Level of customer satisfaction: an analysis of Vodacom services in Gauteng province of South Africa.

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Abstract:
The principal aim of this research paper is to investigate the factors that influence customer satisfaction in respect of the services rendered by Vodacom in Gauteng province of South Africa. In view of this, the researcher carried out an empirical investigation on those factors that can influence customer satisfaction. The findings of this research analysis confirmed the following: Firstly, the research shows that there is a relationship between customer`s perceived quality and the level of satisfaction. Secondly, the research confirmed that there is a relationship between customer loyalty and the level of satisfaction in the services offered by Vodacom. Thirdly, it was also confirmed that there is a relationship between Vodacom corporate image and the level of customer satisfaction. Fourthly, this research confirmed that there is a relationship between customer complaints handling techniques by Vodacom and the level of customer satisfaction. Conclusively, this research finally developed a model on how the above factors can be integrated so as to increase customer`s level of satisfaction in the use of Vodacom services in Gauteng province of South Africa.

1.1 Introduction

Customer satisfaction is one of the core concepts that are at the crux of the marketing theory and practice (Spreng and Mackot, 1996). In today's world of intense competition, the key to sustainable competitive advantage lies in delivering high quality services that will in turn result in satisfied customers (Shemwell et.al., 1998). Therefore, there is not even an iota of doubt concerning the importance of service quality as the ultimate goal of service providers throughout the world (Sureshchandar et.al; 2002). In an era of global competition; many organizations have now shifted the paradigm of service quality to consumer's satisfaction perspective (Parasuraman et.al; 1985). Based on this paradigm, a customer will consider many factors in judging the quality of a service. (Gronroos, 1984; Parasuraman et.al., 1985, 1988). Many scholars think that just like consumers, employee satisfaction with the service features may increase retention and loyalty (Alexandris et.al; 2002), thus lead to increased organizational competitiveness (Shemwell et.al. 1998).

Thus, customer satisfaction is a function of many factors and service quality is one of those factors. In light of this, this research attempts to examine what factors influence customer satisfaction in the service industry with particular reference to the Vodacom service in Gauteng Province of South Africa. The emergence of mobile technology in South Africa has provided a new means for users to access each other. Mobile technology users are now able to communicate with each other by voice as well as data. The advancement in technology has provided users with new features in the mobile telephone devices.

This has made communication very easy and many people have now realised the importance of communication in society. The importance of this mobile technology has now posed a challenge to the mobile technology industry to examine the relationship between service quality and perceived value of the service by the customer. This has been suggested in some circles and should be the focus of service providers in the mobile industry if they are to achieve a high degree of customer's loyalty and satisfaction. In view of this, customer's satisfaction is their overall assessment after using a service for a period of time. All these factors should be taken into account while devising a strategy for customer's satisfaction (Heejin 2006). In the mobile technology industry like Vodacom, customer loyalty must be considered to be an important factor if services are to be preserved for a long time. To achieve customer satisfaction, Vodacom must try as much as possible to distinguish itself from other competitors like Cell C and MTN by providing value added services for building high user loyalty which is a critical factor for measuring user satisfaction. Handling user complaint is another factor that is very helpful in increasing user satisfaction. It must also be noted that corporate image has significant impact on user loyalty (A. Ismail, M.M. Abdullah, et.al, 2009). However, at present we do not have sufficient statistic or data to show how this has affected Vodacom.

According to A. Ismail, M.M Abdullah, et.al. (2009), customer satisfaction is dependent on perceived quality and this influences the demand of the service or product. It has been argued by John J. Burnett (1993) that perceived value also have stronger link with user satisfaction. It is also argued that to build user loyalty, user satisfaction is a major determinant (Serkan 2005). In view of this, high quality service should be focused for greater user value to achieve higher user satisfaction and gain exceptional competitive advantage. Keeping in view user satisfaction, Vodacom should not ignore reliability and assurance because there is a positive effect of reliability, assurance, and a network quality and user value on customer's satisfaction (High-Po 2002). When a user is highly satisfied with a service he or she does not take into considerations the price factor of the service, thus satisfaction and price tolerance are directly related to each other (Ofer Turel 2004). Furthermore, satisfaction and price tolerance are two apparent measures of user loyalty. It has been argued by other scholars that users will submit less complains if they are more satisfied (Ofer Turel 2004).

1.2 The Concept of Customer Satisfaction

Customer satisfaction can be defined as customer reaction to the state of fulfilment of their expectations and needs or customer judgement towards services and products quality (Hallowell, 1996, Oliver, 1997 and Zeithamal and Bitner, 2000). Satisfied customers lead to higher future profitability (Anderson et.al; 1994). Satisfied customers are more willing to pay price premiums, provide recommendations and maintain loyalty towards the company (Reichheld, 1996). It leads to higher levels of customer retention and loyalty (Fornell, 1992) and lowers cost related to defective goods and services (Anderson et.al; 1997). Customer perception, customer satisfaction and customer loyalty are closely linked with one another.

The study of customer loyalty can be categorized into three broad categories: the behavioural approach, the attitudinal approach, and the integrated approach (Oh, 1995). The behavioural approach examines the customer's continuity of past purchases and then measures customer loyalty by rates of purchase, frequency of purchase and possibility of purchase. The attitude approach infers to customer loyalty from psychological involvement, favouritism and a sense of goodwill towards a particular product or service. The integrated approach takes account

of both behavioural and attitudinal variables in order to create its own concept of customer loyalty. The concept of customer loyalty is understood as a combination of customer's favourable attitude and the behaviour of repurchase (Kim et.al; 2004) Customers that experience a high level of satisfaction with a company are likely to remain loyal, thus contributing to the future revenues of the company (Fornell, 1992 and Anderson et.al; 1994). However, customer satisfaction, while positively influencing customer loyalty, is not always a sufficient condition and in some cases it fails to produce the expected effect (Kim et.al; 1994). Hence, researchers suggest that it is necessary to analyze other potential influential factors, as what makes a person satisfied may not make a person loyal (Gerpott et.al; 2001). Thus, it is necessary to determine factors that cause customer's satisfaction and loyalty towards services and products of companies. The significance of customer loyalty is that it is closely related to the company's continued survival and to strong future growth (Fornell, 1992). Hence, for a company to maintain a stable profit level when subscription level has reached saturation point, the market is mature and competition is fierce, a defensive strategy which strives to retain existing customers is more important than aggressive one (Fornell, 1992 and Ahmad and Buttle, 2002). This strategy has not been much adopted in telecommunication industry in South Africa. The strategy of market penetration requires a deep thought on retaining current customers and there is an urgent need for Vodacom to pay attention to this strategy since the company is still at its growth stage in respect of its service life cycle.

According to the confirmation-disconfirmation paradigm, perceived performance of a company is compared with a pre-consumptive comparison level or standard (Olshavsky and Miller, 1972). This is commonly referred to as expectation. Perceived performance refers to product or service characteristics. When expectation matches performance, confirmation occurs. When expectation exceeds perceived performance, negative disconfirmation occurs. Positive disconfirmation occurs when perceived performance exceeds expectations. More positive disconfirmation of expectations leads to more favourable levels of satisfaction (Oliver, 1980 and Woodruff et.al; 1983). Satisfaction is the consequence of the confirmation or positive disconfirmation of expectations, meaning that the perceived performance is equal to or better than the expected outcome (Olshavsky and Miller, 1972). In fact, satisfaction is defined as the consumer's cognitive evaluation of and emotional reaction to his/her perception of whether the characteristic is met or exceeded to his/her expectations (Oliver, 1993). In other words, satisfaction is the consumer's reaction to confirmation.

