University of Bahrain

College of Business Administration

BATELCO

Customer Satisfaction and Beyond

By

Hussain M. A. Murad

Supervised by

Dr. Mohammed Al-mosawi

MBA Project

January 1998

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Hussain M. A. Murad

Supervised by

Dr. Mohammed Al-Mosawi

Reda
J. Abdulla
B. Assim

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بسم الله الرحمن الرحيم



Dedication

I would like to dedicate this work to all my family whom all have encouraged and supported me during my MBA program.

Acknowledgment

Special thanks to Dr. Mohammed Al-mossawi for being my advisor and guiding me towards the accomplishment of this project.

Also I would like to thank Dr. Amin Al-Agha for his courage and sincerity toward solving students' problems.

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Summary

Customer satisfaction is becoming the focus of companies to achieve success in a highly competitive products and service industries. Companies' strategies are shifting from an internal focus of operations efficiency improvement, perceived by management, to outward orientation toward customer satisfaction. As the world is going through new global competition, derived by the World Trade Organization's new policies, tougher competition is emerging that requires more customers' satisfaction, customers retention policies, and the creation of 'loyal customers.'

Bahrain Telecommunication Company (Batelco) is one of the companies that has focused its efforts on more customer satisfaction. The company has gone through organization development and reorganization to gain a substantial customer focus. Consequently, customers' satisfaction must be measured to evaluate how much customer focus and improvements were achieved in serving its customers. The company must act upon the results and formulate short and long term strategies to achieve full customers' satisfaction and create loyal customers in the long run.

This research was conducted to measure Batelco customers' satisfaction in key services' aspects to identify customers' perceptions about the level of the services they receive. The results of the survey have shown high dissatisfaction in three key areas: the customer service centers, the operator services, and the services tariffs. Most significantly the results have shown that the majority of Batelco's customers were not 'very satisfied' and therefor could not be characterized as loyal customers. Such

customers could be lost in future competitions when the telecommunication services are liberalized in Bahrain.

Batelco has to develop strategies with an objective beyond customers' satisfaction. It must create loyal customers in the long run. To achieve this, it is recommended that management must be highly committed, provide high quality perceived services, adopt customer profiling, and elevate staff performance through linking with customer's satisfaction.

Chapter 1

Introduction

1.1 Introduction

Organizations, this decade, are going through new strategic transformation to focus their efforts and attention on customer satisfaction, driven by more demanding customers, global competition, slow-growth economies and industries. Past strategies have largely focused internally within the organization for improvement through quality management, reengineering, downsizing, and restructuring. The improvement included internal operations, services, and products, strictly according to top management perceptions. At the turn of this decade, organizations have revealed more outward orientation toward customers, focusing on delivering superior customer value as a major source of competitive advantage. Managers, now, first consider their customers' perceptions to determine which improvements are needed. Customer satisfaction measurement, in this scope, has emerged to bring the customer's voice and perceptions into service and products quality. Internal organizations operations and structures, in turn, modified accordingly to provide customer satisfaction as a competitive advantage in a world of high competition.

Strong global competition will emerge due to the rules laid by the World Trade Organization (WTO), in which Bahrain is a member. WTO is aiming at liberalizing all markets around the globe, including the Telecommunications industry. The new rule is asking for the abolishment of monopolies and allowing competition in each country. In such situation, Bahrain Telecommunication Company (Batelco), the only provider of telecommunication services in Bahrain,

might have competitors on Bahrain's soil for the first time in the near future. The future competitors probably would be highly experienced in customer satisfaction and would seek to attract as many customers as possible.

From the perspective of future competition and the responsibility of increasing customer's satisfaction, Batelco went through organizational development, in early 1996, to focus its attention mainly on customers needs. An organizational restructuring was implemented to substantially improve all internal operational and marketing factors to bring about all the needs that customers seek and generate substantial satisfaction. The top management must evaluate how the organization development has worked in meeting its objectives and must take the necessary steps to make sure that it is successful. Top management must also learn about new concepts such customer loyalty and develop long term strategies to be prepared for future competitions.

1.2 Objectives of the Research

The objective of this research is to measure Batelco's customer satisfaction for developing short and long run strategies. Satisfaction levels are needed to be identified from many different services aspects after Batelco's reorganization. The research shall obtain customers' perceptions of key areas of Batelco's operations and policies that are important for customer satisfaction. The research results of customer satisfaction shall be a useful information for the top management to evaluate whether more satisfaction has been substantially induced in their

customers or not. What is more important, for long term strategies, is to indicate whether the majority of customers are 'very satisfied' with the services, to the extent that they are 'loyal', and the company will be able to retain them in future competition.

1.3 Background on BATELCO

1.3.1 Introduction

The first telecommunication service, the Telegraph, was introduced in Bahrain in 1864 when Bahrain was linked to the rest of the world through the Indo-European undersea telegraph link. The Telegraph service remained the only service until 1931, when Cable and Wireless (C&W) began its operations. C&W then introduced telegram and limited telephony services through radio communication. In 1949, C&W was commissioned by the Bahrain Government to operate the whole communication network until 1981 when Batelco was formed.[1]

Batelco was established as a public company, owned by the Government of Bahrain, C&W, and the general public. It was given the sole responsibility to provide services to all customer segments. It specified in the Memorandum of Association its mission as: "to establish, supply, manage and develop national and international telecommunications services." Batelco became one of the leading companies in Bahrain and the Middle East in terms of provision of advanced services and return on capital.

In 1981, the company's network was composed of 10 analogue and digital exchanges with less than 65,000 connections. The telephone service used to be provided within many weeks. The services offered were limited and basic and the international links were few. Today the switching equipment and the transmission network are 100% digital and the number of telephone lines has reached over 148,000 lines. The telephone service is provided within six working days or less, and international calls can be made to all parts of the world. New services such as mobile and multimedia communications are becoming the most successful services.[2]

Batelco's key services are equal to most developed countries in terms of variety and quality.

These services are as follows:

- Telephone.
- Fax.
- Telex.
- Data communication.
- Message switching.
- Mobile telephone.
- Paging.
- Internet.
- ISDN.
- Voice mail.
- Video conferencing.

Batelco has established a satellite earth station, in 1969, marking Bahrain as the first country in the Middle East to have such technology. Since then, Batelco has been aware of the new technologies needs for its customers and the competitive advantages it must acquire. Batelco's policy was not drawn on its monopolistic status; rather it is drawn on the need to maintain its strategic competitive advantage in the region by investing in new technologies. [2] The company needs to cope with increasing telecommunication traffic demand, demands for new services, and enhancement of the existing ones. As Andrew Hearn, the Chief Executive Officer, said in1996:

> **"Monopoly is not a word we use in this company. We are a predatory company in competition with the world. If we are not competitive then we are finished. Business will move elsewhere and Bahrain will lose its status as the financial center of the region. We have to respond to those needs. [3]"**

1.3.2 Projects Investments

The company invested Bahrain Dinars (B.D) 24 million (US $63.5 million) in capital expenditure in 1996. The investment included B. D. 15 million (US $ 39.7 million) on major projects development, that involved service enhancement and implementation of new services. The major projects included implementing a new national 30,000 subscribers' lines telephone exchange and an addition of 20,000 lines in other exchanges around the island. The major projects also included an investment in the second phase expansion of the GSM (Global System for Mobile) telephone system. BD 2.7 million was invested to expand the system from 15,000

to 25,000 subscribers' lines. Several phases of GSM expansion have been implemented recently to reach a total capacity of 80,000 subscribers' lines, to meet the high demands.

Another major project is the implementation of B.D 30.24 million (US $ 80 million) on the Fiber Optic Gulf (FOG) submarine cable in the Gulf. Batelco, as a partner with Kuwait, Qatar, and UAE, has invested B.D 8 million. FOG is based on the latest transmission technology standards and has the capability to handle a very large number of international links.

1.3.3 Mobile Communications

Due to the high customers' demands, Batelco is expected to provide more system capacity for GSM and Paging services. The GSM service has been very successful since its launch in May 1995.[2] The system's main advantages, in addition to many other features, are high voice quality and automatic international roaming that customers perceive as very important. The total number of subscribers is expected to reach over 50,000 during 1998. To satisfy its customers' demand, Batelco has been continuously expanding its GSM system to accommodate the high growth in the number of the subscribers.

A new paging system was installed in 1993 which is one of the most advanced technologies available. The paging service was a success where the number of subscribers has reached over 68000, marking it as one of the highest market

penetration in the region. The service incorporated new features, such as international access and lost message retrieval, to provide more flexibility and convenience for the subscribers.

1.3.4 Multimedia Communications

One of the successful multimedia services includes the Internet that was introduced in November 1995. The service has picked up successfully since its start. The number of the subscribers has reached over 6,000 during 1997. This service is known worldwide to provide multimedia (text, audio, image, and video) communication between individuals and organizations. The Internet is considered as the most advance technologies in this century that Batelco had to introduce to satisfy its customers' needs.

Batelco has introduced the Integrated Services Data Network (ISDN), one of the latest technologies, mainly for the business sector, to provide voice, data, and fax services in and integrated form and at a high communication speed. The service mainly provides multimedia connections, video-conferencing and file transfer.[2] The marketing department has been communicating with many business customers to build awareness of the advantages of ISDN for business and Internet connections to the rest of the world.

1.3.5 International Links

Batelco has been always looking for new ways to link Bahrain to the rest of the world since it first satellite earth station. Batelco is currently using many international fiber optics cable links (communication links based on light transmissions). Such technology enables Batelco to provide direct and wider bandwidth (i.e. larger number of call lines), more reliable, and more flexible telecommunications to the Gulf states, Far East, Europe, and USA. To complement these international services, Batelco has made agreements with European and North American telecommunication operators to provide a "one-stop-shop" for the provision of international circuits and single end ordering and billing. The one stop shop is aimed at serving international corporations, based in Bahrain, and other major accounts customers who rely heavily on international voice and data communications. [2]

1.3.6 Customer Services

Many customer service centers have been provided around the island as distribution channels of its services. These customers' service centers were established to provide customers the ability to apply for services, make inquiries, pay their bill, etc. One of the latest customers' service centers is the Mobile Plus center developed to serve customers' mobile needs. This center is dedicated to provide a specialized GSM, Paging, and Trunk Mobile Radio (TMR) customers' needs.

Batelco also has been experimenting a "one-stop" help desk to deal with customer inquiries with more convenience. Customers shall be able to reach one contact point for their inquiries instead of being lost by many different contact points. The help desks shall deal with 40,000 calls a day in the future for directory inquiries and fault reporting. More one-stop shop concept will include the implementation of sales and services over the telephone rather than personal visits by customers.[2]

Batelco's customer services include operator services, directory inquiries, fault reporting and repair, billing inquiries, and new equipment installations. Batelco monitors and improves these services when standards has fallen. The directory inquiry system was improved in 1995 to reduce the caller waiting time. The new system is computer-based directory inquiry, linked with a new call distribution system, is capable of operating in both English and Arabic.[1]

Further customer services improvements include the introduction of Voice Response system for customer billing inquiries. The system facilitates customer billing inquiries at any time of the day.[2] Customers for example can use the telephone to call this system to settle their bills using their credit cards. In addition to this system, customers can settle their bills through banks, by using the banks' Automatic Tellers Machines (ATMs) to provide more choice of bill payments.

1.3.7 Staff Training

Such new technologies are introduced by a well-trained staff that go through extensive training to make sure that all services meet Batelco's objectives. Batelco has been investing of about two million annually in specialized training, in engineering, sales and marketing, to continuously up-date its staff knowledge in new technologies, operations, and marketing.

According to the CEO.

> **"Our employees have a significant role to play in meeting all these challenges. Therefore, they will continue to be our most valuable assets. A substantial annual training budget will continue to be spent on enhancing their skills to enable them to meet customer needs efficiently."**

> **"The 15th anniversary is an occasion of perfection for Batelco to reconsider ways to meet the various challenges ahead, carefully and subtly, to maintain and even add more to the many successes that it has proudly achieved in the past fifteen years. "**

1.3.8 International Standards

One of the new challenges that Batelco has faced is the need for the introduction of international levels of standards. Batelco has adopted the International Standardization Organization (ISO) 9000 standard for services delivery practices. ISO 9000 standards assures good practices and high quality processes in the organization's activities such responsibilities, systems principles, marketing,

design and specifications, and handling of service provision. The main benefits that Batelco seek from the adoption of ISO 9000 standards is the provision of good customer services.[4]

1.3.9 Organization Development

A comprehensive organizational development program was implemented in 1996 aimed at making Batelco a more customer-focused and market-driven organization, rather than merely technologically driven (see Appendix 1). The organization development included an organizational restructuring and business processes re-engineering to bring more customer service improvement by "streamline operations," become more customer oriented, and make Batelco "an easier business to do business with." The restructuring provided dedicated Business Units (BUs) to focus on different customers' segments. The Residential BU, the Business BU, and the Major Business BU, supported by the Shared Services BUs, are aimed at bringing customized telecommunications services needs for the related segment. This structure is also aimed to have more control and efficiency on all operations. Departments and teams now are able to coordinate their efforts based on customers' requirements and present solutions that satisfy their customers' needs. Managers can encourage and motivate staff to work together to reach their goals, which is to satisfy the customers. Customer oriented structures give customers seamless image of a unified approach by all departments.

The program has improved many organizational and operational aspects within the company. The organizational development has been kept as an on- going program, coupled with "Business Process Re-engineering," is aimed at satisfying all customers, employees, and shareholders.[2] As Andrew Hearn said (1996):

> **"We strongly believe that the way forward is to focus Batelco on excellence through concentrating on customer satisfaction. The challenge, however, is to make all this happen fast enough to fulfill our customer expectations in the ever-changing business environment. "**

> **"Central to these achievements has been the improvement in provisions of service and customer satisfaction. None of these achievements would have been possible without the full commitment of our staff. "**

Batelco has faced many challenges during the past fifteen years and acted accordingly to fulfill the need of its customers professionally. Batelco has been introducing new and advance services and has gone through a major organization development to establish basis of high standard telecommunication services company. But still new challenges are ahead that Batelco needs to be aware about.

1.4 Chapters Overview

The rest of the chapters are organized as follows:

- Chapter 2 covers the importance of customer satisfaction to the survival of organizations, and the identification of the key aspects of an organization's internal factors that influence customer satisfaction.
- Chapter 3 covers the research design outlined by the problem approach, type of research, information needs, data collection of primary and secondary sources, questionnaire development, scaling techniques, sampling, data collection procedure, and data analysis.
- Chapter 4 shows the findings of the primary data analysis for the open-ended and close-ended questions.
- Chapter 5 covers the conclusion of the findings, limitations of the research, and recommendations to solve problems.

Chapter 2

Literature Review

2.1. Importance of customer satisfaction

Customer satisfaction is considered by marketing researchers as the most significant trend in all businesses. It is being described as the "competitive battleground" for survival in the 1990s. Organizations are moving from "product-driven" and "profit-driven" to customers-driven strategies. In today's complex and fast moving commercial economy, customer satisfaction is the most important long-term asset for companies to retain loyal customers and attract new customers. The organizations' products and services, policies, procedures, activities, culture and staff attitude are essentially modified to cater for unique customer satisfaction. Along with quality products and services, and advertising, companies are greatly improving their customer services through high quality after sales supports, well-trained staff, efficient customer service centers, etc. Customers are becoming the focus of all the business's efforts in serving them to perfection. Today's successful companies strongly realize that only satisfied customers are the main driving force for success. What satisfies customers must be determined and the chain of activities, to deliver a product or service, and support it, must be developed in all the company's operations. This must be done in a way that is aimed at customer satisfaction, starting from the initial contact with a customer.

A mere customer's satisfaction is not enough. Companies have been realizing that customers must be fully or completely satisfied. Completely satisfied customers are loyal and are "four times more likely" to stay with the company than satisfied customers. As Laura Struebing said (1997):

"Why are your customers saying they are satisfied when 15% to 40% of them are defecting from your company each year? It may be because customer satisfaction is not enough any more. Most customers now have high standards for routine transactions. They expect to be treated in a courteous and professional manner and they expect their needs to be met and problems solved. Since customers *expect* to be satisfied, a satisfied customer is just as likely to defect as one who is dissatisfied. With the array of choices that customers have, companies must go beyond satisfaction to win customers' loyalty.[5]"

According to A. Blanton Godfrey (1996):

"Most believe customer satisfaction is tied to market profitability and market share. Although many companies have high levels of customer satisfaction, less than 2% of companies see measurable bottom-line improvement due to customer satisfaction alone. Therefore, companies need to move beyond customer satisfaction toward customer loyalty.[5]"

Delivering a product or service to customers requires an understanding by companies at what value and satisfaction level has been delivered? Customer satisfaction is the top management's prime objective and the highest priority in many successful companies. These companies improve customer communications and knowledge, strengthen service support and field linkages between departments, and implement customer oriented philosophy. Achieving a high level of customer satisfaction requires understanding and close monitoring of customer needs and developing the commitment of everyone in the organization to meet

those needs. Management, most importantly, should have an objective of identifying products, services, and the after sales support "attributes" that buyers consider important when purchasing and using the service or product.

A successful strategy requires the provision of products and services that meets or exceeds customer expectations. Companies has to find, understand and measure these expectations, and know how they are currently performing according to these expectations. Customer satisfaction is not what someone inside the company thinks the customer wants. "Don't assume what customers want; ask them. Otherwise you will spend a lot of money improving things that are not important to the customer.[5]" The company's view normally "filters" things which customers see. Companies need to identify and measure customers' satisfaction through objective research to see things from the customers' views.

How does a company set about identifying customers' needs? The obvious answer is to ask their customers and discuss their needs with them, so to understand what the customers really want. Establishing customers needs is complex as, in most cases, it is not possible to ask each customer individually what his or her requirements are, specially when the population of customers is large. Budget and time limit constrain the use of the whole population. Instead, a subgroup (sample) of the population can be selected to study its characteristics and make inference about the population characteristics.

The most common approaches to identify customers' needs are through direct discussion with customers, customer complaints and comments, market research, surveys, and questionnaires. Companies must be concerned about their customers' responses. They must understand that customers are willing to give information if they, the customers, believe that the information will be utilized to satisfy their needs. A good relationship must be established to make customers realize that the company is sincere in satisfying its customer's needs. It is essential that customers' responses to be carefully analyzed, specific customers' issues addressed immediately, and progress communicated to the customer.

We need objective information to understand products and services requirements from the customers' perspective, and help identify the required actions.

From the above perspective the company needs to know:

1 What are the key aspects of the services or products that influence customer satisfaction?
2. How the company is currently perceived to be performing on each?

A research will help to identify many key aspects of the services that are important to customers, through which the company's performance can be measured. The company can then develop a program for improving customer satisfaction, when

there are many dissatisfactions with the key aspects that can harm the company's reputation.

Through literature review, the key aspects that influence customer satisfaction have been identified. These are the company's delivery system, the performance of the product or service, price-value relationship, after sale support, adherence to conditions, warranties, customer relations, employee performance, company image, customer information, managing complaints, and customer care.

2.2. Key Aspects that Influence Customer Satisfaction

2.2.1 Delivery System

Providing a product or service often involves a distribution channel such as retail shops or customer service centers. To satisfy customers these channels must function as an integrated and coordinated delivery system, with professional members that understand and respond to customers needs. For example, in telecommunication service, customer service staff must understand that the time span between reporting a complaint and clearing it is very crucial for business customers such as the dealing room in a bank. Qualified staff and excellent procedures in customer service centers are necessary to strengthen customer relations. According to chairman Lee Iacocca, "a company with the best distribution system and the best service will win all the marbles, because you can't keep an advantage in other areas for long. [6]" The company's staff, rules, procedures, and policies must be catered to satisfy customers throughout the steps

a customer takes when approaching the company and build a strong image as a committed organization.

One of the company's main commitments must be the delivery of its services and products through an efficient delivery system. The company must provide an easy access to its products or services supplies, easy contact, easy ordering procedure, clear specifications and standards, proper invoicing, efficient follow-up, and convenient delivery.

a. Access to the Supplier

Customers must be able to easily access a supplier when buying a product or service, or when having an inquiry, at a time and location that is convenient to the customer. Many companies made an immense progress by encouraging customers to contact them through customer service centers, hot-lines, and other convenient tools. These facilities enable customers easy access to make inquiries, get assistance, voice their opinion, and feel that the company 'genuinely' cares about them.[7]

Many companies provide an easy access through a self-service interface system to the customer. Many service providers, for example, use the Internet as a tool to give their customers an electronic link to their customer care system. This service allows customers find answers to questions without talking to the call or service centers. Even more, AT&T-ALL system, for example, allows customers to change,

add, or cancel AT&T's services, or switch to AT&T if they are using another service provider to "let them think they are in control.[7]" Another example, the Order Express, for example, applies voice-response technology in the network for routine call center functions. Through which a caller can place an order, renew his subscription, or request information without being delayed by human interaction. "In essence, it [the voice-response technology] extends the call center into the network." This technique allows customers reach these systems through telecommunications networks and service providers can increase customer satisfaction for customers who prefer to use their computer rather than the telephone. According a study by the Yankee Group Consultency (USA), "who would rather hunt through a database for an answer to their own questions.[7]"

On the other hand Companies, such as McDonald's, who are more concerned with personal contact, has been testing a new structure in the drive-through process. It is considering a face-to-face ordering system to replace the intercom method of taking orders. McDonald's suspect that such a change will result in "faster, more accurate, and more personal service, and that customers will be more satisfied. [8]"

In the telecommunications sector, the call center industry is "booming" because companies recognize that direct contact between their front line employees and their customers, to take orders, make reservations, or handle complaints, etc., builds customer loyalty and satisfaction. AT&T, for example, covers the call center business from several directions. AT&T's Network Solutions offers

customer training, consulting, and management services. Another example, Ameritech has teamed up with one of the leading call center out-sourcers, APAC Teleservices Inc. (Iowa, USA), so it can offer its customers "complete outsourcing solutions," aiming at excellent customer services. [9]

b. Customer Contact

Customer perception of a company is made up during the "moments of truth- all the times that a customer comes into contact with a company. " These moments include purchasing and using the service or product, billing, advertisement, telephone calls, inquiries, complaints. Through these moments, customers' perceptions are built that can generalize about the entire company based on one moment of truth.[5]

Companies must plan appropriate responses to avoid any problem when coming in contact with customers. According to Tom Connellan, co-author of *Sustaining Knock Your Socks Off Service*, companies need to have programmed responses for situations that might ruin a customer's moment of truth with the company.

Connellan said, for example:

> **"Why is Disney World so concerned about its parking lots? Because the parking lot is the customer's first and last moment of truth when attending the Disney theme park. If something goes wrong here, such as the customer not being able to find his or her car in a**

75,000-car lot, the customer's entire Disney theme park experience might be ruined.[5]"

The first impression a company must induce is by ensuring that customers realize they are being helped and cared for. The initial contact factors that may influence a customer's impression can be as early as cleanliness and openness of the premises, environment of the reception area, awareness of the products or services, ordering procedures, customer access, waiting time, and parking availability.[5] Recent customer service centers are designed in a way that allows staff and customers to meet and talk in a relaxed and open atmosphere without physical or psychological barriers.

Companies strive to achieve an immaculate appearance in every aspect of their contact with their customers. They develop and maintain clean and pleasant reception facilities, reachable and attractive buildings, and assign staff in proper uniforms, to meet service objectives and give a good image about the company. Within these company premises, a high customer contact efficiency must be provided. There must many trained staff that must be deployed to the front-line at a moment notice to reduce waiting time an avoid long queues. A person should be assigned to monitor customer waiting time and take immediate action to open up more service delivery points. Front-line staff should be sensitive to customers and pay attention to all customers waiting in a queue. They should reflect a positive attitude through a smile, a friendly word, display of interest, a sensitive glance, and a thank you. All such attitudes have a "magical effect" on customers.[10]

Customer contact is so important that many executives spend valuable time in the customer service field talking to customers and staff to know what it is like to face customers, and what are customers are likely to face. Considering their findings, executives should clearly lay down standards on how customer contact should be handled. They realize that any impression given to the customers at the initial contact is likely to remain in their mind for a very long time, and any bad impression will be difficult to eradicate. [6]

c. Ordering Procedure

Customer ordering phase is the cornerstone for establishing customer-supplier relationship. To start with unique relationships, companies' procedures for ordering and purchasing must me simple and convenient. Customers should not face any difficulty when wishing to place an order. Customers first need information about the product or service; size, shape, color, packaging, quality, quantity, price, terms of payment, warranties, and delivery . All necessary information must be provided to guarantee a clear understanding by the customers to make the appropriate choice. When the choice is made, the company must make sure that customers do not face long and complicated procedures or fill long forms to provide information of non conceivable use. [5]

The company may facilitate the ordering procedure through telecommunications to minimize the time required in a face-to-face contact. Telephone, Fax, and the Internet are becoming the most convenient telecommunication media for

customers to make orders to avoid long procedures, long journeys, and long time associated with face-to-face contact.[11] Companies must provide simple ordering procedure that requires filling simple order forms, short time, few information, and little efforts.

Companies must have a clear policy for handling ordering procedures, through experienced management, to remove all obstacles and ensure a comfortable flow of ordering procedure. Such clear policies can build good customer-supplier relationship and provide more satisfaction through an easy access to the company's products and services.

d. Specifications and Standards

It is highly satisfactory to customers if the specifications of products or services, their features, and the procedures for acquiring them are clear and understandable. Customers expect the quality, quantity and specifications of their products or services to be as ordered. The same applies to pricing and payment terms, where suppliers must not hide any standard or non standard equipment or services as separate items. Standards should be included in all aspects of the sales operations at customer satisfaction, even if it is as basic as answering a telephone call. As Insight research Corp. (a telecom market research and analyst firm - Livingston, N.J.) says, "Customer satisfaction means answering customers' calls politely and promptly, within 30 seconds at least 80 percent of the time, and resolving most issues while customers are on the line.[7]"

Many companies seek accreditation by the International Standards Organization ISO 9000 to demonstrate that their standards and procedures serve customers at a very high levels. Optimum and 'meaningful' standards for as many activities as possible need to be set to "meet or exceed customer-agreed requirements." Activities are such as time required to answer a telephone call, time to respond to a request, time required to resolve a problem, mean time to repair customers' equipment, etc. To maintain such high standards, some companies assign a staff as a 'mystery shopper' to regularly check compliance with its standards. [6]

Higher standard would be required to give a competitive advantage and a potential benefit of continuous quality provision. Companies cannot leave their activities standards to "chance", rather they must set performance standards on all tasks. In parallel, modern management tools must be utilized to measure achievement of these standards and cater for continuous customers' quality needs. Many organizations have developed such tools as 'Customer Charters' to set out standards for key factors that are important for customer satisfaction.[6]

e. Invoicing and Billing

A company must provide a clear statement of what the customer is asked to pay. Invoicing and billing must be clear, meaningful, and informative to customers. The information must be itemized and accurate for installations, service charges, tariffs, etc.[6] Clear information is so important to business customers to keep track of their costing activities and settle their accounts. In addition to information

accuracy, periodical bills must be sent on appropriate times to customers to meet their payments schedules and plans.

