



Aspire, Acquire, Prosper



**The Impact of Outsourcing the Call Centre Services on
Customer Experience: A Case Study of MTN Zambia Limited**

Student Name: Michael Simwaami Makondo

Student Number: 001072696

Supervisor Name: Dr. Windu Matoka

Course Code: BUSI1359

Due Date: 31 March, 2022

Word Count: 9635

MA International Business Award Research Project

Table of Contents

Dedication	iv
Declaration	v
Acknowledgement	vi
Acronyms and Abbreviations	vii
Abstract	viii
CHAPTER ONE: INTRODUCTION	1
1.1 Introduction	1
1.2 Background of Study	1
1.3 Problem Statement	2
1.4 Research Questions	3
1.5 Research Objectives	4
1.6 General Objective	4
1.7 Specific Objectives	4
1.6 Significance of Study	4
1.7 Organisation of the Dissertation	5
1.8 Chapter Summary	5
CHAPTER TWO: LITERATURE REVIEW	6
2.1 Introduction	6
2.2 Concept of call centre service	6
2.3 Service Outsourcing and implications for Customer Experience	7
Figure 1: Conceptual Framework	8
2.4 Theoretical Framework	8
2.5 Review of Prior Research	9
2.6 Chapter Summary	11
CHAPTER THREE: RESEARCH METHODOLOGY	12
3.1 Introduction	12
3.2 Research design	12
3.3 Research Approach	12
3.4 Research Strategy	12
3.5 Sampling	13

3.6 Data collection and analysis	13
3.7 Generalizability of Research results	13
3.8 Ethics and Access Issues	13
CHAPTER FOUR: FINDINGS, PRESENTATION AND ANALYSIS	15
4.1 Introduction	15
4.2 Demographic Characteristics of Respondents	15
4.3 Impact of Call Centre Service Outsourcing.....	16
4.4 Benefits of Outsourcing the Call Centre Service.....	17
4.5 Call Centre Outsourcing ability for MTN to concentrate on Core Activities.....	19
4.6 Track Record as an enabler of Hiring the Call Centre Service.....	20
4.7 Effectiveness of Call Centre Service Outsourcing in realizing Benefits envisaged	21
4.8 Does Call Centre Service Outsourcing result in Repeat Business?	23
4.9 Does Outsourcing Call Centre Service Result in Cost Savings?	24
4.10 Perception of Outsourcing Call Centre Service by MTN staff and Customers	25
4.11 Chapter summary	27
CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS	28
5.1 Introduction	28
5.2 Synopsis of research results.....	28
RO1: To determine whether MTN Zambia’s outsourcing of its call centre has helped in reducing operational costs.....	29
RO2: Establish the extent to which outsourcing of MTN Zambia’s call centre has impacted customer experience.	29
RO3: To ascertain the measures MTN Zambia has put in place measures to remedy weaknesses in the outsourced call centre function.....	30
5.3 Conclusion.....	30
5.4 Propositions for future research.....	31
5.5 Chapter summary	32
References	33
Appendix I: Research Questionnaire.....	36

Dedication

The dissertation is mostly dedicated to my nuclear family and close friends for having the belief and especially to have accepted that the academic journey is not an easy one and that sometimes to be able achieve this one may need isolation from many responsibilities including family and friends commitments as well as business appointments. Further, my dedication goes to my employees for having kept the business focused and sustainable in the absence of my professional services within the business. I wish to simply say keep it up and appreciation to you all.

Declaration

I hereby make a declaration of my authentic work of the dissertation being a product of my independent evaluation and confirm that this research is the first submission of its kind to the University in order to attain the most desired Internationally recognised International Business Master's Degree programme and that where reference has been made to prior works related to the subject either in electronic and/or paper format, due acknowledgement has been made by way of parenthesis and reference list.

Acknowledgement

I wish to acknowledge God's blessings throughout my academic journey as without His grace and wisdom, this quest would have not been actualised irrespective of the effort. I wish to further acknowledge the tireless guidance and professional from my supervisor who rendered what I may refer to as timely advice and support unwaveringly and would have not wished for anyone else. I must say he came at a time that I needed one like him and I wish him God's blessings and success in his academic and professional endeavours in producing academically and professionally accustomed graduates who will contribute greatly to their areas of expertise. May I simply say hats off!

Acronyms and Abbreviations

ICT – Information Communication Technology

MTN – Mobile Telecommunication Network

SPSS – Statistical Package for Social Sciences

ZAMTEL – Zambia Telecommunication

Abstract

The Research sought to evaluate the impact of outsourcing call centre service with main focus on customer experience with specific reference to MTN Zambia Limited in Lusaka District, Zambia. The study was qualitative in nature employing the inductive approach, interpretivism philosophy and case study strategy. The data primarily collated in the dissertation has its source through the self-use of questionnaires that were administered to fifty (50) customers including the staff of MTN Zambia. The secondary data was collected from credible sources such as books, journal articles and some online sources from credible search engines such as Google scholars among others. The data collected was analysed using the statistical package for social sciences (SPSS) to draw charts for ease of interpretations.