However, both levels of expectations and performance of that characteristic determine the magnitude and direction of disconfirmation (or confirmation) effect (Oliver, 1989). This model measures all four constructs, namely; expectation, performance, disconfirmation/confirmation and satisfaction (Oliver, 1993). In order to retain customers, it is important to meet their expectations, which is the foundation for confirmation and disconfirmation theory. This is further discussed in chapter three under literature review. With the intention of keeping the customer loyal, satisfied and to achieve excellent performance in fierce competition, it is essential for Vodacom to find out what the customer's perception is towards their services. By applying confirmation-disconfirmation theory, Vodacom can predict outcomes through the evaluation of this theory. In some situations customers have neutral feeling as confirmation occurs when the actual performance matches the standards. Positive disconfirmation occurs due to performance being better than standard, meaning they are satisfied with the services; or they are dissatisfied because of negative disconfirmation, meaning the performance is worse than the standard (Oliver, 1980). Some of these

issues will be examined in this research. Furthermore, other current challenges facing Vodacom will also be examined.

1.3 Motivation of the study and the research objectives

According to the information handbook of Vodacom (2009), the numbers of subscribers are on the increase. However, there is a public outcry among the users of the poor level of services delivered. As a matter of fact, there is much commotion, confusion about the charges and many users regard this as unjustifiable. The users feel the charges are too high and hence there is an urgent need to bring down the prices especially the peak interconnection rates. The users of Vodacom service are of the view that there should be no difference between peak and off-peak rates. These rates must be aligned to international best practice which will be beneficial to all customers. At present, there is no international benchmark in respect of Vodacom Charges. In the same vein, the charges are not in line with the recommendation from European Union in respect of the rate service providers are expected to charge their customers. South Africa is among three countries in the world with high rates of telecommunication service rates. This high rate is a common feature among the four major mobile telecommunication service providers in South Africa, namely, Vodacom, Cell C, MTN and Telkom.

Apart from the high charges, Vodacom customers are also complaining of the unfair contractual terms of contract phones. One of the users who were not satisfied with their services had this to say:

"When my 24-month contract ended recently, I discovered the contract period was actually infinite unless I gave 30 days notice. I cancelled the service at the branch where the contract was signed, sent them emails and called their official number to inform them. Nevertheless, my account continued to be debited – by an even higher amount than before. I fail to understand what I still owe since the handset is fully paid up and I have not used Vodacom's SIM card for a long time."

Many of the customers have similar complains and this does not create a good corporate image for Vodacom. Furthermore, many customers are also not satisfied with the poor communication they receive from Vodacom offices especially when they have technical problems with their mobile phones. Furthermore, the various Vodacom franchisees do not also give customers satisfactory services.

In view of the fact that competition is high among the service providers, Vodacom should strive to improve customer service relationship especially now that it is at its growth stage. An attempt will be made in this research to examine the above issues and also find out the possible solutions to the above problems, thus helping Vodacom to improve the level of customer satisfaction.

1.4 Aims and Objectives of the research

The aims and objectives of the research are as follows:
- To find out the level of customer satisfaction for services rendered by Vodacom
- To examine the relationship between customer loyalty and the level in satisfaction in the services offered by Vodacom
- To examine the relationship between customer's perceived quality and level of satisfaction
- To analyse the relationship between Vodacom's corporate image and level of customer satisfaction.

- To establish the relationship between complaints handling by Vodacom and the level of customer satisfaction.
- To find out if there is any relationship between customer's expectation and the level of satisfaction in the services rendered by Vodacom.

2. Theoretical consideration

The concept of customer satisfaction has been explored quite extensively in marketing literature. The concept is very important because research indicates that customers' intention to repurchase a product or service is determined primarily by their satisfaction with prior use of that product or service (Anderson and Furnell, 2000; Anderson and Sullivan, 1993; Oliver and Shapiro 1993). Research also shows that customer satisfaction has a direct influence on customer loyalty (Mittal and Kamduna, 2001; Oliver 1997). The first theory to be considered here is the Expectancy Disconfirmation Theory (hereafter referred to as 'EDT'). This theory is widely used in the consumer behaviour literature in respect of consumer satisfaction, post-purchase behaviour, and service marketing in general. The theory holds that consumers form expectations of products or service performance prior to purchasing or use. Consumer satisfaction is seen as the outcome of this companion between consumers' pre-consumption expectation and post-consumption disconfirmation (Clemons and Woodruff, 1992).

Confirmed expectations lead to moderate satisfaction; positively disconfirmed; or exceeded expectations lead to high satisfaction; and negatively disconfirmed; or underachieved expectation lead to high satisfaction (Fourier and Mick, 1999). Furthermore, customers' intention to repurchase a product or service is determined primarily by their satisfaction with prior experience of using that product or service (Anderson and Sullivan, 1993; Olivier and Shapiro, 1993). The principles of EDT are used to assess the level of customer satisfaction and the analysis is based on two parameters, namely; sales revenue which represents the extent of purchase action following customer satisfaction, which also can be regarded as an indication of positively disconfirmed expectations. Customer complaints reflect the level of negatively disconfirmed expectations of customers. Both can be used to assess the level of customer satisfaction effectively, based on the positively as well as negatively disconfirmed expectations (Nowak and Hamiton, 1993). Such assessment of customer satisfaction is in line with the American Customer Satisfaction Index, which recommends that satisfaction should be linked to consequences as defined by customer complaints and customer loyalty-measured by price tolerance and customer retention (American Customer Satisfaction Index, 2005).

Figure 1: Model of the American Customer Satisfaction Index ACSI
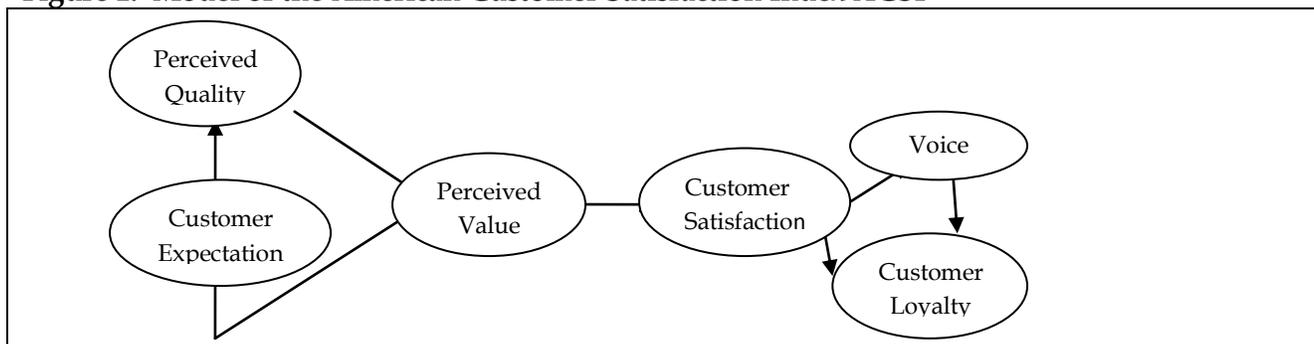
(Source: Fornell et al. 1996, p8)

The above figure 3.1 illustrates how customer expectations determine perceived quality and perceived value. These two perspectives determine customer level of satisfaction. Customer satisfaction determines his voice and loyalty.

2.1 Self-efficacy Theory

Our earlier analysis on the concept of customer satisfaction can be discussed with reference to self-efficacy, which is the belief that a person has the capability to execute the courses of actions required to manage prospective situations to achieve a particular objective (Wood and Banduna, 1989). When people overestimate their ability to perform a certain task, they are considered to have a high level of self-efficiency which is beyond their actual ability. On the other hand, when they underestimate their ability, they are showing a low level of self-efficacy. Self-efficacy is affected by four things, namely experience, modelling, social persuasions, and physiological factors (Banduna, 1997). Experience is related to prior exposure to similar situations in dealing with the action. Modelling is the process of cognitive comparison between a person and others in respect of behaviour.