When customers have complaints about their bills, billing departments must have the right system and staff that are well trained and experienced to answer queries and solve billing problems. For example, Batelco has developed an interactive voice response and billing inquiry system to provide up to date billing information and answer customers billing queries.[2] In overall, the company must have a clear billing policy and must show a well-defined company billing activities to build more customer trust and satisfaction.

f. Follow-up Process

Once the initial contact with customers has been made, even if the customer did not purchase a product or service, the company must ensure that any queries that may subsequently arise can be adequately dealt with by staying in touch with the customer. The time after the initial contact is crucial, because the customer usually cannot decide instantly and is confused about his own requirements, and wanders whether the supplier can satisfy his needs. This is the time to comfort the customer and change his fears of making the wrong decision to a conviction that he will get what he needs.[10]

Helpful advice can be decisive in the customer's decision. To do so, the company must gain knowledge of the customer's personal needs, the industry involved and

its processes (e.g. for business customers) to provide an immense help and give the customer confidence.[6] The company should establish specific teams of experts to give advice to customers and potential customers and follow up until the product or service is delivered effectively to customers. The follow up process should clear all barriers that customers might face when they intend to purchase products and services.

g. Delivery Convenience

Many customers perceive this period as the heart of the customer service. Companies, seeking customer satisfaction, must deliver products or services on time as promised and at the required place. Customers must have the accurate information on the status of their orders and the cause of delay, and any delay in delivery must be agreed upon previously with sufficient leading time. Customers usually need actual rather than over-optimistic delivery promise, because delays in delivery may incur heavy costs to the customers.[11]

To satisfy their customers, many companies have been setting new standards in delivery by using "just-in-time" or "canban" concepts.[11] The aim of just-in-time (JIT) is to provide the required items or services, of high quality, exactly at the time they are required (i.e. 100% on time delivery). These companies know the importance of providing the required products and services for their customers. Time and convenience of delivery is important for business customers to meet

their own objectives. It is the pursuit of excellence and continuous improvement in delivery systems that made many companies become very successful.

2.2.2 Service and Product Performance

Service and product quality, performance, and reliability, that are perceived by customers, are important influences on customer satisfaction . High quality products and services are brought by companies that emphasize on continuous process and service innovations. For example, the market success of Japanese automobile products has resulted from the high quality of their products developed through an innovative process that provide high reliability. Emphasizing on quality and meeting customer needs, at competitive prices, has lead many companies to take major strategic steps, such as organization restructuring . Kodak, the photo technology giant, had reorganized its management structure and its manufacturing methods in 1984 to emphasize on quality of its photo products and services at all levels of management as a major step in the face of stiff competition. Kodak has created a new culture that views opportunity as to better meet the needs of customers, bringing high quality products at higher speeds, at competitive prices.[12]

One of the leading factors in high performance is the involvement of customers in the design of services and products. Customers should be part of the design teams to provide critiques and new ideas. According to Laura Gregg, technical trainer and writer for Wizard Textware, "since 80% of successful new products and services come from customer ideas, you should ask customers what new products

and services they would like." For example, according to A. Blanton Godfrey, chairman and corporate executive officer of Juran Institute Inc. (1996) :

> **"When Ford built its 1994 Mustang, it invited 200 loyal customers, which included members and presidents of Mustang clubs, to be part of the design team. The input from Ford's customers was so important that this group overruled the design team twice. With the help from these customers, the 1994 Mustang was brought to market in 25% less time with 30% fewer dollars spent than any comparable development program in Ford's recent history. The entire year's production was sold out by March 1994.[5]"**

Customers, on an average, know a great deal more about products and services, and their support activities, than ever before. For instance, customers in the past may have been waiting for a week or two for a telephone to be installed whereas now they expect it to be installed in two or three days. Media and competition teaches customers "merits and demerits" of products and services in more depth.[10]

Competitive advertisement makes customers more aware of the aspects they should examine. These aspects provides more and more challenges to companies to attract more customers through strong customers focus and continuous quality improvement. For example, Federal Express, a mass-market delivery service company, consider quality improvement "a strategic business imperative and a way of life." It considers quality of delivering items as the main competitive

advantage in a highly competitive delivery business. [12] According to James Barksdale, Federal Express executive vice president (1996) :

> "**Our business is totally customer service. Consequently, we have developed highly sophisticated systems of measurement and reward that force us to focus on the customers. We track errors on a daily basis and measure how well we have responded in terms of hours, not days or weeks. Every package we deliver is critical important to some customers, and we try to communicate this idea to all of our 56,000 employees worldwide. It's hard work and it's continuous, but there's simply no other way for us to survive and prosper. [12]**"

From the life-cycle perspective, as products and services such in the telecommunication sector are getting technically more sophisticated, customers have become more dependent on the continuing support from the supplier to keep their products or services in operation. Customers are increasingly looking at the life-time costs and the supplier's efficient support throughout the life-cycle of the product or service, to maintain an adequate performance.

2.2.3 Value to Customers

Customers satisfaction also develops when the product or service is worth its price. In another word, a favorable price-value relationship. Toyota Lexus and Nissan Infinity, for example, have objectives in convincing buyers that they can offer same value as BMW and Mercedes-Benz models but at lower prices. This may promote a brand of a unique value that is worth the price. At high prices,

management must incorporate customer consideration in the strategy by making customers realize that they are getting higher value for their money.

Many businesses customers are willing to pay for higher value services, because they are increasingly realizing the need for better performance of their activities to reduce the cost of their own time, the cost of delaying actions, the cost of making replacements of products and services, and the cost late delivery. They are willing to pay a premium to suppliers who offer them better service, who can accommodate changes at shorter notice, and who can generally be reliable, beyond customer expectation. According to Spencer Hutchens, Jr., president of the American Society for Quality Control, "to survive and prosper these days, a company must find ways to add value to its transactions with customers. The winning strategy is not simply to satisfy your customers' basic requirements but to go beyond their expectations so they'll become loyal buyers who keep coming back. [12]"

Profit is the goal of all companies to survive in the long run. To make profit, a company needs to satisfy customers' needs at a price the customer is willing and able to pay. The company should make the total product or service as attractive as possible and work as efficient as possible to reduce costs or consider lower margins to attract and satisfy more customers. Value can be added not only through providing a unique product or service, but should also through support activities that support the provision of the product or service in a satisfactory way.

Support services are such as a help counter for customers inquiry at an airline, a customer oriented queuing system in a bank or a post office, a hot line service for telephone operators, parking arrangements for customers service centers. In addition, the company must identify customers' requirements and preferences very carefully, and introduce necessary changes in the procedures and activities or introduce new ones. However, to satisfy customers, a company must realize all the tangible and intangible elements that are the important for the development of high value products or services.

2.2.4 After-sales Service and Support

After sales, customers are tied up to the product or service and expect the supplier to have a moral obligation to repair, service, supply spare parts, provide training and advice. Customers expect to receive after-sales service and support throughout the life-cycle of the product or service, with sensible pricing and good workmanship. After sales support and customer care activities are becoming one of the main strategies that companies rely on to satisfy customers. A rising demand for improved after sale support is because customers know that in a market where there are many choices of supply sources, an improved support from a supplier would provide the most value during product or service life-cycle. Customers are willing to pay for improved support after experiencing unpleasant situations from service or products suppliers.

Many service providers are taking new proactive steps to provide excellent after sales support that closes the time gap of being out of service. This gap can very crucial for business customers, such as stock companies who relay heavily on communications to monitor stock prices. For example, US West, a leading telecommunication operator in USA, has upgraded its Operation Support System (OSS) to allow making repairs before customers are affected. Its "loop [subscriber link] maintenance" OSS has enabled it to complete maintenance work that previously might have taken a full day in just five minutes, and avoid a $200 to $300 internal cost per dispatch of maintenance personnel.[13] Such proactive measures in the support systems would save customers both time and money, and obviously provides more customer satisfaction .

In most industries, such as telecommunications services, companies task is not completed when the product or service is delivered. Customer satisfaction must include the introduction of a product or service in the customer's premises as smoothly as possible. Customers normally require advice and assistance to become familiar with the product or service they just bought. This assistance may take a form of training customers on how to operate the product or service. Operating manuals and installation instructions are often very difficult to follow, and in some cases, manufacturers may not have field-tested their manuals and instructions. It is also beneficial if customers are able to obtain information about after-sales maintenance agreements such as time, spare parts, replacement of the equipment, and about the training that the customers will receive for operating the

equipment satisfactorily. In addition, an occasional contact will strengthen links with the customers and prevent the feeling of being abandoned by the supplier. Good after-sales support will favorably affect the customer's perception of the supplier when it comes to upgrading the customer's product or service, or when making additional purchases in the future.

2.2.5 Adherence to Conditions

It is very essential for customer satisfaction, in the long run, that the company adheres to the terms and conditions agreed with a customer on the order and its acknowledgment. Customers have the right to complain if the supplier does not respect the conditions and specifications of the order, because it would jeopardize their intended plans.

Advance notice of necessary deviation from condition on some occasions, such as delivery promise, is necessary. Suppliers may not be able to meet all the conditions, but as an essential customer care it is very important to contact customers in advance to inform them that the promise cannot be met. For example, Batelco decided to gradually phase out MATS (Mobile Automatic Telephone System) service and provide GSM service instead, due to the high cost of supporting an old technology. In the process, Batelco has informed all MATS subscribers about the intended shift, in advance. This was an initial step of a well planned procedure to shift all MATS subscriber to the new GSM system. This action enables an early solution to be agreed between the customer and the

company to minimize the probability of any problem to the customer and his dissatisfaction with the service. Such policy will lead customers to realize that the company cares about any problem that may arise, thus will provide a stronger bonds and establish a good trust.

2.2.6 Warranties

Warranties, as a significant marketing tool in many industries, must be provided, identified, and clearly indicated to customers. Warranties would give customers more confidence in their purchases and minimizes fear of making wrong choices. Clear statements of what is covered and optimistic statements of delivery time will have a detrimental effect on the supplier's image in customers' perception.

Warranty policy requires companies to take proper action to deliver warranty claims at an appropriate time and place. Motorola, the world's leading mobile telephone set manufacturer has introduced Electronic Data Interchange (EDI), in Europe, the Middle East, and Africa, to handle increasing warranty claims. The new system adopted, called Magenta, provides a competitive advantage by rationalizing its repair and warranty works. The system provides a paper-less work process, reduces human errors, and provides a faster data between Motorola and its service agents. The benefits is that the information has improved dramatically, and the time-scale for processing claims has also been dramatically reduced from several days to 24 hours. For the end users, more efficient repair services are provided to satisfy their warranty expectations.[14] Warranties should not be just

stated, but also complied with to their full extents to support the product or service and build a good supplier-customer relationship.

2.2.7 Customer Relations

Companies must create relationships with customers to satisfy customers' needs, as well as leave customers with a feeling of goodwill. A long-term relationship must be built on mutual trust and respect, derived by continuous communication between the company and its customers. Such communication enables the exchange of information, understandings, and perceptions that are essential for the development of good products and services. IBM, for example, had found out that it was not communicating with its customers sufficiently and the customers didn't have a clear idea of what IBM was developing nor their perspective were used . According to John F. Akers, chairman of IBM, " We were spending more than $ 5 billion a year on R&D, but we weren't communicating with our customers as much as we should. They didn't have a clear idea of what was going to be coming from IBM, and we didn't use their perceptive as well as we should in bending and shaping our developments efforts." In response, IBM has changed its customer relationship strategy by regularly meeting with customers on a large scale to provide constant interaction by listening, observing, talking and learning. " The response has been terrific," Akers says. "The customers are seeing a lot more of IMB these days.[12]" Since then IBM has become the most successful company in the computer industry.

Customer relation must be an integral part of a company's culture to make management and staff efforts persistent in achieving good communication with customers. Proper communication is necessary to deliver the required product or service and minimize misunderstanding between the company and the customers. Companies should create strong relationships with their customers to satisfy their immediate and long-run needs as well as leave the customer with a feeling of goodwill. Management must make sure that their staff are polite and helpful, as a prerequisite to good customer relations, and must strongly influence good attitude when communicating with customers. An outcome of a good customers relations leads to better decisions and greater commitment toward customer satisfaction.

2.2.8 Employee Performance

Employees are the sole of customer satisfaction. Customer satisfaction level is based on the employees' performance, motivation, and involvement in an internal network of quality improvement, to deliver a product or service that meets customers expectations. A company that suffers from a demotivated staff will find it very difficult to provide a good customer service. According to Bob Hayes, director of research at Medical Consultants and author of Measuring Customer Satisfaction; "Front-line employees attitudes are related to customer satisfaction. If employees are not happy, this will be reflected to the customers.[5]" To build an everlasting statue of satisfied customer, customer satisfaction theme must be part of the corporate culture, integrated in its mission statement, strategies, and plans.

The company has to develop detailed plans on how to satisfy customers' needs and involve staff from all departments of the company. General Motors (GM), for example, has developed a system called Quality Network. This system is used "to engage every employee in the search for the best strategies for dealing with people, material, equipment, customer satisfaction, environment, and methods and systems, and to make these strategies part of GM's overall corporate quality strategies.[12]" To ensure a continuous high level of customer satisfaction, a persistent management and staff effort is necessary over time. Employees efforts affect customers in a favorable or unfavorable way depending on their knowledge about customers needs and their sense of responsibility towards meeting these needs. Companies must realize that front-line employees "shape and create" the customer's impression. Customers could be lost after only one contact because of a bad experience with an inexperienced or demotivated employee.

First-line managers have a crucial role to play in motivating their staff and helping with the development and implementation of customer support programs. In the down-word direction of the hierarchy, managers must influence the right attitude to their staff and teach them customers handling skills. They must involve a wide range of staff such as receptionists, telephone operators, service engineers, accounting staff, as well as the administrative staff . In the up-word direction, staff in direct contact with customers, as a starting point, can provide a good source of information and ideas about customer needs and make suggestions about how requirements can be met.

Many businesses have been realizing that a vast potential for improving quality is by making their staff a greater part of decision-making process. For example, Perkin-Elmer, the world's largest maker of analytical instrumentation , has created teams of employees as part of its "Quality Business Plan." The purpose was "to utilize the talent of all employees to help solve problems, enhance customer satisfaction, reduce costs, and improve overall product quality.[12]" The team approach strengthens the whole internal chain of links between departments and encourages shared responsibility for product and service development.

Many companies involve their employees in product and service quality improvements, and customer care skills. Employees' perceptions are valuable internal tool to measure the company's performance regarding customer satisfaction. A survey of customer service practices was conducted with customers and employees by The Forum, a leading research firm in the USA. The results of the survey has shown that many employees think that their organizations did not do a good job, or care about customer satisfaction, nor they feel they were involved in creating new ideas to serve customers better. [12]

Managers must play a key role in acknowledging superior staff performance. A performance that can be achieved when, according to Lee Iacocca, any member of staff "feel that when he comes to work, he does something and contributes something, so that he can't wait to come back tomorrow.[12]" Greater emphasis

must be placed to engage staff that have the favorable attitude towards customers. Customer satisfaction can be highly achieved with staff involvement, achievement, recognition, and feeling of belonging to the company.

For best performance, staff must be trained, empowered, rewarded, treated with respect, and kept well informed. They must believe that they are doing a good job, are providing valuable service to customers, and are enjoying their job, to be more productive. These staff tend to have high satisfaction with themselves and their employer. Companies hat have satisfied staff tend to have more satisfied customers.[5]

2.2.9 Company Image

A favorable image of a company or its services is widely considered a competitive advantage by business executives. Millions of dollars are spent by companies to promote a positive image of their brands and the company's' overall image in the mind of their customers. A favorable and pleasant experience with a company and its products or services, develops and reinforces a good image in the buyers mind. Rubbermaid and Kodak, for example, are names linked to quality and innovation, that virtually are major asset of these company. A company's services, products, procedures, and supporting systems must be positively linked to its customer's point of view to maintain a long-term company success.

The company must be socially linked to its external environment, such as taking sponsorship, to provide a unique image and add more to its competitive advantages. Ericsson, for example, takes sponsorship as a serious marketing tool to play a significant role in branding Ericsson name. Sponsorship is kept part of their fully integrated marketing communication plan to provide an image of value, quality oriented, and meeting consumer standard . According to Lynne Howell Wiklander, Manager, Ericsson Communications, "Sponsorship is a serious marketing tool. To be of the most value it should be strategically planned. It plays a significant role in branding the Ericsson name." She stresses that sponsorship must reflect the values of the organization and serve both the company and the community. Some of the sponsorships' strategic plans implemented was renaming Mt. Smart Stadium in Auckland, New Zealand to Ericsson Stadium in 1995. Also, in 1996, Ericsson Communication Canada donated USD 1 million to the University of Waterloo, creating the Center for Wireless Communication (CWC), and establishing a new engineering graduate program.[15] In all their sponsorships, Ericsson aim is to portray an image as one of the leading technology companies in the world.

To strengthen image, customers who have remained loyal deserve acknowledgment to show care and respect. The company should provide individual customer attention and more help to them. They should be rewarded and given more product and service value to enjoy some of the benefits they created for the company. Loyal customers should get price breaks and gifts in return for

their loyalty. A company should find ways to provide incentives, to strengthen customer relations, become involved in customers' lifestyle, organize events, and help customers meet each other. Some companies, for example, provide free car maintenance, purchase incentives, a regular newsletter, a toll-free phone number, or reward certificates, to show them that they are valued customers. Such image may be so appealing that customers will not switch to competitors. [5]

2.2.10 Customer's Information

Through technology, Information systems play a big role in enhancing customers' need for "self-esteem" and making them feel important and valuable. Companies are increasingly collecting information about their customers: demographic, historical, behavioral, and even psychological. They use these information to "recognize and reward long-term customers and to give special attention to new customers." Complex information systems allows companies to collect, analyze, and distribute high volume of customer information using databases and data warehouses.[16]

Developing and using customers information is one way to "delight" customers. Companies use databases to identify customers' personal preferences, shopping habits, names, and addresses to offer individual needs. According to Sheila Kessler, principal of Competitive Edge and author of *Total Quality Service*, "This is important because generally the more personal the service, the more the loyal the customer is.[5]" However, the information requirements are influenced by the

changing needs of customers' markets and by the enhanced offerings provided by competitors. An outstanding product or service of the past could not be acceptable in the future. A company, to be successful, must satisfy its customers expectations at least one step ahead of its competitors through a continuous product and service innovations. Market research through customer questionnaires and satisfaction surveys can provide marketing departments the information they need to identify new products and services, set prices, design packages, and develop advertising and promotions programs. [17]

The quest for knowledge of customer needs, makes customer information gathering a never ending process. Companies must create an ongoing "mechanism" that keeps senior managers permanently connected to their customers' opinion. For example USAA , an insurance and financial services company, has developed an on-line system called Echo that enables telephone sales and service representatives to input customers' needs, suggestions, and complaints as data. Managers analyze all these data regularly to look for "customers profiles" and patterns, and review problems and potential solutions at a monthly meetings with the CEO.[17] Such information are vital to develop proper strategies for bringing customers' needs.

Many companies are building their strategies based on capturing information about their customers in data warehouses to develop customer profiling. Such profile information enables companies to target their most valuable prospects more

effectively, tailor their offering to individual needs, improve customer satisfaction and retention, and identify new opportunities. The more customers' information gathered the more customized products and services can be developed that customers highly appreciate.[18]

Many telecommunication operators are implementing data warehouses systems, composed of hardware and software. The system consists of a main data warehouse and department data ware house. The main data warehouse is the "enterprise" data warehouse which is built by corporate IT departments. The enterprise data warehouse collects data from operations support system (OSS) such as billing, customer care, ordering, and network utilization systems. Other data collection can be from central-office telephone switches.[19] The operator can use the data from OSS for a variety of applications. The data may be used to build customer profiles, for target marketing or to determine the profitability of services.

The department data warehouse is smaller data warehouse, installed by individual departments, contain information that is specific to a particular customer segment. For example, a department that sells services to small businesses may need to collect and store data about its customers to market new and more customized services to those customers. These smaller data warehouses may operate individually or may be connected to the enterprise data warehouse to complement each other.

Collecting customer and marketing information under the umbrella of a customer care system are helping companies to have effective sales. Some companies have developed Intelligent Customer Support System (ICSS) to make customer support more personal by gathering information, as Jones Intercable (a cable TV provider in the USA) says, to "help us design better promotions and advertising campaigns. The more we know about the customer, the better we can target our services and retain the customer we have. [7]"

Information systems serves employees to become more knowledgeable about the company and its customers, which enables them to deliver information and services more professionally and consistently. For example, MCImetro, the local services arm of MCI (a long distance telephone service provider in the U.S.A), provided an information system platform for integrating customer inquiries, service requests, and problem reporting. According to the vice president of local service development for MCI Telecommunications, "the platform lets us customize and integrate information, giving reps [customer service representatives] more information at their fingertips and making the whole experience of contacting a call center more timely, complete, and accurate for the customer. [7]" The representatives can access information about services that customers had purchased, monitor the network to ensure service-level agreements are met, and be alert to keep customers up to date with their inquiries. Such information systems can increase employee productivity and prevent customer frustration.

Customer information minimizes the probability of customers switching to competitors (i.e. churn), to get better deal available, by being proactive rather than reactive. Many cellular mobile telephone operators have moved from a reactive to proactive customer service. These operators have integrated software products in their systems to gather information from several sources. Billing and call traffic data are collected from telephone exchange systems, to provide a comprehensive customer analysis and identify potential "churners" on a timely basis. According to David Smith, customer relationship manager at Mercury's One 2 One, a leading telephone operator in the UK, "Our customer satisfaction figures are tracked once a month covering every aspect of our service. These are inputted to identify triggers for churn." The system takes every bit of information in the subscriber database and, using historical information, assigns a churn probability to each variable and each customer segment. These systems have been developed to increase satisfaction among customers by continuously monitor the variables that cause dissatisfaction and inform managers where to treat the related shortfalls.[7]

2.2.11 Managing Complaints

Dissatisfied customers provide very valuable information through their complaints. Companies should make it easy for customers to complain. "Criticism from customers is more valuable than praise. Complaints are priceless insight into your business. If customers don't tell you that they are upset, they might never come back and you won't know why. If you know what the problem is , you can take care of the problem, take steps to ensure it doesn't happen again, and improve

based on their complaints.[5]" Customers normally want their complaints to be heard, reported easily, investigated, and resolved quickly.

Complaints provides the company the opportunity to do things right. Customers must feel that the company is concerned about their welfare by resolving their problems efficiently. A national survey conducted by Burke Customer Satisfaction Associates, a large customer satisfaction research company, for a department store customers, found that a customer who complains is most likely to be one of the store's best and most satisfied customers. The survey found that the complainers are those who care enough to seek remedy and expect that their problems will be resolved to their satisfaction.[5]

With the recent drive for excellence in customer satisfaction, it is essential to have a complaint policy and procedures, known to both staff and customers. Simple procedures should be provided for customers to complain whether in writing, face to face, or over the telephone. In a well-run organizations, customer complaints are being taken very seriously at senior executive level who takes charge of coordinating all activities involved in handling and managing complaints, and make reports for the board of directors. It is essential to find the cause of the complaint and find a solution. Once the problem has been solved, the complaint must be further examined to find the underlying cause and take appropriate action to ensure it does not repeat again. Accordingly, management must develop, publish

and thoroughly implement procedures to ensure that issues are followed up by concerned departments.

GTE has developed a system to satisfy customers before they complain. A "data mining" tool analyzes a customer's profile along with other statistics to estimate the probability that the individual will cancel a service. The information can provide an ability to prioritize customer base and call the customers, who may be on the verge of canceling their services, to solve their problems, before they do. "Once they call you to disconnect, you have a much lower chance of saving them," according to the Line of Business Manager for Decision Support Systems at GTE Telecommunication Services Inc. (USA). [7]

Management should consider complaints a valuable source for establishing customers' needs, by hearing customers' opinions and comments about the products and services. Old and loyal customers are good source of complaints because they tend to spend more time with a company than other customers. A company must care about the feeling of its customers to make them come back and remain. A long-established fact says that it costs five times as much to acquire a new customer than it does to keep an existing one. Companies should provide all the necessary resources to encourage as many customers as possible to complain and comment.

Studies have shown that relatively a small percentage of dissatisfied customers make complaints. The majority would switch to another company "without giving the company the opportunity to put matters right." More over they would tell others about their dissatisfaction. Facing with this problem, the company must establish many ways to encourage customers to complain and make their views known even if it takes extreme efforts and substantial costs. The company must also have a quick and easy follow-up procedure to handle and mange complaints. Action is required to "pacify" the customer and to resolve the complaint issue, putting in mind that customers are often concerned about the final outcome. Listening, probing, agreeing and adhering to solutions, following up, and escalation procedure to higher management are the basic rules that are necessary for taking actions to clear complaints on timely basis. [20]

2.2.12 Customer Care Program

Customer care program must be developed through analysis of customer care requirements, identifying current company status, identifying relevant resources, benchmarking, and developing an implementation plan. The program should be "sold" inside the company by persuading the staff that their involvement in developing and implementing customer care programs is necessary.[6] Management must utilize staff skills and avoid any negative stance to the new program. Staff must feel that they are an essential part of the customer care team and their ideas and constructive criticism are welcomed to improve the program.

Senior management must have personal commitment and should be ready for radical change in customer care program when necessary. Mangers must realize that they must act with rapidly changing customer requirements and expectations and identify all the support needed to satisfy customers. Managers must know that the lack of a continuous customer satisfaction would only incur additional costs in dealing with complaints, solving problems, and finding new customers. Customer care program is the ultimate tool to satisfy customers through the integration of all the company's key internal factors and efforts that influence the best delivery of products and services at the highest quality.

