12	Behaviour of employees instill confidence in you	4.50	3.30	-1.20	16.613**
13	The company giving you individualized attention	4.43	3.12	-1.31	17.241**
14	The company has convenient business hours	4.55	3.70	-0.85	11.667**
15	Accessibility to emergency offices during supply breakdown	4.81	3.00	-1.81	23.515**
16	The company has modern looking equipment	4.43	3.30	-1.13	13.040**
17	The company's physical facilities are visually appealing	4.16	3.26	-0.90	10.796**
18	The company's customer service staff appear neat	4.28	3.49	-0.79	12.311**
19	Appearance and understandability of electricity bills	4.62	3.53	-1.09	13.679**
20	The company has your interests at heart	4.66	3.05	-1.61	20.423**
21	Feeling of security when in KPLC premises	4.62	3.46	-1.16	15.406**
22	Proximity and accessibility to KPLC managers and supervisors when in need	4.60	2.57	-2.03	21.923**

Note: \*\* Statistically significant at probability <0.05

Using a two tail t - test with a significance level of 0.05, the results show that there is a significant difference between the perceived level of service and the expected level of service in all service attributes for domestic customers.

#### **4.8 Differences Between Customer Perception of Service Quality and Management Perception of Service Delivery**

The service delivery gap (gap 6) measures the difference between the management's perception of their service delivery and the customer perception of service quality. The difference was tested using the independent t- test.

$H_0$ : There is no difference between the management's perception of service delivery and the customer perception of service quality.

$H_A$ : There is significant difference between the management's perception of service delivery and the customer perception of service quality.

For the purpose of this study, the comparison was done for each category of customers.

##### **4.8.1 Service Delivery Gap (Large and Medium Power Customers)**

This gap was tested using a 2 tail independent t-test, with significance level at 0.05. The results are shown in table 4.16 below. A negative gap indicates that managers overestimated their service delivery, while a positive gap shows that managers underestimated their service delivery.

The results in the table show that managers overestimated service delivery in nineteen attributes; however the differences are significant for only seven of those attributes. The only attributes where the managers have not overestimated service delivery are on employees having all the answers to customer questions, behavior of employees instilling confidence in customers and appearance of customer service staff.



**Table 4.16: Mean difference between managers' perception of service delivery and large power customers' perception of service quality.**

	Attribute Description	Customers perception	Managers' Perception	Gap	t value
1	Ability to perform service right the first time	3.88	3.97	-0.09	0.505
2	Ability to offer dependable service	3.59	4.09	-0.50	3.434**
3	Willingness to solve customers' problems	3.34	4.19	-0.85	4.290**
4	Provision of service at the time it is promised	3.19	3.48	-0.29	1.321
5	Ability to generate and send correct bills	3.94	4.29	-0.35	1.988
6	Employees give prompt service	3.47	3.71	-0.24	1.212
7	Employees are always willing to help	3.44	3.74	-0.30	1.626
8	Courtesies, friendly and polite employees	3.53	3.54	-0.01	0.081
9	Employees are never too busy to respond to your request	3.38	3.48	-0.10	0.526
10	You feel safe in your transactions with company staff	3.75	3.77	-0.02	0.119
11	Employees have knowledge to answer your questions	3.78	3.58	0.20	-0.974
12	Behaviour of employees instill confidence in you	3.59	3.55	0.04	-0.219
13	The company giving you individualized attention	3.31	3.74	-0.43	1.910
14	The company has convenient business hours	3.53	4.32	-0.79	3.967**
15	Accessibility to emergency offices during supply breakdown	3.66	4.06	-0.40	1.756
16	The company has modern looking equipment	3.38	3.87	-0.49	2.354**
17	The company's physical facilities are visually appealing	3.13	3.52	-0.39	1.888
18	The company's customer service staff appear neat	3.84	3.71	0.13	-0.702
19	Appearance and understandability of electricity bills	4.13	4.22	-0.09	0.475
20	The company has your interests at heart	3.34	4.16	-0.82	4.286**
21	Feeling of security when in KPLC premises	3.41	4.22	-0.81	4.093**
22	Proximity and accessibility to KPLC managers and supervisors when in need	3.28	4.03	-0.75	3.394**

Note: \*\* Statistically significant at probability < 0.05

## 4.8.2 Service Delivery Gap (Small Commercial Customers)

The results for small commercial customers are shown in table 4.17 below

**Table 4.17: Mean difference between managers' perception of service delivery and small commercial customers' perception of service quality.**

