

UNIVERSITY OF CAPE COAST

CUSTOMER SERVICES DELIVERY BY GHANA WATER COMPANY  
LIMITED, CAPE COAST

BY

SAMUEL ASON

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## DECLARATION

### **Candidate's Declaration**

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this University or elsewhere.

Name: Samuel Ason

Candidate's Signature: ..... Date: .....

### **Supervisor's Declaration**

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Name: Dr. J. Boateng Agyenim

Supervisor's Signature: ..... Date: .....

## **ABSTRACT**

The provision of potable water is very vital to individuals and businesses. Cape Coast in the Central Region of Ghana used to experience perennial water shortage with its attendant problems. Therefore Ghana Water Company Limited (GWCL) instituted some measures including dredging of the Brimsu dam and construction of a new water treatment plant at Sekyere Hemang to improve water supply situation in the Region.

In spite of these interventions by GWCL, available records indicate that customer complaints increased from 401 in 2009 to 593 in 2010. The study therefore sought to find out customer services delivery by GWCL.

The research basically was a descriptive study. Questionnaires were administered to a sample of 280 (stratified random technique) customers of GWCL. Some key staff relevant to the study were interviewed. The findings of the study were that apart from the supply of potable water which was core service, GWCL renders other services such as meter maintenance, technical advice on water issues and public education. The findings also indicated that complaints about quality of service such as irregular flow of water, coloured water, odour in water, pipe bursts and leakages dominated the customer complaints. These complaints increased in 2010 mainly because of the introduction and popularization of the toll free number.

The study concluded that although GWCL had improved water supply and introduced toll free lines, quality of service was still low. GWCL should therefore take steps to improve quality of service. GWCL should get toll free line for all telecommunication networks, get standby generators, ensure continuous flow of water, change old pipelines, step up supervision and train field staff regularly.

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## **DEDICATION**

To my late parents Mr. and Mrs. Ason as well as my lovely family.

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## **LIST OF ACRONYMNS**

GWCL – Ghana Water Company Limited

PURC – Public Utilities Regulatory Commission

LI – Legislative Instrument

DCCO – District Customer Care Officer

NSC – New Service Connection

SPSS - Statistical Product and Service Solution

## **CHAPTER ONE**

### **INTRODUCTION**

#### **Background to the study**

The provision of potable water is of strategic importance to all social and economic activities and thus forms an integral part of the development process of every country. Potable water is a critical requirement of human life. It is for this reason that issues on water delivery in Ghana often generate widespread discussions and debates. Due to important nature of potable water provision, quality service practice is paramount.

The improved customer services are the focal point of the potable water providers for social as well as for economic reasons. From a social point of view, services should be available to the customers on reasonable terms. As far as economic factor is concerned, services should satisfy the needs of the customers (Turel & Serenko, 2006; Melody, 1997). Like other service organisations, the Water Companies can only deliver a service after integrating or outsourcing investments in numerous assets, processes, people and materials.

Regardless of how the service organizations define their service and how customers perceive the service, a delivered service should function seamlessly for customers to perceive it correctly as designed. Customers have a preconceived notion of what a service is, even if they have not experienced it previously (Johnston & Clark, 2005). In other words, customers have an image of the service

concept regardless of whether it has been defined by word-of-mouth or other sources of information or from real service experiences. In order to satisfy customers, potable water providers need to be extra careful for the customer services they provide. The study of Ahn, Han and Lee (2006) shows that when the customers, do not get their complaints considered properly, they start looking for other sources. It happens because either the customer service centers do not handle the complaints or the customers are not able to address them properly.

Furthermore, the friendly attitude and courteous behavior of the service workers at service firms leaves a positive impression on the customer which lead towards customer satisfaction (Soderlund & Rosengren, 2008). Customer service or satisfaction is about creativity. Creativity allows one to handle or diffuse problems at hand or later on in the process of conducting everyday business (Fleiss, 1989).

Water is the most unique aspect of the world and it is essentially for life. It is the medium in which all living processes occur. About 60 percent of the human body is water (Cunningham & Saigo's, 1997). They further state that contaminated water carries additional health risk and those who do not wash their hands, food, utensils before eating risk catching typhoid, cholera, gastroenteritis's and hepatitis.

Domestically, water is used for drinking, cooking, washing, bathing and cleaning. Additionally, water helps to maintain a clean and healthy environment. In the view of Tripathy and Panda (2003), improvement in water supply can result in better health, community development and socio-economic benefits. According

to them, many diseases such as cholera typhoid, diarrhoea, dysentery, and bilharzia can be reduced by adequate water supply and sanitation. Furthermore, Tripathy and Panda (2003) assert that safe drinking water totally changes the health of the people by conferring on them so many benefits. It leads to a perceptible decline in the incidence of water borne diseases. Aside the domestic use of water, water also has industrial use. Many industries use water as one of their key inputs of production. Potable water is also needed in institutions such as hospitals, schools, hotels and restaurants.

In spite of the importance of water, quite a number of people all over the globe do not have access to potable water. A report by Winpenny (2003) indicated that as of the year 2000, it was estimated that about 1.1 billion people in the world lack access to potable water. It was indicated that an initial amount of about \$100billion investment would be required in the water sector and afterwards an annual amount of about \$12billion needed to provide potable water for all by the year 2025. Unfortunately, growing populations and stagnant economies meant that most countries only kept even or fell below in the proportion of their people with acceptable water supplies.

Adombire (2007) indicates that the development of public water supplies began in 1918 with a pilot pipe borne water system managed by the hydraulic division of Public Works Department (PWD) in Accra. With time the scope of operation of the hydraulic division was widened making it responsible for the construction and operation of water systems in other parts of the country. Following Ghana's independence in 1957, a water supply division with



headquarters in Kumasi was established under the Ministry of Works and Housing with responsibility for both rural and urban water supplies. In 1965, Ghana Water and Sewerage Corporation was established under an Act of Parliament (Act 310) to see to the provision, distribution and conservation of water supply and sewerage services for domestic, and industrial purposes throughout the country.

Adombire (2007) explains that there are two sources of water available to GWCL. These are surface water and ground water. Surface water comprises rivers, streams, lakes and dams. GWCL builds treatment plants to abstract raw water and treat it to become wholesome for human consumption. The other source of water is ground water. GWCL sinks boreholes and mechanise them to supply water. GWCL usually concentrates on ground water where there is no suitable surface water.

Ghana Water and Sewerage Corporation remained in operation until 1<sup>st</sup> July 1999 when it was converted into a liability company known as Ghana Water Company Limited (GWCL) under Act 461 as amended under statutory corporation L1 1648. With the conversion of Ghana Water and Sewerage Corporation into a company, it was expected that Ghana Water Company Limited will be autonomous and thus generate its own revenue to finance its operations without external financial assistance. These costs include chemical, electricity, fuel and lubricants, staff emoluments, loan repayment and interests, pipes and fittings (Adombire, 2007).

The main sources of water supply to the people of Cape Coast and its environs are from Brimsu and Sekyere Hemang Headworks of Ghana Water Company Limited. The main source of revenue for GWCL is through billing of customers for water consumed. GWCL has a unique billing cycle for customers.

### **Statement of the problem**

Inadequate water supply has implications for economic and social activities. In the past inadequate water supply led to the closure of many schools in the Cape Coast and its environs. Economic and social activities were adversely affected. In view of these, a number of measures were put in place in 2005 to solve the perennial water shortage in the Cape Coast area and its environs. The measures included dredging of the Brimsu dam to remove silt deposited in the dam which reduces the volume of raw water available for treatment, construction of new water treatment plant at Sekyere Hemang, laying of water transport mains and construction of new reservoir and booster pumping station.

In spite of all these measures, customer complaints were on the increase. GWCL recorded total complaints of 401 in 2009 and 593 in 2010. In terms of monthly figures, an average of 33 customers complained in 2009 and increased to average monthly complaint of 49 customers in 2010. This was a clear indication that customers were still not satisfied with the services provided by GWCL. What could account for this situation and how could this be resolved? How do customers feel about the handling of these problems? For effective service

delivery answers to these questions are to improve on the performance of the company.

### **General objective**

The general objective is to examine customer service delivery by Ghana Water Company Limited in Cape Coast.

### **Specific objectives**

The specific objectives of this research were to:

1. Describe the services GWCL render to customers.
2. Explain the types of complaints.
3. Examine the factors responsible for customer complaints.
4. Analyse how customers' complaints are handled by GWCL.
5. Make recommendations for improvement in customer service in GWCL

### **Research questions**

The following research questions will direct the work

1. What services do GWCL render to customers?
2. What are the different types of customer complaints?
3. What accounted for the increase in customer complaints in 2010?
4. How does GWCL handle customer complaints?
5. What mechanisms have GWCL put in place to encourage customer complaints?

### **Significance of the study**

A study of this nature will create awareness on customer complaints among customers of Ghana Water Company Limited, Cape Coast. Similarly, it will be an eye opener to staff of GWCL particularly the Customer Care Department. Findings will also assist management of GWCL to put in place interventions to ensure that customer complaints are properly handled and to improve customer service. The outcome of the study may serve as a reference point or guide to the other regions in Ghana where GWCL operates.

### **Definition of terms:**

**BILLING:** It is the expression of the volume of water enjoyed by customers into monetary values. The volume of water is mainly determined by meter reading. In some cases, the consumption is determined by estimation.