2.3 Telecommunications Services

Telecommunication services has been a vital aspect of the everyday life of individuals and organizations. Telecommunications mainly involves the exchange of information through voice, data, and image, that people has become so dependent on, in their everyday activities and businesses. Telecommunications services involves a very advance technology and operations complexity that makes it much more challenging for telecommunications operators than any other service providers. These services has an aspect of the need of continuous commitment to customers by service providers. Operators, for examples, must provide a 24 hour service to their subscribers without any interruptions. Only few minutes of service interruption means a substantial degradation of the service quality level.

Customer satisfaction is a major issue for service providers because customers are considered as partners in acquiring new technologies. The everyday development of new services are hunted by the service providers to gain new customers and new markets. Satisfied customers are those who get the latest services with continuous support at a competitive prices. Market researchers say that in telecommunication industry, customer satisfaction can be measured through products and network services packaging, unique customer service, good price-value relationship, and good company image.[21]

In high competitive telecommunication markets, customer service and customer care are considered the highest priorities for telecommunications services providers. "Everyone is going to have to provide exceptional customer service," says Richard Lyons, executive director of Cellular One, a leading mobile telephone operator in USA. Few years ago, customer churn in the cellular industry, for example, was close to 50% per year. Many market experts now say it has dropped to 30% due to an increased customer focus by operators. [21]

2.4 Case Study

A group of researchers from University of Colorado Graduate Business School had surveyed hundreds of individuals to study customers satisfaction in the service industry. They categorized the most critical incidents that causes dissatisfaction and that would lead customers to switch to another service provider. The largest critical-incident is "core-service" failures, mentioned by 44% of respondents,

subcategorized as service mistakes, billing errors, and service catastrophes (i.e. service failures).

The second largest critical-incidents category was failures in the "personal interactions" between customers and employees (mentioned by 34% of respondents) such as uncaring, impolite, unresponsive, or not knowledgeable.

The third largest cause of dissatisfaction was price (mentioned by 30% of all respondents) subcategorized as high prices, price increases, unfair pricing practices, and deceptive pricing practices.

Other identified dissatisfactions were due to inconveniences (e.g. location, delays in scheduling appointments, and delays in services delivery), employee responses to service failure (e.g. reluctant responses, no responses, or negative responses) , attraction by competitors , ethical problems (e.g. dishonest behavior, intimidating behavior etc.), and involuntary incident (customer relocation to another town). [22]

Chapter 3

Research Methodology

3.1 Introduction

This chapter discusses the methodology used to conduct the research and address the problem. The methodology details the procedures used for obtaining the information needed to describe and solve the research problem. The methodology's components used to implement the research are the approach to the problem, type of research, information needs, data collection from secondary sources, data collection from primary sources, questionnaire development, scaling techniques, sampling, data collection procedure, and data analysis.

3.2 Approach to the Problem

The research plan entails a qualitative research, to identify the key aspects of customer satisfaction, followed by a quantitative study to provide some hard measures of perceptions and expectations. The key aspects are the latest trends for driving customer satisfaction and are identified as follows :

- Delivery system :
    1. Easy access to the supplier.
    2. Initial contact.
    3. Ordering procedure.
    4. Specifications and standards.
    5. Invoicing.
    6. Follow-up process.
- Product and service performance.

- Value to customers.
- After sale support.
- Adherence to conditions.
- Warranties.
- Customer relations.
- Employee performance.
- Company image.
- Customer information.
- Managing complaints.
- Customer care program.

In light of the above components, Batelco characteristics, and its services attributes that it provides, a descriptive study was conducted consisting of a survey carried through self administered questionnaires with respondents who are Batelco's customers.

3.3 Type of Research

This research is descriptive in nature. It was conducted to find facts about the quality of Batelco's services, measured through perceptions, expectations, and feelings of the customers. The customer perception of Batelco's services is to be measured using one sample of respondents drawn from the population.

3.4 Information Needs

Considering the research objective and problem approach, customer's perception, attitudes, and opinions are needed to be measured and identified respectively, according to their experience. Most of the key aspects mentioned in the problem approach are to be measured but from dimensions or areas that customers directly interact with and able to respond. These areas are as follows :

- Choice of Services.
- Provision of services process.
- After Sales Support process.
- Customer Service Centers.
- Operators and Customer Services.
- Billing.
- Tariffs.
- General.

The information obtained is based on both knowledge and feelings of the respondents accumulated during their relationship with Batelco, to identify the satisfaction level.

Secondary data is also needed to see the characteristics of Batelco through its business vision, financial status, services provided, and number of subscribers for its main services.

3.5 Data Collection from Secondary Sources

Internal Secondary Data

- Financial highlights are provided to show Batelco's annual financial performance for the years 1993 through 1996, in terms of profit, return on Capital, Earning per share, and Dividend per share (See Appendix 3).

- Part of Batelco's Annual Report for 1996 is provided to present the Business Vision, Highlights of 1996, Services Provided, Director's Report, and the Balance Sheet (See Appendix 4).

3.6 Data Collection from Primary Sources

The survey was conducted using questionnaires to be answered by respondents, who are Batelco's customers one way or another. The questionnaire consists of a formalized set of questions that tackles the most common and most important aspects of Batelco's services, support services, and its policies.

Mail interviews were conducted, mainly through my advisor, friends, and family members who helped in distributing the questionnaires to as many respondents as possible. The questionnaires were distributed in many organizations and institutions such as companies, banks, colleges, ministries, etc., to be answer as individuals or as an organization representative. The people who distributed the questionnaires were in a continuous contact with the respondents, thus made the response rate adequate.

Face-to-face interviews were also conducted for elder people who have some difficulties understanding the questions.

3.7 Questionnaire Development

A self-administered questionnaire was developed to obtain all the information needed about customers satisfaction. It contains both closed and open ended questions covering the areas needed. The closed ended questions measure the satisfaction level using Likert scaling, while the open ended questions, provides freedom for any comments and suggestions a respondent would like to make. See Appendix 2.

Respondents were expected to be well informed about the services Batelco offers. The frequent dealing with Batelco and the information, respondents get from the media, makes them well informed and aware of the information needed. Thus respondents are expected to provide accurate and reasonable answers to the questions.

The questionnaires were provided both in Arabic and English, separately, to provide choice for the respondents and ease of understanding the questions. All questions were provided on one sheet of paper, using both sides, to provide a feeling that the questionnaire is not long, to increase the willingness of the respondents to respond. The questions are in tabular form to provide ease of

finding the corresponding scale. Also, the questions were not numbered to avoid being perceived as there are too many questions.

Sixteen questions have been drawn and arranged according to the identified eight areas mentioned in the Information Needs.

These areas are follows :

- Choice of Services.
- Provision of services.
- After Sales Support.
- Customer Service Centers.
- Operators and Customer Services.
- Billing.
- Tariffs.
- General.

The above areas have been subdivided into elements to tackle the most important services aspects and issues that influence customer satisfaction. The services aspects and issues were chosen so that an average customer can be familiar with . They are normally faced by common customers in their every day dealing with Batelco. The questionnaire was pre-tested through friends and colloquies to minimize the response error .See Appendix 2 for the questionnaire layout .

3.8 Scaling Techniques

For the close-ended questions, Likert scale is used to rate the responses and measure satisfaction level. A balanced scale of 1 to 5 is used as follows for most close-ended questions.

The scale is as follows:

1 = Very Satisfied.

2 = Satisfied.

3 = Not certain.

4 = Not Satisfied.

5 = Very Unsatisfied.

Please note that 3 is also considered as average .

3.9 Sampling

3.9.1 Target population

Elements - male or female who is a customer (subscriber of one of the services) or responsible for accessing telecommunication services.

Sampling Units - Households and organizations.

Extent - State of Bahrain.

Period - 1997.

3.9.2 Sampling method - Convenient Sampling

3.9.3 Sample size - 182.

3.9.4 Execution

- Selecting a convenient household or organization around the country.
- Selecting any person who meets the elements criteria.

3.10 Data Collection Procedure

The required data were collected mainly through self-administered mail interviews. Questionnaires were handed to respondents to be answered in their own appropriate time and then returned back. Only very few responses were administered by the researcher for those respondents who needed help in understanding the questions.

3.11 Data Analysis

The closed-ended data collected from the questionnaires have been tabulated and analyzed using Microsoft Excel v. 7.0 for Windows 95. The question numbers and the corresponding levels (i.e.1, 2, 3, 4, & 5) are allocated as column headings. Each raw represent each respondents answers. At the end of the table, each level has been counted and its percentage were derived from the total number of respondents, for each question. Finally the percentages were graphed to provide a graphical representation to provide more clear information.

Chapter 4

The Findings

4.1 Introduction

The results obtained for both the closed and open ended questions are ordered according to the sections outlined in the questionnaire (see Appendix 2). The close-ended results are presented as a number of the respondents who selected a specific satisfaction level for each question and its corresponding percentage from the sample size (182 respondents). The column of the tables represent the satisfaction level (i.e. Very Satisfied, Satisfied, Not Certain, Unsatisfied, and Very Unsatisfied) and the row contains the question as appears in the questionnaire. A graphical representation (Bar chart) is also provided for each question to see the satisfaction levels (percentages) relative to each other.

The results of the open-ended questions are presented strait forward to show how the respondents feel or think. The number of respondents who made similar comments is also shown.

The results of the survey will be discussed as either side of the balanced scale. The Very Satisfied and Satisfied on one side, and Unsatisfied and Very Unsatisfied on the other side.

The Very Satisfied and the Very Unsatisfied levels are important measures for the extent of satisfaction or dissatisfaction with the specified service. The Very Satisfied respondents could be candidates for loyal customers.

Note that uncertain respondents are those who think that the service aspect is average or who had never faced such aspect.

The results of the survey and their descriptions are provided in sections 4.2 through 4.9 corresponding to the sections in the questionnaire (see Appendix 2). The results of each question is referred to by the question number in the questionnaire, that is shown between brackets, corresponding to the question number.

4.2 Choice of Services

The following results show the respondents perceptions (i.e. satisfaction levels) for the service choices offered:

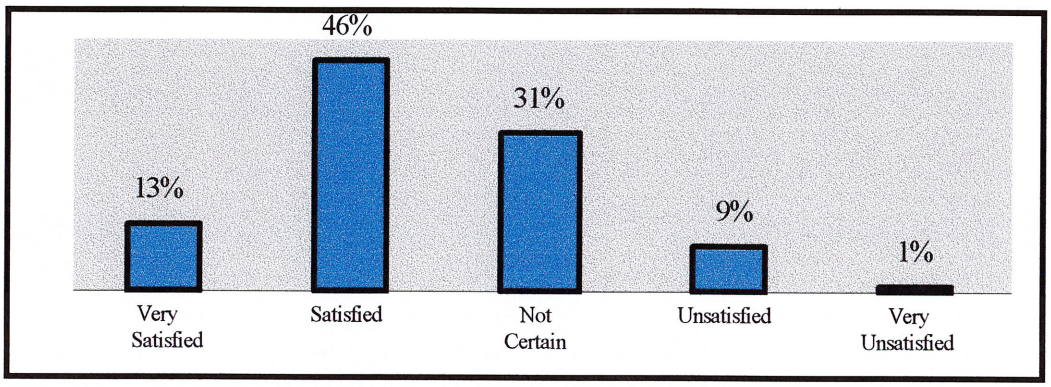
4.2.1 Satisfaction with the choice of services offered (Question 1)

The results of the satisfaction levels of the choice of services offered is as follows : More than half of the respondents (59%) are satisfied (46%) or very satisfied (13%) with the choice of services that Batelco offers, and who may have experienced good or excellent choices that had fulfill their needs. The respondents who are not certain or have average feelings about the choice are 31%. Only 10 % are unsatisfied or very unsatisfied about the choice of the services and whom their needs have not been fulfilled . See Table 1 and Figure 1.

Table 1 - Perceptions of the choice of services

	Very Satisfied.	Satisfied	Not Certain	Unsatisfied	Very Unsatisfied
1. Satisfaction with the choice of services offered.	24	83	57	16	2
	13%	46%	31%	9%	1%

Figure 1- Perceptions of the choice of services



4.3 Provision of Services

The following results show the respondents perceptions for the main procedures, timing, and human aspects during services provisioning .

4.3.1 Service provision satisfaction (Question 2)

The following are the results of the service provision satisfaction levels in terms of:

a. Ease in applying for a service

More than three quarters of the respondents (77%) were very satisfied (35%) or satisfied (42%) because they consider applying for a service is easy or very easy and has no complications. The customers who were not certain (16%) may have not apply for the services themselves or consider it an average. Only 8% of the respondents were unsatisfied (6%) or very unsatisfied (2%) , whom had a bad experienced with one of the aspects during applying for a service. See Table 2(a) and Figure 2.

b. Meeting the appointed date for installation and activation of the service

More than half of the respondents (61%) were very satisfied (19%) or satisfied (42%) with meeting or exceeding their expectations of the appointed date for service activation. The respondents who were not certain (24%) may have not attended the service activation themselves or think it is average. A high percentage of the respondents (15%) were unsatisfied (12%) or very unsatisfied (3%)

probably have not received their services as appointed and may have experienced a long waiting time for the services to be activated. See Table 2(b) and Figure 3.

c. Overall duration to provide the service (from application to activation)

The majority of the respondents (60%) were very satisfied (15%) or satisfied (45%) with the overall duration to provide a service. The overall duration have met or exceeded the expectations of those respondents. The uncertain respondents (24%) may not have applied for their services themselves or think that it is average. A high percentage (17%) were unsatisfied (11%) or very unsatisfied (6%), who perceive that the period is unsatisfactorily long or very long. See Table 2(c) and Figure 4.

d. Installation work tidiness

The majority of the respondents (67%) were very satisfied (21%) or satisfied (46) with the installation work tidiness. It may have met or exceed their expectations. 23% of the respondents think it average. A small percentage (11%) were unsatisfied (8%) or very unsatisfied (3%), who think that the installation work is not tidy or may be messy. See Table 2(d) and Figure 5.

e. Installation duration

The majority of the respondents (68%) were very satisfied (19%) or satisfied (49%) with the time it takes to make installations at their premises. The installation duration may have met or exceeded the expectation of the respondents. The uncertain respondents (25%) may have not faced with such installations or think that the time taken is average. Only 8% were unsatisfied (6%) or very unsatisfied (2%) , who probably had faced long installations duration that did not meet their expectations. See Table 2(e) and Figure 6.

f. Fitters appearance

The majority of the respondents (66%) were very satisfied (21%) or satisfied (45%) with the fitters appearance. The uncertain respondents (26%) may have not seen the fitters during installations or think the appearance is average. A small percentage (8%) of the respondents were unsatisfied (6%) or very unsatisfied (2%) and who think that the fitters appearance is not adequate . See Table 2(f) and Figure 7.

g. Courtesy and politeness

The majority of the respondents (72%) were very satisfied (31%) or satisfied (41%) with the courtesy and politeness of the provision of service staff . The uncertain respondents (23%) think that their treatment is average or never had met such staff . A small percentage of the respondents (5%) were unsatisfied (3%) or very unsatisfied (2%), probably have suffered bad attitude or treatment during the provision of service. See Table 2(g) and Figure 8.

Table 2 - Perceptions of Provision of Services

	Very Satisfied.	Satisfied	Not Certain	Unsatisfied	Very Unsatisfied
a. Ease in applying for the service.	64	77	27	10	4
	35%	42%	15%	5%	2%
b. Meeting the appointed date for installation and activation of the service.	34	76	44	22	6
	19%	42%	24%	12%	3%
c. Overall duration to provide the service (from Application to activation).	27	81	43	20	11
	15%	45%	24%	11%	6%
d. Installation work tidiness.	39	83	41	14	5
	21%	46%	23%	8%	3%
e. Installation duration.	34	89	45	11	3
	19%	49%	25%	6%	2%
f. Fitters appearance.	39	81	47	11	4
	21%	45%	26%	6%	2%
g. Courtesy and politeness.	56	75	42	5	4
	31%	41%	23%	3%	2%

Figure 2 - Perceptions of the ease in applying for the service

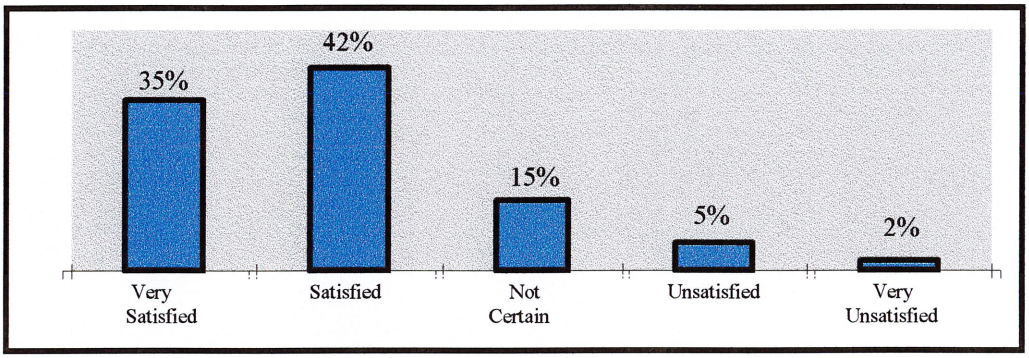


Figure 3 - Perceptions of meeting the appointed date for installation and activation of the service

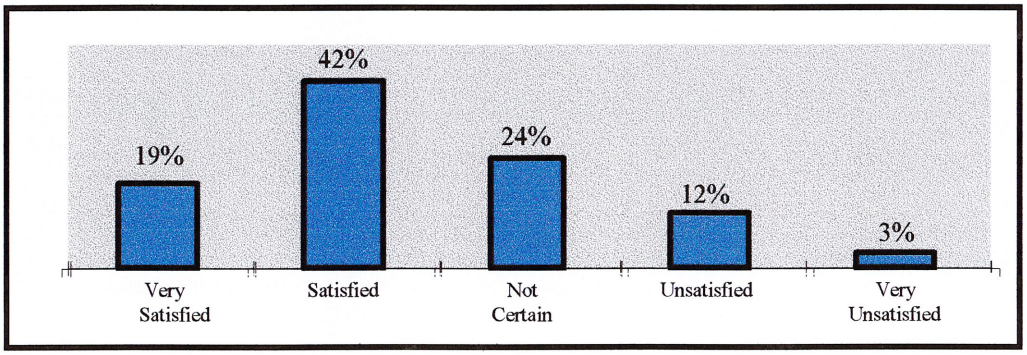


Figure 4 - Perceptions of overall duration to provide the service

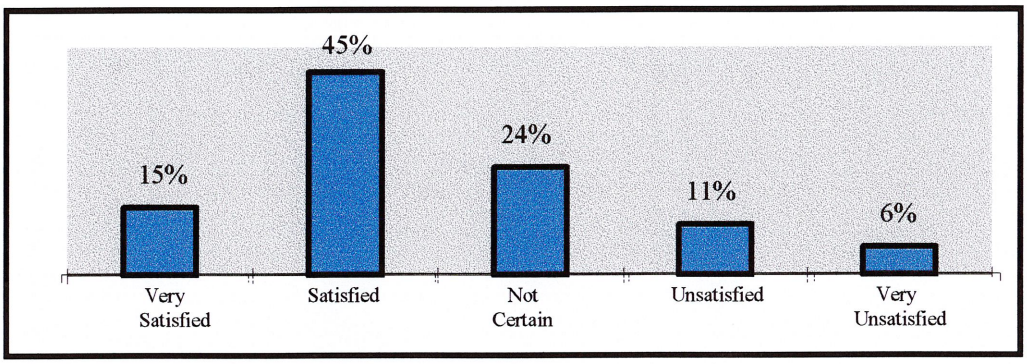


Figure 5 - Perceptions of installation work tidiness

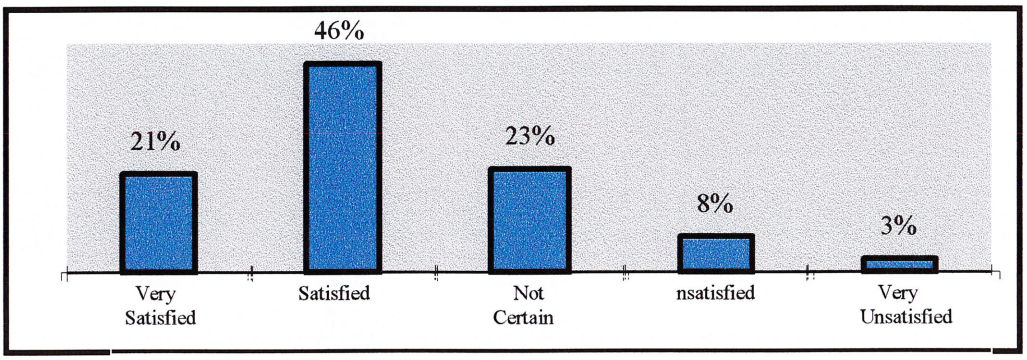


Figure 6 - Perceptions of installation duration

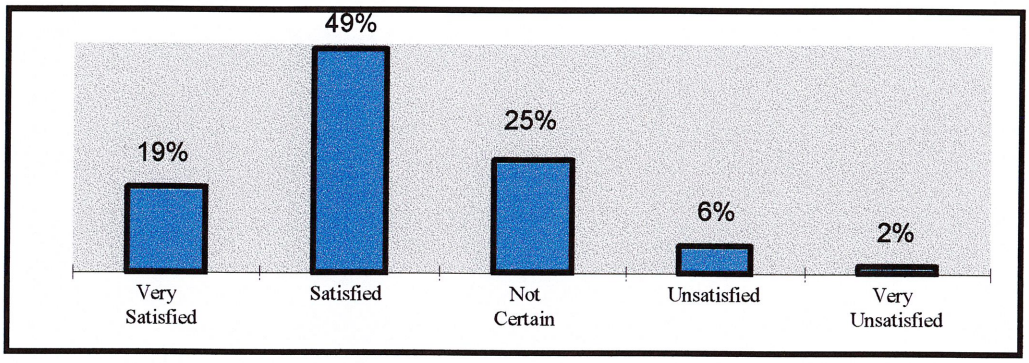


Figure 7 - Perceptions of the fitters appearance

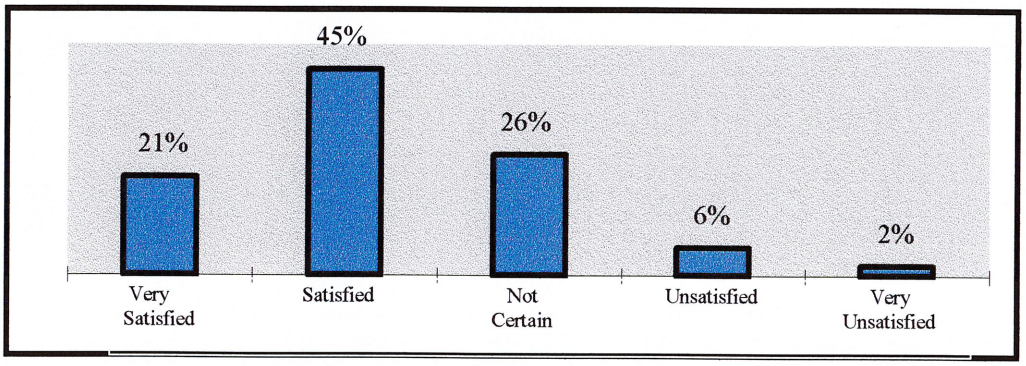
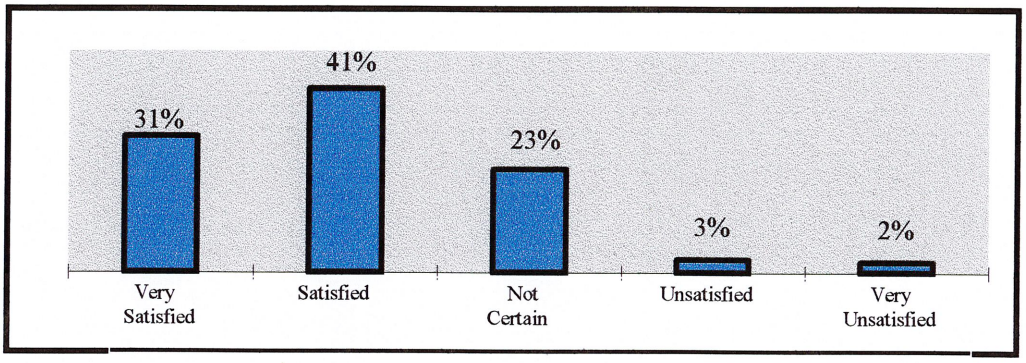


Figure 8 - Perceptions of staff courtesy and politeness



4.4.2 Comments and suggestions for improving Batelco's Service Provision (Question 3)

Table 3 highlights the comments and suggestions provided by the respondents related to service provisioning.

Table 3 - Comments and suggestions for Provision of Services

Comments	Respondents
Provide a hot line.	1
Reduce services cost.	2
Hearing interference and cross-talks on the telephone line.	1
Provide more training for the employees to provide better service.	6
The services are good.	1
Extend working hours (Afternoons).	1
Provide more service flexibility.	1
Apply the most recent technology.	2
Service provision is long.	1
Improve courtesy and politeness of staff.	1
Provide faster services.	1
Provide better care to customers.	1
Assign one point for dealing with customers.	1
Provide customer services through telephones as a substitute for visiting Customer service Centers to get services.	1

4.4 After Sales Support

The following results show perceptions for the support aspect after receiving a service, such as a telephone service. This section covers both the procedures and the human aspects of after sales support area.

4.4.1 Ways approached to solve the problem (Question 4)

This item was dropped because I need to focus on customer satisfaction regarding solving problems in general, without the need to know what channels customers take to solve their problems.