	Attribute Description	Customers perception	Managers' perception	Gap	t value
1	Ability to perform service right the first time	3.48	3.97	-0.49	2.587**
2	Ability to offer dependable service	3.46	4.09	-0.63	3.587**
3	Willingness to solve customers' problems	3.27	4.19	-0.92	4.787**
4	Provision of service at the time it is promised	3.06	3.48	-0.42	2.045**
5	Ability to generate and send correct bills	3.44	4.29	-0.85	4.205**
6	Employees give prompt service	3.23	3.71	-0.48	2.818**
7	Employees are always willing to help	3.23	3.74	-0.51	2.646**
8	Courtesies, friendly and polite employees	3.54	3.54	0.00	0.055
9	Employees are never too busy to respond to your request	3.33	3.48	-0.15	0.816
10	You feel safe in your transactions with company staff	3.44	3.77	-0.33	1.599
11	Employees have knowledge to answer your questions	3.42	3.58	-0.16	0.824
12	Behaviour of employees instill confidence in you	3.19	3.55	-0.36	1.796
13	The company giving you individualized attention	3.36	3.74	-0.38	1.841
14	The company has convenient business hours	3.59	4.32	-0.73	4.150**
15	Accessibility to emergency offices during supply breakdown	3.33	4.06	-0.73	4.098**
16	The company has modern looking equipment	3.33	3.87	-0.54	2.752**
17	The company's physical facilities are visually appealing	3.38	3.52	-0.14	0.662
18	The company's customer service staff appear neat	3.71	3.71	0.00	0.009
19	Appearance and understandability of electricity bills	3.67	4.22	-0.55	2.441**
20	The company has your interests at heart	3.15	4.16	-1.01	5.414**
21	Feeling of security when in KPLC premises	3.42	4.22	-0.80	4.185**
22	Proximity and accessibility to KPLC managers and supervisors when in need	2.88	4.03	-1.15	5.357**

Note: \*\* Statistically significant at probability <0.05

This gap was tested using a 2 tail independent t-test, with significance level at 0.05. A negative gap indicates that managers overestimated their service delivery, while a positive gap shows that managers underestimated their service delivery.

Using a 2 tail test, with significance level at 0.05, the results indicate that managers overestimated service delivery in all the attributes with significant differences in fourteen of those attributes.

#### **4.8.3 Service Delivery Gap (Domestic Customers)**

This gap was tested using a 2 tail independent t-test, with significance level at 0.05. The results are shown in table 4.18 below. A negative gap indicates that managers overestimated their service delivery, while a positive gap shows that managers underestimated their service delivery.

The results in the table show that managers overestimated service delivery in all the attributes with significant differences in sixteen of those attributes.

#### **4.9 Difference between Managements Perception of Customer Expectations and Management Perception of Service Delivery**

The internal evaluation gap (gap7) was measured by comparing the management perception of customer expectations and their satisfaction with service delivery. This difference was tested using a paired t – test.

$H_0$ : There is no difference between the management perception of customer expectations and the management perception of service delivery.

$H_A$ : There is significant difference between the management perception of customer expectations and the management perception of service delivery.

**Table 4.18: Mean difference between managers' perception of service delivery and domestic customers' perception of service quality.**

	Attribute Description	Customers perception	Managers perception	Gap	t value
1	Ability to perform service right the first time	3.34	3.97	-0.63	4.667**
2	Ability to offer dependable service	3.33	4.09	-0.76	5.991**
3	Willingness to solve customers' problems	3.20	4.19	-0.99	7.437**
4	Provision of service at the time it is promised	2.96	3.48	-0.52	3.326**
5	Ability to generate and send correct bills	3.32	4.29	-0.97	6.767**
6	Employees give prompt service	3.21	3.71	-0.50	3.885**
7	Employees are always willing to help	3.26	3.74	-0.48	3.597**
8	Courtesies, friendly and polite employees	3.31	3.54	-0.23	1.692
9	Employees are never too busy to respond to your request	3.10	3.48	-0.38	2.554**
10	You feel safe in your transactions with company staff	3.55	3.77	-0.22	1.420
11	Employees have knowledge to answer your questions	3.50	3.58	-0.08	0.631
12	Behaviour of employees instill confidence in you	3.30	3.55	-0.25	1.595
13	The company giving you individualized attention	3.12	3.74	-0.62	3.928**
14	The company has convenient business hours	3.70	4.32	-0.62	5.022**
15	Accessibility to emergency offices during supply breakdown	3.00	4.06	-1.06	9.196**
16	The company has modern looking equipment	3.30	3.87	-0.57	3.985**
17	The company's physical facilities are visually appealing	3.26	3.52	-0.26	1.648
18	The company's customer service staff appear neat	3.49	3.71	-0.22	1.268
19	Appearance and understandability of electricity bills	3.53	4.22	-0.69	3.926**
20	The company has your interests at heart	3.05	4.16	-1.11	8.939**
21	Feeling of security when in KPLC premises	3.46	4.22	-0.76	6.522**
22	Proximity and accessibility to KPLC managers and supervisors when in need	2.57	4.03	-1.46	9.543**

Note: \*\* Statistically significant at probability <0.05

The results are shown in table 4.19 below. A negative gap means that managers believed that their service delivery did not meet customer expectations while a positive gap indicates that managers believed their service delivery exceeded customer expectations.

From the table, it can be seen that managers believed that their services did not meet their customers' expectations in all the attributes. The differences are significant for eighteen of these attributes.

#### **4.10 Difference Between the Expectations of the Different Customer Groups**

Here the aim was to capture any difference between the expectations of the three categories of customers. This was done by comparing the mean score for each service quality attribute for all the three categories of customers. The analysis and testing was done using the Kruskal-Wallis test.

$H_0$ : There is no difference in the expectations of the quality of service between the three categories of customers.

$H_A$ : The different categories of customers do not share the same levels of expectations of the quality of service.

Using the Kruskal-Wallis test, with level of significance at 0.05, the critical value of Chi-square is 5.99. The test results are shown in the table 4.20 below.