**GOVERNMENT BILLING:** Refers to the billing of government departments, ministries and agencies.

**BILLING CYCLE:** This refers to the frequency of billing. Ghana Water Company Limited customers are billed monthly. Although the billing period is monthly, it is not from the 1<sup>st</sup> to the end of the month. In one calendar year, customers are supposed to be billed twelve times.

**HEADWORKS:** A water treatment plant. A place where raw water is abstracted and chemicals are used to treat it until it becomes safe for human consumption.

## **Organisation of the study**

The study is divided into five chapters. Chapter One, which is introduction to the study embraces the background, statement of the research problem, objectives, research questions, significance, the organization of the study and operational definition of terms. Chapter Two deals with the review of relevant literature. Chapter Three covers the methodology of the study. Chapter Four presents the findings and discussions. Chapter Five deals with summary, conclusion and the recommendations of the study.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **Introduction**

This chapter deals with review of related literature. In this chapter, issues considered include definition of customer service, customer service and loyalty, theories of customer service, what is customer satisfaction, factors influencing customer satisfaction, framework for evaluating customer satisfaction, concepts of customer complaints, factors influencing customer complaints, basic facts about complaints, how to improve customer service and how to reduce complaints.

#### **Definition of customer service**

Customer service has been explained in many ways. The Chartered Institute of Marketing (CIM, 2004), explains customer service as the things a business delivers to customers to achieve customer satisfaction. Some businesses deliver physical products and may not see themselves as being a service business. However, their customers still measure the business on the service that they experience both pre-sale and after-sale. So customer service is an increasingly important part of a business' activities.

Heskett (1986) views service as the way in which the organization would like to have its services perceived by its customers, employees, shareholders and leaders that is the organization's business proposition. The approach of defining the nature of service in terms of its constituent parts has also appeared in marketing literature. Lovelock and Wright (1999) for example use the "8Ps" of marketing

which encompass the element of service product, process, place, physical evidence, people, productivity, price quality and promotion. The service product is type of commodity or service rendered by the institution. This should be packaged in a manner that will meet the needs of customers. The process relates to how the organization serves its customers. Process involves the mechanisms and flow of activities by which services are consumed.

Place is the location of the organization and this has to be easily accessible. It also includes channels of distribution, market coverage and how to get the targeted customers. Physical evidence refers to the ambience of the service provider and it has to be good. The people are the workers and the human resources of the service provider. People also embrace all those who are directly and indirectly involved in the consumption of the product or service. Productivity relates to the efficiency level of the service provider. Productivity is influenced by the knowledge, skills and abilities of the service providers' staff (DeSimone & Harris, 1998).

Price quality refers to the affordability of the service. Affordability is an issue widely considered by customers. Pricing decisions should take into consideration cost of production, the response of competitors and profit margins. Promotion encompasses all methods adopted by service providers to communicate and educate customers on the service as well as to whip up interest for patronizing the service. Promotion includes advertisements in the media, sales bonanzas and publicity

Edvardsson and Tore (2000) view the service concept as a detailed description of the customer needs to be satisfied, how they are to be satisfied, what is to be done for the customer, and how this is to be achieved. Johnston and Clark (2005) were not specific in their definition for they said the concept of service is the customer's and provider's expectation of what a service should be and the customer needs it fulfills. It provides a foundation for developing the "what" and "how" of a service as well as for facilitating alignment between the strategic intent of the firm and the delivery service itself.

How customer needs and wishes are fulfilled by customers' experience and valuation of a service addresses the important domain of the service concept. Butz and Goodstein (1996) also share the same view. From the various definitions it is clear that the main goal of customer service is to satisfy customer needs.

### **Customer service and loyalty**

In recent years there has been growing interest in customer loyalty. The globalisation of competition, saturation of markets, and development of information technology have enhanced customer awareness and created a situation where long-term success is no longer achieved through optimised product price and qualities. Instead, companies build their success on a long-term customer relationship.

It has been demonstrated that it can cost as much as six times more to win a new customer than it does to keep an existing one (Reichheld,1993). Hence the



increase and retention of loyal customers has become a key factor for long-term success of companies. The main emphasis in marketing has shifted from winning new customers to the retention of existing ones. Traditionally there are two approaches to treat customer loyalty. Some researchers have investigated the nature of different levels of loyalty and others have explored the influence of individual factors on loyalty (Kuusik, 2007).

Kotler (2009) views customer loyalty as the feeling of attachment to, affection, or the tendency to be loyal to a product or service. Jones and Sasser (1995) propose three measures of customer loyalty. They argue that the frequency, amount of purchase and how recent a customer buys a product or uses a service shows loyalty.

### **Theories of consumer loyalty**

There are many approaches to customer loyalty. These involve traditional and contemporary theories. The traditional theory considered loyalty as the function of the share of total purchases. Traditional theories of behavioral loyalty were dominating until 1970. Tucker (1964) sees consumer loyalty as a function of buying frequency or buying pattern. These approaches looked at brand loyalty in terms of outcomes (repeat purchase behaviour) rather than reasons.

Day (1969) introduced the two-dimensional concept of brand loyalty, which stated that loyalty should be evaluated with both behavioral and attitudinal criteria. Contemporary researches consider and accent the psychological (mostly attitudinal and emotional) factors of loyalty (Jacoby & Chestnut, 1973; Oliver 1999).

These different approaches allow for distinguishing customers as whether behaviorally or emotionally loyal. Behaviorally loyal customers act loyal but have no emotional bond with the brand or the supplier whereas emotionally loyal customers do. Sasser (1995) calls these two kinds of loyalty accordingly false or true long term loyalty. Hofmeyr and Rice (2000) divide customers into loyal (behavioral) or committed (emotional). Emotional loyalty is much stronger and longer lasting than behavioral loyalty. It is an enduring desire to maintain a valued relationship. The relationship is so important for the customer that he or she makes maximum efforts to maintain it.

From a similar perspective, Butz and Goodstein (1996) observe that highly bonded customers will buy repeatedly from a provider to which they are bonded, recommend those providers to others, and strongly defend these choices to others – insisting that they have chosen the “best” product or service. Behaviorally loyal customers could be divided to sub-segments by the reason of acting:

Gronholdt, Martensen and Kristensen (2000) maintain that some customers could be forced to be loyal, loyal due to inertia or functionally loyal. Customers are forced to be loyal when they have to be clients even if they do not want to. Customers may be forced to consume certain products or services offered by certain vendor e.g. when the company acts as a monopoly or the poor financial status of the customer is limiting his selection of goods.

Gronholdt, Martensen and Kristensen (2000) further observe that companies with low price strategy had a much higher loyalty than expected from their customer satisfaction. On the other hand, companies that had used a lot of energy

on branding indeed had a high customer satisfaction but they did not have a correspondingly high loyalty. Forced loyalty could be established through creating exit barriers as well.

### **What is customer satisfaction?**

Customer satisfaction has been explained in many ways. Hunt (1977) stated that satisfaction was the amount the customer was pleased by a product or the extent to which wants and needs were met. Hunt (1977) also cautioned that this was not an emotion, but the cognitive evaluation of an emotion. Early researchers treated the evaluation process as a single cognitive process, but Tse and Wilton (1988) determined that consumers make multiple judgments in determining satisfaction with a product or experience.

Other researchers (Westbrook & Oliver, 1991; Woodruff, Cadotte & Jenkins, 1983) take a different viewpoint, asserting that satisfaction is an affective response to a consumption experience. The background and personality of the consumer will contribute to the amount of satisfaction experienced in any given situation. In theory, satisfaction consists of a comparison of the attributes of a consumption experience with the expectations of the consumer.

Fleiss (1989) believes we have to know who our customers are and what they want in order to satisfy them. He explained that a customer is a person or unit receiving the output of a process on the system. Satisfaction means that what we deliver to a customer met the customer's approval. Therefore customer satisfaction is when the customer is satisfied with a product or service that meets

the customer's needs, wants and expectations. We must understand the strategy for customer service quality.

Stamatis (1996), points out that the strategy issue is a very important element of customer satisfaction, primarily because it sets the tone for the appropriate training, behaviour and delivery of specific service. Service delivery must be timely and accurate. This is why Stamatis (1996) agrees with Fleiss (1989) that there are four items that the strategy for service quality ought to address. These are timely, accuracy, concern and courtesy. Service should be delivered on time when it is needed most. Undue delay in providing service may not ensure maximum benefit to the user.

Service must be accurate to meet the customer's expectation because mistakes can cause irreparable damage and also be costly. Service providers should have concern for the customers. In order to delight the customers, they should be able to have empathy for the customers. Courtesy is very important in service provision. Service providers should respect the customers and treat them with dignity to promote customer satisfaction. Rust and Oliver (1994) view satisfaction as the customer fulfillment response, which is an evaluation as well as an emotion-based response to a service.

### **Factors influencing customer satisfaction**

There are multiple factors influencing customer satisfaction (Turel and Serenko, 2006; Melody, 1997). For developing satisfaction among customers, service providers need to be extra careful for the services they provide. Satisfaction of customer is determined by evaluation of service provided by a

brand (Gustafsson, Johnson & Roos, 2005). The study of Ahn, Han and Lee (2006) shows that when the customers, do not get their complaints considered properly, they start looking for other brands. It happens because either the customer service centers do not handle the complaints properly or delay unduly.

One of the most important factors influencing customer satisfaction is quality of service. It is therefore appropriate for firms to concentrate on the improvement of service quality in order to satisfy their customers which would ultimately help them to retain their customers (Gustafsson, Johnson & Roos, 2005).