4.4.2 After sales support perception (Question 5)

The following are results of the after sales support satisfaction levels in term of :

a. Ease in reporting a complaint

The majority of the respondents (69%) were very satisfied (26%) or satisfied (43%), who find it easy to report a complaint about a service problem. These respondents expectations were met or exceeded with the reporting channels and procedures for complaining when they were facing a service problem. The uncertain respondents (20%) may find it average or don't do reporting themselves. The respondents that were not happy with the reporting procedures represent (11%), 8% unsatisfied and 3%very unsatisfied. See Table 4(a) and Figure 9.

b. Time taken to attend repairs.(i.e. respond to the problem)

The majority of the respondents (60%), very satisfied (9%) and satisfied (51%), find the time taken to attend repairs or respond to a problem adequate or excellent. The uncertain respondents were 25%. The respondents who find the time taken is not adequate or long represent 15% - unsatisfied were 12% and the very unsatisfied were 3%. See Table 4(b) and Figure 10.

c. Meeting the repair objective in the first time

The majority of the respondents (68%), very satisfied were 16% and satisfied were 52%, have experienced repair objectives that were met the first or the second time. The uncertain about the repair objectives or find it average represent 21% of the respondents. The respondents who had experienced difficulties during repairs represent 11%. The unsatisfied were 10% and the very unsatisfied were 1%. See Table 4 (c) and Figure 11.

d. Overall staff performance towards the complaint

The majority of the respondents (68%) were happy with the overall staff performance towards their complaints . The very satisfied were 16% and the satisfied were more than half (52%) of the respondents. The uncertain respondents were 25%. Only 8% of the respondents feel that staff performance is not adequate. The unsatisfied were 7% and the very unsatisfied were 1% of the respondents. See Table 4(d) and Figure 12.

e. Overall level of satisfaction with the repair service

The majority of the respondents (71%), the very satisfied represent 16% and the satisfied represent 55%, were happy with the repair service in overall. The uncertain respondents were 24%. Only 5% were unsatisfied with repair service. See Table 4(e) and Figure13.

Table 4 - Perceptions of the after sales support

	Very Satisfied.	Satisfied	Not Certain	Unsatisfied	Very Unsatisfied
a. Ease in reporting a complaint.	48	79	36	14	5
	26%	43%	20%	8%	3%
b. Time taken to attend repairs.(i.e. respond to the problem).	16	93	46	21	6
	9%	51%	25%	12%	3%
c. Meeting the repair objective in the first time.	29	95	38	19	1
	16%	52%	21%	10%	1%
d. Overall staff performance towards the complaint.	29	94	45	12	2
	16%	52%	25%	7%	1%
e. Overall level of satisfaction with the repair service.	29	100	44	9	0
	16%	55%	24%	5%	0%

Figure 9 - Perceptions of the ease in reporting a complaints

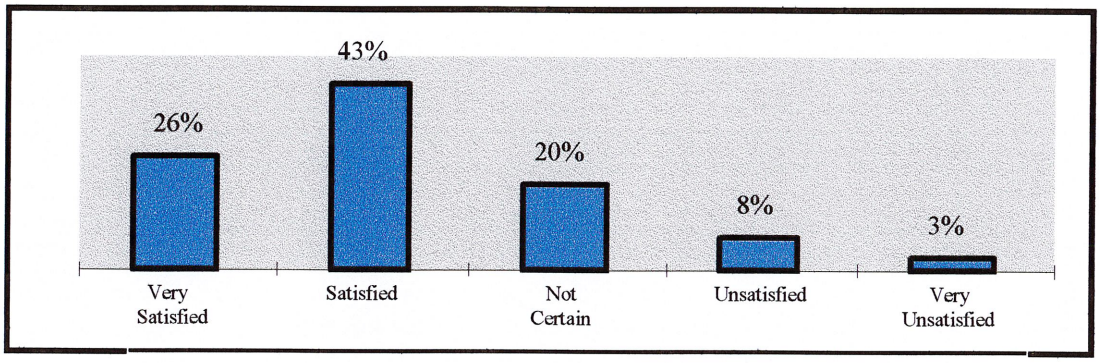


Figure 10 - Perceptions of time taken to attend repairs

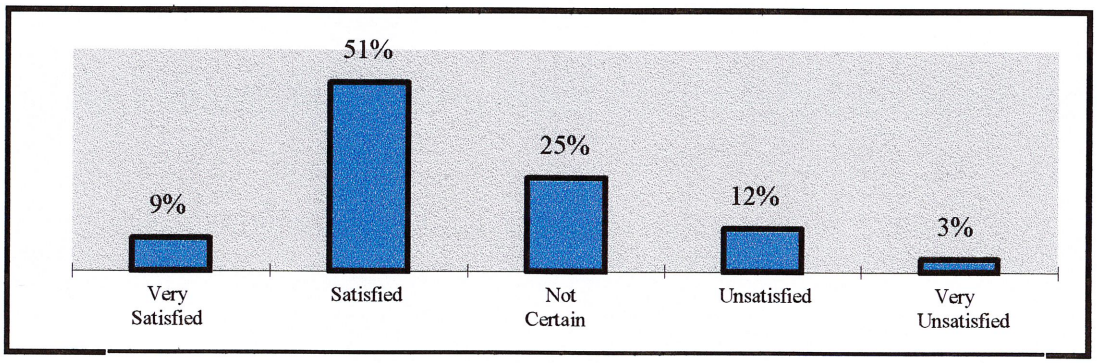


Figure 11 - Perceptions of meeting the repair objective in the first time

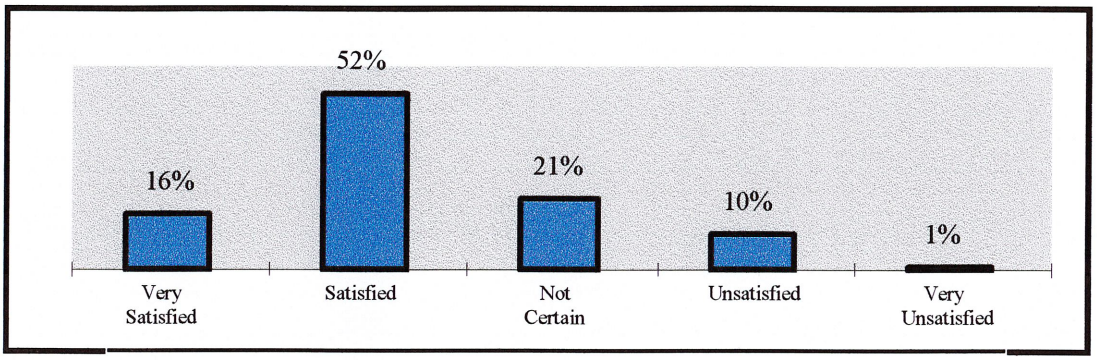


Figure 12 - Perceptions of the overall staff performance towards the complaint

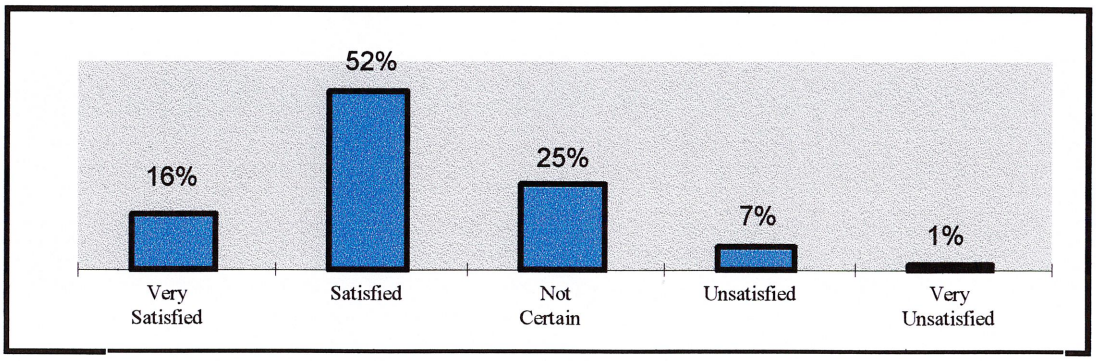
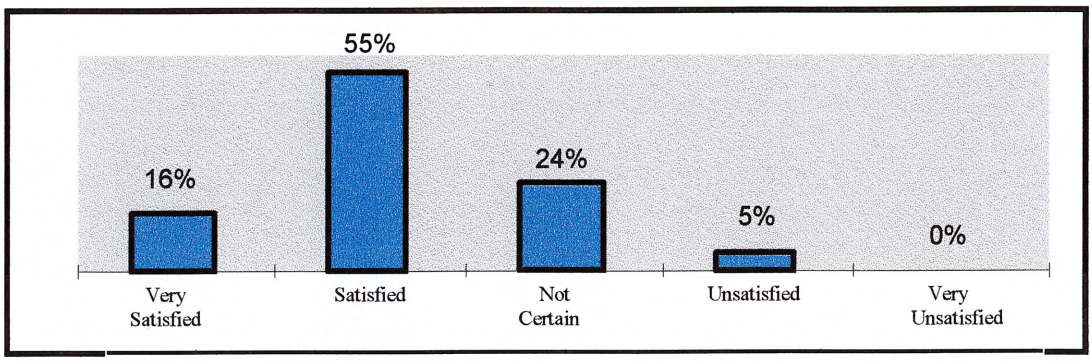


Figure 13 - Perceptions of the overall level of satisfaction with the repair service



4.4.3 Comments and suggestions for improving Batelco's After Sales support (Question 6)

Table 5 shows the comments and suggestions provided by the respondents for the after sales support.

Table 5 - Comments and suggestions for After Sales Support

Comments	Respondents
Provide more care and attention towards the customer.	3
Repair charges are expensive.	1
Provide maintenance in the afternoons.	1
Provide more help and facilities.	1
Provide good services.	1

Table 5 (Continued)

Comments	Respondents
Staff need more training.	1
Provide continuos service.	1
Provide information to customers on the common problems and how they can be solved, to reduce repair costs.	1
Provide a reference No. for each complaint for future follow up.	1
Provide faster response to customer problems.	4
Maintain a good service performance.	3
Subcontract repair service to some private companies.	1
Open new location (e g Muharraq, Riffa).	1
Provide more sales Support Centers around Bahrain.	1
Provide ISO 9002 services standards.	1
Provide preventive maintenance to avoid faults.	1
Provide easier maintenance and faster repairs.	1
Spare parts are expensive.	1
Provide more importance in faster fault repairing and the cause of the fault.	1

4.5 Customer Service Centers

The following results show the perception of the respondents for the customer service centers of which they have visited when they intended to receive a service. This section covers both procedures, human , and environment aspects in the service centers.

4.5.1 Customer Service Center most frequently visited (Question 7)

This item was dropped because I need to focus on customer satisfaction in general without specifying which customers service has the most complaints.

4.5.2 Customer Service Center perceptions (Question 8)

The following are results of the satisfaction for the Customer Service Centers:

a. Easily accessible (near your house or work)

The majority of the respondents (74%) find it easy to access a service center when they visit one. The very satisfied were 32% and the satisfied were 42%. The uncertain respondents represent 19%, may be because they rarely or never visit service centers, or think that it is not that easy to access service centers. The unhappy respondents (7%) had difficulties in accessing service centers. Of these, 4% were unsatisfied and 3% were very unsatisfied. See Table 6(a) and Figure 14.

b. Availability of parking facilities

A high percentage (42%) of the respondents find available parking. The very satisfied were 11% and the satisfied were 32%. The respondents who experience difficulties in finding a parking space also represent a high percentage (39%) when they visit service centers, almost equal to the happy respondents. The unsatisfied were 23% and the very unsatisfied were 16%. See Table 6(b) and Figure 15.

c. Staff appearance (uniform, ... etc.)

The majority of the respondents (76%) find staff appearance at the service centers acceptable. There were 27% very satisfied and 49% satisfied respondents. The uncertain respondents (20%) may rarely visit service centers or thing that staff appearance is average. Very low percentage (3%) were unsatisfied with the staff appearance. See Table 6(c) and Figure 16.

d. Staff attitude

The majority of the respondents (60%) were happy or think that the staff have a good attitude. The very satisfied (19%) and the satisfied (41%) find good or excellent staff treatment during their visits to the service centers. A high percentage (30%) were uncertain may be because they rarely visit service centers or never pay attention to the staff attitude. The respondents who were not happy or experienced bad attitude represent 10%. See Table 6(d) and Figure 17.

e. Staff competence and knowledge

The majority of the respondents (66%) feel that the staff at the service centers were competent and knowledgeable. The very satisfied were 19% and the satisfied were 47% of the respondents. The uncertain respondents (25%) may rarely visit service centers or think that staff competence and knowledge is average. Only 9% of the respondents, 8% unsatisfied and 1% very unsatisfied, find the staff incompetent or don't have enough knowledge to serve people. See Table 6(e) and Figure 18.

f. Efficiency in responding to customer's requests

The majority of the respondents (55%) , 13% very satisfied and 42% satisfied, were happy with the efficiency in responding to their requests or experienced very good responses. A high percentage (31%) were uncertain or think that the response is average. The respondents who have experienced inadequate responses or their needs were not met represent 13% - 10% unsatisfied and 3% very unsatisfied. See Table 6(f) and Figure 19.

g. Time taken to handle an order

A high percentage (39%) of the respondents, very satisfied represent 8% and the satisfied 31%, think that the time taken to handle their request is good or acceptable. A high percentage (31%) were uncertain or think the time taken is average. The respondents who were not happy also represent a high percentage

(29%). There were 24% who were unsatisfied and 5% very unsatisfied with time taken to handle their order or request when visiting service centers. See Table 6(g) and Figure 20.

h. Queuing time (waiting time)

The respondents who were happy with time it takes standing in queues represent 24% only - 5% very satisfied and 19% satisfied. The respondents who were uncertain or think it average represent 29%. A very high percentage of the respondents (47%) were unhappy with the long queues in the service centers. There were 32% who were unsatisfied and 15% very unsatisfied respondents. See Table 6(h) and Figure 21.

i. Working hours

The vast majority of the respondents (72%) , 23% very satisfied and 49% satisfied, were happy or fully agree with the service centers working hours. The uncertain respondents or who find it adequate represent 15%. Those who were not happy with working hours probably because it conflicts with their working hours most of the time represent 12% - 9% unsatisfied and 3% very unsatisfied. See Table 6(i) and Figure 22.

Table 6 - Perceptions of the Service Centers

	Very Satisfied	Satisfied	Not Certain	Unsatisfied	Very Unsatisfied
a. Easily accessible (e.g. near your house or work)	58	77	34	7	6
	32%	42%	19%	4%	3%
b. Availability of parking facilities.	20	58	33	41	30
	11%	32%	18%	23%	16%
c. Staff appearance (uniform, ... etc.).	50	90	37	5	0
	27%	49%	20%	3%	0%
d. Staff attitude.	34	75	55	17	1
	19%	41%	30%	9%	1%
e. Staff competence and knowledge.	35	86	46	14	1
	19%	47%	25%	8%	1%
f. Efficiency in responding to customer's requests.	23	77	57	19	6
	13%	42%	31%	10%	3%
g. Time taken to handle an order.	15	57	56	44	10
	8%	31%	31%	24%	5%
h. Queuing time (waiting time).	9	34	53	59	27
	5%	19%	29%	32%	15%
i. Working hours.	42	90	27	17	6
	23%	49%	15%	9%	3%

Figure 14 - Perceptions of the easily accessible

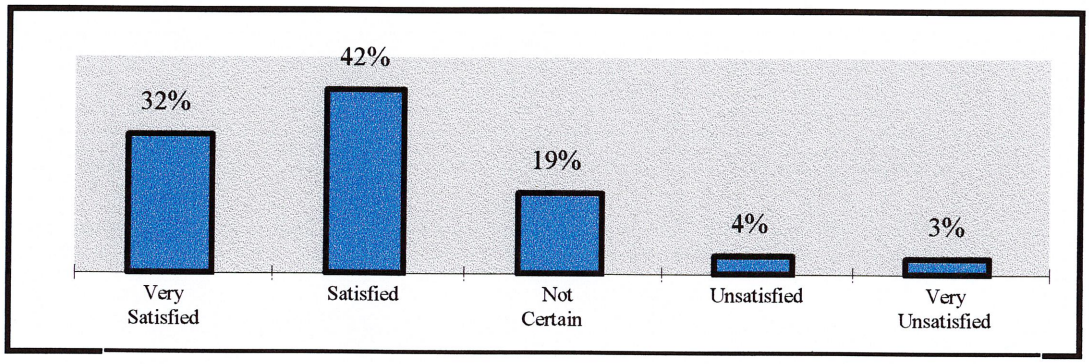


Figure 15 - Perceptions of the availability of parking facilities

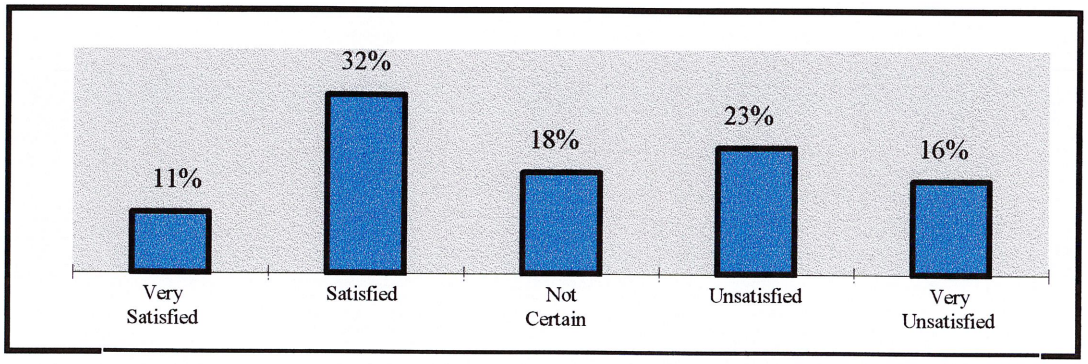


Figure 16 - Perceptions of the staff appearance

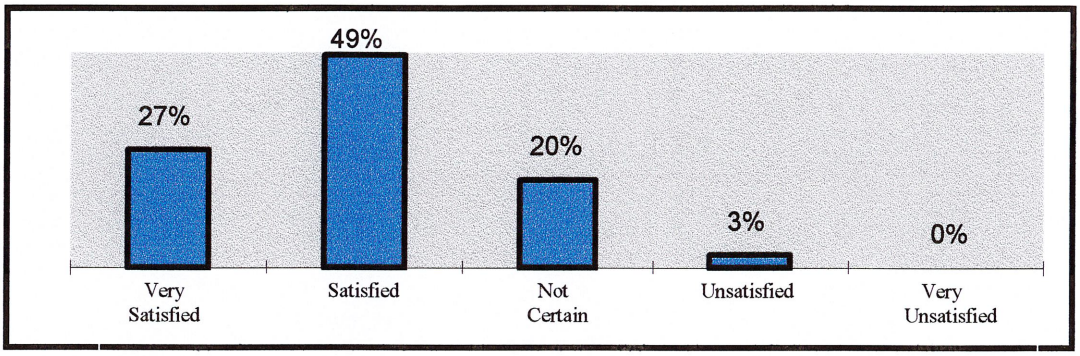


Figure 17 - Perceptions of the staff attitude

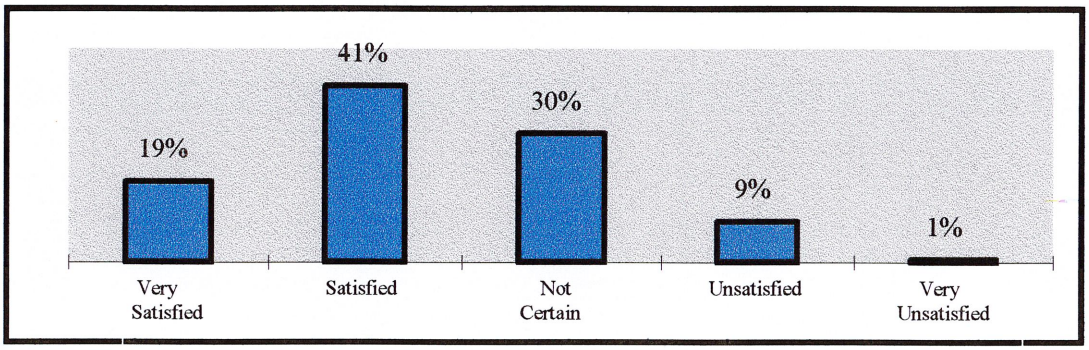


Figure 18 - Perceptions of the staff competence and knowledge

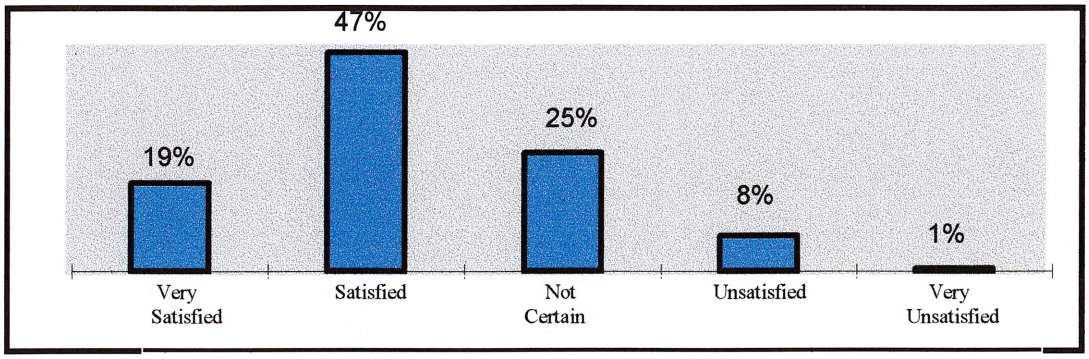


Figure 19 - Perceptions of the efficiency in responding to customer's requests

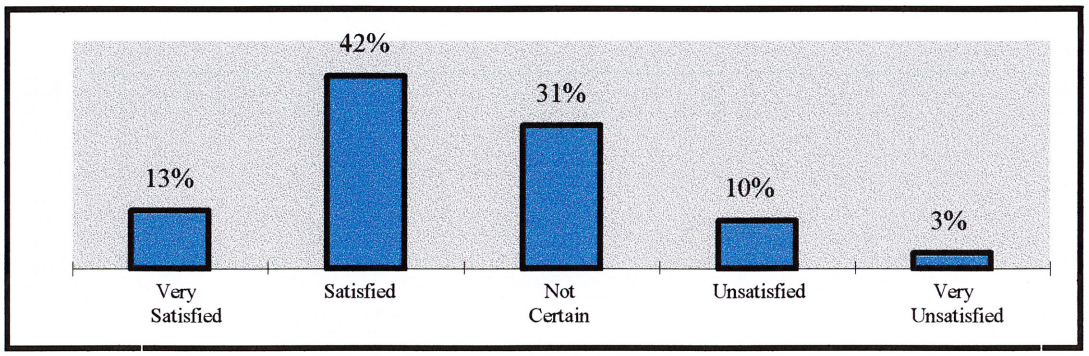


Figure 20 - Perceptions of the time taken to handle an order

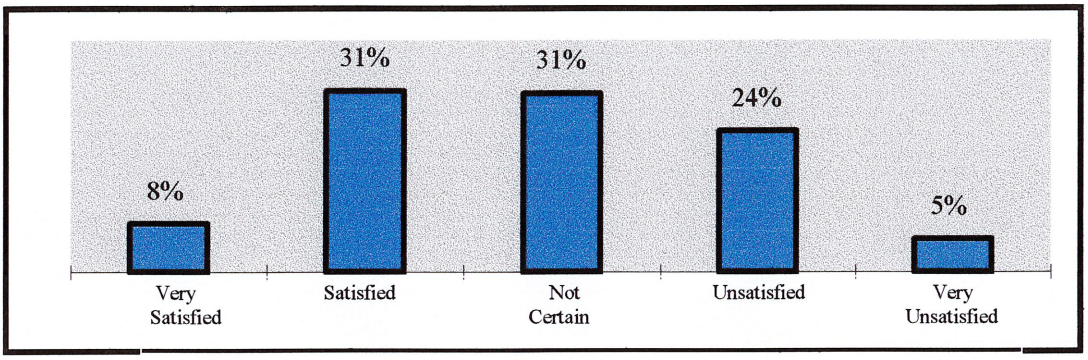


Figure 21 - Perceptions of queuing time (waiting time)

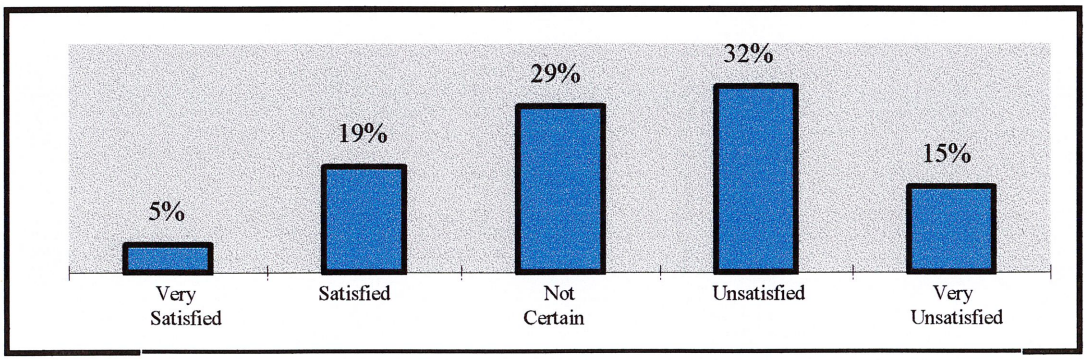
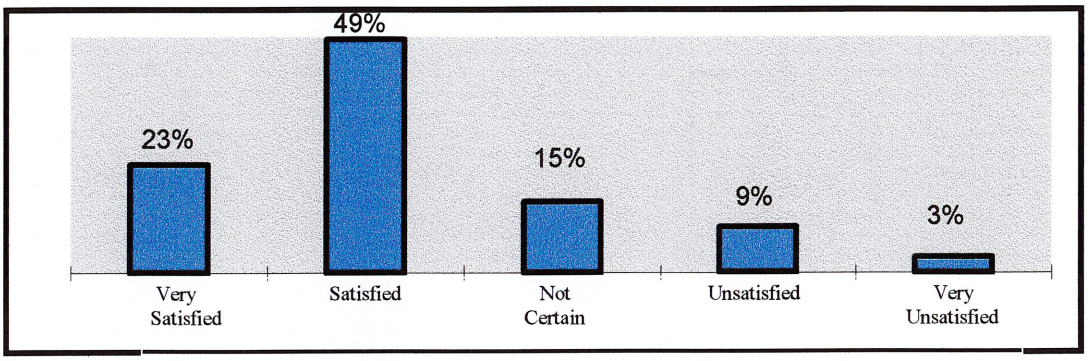


Figure 22 - Perceptions of the working hours



4.5.3 Comments and suggestions for improving the Service Centers (Question 9)

Table 7 shows the comments and suggestions of the respondents regarding the service centers.