Social persuasions relate to encouragements given by other people. Physiological factors include various signs or responses of potential action (Banduna, 1986). According to self-efficacy theory, managers in organisations are viewed as proactive, self-reflecting and self-organising, rather than as reactive persons shaped by environmental forces (Banduna, 2001). Self-efficacy beliefs also help determine how much effort people will expend on an activity. It has proven to be a move consistent and effective predictor of behavioural outcomes than many other motivational constructs because self-efficacy beliefs are highly related to behavioural changes and outcomes (Graham and Weiner, 1996). This self-efficacy theory enforces the idea that organisations can actively adapt to and manipulate their environments (Chamberlain, 1968). Organisations seek to increase their power to control at least some segments of the environment (Weick, 1979; Jauch and Kraft, 1986). This enacted environment perspective suggests that organisations and, at the same time, substantially contribute to the creation and enactment of their environment (Smircich and Stubbart, 1985).

2.2 The Price Perception Theory

The price perception theory is a **complex multidimensional process** with various components and related constructs which could be relevant for customer satisfaction and loyalty.

Figure 2: Price Perception
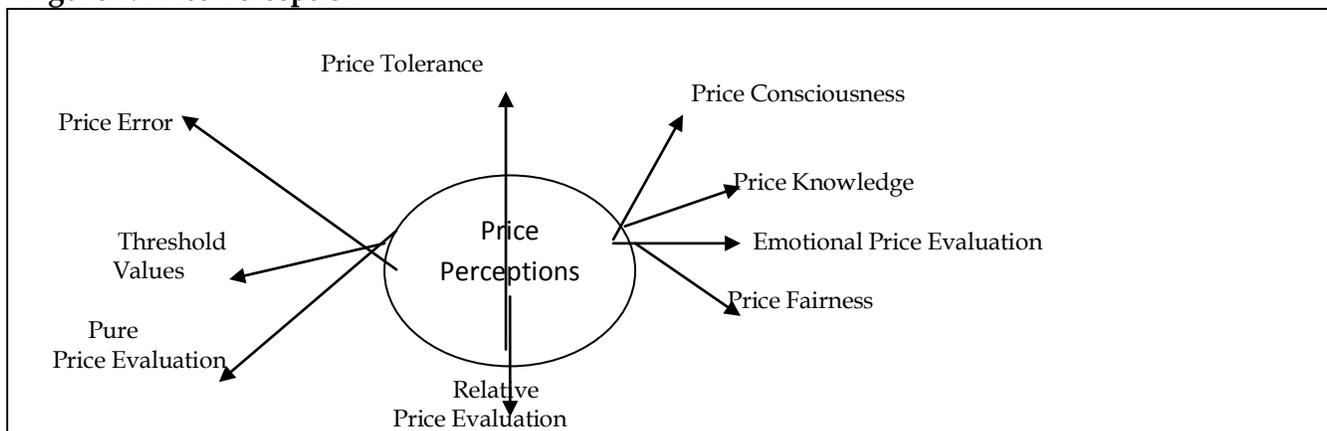
Source: International Journal of Business Research, Volume 8, Number 1, page 148.

To perceive a price in the above figure 3.2 means that there is an encoding from an objective (real) to a subjective, perceived price (Dickson and Sawyer, 1990). Therefore customers have rather a price belief (Erickson and Johansson, 1985) than real knowledge of the real price (Monroe and Lee, 1999). The possible difference between the real and the perceived price (which can be seen as the "price error") and the existence of perceived threshold values are a central part of pricing decisions. Especially a "good look" of a price (e.g. prices ending in an odd number or just under a round number such as 9.99) can positively influence the price belief of the customer (Monroe, 1973; Gaendeke and Tootelian, 1983; Basu, 1997; Gendall et.al., 1998; Coulter, 2001).

With regard to evaluation of prices by a customer, it is necessary to take into account that different ways are possible. The process of price evaluation can be based only on the price itself ("pure price evaluation") or in relation to offer perceptions ("relative price evaluation"). A pure price evaluation means that the price evaluation can be a very simple, one-dimensional process, e.g. for low involvement products or habitual buying decisions. In contrast, a relative price evaluation is a result of the price evaluation and one other considered perception. These other perceptions can be a standard price or another individual price norm, e.g. based on previous experiences or contextual effects ("references prices", Monroe, 1973; Winer, 1986, 1988, Mayhew and Winer, 1992; Rajendran and Tellis, 1994; Greenleaf, 1995). In respect of perceived value of the product, the price is seen as relative to quality (see Zeithaml, 1988). Furthermore, there are a number of other constructs related to price perception in figure 3.2 for example, price knowledge, price tolerance, price fairness and price consciousness. All these contribute to the price perceptions held by a customer and this influences the customer level of satisfaction with a product or a service. Having discussed the above theories in respect of customer satisfaction, we will now review some of the empirical studies conducted on customers' satisfaction in United States of America, Europe, Asia, Australia and Africa. It should also be noted that only relevant research work on customer satisfaction that has direct bearing on the research objectives are reviewed.

2.3 The Influence of Customer Perception of Service Quality, Price, Corporate Image and Expectations on Customer Royalty and Satisfaction.

In 2007, Humphry Hung and Y.H. Wong of the Hong Kong Polytechnic University published their research findings on organisational perception of customer satisfaction. The purpose of this research was to find out how managers in organisations perceive whether or not their customers are satisfied with the services provided by their organisation. In this empirical research under this discussion, organisational perception of customer satisfaction is defined as how organisational leaders perceive the extent to which the customers of their products and services are satisfied. The researchers are of the view that organisations need quality information to understand the responses of their customers accurately. Unfortunately, useful and accurate information is not always available to organisations because of environmental uncertainty.

The researchers posit that both the antecedents expressed in terms of the efforts to satisfy customer needs, and the consequences, expressed in terms of the actual outcomes of customer satisfaction, will probably have some correlations with organisational perception of customer satisfaction (OPCS). The two hypotheses investigated in this research are as follows:
H_1: Organisational perception of customer satisfaction is positively related to the actual outcome or consequences of customer services.
H_2: Organisational perception of customer satisfaction is positively associated with the process of customer services.

In respect of the research methodology, the researchers selected e-banking service providers as samples. The research tool for this study is a questionnaire-based survey on e-banking service providers in China. The questionnaire was designed to investigate how e-banking service providers perceive the level of customer satisfaction regarding the on-line financial services they are currently providing. The questionnaire was pre-tested for validity with about ten e-banking services providers in China in September 2003 before the actual fieldwork was conducted. In terms of the measurement of variables, a seven-point Likert-type scale, from 1 to 7, was used in measuring the constructs. There were a total of eight variables, one independent, five dependent and two for the purpose of control. In respect of the dependent variable, there is one dependent variable 'Organisational perception of customer satisfaction' or OPCS, which is measured by respondents' own perception about what extent customers are satisfied with the e-banking services provided by their organisations. Two sets of independent variables were identified, one set is related to the outcome of customer service, which are 'increase in sales revenue' (measured in terms of increase in percentage, from 'decrease by over 30 percent' (1) to increase by over 30 percent (7), and 'actual customer complaint' (measured in terms of assessment from 'never' (1) to 'very often' (7).