Another important factor which influences customer satisfaction is price fairness. Price fairness refers to consumers' assessments of whether a seller's price is reasonable, acceptable or justifiable (Xia, Monroe & Cox, 2004). Price fairness is a very important issue that leads toward satisfaction. Charging fair price helps to develop customer satisfaction and loyalty. Research has shown that customer's decision to accept particular price has a direct bearing on satisfaction level and loyalty and indirectly (Martin-Consuegra, Molina & Esteban, 2007).

In another study of Herrmann, Xia, Monroe and Huber (2007), it was concluded that customer satisfaction is directly influenced by price perceptions while indirectly through the perception of price fairness. Kotler and Armstrong (2010) explain price as the amount of money charged for a product or service, or the sum of the values that customers exchange for the benefits of having or using the product or service.

Furthermore, the friendly attitude and courteous behaviour of the workers at service firms leaves a positive impression on the customer which lead towards

customer satisfaction (Soderlund & Rosengren, 2008). A work done by Hanif, Hafeez and Riaz (2010) concluded that price fairness and quality of customer services were the main variables towards customer satisfaction. The results showed that both the factors significantly contributed to explain customer satisfaction but comparatively price fairness had the larger impact on customer satisfaction. When the consumer has no expectations about a product or experience, performance becomes the primary determinant of satisfaction (LaTour & Peat, 1979).

Kotler (2009) believes that the customer satisfaction and loyalty are very practical interactions and the satisfaction level has a positive influence on the loyalty level. Indeed it implies that when a customer has a high level of satisfaction about a product or service then that is likely to increase the customer's loyalty. Since customer satisfaction is the core concern of any organisation therefore they pay close attention toward the factors that influence a customer's decision towards brand (Rust & Oliver, 1994).

### **Framework for evaluating customer satisfaction**

There are several models for evaluating customer satisfaction. Kano (1996) model of customer satisfaction classifies product attributes based on how they are perceived by customers and their effect on customer satisfaction. According to the model, there are three types of product attributes that fulfill customer satisfaction at different degree.

1. Basic or expected attributes
2. Performance or spoken attributes

### 3. Surprise and delight attributes

Another model used to explain customer satisfaction is the innovation framework. Rogers (1995) did extensive work on innovation framework. This framework suggests five steps through which adoption of a new product or service goes. These are the knowledge of an innovation, forming an attitude toward the innovation, decision to adopt or reject implementation of a new idea and finally confirmation of this decision. Rogers' model closely resembles the customer satisfaction model by Engel, Blackwell and Miniard (1995). According to the model of Engel, Blackwell and Miniard (1995) the customer decision-making process comprises a need-satisfying behaviour as well as a wide range of motivating and influencing factors.

Rogers (1995) also maintained that people accept innovation differently depending on their personality, their innovativeness and interpersonal communication. Accordingly, people could be classified innovator as early adaptors, early majority, late majority and laggards Innovators. Early innovators seek newness and value the time period that is passed since the product launch. Laggards seek reassurance and confirmation about product or service qualities through interpersonal communications and word-of-mouth.

Many studies suggest that there is a fundamental difference between products and services, namely it is the way they are produced and consumed (Gronroos 2000; Edvardsson 2000). The time period between service production and consumption is considerably shorter than for products. Most services are

produced “on the spot” in an interactive process, in which customers and company employees meet.

Parasuraman, Zeithmal and Berry (1985) assert that comparative and explanatory approaches are involved in studying particular consumer behaviours and for development of predictions of specific factors that may affect values and attitudes which may in turn lead to change in behaviour interpretative methods and envisioning are used for predicting the consequences of particular consumption patterns. Satisfaction with service qualities depends on a large number of dimensions both tangible and intangible attributes of the product or service offer.

In the view of Russell (2001), service providers can be classified into two. These are reactive and proactive. He maintains that those who wait for problems to be brought to them before acting are reactive. On the other hand, the proactive service providers are those who want to promote customer satisfaction and so find out from their customers what their complaints are and solve them.

There is a model called service quality model used to explain customer satisfaction. Gronroos (1987) makes it clear that the quality of service perceived by customers will differ depending on what strategy the company chooses to deliver and promote that service. The service quality model by Gronroos holds that the quality of a service, as it is perceived by the customer can be divided into technical quality and functional quality dimensions.

The technical quality denotes what the customer received as the output of a service production process and the functional quality. Furthermore Gummesson



and Gronroos (1994) posit that the technical quality is the basic condition for a positively perceived total quality but the functional quality is the one that adds competitive edge. Later, Gronroos (1994) further stated that a high perceived quality is obtained when the experienced quality meets customers' needs. The expected quality is heavily influenced by market communication (advertising, sales campaigns, public relations), company image and customers' needs.

The functional quality comprises attitudes of employees, accessibility, service mindedness, appearance, customer contacts and public relations. Gronroos concluded that the total perceived quality is not only defined by the level of technical and functional dimensions but also by the gap between expected and experienced quality.

One of the most often used models to measure service quality and customer satisfaction is the SERVQUAL model. Parasuraman, Zeithaml and Berry (1985) explain that the SERVQUAL model measures the differences between customers' expectations about the general quality of a certain group of service providers and their perceptions about the actual performance of a service provider from that group. It uses a set of service quality determinants. The model defines customer satisfaction as perceived service quality which is the gap between expected service and the perception of service actually received.

Although the SERVQUAL model has been widely applied, it has been criticized for not including prices in the assessment or the inclusion of expectations as a variable in measuring service quality. The studies conducted by researchers using the SERVQUAL approach have found that reliability is the

most important dimension, followed by responsiveness, assurance and empathy, with tangibles being the least important of all.

Boulding, Kalra, Richard and Zeitmal (1993) argue that perhaps the most often heard criticism pertains to the lack of a class link between satisfaction and perceived service quality identified by some research work. In their view service quality does not depend on expectations and can directly be measured by simple performance based on measures of service quality. In spite of the various standpoints and models for customer satisfaction, different disciplines generally employ similar set of approaches and tools for studying consumer satisfaction.

### **Concept of customer complaints**

Complaints offer business an opportunity to correct immediate problems. In addition they frequently provide constructive ideas for improving products, upgrading services, adapting marketing practices and modifying product information. Consumer research that focuses primarily on dissatisfaction considers the construct as antecedent to remedial behaviours such as complaining and negative word of mouth (Tax, Brown & Chandrashekar, 1998). Consumer dissatisfaction is portrayed as the bipolar opposite of satisfaction. Goodman (1999) believes that management finds out about dissatisfaction through two mechanisms: complaints and exit. Exist in this context occurs when the customer stops buying or using the services.

### **Factors that influence customer complaints**

There are several reasons why customers complain. Goodman (1999) says a complaint is any measure of dissatisfaction with a product or service, even if it is unfair, untrue or painful to hear. Goodman (1999) went further to add delivery, quality, billing, request communication, personnel, documentation response time, or follow up as frequent causes of customer complaints. Complaints occur when the delivery of a product or service by a supplier somehow does not meet the expectations of a customer.

However, Kissinger-Mutray (2003) thinks that complaints may be caused by fitness for purpose, delivery deadlines, product information, and conditions of sale, use of personal data, after-sales service and guarantees. From available literature, it is clear that causes of customer complaints mainly relate to the product or to the customer.

### **Basic facts about customer complaints**

Goodman (1999) states that there are basic facts on customer complaints. On average across industries, 50 percent of customers will complain about a problem while 50 percent will never complain. A research by Blythe (2003) shows that only one-third of consumers will complain or seek redress the remainder will boycott the goods or service in future or simply complain to others either to which is a non-optimal outcome from the view point of the marketer. Consumers express dissatisfaction in one of three ways; complain to the company, friends and to consumer organizations.

The Coca Cola Company undertook a survey of consumer communications in 1981 among customers who had complained to the Company.

The outcome of the research indicates the following;

1. More than 12 percent told 20 or more people about the company's response;
2. Those who were completely satisfied told a median of four to five others about the experience;
3. Nearly 10 percent of those who reported being completely satisfied increased their purchases of company's products;
4. Those who thought that their complaint was unfairly dealt with told a median of nine to ten other people; and
5. Of those who thought their complaint was unfairly dealt with; nearly one-third subsequently boycott the company's products entirely and another 45 percent reduced their purchases (The Coca-Cola Company, 1981).

The evidence from the Coca-cola survey is that consumers whose complaints are resolved satisfactorily tend to become more loyal than those consumers who did not have a complaint in the first place.

### **How to improve customer service**

Balaji (2002) states that in order to improve customer services, there should be customer campaign plan. This plan should be designed to identify areas and units within the company that needs improvement. Generally, the campaign to improve customer service include training of staff in customer care, rewarding

outstanding performance, ensuring excellent management and staff relationship, efforts to remove obstacles, positive development attitude and changing procedure where necessary. Balaji (2002) believes that companies are acknowledging that unless customers' needs are taken into account in designing and delivering both goods and services, all the technical superiority in the world will not bring success.

Singh (1990) believes that the first step is for management to accept the seemingly contrary motion that more complaining is better and communicate this position up and down the organisation. In the view of Blythe (2005) in service marketing the problem is a little more complex because a service industry is essentially selling a promise, services cannot be returned for a replacement in the way the physical product can. Services fall into the following categories for the purposes of correcting complaints. A failure to solve problems raised by post-purchased dissonances will ultimately lead to irreparable damage to the firm's reputation.