The Research concludes and recommends that there is an outsourcing relationship that Call Centre services and customer relationship closely work together in that if there is a compromise on the service by the outsourced company, this may have negative consequences on the customer with regard to repeat business as most customers may end up switching to other service providers. Further, the compromised service may also not realise the expected benefits of cost saving. It is therefore imperative that in addition to the already existing controls at MTN with regard to assessment of bidders for call centre services must be rigorous on ensuring that routine reports are made available by the outsourced company at prescribed intervals to assess whether they are still on track or not and how exceptional issues or problems can be addressed. Further, the board in liaison with the company shareholders must ensure that this is prioritised and discussed proactively to avoid any challenges and/or problems.

Key words: Outsourcing, Call Centre, MTN, Zambia, Impact, Customer experience

CHAPTER ONE: INTRODUCTION

1.1 Introduction

A company's Call Centre has been regarded as an important cornerstone or integral part that acts as a key element in ensuring that the desired service and experience in relation to customers particularly for the mobile telecommunication companies is achieved, considering that a bad customer experience in light of the ever evolving technology may affect customer loyalty and retention resulting in churn and revenue decline. Considering that the call centre is the first contact place for the customer with the business entity, their experience gives them the first impression and/or perception about the quality and reliability of the service being rendered. Thus, the need to give much attention to the manner in which the company call centre is managed, is cardinal and any inefficiencies may result in compromised service quality. The Call Centre is a specialised environment in any business whose main focus is to produce reports that endeavour to reveal customer service trends in respect to the number calls, call frequency, query type and call demographics. Together, the report will reveal what businesses call a Net Promoter Score (NPS).

In some organisations, this function is outsourced to external individuals and companies due to various reasons that include, the nature of the service not being core to the organisation or indeed being a cheaper option than hiring permanent staff who may be costly to maintain on the company payroll among others. This study therefore seeks to evaluate the effect of outsourcing the call centre with a focus on customer experience of the type of service being rendered to the Customers. In order to carry out this evaluation of the outsourcing of the Call Centre and Customer services, reference is being made to the MTN Zambia Limited case study that was done by the MTN Group through its procurement team.

1.2 Background of Study

It is an unrefuted truth that the increasing expectations from customers require call centre managers and representatives to match their service delivery to these expectations if competitive advantage is to be secured and which implies that the management of call

centre for the organisation will have a major impact on the success of that organisation in tandem with the arguments by Dean (2002) who argued that the volume of service based competition and the reduced cost of service delivery via Mobile Telecommunication platforms has resulted in substantial growth of the call centres thus making outsourcing of the call centre service as one of the most utilised avenues by most organisations.

However outsourcing a service function requires serious considerations by for example weighing the cost of employing permanent staff and the cost if the service is to be outsourced. It should be noted that due to the competitive nature of the mobile telecommunication industry, considerations go beyond just looking at the cost benefit analysis by also focusing on the customer experience when the same service is rendered by either internal staff or those from the outside of the company because as earlier highlighted any compromise in service level, may affect the company's customer loyalty and retention if the experience is not appealing and consequently its competitive position in the market with regards to the market share, profitability, liquidity and going concern among others.

Empirical evidence on outsourcing of call centres has revealed that the rationale for many companies to outsource some company activities has been attributed to the need for them to focus on core activities in order to benefit from the outsourced company's Investment and Innovation through the translation of fixed costs into variable costs (Govender, 2016; Bahrami, 2009 and Jones, 2009). Borrowing from this postulation, this author is of the view that it is an important undertaking to understand and appreciate the objectives of the company so that the configuration of resources and competences fit into the direction that the company intends to undertake in arriving at the final decision of whether to outsource the call centre function or not.

1.3 Problem Statement

Outsourcing a service function is not a bad strategy if the cost of such an undertaking does not outweigh the cost of employing or hiring permanent staff and provided the outsourced company's investment acumen in service delivery and innovation is integrated into the outsourcing company's strategy, objectives and operational plans to ensure realisation of the targets and milestones of the service to the end consumer. Failure to adhere to this

important aspect often results in disastrous results both for the outsourcing company and the customer who is experiencing the service. This is of key importance especially in the technology related industries and/or sectors where the technology is dynamic and evolving at a faster pace, demanding the need for robust mechanisms to cope with the ever changing business environments where the majority industry players offer almost homogenous products and services.