Table 7 - Comments and suggestions for the Service Centers

Comments	Respondents
Reduce waiting time in rush hours.	3
No enough car parks, specially in the diplomatic area.	1
Provide more car parking.	3
Provide more comfortable and hospitable environment.	2
Provide more customer centers.	4

Table 7 (continued)

Comments	Respondents
Provide more staff.	5
Provide more complaints attendees.	2
Allocate more cashiers.	2
Cashiers should serve each customer continuously (should not leave his place).	1
Provide a faster service.	3
Provide more customer service centers (Budia and west Manama).	3
Provide automated queuing system.	2
Providing modern equipment.	1
Separate queuing for the complicated cases, that take long times, from the simple cases.	1
Muharraq CSC location is not satisfactory.	1
Provide centers with larger spaces	3
Open most counters during peak hours to reduce waiting time.	2
Extend working hours.	1
Some CSC should operate 24 hours.	2
Some people bypass the queue because they have personal contact.	3
Locate CSCs in good locations with easy access.	1
Provide new technology to answer customers queries.	1
Open new branch for the Mobile plus.	1

4.6 Operator and Customer Services

The results in this section provides perceptions of the respondents for operator services that provide help for customer inquiries or provide services through telephone calls. Human aspect is mainly covered for the operator services, the Hot Line, and Directory inquiries.

4.6.1 Operator Services satisfaction (Question 10)

The following were satisfaction results for the Operator Services in terms of:

a. International call

The majority of the respondents (75%), 34% very satisfied and 41% satisfied, were happy or very happy with the International operator service. The uncertain respondents or who find it is average represent 19%. The respondents who have experienced unpleasant or bad service represent 7% - 4% unsatisfied and 3% very unsatisfied. See Table 8-a and Figure 23.

b. Mobile-Plus Help line

More than half of the respondents (53%) were happy with the Mobile Plus help line - 16% were very satisfied, while 37% were satisfied. The respondents who were uncertain or find it average represent a high percentage (38%). On the other hand 8% were not happy with the hot line or does not meet their needs - 3% unsatisfied and 5% very unsatisfied. See Table 8(b) and Figure 24.

c. National Assistance

More than half of the respondents (57%) were happy with the National Assistance (100) service - 21% very satisfied and 36% satisfied . The uncertain or who find it average represent a high 34%. The respondents who were not happy or had an unpleasant experience represent 10% - 7% unsatisfied and 3% very unsatisfied. See Table 8(c) and Figure 25.

d. Telegram inquiries

The respondents who were happy with the service represent 44% - 14% very satisfied and 30% satisfied. More than half (52%) were not certain because this service is not widely used these days. Only 5% had a problems with this service. See Table 8(d) and Figure 26.

Table 8 - Perceptions of the Operator Services

	Very Satisfied	Satisfied	Not Certain	Unsatisfied	Very Unsatisfied
a. International call .	61	74	35	7	5
	34%	41%	19%	4%	3%
b. MobilePlus Help line.	30	68	69	6	9
	16%	37%	38%	3%	5%
c. National Assistance .	38	65	61	12	6
	21%	36%	34%	7%	3%
d. Telegram inquiries .	25	55	94	5	3
	14%	30%	52%	3%	2%

Figure 23 - Perceptions of the international call operator service

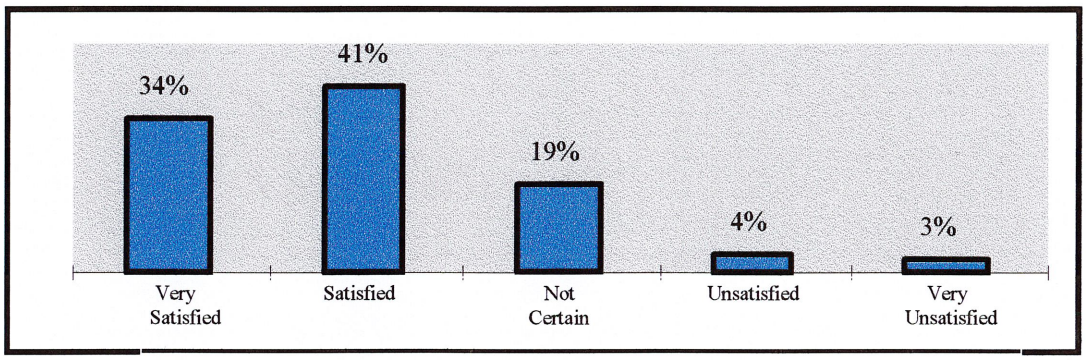


Figure 24 - Perceptions of the Mobile-Plus Help line

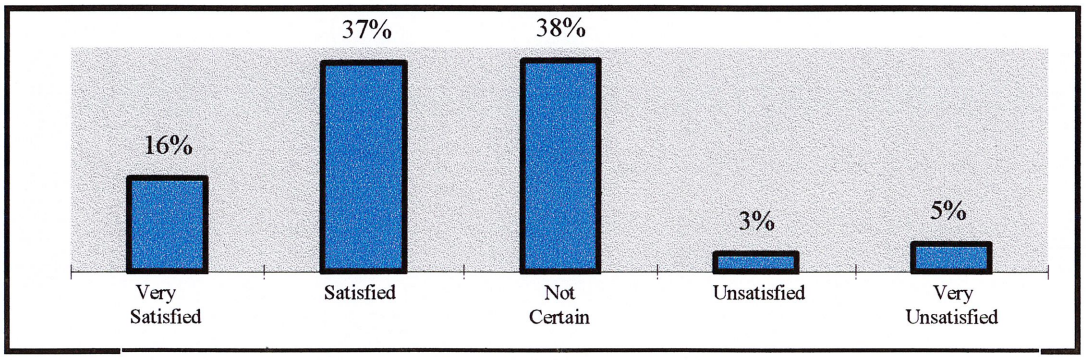


Figure 25 - Perceptions of the National Assistance operator service

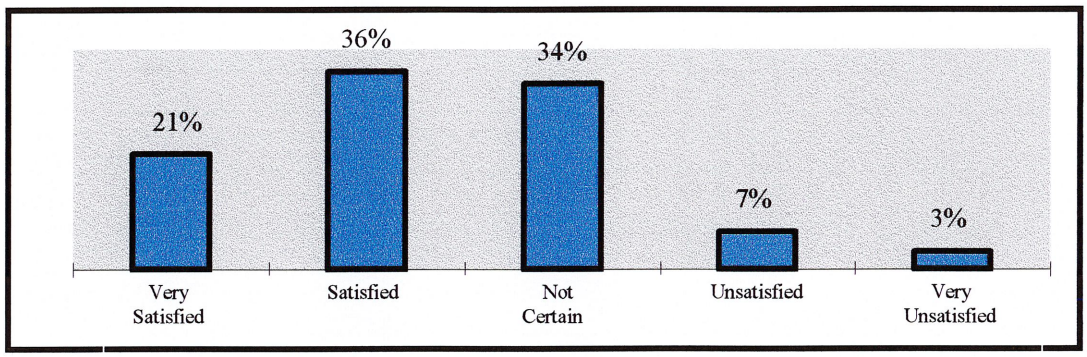
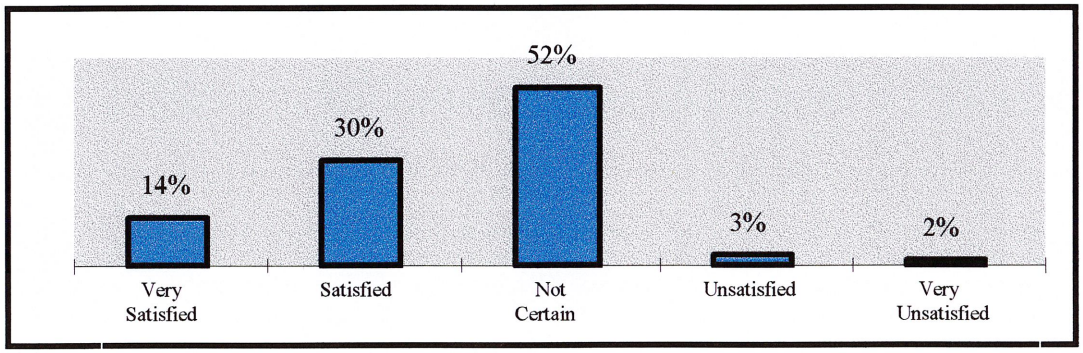


Figure 26 - Perceptions of the Telegram inquiries operator service



4.6.2 Hot Line

The following are the satisfaction results for the Hot Line service in terms of:

a. Time taken to answer your Inquiries

A high percentage of the respondents (43%), 10% very satisfied and 33% satisfied, were happy with the time taken to answer the inquiries. The uncertain respondents or who find it average represent a high 37%. A high percentage (19%), 11% unsatisfied and 8% very unsatisfied, were not happy due to delays in answering their inquiries. See Table 9(a) and Figure 27.

b. Information accuracy

More than half (56%) of the respondents, 14% very satisfied and 42% satisfied, were happy or very happy with the information accuracy they receive. The respondents who had received inaccurate information represent 6% - %5 unsatisfied and 1% very unsatisfied. See Table 9(b) and Figure 28.

c. Operator politeness

The majority of the respondents (65%), 24% very satisfied and a high 41% satisfied, think that the operators were polite during their inquiries. The uncertain respondents represent a high 30%. On the other hand only 5% of the respondents think that the operators were not polite- 3% unsatisfied and 2% satisfied. See Table 9(c) and Figure 29.

Table 9 - Perceptions of the Hot Line service

	Very Satisfied	Satisfied	Not Certain	Unsatisfied	Very Unsatisfied
a. Time taken to answer your Inquiries.	19	60	68	20	15
	10%	33%	37%	11%	8%
b. Information accuracy.	25	76	69	10	2
	14%	42%	38%	5%	1%
c. Operator politeness.	44	74	55	5	4
	24%	41%	30%	3%	2%

Figure 27 - Perceptions of the time taken to answer Inquiries

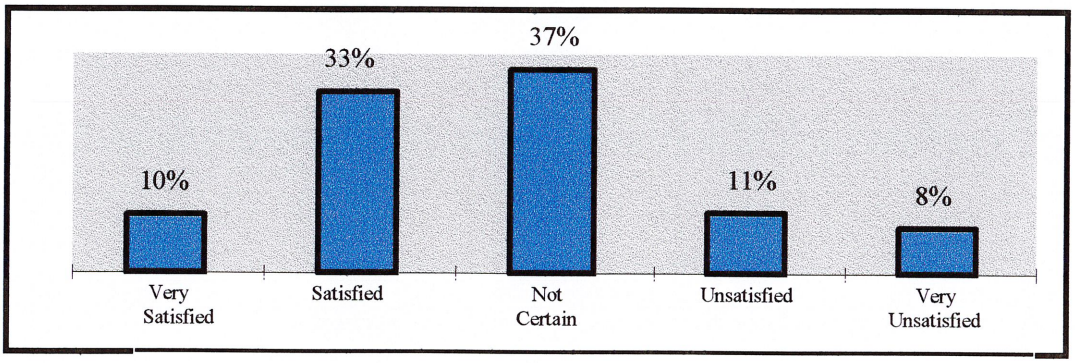


Figure 28 - Perceptions of the information accuracy

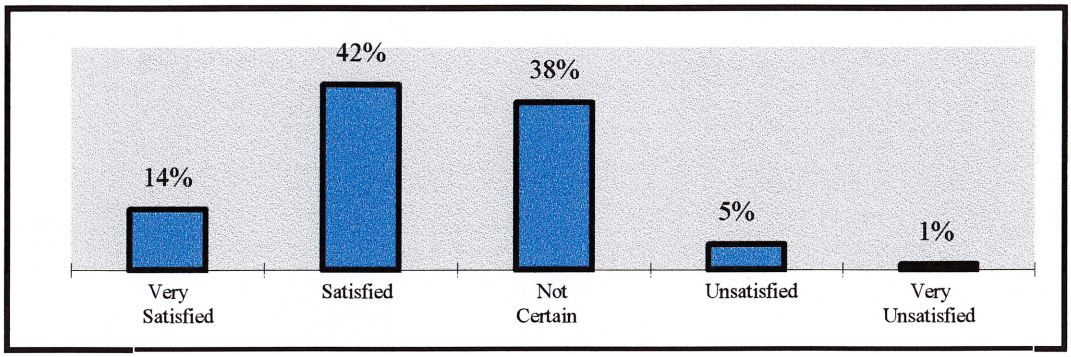
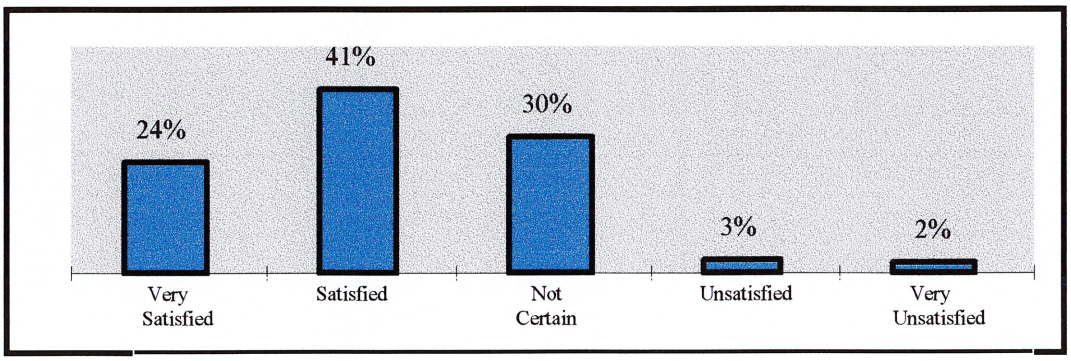


Figure 29 - Perceptions of the operator politeness



4.6.3 Directory Inquiries

The following were the satisfaction results for the Directory Inquiry service in terms of:

a. Time taken to answer your Inquiries

The respondents who were happy represent only 30%, 10% very satisfied and 20% satisfied. The uncertain respondents represent 19%. More than half (51%) of the respondents, 26% unsatisfied and 25% very unsatisfied, were not happy with the time taken to answer their inquiries See Table 10(a) and Figure 30.

b. Information accuracy

The vast majority (73%) of the respondents, 27% very satisfied and 46% satisfied, receive accurate information. The uncertain respondents represent 17%. The respondents who were not happy about the information accuracy represent 10% - 7% unsatisfied and 3% very unsatisfied. See Table 10(b) and Figure 31.

c. Operator politeness

The vast majority of the respondents (81%), 37% very satisfied and 44% satisfied, think that the operators were polite. The uncertain respondents or who thing it as average represent 12%. The respondents who were not happy or think that the operators were not polite represent 8% - 4% unsatisfied and 4% very unsatisfied. See Table 10(c) and Figure 32.

Table 10 - Perceptions of the Directory Inquiries service

	Very Satisfied	Satisfied	Not Certain	Unsatisfied	Very Unsatisfied
a. Time taken to answer your Inquiries.	19	36	34	47	46
	10%	20%	19%	26%	25%
b. Information accuracy.	49	84	31	12	6
	27%	46%	17%	7%	3%
c. Operator politeness.	67	80	21	7	7
	37%	44%	12%	4%	4%

Figure 30 - Perceptions of the time taken to answer directory inquiries

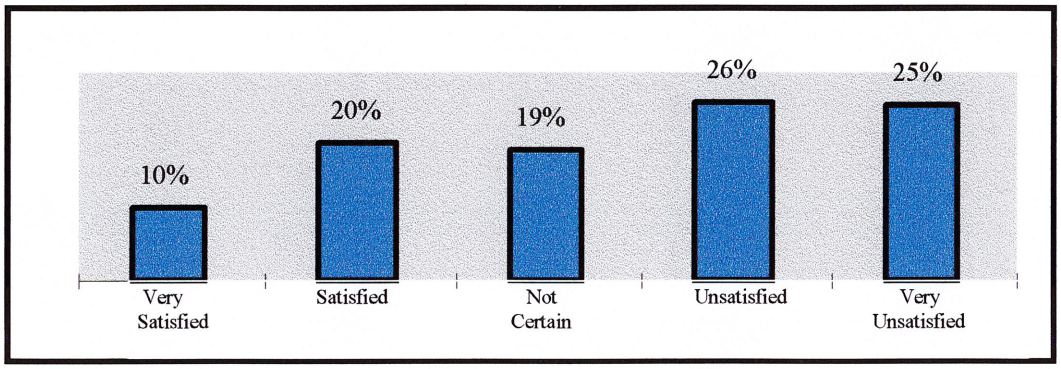


Figure 31 - Perceptions of the directory information accuracy

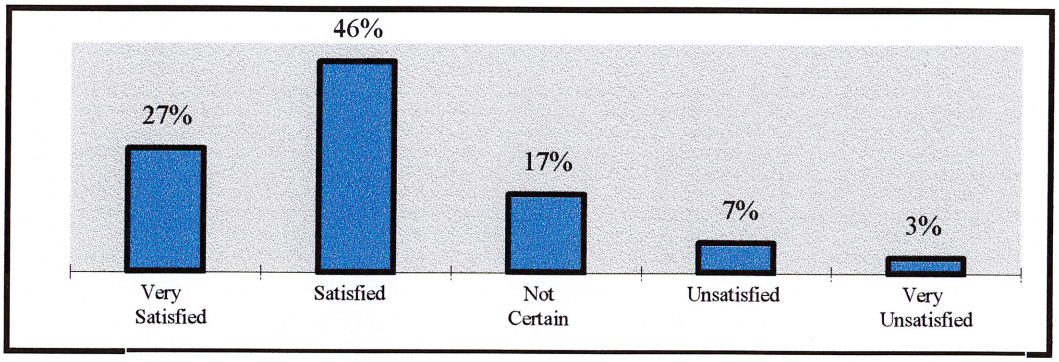
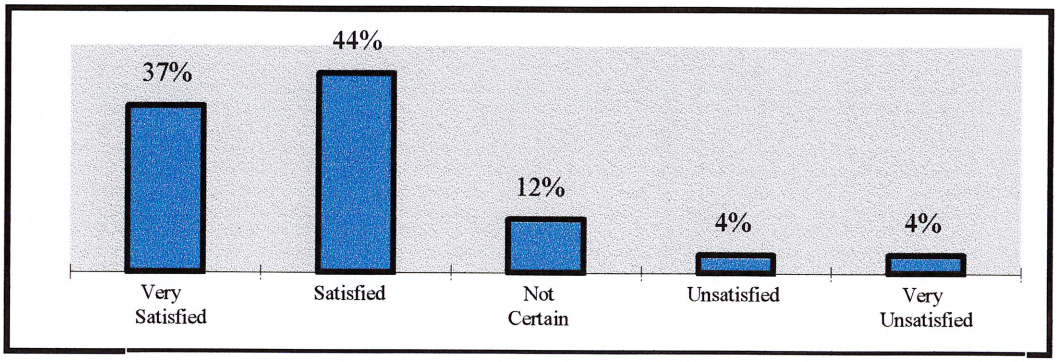


Figure 32 - Perceptions of the operator politeness



4.6.4 Comments and suggestions for improving Operator and Customer services (Question 11)

Table 11 presents the comments and suggestions made by the respondents regarding the Operator and Customer services.

Table 11 - Comments and suggestions for Operator and Customer services

Comments	Respondents
Operator services should be automated using voice response systems.	1
Answering the calls takes long time (always busy).	12
Provide more operators and lines.	12
Provide quicker response.	5
The operator must make sure about the information provided.	1
List names according to areas in the telephone directory.	1
181 is always busy.	2
181 answer response is not satisfactory (Need improvement) .	2
Stop using the answering machine (voice prompt) so frequently.	1
Provide extensive training.	1
Some times answering the telephone takes a long time that leads to hanging up and not thinking to try call again.	1

4.7 Billing

The results in this section show the perception of the respondents regarding the bills they receive. Information content and bill payment aspects were covered.

4.7.1 Billing satisfaction (Question 12)

The following are the satisfaction results for the billing in terms of :

a. Clarity of bill information

The vast majority (76%), 35% very satisfied and 41% satisfied, find the bills information they receive clear or very clear. The uncertain respondents represent 12%. The respondents who were not happy or find the bills not clear represent 12% - 9% unsatisfied and 3% very unsatisfied. See Table 12(a) and Figure 33.

b. Accuracy of bill information

The majority (69%) of the respondents, 24% very satisfied and a high 45% satisfied, were happy or find the bills information accurate. The uncertain respondents represent 16%. The respondents who have experienced inaccuracy in their bills represent a high percentage (15%)- 10% unsatisfied and 5% very unsatisfied. See Table 12(b) and Figure 34.

c. Payment duration (21 days)

Almost half of the respondents (48%) , 17% very satisfied and 31% satisfied, were happy with the payment duration of 21 days after receiving their bills. The uncertain

respondents represent 20%. A high percentage (32%) have difficulties in paying their dues within 21 days - 17% were unsatisfied and 15% were very unsatisfied . See Table 12(c) and Figure 35.

d. Convenience to pay bills

The majority (66%) of the respondents, 27% very satisfied and a high 39% satisfied, find the ways to pay their bills were convenient. The uncertain respondents represent 22%. The respondents who find it inconvenient or difficult in the ways of paying their bills represent 12% - 7% unsatisfied and 5% very unsatisfied. See Table 12(d) and Figure 36.

e. Responsiveness to your billing queries

More than half of the respondents (51%) , 15% very satisfied and 36% satisfied, were happy or think that the responsiveness to their billing queries is excellent. The uncertain respondents represent 28%. A high percentage (21%) were not happy with the responsiveness when they have a billing queries- 13% were unsatisfied and 8% were very unsatisfied . See Table 12(e) and Figure 37.

Table 12 - Perceptions of the Billing service

	Very Satisfied	Satisfied	Not Certain	Unsatisfied	Very Unsatisfied
a. Clarity of bill information.	63	75	21	17	6
	35%	41%	12%	9%	3%
b. Accuracy of bill information.	44	81	30	18	9
	24%	45%	16%	10%	5%
c. Payment duration (21 days).	31	57	36	31	27
	17%	31%	20%	17%	15%
d. Convenience to pay bills.	49	71	40	12	10
	27%	39%	22%	7%	5%
e. Responsiveness to your billing queries.	28	65	51	24	14
	15%	36%	28%	13%	8%

Figure 33 - Perceptions of the clarity of bill information

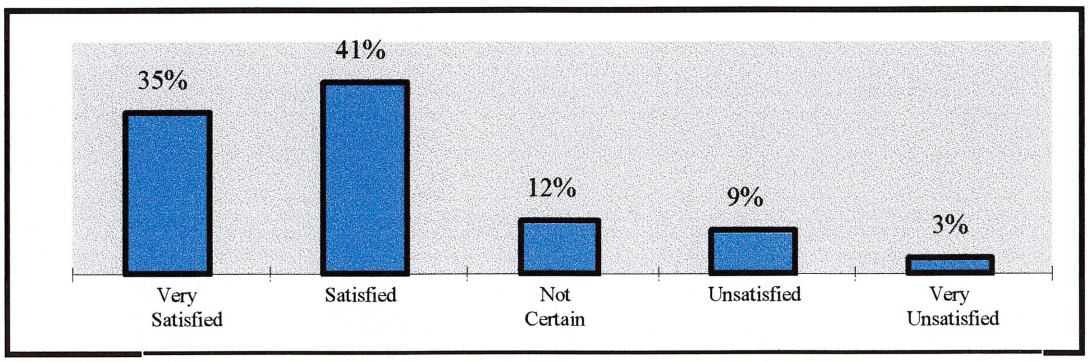


Figure 34 - Perceptions of the accuracy of bill information

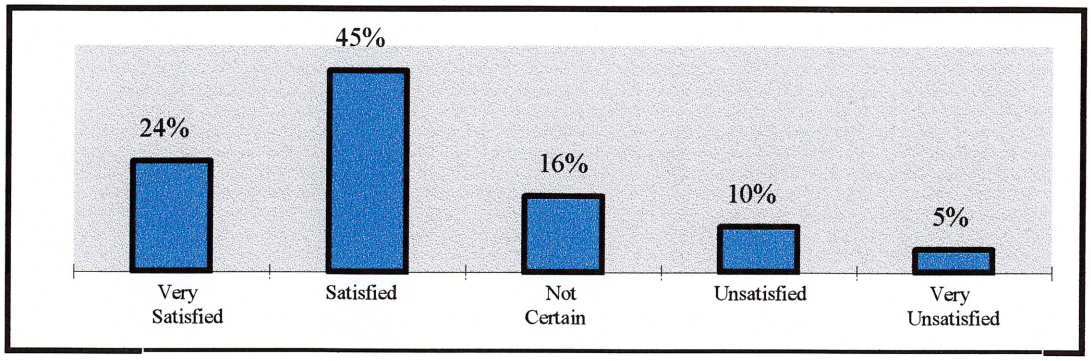


Figure 35 - Perceptions of the bill payment duration (21 days)

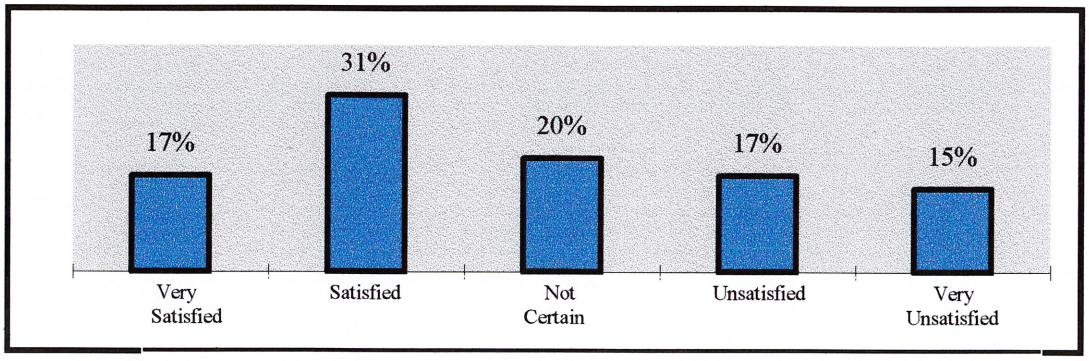


Figure 36 - Perceptions of the convenience to pay bills

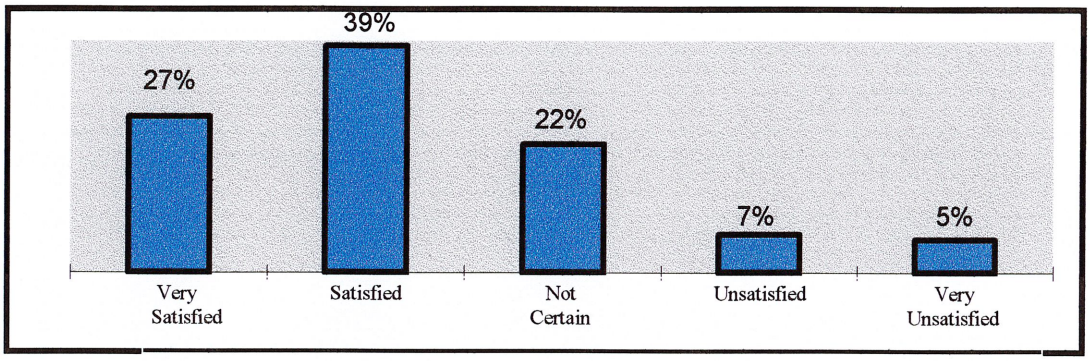
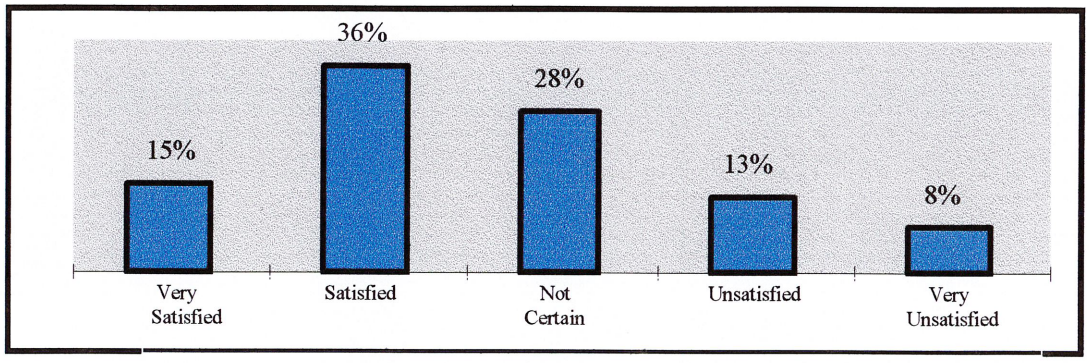


Figure 37 - Perceptions of the responsiveness to billing queries



4.8 Tariffs

The results in this section provides perceptions of the respondents regarding the amount of tariff they pay for the services they receive. The tariffs of the four main services are considered that effect the majority of the population.