The other set is related to the process and effort of the provision of customer service, which are 'perceived effectiveness of handling customer complaints' (measured by absolutely ineffective (1) to extremely effective (7), 'increase in the investment in customer service' (measured in terms of increase in percentage, from 'decrease by over 30 percent (1) to 'increase by over 30 percent' (7), and 'provision of information to customer' (measured in terms of assessment from 'never' (1) to 'very often' (7). In respect of the first hypothesis (H1), the researchers observed that there is no significant correlation between OPCS and independent variables related to process and effort to satisfy customers. Thus they found no support for the first hypothesis, the researchers found that the correlations between OPCS and the independent variables related to process, including 'perceived effectiveness of handling customer complaints', 'investment in customer service' and 'provision of information to customers', are positive. This finding supports the second hypothesis (H2), which is in line with the propositions of the proposed model of OPCS.

Chang Ee Ling and Ernest Cyril de Run, both in Malaysia conducted research on satisfaction and loyalty by paying particular attention to customer perceptions of Malaysian Telecommunication Service providers. The principal aim of this study was to investigate the factors that influence customer satisfaction and customer loyalty in Malaysian telecommunication Services. In the case of Malaysian telecommunication companies, the number of subscribers reached saturation, hence, creating and securing new customers was not only complex, but also costly in terms of marketing. Hence, customer loyalty became particularly significant for these companies as the market matured. With the full launch of the third-generation or 3G Universal Mobile Telecommunications Service (UMTS) in Malaysia, the above researchers indicated that it was hard for the companies to compete for customers and maintain their profitability. According to the confirmation / disconfirmation model, consumers form satisfaction judgements by comparing their expectations for each important service characteristic to the actual performance on that service characteristic. If there is a difference between their expectations and the performance, the resulting discrepancy (defined as disconfirmation) affects the satisfaction judgement that may affect the levels of loyalty for that service provider (Oliver, 1997).

In terms of the research methodology, fifteen respondents were selected for an in-depth interview. They were required to respond to open-ended questions during the interview, with each

of them welcome to provide an opinion that came immediately to them. Initial thoughts of respondents are often the most salient and valid (Stafford and Stafford, 2003). The questions asked were: (1) How satisfied are you with your telecommunication company and why? And (2) Are you loyal to your telecommunication company and why? A questionnaire was then prepared based on the findings of the interviews. A seven-point Likert scale was made, with anchors using strongly disagree (1), disagree (2), slightly disagree (3), neutral (4), slightly agree (5), agree (6), and strongly agree (7). Questionnaires were then distributed to post graduate students at a local university in Sarawak. The questionnaire consisted of: Part A – Demographic factors; Part B – Perceptions of satisfaction towards a telecommunication company; and Part C – Perceptions of loyalty to a company. This was then analyzed by means of factor analysis. The findings of this research indicate that customer loyalty is closely related to a company's continued survival and strong future growth (Fornell, 1992). Loyalty depends on service quality. This refers to a good product, customer service and price. In respect of the factors that influence customer satisfaction and customer loyalty, it was found that the factors that had great impact on customer satisfaction are promotion, cost efficient plans, free services, technology factors, line quality, convenience and handiness. While the factors that had great impact on customer loyalty are service quality, subscription status, registered status, promotion and inconvenience in switching phone numbers.

Furthermore, this research indicates that customers remain loyal even if the product is not up to scratch, just because the number held is good. Conclusively, the researcher is of the view that, in order to identify more logically the factors influencing customer satisfaction and loyalty, mobile telecommunication services must be compared with other communication services and with other industries in Malaysia. It was also recommended by the researchers that the Malaysian telecommunication services must look into the new technology on mobile device systems to be competitive. Matti J. Harerila and Earl Naumann, both of the American University of Sharjah in United Arab Emirates conducted a research on customer satisfaction and complaints with the intent to examine if there is any relationship. The purpose of this research was to find out the relationship between customer satisfaction and the frequency of complaints in business to business services using longitudinal research. After reviewing relevant past studies on customer satisfaction and customer complaints, the researchers arrived at the following hypothesis which was the main hypothesis tested in this research. This hypothesis is as follows:

H_1: As satisfaction scores go up, the frequency of customer complaints will go down. Hence there will be a significant, inverse relationship between customers satisfaction levels and the frequency of complaints.

This hypothesis tests the main effect of the relationship between satisfaction levels and frequency of complaints over the whole study, nearly five years from 1999-2004. The firm that provided the data for this study was in the facilities management industry. The firm maintained large facilities for other businesses, typically other large organisations. The service relationship was formalized through annual service contracts. These contracts generally had a revenue value between $10,000 and $100,000 per year. By focusing on business to business (B2B) service relationships; the researcher studied an area that has received very little research attention. The "key decision maker" in the customer organization was identified in the service contract. The researchers attempt to contact all "key decision makers" at the mid-point of their contact. This was accomplished through a telephone customer satisfaction survey. The rationale for this was to identify any dissatisfied customers while there was sufficient time (six months) left on the contract for service recovery. The survey was administered in each month to those customers whose

contracts expired in six months. Cooperation rates (customers contacted to complete surveys) were typically in the 60-70% range. Monthly data was aggregated for quarterly reporting to increase the sample size for data analysis.

This research examined the customer satisfaction scores and the frequency of complaints for 10 quarters of data from 1999 to 2004. The computation of the research data indicates that there is a negative correlation between customer satisfaction and customer complaints. In view of this, the implicit assumption about the negative correlation between customer satisfaction and customer complaints is supported. There are many other research works that support this finding (Anderson and Fornell 2000; Fornell 1996; Johnson et. al 2000). This research also examined the lag effect between the customer satisfaction and complaints since it was also considered that the lag effect exists. However, the lag effect examined shows the lag effect of one, two, or three periods did not make the negative correlation between customer satisfaction and complaints stronger.

In 2008, Yanqun He and Lai K. Chant et. al of the Macau University of Science and Technology in China, conducted a research on consumer satisfaction in respect of repurchase intention and price tolerance. The purpose of this research was to examine the relationship between consumer satisfactions, price tolerance and repurchase intention.
The main hypotheses tested in this research were as follows:
Hypothesis 1: Customer satisfaction is positively related to price increase tolerance (B>0)
Hypothesis 2: Customer satisfaction is negatively related to price decrease tolerance (i.e. $B_2 < 0$)
Hypothesis 3: Price increase tolerance is negatively related to consumer repurchase intention (i.e. $B_3 > 0$)
Hypothesis 4: Price decrease tolerance is negatively related to consumer repurchase intention (i.e. $B_4 < 0$)
Hypothesis 5: Consumer satisfaction is directly and positively related to repurchase intention (i.e. $B_5 > 0$)

In respect of the first hypothesis, the research findings showed that there is a positive relationship between customer satisfaction and price increase tolerance, however, the relationship is not significant at the common acceptance level of p = 0,05. The researchers are conservative in accepting Hypothesis One that consumer satisfaction is positively related to price increase tolerance. Considering the specific service industries in this research, it is not surprising that satisfied consumers may not always be tolerant of price increases. With regard to the second hypothesis, there is strong evidence which suggested a negative association between consumer satisfaction and price decrease tolerance. The estimated coefficient B_2 for the second hypothesis, from customer satisfaction to price decrease tolerance is negative and highly significant at $P < 0.001$. Therefore, Hypothesis 2 – which consumer satisfaction negatively relates to a price decrease tolerance is strongly supported in this research. The price decrease tolerance, principally measures how much the price should be reduced in order to keep dissatisfied consumers from switching. This research finding implies that a good consumer satisfaction program benefits firms by allowing sales promotions with smaller price cuts to effectively retain satisfied consumers and deter the dissatisfied from turning to competitors.