From this table, it can be seen that the null hypothesis is rejected for eight attributes, where it is apparent that there are significant differences in the level of expectations of quality on eight attributes from the three categories of customers. In the other fourteen attributes we fail to reject the null hypothesis.

**Table 4.19: Mean difference between managers' perception of customer expectations and their perception of service delivery.**

	Attribute Description	Managers' expectations	Managers' perceptions	Gap	t value
1	Ability to perform service right the first time	4.97	3.97	-1.00	7.624**
2	Ability to offer dependable service	4.90	4.09	-0.81	5.993**
3	Willingness to solve customers' problems	4.87	4.19	-0.68	5.374**
4	Provision of service at the time it is promised	4.81	3.48	-1.33	8.451**
5	Ability to generate and send correct bills	4.58	4.29	-0.29	1.555
6	Employees give prompt service	4.90	3.71	-1.19	11.055**
7	Employees are always willing to help	4.68	3.74	-0.94	7.161**
8	Courtesies, friendly and polite employees	4.45	3.54	-0.91	5.141**
9	Employees are never too busy to respond to your request	4.35	3.48	-0.87	5.730**
10	You feel safe in your transactions with company staff	4.55	3.77	-0.78	4.353**
11	Employees have knowledge to answer your questions	4.77	3.58	-1.19	7.616**
12	Behaviour of employees instill confidence in you	4.68	3.55	-1.13	8.234**
13	The company giving you individualized attention	4.45	3.74	-0.71	4.574**
14	The company has convenient business hours	4.39	4.32	-0.07	0.571
15	Accessibility to emergency offices during supply breakdown	4.71	4.06	-0.65	4.502**
16	The company has modern looking equipment	4.10	3.87	-0.23	1.423
17	The company's physical facilities are visually appealing	4.06	3.52	-0.54	3.178**
18	The company's customer service staff appear neat	4.19	3.71	-0.48	2.619**
19	Appearance and understandability of electricity bills	4.71	4.22	-0.49	2.619**
20	The company has your interests at heart	4.65	4.16	-0.49	3.503**
21	Feeling of security when in KPLC premises	4.39	4.22	-0.17	1.094
22	Proximity and accessibility to KPLC managers and supervisors when in need	4.39	4.03	-0.36	2.355**

Note: \*\* Statistically significant at probability <0.05

**Table 4.20: Mean scores of customer expectations of the three categories of customers**

Attribute Description		Customer Expectations(mean)			Chi-square
		LP & MP customers	SC customers	Domestic	
1	Ability to perform service right the first time	4.84	4.88	4.70	6.98**
2	Ability to offer dependable service	4.84	4.67	4.61	4.21
3	Willingness to solve customers' problems	4.59	4.81	4.79	5.92
4	Provision of service at the time it is promised	4.56	4.63	4.73	4.89
5	Ability to generate and send correct bills	4.56	4.56	4.76	10.99**
6	Employees give prompt service	4.46	4.63	4.68	4.17
7	Employees are always willing to help	4.63	4.67	4.65	0.37
8	Courtesies, friendly and polite employees	4.56	4.73	4.66	1.41
9	Employees are never too busy to respond to your request	4.50	4.62	4.49	1.76
10	You feel safe in your transactions with company staff	4.63	4.52	4.70	4.74
11	Employees have knowledge to answer your questions	4.59	4.58	4.68	1.26
12	Behaviour of employees instill confidence in you	4.41	4.44	4.50	1.29
13	The company giving you individualized attention	4.22	4.35	4.43	1.75
14	The company has convenient business hours	4.38	4.44	4.55	2.40
15	Accessibility to emergency offices during supply breakdown	4.59	4.65	4.81	6.06**
16	The company has modern looking equipment	3.90	4.30	4.43	10.46**
17	The company's physical facilities are visually appealing	3.78	3.96	4.16	7.38**
18	The company's customer service staff appear neat	3.88	4.13	4.28	10.45**
19	Appearance and understandability of electricity bills	4.56	4.65	4.62	0.48
20	The company has your interests at heart	4.19	4.60	4.66	19.47**
21	Feeling of security when in KPLC premises	4.10	4.58	4.62	14.93**
22	Proximity and accessibility to KPLC managers and supervisors when in need	4.56	4.52	4.60	1.43

Note: \*\* Statistically significant at 5 percent

#### **4.11 Differences Between the Perception of Quality of the Different Customer Groups**

The aim here was to capture any difference between the perceptions of the three categories of customers on the quality of service. This was done by comparing the mean score for each service quality attribute for all the three categories of customers. The analysis and testing was done by the Kruskal-Wallis test.

$H_0$ : There is no difference in the perceptions of the quality of service between the three categories of customers.

$H_A$ : The different categories of customers perceive the quality of the quality of service differently.

Using the Kruskal-Wallis test, with level of significance at 0.05, the critical value of Chi-square is 5.99. The test results are shown in the table 4.21 below.

From table, it is apparent that customers differ on only four attributes on their perception of service quality offered. On all the other attributes perception is the same for all the three categories of customers.

#### **4.12 Discussions**

The findings on expectations of service by customers suggest that customers generally have high expectations on the quality of service that they expect to receive from KPLC. This is evidenced across the three groups studied. However the degree of expectation for the three groups has statistically significant differences on eight attributes studied.