Goodman (1999) asserts that complaints should be seen as customer – volunteered marketing research data to be actively sought not as information to be squelched for fear that complaints will lead only to reprimands. Goodman (1999) and Blythe (2005) maintain that organisations should set up systems that make it easy for dissatisfied customers to express their feelings to the organisation. To voice a complaint, one must not only have a problem or a dissatisfaction, but one has to understand where and how to complain and have the skills to do so.

In Ghana, the utility companies have a department that handles dissatisfied customers. Public Utilities Regulatory Commission (PURC, 2004) states that a customer who is dissatisfied with the quality of utility service or have problems with aspects of utility service provision can complain to the Commission for redress. The PURC has issued regulations for the submission, hearing, and determination of matters arising from the PURC Act 1997, ACT 538. The regulations known as the Public Utilities (Complaints Procedure) Regulations, 2000, LI 1665 came into force in January, 2000. When a customer's complaint is not satisfactorily solved, the customer can lodge his or her complaint at the PURC for redress either orally or by a written letter.

When the PURC receives the complaint, a copy is forwarded to the utility providing service which must respond within five days. The PURC then conducts a preliminary inquiry into the complaint. If the PURC considers that complaint can be solved by mediation and settlement, it may invite officials of the utility company and the complainant for a resolution of the complaint.

On the other hand if no agreement is reached the PURC will conduct a hearing where both parties will be given opportunity to state their case before a panel of at least three and not more than five persons representing Commission. The panel is expected to use its expertise to resolve the complaint amicably.

### **How to reduce customer complaints**

Complaints occur when the delivery of a product or service by a supplier somehow does not meet the expectations of a customer. There are a number of measures that can be adopted to reduce customer complaints. It is imperative to

ensure that customer-centred organisations recognize that customer satisfaction should be a major indicator of organisational success according to Blythe (1997).

Improvement in service delivery or product quality can reduce customer complaints. Organisations have to develop new business strategies based on customer-driven value creation to improve productivity and profitability in the new service competition (Gronroos, 2000). One way to gain insight into customers' value-perceptions as a basis for quality improvements and service development is to learn from their complaint and switching behaviour. Another way is to focus on communication for maintaining customer relationships (Edvardsson, 1993).

Customer education can go a long way in reducing customer complaints. Customer education is viewed as an important ingredient in the development of long-term customer-firm relationships (Morgan & Hunt, 1996). High levels of communication imply that the relationship is strong and that needs are being addressed (Cannon & Homburg, 2001). Hart, Heskett and Sasser (1990) argue for the importance of closing the communication loop with customers. They identified customer information through complaints to be particularly important.

However, even more important was the service providers' response to the complaints. Results indicate that the intention to switch largely depends on the service-provider's response to the complaints. Another kind of information is received through understanding the basis for customers' willingness to complain. The propensity to switch is high among customers in monopolistic industries but lower in loose monopolies (Singh 1990).

## **CHAPTER THREE**

### **METHODOLOGY**

#### **Introduction**

This chapter presents the methodology or approach used for the study. Specifically, it discusses the profile of study area, study design, study population, sample and sampling technique, data collection tools, data collection and analysis.

#### **Profile of study area**

The study area is the Cape Coast Metropolis. The Cape Coast Metropolis is bounded on the south by the Gulf of Guinea, on the West by the Komenda - Edina -Eguafo -Abrem District, on the East by Abura - Asebu - Kwamankese District and the North by the Twifo Hemang Lower Denkyira District. It is situated 165 kilometres west of Accra. Cape Coast Metropolis occupies an area of 122square kilometers and it is the capital of Central Region. Cape Coast used to be the capital of the Gold Coast (Ghana) before the capital was moved to Accra. There are 59 settlements in Cape Coast, three of which are urban centres. Cape Coast is the main settlement of Fante people. There are valleys of various streams between the hills with Kakum being the largest stream. The largest lagoon is the Fosu Lagoon located at Bakaano. Cape Coast is a humid area. The sea breeze has a moderating effect on the local climate.

Fishing is the major economic activity along the coastal belt. In the Northern part of the Metropolis, cultivation of maize, cassava, cocoyam and yam thrive. Cape Coast Metropolis has many schools from Crèche, Kindergarten, Primary, Junior High, Senior High, Polytechnic and a University. It also has



hospitals, post offices, telecommunications facilities, banks and police stations. There are many government departments, ministries and agencies in the Cape Coast Metropolis. Cape Coast is well noted for its beautiful tourist attractions such as the Kakum National Park, Cape Coast Castle, Fort Williams and Fort Victoria, the beaches, Fosu Lagoon and Fetu festival.

The Metropolis is adequately served with electricity and pipe- borne water. Generally, access to potable water is not difficult. All areas within the study area have access to potable water. However due to the undulating nature of Cape Coast, residents in very high elevation areas sometimes experience low pressure or even no flow. One such place within the study area is North Ola.

A map has been used to show the study area in regional and national context. The map of Ghana shows the location of Cape Coast in the Central Region and is presented in Map 1. The study area (Cape Coast) is also shown in Map 2.



## **Study design**

Research design is a process or plan that enables the researcher develop and execute a research agenda including the topic selection and answering questions of why, how a particular problem will be scientifically investigated to its logical conclusion. There are many types of research design. Some of the types of research designs are descriptive, correlational, experimental and review.

The study was basically a descriptive research approach. This is because the systematic collection and presentation of data to highlight customer service by GWCL, Cape Coast had to be described to enhance readers understanding. In the view of Gay (1987) descriptive survey includes collecting data in order to test hypothesis or answer questions concerning the current status of the subject of the study. To him, such a study determines or reports the way things are. It is against this background that the design has been chosen since it will lead to meaningful generalisation and it has the merit of producing a reasonable amount of responses from a relatively wide range of respondents.

## **Study population**

The study is about customer service delivery by Ghana Water Company Limited in the Cape Coast Metropolis. People living in premises connected with water supply in Cape Coast Metropolis that are not disconnected constitute the population. As at December 2010, the active customers of GWCL in Cape Coast were 2807 (Department of Customer Care, GWCL) and this comprises the study population. All customers of GWCL have been grouped into three main

categories, namely domestic, commercial users and government institutions. Of the 2807 customers, 2302 are domestic, 477 commercial users, and 28 belong to government institutions.

The study also sought the views of key management officers particularly, the Regional Water Quality Assurance Manager, the New Service Connections Officer, the District Customer Care Officer and the Officer in charge of complaints at GWCL, Cape Coast. This is because they have good insight into the subject under consideration.

### **Sample and sampling technique**

Using the table for determining sample size from a given population by Krejcie and Morgan (1970) as cited in Sarantakos (1998), the population of 2,807 should have had a sample size of 338. However, due to time constraints and funds, a sample size of 280 which constitute 10 percent of the target population was used. Stratified random sampling was used to select the respondents and purposive sampling for the Complaints Officer, the New Service Connection Officer, the Regional Water Quality Assurance Manager and the District Customer Care Officer.

The population was stratified according to status (what pertains at GWCL). These were domestic, commercial users and government institutions. Out of the total sample size of 280, 230 respondents constituted domestic users, 40 were commercial users and 10 represented government institutions. The domestic users were taken from high class residential areas, middle class areas and low class areas. The commercial customers were fairly homogeneous and so

samples were taken from any premises within the study area. Samples from the government institutions were taken from 10 different institutions for fair representation. These have been presented in Table 1. Table 1 indicates the proportion selected from each stratum.

**Table 1: Proportion selected from each stratum**

Category of service	Population	Sample
Domestic	2302	230
Commercial	477	40
Government Institution	28	10
Total	2807	280

Source: GWCL (2010)

These were arrived at based on the proportionate samples in order to reduce possible bias in terms of representation. Amedahe (2002) recommends that a stratified sampling is employed when there is the need to represent all groups of the target population in the sample. After the population was stratified, simple random (lottery) was used to select the respondents from each stratum.

Purposive sampling was also used to select the Complaints Officer, the New Service Connection Officer, the Regional Water Quality Assurance Manager and the District Customer Care Officer who could give relevant information to the purpose of the study. In the view of Fraenkel and Wallen (2000), purposive sampling can be used when it is hoped that identified respondents will be able to make informed inputs to the subject under consideration.

### **Data collection tools**

A questionnaire and an interview guide were designed and used for the study. The questionnaire was administered to the customers while the interview guide was used for the officer in charge of handling complaints at GWCL, Cape Coast. The questionnaire is composed of both open-ended and closed-ended items. The use of questionnaire promises a wider coverage of respondents and they can be completed at the respondent's convenience. However, its weakness is the fact that it is difficult to check errors and cannot be administered to people who are illiterates.

### **Data collection**

Data for the study was gathered from two main sources: primary and secondary. The primary data was gathered through the administration of questionnaire and interview guide for the respondents and key officers of GWCL respectively. With regards to the questionnaire, the researcher, together with three Meter Readers from GWCL district office in Cape Coast administered the questionnaire.

The interview guide for the Complaints Officer, District Customer Care Officer, New Service Connections Officer and Water Quality Manager were conducted by the researcher. Secondary data were taken from company reports, administrative records, newsletters and the internet. Data on customer complaints and how they are handled were collected from GWCL, Cape Coast.