In terms of Hypothesis 3, the researchers did not find a significant positive link between price increase tolerance and consumer repurchase intention as the corresponding coefficient estimate B_3 for path (3) is associated with a p-value as high as 0.992. The failure to confirm

Hypothesis 3 hints at the gap between price increase tolerance and repurchase intention. From the viewpoint of consumer psychology, price tolerance is evaluated with respect to only the price perspective of a product. It does not incorporate other soft factors such as services attached to the to-be-bought product and shopping environment, which are also considered important in forming consumer repurchase intention. With regards to Hypothesis 4 which deals with price decrease tolerance and repurchase intention, this research found a significant relationship between the two and the p-value as low as 0.016 which support the validity of the hypothesis, i.e. a price decrease tolerance is negatively related to consumer repurchase intention. This buttresses the fact that in a competitive service market, an appropriate price decrease may be quite effective in enhancing consumer repurchase intention.

However, if the price is cut too sharply, it is possible that consumers' repurchase intention will decline because they may become less confident in the real value of the promotion, e.g. they may suspect that the price reduction may be due to service quality problems (Della Bitta et. al., 1981). Market researchers have also pointed out that in situation where market is very competitive, it might be difficult for an industry to delivery big discounts, because the marginal profit may already be very low due to intense market competition. In view of this, the researchers suggested that firms or industries should consider pursuing higher consumer satisfaction, which guarantees acceptable level of consumer repurchase intention with relatively narrow price decrease latitude.

In respect of Hypothesis 5, this research shows that there is a very strong influence exerted directly from consumer satisfaction to repurchase intention in that the estimated coefficient B_5 for path (5) is 0.615 and is highly significant at $p < 0.001$. Given both significant direct and indirect effects, the variable of price decrease tolerance is therefore a partial mediator, intervening the relationship between consumer satisfaction and repurchase intention.

In conclusion, the researchers whose work has just been analysed are of the opinion that these results suggest some asymmetric effects of price increase tolerance and decrease tolerance in linking consumer satisfaction to repurchase intention, which is worth further examination for firms to formulate better marketing strategies. They also recommended that the primary task for firm managers is to pursue a higher consumer satisfaction in order to improve consumers' repurchase intention, which in turn will help increase the firm's future profitability. Promotions through discounting should therefore be used as a secondary tool to attract or retain consumers, and managers must think thoroughly before cutting price. In 2009, Azman Ismail and B. Parasuraman et. al. Of the Universiti Malaysia conducted a research on the effect of service quality and perceived value on customer satisfaction. The rationale for this study was to examine the effect of service quality features and perceived value on customer satisfaction.

This research is based on the model below:

Fig. 3
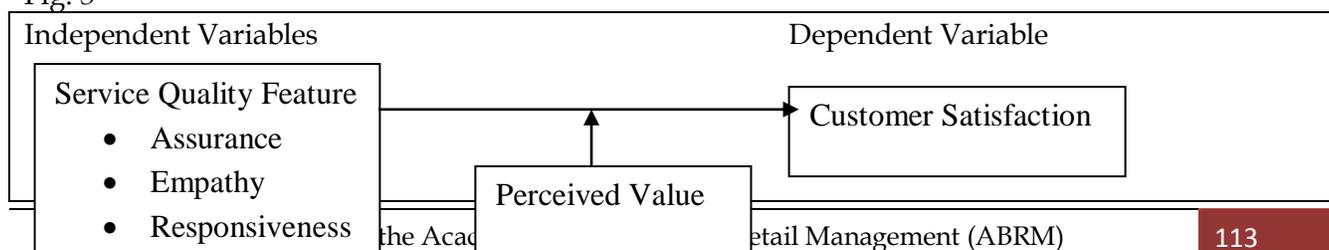
These two hypotheses developed and tested from the above model are as follows:

- H_1: There is a positive relationship between service quality features and customer satisfaction.
- H_2: Perceived value moderates the relationships between service quality features and customer satisfaction.

The finding of this research shows that perceive value does not act as a partial moderating variable in the relationship between service quality features and customer satisfaction. In the context of Malaysian public institution of higher learning (High Institution) where this research was conducted, the service provider (centre for teaching and learning) is given a major responsibility to plan, maintain, and monitor sophisticated teaching and learning facilities (i.e. lightings, air-conditioners, computers) in the central teachings. This was based on the rules set up by the University leadership. Most of the academic staff perceive that implementation of such service quality practices has improved the delivery of teaching and learning services and this may invoke their perceive value about the quality systems. Majority of the academic staff perceive that their values about the use of empathy in delivering teaching and learning services may be an important predictor of customer satisfaction. On the other hand, majority of the academic staff perceive that their values about the use of responsiveness and assurance in delivering teaching and learning services may not be a major antecedent of customer satisfaction.

The result also indicates that perceive value does not moderate the effect of responsiveness and assurance on customer satisfaction, this may be caused by external factors. However, this research provides significant impacts on guidelines that management must use to improve design and administration of service quality programmes in organisations. Specifically, the design and management of service quality may be improved if managers emphasize on the suggestions: firstly, staff who are involved in providing teaching and learning facilities need to be given proper quality management training programmes. Through this training programme, the staff will have opportunity to learn new knowledge and skills, as well as good moral values. Consequently, these learning outcomes may be used to increase efficiency in doing job. Secondly, staff members who are involved in providing teaching and learning facilities need to be given better rewards. For example, staff members who are involved in improving teaching and learning facilities are from low level positions and eligible to do overtime. In this situation, providing extra monetary incentives to them will invoke their satisfaction and this may lead to increased motivation to perform jobs better.

In conclusion, this research confirms that perceive value does act as a partial moderating role in the service quality model of the organization. The results have partially supported and broadened service quality research literature published in most Western countries. Therefore, current research and practice within service quality models needs to consider individuals' perceive value as a critical aspect of service quality. Furthermore, this research suggests that perceive value should be seen as a crucial aspect of service quality where perceive value about service quality may strongly induce positive subsequent personal outcomes (e.g. satisfaction, retention and thus loyalty). The researchers argued that this may lead to employees to maintain and increase

academic excellence in Universities. In view of the research gap derived from the literature review, the following hypothesis will be investigated in this research, namely:

H_1:   There is a positive / significant relationship between Vodacom Mobile   technology customer loyalty and satisfaction.

H_2:   There is a positively / significant relationship between Vodacom corporate image and customer satisfaction.

H_3:   There is a positive / significant relationship between Vodacom complaint handling and Vodacom customer satisfaction.

H_4:   There is a positive relationship between customer perceived quality and the level of satisfaction in the services offered by Vodacom.

3. **Research Methodology:**

In this research, both qualitative and quantitative research techniques are used to solicit the necessary information from the respondents. In respect of the quantitative research technique, a questionnaire was the main instrument used to collect information from the respondents. In analysing the information collected, the statistical tools used include chi-square and coefficient contingency analysis. This was very useful in testing the hypotheses, thus finding out the relationship between the independent and dependent variables. In terms of the qualitative technique, we had oral interviews and discussions with our respondents where this was possible. This was a very useful technique, since the respondents were able to give their own views on factors that influence the customer level of satisfaction in respect of Vodacom services. This quantitative interview allows for direct interaction between the interviewer and the respondent.

This enabled me to ask general questions around the factors that influence customer's level of satisfaction in the service industry. This was essentially a conversation in which I established a general direction for the conversation and pursued specific issues raised by the respondent. The respondents did most of the talking while I listened carefully. This is the primary school of information which was used in this research. The secondary sources of information include the following – library material, official records and information handbook in Vodacom Offices, Vodacom published documents and annual reports.

3.1 Population of the Study

Initially, the population of the study consisted of 520 respondents which included both males and females. However, at the end of the data collection, only 224 respondents successfully completed the questionnaire. 26 of the respondents did not return the questionnaire. The various Vodacom shops which were used by Vodacom as its main distribution channels of its products and service were used in locating the respondents to be interviewed and at the same time fill the questionnaire. Purposive sampling technique was used to select the various Vodacom shops and the respondents (customers) to be interviewed. Purposive sampling is also referred to as judgemental sampling mainly because the selection of the respondents is based on the interviewer's knowledge of the population. However, in this research, the reasons for using purposive sampling techniques are as follows:

• Since all the respondents could not easily be located in one place as in the case of total institutions, the best method to locate them was to meet them in the various Vodacom shops (outlets) as they visit the shop for one reason or another.