**Table 4.21: Mean scores of customer perceptions of the three categories of customers**

Attribute Description	Customer Expectations(mean)			Chi-square
	LP & MP Customers	S.C Customers	Domestic	
1 Ability to perform service right the first time	3.88	3.48	3.34	8.340**
2 Ability to offer dependable service	3.59	3.46	3.33	3.270
3 Willingness to solve customers' problems	3.34	3.27	3.20	0.570
4 Provision of service at the time it is promised	3.19	3.06	2.96	1.420
5 Ability to generate and send correct bills	3.94	3.44	3.32	9.220**
6 Employees give prompt service	3.47	3.23	3.21	2.420
7 Employees are always willing to help	3.44	3.23	3.26	0.940
8 Courtesies, friendly and polite employees	3.53	3.54	3.31	2.170
9 Employees are never too busy to respond to your request	3.38	3.33	3.10	4.560
10 You feel safe in your transactions with company staff	3.75	3.44	3.55	1.810
11 Employees have knowledge to answer your questions	3.78	3.42	3.50	3.840
12 Behaviour of employees instill confidence in you	3.59	3.19	3.30	3.010
13 The company giving you individualized attention	3.31	3.36	3.12	2.880
14 The company has convenient business hours	3.53	3.59	3.70	1.680
15 Accessibility to emergency offices during supply breakdown	3.66	3.33	3.00	12.810**
16 The company has modern looking equipment	3.38	3.33	3.30	0.210
17 The company's physical facilities are visually appealing	3.13	3.38	3.26	1.990
18 The company's customer service staff appear neat	3.84	3.71	3.49	5.890
19 Appearance and understandability of electricity bills	4.13	3.67	3.53	10.250**
20 The company has your interests at heart	3.34	3.15	3.05	3.060
21 Feeling of security when in KPLC premises	3.41	3.42	3.46	0.021
22 Proximity and accessibility to KPLC managers and supervisors when in need	3.28	2.88	2.57	13.500**

Note: \*\* Statistically significant at 5%

These attributes are ability to offer service right the first time, ability to generate and send correct bills, accessibility to emergency offices during breakdown, the company having modern looking equipment, the company's physical facilities being visually appealing, the company's customer service staff appearing neat, the company having the interest of their customers at heart and feeling of security when a customer is within KPLC premises. The implication is that on these eight attributes, some are relatively more important to other categories of customers compared to others. The high expectation, however, is evidenced across all customer groups. This was expected from the study, and conforms to past studies on perceived service quality, such as Njoroge (2003), Nyaoga (2003), Maina (2001), and Tsang and Qu, (2000).

From this study, it can also be seen that KPLC managers rate the service quality attributes studied highly. Their understanding of customer expectations is high, and in most of the attributes, they expect a higher quality of service than even the customers themselves expect. This is evidenced when their expectation is compared with the expectation of each of the groups of customers through the study of gap 1. Significantly, it can be said that gap 1 is not a problem for KPLC. This is not unexpected. The company has in the recent past engaged in performance contracting for its employees, which has made it attempt to be more in tune with customer expectations. Its response has improved in the recent past. It has attempted to come up with service innovations such as 'e bill' for customer bill query, 'Umeme Pamoja' for ease of connectivity of supply and generally even attempted to communicate to its customers through the mass media, which was not the case in the past. The findings here are similar to those of Tsang and Qu (2000), which concluded that managers had a good understanding of customer expectations in the hotel industry in China.

The level of satisfaction of customers is at most satisfactory. Customers are not happy with the level of quality of service currently offered by the company. This

was also expected, judging by the complaints that are recorded by the company, and captured by the company's reporting system, (KPLC, 2007). However, it appears the customers also acknowledged the improved level of service compared to yesteryears, as evidenced by observations made by some customers during the survey. The results are reflected across all the three groups of customers studied.

The three categories, however, have statistically different level of satisfaction on five attributes. These are ability to perform service right the first time, ability to generate and send correct bills, accessibility to emergency offices during breakdown, appearance and understandability of electricity bills and proximity and accessibility of managers and supervisors when in need. It is apparent that on all these attributes, large and medium customers score highly compared to the other categories of customers. This could probably be due to the fact that the company has been giving this category of customers more attention, considering their role in Kenya's economy in general and also probably the amount of revenue it raises from this group. It can be seen that domestic customers are the most dissatisfied, followed by small commercial customers, while the large and medium commercial customers are the least dissatisfied.

It can therefore be concluded that on each service quality attribute, customers expect a better level of service compared to what they are receiving now. This is evidenced from a look of gap 5 i.e. the service quality gap. For the three categories of customers there is a significant difference between the quality of service they expect to receive and their perception of what they actually receive on all the 22 attributes. The existence of gap 5 is in no doubt, a fact which implies the company has to improve the level of its service offering to a much higher level.

The managers of KPLC rate the quality of service they offer to the customers as lower than what they would like to give to their customers. This is expected judging by the number of complaints registered in the media and also complaints registered from their own internal systems. This can be seen in a study of gap 7, where the managers consistently rated their perceived quality lower than their expected quality. Gap 7 is the internal evaluation gap, and it indicates that they believed they were not doing a good job in meeting customer expectations. This is true for all the 22 attributes.