## **Data analysis**

The completed questionnaires were each edited to ensure accuracy and consistency. The responses to the various questions were then coded by constructing a coding frame to translate into numbers. Simple descriptive statistics particularly, frequencies and percentage distributions were used for the analysis. This was done via computer software, Statistical Product and Service Solution (SPSS). With regards to the interview conducted, they were transcribed and analysed under general themes.

## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### Introduction

This chapter presents the analysis of data gathered and discusses them. The issues discussed in this section include socio-demographic characteristics of respondents, profile of GWCL customers, services rendered by GWCL, types of GWCL customer complaints, reasons for increase in 2010 customer complaints, customer complaints handling by GWCL and how GWCL encourages customer complaints.

#### Socio-demographic characteristics of respondents

Socio-demographic characteristics of respondents are shown in Table 2.

On sex distribution of respondents, it was observed that many of the respondents were males (57.8%) while 42.2 percent were females as depicted in Table 2.

With regards to the age distribution of the respondents, 75 percent were between 31 – 50 years.

**Table 2: Age and sex of respondents**

Age	Male	Female	Total
21-30 years	14 (5.0)	4 (1.4)	18 (6.4)
31-40 years	52 (18.6)	50 (17.9)	102 (36.5)
41-50 years	66 (23.5)	42 (15.0)	108 (38.5)
50+ years	30 (10.7)	22 (7.9)	52 (18.6)
Total	162(57.8)	118(42.2)	280 (100.0)

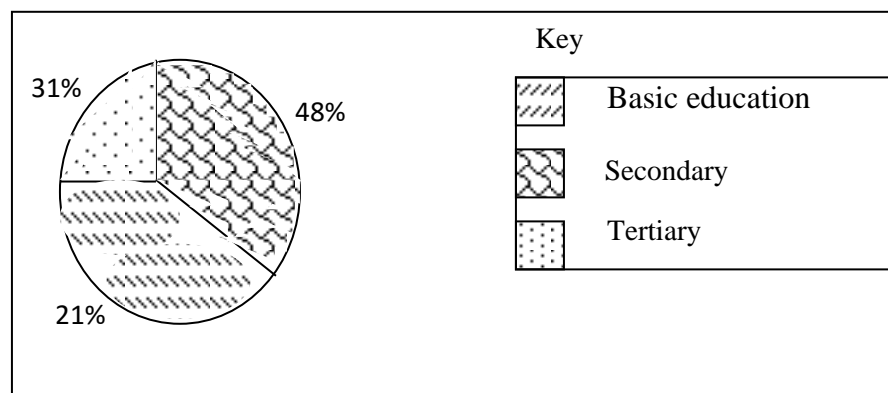
Note: Figures in parentheses are row percentages.



Source: Field survey (2011)

Educational background of respondents was also included in the socio-demographic characteristics. This is shown in figure 1. As depicted, 79 percent of respondents had attained secondary education and or tertiary level education. With this level of literacy, it is likely many of the respondents would appreciate the survey.

**Figure1: Educational background of respondents**



Source: Field survey (2011)

### **Location of customers**

It is clear from Table 3 that many of the respondents (40.0%) were located in the Cape Coast town centre which has high, middle and low class residents. Due to business activities, a lot of people in the area had connected water to their businesses aside that of their homes.

**Table 3: Location of customers**

Location		Frequency	Percent
Pedu / Abura	(High/Middle/Low Class)	76	27.1
Ola	(Middle/Low Class)	70	25.0
Cape Coast town centre	(High/Middle/Low Class)	112	40.0
2 <sup>nd</sup> & 3 <sup>rd</sup> Ridge	(High Class)	22	7.9
Total		280	100.0

Source: Field survey (2011)

**Metered and Unmetered customers and status of meters**

On the issue of meters, respondents were asked whether GWCL had metered them or not. Table 4 gives information on metered and unmetered customers. The indication was that, majority (91.5%) of GWCL customers had been metered. This implies that majority of water consumption were actual measurement.

**Table 4: Metered and unmetered customers of GWCL**

Status	Frequency	Percent
Metered	256	91.5
Unmetered	24	8.5
Total	280	100.0

Source: Field survey (2011)

For those who stated that they had been metered, they were asked to indicate whether their meters were functioning or not. The data obtained is presented in Table 5. As can be seen, majority (88.3%) of meters installed by

GWCL for its customers were functioning. However, 11.7 percent of respondents said theirs were not in good condition.

**Table 5: Status of meters**

Status	Frequency	Percent
Functioning	226	88.3
Not functioning	30	11.7
Total	256	100.0

Source: Field survey (2011)

In the case of customers who stated that they had not been metered (refer to Table 4), they were asked to indicate why they had not been metered. Of the 24 respondents, 16 stated that there was meter shortage at GWCL while the rest did not know the reason for being unmetered customers. Unmetered customers and those whose meters were not functioning are given estimated water bill. In an interview with the District Customer Care Officer (DCCO), it was revealed that many customers billed on estimated consumption of water feel cheated. Such customers hold the view that they do not use water up to the amount they are being charged.

Some contend that whether the water flows or not during the month, GWCL gives them the same bill which in their opinion is not appropriate. Therefore GWCL should procure enough meters for customers because those who are not metered are dissatisfied. They often complain about their water bills which are estimated.

### **Number of years respondents have been with GWCL**

Regarding how long respondents had been customers of GWCL, the following results (Table 6) were obtained. It was observed that 67.7 percent of the respondents have been customers of GWCL between 11 years to 20+ years.

**Table 6: Years of being customer with GWCL**

Number of years	Frequency	Percent
Below 5 years	34	12.1
6 – 10 years	56	20.0
11 – 15 years	72	25.7
16 – 20 years	56	20.0
20+ years	62	22.2
Total	280	100.0

Source: Field Survey (2011)

Reichheld (1993) is of the opinion that the longer the period a customer patronises the services or products of a company shows how loyal the customer is to the company. These customers have been loyal to GWCL.

### **Services provided by GWCL**

One of the research questions looks at the services provided by GWCL and the responses have been depicted in Table 7. In addressing research question one (services provided by GWCL), the study found that majority (82.8%) of the customers stated that GWCL supplies them potable water. This implies that the main service provided by GWCL is the supply of water to consumers.

**Table 7: Services provided by GWCL**

Services of GWCL	Frequency	Percent
Supply water	232	82.8
Maintenance of meter s	30	10.7
Repair of pipe leakages	10	3.6
Education on water issues	8	2.9
Total	280	100.0

Source: Field Survey (2011)

From the survey, it was observed that all the other services rendered by GWCL such as maintenance of meter, repair of pipe leakages and education of water issues are auxiliary services which promote the main work of GWCL.

It is important to state that before one becomes a customer of GWCL that person must apply for new service connection (NSC). Therefore customers were asked to state how they perceived the procedure for new service connection when they applied for it. Table 8 reveals the responses obtained. From table 8, it can be seen that 15.0 percent customers saw it as difficult while 1.4 percent saw it as frustrating.

**Table 8: Procedure for new service connection**

Responses	Frequency	Percent
Simple /Straightforward	234	83.6
Difficult	42	15.0
Frustrating	4	1.4
Total	280	100.0

Source: Field survey, (2011)

In an interview with the New Service Connections Officer of GWCL Cape Coast District on issues relating to new service connections in GWCL, the researcher found that, averagely, 30 new service connections were made every month in Cape Coast. On the duration it took a new customer to get new service connection, it was revealed that it was usually within two weeks after full payment. Also, customers were asked about how they perceived the cost of new service connection as illustrated in Table 9. The responses obtained clearly indicated that of 27.1 percent of the respondents view the cost of new service connection as expensive.

**Table 9: Cost of new service connection**

Responses	Frequency	Percent
Affordable	204	72.9
Expensive	70	25.0
Too Expensive	6	2.1
Total	280	100.0

Source: Field survey (2011)

In an interview with the New Service Connection Officer, it came out that how much one had to pay (cost) differed according to the length of the connection and even the size of the main pipeline on which the connection was made. However, the minimum cost one may pay would be about Two hundred Ghana Cedis (GH¢200.00) at the time of study.

It was revealed that some customers complained about the cost while others too complained about the delay in getting the service (they wanted the connection the same day they paid). It was necessary to find out the difficulties associated

with new service connections in GWCL. According to the NSC officer, the main difficulty in new service connection had to do with places where there were no main pipelines and so it is difficult for GWCL to connect such new customers.

The study also sought to find out about the flow of water situation in Cape Coast and the results are presented in Table 10. Results from Table 10 indicate that 74.3 percent customers stated that water flowed everyday. However, 25.7 percent customers said they had water from three days to once in a week. For such customers flow of water was irregular. It came out from the study that majority (81.6%) of those who had irregular flow were from the Ridges, a high class residential area in Cape Coast. The implication is that those who are in the position to pay their water bill do not have regular supply of water.

**Table 10: Water flow situation in Cape Coast**

Quality	Frequency	Percent
Everyday	208	74.3
Every Two days	50	17.9
Every Three days	14	5.0
Once a week	8	2.8
Total	280	100.0

Source: Field survey (2011)

Stamatis (1996) believes that service delivery must be timely and accurate in order to satisfy the customers. GWCL should improve water flow to the Ridges. Customers at the Ridges are not satisfied with the flow of water situation.

Related to the flow, is the quality of water. The study looked at water quality issues since it is a concern for all. Information gathered is presented in

Table 11. Almost 73 percent (72.9%) of the customers who said water from GWCL was clean. Nonetheless 27.1 percent had problems with the quality of water supplied. The problems included colour, odour and dirt in the water.