• There was no frame of reference that can be used to locate the respondents in one place.

• Purposive sampling technique saved time and cost.

- Purposive sampling is not as complex and mechanistic as systematic sampling, multi-stage sampling and cluster sampling techniques.

A total number of seven Vodacom outlets were selected in Gauteng. These outlets (shops) represented the various clusters from which the 225 respondents were interviewed.

Table 1: The distribution of the respondents by clusters.

Clusters (Vodacom Shops)	Total
A	32
B	32
C	32
D	32
E	32
C	32
D	32
Total	224

*Note that the various clusters from A – D represent Vodacom shops which are under the control of franchisees. Table1. Above illustrates the various clusters (outlets) from which the respondents were interviewed.

3.2 Data Analysis

The four hypotheses for this research will be analysed and fully discussed in this chapter. The main reason for analysing the hypotheses is to construct a model which will be useful to Vodacom in improving its level of services to the satisfaction of its external customers.

Test of the Research Hypotheses

Hypothesis One:

H_0: There is no relationship between customer perceived quality and the level of satisfaction in the services offered by Vodacom.

H_1: There is a relationship between customer perceived quality and the level of satisfaction in the services offered by Vodacom.

Table 2: The relationship between Customer Perceived Quality and the level of Satisfaction in the services offered by Vodacom

Respondents	Respondents in all the clusters combined		Total
	Yes, there is a relationship between customer perceived quality and the level of satisfaction in the services offered by Vodacom	No, there is no relationship between customer perceived quality and the level of satisfaction in the services offered by Vodacom	
Male	40 (44.3)	22 (17.7)	62
Female	120 (115.7)	42 (46.3)	162
Total	160	64	224

Observed chi-square (x^2) = 1.69
Degree of freedom (df) = 1
Critical value at a level of significance at 0.50 = 0.455

Since the critical value is less than the observed chi-square (x^2) we reject the H_0 hypothesis and accept the H_1 hypothesis. This analysis therefore confirms that there is a relationship between customer perceived quality and the level of satisfaction in the services offered by Vodacom. To find

out if the relationship is positive, we used Pearson's contingency coefficient (C) analysis. C = 0.08 (positive). Since the relationship is positive, this therefore confirms that there is a relationship between customer perceived quality and the level of satisfaction in the services offered by Vodacom.

Hypothesis Two:

H_0: There is no relationship between customer loyalty and the level of satisfaction in the services offered by Vodacom.

H_1: There is a relationship between customer loyalty and the level of satisfaction in the services offered by Vodacom.

Table 3:The relationship between customer loyalty and the level of satisfaction in the services offered by Vodacom.

Nature of Response (Respondents in all the clusters combined)			Total
Respondents	Yes, there is a relationship between customer loyalty and the level of satisfaction in the services offered by Vodacom.	No, there is no relationship between customer loyalty and the level of satisfaction in the services offered by Vodacom.	
Male	43 (45.7)	19 (16.3)	62
Female	122 (119)	40 (42.7)	162
Total	165	59	224

Observed chi-square (x^2) = 1.69
Degree of freedom (df) = 1
Critical value at a level of significance at 0.50 = 0.455

Since the critical value is less than the observed chi-square (x^2), we reject the H_0 hypothesis (null) and accept the H_1 hypothesis (alternative).

This statistical test confirms that there is a relationship between customer loyalty and the level of satisfaction in the services offered by Vodacom. To find out if the relationship is positive, we used Pearson's contingency coefficient (C) analysis. C = 0.05 (positive). This contingency coefficient analysis confirms that there is a positive relationship and Vodacom can build more on this relationship to have more customers.

Hypothesis Three:

H_0: There is no relationship between Vodacom's corporate image and level of customer satisfaction.

H_1: There is a relationship between Vodacom's corporate image and level of customer satisfaction.

Table 4: The relationship between Vodacom's corporate image and the level of customer satisfaction.

Nature of Response (Respondents in all the clusters combined)			Total
Respondents	Yes, there is a relationship between Vodacom's corporate image and level of customer	No, there is no relationship between Vodacom's corporate image and level of customer	

	satisfaction.	satisfaction.	
Male	37 (39.3)	25 (22.7)	62
Female	105 (102)	57 (59.3)	162
Total	142	82	224

Observed chi-square (x^2)   = 1.50
    Degree of freedom (df)   = 1
    Critical value at a level of significance at 0.50 = 0.455

Since the critical value is less than the observed chi-square (x^2), we reject the H_0 and accept the H_1 hypothesis.

This statistical test confirms that there is a relationship between Vodacom's corporate image and level of customer satisfaction.

Again, to find out if the relationship is positive or negative, we used Pearson's contingency coefficient (C) analysis.

C = 0.047 (positive)

This contingency coefficient analysis confirms that the relationship is positive.

Hypothesis Four:
    H_0:   There is no relationship between customer complaints handling by Vodacom and the level of customer satisfaction.
    H_1:   There is a relationship between customer complaints handling by Vodacom and the level of customer satisfaction.

Table 5:   The relationship between between customer complaints handling by Vodacom and the level of customer satisfaction.

Nature of Response (Respondents in all the clusters combined)			Total
Respondents	Yes, there is a relationship between customer complaints handling by Vodacom and the level of customer satisfaction.	No, there is no relationship between customer complaints handling by Vodacom and the level of customer satisfaction.	
Male	41 (45)	21 (16.8)	62
Female	122 (117.8)	40 (44)	162
Total	163	61	224

    Observed chi-square (x^2)   = 1.95
    Degree of freedom (df)   = 1
   Critical value at a level of significance at 0.50 = 0.455

Since the critical value is less than the observed chi-square (x^2), we reject the H_0 and accept the H_1 hypothesis.

This chi-square analysis therefore confirms that there is a relationship between customer complaints handling by Vodacom and the level of customer satisfaction.

To find out if the relationship is positive, we used Pearson's contingency coefficient (C) analysis to determine whether the relationship is positive or negative.

C = 0.09 (positive). Since the value of C is positive, this therefore confirms that there is a relationship between customer complaints handling by Vodacom and the level of customer satisfaction.

From the four hypotheses analysed above we now develop the following model:
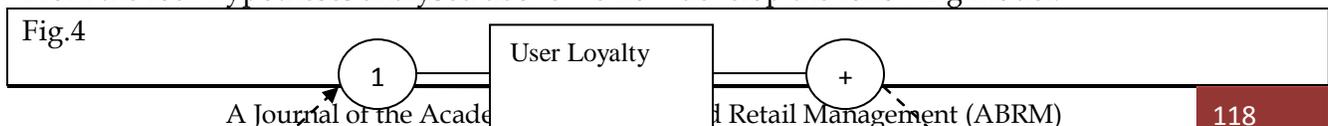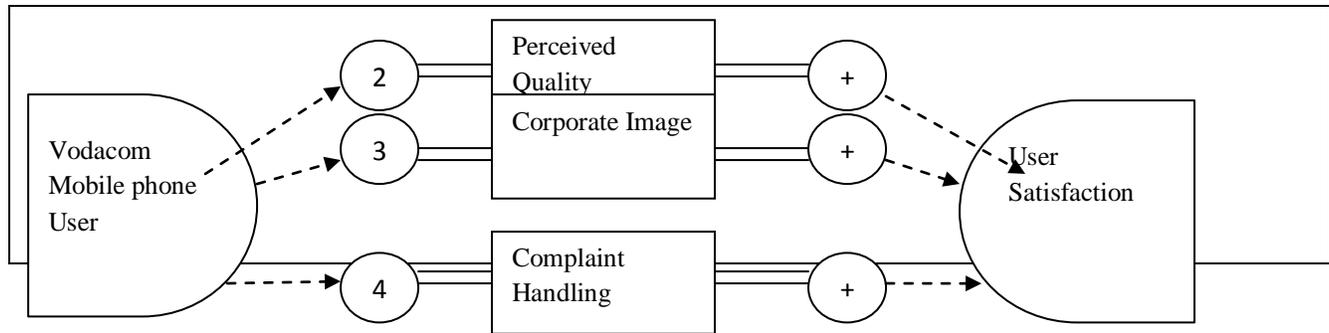
Fig.4