However, the managers rate the service they give customers at higher level than what their customers think they receive. This is shown in the study of gap 6 i.e. the delivery gap. Here it can be seen that managers consistently rated their performance on all the 22 attributes higher than what the customers themselves rate them. This comparison is true for the three categories of customers studied, with statistically significant gaps in 7 attributes for large and medium commercial customers in questions dealing with ability to offer dependable service, willingness to solve customers problems, the company having modern looking equipment, the company having the interest of the customers at heart, the company having convenient business hours, feeling of security within the company premises and proximity and accessibility of managers when in need. For the small commercial customers, the absence of a significant gap is evident in eight attributes namely courtesies, friendly and polite employees, employees never too busy to respond to customers needs, customers feeling secure in their transactions with KPLC staff, behavior of employees instilling confidence in customers, employees having knowledge to answer customer questions, the company giving customers individualized attention, customer service staff appearing neat and visual appeal of the company's physical facilities. All the other attributes have significant gap. For domestic customers, the only attributes where gap 6 does not exist are courtesies, friendly and polite employees, customers feeling safe in their transactions with KPLC staff, employees having

knowledge to answer customer questions, behaviour of employees instilling confidence in customers, visual appeal of the company's physical facilities and appearance and neatness of customer service staff. The other 16 attributes have significant presence of gap 6. Gap 6 is therefore an issue which the company must deal with in relation to the customers. Its presence is probably a reflection that in the past, the company has not been carrying out customer satisfaction surveys to gauge what their customers actually think.

These results therefore indicate that managers perceive their service delivery as being higher than customers perceived. This is inline with study by Coyle and Dale (1993), and Tsang and Qu (2000), which found that managers overestimated their organization's service delivery in meeting customer expectations of service quality.

## **CHAPTER 5**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This study attempted to identify the gaps that may exist between the perception of customers and managers of the Kenya Power and Lighting Company Ltd with respect to the quality of service offered by the company. The summary, conclusions and recommendations that can be drawn from this are discussed here.

#### **5.2 Summary**

KPLC customers expect high level of quality of service on all service quality dimensions. This is confirmed by the high mean scores on the dimensions for all the categories of customers. This confirms that all customers are agreed on this. The customers however have slightly above average satisfaction with the level of service they receive from the company.

KPLC managers also have a high expectation on the level of service they would want to give their customers. In fact they perceive that their performance in service delivery is lower than their expectations. However, they rate their service quality delivery at a higher level compared to what their customers rate the service they receive.

#### **5.3 Conclusion**

On managements perception of customer expectations (gap 1), it is apparent that, generally managers overestimated the expectations of the customers. However in overall there was no significant difference between the expectations of customers and managements perception of these expectations. This applies to all the three categories of customers that were studied. It can therefore be concluded that gap 1 does not exist significantly to affect the quality of service that is offered by the company. Therefore gap 1 is not a problem for KPLC as the

management has a good idea of what customers expect in terms of service quality.

In service delivery gap (gap 6), it is apparent that managers overestimated their service delivery for all the three categories of customers. For large and medium power customers, these differences were significant in eight service quality attributes. For small commercial customers there were significant differences in fourteen of the attributes, while for domestic customers there were significant differences in sixteen of the attributes. It can therefore be concluded that gap 6 is a major issue which the company has to deal with.

The internal evaluation gap (gap7) shows that managers did not believe their service delivery met customer expectations. This was apparent for all the attributes, with significant differences in twenty one of those attributes. This means that the managers know there is still much to be done to meet and exceed customer expectations.

The perceived quality of service (gap 5) for all the three categories of customers indicated that the quality of service delivered by the company did not meet the customer expectations. There were significant differences between what the customers expected and what they perceived as quality of service received. This was true for all the service quality attributes studied for all the three categories of customers. The existence of gap 5 indicates that the company has to invest in service quality improvement methods to increase the level of customer satisfaction.

#### **5.4 Recommendations**

The perceived quality of service for all customers show significant gaps, as they all agree on high levels of quality of service along all the service quality

dimensions. It is also apparent that except for understanding gap there is significant differences in the other service quality gaps.

The causes of the service quality gap may be found in gap 1, gap 6 and gap 7. However an analysis of gap 1 shows that managers have a good idea of the expectations of customers. This means that the cause may be found in gap 6 or gap 7.

An examination of gap 6 showed that managers overestimated service delivery, and it might be concluded that this is one of the principal causes of gap 5. It may therefore be recommended that the KPLC managers acquire accurate information on the driving forces behind gap 6 as a step towards improvement of the quality of service. This could be in form of the challenges it faces in service delivery, and can be attributed to other gaps that were not part of this study.

In undertaking service delivery, the commitment of the KPLC management to the quality of service is not in doubt. It however requires some form of feedback from customers on a periodical basis to determine the priority areas that it can focus on. Modification of the service offering would be affected by the customers' perception of the quality. Whether these perceptions exceed, match or fall below customer expectations can have a profound effect on future provider- customer relationships. Therefore identifying these gaps can provide the management with a clear direction on how to address service quality shortfalls in the company.

## **5.5 Limitations of the Study**

This study did not consider all the factors which may influence the customer perceptions of quality, such as income, general awareness and level of education. This was due to the possibly too large a scope that could be beyond the level of this study.



The study was also conducted during a period of low rainfall, and therefore did not coincide with major power interruptions. This could have probably had a different effect on results had it been otherwise.