4.8.1 Tariffs satisfaction (Question 13)

The following the satisfaction results of the Tariffs in terms of :

a. Local calls

The respondents who were happy with the local call tariff represent 38% - 13% very satisfied and 25% satisfied. The uncertain respondents represent 11%. More than half (51%) of the respondents, 24% unsatisfied and 27% very unsatisfied, think that the local calls tariff is high. See Table 13(a) and Figure 38.

b. International calls

The respondents who were happy with the international call tariff represent only 31% - 8% very satisfied and 23% satisfied. The uncertain respondents represent 21%. Almost half of the respondents (49%), 26% unsatisfied and 23% very unsatisfied, think that the international calls tariff is high. See Table 13(b) and Figure 39.

c. Mobile calls

Only 13 % of the respondents, 3% very satisfied and 10% satisfied, were happy with the mobile call tariff. The uncertain respondents or who think it is average represent 28%. The majority (59%) of the respondents, 23% unsatisfied and 36% very unsatisfied, think that the mobile service tariff is high. See Table 13(c) and Figure 40.

d. Internet calls

Only 27% of the respondents , 8% very satisfied and 19% satisfied, were happy with the Internet tariff . The uncertain respondents represent 35%. A high percentage (38%) think that the Internet tariff is high - 13% were unsatisfied and 25% were very unsatisfied. See Table 13(d) and Figure 41.

Table 13 - Perceptions of services tariffs

	Very Satisfied	Satisfied	Not Certain	Unsatisfied	Very Unsatisfied
a. Local calls.	24	46	20	43	49
	13%	25%	11%	24%	27%
b. International calls.	14	41	39	47	41
	8%	23%	21%	26%	23%
c. Mobile calls.	6	18	51	42	65
	3%	10%	28%	23%	36%
d. Internet calls.	15	35	63	23	46
	8%	19%	35%	13%	25%

Figure 38 - Perceptions of the local calls tariff

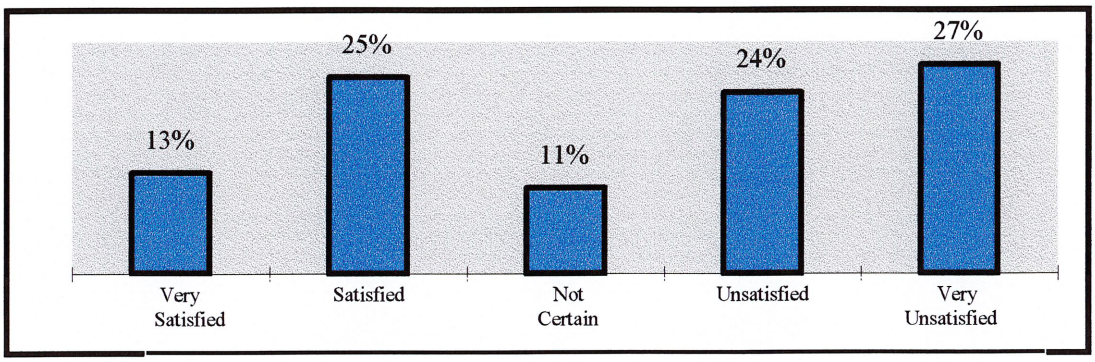


Figure 39 - Perceptions of the International calls tariffs

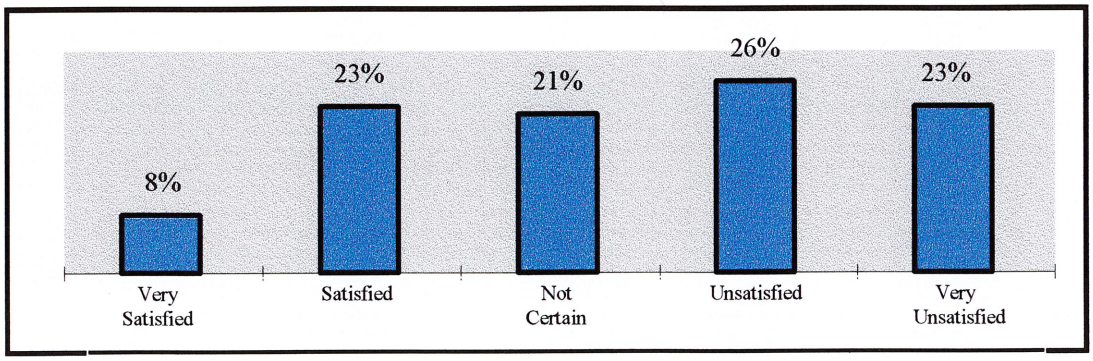


Figure 40 - Perceptions of the Mobile calls tariffs

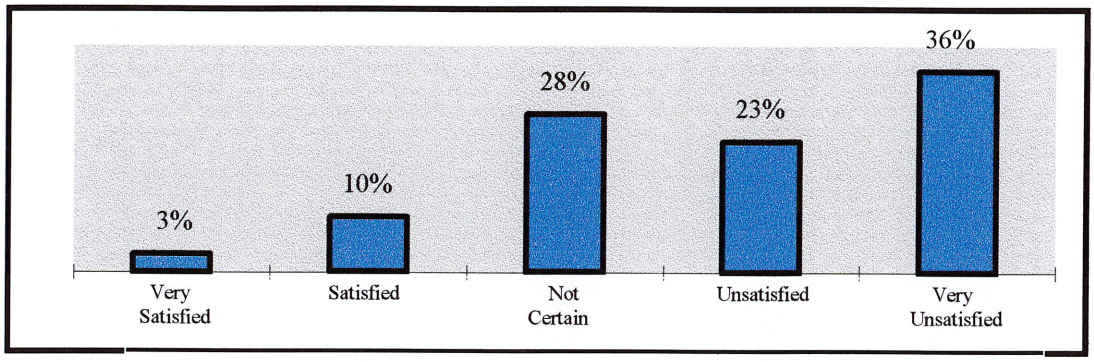
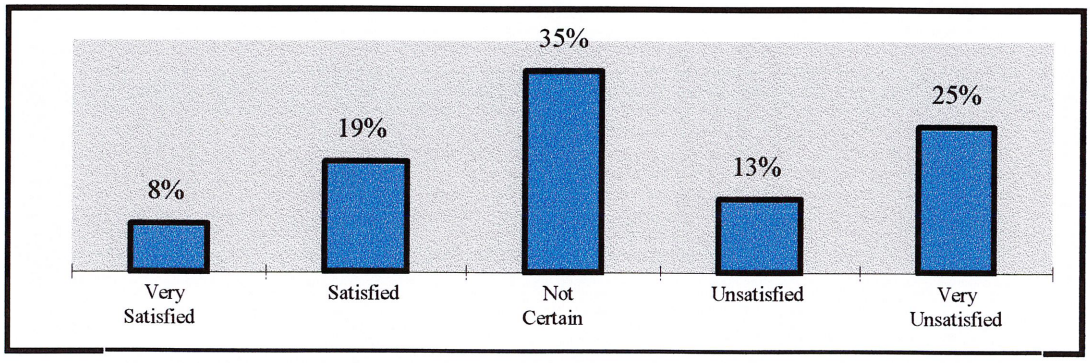


Figure 41 - Perceptions of the Internet calls tariff



4.8.2 Comments and suggestions for improving billing and tariffs (Question 14)

Table 14 presents the respondents' comments and suggestions regarding billing and tariffs.

Table 14 - Comments and suggestions for billing and tariffs

Comments	Respondents
Reduce (or drop) local calls charges.	**27**
Reduce the rental charges for the mobile.	**9**
Mobile calls are expensive (reduce mobile call charges).	**10**
Reduce Mobile calls charges to attract more customers.	**1**
Reduce overall charges.	**8**
Reduce the Internet charges.	**4**
Provide a fix rate charge for the Inet and not per unit.	**3**
Reduce international tariff.	**4**
Reduce the international calls to the GCC countries.	**2**
Drop all rental charges.	**1**
Charge 7 fils per minute instead of 21 fils per 3 minutes (use one minute as a unit).	**2**
Increase payment duration to 30 days.	**2**
Send bills during salaries duration (e.g. end of the month).	**2**
Batelco must consider low income customers.	**1**
Consider the income of the majority of the population.	**1**
Send the bill many days before the due date.(late billing).	**1**
Provide more billing details.	**2**
Abolish reconnection charges for late payments.	**1**
Billing should be more accurate and has fewer errors.	**2**
Provide latest billing technology.	**1**

Table 14 (Continued)

Comments	Respondents
Provide flexibility for paying bills.	**1**
Use a fix annual charges like other GCC countries.	**1**
Apply only quarterly charges for the local calls.	**1**
Batelco should not compare its tariffs with other GCC countries, specially for local calls.	**1**
Redesign the bill format and organize the quarterly rentals.	**1**

4.9 General

The results in this section shows the perception of the respondents about Batelco in general. It covers the main aspects of Batelco's image as a service provider.

4.9.1 General satisfaction (Question 15)

The following are the results for satisfaction in general in terms of :

a. Meeting customers' demand

The majority (67%) of the respondents, 16% very satisfied and a high 51% satisfied, think that Batelco meets its customers demands. The uncertain respondents or who think it average represent 20%. There were many (12%) respondents feel that their needs were not fulfilled - 9% were unsatisfied and 3% were very unsatisfied.. See Table 15(a) and Figure 42.

b. Customer care

The majority (60%) of the respondents, 12% very satisfied and 48% satisfied, think they receive a good care for their services. The uncertain respondents or who think the care is average represent 24%. A significant percentage (16%) probable had not received good care - 12% were unsatisfied and 4% were very unsatisfied. See Table 15(b) and Figure 43.

c. Providing the right information to customers

The majority (71%) of the respondents, 19% very satisfied and 52% satisfied, were happy or very happy with the information of all aspects of the services they receive. The uncertain respondents represent 17%. The respondents who had some problems with information represent only 11% - 9% unsatisfied and 2% very unsatisfied. See Table 15(c) and Figure 44.

d. Provision of a wide range of products and services

The majority (68%) of the respondents, 18% very satisfied and 50% satisfied, think that Batelco provides a wide range of products and services that meets their options. The uncertain respondents or who think that the range of products and services is average represent 20%. Only 12% think that there is a narrow range of products and services- 11% were unsatisfied and 1% were very unsatisfied. See Table 15(d) and Figure 45.

e. Help and demonstration provided to customers

The majority of the respondents (59%) , 13% very satisfied and 46% satisfied, were happy with the help and demonstrations they received for operating their services and related products. The uncertain respondents represent 24%. The respondents who were not happy or had not received such help represent 14% - 8% unsatisfied and 6% very unsatisfied. See Table 15(e) and Figure 46.

f. Respect of customers' confidentiality

The majority (62%) of the respondents, 21% very satisfied and 41% satisfied, believe that Batelco respects its customer information confidentiality. The uncertain respondents represent 24%. A significant percentage (14%) think that Batelco does not keep customer's information confidential - 8% were unsatisfied and 6% were very unsatisfied. See Table 15(f) and Figure 47.

g. New services & Innovation (Up-to-date technology)

The vast majority of the respondents (70%) , 29% very satisfied and 41% satisfied, believe that Batelco always provides new services and new innovations. The uncertain respondents or think it average were 22%. The unhappy were 9% of the respondents, 7% unsatisfied and 2% very unsatisfied, think that the services provided were not up to date or very old . See Table 15(g) and Figure 48.

h. Overall experience

The majority of the respondents (72%) , 23% very satisfied and 49% satisfied, believe that Batelco has a good overall experience in the telecommunications services. The uncertain respondents or who think Batelco's experience is average represent 25%. Only 3% believe that Batelco lacks experience - 2% were unsatisfied and 1% very unsatisfied. See Table 15(h) and Figure 49.

i. Overall efficiency

The vast majority of the respondents (77%) , 23% very satisfied and 54% satisfied, were happy with Batelco's overall efficiency related to all factors in providing its services. The uncertain respondents or who think that the efficiency is average represent 16%. Only 7% were unsatisfied, who believe that Batelco is not efficient in some or all aspects . See Table 15(i) and Figure 50.

j. Quality of service

The vast majority of the respondents (70%), 23% very satisfied and 47% satisfied, believe that the services that Batelco provides is of high quality. The uncertain respondents or who think it is average represent 21%. Only 9% of the respondents perceive the services as of low quality - 8% were unsatisfied and 1% were very unsatisfied. See Table 15(j) and Figure 51.

k. Promotional campaigns

About half of the respondents (49%) , 13% very satisfied and 36% satisfied, were happy with Batelco's promotional campaigns. The uncertain respondents or who think it is average represent 29%. A high percentage (22%) of the respondents were not happy with the promotional campaigns or think it is not adequate - 15% were unsatisfied and 7% were very unsatisfied. See Table 15(k) and Figure 52.

l. Prices of services / products / spare parts

Only 18% of the respondents, 3% very satisfied and 15% satisfied, were happy with prices and tariffs. The uncertain respondents or who think it is average represent 19%. The majority of the respondents (66%) , 30% unsatisfied and 33% very unsatisfied, perceive Batelco's prices, mainly reflected in the tariffs, as high. These respondents believe that the calls tariff must be reduced to satisfy the low income customers. See Table 15(l) and Figure 53.

m. Batelco's logo (design, color, ... etc.)

The majority of the respondents (73%) , 27% very satisfied and 46% satisfied, think that Batelco's logo is proper. The uncertain respondents or who think it is average represent 19%. Only 9% of the respondents on the contrary believe that Batelco should change its logo. See Table 15(m) and Figure 54.

Table 15 - Perceptions of Batelco in general

	Very Satisfied	Satisfied	Not Certain	Unsatisfied	Very Unsatisfied
a. Meeting customers' demand.	30	93	37	16	6
	16%	51%	20%	9%	3%
b. Customer care.	21	88	44	22	7
	12%	48%	24%	12%	4%
c. Providing the right information to customers.	35	95	31	17	4
	19%	52%	17%	9%	2%
d. Provision of a range of products and services.	33	91	37	20	1
	18%	50%	20%	11%	1%
e. Help and demonstration provided to customers.	23	84	50	20	5
	13%	46%	27%	11%	3%
f. Respect of customers' confidentiality.	39	75	43	14	11
	21%	41%	24%	8%	6%
g. New services & Innovation (Up-to-date technology).	53	74	40	12	3
	29%	41%	22%	7%	2%
h. Overall experience.	41	90	46	4	1
	23%	49%	25%	2%	1%
i. Overall efficiency.	42	96	30	12	0
	23%	54%	16%	7%	0%
j. Quality of service.	41	85	39	15	2
	23%	47%	21%	8%	1%
k. Promotional campaigns.	24	65	53	27	13
	13%	36%	29%	15%	7%
l. Prices of services / products / spare parts.	6	27	34	55	60
	3%	15%	19%	30%	33%
m. Batelco's logo (design, color, ... Etc.)	50	83	33	12	4
	27%	46%	18%	7%	2%

Figure 42 - Perceptions of meeting customers' demand

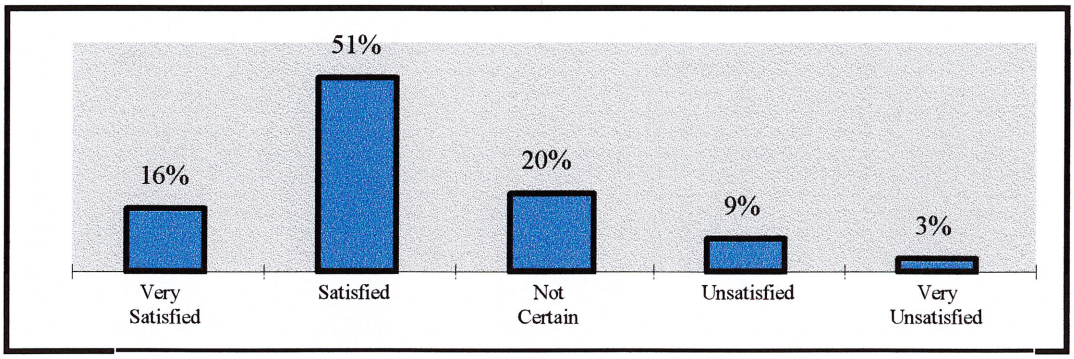


Figure 43 - Perceptions of customer care

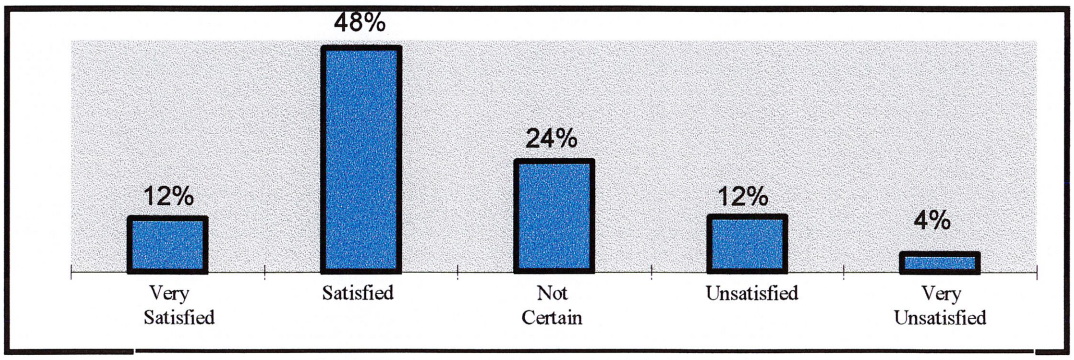


Figure 44 - Perceptions of providing the right information to customers

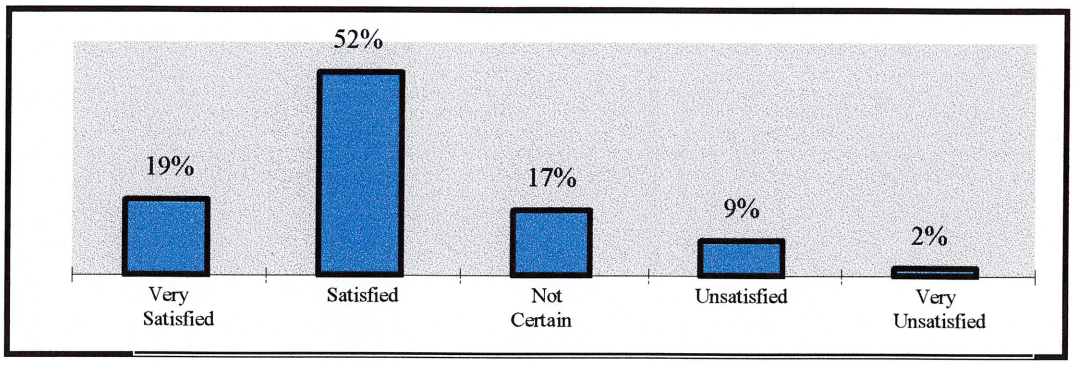


Figure 45 - Perceptions of the provision of a range of products and services

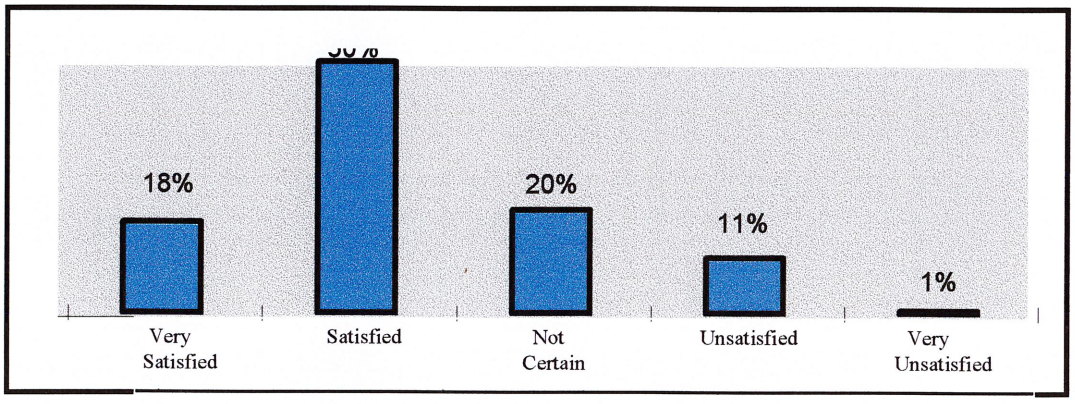


Figure 46 - Perceptions of the help and demonstration provided to customers

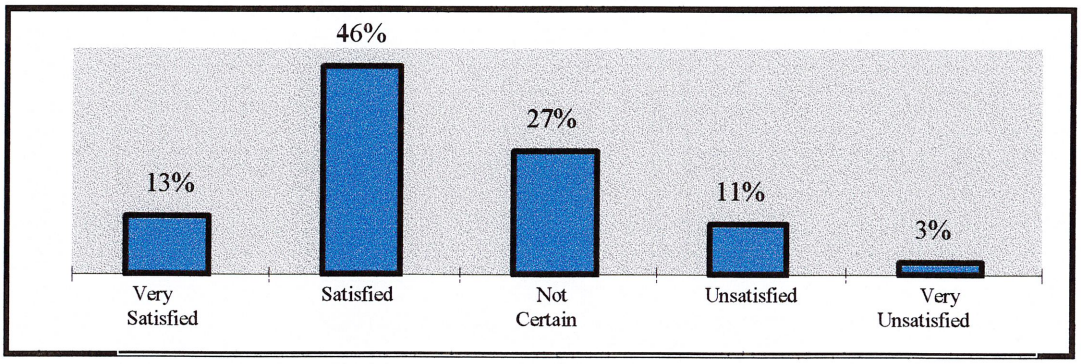


Figure 47 - Perceptions of the respect of customers' confidentiality

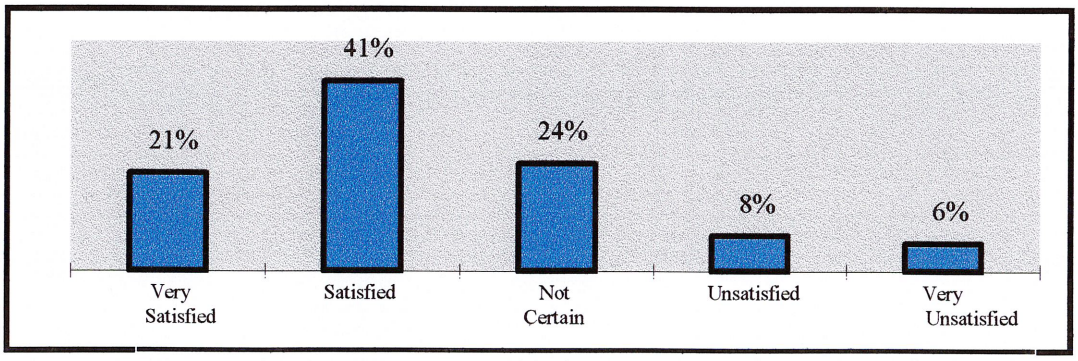


Figure 48 - Perceptions of the new services & Innovation (Up-to-date technology)