**Table 11: Quality of water supplied**

Quality	Frequency	Percent
Clean	204	72.9
Dirty	18	6.4
Coloured	56	20.0
Odour	2	0.7
Total	280	100.0

Source: Field survey (2011)

The study revealed through an interview with the Water Quality Manager that GWCL has a department that monitor the quality of water provided by GWCL and ensures that it was well treated which conformed to standards of the World Health Organisation and the Ghana Standards Authority.

It was revealed that water from GWCL headworks was safe for consumption. The study investigated the quality problems GWCL as a utility service provider encounter. It was found out that the main problem was pollution of the water bodies which serve as raw water sources for production. It was explained that human activities such as mining, fishing and dumping of refuse pose a challenge to water quality.

Secondly, the study revealed that there can be several reasons why some customers complain about the quality of water they received relating to particles in the water, colour or odour. Pipelines which pass through gutters and drainages



are potential source of contamination. Some pipelines are exposed on the ground and streets which are prone to frequent bursts and leakages. Customers who do not wash their reservoirs or storage tanks for a long time stand the risk of contamination. Quality of water issues cannot be compromised because Tripathy and Panda (2003) assert that safe drinking water totally changes the health of the people by conferring on them so many benefits which lead to a perceptible decline in the incidence of water borne diseases.

On the issues of how GWCL solved customer complaints relating to water quality, it was revealed GWCL usually investigates the complaints thoroughly and took appropriate actions to solve them to ensure that good drinking water is given to customers. The measures include regular testing and sampling of water, flushing of pipelines and cleaning of Water Company reservoirs.

Again, customers were asked to state whether the price they pay for water was affordable, expensive or too expensive. Data obtained is shown in Table 12. From table 12, it is clear that majority of customers (92.2%) were of the view that the price of water was affordable. For 7.8 percent of customers, the price of water was expensive.

**Table 12: Price of water**

Responses	Frequency	Percent
Affordable	258	92.2
Expensive	18	6.4
Too Expensive	4	1.4
Total	280	100.0

Source: Field Survey (2011)

In an interview with the DCCO of GWCL, Cape Coast, it came out that considering cost of water production, treatment and distribution, water is affordable. This was because 1000 litres of water cost only 85 Ghana Pesewas which was less than One Ghana Cedi (GH¢1.00).

Comparatively, a 0.75 litres of bottled water which was even less than 1litre, cost One Ghana Cedi (GH¢1.00) and that was far more than the price of 1000 litres of water provided by GWCL. It was necessary to find out whether some customers stopped using GWCL's services. The results revealed that those who default payment of water bills were disconnected and so they could not enjoy GWCL's services. Again, those who engaged in illegal connections were also disconnected.

### **Types of complaints made to GWCL**

Research question two took a look at the various types of complaints customers made to GWCL. GWCL has grouped all customer complaints into four main categories (types). These are quality of service, billing, payments and metering complaints. Table 13 displays the various complaints respondents gave during the data collection. Table 13 reveals that 51.8 percent of customers complained about the quality of service rendered by GWCL. Quality of service involves no flow of water, irregular flow, coloured water, odour in the water, pipe bursts and pipe leakages. A cross examination revealed that most of the complaints (82.4%) came from town centre which comprised all classes of

residents and businesses. The least came from the Ridges area which had 1.2 percent.

**Table 13: Types of complaints**

Complaints	Type	Frequency	Percent
Leakages / Pipe burst	Quality of service	70	30.7
No /irregular water flow	Quality of service	30	13.2
Poor quality / Dirty water	Quality of service	18	7.9
Faulty meter	Metering	14	6.1
Stolen meter	Metering	6	2.6
High bills	Billing	46	20.2
Payment did not reflect	Payment	8	3.5
Late distribution of bills	Billing	10	4.4
Estimated bills/errors on bill	Billing	26	11.4
<b>Total</b>		<b>228</b>	<b>100.0</b>

Source: Field survey, (2011)

In an interview with the DCCO for Cape Coast District office of GWCL, it came out that some people deliberately cause pipe leakages and bursts. It came out of the study that many of the pipelines in Cape Coast are over age and weak. Thus any little force on these pipelines by vehicles, humans or animals walking on them would result in bursts and leakages.

The study further revealed that the pipelines of some customers are exposed which contributes to rampant leakages. Frequent pipe burst and leakages affect flow of water and in some situations the quality of water. It came out that GWCL has plans to replace the over aged and weak pipelines with new ones but because

the funds involved is so huge GWCL shall do it gradually. Gustafsson, Johnson and Roos (2005) believe that one of the most important factors influencing customer satisfaction is quality of service. It is therefore appropriate GWCL to concentrate on the improvement of service quality in order to satisfy their customers which would ultimately help them to retain their customers.

A look at Table 13 also indicates that 36 percent of customer complaints were related to billing. The study revealed that customers billing complaints were caused by estimated bills emanating from non availability of meters, some metered customers also think that their bills are too high and late distribution of bills and errors made on the water bills of customers. Cross examination of results revealed that majority of billing complaints (91.6%) came from Ola which predominantly are middle and low class residents.

Residents at Ola have large families. Many families live together in the same house and use a lot of water but tend to complaint about their bills. It is worthy of note that because of their high consumption, they often consume beyond the first bracket of tariff of twenty thousand litres which attract higher charge for domestic users. Once they go beyond the first tariff bracket, the charge goes up and makes the water bill huge.

The least of the complaints on billing came from the Ridges (0.9%). The results revealed that about 12 percent of customers in Cape Coast are billed on estimated water consumption due to non availability of meter, faulty meter or stolen meter. The study as indicated in table 13 shows that 8.7 percent complained about their meters. These complaints came mainly from Ola (62.8%). None of

metering complaints came from the Ridges. Majority of these customers maintained that there is shortage of meters at GWCL. The interview with the Complaints Officer confirmed the non availability of meters and the plans GWCL has to procure more meters.

In view of all the complaints especially about quality of service, customers were asked whether they would leave GWCL given alternative water supply company. Table 14 shows their views. The data in Table 14 indicates that 74.3 percent of customers would still opt for the services of GWCL even if an alternative water supply company was given. However, 25.7 percent customers stated that they would leave GWCL.

**Table 14: Customers who will leave GWCL given an alternative water supply company**

Responses	Frequency	Percent
Yes	72	25.7
No	208	74.3
Total	280	100.0

Source: Field survey, (2011)

This finding agrees with the view of Gronholdt, Martensen and Kristensen (2000) that customer loyalty could either be functional or forced loyalty. Customers are forced to be loyal when they have to be clients even if they do not want to. The forced loyalty could be established through exit barriers. In this case the 74.3 percent of customers have functional loyalty whereas the 25.7 percent of customers have forced loyalty. The 25.7 percent of the respondents were not

satisfied with the services of GWCL but because they do not have any other alternative they are forced to be customers of GWCL.

### **Reasons for the increase in customer complaints in 2010**

Research question three deals with the reasons that accounted for the increase in customer complaints in 2010. To begin with, the researcher asked the respondents whether they had ever made complaint to GWCL in 2010; the results gathered are shown in Table 15. Majority of the respondents (81.4%) asserted that they had made complaints to GWCL in 2010. Only 18.6 percent stated that they never made complaints to GWCL during the period under consideration.

**Table 15: Complaints made to GWCL in 2010**

Responses	Frequency	Percent
Yes	228	81.4
No	52	18.6
Total	280	100.0

Source: Field survey (2011)

In Table 16 respondents were asked to give reasons why they made complaints in 2010. The researcher was interested in knowing the underlying factors that triggered the increase in customer complaints in GWCL in the year 2010. A look at Table 16 clearly shows that majority of the customers (47.4%) indicated that the introduction of the toll free line (awareness) by GWCL in the year 2010 also helped them to lodge their complaints. This implies that before 2010, such an initiative was not in the system or not known to customers.

**Table 16: Reasons for increase in customer complaints in 2010**

Reasons	Frequency	Percent
Because of toll free line (awareness)	108	47.4
Had enough time to report	46	20.2
Faced too many problems	34	14.9
GWCL encourages customers / take prompt action	22	9.6
Previous problems remained unsolved	18	7.9
Total	228	100.0

Source: Field survey (2011)

As Blythe (2003) pointed out, research has shown that one-third of customers will complain or seek redress when they face problems with services rendered to them or goods purchased. In an interview with the DCCO, it was revealed that GWCL had introduced certain innovations in its operations which contributed to the increase in 2010.

In the first place, he explained that GWCL established many call centres where customers can lodge their complaints. Secondly, GWCL made a lot of educational campaign in 2010 by popularizing Vodafone toll free number which was 080040000 and 1700 (by text) and that encouraged customers to lodge their complaints. Since these numbers were toll free and customers do not pay for calling, many people made use of it. It is also convenient and time saving because the customer does not have to walk nor board a vehicle to the office. Other reasons which accounted for the increase in complaints for 2010 were customers having enough time to complain, facing many problems, encouragement to complain and unresolved complaints.

### **Handling of customer complaints by GWCL**

A study of this nature required the need to find out how customer complaints were handled by GWCL, hence research question four. In an interview with the Complaints Officer, it was revealed that GWCL established many call centres countrywide and trained officers to be in charge to handle all complaints. These call centres are equipped with computers and special software for recording and monitoring customer complaints. By this mechanism, customer complaints are effectively managed.