This study relied on customer and managers judgments of service quality, which may have been subjective to other biases. This might have had an effect on results.

### **5.6 Suggestions on Further Research**

It is apparent from this research that there exists some form of challenges that are faced by the company in its effort to provide quality services to its customers. Further research may be done to identify these challenges and their solutions.

It may also be useful to carry out a research on the other service quality gaps that may be contributing to the extent of the gaps that have been studied in this here. This can be done in any another industry.

It may also be interesting to compare the effect of the quality dimensions on the competitiveness of selected companies within any service industry.

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## APPENDICES

### Appendix I

#### Introductory Letter

Maurice O. Owuor  
P.O.Box 2691  
Mombasa  
8<sup>th</sup> July 2007

Dear Sir/Madam

#### RE: REQUEST FOR RESEARCH DATA

I am a student pursuing a Master of Business Administration degree of the University of Nairobi. I am carrying out a research project in partial fulfillment of the requirements of the degree. The topic of the research is on the perception of service quality by customers and managers of the Kenya Power and Lighting Company Ltd.

I therefore request your assistance in filling the questionnaire that accompanies this letter. The information obtained is for academic purposes only and will be strictly confidential.

A copy of the final project will be available to you on request.

Thank you for your support.

Yours faithfully

Maurice Onyango Owuor

## Appendix II

### Questionnaire for KPLC Customers

Please respond to the following questions in parts A, B and C to the best of your ability and as per the instructions in each part.

#### Part A: General Information

Please write or tick where appropriate.

1. State the district of the location of your premises..... (District)

2. Please indicate by a tick (✓) the type of the account that you operate. (Tick one).

- |                  |     |
|------------------|-----|
| Domestic         | [ ] |
| Small commercial | [ ] |
| Large commercial | [ ] |
| Industrial       | [ ] |

4. Please indicate the period in which you have operated the account (Tick one)

- |                      |     |
|----------------------|-----|
| Below 2 years        | [ ] |
| Between 2 to 5 years | [ ] |
| Above 5 years        | [ ] |

5. Please indicate the level of education (Tick one)

- |                     |     |
|---------------------|-----|
| University/College  | [ ] |
| Polytechnic         | [ ] |
| Secondary           | [ ] |
| Elementary          | [ ] |
| No formal education | [ ] |

6. Please tick the age bracket in which you fall (Tick one)

- |          |     |
|----------|-----|
| 20 to 30 | [ ] |
| 31 to 40 | [ ] |
| 41 to 50 | [ ] |
| Above 50 | [ ] |

#### Part B

Please tick (✓) in the appropriate box to indicate on a scale of 1 to 5, the extent to which you consider the following attributes as important to you in the evaluation of services offered by KPLC.

5. Very important.
4. Important
3. Neither important nor unimportant
2. Not important
1. Not important at all

	Item	5	4	3	2	1
1	Ability to perform service right the first time					
2	Ability to offer dependable service					
3	Willingness to solve customers' problems					
4	Provision of service at the time it is promised					
5	Ability to generate and send correct bills					
6	Employees give prompt service					
7	Employees are always willing to help					
8	Courtesies, friendly and polite employees					
9	Employees are never too busy to respond to your request					
10	You feel safe in your transactions with company staff					
11	Employees have knowledge to answer your questions					
12	Behaviour of employees instill confidence in you					
13	The company giving you individualized attention					
14	The company has convenient business hours					
15	Accessibility to emergency offices during supply breakdown					
16	The company has modern looking equipment					
17	The company's physical facilities are visually appealing					
18	The company's customer service staff appear neat					
19	Appearance and understandability of electricity bills					
20	The company has your interests at heart					
21	Feeling of security when in KPLC premises					

22	Proximity and accessibility to KPLC managers and supervisors when in need					
----	---	--	--	--	--	--

23. Others (Please specify) .....

.....

.....

.....

**PART C**

Please tick (√) on the appropriate box to indicate on a scale of 1 to 5, your satisfaction with the level of service performed by KPLC based on the following attributes.

- 5. Excellent.
- 4. Good
- 3. Fair
- 2. Poor
- 1. Very Poor

	Item	5	4	3	2	1
1	Ability to perform service right the first time					
2	Ability to offer dependable service					
3	Willingness to solve customers' problems					
4	Provision of service at the time it is promised					
5	Ability to generate and send correct bills					
6	Employees give prompt service					
7	Employees are always willing to help					
8	Courtesies, friendly and polite employees					
9	Employees are never too busy to respond to your request					
10	You feel safe in your transactions with company staff					
11	Employees have knowledge to answer your questions					
12	Behaviour of employees instill confidence in you					
13	The company gives you individualized attention					
14	The company has convenient business hours					



15	Accessibility to emergency offices during supply breakdown					
16	The company has modern looking equipment					
17	The company's physical facilities are visually appealing					
18	The company's customer service staff appear neat					
19	The companies bills are clear and understandable					
20	The company has your interests at heart					
21	You feel secure when in KPLC premises					
22	KPLC managers and supervisors are accessible when needed.					

23. Others (Please specify) .....

.....

.....

.....