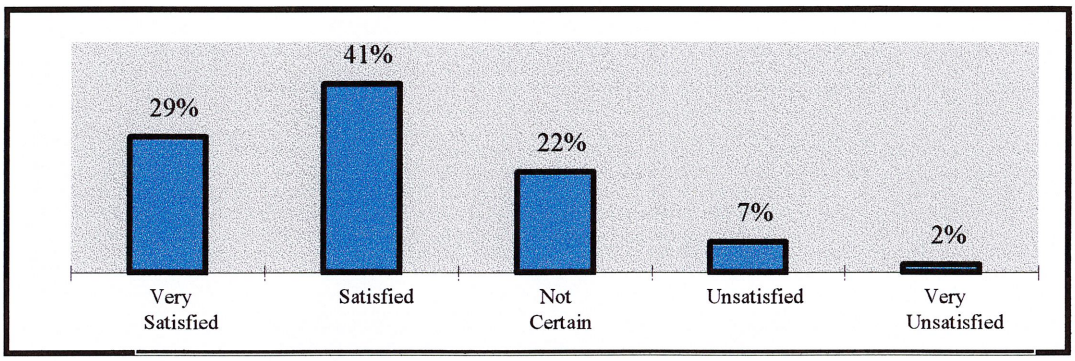


Figure 49 - Perceptions of the overall experience

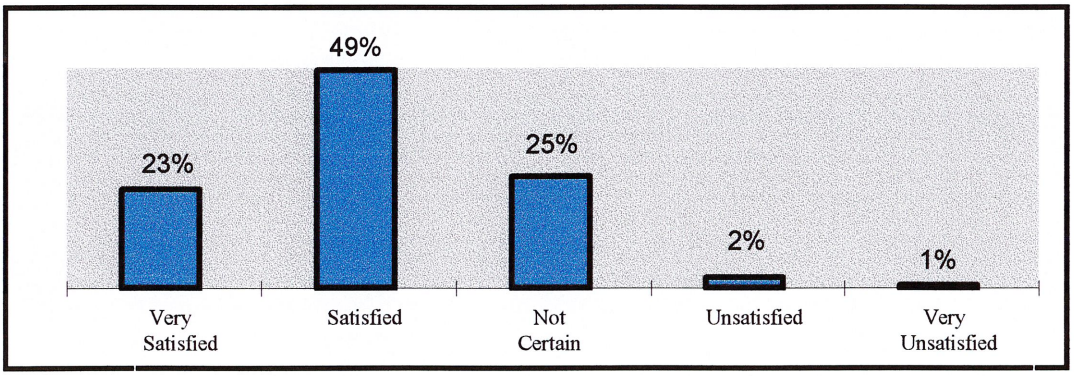


Figure 50 - Perceptions of the overall efficiency

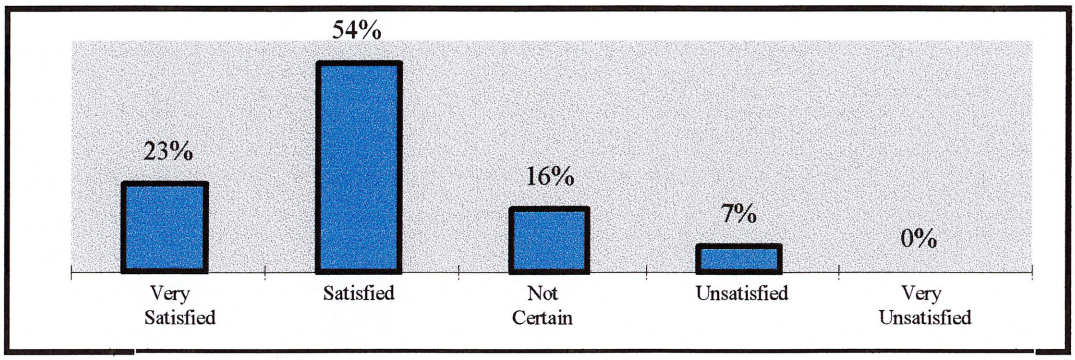


Figure 51 - Perceptions of the quality of service

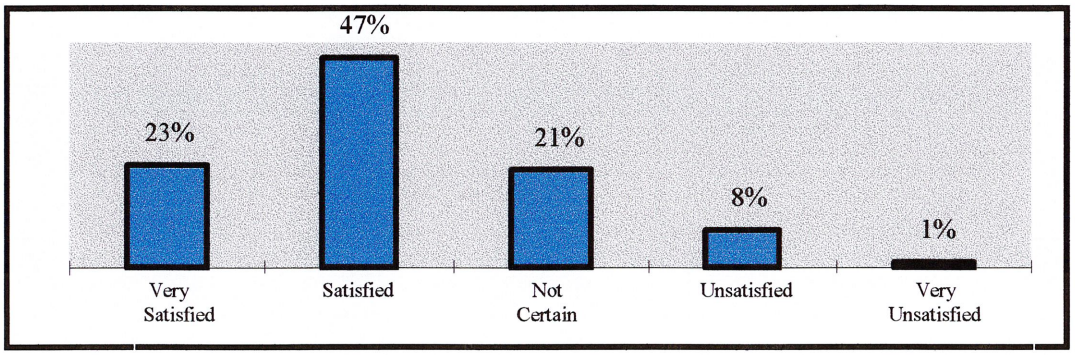


Figure 52 - Perceptions of the promotional campaigns

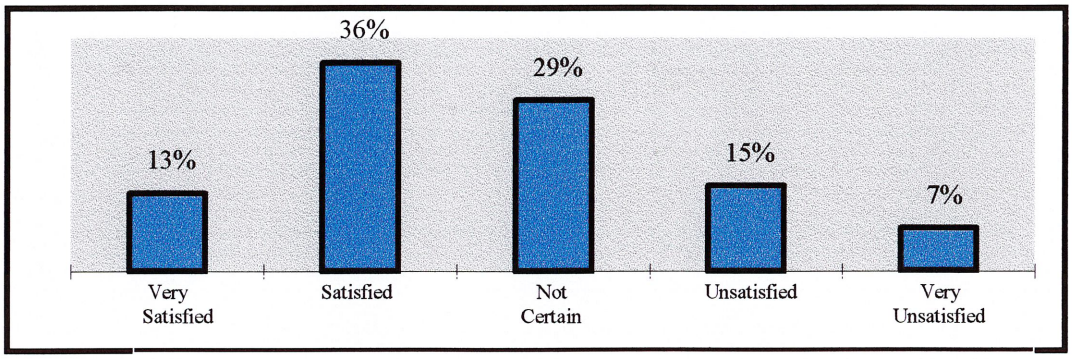


Figure 53 - Perceptions of the price of services / products / spare parts

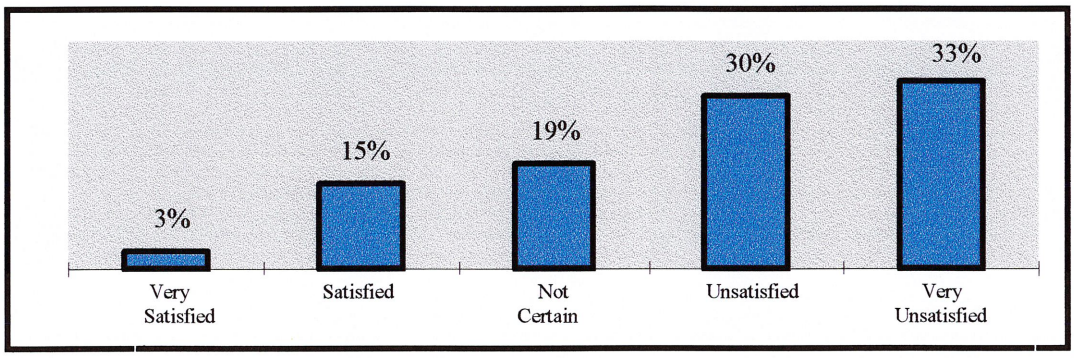
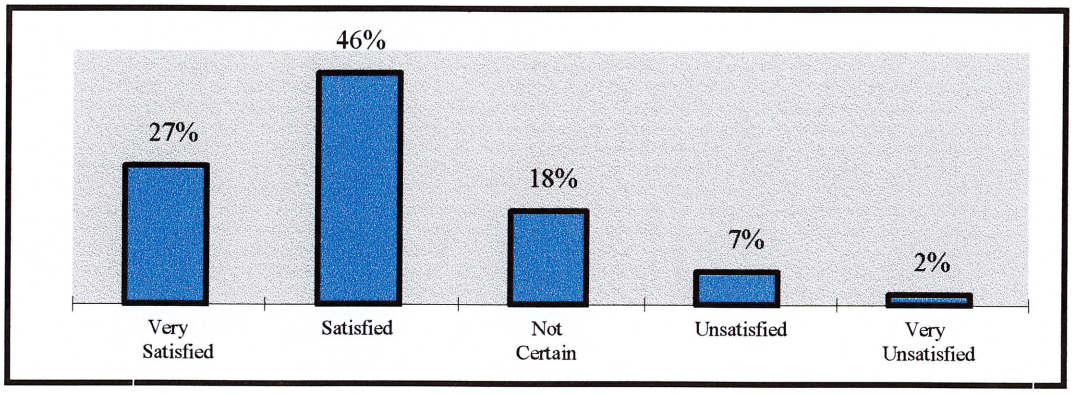


Figure 54 - Perceptions of Batelco's logo (design, color, ... Etc.)



4.9.2 Comments and suggestions for improving Batelco's services (Question 16)

Table 16 summarizes the general comments and suggestions that the respondents made regarding Batelco.

Table 16 - Comments and suggestions for Batelco in general

Comments	Respondents
Give customers more attention.	1
Reward good customers.	1
Provide more interesting and new information services to the residential sector.	1
Provide discounts for students on some services such as the Internet.	1
Listen to customers suggestions and implement it.	1

Table 16 (Continued)

Comments	Respondents
Batelco always provides late technology and low variety of services.	1
Increase promotional campaigns to provide awareness of services and products.	5
A customer have experienced an information leakage by a staff to his friends.	1
Provide more services.	2
Improve more CLI information to include names.	1
Improve employee standard.	1
Provide better Inet service by providing more lines.	1
Change the logo.	1
Reduce products price.	6
Improve services at a lower charge rate.	2
Provide public telephones all over Bahrain and must be working properly.	3
Provide better services and study local calls charges .	1
Develop a system for suggestions with some incentives.	1
Provide free telephone sets for old customers.	1
Provide equal treatment to all nationalities.	2
Provide Public telephone lines in new areas.	1
Replace faulty Public telephones with new ones.	1

Chapter 5

Conclusion

5.1 Introduction

This chapter provides general conclusions of the survey, limitations of the research, and recommendations. The general conclusions shall project the most important results of the survey analysis. The most dissatisfaction shall be highlighted to see which factors caused dissatisfaction among the majority of the respondents. The conclusions shall also project the loyal customers aspect the research results to see if the majority of customers have a loyal customer characteristic or not.

The limitation of the research is provided to see what factors have limited the research work.

The recommendations is provided to minimize and probably eliminate the identified negative aspects in the provided services that caused dissatisfaction, and develop strategies to fulfill all customers needs and approach the concept of creating loyal customers.

5.2 General conclusions

The results of the survey show that the respondents were not happy with mainly three different key aspects. The Customers Service Centers aspect, the Directory inquiry (181) aspect, and the services' tariffs aspect. The results also show that the majority of customers cannot be characterized as loyal customers because the majority of customers are not very satisfied.

5.2.1 Customer service centers

In the customer service centers aspect, a high percentage of the respondents were not happy with the availability of parking facilities, the time taken to handle their orders, and the queuing duration.

A large number of customers (39%) cannot find parking when they visit some of the service centers, which makes them frustrated due to the delay that it causes or the inability to enter the service center at all (at that time). A large number of customers (29%) were also not happy with time it takes for the staff to handle their orders, and related to the queuing time argued by a high percentage of respondents (47%), it causes unpleasant long queues and delays to the customers. Some customers have suggested that the number of customer service centers should be increased, with large spaces, and with an appropriate parking facilities. They also have suggested that number of staff in the customer service centers to be increased and with some sort of automation to reduce the waiting time.

5.2.2 Operator services

In the operator service problem, the majority of the customers (51%) were dissatisfied and highly unhappy with the time it takes to answer their telephone calls made to the Directory Inquiry (181). Many were complaining that they hang up after listening to the answering machine for a long time. Many respondents have suggested that the number of lines and staff should be an

increase to solve the problem. Others have suggested that the Directory Inquiry system should be completely automated to eliminate the human factor and provide faster response. This result shows that the majority of customers rely on the Directory Inquiry and need a solution to the problem.

5.2.3 Tariffs

The tariffs that Batelco imposes also have made a high percentage of the respondents (38% - 59%) dissatisfied, specially with the Mobile charges. In general, respondents have asked for a reduction in both the rental and call charges for all services. Their argument is that the tariff charges were not reasonable and are high relative to the average income in Bahrain. They argue that the charges should not be compared with other GCC (Gulf Cooperation Council) countries charges, but rather should be based on average income in Bahrain. They think that telecommunication services should not be a financial burden on the residents.

5.2.4 Loyal customers

From literature review it was found that a mere customer satisfaction is not enough to retain customers and survive in the long run. Customers at satisfaction level, and below, could be lost once they have a chance to switch to a competitor who can provide higher values. Only customers who are loyal could be retained. These are the very satisfied customers whom their needs

have been totally met and their perception about the services aspects is highly positive.

Batelco's high profits and high return on capital is not a good indication that its customers are very satisfied, nor it is an indication that the organization development was successful in increasing customers satisfaction. The survey results has shown that the very satisfied customers, who could be characterized as loyal customers, did not represent the majority of the respondents. The very satisfied customers have only ranged between 2% and 37% in any one aspect of the key customer services. From the perspectives of future telecommunication services liberalization and competition, and the concept of "loyal" customers, Batelco could face a high switching rate of its customers to competitors in the future.

The vast majority of customers including those who were only satisfied would change their service provider once they have a chance to do so. The coming competitors could be global and experienced service providers who would have all the potentials in satisfying their new customers. In such situation, Batelco could loose a significant percentage of the telecommunication market in Bahrain and will be forced to enter a fierce competition. Therefor, Batelco must have a long term strategies to retain most of its customers in future competition. Batelco should think beyond customer satisfaction. It should think about creating loyal customers.

5.3 Limitations

The research has faced few limitations, related to the sample size and getting the literature review sources on time. The sample size was not enough as anticipated to be. The intended size was above 300 respondents, but unfortunately many people who received the questionnaire did not respond.

Many of the sources for literature review were not received on time causing delays in finalizing the report.

5.4 Recommendations

The research is just the first step in the quest to improve customer satisfaction. The purpose in measuring customer satisfaction is to see where a company stands in the eyes of its customers. The following steps will depend on the top management in studying the research and know which areas or key aspects should be modified, and develop strategies to bring a full customer satisfaction.

BATELCO took a major step to focus its efforts and attention on its customers through organization development, but the development must continue to find new ways to satisfy customers. New strategies must be developed to totally shift customers perceptions from a mere satisfaction and dissatisfaction to a total satisfaction.

The following recommendations are aimed at improving all aspects of customer services to bring full customer satisfaction.

5.4.1 Top Management Commitment.

The top management should:

- Incorporate customer satisfaction in the culture of the organization.
- Build a customer information and learning system to develop customer profiling.
- Introduce a strong customer information driven operations and marketing.

- Acknowledge areas where the company needs to improve on a routine and continuous basis.
- Allocate appropriate resources to the improvement of customer satisfaction.
- Involve management and employees together in the development of plans for customer satisfaction improvement.
- Set meetings, seminars, and workshops for all staff to learn about customer satisfactions on a continuous basis.
- Provide frequent and clear information of what plans being implemented to improve customer satisfaction.

5.4.2 Service Packaging

The company should provide services packaging or bundling to all customer segments to be able to reduce charges and tariffs. For example the telephone service and the Internet service can be packaged as one service and provided to customers at lower rental and tariff charges.

5.4.3 Automation of customer service centers and directory inquiry

- Introduce systems automation in all aspects of the company's interface with the customers to increase responses to customers' inquiries.
- Establish a complaint system directly linked to top management to know what customers complain about.

5.4.4 Linking customer satisfaction scores with employee and management incentives.

Incentive plans should be linked to customer satisfaction, as the driver of revenue-growth, rather than financial performance. Monetary incentives for improving customer satisfaction scores should be introduced at all levels of the organization, from top management to front-line employees. Rewards such as raises and bonuses should be made dependent on the achievement of customers' satisfaction goals. Incentive programs can be structured so that all employees in an organizational unit receive compensation if the unit's customer satisfaction goals are met.

5.4.5 Recognition of employees who contribute to customers' satisfaction

- Employees should always be recognized when they meet customer satisfaction goals, as individuals or groups.
- Making sure that all employees are aware of why a particular employee or group is being recognized.

5.4.6 Identification, measurement, and tracking of variables that drive satisfaction (Customer profiling).

The results of the customer satisfaction survey may determine which key aspects need to be improved. The next step should be to evaluate or quantify the actual factors, such as customer waiting time in a queue, and to set goals and strategies for improving them. The set of goals to be reached should be as specific as possible to be clear for all employees.

5.4.7 Customer-Based improvement goals

Reference to the previous point, after identifying what area need to be improved a strategic plan need to be developed for improving each identified area. Such plans need to be based on what customers really need, rather than what management believes to be a good goal. For example, if customers desire a wait time of ten minutes or less, but management dictate that wait times must be reduced to fifteen minutes, will have a limited appeal to customers.

5.4.8 Plans for improving operational variables

Once it has been established what and how many areas need to be improved, plans need to be developed to make improvement happen.

Successful planning can be through the following steps:

- Involvement of front-line employees and management in the planning process.
- Making sure plans are specific and implemented thoroughly.
- Evaluating the outcomes of plans once they have been put into place. This is done by measuring actual improvement in operations and customer satisfaction.

5.4.9 Incorporation of customer satisfaction skills into employee training programs.

Employee training programs should be modified to include:

- A clear understanding that customer satisfaction is the company's performance goal.
- A description of the importance of customer satisfaction to the company.

- Descriptions of what factors keeps customers satisfied.
- A description of customer satisfaction measurement programs, employee recognition programs, and incentive programs.
- Specific employee-performance expectations with regard to keeping customers satisfied.

5.4.10 Measurement and improvement of employee satisfaction.

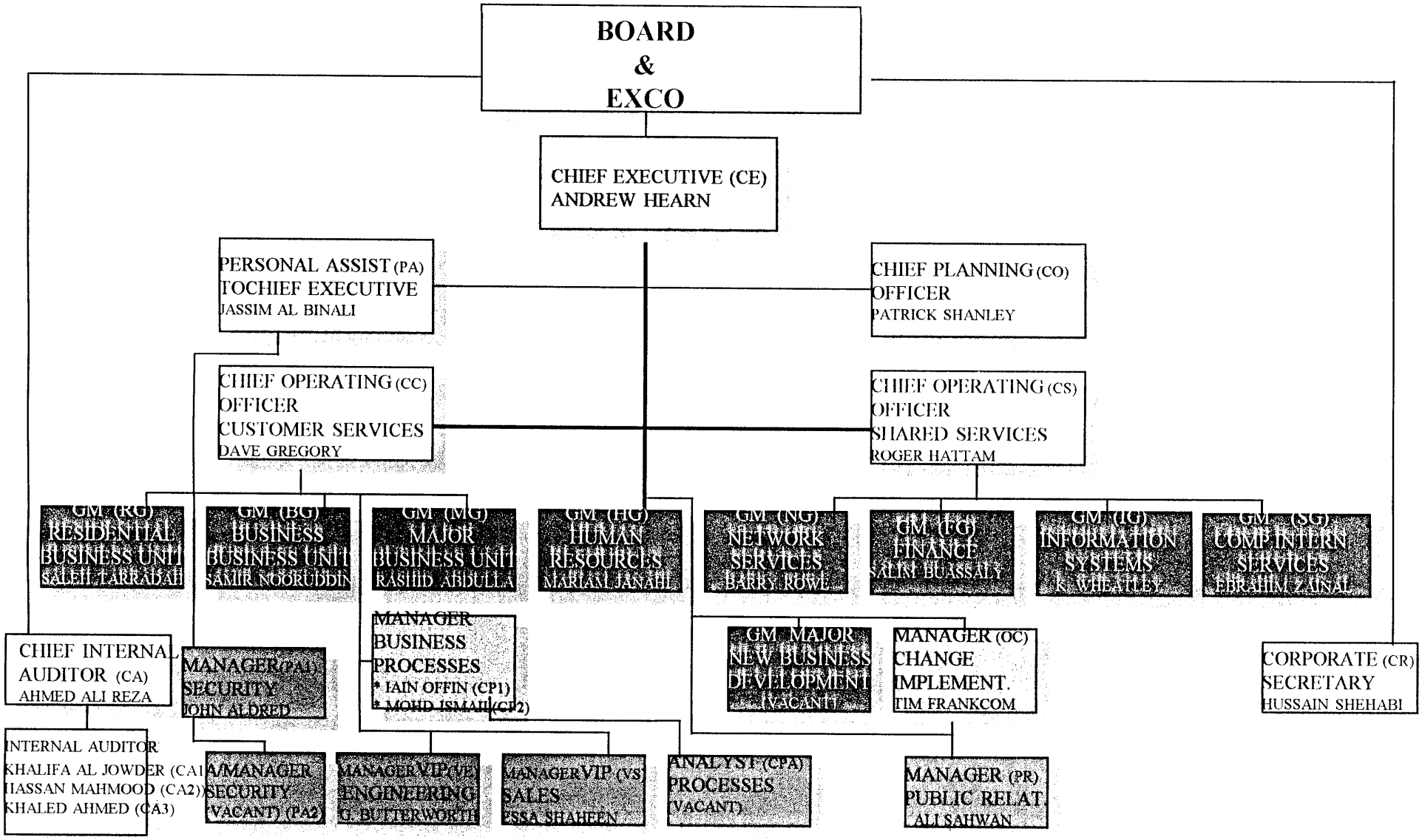
Unhappy employees have a great negative impact on customer satisfaction. Employees satisfaction levels of their jobs should be measured and action plans development is needed to improve employee satisfaction.

Appendices

Appendix 1

Batelco's New Organization Structure

BATELCO MANAGEMENT STRUCTURE



* The levels of responsibility of the positions will be evaluated in due course and job titles are subject to confirmation

* Position of the box on the page is not an indicative of seniority

* All Appointments will be on a designate basis for an indefinite period

SMT

OMT

BUSINESS MANAGEMENT

MANAGEMENT STAFF

Appendix 2

The Questionnaires

The English and Arabic questionnaires used in the research

Batelco Customer Satisfaction Survey

For questions 1,2,5,8,10,12,13,&15 please select (√) your satisfaction level as follows

1 = Very Satisfied . 2 = Satisfied. 3 = Not certain . 4 = Not satisfied 5 = Very Unsatisfied

Choice of Services

1

Please specify your satisfaction with the choice of services offered.

1	2	3	4	5

Provision of Services

2. If you had a new service installed for you during the past two years, please specify your satisfaction in terms of the following :

	1	2	3	4	5
Ease in applying for the service.					
Meeting the appointed date for installation and activation of the service.					
Overall duration to provide the service (from Application to activation).					
Installation work tidiness.					
Installation duration.					
Fitters appearance.					
Courtesy and politeness.					

3. Please provide your comments and suggestions for improving Batelco's Service Provision.

.....

.....

After Sales Support

4. In case of encountering any difficulties, which ways do you approach to solve the problem (you can tick more than one box).

Call the related help line.		
Visit a Customer Service Center.		
Visit the Customer Service Department.		
Call a friend in Batelco.		
Others.		Please specify

5. How do you perceive Batelco's after sales support in terms of :

	1	2	3	4	5
Ease in reporting a complaint.					
Time taken to attend repairs.(i.e. respond to the problem).					
Meeting the repair objective in the first time.					
Overall staff performance towards the complaint.					
Overall level of satisfaction with the repair service.					

6. Please provide your comments and suggestions for improving Batelco's After Sales support.

.....

.....

Customer Service Centers

7. Which Batelco's Customer Service Center you most frequently visit :

Yateem center	1	Riffa	5
Diplomatic Building	2	MobilePlus (Hoora)	6
Muharraq	3	Airport	7
Isa Town	4		

8. Please specify your satisfaction when you visit a Service Center, in terms of :

	1	2	3	4	5
Easily accessible (near your house or work)					
Availability of parking facilities.					
Staff appearance (uniform, ... etc.).					
Staff attitude.					
Staff competence and knowledge.					
Efficiency in responding to customer's requests.					
Time taken to handle the order.					
Queuing time (waiting time).					
Working hours.					

9. Please provide your comments and suggestions for improving the Service Centers.

.....

.....

Please Continue at the Back ⇒

Operator & Customer Services

10. How do you perceive the following Batelco's Operator Services :

	1	2	3	4	5
International call (151/191).					
MobilePlus Help line.					
National Assistance (100).					
Telegram inquiries (131).					

Hot Line 111:

	1	2	3	4	5
Time taken to answer your Inquiries.					
Information accuracy.					
Operator politeness.					

Directory Inquiries 181 :

	1	2	3	4	5
Time taken to answer your Inquiries.					
Information accuracy.					
Operator politeness.					

11. Please provide your comments and suggestions for improving Operator and Customer services.

.....

.....

Billing

12. How satisfied are you with Batelco's billing in terms of :

	1	2	3	4	5
Clarity of bill information.					
Accuracy of bill information.					
Payment duration (21 days).					
Convenience to pay your bills.					
Responsiveness to your billing queries.					

Tariffs

13. How satisfied are you with the tariff for:

	1	2	3	4	5
Local calls.					
International calls.					
Mobile calls.					
Internet calls.					

14. Please provide your comments and suggestions for improving billing & tariffs.

.....

.....

General

15. How satisfied are you in term of :

	1	2	3	4	5
Meeting customers' demand.					
Customer care.					
Providing the right information to customers.					
Provision of a wide range of products and services.					
Help and demonstration provided to customers.					
Respect of customers' confidentiality.					
New services & Innovation (Up-to-date technology).					
Overall experience.					
Overall efficiency.					
Quality of service.					
Promotional campaigns.					
Prices of services / products / spare parts.					
Batelco's logo (design, color, ... Etc.)					

16. Please provide your comments and suggestions for improving Batelco's services.

.....

.....

Thank you for sparing some of your valuable time.

دراسة عن رضى زبائن بتلكو

للأسئلة 1 , 2 , 5 , 8 , 10 , 12 , 31 , 15 الرجاء اختيار (✓) مدى رضاك على النحو التالي

5 – لست راضي كلياً , 4 – لست راضي ، 3 – غير متأكد ، 2 – راضي ، ١– راضي جداً

خيار الخدمات

١ – الرجاء تحديد رضاك عن خيارات الخدمات المقدمة

1	2	3	4	5

تقديم الخدمات

2- إذا كنت قد حصلت على خدمة خلال السنتين الماضيتين ، أرجو تحديد رضاك كالآتي

	1	2	3	4	5
- سهولة تقديم الطلب للخدمة					
- تقديم الخدمة والتركيبات في الوقت التي حدد له					
- المدة الكلية لتقديم الخدمة (من وقت تقديم الخدمة إلى الحصول عليها)					
- تنسيق و ترتيب اعمال التركيب					
- مدة التركيبات					
- مظهر العمال					
- سلوك العمال					

3- ارجو التعليق أو تقديم اقتراحات لتطوير تقديم الخدمة

.....

.....