User Loyalty

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This model is developed on the basis of our investigation on the effects of the four independent variables, namely: user loyalty, perceived quality, corporate image and complaint handling which determines the dependent variable (user level of satisfaction). For Vodacom customers to be satisfied with both their products and services, the four factors, namely, perceived quality of their product and services, the corporate image of Vodacom, user loyalty and the complaint handling techniques must be improved upon if Vodacom is to acquire a larger part of the market share in South Africa and other countries where they operate. This is a very important issue in respect of the current competitive nature in mobile phone markets.

Figure 5
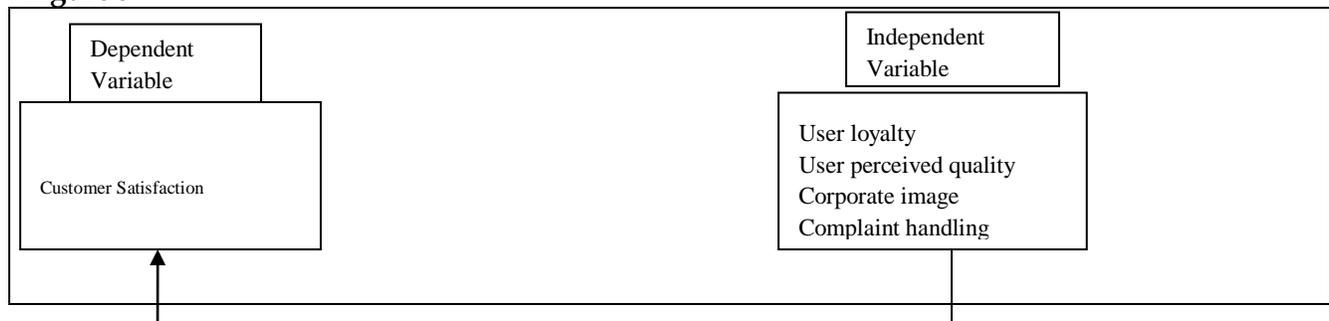
This study also confirms the study conducted by Waqas Saeed, et. al. (2009) on user satisfaction with mobile phone services in Pakistan. The rationale for this study in Pakistan was to find out the degree of users' satisfaction with the Pakistani mobile phone operators. They argued in their research findings that user loyalty must be considered an important factor in telecom sector for preserving the service in the long run. They are of the opinion that switching cost, trust and user satisfaction where switching cost is observed to be high but in the case of low switching cost the agents are considered to be trust and user satisfaction for loyalty.

Furthermore, they argued that firms should distinguish themselves with their competitors by providing value added services for building high user loyalty which is a critical factor for measuring user satisfaction. Similarly users have pre-purchase expectations about a service and meeting those expectations with services increases user satisfaction. From this Vodacom study, we also observed that the manner of handling user complaints is another factor that is very helpful in increasing user satisfaction. When customer complaints are not well handled, this may have a negative impact on user satisfaction. Users value the ways their complaints are handled. It is very important for Vodacom management to provide ways in which complaints from customers or users of their services are attended to timeously and with care. In respect of the statistical analysis on the

relationship between customer complaints handling by Vodacom and the level of customer satisfaction, the result of this analysis shows that there is a positive relationship. In view of this, there is an urgent need for Vodacom management to provide a satisfactory procedural process in handling customer complaints.

In terms of the relationship between customer perceived quality and the level of satisfaction in the services offered by Vodacom, the statistical analysis in this research confirms there is a positive relationship. Thus, this study confirms the findings of other studies that argue that there is a relationship between customer perceived quality and the level of satisfaction. For example, several studies about soft quality programmes in Western organisational settings as discussed earlier in my literature review shows that perceived quality in respect of a service or a product may indirectly or directly affect customer satisfaction. In terms of direct relationship perceived, Bitner (1990) examined the perceived quality service based on a sample of 145 tourists and found that perceived quality had been an important antecedent of customer satisfaction. In addition, Caruana et. al. (2000) conducted a research on 80 personal interviews with customers of the audit firm and found that quality service positively correlated with perceived value. Extant research in this area reveals that relationship between service quality and customer satisfaction is strongly moderated by perceived value. For example, Eggert and Ulaga (2002) conducted a study about customer satisfaction based on 301 employees in US organisations. This study found that properly implementing service quality features (i.e. assurance, empathy, reliability, responsiveness and tangibles) have increased individuals' perceived value about the quality feature. The direct effect of this is that it increases customer satisfaction in respect of the services rendered.

It should be noted that service quality research literature is consistent with the notion of perceive quality models. For example, Parasuraman et. al. (1985) conceptual service quality model highlights that matching between service quality standards and customers' standards may decrease service performance gap and increase customers' perceived value about the quality system. Consequently, this leads to higher customer satisfaction. This analysis is illustrated in figure 5.2 below.

Figure 6: Service quality features and Customer Satisfaction with moderating variable.
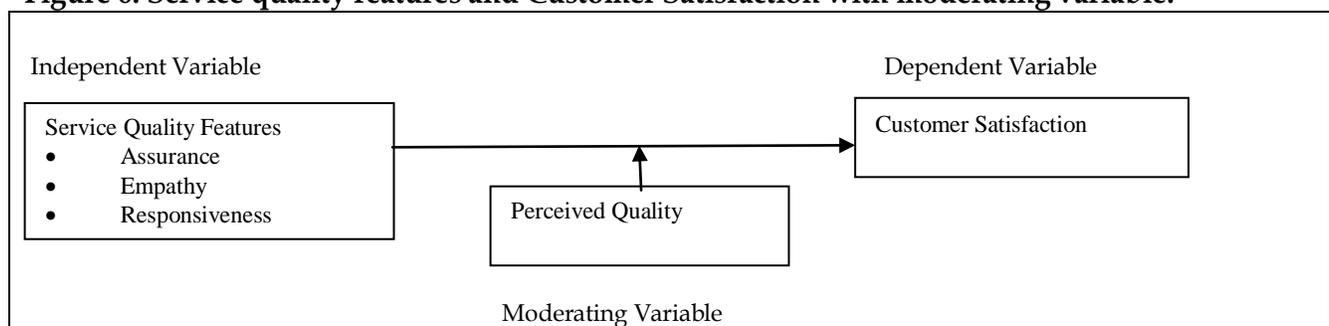
The above figure 6 shows that the service quality feature is influenced by the perceived quality to determine the level of customer satisfaction with a particular service or product. For Vodacom to be able to improve the way customers perceive the quality of their services, Vodacom management must improve on its service quality features which include (a) assurance, (b) empathy and (c) the degree of its responsiveness to customers' demands. The way the customers perceive the above features determines their level of satisfaction.