Thank you

**Appendix III**

**Questionnaire for KPLC Managers**

**PART A**

1. Please indicate your: Division.....  
 Region.....

2. Please indicate your job title.....

3. How long have you worked in your current position?

4. Do you personally handle any customer related issue?

- Yes [ ] Go to question 5
- No [ ] Go to part B

5. If yes, which are the most common complaints you have handled in the last five months?

- i).....
- ii).....
- iii).....

**PART B**

Please indicate by a tick (√) the extent to which you consider these attributes important to you in offering quality services to your customers.

- 5. Very important.
- 4. Important
- 3. Neither important nor unimportant
- 2. Not important
- 1. Not important at all

	Item	5	4	3	2	1
1	Ability to perform service right the first time					
2	Ability to offer dependable service					
3	Willingness to solve customers' problems					
4	Provision of service at the time it is promised					
5	Ability to generate and send correct bills					
6	Employees give prompt service					

7	Employees are always willing to help					
8	Courtesies, friendly and polite employees					
9	Employees are never too busy to respond to customer request					
10	Customers feel safe in their transactions with company staff					
11	Employees have knowledge to answer customer questions					
12	Behavior of employees instill confidence in you					
13	The company giving customers individualized attention					
14	The company has convenient business hours					
15	Accessibility to emergency offices during supply breakdown					
16	The company has modern looking equipment					
17	The company's physical facilities are visually appealing					
18	The company's customer service staff appear neat					
19	Appearance and understandability of electricity bills					
20	The company has customer interests at heart					
21	Feeling of security when in KPLC premises					
22	Proximity and accessibility to KPLC managers and supervisors when customers are in need					

23. Others (Please specify) .....

.....

.....

.....

**PART C**

Please tick (✓) on the appropriate box to indicate on a scale of 1 to 5, your satisfaction with the level of service performed by KPLC based on the following attributes.

- 5. Excellent.
- 4. Good
- 3. Fair
- 2. Poor
- 1. Very Poor

	Item	5	4	3	2	1
1	Ability to perform service right the first time					
2	Ability to offer dependable service					
3	Willingness to solve customers' problems					
4	Provision of service at the time it is promised					
5	Ability to generate and send correct bills					
6	Employees give prompt service					
7	Employees are always willing to help customers					
8	Courtesies, friendly and polite employees					
9	Employees are never too busy to respond to customer request					
10	Customer feel safe in their transactions with company staff					
11	Employees have knowledge to answer customer questions					
12	Behaviour of employees instill confidence in customers.					
13	The company gives customers individualized attention					
14	The company has convenient business hours					
15	Accessibility to emergency offices during supply breakdown					
16	The company has modern looking equipment					
17	The company's physical facilities are visually appealing					
18	The company's customer service staff appear neat					
19	The companies bills are clear and understandable					
20	The company has customers interests at heart					
21	Customers feel secure when in KPLC premises					
22	KPLC managers and supervisors are accessible when needed.					

23. Others (Please specify) .....

.....

.....

Thank you

## Appendix IV

### Statistics for Expectations and Satisfaction of KPLC Customers

#### Expectations and Satisfaction of Large Power Customers

Attribute Description		Expectations		Satisfaction	
		Mean	Standard deviation	Mean	Standard deviation
1	Ability to perform service right the first time	4.84	0.368	3.88	0.793
2	Ability to offer dependable service	4.84	0.368	3.59	0.498
3	Willingness to solve customers' problems	4.59	0.559	3.34	0.901
4	Provision of service at the time it is promised	4.56	0.564	3.19	0.965
5	Ability to generate and send correct bills	4.56	0.564	3.94	0.715
6	Employees give prompt service	4.46	0.621	3.47	0.915
7	Employees are always willing to help	4.63	0.553	3.44	0.800
8	Courtesies, friendly and polite employees	4.56	0.618	3.53	0.949
9	Employees are never too busy to respond to your request	4.50	0.622	3.38	0.870
10	You feel safe in your transactions with company staff	4.63	0.609	3.75	0.803
11	Employees have knowledge to answer your questions	4.59	0.498	3.78	0.906
12	Behaviour of employees instill confidence in you	4.41	0.614	3.59	0.837
13	The company giving you individualized attention	4.22	0.906	3.31	0.965
14	The company has convenient business hours	4.38	0.793	3.53	0.949
15	Accessibility to emergency offices during supply breakdown	4.59	0.837	3.66	1.207
16	The company has modern looking equipment	3.90	0.995	3.38	0.941
17	The company's physical facilities are visually appealing	3.78	0.792	3.13	0.832
18	The company's customer service staff appear neat	3.88	0.707	3.84	0.574

19	Appearance and understandability of electricity	4.56	0.877	4.13	0.751
20	The company has your interests at heart	4.19	0.780	3.34	0.901
21	Feeling of security when in KPLC premises	4.10	0.928	3.41	0.979
22	Proximity and accessibility to KPLC managers and supervisors	4.56	0.669	3.28	0.991