خدمة مابعد البيع

4- في حالة التعرض لأي مشكلة , أي طريق تقوم بأتخاذه لحل المشكله (تستطيع اختيار اكثر من واحد)

- الأتصال بخطوط المساعدة	
- زيارة مركز خدمات الزبائن	
- زيارة دائرة خدمات الزبائن	
- الاتصال بصديق في بتلكو	
-أخرى - ارجو التحديد	

5 - حدد رضاك بالنسبة لخدمات مابعد البيع على النحو التالي :

	1	2	3	4	5
- سهولة التبليغ عن الخلل					
- المدة التي اخذت للحضور ولتصليح الخلل					
- تصليح الخلل في اول مرة					
- كفاءة الموظفين اتجاه تصليح الخلل ككل					
- خدمة تصليح الخلل ككل					

6 الرجاء التعليق وتقديم اقتراحات لتطوير خدمة مابعد البيع

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مراكز خدمات الزبائن

7 - أي من مراكز خدمات الزبائن الآتية تقوم بزيارتها

1	- مجمع بنهم	5	- الرفاع
2	-مبنى بتلكو في المنطقة الدبلوماسية	6	- موبايل بلس (الخوره)
3	- المحرق	7	- المطار
4	- مدينة عيسى		

8- الرجاء تحديد رضاك عندما تزور مركزخدمات الزبائن علىالنحو التالي

	1	2	3	4	5
- سهولة الوصول الى المركز					
- توفر مواقف السيارات					
- مظهر الموظفين					
- سلوك الموظفين					
-كفاءة الموظفين , معلوماتهم ، وخبرتهم					
- السرعة في الرد على طلبات الزبائن					
-مدة تخليص المعاملة					
- مدة الانتظار في الطابور					
- ساعات العمل					

9-الرجاء التعليق وتقديم اقتراحات لتطوير مراكز خدمات الزبائن

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البدالة وخدمات الزبائن

10- حدد رضاك بالنسبة لخدمات المخابرين (البدالة) على النحو التالي :

	1	2	3	4	5
- المكالمات الدولية (١٩١ /١٥١)					
- خدمة الموابايل بلس (الهاتف النقال)					
- المساعده المحليه (١٠٠)					
- ارسال البرقيات					

شكاوي الزبائن (الخط الساخن) (١١١)

	1	2	3	4	5
-مدة الرد على الهاتف					
- دقة المعلومات					
- سلوك عامل البدالة					

استعلاماتالدليل (١٨١)

	1	2	3	4	5
- مدة الرد على الهاتف					
- دقة المعلومات					
- سلوك عامل البدالة					

11- الرجاء التعليق وتقديم اقتراحات لتطوير خدمات المخابرين وخدمات الزبائن

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الفـواتير

12-حدد رضاك بالنسبة للفواتير على النحو التالي :

	1	2	3	4	5
- وضوح معلومات الفواتير					
- دقة معلومات الفواتير					
- المدة المحدودة للدفع (٢١ يوم)					
- طريقة دفع الفواتير					
- الرد على أستفسارتك					

التعـرفـه

13-حدد رضاك بالنسبة للتعرفه على النحو التالي :

	1	2	3	4	5
- المكالمات المحلية					
- المكالمات الدولية					
- مكالمات الهاتف النقال					
- مكالمات خدمة الانترنت					

14-ارجو التعليق وتقديم اقتراحات لتطوير نظام الفاتورة والتعرفه

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عـــــام

15-حدد رضاك بالنسبة للآتي :

	1	2	3	4	5
- ايفاء طلبات الزبائن					
- الاهتمام بالزبائن					
- تقديم المعلومات الصحيحة للزبائن					
- تقديم عدد وافر من الخدمات					
- المساعدة والشرح المقدم للزبائن					
- احترام سرية الزبائن					
- تقديم خدمات جديدة , وابتكارات (تكنولوجيا حديثة)					
- الخبرة العامة					
- الكفاءه العامة					
- جوده الخدمات					
- الاعلانات					
- اسعار الخدمات / المعدات / قطع الغيار ... الخ					
- شعار بتلكو					

16-ارجو التعليق وتقديم اقتراحات لتطوير خدمات بتلكو بشكل عام

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Appendix 3

Financial Highlights

	1996	1995	1994	1993
Profit (BD Million)	28.1	26.1	24.2	21.0
Return on Capital (%)	18.6	17.8	17.0	15.0
Earning Per share (Fils)	35	33	30	26
Dividend per share (Fils)	29	27	25	22

Appendix 4

Part of Batelco's Annual Report (1996)

Our Business Vision

To be recognised as the world-class provider of Telecommunication and Information Services in the region

We shall achieve this by:

- establishing partnerships with our **customers** to understand, meet and be continually responsive to their changing requirements.
- using the latest **technology** to efficiently provide reliable innovative services which our customers consider to be value for money.
- creating a work environment which recognises and rewards the commitment of all **employees** to customer satisfaction.
- generating appropriate financial returns for the **providers of capital** and the funding of our investment programme.
- making a fitting contribution to the social, industrial and commercial life of **Bahrain**.

Highlights of 1996

Financial Highlights		1996	1995	CHANGE
Profit	BD Million	**28.1**	26.1	7.6 %
Return on Capital Employed	%	**18.6**	17.8	4.5 %
Earnings Per share	Fils	**35**	33	6 %
Dividend per share	Fils	**29**	27	7 %

Organisational Development Program

At the beginning of the year, the company implemented successfully a comprehensive organisational development programme with the main objective of providing distinguished services to our different customer segments.

15th Anniversary

On 1st July this year, the company celebrated its fifteenth anniversary.

GSM International Roaming

After the successful launch of the new mobile system (GSM) in May 1995, the company has introduced a new service using the same system. Our Gold and Silver MobilePlus customers may enjoy international roaming in 15 countries.

ISO 9002

In October this year, the company was awarded with ISO 9002 Certificate for quality assurance by the British Standards Institute. Batelco is the first telecommunications firm in the Middle East to be awarded with this internationally recognised certificate. This certification supports our business vision of becoming a world class provider of telecommunications and information services.

Batelco Commercial Centre

The nine-storey Batelco Commercial Centre was completed in September. The Centre contains a luxury shopping mall, commercial offices, a public digital telephone switch that serves the commercial and shopping centre in Manama and the largest and newest Customer Service Centre which covers the majority of the second floor.

Fibre Optic Gulf Cable

The installation work has started on the Fibre Optic submarine cable which will link Bahrain with Kuwait, Qatar and United Arab Emirates. The cable which costs around US$ 80 million will provide a high grade digital transmission link between the Gulf states and the rest of the world.

New Services

In line with its vision of becoming a world class provider of telecommunications and information services, Batelco has launched four new services during the year. These are:

Audiotex: To provide access to information and entertainment services via telephone.

Integrated Services Digital Network (ISDN): To operate various communication tools such as telephone, telex and fax through one single telephone line.

LANConnect Service: To connect local area networks (LANs).

Global Managed Data Services: This service offers a managed network service delivering wide area network solutions around the world.

Service Enhancement

Batelco invests large sums in new capital projects to enhance its services to customers. The company has invested this year BD 23 million on expansion and enhancement of its services.

Services Provided

National Telephone Service
National telephone service is available through fully digitalised national switches well spread over the State of Bahrain using fibre optic links.

International Direct Dialling (IDD)
Batelco provides International Direct Dialling to more than 210 countries.

Operator Services
Batelco's operators provide customers with: Operator connected international telephone calls, Person to person calls, Collect calls, Telephone number enquiries, and more.

HomeDirect
Customers can access directly the local operator in more than 22 countries.

Credit Card Calls
Visitors to Bahrain can make local or international calls using their home country credit card.

BahrainDirect
Customers overseas can access Bahrain operators directly from 18 countries.

FreeLink
Businesses can provide their local and overseas customers with a direct dial, toll free access to their business centres.

Internet
Internet customers in Bahrain can access the worldwide network of computers, through which they can copy information, read or communicate through a wide range of topics.

Public Payphones
Customers can make local or international calls using public payphones which are well spread over busy streets, hotels, shopping complexes and residential areas.

VoiceMail
Telephone calls are answered, messages are communicated to callers and callers' telephone messages are saved in the absence of the telephone owner.

StarDial
Call control features are provided to standard or mobile telephones. These include, Alarm Call, Call Waiting, Conference Calls, Call Forwarding and Call Barring.

Integrated Services Digital Network (ISDN)
Voice and data services can be provided simultaneously using a single line.

MobilePlus
Local and international calls can be made using mobile telephones.

Batelco TeleCard
This allows charges for telephone calls made by Bahrain customers from overseas to be billed on their existing telephone account in Bahrain.

Trunked Mobile Radio
This is a radio communication system through which data and voice messages can be exchanged.

Leased Circuits
This provides a permanent direct and private link to a designated location via a single transmission line.

International Database Access Service (IDAS)
This service comprises a local database access facility provided by Batelco to thousands of databases in 31 countries. This service is designed specially to enable data communications between remote computer processing resources and computers, and data terminal equipment.

Message Switching System (MSS)
This is a real time computer centre which supports private networks within the Gulf region and the rest of the world around the clock.

Bahrain Digital Data Network (BDDN)
This service enables customers to lease the precise amount of bandwidth required for their business communications locally and internationally.

Facilities Management
Batelco provides 24 hours facilities management to customers' telecommunications equipment including installation and interconnections between customers' networks and public networks, both locally and internationally.

Faxline 100
A support package provided to facsimile users.

Maritime
A 24 hours telecommunications service provided to ships.

Telegram
Telegram service provided to customers around the clock.

Customer Premises Equipment
Batelco provides a range of customer premises equipment including standard telephones, cordless telephones, mobile telephones, payphones, PABX, Pagers and Leased Circuit equipment.

Audiotex
This is a mode of accessing information and entertainment services via telephone whereby many calls can be handled at the same time on the same number.

LANConnect Service
This is a new service where different Local Area Networks (LANs) can be connected using Frame Relay technology. This service offers communication efficiency and cost saving to customers.

Global Managed Data Services
This service offers a managed network service delivering a wide area network solutions around the world.

Chairman's Report

It is my great pleasure to present, on behalf of the Board of Directors, the fifteenth annual report of Bahrain Telecommunications Company for the financial year ended 31 December 1996.

The company has made a net profit of BD 28.1 million for the year ended 31 December 1996. This represents an increase of 7.6 % over last year and a return on capital employed of 18.6 %. This result was achieved through tighter cost control and organisational development together with the introduction of new services. I am therefore happy to advise that the Board recommends a dividend of 29 Fils per share.

Batelco's principal objective remains to be the provider of world class services at world class prices. During the year, Batelco spent BD 23 million on capital projects, with the objective of enhancing its current network and services and providing new services.

In their drive to provide a high grade of digital transmission, telecommunications organisations in Bahrain, Kuwait, Qatar and United Arab Emirates agreed to construct a Fibre Optic Submarine Cable, costing US$ 80 million to link their individual networks. The work on the project started in 1996 and is expected to be completed by the middle of 1997.

In order to meet the increasing demand for Internet Services, major expansion work has been conducted at a cost of BD 0.5 million with the objective of enhancing the service and extending its capacity.

Another expansion has started this year on the GSM network to extend its capacity to 35,000 lines.

Also Global Managed Data Services (GMDS) and Integrated Services Digital Network (ISDN) were introduced this year. During the year, the GSM international roaming has been extended to include 15 countries.

The company implemented a comprehensive organisational development programme at the beginning of this year. The principal objective of this reorganisation was to provide distinguished services to the different customer segments.

During the year, Batelco became the first Middle East telecommunications company to qualify for ISO certification, an internationally-recognised award of quality assurance. Service quality has always been an integral business concern for Batelco in support of its business vision of being " a world-class provider of telecommunications and information services ". Batelco was awarded this certificate following a comprehensive assessment covering the scope of its Operations and Maintenance Department and other related activities. The ISO certification will further reinforce Batelco's position as the leading telecommunications company in the region. Batelco recognises that ISO certification is an ongoing process to ensure high quality and continuous improvement in all company operational matters.

Trained and qualified staff remain the cornerstone of our strategy to achieve our corporate objectives. The company invested this year BD 1.6 million in training and development. A total of 700 training programmes were run during the year serving a total of 3082 staff. It is our intention to continue our programmes for staff training and development at the same level.

It is our intention to continue to support the community to which we belong. During the year, the company set aside BD 0.5 million for donations, social events and sports activities.

This year, Batelco celebrated its fifteenth anniversary. The company has established over this period, a state of the art telecommunications network which is amongst the best in the world, and has contributed significantly to the development of the local economy and community.

On behalf of the Board of Directors, the management and staff, I would like to express my sincere appreciation and gratitude to His Highness Shaikh Isa Bin Salman Al Khalifa, the Amir of the State of Bahrain, to His Highness Shaikh Khalifa Bin Salman Al Khalifa, the Prime Minister, to His Highness Shaikh Hamad Bin Isa Al Khalifa, the Crown Prince and the Commander-in Chief of the Bahrain Defence Force and the Ministers of the Government of Bahrain, for their continued support and encouragement to the company throughout the period. My thanks and appreciation are also extended to management and staff for their efforts which have contributed to this successful result.

Chairman

5 February 1997

Principal Activity

The company is principally engaged in the operation and provision of public telecommunication services and associated products in the State of Bahrain.

Fifteenth Anniversary

On 1st of July 1996 the company celebrated its fifteenth anniversary. The company was registered on 1st July 1981 as a Bahrain Shareholding Company to provide telecommunication services and associated products in the State of Bahrain. Thanks to the support of the Government of Bahrain and the commitment of our employees, tremendous achievements have been made over the past fifteen years. Since its formation, Batelco has worked to establish an infrastructure to provide world-class services to our customers. The Directors look forward with confidence to further reinforce the Company's position at the forefront of telecommunications technology in the region.

ISO 9002 Certificate

In October this year, Batelco marked another milestone in its progress towards excellence when it received the ISO 9002 certificate, to become the first telecommunication company in the Middle East to be presented with this internationally recognised quality award. The certificate was awarded by British Standards Institute after a comprehensive assessment on the scope of our Operations and Maintenance and other related activities.

Our Services

The company is committed to provide world-class services to its customers using state of the art technology. During the year, the company continued its efforts to provide new services, whilst further enhancing its existing services.

New Services

The following new services have been introduced during the year :

Audiotex:
This is a mode of accessing information and entertainment services via telephone whereby many calls can be handled at the same time on the same number.

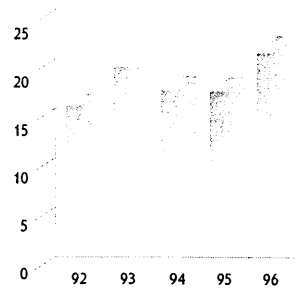
Integrated Services Digital Network (ISDN):
ISDN enables customers to operate various communication tools such as telephone, telex, fax, video or computer with higher quality and absolute clarity, all through one single line. This service was first introduced in November 1995 but limited to one exchange area only. ISDN has been re-launched this year with more features and wider coverage.

LAN Connect Service: This is a new service where different Local Area Networks (LANs) can be connected using Frame Relay technology. This service offers communication efficiency and cost saving to customers.

Global Managed Data Services:
This service offers a managed network service delivering wide area network solutions around the world.

Service Enhancement

In line with our continuous efforts to maintain our leadership in new technology, BD 23 million was invested this year to extend, improve and enhance our network and to introduce new services.



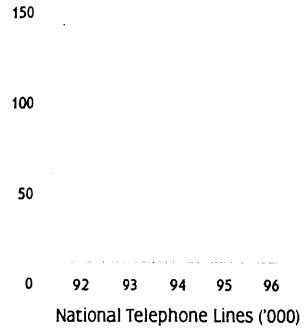
Capital Expenditure (BDm)

The installation work has started this year in the new fibre optic submarine cable that will link Bahrain, Kuwait, Qatar and United Arab Emirates. On completion, this link will provide access to other international submarine cable systems.

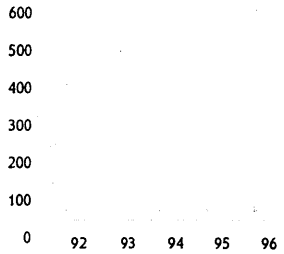
Network

The company has established over the years one of the most advanced telecommunications networks in the Middle East. The network covers all parts of the country and keeps our customers in Bahrain on touch with the whole of the world at their fingertips. Our modern network comprises :

- **8** Main public telephone switches
- **36** Remote public telephone switches
- **2** Mobile Telephone Switches, GSM and TACS.
- **1** Paging system switch
- **1** Telex switch
- **2** International telephone switches
- **3** Earth Stations :
  Arabsat
  Indian Ocean Region
  Atlantic Ocean Region
- **1** Maritime Switch
- **1** Message Switching System



National Telephone Lines ('000)



Local Calls (Million Units)

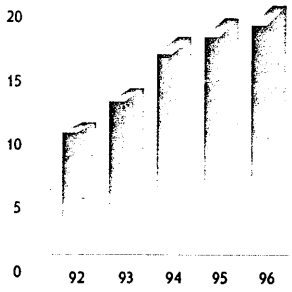
National Telephone

Our rates for national telephone calls remain the most competitive in the region.

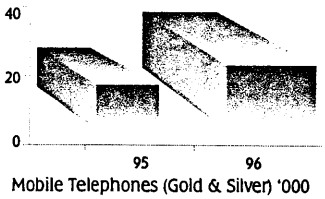
Number of national telephone lines has increased during the year to 144,391 lines representing a growth of 2.5 % over 1995 and 15% over 1991. Number of national telephone calls generated during the year was 551 million calls representing a growth of 6% over 1995 and 45% over 1991.

Mobile Communications

The old mobile telephone system TACS has reached its maximum capacity. TACS was put in service in 1985 to serve initially 1,000 customers. To meet the increasing demand on this service, the system has been expanded in various stages to reach 20,000 lines. During the year, the company waived rental charges of all rented Bronze handsets. About 1,000 customers benefited from this decision.
The Global System for Mobile Services (GSM) was put into service in May 1995. Number of lines on GSM system continued to increase sharply during the year to reach 20,529 lines at the end of the year. A contract was signed during the year for the expansion of the system capacity to 35,000 lines.



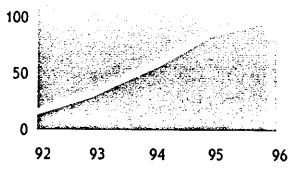
Bronze Telephones ('000)



Mobile Telephones (Gold & Silver) '000

Number of lines on the paging system increased during the year to 65,934 customers representing a growth of 8% over 1995 and 320% over 1991.

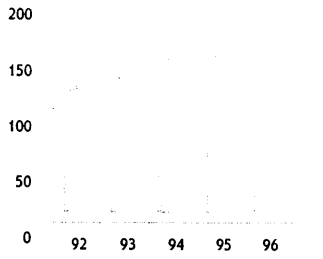
International automatic roaming service has been expanded during the year for MobilePlus Gold and Silver customers. Our customers can now benefit from this service in 15 countries including United Arab Emirates, Kuwait, United Kingdom, Germany, Belgium, France, Denmark, Spain, Netherlands, Switzerland, Hong Kong, Malaysia, Singapore, Turkey and Australia. Roaming facility is planned to be expanded in 1997 to include more destinations.



Paging Lines ('000)

International Telephone

The international telephone service remains Batelco's largest contributor to its revenue. Around 164 million minutes of International Direct Dialling (IDD) calls were made in the year representing a growth of 6% over 1995 and 27% over 1991.



International Traffic (Million Minutes)

Internet

In November 1995, Batelco launched the Internet Service (*inet*). The number of customers joining the service increased sharply to reach 3,888 customers at the end of the year. In order to meet this increasing demand, the company has carried out two expansions on the system to increase the capacity and provide enhanced services.

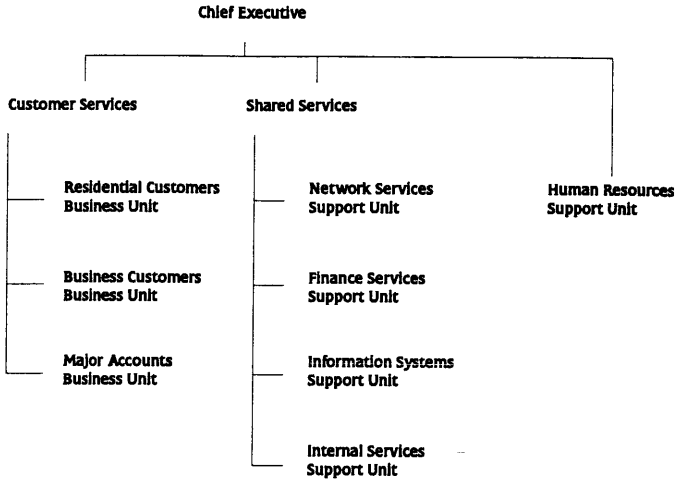
Other Services

While introducing new services, the company continues to provide other services at a high efficiency. These are :

- Operator Service
- Leased Circuits
- Credit Card Calls
- International Database Access Service (IDAS)
- HomeDirect
- Message Switching Service (MSS)
- Bahrain Direct
- Bahrain Digital Data Network (BDDN)
- FreeLink
- Facilities Management
- Public Phones
- Telex
- VoiceMail
- Faxline 100
- StarDial
- Maritime
- Batelco TeleCard
- Telegram
- Trunked Mobile Radio
- Customer Premises Equipment

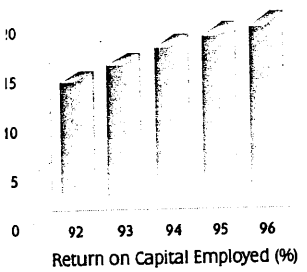
Organisational Development Programme

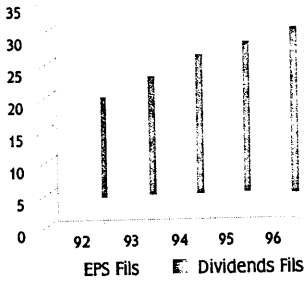
At the beginning of the year, the company started the implementation stage of a comprehensive organisational development programme which aims at enhancing our services to all our customer segments. Accordingly, the company comprises two main areas: Customer Services and Shared Services. Three Customer Business Units have been established to provide distinguished services to the three customer segments: Residential, Business and Major Accounts. Account Managers have been appointed to provide one point contact for Business and Major Accounts customers.

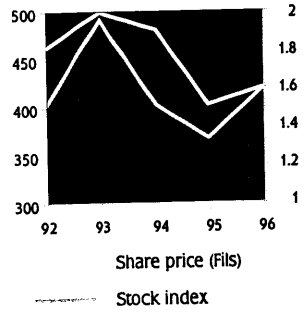


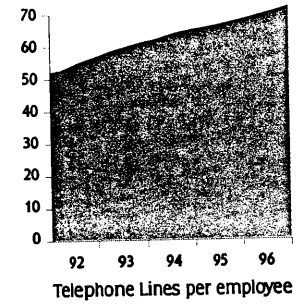
Our Customers

Through its continuous efforts to provide distinctive services to its customers, Batelco expanded its Customer Service Centres. Batelco provides all levels of telecommunication services through six customer service centres spread over different areas of the state. Airport Customer Service Centre was reopened after a major renovation in order to provide a wider range of services to its customers in the airport. Another Customer Service Centre was opened at Batelco Commercial Centre in the heart of Manama. All service centres are fully facilitated to provide all types of services.









Financial Results

The company achieved a net profit of BD 28.1 million. This represents an increase of 7.6% over last year's profit. The Return on Capital Employed was 18.6%, The growth in revenue was 9%.

Earning per share increased by 6% to 35 Fils. The Board of Directors will recommend a dividend of 29 Fils per share to be distributed to the shareholders.

Batelco share price has increased by 4% during the year compared to an increase of 16% in Bahrain Stock Exchange index and a decline of 5.3% in the Services sector.

Our People

Number of people employed by Batelco amounted to 2,074 at year end, of whom 94% were Bahraini Nationals.

Productivity per employee continued to increase. Number of fixed telephone lines per employee during 1996 increased to 70 lines. This represents a growth of 5% over 1995 and 47% over 1991. Well trained staff remains the cornerstone of our strategies.

The company has invested and will continue to invest in provision of training required for our operations. During 1996, the company invested BD 1.6 million in training. This represents 8% of operational cost. The company offers various types of courses locally and overseas. The company continues its effort to assist its employees to acquire their own houses. The company provided more than BD 568,000 during the year to its employees in the form of loans through local banks. The company bears 75% of bank loan interest while the employee bears the remaining 25%. By the year end, the total number of employees who benefited from Batelco Housing Scheme since its establishment in 1982 was 178 employees.

Our Community

During the year the company set aside BD 500,000 to a number of charitable, social cultural and sporting activities through full or part sponsorship or by participation.

The company injected some BD 51 million in the local economy through its purchases from the local market and salaries paid to its employees.

Appropriations

The net profit for the year was BD 28.1 million.

The Board of Directors is pleased to recommend for approval by the shareholders, the following appropriations:

	BD'000
To Dividend	23,200
Donations	500
Directors Remuneration	46
Retained Earnings	4,349
	28,095

Auditors

A recommendation to re-appoint KPMG Fakhro as the auditors of the company for the year ending 31 December 1997 and authorising the Board of Directors to fix their remuneration will be put to the Annual Assembly.

On behalf of the Board

Chairman
5 February 1997

Balance Sheet

31 December 1996

	Note	1996 BD'000	1995 BD'000
NET ASSETS EMPLOYED			
PROPERTY, PLANT AND EQUIPMENT	5	**128,345**	123,294
STAFF HOUSING LOANS	6	**2,279**	2,551
INVESTMENTS	7	**4,698**	4,917
		135,322	130,762
CURRENT ASSETS			
Inventories	8	**1,082**	1,343
Accounts receivable and prepayments	9	**15,353**	12,725
Amounts due from telecommunications administrations		**3,372**	2,291
Bank balances and cash		**50,664**	45,845
		70,471	62,204
CURRENT LIABILITIES			
Accounts payable and accruals	10	**20,265**	16,082
Amounts due to telecommunications administrations		**11,349**	8,654
Proposed dividend		**23,200**	21,600
		54,814	46,336
NET CURRENT ASSETS		**15,657**	15,868
NET ASSETS		**150,979**	146,630
SHAREHOLDERS' FUNDS			
Share capital	11	**80,000**	80,000
Statutory reserve	12	**20,000**	20,000
General reserve	13	**15,000**	15,000
Retained earnings		**35,979**	31,630
		150,979	146,630

The financial statements on pages 21 to 32 were approved by the Board of Directors on 5 February 1997 and signed on its behalf by:

Chairman

First Deputy Chairman

5 February 1997

The attached notes 1 to 19 form part of these financial statements.

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