This research work shows that there is a positive relationship between customer loyalty and the level of satisfaction in the services offered by Vodacom. The findings confirm with other past studies on customer loyalty and their level of satisfaction with a particular product or service. For example, the research work of Waqus Saeed etc on user satisfaction with mobile services in Pakistan pointed out that user loyalty must be considered to be an important factor in the telecom sector for preserving the service in the long run. Past studies on customer loyalty have shown that a loyal customer is one that will stay with the same service provider and also recommend the service to other customers (Szymigin and Carrigan, 2001). It is also argued that a key relationship marketing outcome is customer loyalty (Hennig-Thurau et.al. 2002). In a study of the correlates of customer loyalty to their bank in Nigeria, the researcher (Benjamin O. Ehigie; 2006) shows that customer loyalty is critical to the conduct of business in today's competitive marketplace, and banks are no exception. The researcher observed that commercial banks in Nigeria have now embarked on different management strategies as ways to promote customer loyalty. In light of this, Vodacom needs to develop different management strategies to promote customer loyalty. This is very important if Vodacom is to have a competitive advantage over its competitors like MTN, Cell C and others. One of the strategies that can be used to promote customer loyalty is to establish the concept of relationship marketing (RM) as a way of gaining customer loyalty. In fact, many firms have established RM programmes to foster loyalty (Schiffman and Kanuk, 2004).

Relationship marketing is an attempt to develop an ongoing, expanding exchange relationship with a firm's customers and it is based on the premise that it makes economic sense to satisfy and retain customers (Day, 2000). It is centred on understanding and satisfying consumer needs (Jones and Farquhar, 2003). Customer care programmes constitute one of the practices of RM that nearly every major player in the retail financial services institutions has adopted (Ryan and Ployhart, 2003). Contemporary studies on financial institutions have, thus, focused on relationship marketing; a concept introduced by Berry (1983). The idea is based on the realisation that building long-term relationships with customers leads to reducing defection rates, reducing costs and increasing revenues (Harrison, 2003a). It is interesting to note that literature abounds on the importance of relationship marketing in fostering customer loyalty (see Day, 2000; Hennig-Thurau et. al. 2002; Jones and Farquhar, 20003).

In view of this, Vodacom needs to develop relationship marketing programmes and customer care programmes that will help in building long term relationships with customers, thus fostering customer loyalty. In terms of the relationship between Vodacom corporate image and the level of customer satisfaction, this research confirmed that there is a positive relationship between corporate image and customer level of satisfaction. Corporate image is the overall concept of society towards the corporation or service provider like Vodacom. For the evaluation of Vodacom, the users identified the stability, innovation and its general image. From my personal discussion with the users of Vodacom services during the course of this research, I observed that corporate image has significant impact on user loyalty. Most of the franchisees' stores I visited were quite happy about the corporate image of Vodacom and one of the franchisees had this to say:

> "I am very satisfied with the new innovativeness and creativity of Vodacom products and services. This, as a matter of fact has given us a cutting edge over our competitors."

However, it must be borne in mind that several factors contribute to the corporate image of any product or service provider. Such factors include among others – the ways customer complaints are handled, user expectation of the product or service, perceived quality and value of

the product or service, the creativity and innovativeness of the service provider and the degree of responsiveness to the needs of the customers. All these factors build up the corporate image of any organisation. Considering the above factors in building corporate image, Vodacom needs to improve on the factors listed above if it is to project its corporate image locally and internationally. All the factors listed above must be included in its strategic plan to promote its corporate image. The improvement of its corporate image will increase customer satisfaction, thus, increase the demand of its services and products. This will give Vodacom a competitive advantage over its competitors.

4. Conclusion and Recommendations

In the introductory part of this paper, the following objectives of this research were highlighted:

- To examine the relationship between customer loyalty and the level of satisfaction of the services offered by Vodacom
- To investigate customers' perceived quality and the customer level of satisfaction
- To analyse the effect of corporate image and the level of satisfaction of the services offered by Vodacom
- To find out the method of complaint handling by Vodacom and the level of its customer satisfaction.

The findings of this research show that there is a positive relationship between customer loyalty and the level of satisfaction of the services offered by Vodacom. In the same vein, this research confirms that customers' perceived quality contribute to customer level of satisfaction. Furthermore, this research supports the fact that the corporate image of Vodacom also influences users' level of satisfaction in respect of the services offered by Vodacom. In addition to the findings, this research confirms that Vodacom techniques of handling complaints from customers influence the level of customers' satisfaction of the services rendered by Vodacom. From the research analysis, we also developed a model which must be adopted by Vodacom to increase its market share in the mobile phone industry. This model is fully discussed in chapter five of this thesis.

This model is developed on the basis of our investigation on the effects of the four independent variables, namely: user loyalty, perceived quality, corporate image and complaint handling which of course determines the dependent variable (user level of satisfaction). According to this research these factors are the driving force for achieving user satisfaction of Vodacom services. Those franchisees and Vodacom management need to deal with complaints lodged by the users and properly trained staff should be available to the users for their queries. The managers should focus on these factors to attain high user loyalty and user satisfaction which will lead to user retention. The demographic characteristics of the respondents are also a useful tool for management to understand the market segments of its services. This should be carefully studied by management so as to be able to focus more on a particular segment of the market that use more of their services.

Vodacom managers also would benefit from a better understanding of those independent variables since this can be used to determine the nature of the market demand of its services. Vodacom can identify customers with higher levels of involvement and then attempt to foster long-term relationships with their regular customers. To gain customer loyalty, Vodacom management ought to satisfy their customers. This can be best implemented when customers' needs are known and machineries are put in place at getting them satisfied. It has been revealed that customer satisfaction is dependent on the product's performance (Kotler et. al., 2003) and product performance depends on meeting customers' needs and expectations. This supports relational

benefits approach of relationship marketing theory which proposes the fulfilment of relationship-oriented customer benefits for future development of existing relationship (Gwinner et. al., 1998). Increased customer loyalty is the single most important driver of long-term financial performance of most service industry and service quality and customer satisfaction have been demonstrated as essential keys to securing customer loyalty (see Bloemer et. al., 2002; Duncan and Elliot, 2002).

It is imperative for Vodacom management therefore, to improve customer services by giving customers what they want, when they want it. Thus, identifying and satisfying customers' needs could improve Vodacom services because what is offered can be used to separate its services from other competitors'. As a step towards achieving this, customers who hold accounts with competing mobile phones could be studied intermittently, so as to identify what aspects of customer services are being enjoyed in competing cell phone industry. This design will enable mobile phone industries that are sensitive to market research to compete favourably with other mobile phone industries as they will do better in comparative advantages.

Vodacom needs to emphasise service quality. Service quality relates to customers' perceptions or judgement of services (Harrison, 2003b). The perception of customers goes along in building customers' loyalty and this contributes greatly to the ability of Vodacom to acquire a large market share of its services at both local and international level.

This research also submits that there is a need for Vodacom management and the franchisees to intermittently train their workers on relationship marketing skills. Such training would build a customer-oriented climate in which contact staff especially in franchisee outlets can deliver service efficiently and effectively, acknowledging that acquiring and retaining customers is the very essence of marketing. Consequently, customer relations behaviour can serve as the criteria for Vodacom staff performance evaluations and promotions.

5. Limitations of study and suggestions for future research

Although there is a limited number of factors that can be attributed to the level of customer satisfaction in using a particular product or service, the independent variables presented in this research are not exhaustive. However, it is encouraged for future researchers to study other possible independent variables that can influence customers' satisfaction and devise a path model that can illustrate or correlate the relationship between the variables and customers' level of satisfaction. Findings from this present research cannot be generalised to the whole of South Africa since this study was only restricted to Gauteng province of South Africa.

There is a need to replicate this study in other provinces in South Africa before we can generalise the finding to the whole country. There are other independent variables like price or cost of the service, the proximity of the service to the customer that require close examination for future researchers.

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