### Expectations and Satisfaction of Small Commercial Customers

Attribute Description		Expectation		Satisfaction	
		Mean	Standard deviation	Mean	Standard deviation
1	Ability to perform service right the first time	4.88	0.322	3.48	1.057
2	Ability to offer dependable service	4.67	0.513	3.46	0.959
3	Willingness to solve customers' problems	4.81	0.397	3.27	1.104
4	Provision of service at the time it is promised	4.63	0.525	3.06	1.073
5	Ability to generate and send correct bills	4.56	0.574	3.44	1.144
6	Employees give prompt service	4.63	0.595	3.23	0.899
7	Employees are always willing to help	4.67	0.550	3.23	1.077
8	Courtesies, friendly and polite employees	4.73	0.447	3.54	0.895
9	Employees are never too busy to respond to your request	4.62	0.631	3.33	0.964
10	You feel safe in your transactions with company staff	4.52	0.699	3.44	1.073
11	Employees have knowledge to answer your questions	4.58	0.824	3.42	1.016
12	Behaviour of employees instill confidence in you	4.44	0.802	3.19	0.970
13	The company giving you individualized attention	4.35	0.926	3.36	1.029
14	The company has convenient business hours	4.44	0.669	3.59	0.995
15	Accessibility to emergency offices during supply breakdown	4.65	0.519	3.33	1.115

16	The company has modern looking equipment	4.30	0.980	3.33	1.079
17	The company's physical facilities are visually appealing	3.96	1.101	3.38	0.973
18	The company's customer service staff appear neat	4.13	1.066	3.71	0.870
19	Appearance and understandability of electricity bills	4.65	0.622	3.67	1.115
20	The company has your interests at heart	4.60	0.767	3.15	1.109
21	Feeling of security when in KPLC premises	4.59	0.800	3.42	1.177
22	Proximity and accessibility to KPLC managers and supervisors	4.52	0.828	2.88	1.198

### Expectations and Satisfaction of Domestic Customers

Attribute Description		Expectation		Satisfaction	
		mean	Standard deviation	Mean	Standard deviation
1	Ability to perform service right the first time	4.70	0.509	3.34	0.952
2	Ability to offer dependable service	4.61	0.642	3.33	0.823
3	Willingness to solve customers' problems	4.79	0.435	3.20	0.963
4	Provision of service at the time it is promised	4.73	0.489	2.96	0.947
5	Ability to generate and send correct bills	4.76	0.464	3.32	1.054
6	Employees give prompt service	4.68	0.511	3.21	0.871
7	Employees are always willing to help	4.65	0.505	3.26	0.861
8	Courtesies, friendly and polite employees	4.66	0.509	3.31	0.859
9	Employees are never too busy to respond to your request	4.49	0.672	3.10	0.898
10	You feel safe in your transactions with company staff	4.70	0.509	3.55	0.903
11	Employees have knowledge to answer your questions	4.68	0.493	3.50	0.875
12	Behaviour of employees instill confidence in you	4.50	0.697	3.30	0.841

13	The company giving you individualized attention	4.43	0.788	3.12	0.938
14	The company has convenient business hours	4.55	0.622	3.70	0.905
15	Accessibility to emergency offices during supply breakdown	4.81	0.436	3.00	1.065
16	The company has modern looking equipment	4.43	0.810	3.30	0.944
17	The company's physical facilities are visually appealing	4.16	0.919	3.26	0.905
18	The company's customer service staff appear neat	4.28	0.847	3.49	0.890
19	Appearance and understandability of electricity bills	4.62	0.613	3.53	1.009
20	The company has your interests at heart	4.66	0.645	3.05	1.009
21	Feeling of security when in KPLC premises	4.62	0.661	3.46	0.913
22	Proximity and accessibility to KPLC managers and supervisors	4.60	0.784	2.57	1.098



**Appendix V**  
**Expectation and Satisfaction of KPLC Managers**

Attribute Description		Expectation		Satisfaction	
		mean	Standard deviation	Mean	Standard deviation
1	Ability to perform service right the first time	4.97	0.179	3.97	0.657
2	Ability to offer dependable service	4.90	0.300	4.09	0.650
3	Willingness to solve customers' problems	4.87	0.340	4.19	0.654
4	Provision of service at the time it is promised	4.81	0.401	3.48	0.811
5	Ability to generate and send correct bills	4.58	0.764	4.29	0.695
6	Employees give prompt service	4.90	0.300	3.71	0.642
7	Employees are always willing to help	4.68	0.475	3.74	0.681
8	Courtesies, friendly and polite employees	4.45	0.623	3.54	0.722
9	Employees are never too busy to respond to your request	4.35	0.608	3.48	0.769
10	You feel safe in your transactions with company staff	4.55	0.675	3.77	0.804
11	Employees have knowledge to answer your questions	4.77	0.560	3.58	0.719
12	Behaviour of employees instill confidence in you	4.68	0.475	3.55	0.809
13	The company giving you individualized attention	4.45	0.505	3.74	0.815
14	The company has convenient business hours	4.39	0.558	4.32	0.599
15	Accessibility to emergency offices during supply breakdown	4.71	0.692	4.06	0.512
16	The company has modern looking equipment	4.10	0.789	3.87	0.718
17	The company's physical facilities are visually appealing	4.06	0.727	3.52	0.811
18	The company's customer service staff appear neat	4.19	0.749	3.71	0.901
19	Appearance and understandability of electricity bills	4.71	0.782	4.22	0.920
20	The company has your interests at heart	4.65	0.608	4.16	0.582
21	Feeling of security when in KPLC premises	4.39	0.803	4.22	0.560
22	Proximity and accessibility to KPLC managers and supervisors when in need	4.39	0.843	4.03	0.752