Further, GWCL introduced toll free number and popularized it. All customers who want to make enquiries or lodge complaints can either call the toll free number or walk in. When the complaint is received it is logged in a computer. The complaint is then directed to a standby team which will work on the complaint. Those enquiries or complaints which need simple explanation are handled by the Complaints Officers at once. After the complaint is solved, feedback is then given to the customer. At the end of every month all the complaints and enquiries are analysed for management use.

This section therefore addresses where and how customers made their complaints and of course how those complaints were handled. In the first place, it was prudent to find out from respondents where exactly they lodged their complaints. Information gathered through the data indicated that 166 respondents (72.8%) lodged their complaints at GWCL Call Centres, 34 respondents (14.9%) at GWCL District Office, 24 respondents (10.5%) to GWCL field staff and 4



respondents (1.8%) to radio stations. An interview with the Complaints Officer revealed that GWCL has established new call centres in Cape Coast where customers can lodge their complaints easily.

Secondly, respondents were asked to state how (medium) they made their complaints. The results obtained indicated that majority, 138 (60.5%) respondents used the toll free line to lodge their complaints. 86 Respondents representing (37.7%) walked in to lodge their complaints while those who used letters were 4(1.8%). The interview with the Complaints Officer confirmed that many customers use the toll free number was fast and convenient. Additionally, the toll free number works 24 hours everyday and customers are given feedback on their complaints as quickly as possible.

Thirdly, respondents were asked to state who handled their complaints. It became clear that the officer-in-charge of complaints handled majority of the complaints. By this, 138(60.5%) respondents mentioned the officer-in-charge of complaints as the one who handled their complaints. Also, 46(20.2%) respondents mentioned the District Customer Care Officer while 26(11.4%) respondents mentioned the Regional Customer Care Manager. A few 18(7.9%) respondents reported that GWCL field staff handled their complaints. It came out through the interview with the Complaints Officer that calling the toll free line and walk-in methods were very effective. It was mentioned that complaints to the field workers of GWCL was not effective because either the complaint took long time to be resolved or not addressed at all.

Fourthly, respondents were asked to indicate how GWCL staff received them when they went there to lodge their complaints. Responses to this question indicated that staff of GWCL received customers 152(75.4%) nicely while 46 (20.2%) respondents got it very nicely. However, a reception deemed as not nicely by 10 respondents (4.4%) recorded the lowest. Fleiss (1989) states that being courteous to customers promotes customer satisfaction. It is therefore incumbent on GWCL to ensure that all customers are treated very nicely. Even if customers are annoyed and act strangely, they should be calmed in a courteous manner.

Fifthly, the study was interested in finding out whether respondents' complaints were solved. The indication given by respondents clearly showed that GWCL was able to solve their complaints. Those who affirmed that their complaints were solved were 190 (83.3%) while 34(14.9%) respondents stated that their complaints were "somehow" solved. Only 4(1.8%) respondents stated "no" – an indication that their complaints were not solved. The study revealed that all those whose complaints were never addressed were complaints made to GWCL field staff. A survey done by Coke Cola in 1981 indicated that a company may lose about one third of customers whose complaints were not solved. This calls for appropriate training for the field staff to recognize the important role they play in handling customer complaints.

The study asked the respondents to indicate how long it took GWCL to solve their complaints. This was to find out whether GWCL takes prompt action concerning customer complaints. Information given by respondents showed that

some of them 158(69.3%) had their complaints solved within 48 hours. However, 40(17.5%) respondents had theirs solved within 72 hours whereas 30(13.2%) respondents indicated that theirs were more than 72 hours.

Through interview with the DCCO of GWCL, Cape Coast it was clear that PURC has stated that complaints should be addressed within 48 hours. This implies that GWCL did not meet the complaint resolution period for 30.7 percent customers. Thus GWCL must put in place measures to ensure that all complaints are solved within the 48 hours given by the PURC.

Again, it was important to find out whether they (respondents) were satisfied with how their complaints were solved by GWCL. In doing so, respondents who affirmed they were satisfied with the solution were 188(82.5%), while those who got satisfied 'somehow' recorded 26(11.4%). Only 14(6.1%) respondents stated they were not satisfied. Respondents who said they were not satisfied with the solution were asked to indicate the measures they took. Four said they ignored their complaints while ten respondents said they did a follow-up.

Furthermore, respondents who lodged complaints with GWCL but had their complaints not solved at all, were also not left out. They were asked to indicate the measures they took. Only one respondent hinted that he made a follow-up on his complaint. Three respondents revealed that they just ignored the complaints. Cross examination revealed that the customers whose complaints were not addressed and ignored a follow up were complaints made to GWCL field

workers. Ahn, Han and Lee (2006) caution that when the customers do not get their complaints considered properly, they start looking elsewhere.

**How GWCL encourages customer complaints**

Research question five dealt with how GWCL encourages its customers to report all their complaints whenever the need arises. In the first place, respondents were asked to indicate whether GWCL encourages them to make complaints. Table 17 shows the responses respondents gave. Results in Table 17 shows that GWCL encourages its customers to report complaints since majority 81.4 percent said ‘yes’. On the other hand, 18.6 percent respondents indicated ‘no’ as their responses.

**Table 17: Encouragement by GWCL for customer complaints**

Responses	Frequency	Percent
Yes	228	81.4
No	52	18.6
Total	280	100.0

Source: Field survey (2011)

Of course if GWCL encourages its customers to make complaints whenever the need arises, respondents who said yes (228, refer to Table 17) were asked to indicate what exactly GWCL does to encourage them. Table 18 displays responses obtained. The public education by GWCL created awareness for its customers and encouraged majority of the respondents (67.5%) to lodge their complaint.

**Table 18: What GWCL does to encourage customer complaints**

Encouragement	Frequency	Percent
Public education	154	67.5
Customer friendly	46	20.2
Prompt handling of complaints	28	12.3
Total	228	100.0

Source: Field Survey (2011)

Perhaps this agrees with the responses given by respondents that anytime they went to lodge complaints, staff of GWCL received them nicely. Kotler (2009) states that a responsive organization makes it easy for its customers to complain if they are disappointed in some ways concerning the service or product they have received.

In the case of the 52 respondents (refer to Table 15) who stated that GWCL does not encourage customer complaints, the study asked them to give reason why they were not encouraged to make complaints (if the need arises) to GWCL. Forty two (42) respondents revealed that because it takes GWCL too long a time to solve their complaints they were not motivated.

In response to promotion and education programmes for customers, the District Customer Care Officer in an interview indicated that GWCL educates customers on water issues such as new service connection and how to report complaints. The education was done through radio talk shows, pick -ups fitted with public address system as well as prints such as leaflets, newsletters, diaries and pamphlets.

Finally, on what respondents expect GWCL to do to improve customer services, Table 19 shows different opinions respondents thought GWCL could embark upon. All issues raised in Table 19 are ideas worth considering. Respondents who suggested that GWCL should do all it could to give them quality service were 66.5 percent.

**Table 19: Opinions on improvement in customer service**

Opinions	Frequency	Percent
Meter all customers	16	5.7
Quality water	20	7.1
Repair pipe burst/leakages promptly	48	17.2
Change old pipelines or machines	64	22.9
Water should flow constantly	54	19.3
Check late distribution of bills	14	5.0
Give public education / announcement	46	16.4
Reduce errors in billing	18	6.4
<b>Total</b>	<b>280</b>	<b>100.0</b>

Source: Field survey (2011)

What specifically should be done by GWCL to provide quality service include provision of quality water, continuous supply of water, changing of old pipelines, prompt repair of pipe bursts and leakages as well as public education. Quality service is very vital to the survival of businesses. In the view of Kuusik (2007) quality service promote customer loyalty.

The study also agrees with the view of Balaji (2002) that in order to improve customer service there should be plans to remove obstacles that impede

effective service delivery. Morgan and Hunt (1996) also maintained that a high level of customer education strengthens the relationship between the consumer and the company. It is important for GWCL to take these suggestions from the customers serious and put in place measures to improve the level of service.

GWCL should set up an enquiry into all the suggestions raised by customers. Metering can be done gradually so that customers will have accurate measurement of their water consumption. Billing errors should not be compromised. Customers are concerned about how much they pay for water used. Research has shown that a customer's decision to accept particular price has a direct bearing on satisfaction level and loyalty (Martin-Consuegra, Molina & Esteban, 2007).

Customers have the right to know what is going on about the services they patronize. It is therefore the responsibility of GWCL to make announcements when there is going to be interruption of service, when services shall be restored and alternative arrangements made for customers where necessary. Balaji (2002) holds the view that customer education is very important in creating awareness.

GWCL should roll out a plan to change all the over aged pipelines which lead to frequent bursts and leakages. The sight of treated water going to waste through pipe bursts and leakages is a sign of poor quality service. Butz and Goodstein (1996) also share the view that the main goal of customer service is to satisfy customer needs.

## **CHAPTER FIVE**

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

#### **Introduction**

The study looked at customer service delivery by Ghana Water Company Limited in Cape Coast Metropolis. It is on account of this that this chapter presents the summary of findings, conclusions and recommendations of the study.

#### **Summary**

In spite of the importance of water, quite a number of people all over the globe do not have access to potable water. Although Ghana Water Company Limited has expanded its water supply to meet demand for water in Cape Coast, problems such as lack of main pipelines to connect to some areas, weak and over-aged pipelines do not enable some people to enjoy the potable water. Available records from GWCL, Cape Coast indicate that customer complaints increased in the year 2010. Every organization should be concerned about customer satisfaction.

The researcher used descriptive study design and stratified random sampling technique to select the sample for the study. The instrument used for data collection involved a questionnaire and an interview guide. Summary of findings is based on the specific objectives of the study. These include services GWCL render to customers, types of customer complaints, reasons that accounted for increase in customer complaints in the year 2010, how GWCL handles customer complaints and how it encourages its customers to report complaints.



## **Main findings of the study**

The study made the following findings:

1. In relation to the services provided by GWCL, the study found that the Company supplies potable water, repairs leakages or bursts, educate customers on judicious use of water and gives technical advice on water issues;
2. On the issue of what accounted for the increase in 2010 customer complaints, it became clear from the study that it was the introduction of the toll free line by GWCL. The interview conducted also confirmed this finding;
3. Looking at the various complaints (types) customers made to GWCL, the study found that the complaints were quality of service, billing, payments and metering related problems. The quality of service issues dominated complaints. Information obtained from the interview also confirmed this finding;
4. Addressing how GWCL handles customer complaints, the study revealed that there are call centres where officers have been put in charge of complaints. Customers can call the toll free number, walk in or write letters to lodge their complaints. When the complaints are received, they are relayed to a team to solve the complaints and feedbacks are then given to the customers involved;

5. It came out from the study that most of the complaints were solved within two days. It became clear that complaints reported were usually solved and customers also received nice reception whenever they call GWCL Call Centres or walk in to the offices; and
6. It was desirable to find out how GWCL encouraged its customers to report complaints whenever the need arises. The study revealed that indeed, GWCL encouraged customer complaints. Public education, customer friendly environment and prompt handling of complaints were ways GWCL encouraged customer complaints.

### **Conclusions**

The following conclusions could be drawn based on the findings of the study:

1. GWCL has established more call centers, introduced toll free number and made public education to create customer awareness. These have been beneficial to both customers and GWCL operations; and
2. Despite all these interventions by GWCL, quality of customer service is still low due to the prevalence of pipe bursts and leakages, coloured water, odour in the water and irregular water supply to some areas.

### **Recommendations**

Based on the key findings and the conclusions drawn the following recommendations are made:

1. The introduction of the toll free line has been beneficial. However since the toll free number only covers Vodafone users, it is recommended that

GWCL should get toll free numbers for all the other telecommunication networks;

2. There is the need for GWCL to focus attention on improvement of quality customer service which involves ensuring continuous flow of clean water to customers, prompt repair of pipe bursts and leakages. To this end, GWCL should ensure continuous production and distribution of water. Facilities at the headworks should be regularly maintained. There should be standby generators to ensure continuous power supply to avoid interruptions in production due to power failure;
3. GWCL should eliminate errors associated with billing. Supervision should be effective at all levels;
4. GWCL must ensure that all payments reflect on customers' bills at the appropriate time;
5. The study revealed the expectations of customers and therefore GWCL should take concrete steps to meet such expectations in order to improve on customer satisfaction. These expectations include changing of old pipelines, metering all customers, early distribution of bills, public education and maintaining affordable tariffs; and
6. Training of all field staff of GWCL in customer care to ensure that they exhibit high level of professionalism and report all customer complaints to the appropriate office for redress.

**Area for further study**

The area for further study is the billing system of GWCL and the competencies of staff involved in the billing.

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## **Appendices**

### **Appendix A**

#### **Questionnaire for Customers**

##### **Customer services delivery by Ghana Water Company Limited, Cape Coast**

This questionnaire is intended to gather information for a master's degree dissertation on the topic stated above. Please you are to complete the questionnaire to the best of your ability. Be assured that the responses provided will be treated with absolute confidentiality.

##### **Section A**

1. Sex of Customer      a) Male      b) Female
2. Age      a) Below 20years b) 21 – 30years c) 31– 40years d) 41 – 50years  
e) 50+
3. Educational background      a) Basic education b) Secondary c) Tertiary
4. Location of Customer a) Pedu/Abura/Jukwa Rd b) Ola/UCC area c) Cape  
Coast Town Centre d) Gyegyem/Anafo
5. Type of customer a ) Domestic b) Commercial c) Government Institution
6. Are you metered? a ) Yes      b) No
7. If yes, is it working or functioning? a) Yes      b) No
8. If no, why are you not metered? .....
9. How long have you been a customer of Ghana Water Company Limited a )  
Below 5years b) 6-10years c) 11-15years d) 16-20years e) 20+ years

**Section B**

1. What services do GWCL render to you?
2. In 2010, did you make any complaint to GWCL? a)Yes b) No  
If yes, why (reasons) did you make the complaints?.....
3. If no, why (reasons) did you not make complaints?.....  
.....
4. State the complaints you made to GWCL.....  
.....
5. Do you know where to make your complaint? a) Yes b) No
6. Where did you lodge your complaint? a) GWCL District Office b) GWCL  
Regional Office c) GWCL collection point d) GWCL field staff e) GWCL  
Call Center
7. How did you make your complaint a) letter b) toll free c) walk-in d) others,  
specify.....
8. Who handled your complaint a) Officer in charge of complaints b) District  
Customer Care Officer c) Regional Customer Care Manager d) GWCL field  
staff e) others, specify.....
9. How did GWCL staff receive you when you went there to make complaints?  
a ) Very nicely b) Nicely c) Not nicely d) hostile
10. Was your complaint solved? a ) Yes b) No c) Somehow
11. How long did it take GWCL to solve your complaint? a ) same day b) within  
two days c) within three days d) More than three days
12. Were you satisfied with the solution? a) Yes b) No c) somehow

16. If no, what did you do? a) follow- up b) ignored
17. When you applied for new service connection what was the procedure? a) Simple/ Straightforward b) Difficult c) Frustrating
18. How would you describe the cost of new service connection? a) Affordable b) Expensive c) Too expensive
19. How often do you receive water (flow of water situation)? a) Everyday b) Every two days c) Every Three days d) Once a week e) Not at all
19. How would you describe the quality of water you receive? a) Clean b) Dirty c) Coloured d) Odour
20. How would you describe the price of water? a) Affordable b) Expensive c) Too expensive
21. Does GWCL encourage you to make complaint? a) Yes b) No
22. If yes, how does GWCL encourage you to make complaints if you have problem with their services? a) Customer friendly b) Public education c) Prompt handling of complaints
23. If no, give reasons .....
24. If you have the opportunity of alternative Water Company will you leave the present Water Company? a) Yes b) No
25. What are your expectations of GWCL in terms of customer service?  
.....

**Thank You**

## **Appendix B**

### **Interview guide for Customer Complaints Officer**

#### **Customer services delivery by Ghana Water Company Limited, Cape Coast**

This interview is intended to gather information for a master's degree dissertation on the topic stated above. Please you are to answer the questions to the best of your ability. Be assured that the responses provided will be treated with absolute confidentiality.

1. How many complaints did you received in 2010?
2. In your view what accounted for the increase or decrease in customer complaints in 2010? Give reasons
3. Do customers know where to make complaints?
4. Has GWCL educated customers on where to make complaints?
5. How does your outfit handle customer complaints?
6. What are the types or kinds of customer complaints do you normally receive.
7. On the average how long does it take GWCL to resolve each type of complaint?
8. What are the complaints resolution mechanisms of Ghana Water Company Limited?
9. Does GWCL follow up customer complaints after resolution to find out whether customers are satisfied?
10. In your view are the complaints resolution mechanisms of GWCL effective?

## **Appendix C**

### **Interview guide for District Customer Care Officer**

#### **Customer services delivery by Ghana Water Company Limited, Cape Coast**

This interview is intended to gather information for a master's degree dissertation on the topic stated above. Please you are to answer the questions to the best of your ability. Be assured that the responses provided will be treated with absolute confidentiality.

1. What services do GWCL render to customers?
2. Do you think customers are satisfied with the services of GWCL in terms of :  
Flow of water, water quality, cost of water, repairs of pipe burst/ leakage,  
distribution of water bills and payment of water bills?
3. Does GWCL do promotion and Educational programmes for customers?  
Explain
4. Do some customers stop using your services? Explain
5. Is GWCL happy with its relationship with customers



## **Appendix D**

### **Interview guide for New Service Connection Officer**

#### **Customer services delivery by Ghana Water Company Limited, Cape Coast**

This interview is intended to gather information for a master's degree dissertation on the topic stated above. Please you are to answer the questions to the best of your ability. Be assured that the responses provided will be treated with absolute confidentiality.

1. Averagely how many new service connections does GWCL effect every month in Cape Coast?
2. How long does it take someone to get new service connection?
3. What is the cost in Ghana cedis for a new service connection?
4. Do you receive complaints about new service connections? If yes, what are they?
5. What are the difficulties associated with new service connections.
6. Do you think customers are satisfied with the way GWCL provide new service connection?

## **Appendix E**

### **Interview guide for Water Quality Manager**

#### **Customer services delivery by Ghana Water Company Limited, Cape Coast**

This interview is intended to gather information for a master's degree dissertation on the topic stated above. Please you are to answer the questions to the best of your ability. Be assured that the responses provided will be treated with absolute confidentiality.

1. How safe is the water provided by GWCL? Explain
2. What are the quality problems encountered by GWCL? Explain
3. What complaints do customers give about quality of the water? Explain
4. Does GWCL solve these complaints relating to water quality? Explain
5. In your opinion are customers satisfied with water quality in Cape Coast?  
Explain.