In Zambia there are basically three fully fledged Mobile Telecommunication companies namely; MTN, Airtel, Zamtel and an upcoming fourth (4th) mobile operator, Beeline Telecommunication Limited. MTN Zambia Limited is considered the number one network (BuddeComm, 2020). The Company has outsourced its service call centre to an Indian based ISON BPO a specialised company in Business Process Outsourcing in technology to enable it concentrate its resources and competences through its vision of being a leader in the delivery of a bold innovative digital world to its customers and through its mission of making customers lives brighter (MTN Zambia, 2020). However, what is questionable is whether this outsourced call centre service ISON BPO is so robust to meet customer value propositions and experience in terms of technological queries relating to telecommunication products and services or not.

Further, with regard to availability of published research on the topic under consideration, not much has been done in this aspect (Nkonde and Jackson, 2020).

It is against this background that this research sought to evaluate the impact of outsourcing of MTN Zambia Limited call centre function with a focus on customer experience.

1.4 Research Questions

In addressing the research problem, the following questions were addressed:

- i. Has the outsourcing of the Call Centre for MTN Zambia helped in reducing operational costs?
- ii. To what extent has the outsourcing of MTN Zambia's call centre impacted customer service and experience?

- iii. What measures has MTN Zambia put in place to remedy weaknesses in the outsourced call centre function?

1.5 Research Objectives

In operationalizing the research problem, the following general and specific objectives guided the research:-

1.6 General Objective

To ascertain the Impact of outsourcing the call centre service with focus on customer experience on MTN Zambia in addressing the efficiency and effectiveness of this strategy so that the company focuses its attention and competitive advantage on other core activities.

1.7 Specific Objectives

- i. To determine whether MTN Zambia's outsourcing of its call centre has helped in reducing operational costs.
- ii. Establish the extent to which outsourcing of MTN Zambia's call centre has impacted customer service and experience.
- iii. To ascertain the measures MTN Zambia has put in place to remedy weaknesses in the outsourced call centre function if any.

1.6 Significance of Study

The study helped in establishing the operational efficiency of outsourcing the call centre function in the mobile telecommunication industry particularly MTN Zambia. It also provided insights on how outsourcing of these call centres can be managed to both reduce costs and to avert compromising the level of customer service as well as the experience. It also provided recommendations to MTN and other contexts in terms of the measures to be implemented in efficiently managing the outsourced service and to the general academia in terms of literature and theoretical aspects to the existing body of knowledge.

1.7 Organisation of the Dissertation

The dissertation is made up of five (5) Chapters namely the introduction which brings out the introductory aspects of the topic, highlighting the background, problem statement and justification meriting the research, objectives and significance of study as well as the structure of the research in Chapter one (1). Chapter two (2) covers the critical review of the literature to establish what research has been carried out which the current research is not re-inventing but adding to the existing knowledge, the theoretical and conceptual framework and identification of the gaps in the theories and literature. Chapter three (3) discusses the research methods used for this research in terms of design, approach, paradigm and/or philosophical lens, sampling, data collection and analysis tool, generalisation of research findings, reliability and validity issues and the ethical considerations required when dealing with human subject. Chapter four (4) analyses and interprets/discusses the findings from the research and chapter five (5) summarises the findings, addresses the research objectives and makes appropriate conclusion and recommendations and also makes propositions for future research.

1.8 Chapter Summary

The Chapter discusses the introductory aspects of the research, covering the background of study, statement of the problem that the research seeks to address, the associated objectives in operationalizing of the research problem, the importance and significance of the research in terms of the benefits and additions to the existing body of knowledge and the general structure of the dissertation.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Following on from the introduction of the research in which the dissertation sought to evaluate the impact of outsourcing the call centre service focusing on customer experience with reference to the case of MTN Zambia, this chapter critically reviews literature from Global, African and local sources without re-inventing the wheel or replicating what has been done before. This review includes the theoretical and conceptual frameworks and the identification of gaps in the literature as a means of adding to the existing body of knowledge.

2.2 Concept of Call Centre service

Over the recent past, the world has witnessed massive growth in call centre activities which has led to the emergence and escalation of white collar occupations across the World (Bain *et al.*, 2002; Richardson *et al.*, 2000). For example in Europe alone, there are over 15,000 call centres growing at an average rate of 10% which has been extended to other parts of the world including Asia, Africa and America (Datamonitor, 2005). As a result, the advent of call centres has shifted face from being regarded as mere product of organisational internal restructuring particularly in the banks, insurance companies and telecommunications organisations to an independent and specialised service that incorporates a whole range of services for countries that have information, communication technology (ICT).

The evolution and expansion of the Call centre sector has not only been rated as impressive but has also been considered as a service that has transformed the means by which services are rendered whose catalyst encompasses ICT platforms, delivery capabilities, media and the range of services offered which have overtime expanded via an historical process from simple telephone to texting, use of emails, voice recognition protocols which reflects the impact that ICT has on call centres work, production and organisations (Connell, 2017).

2.3 Service Outsourcing and implications for Customer Experience

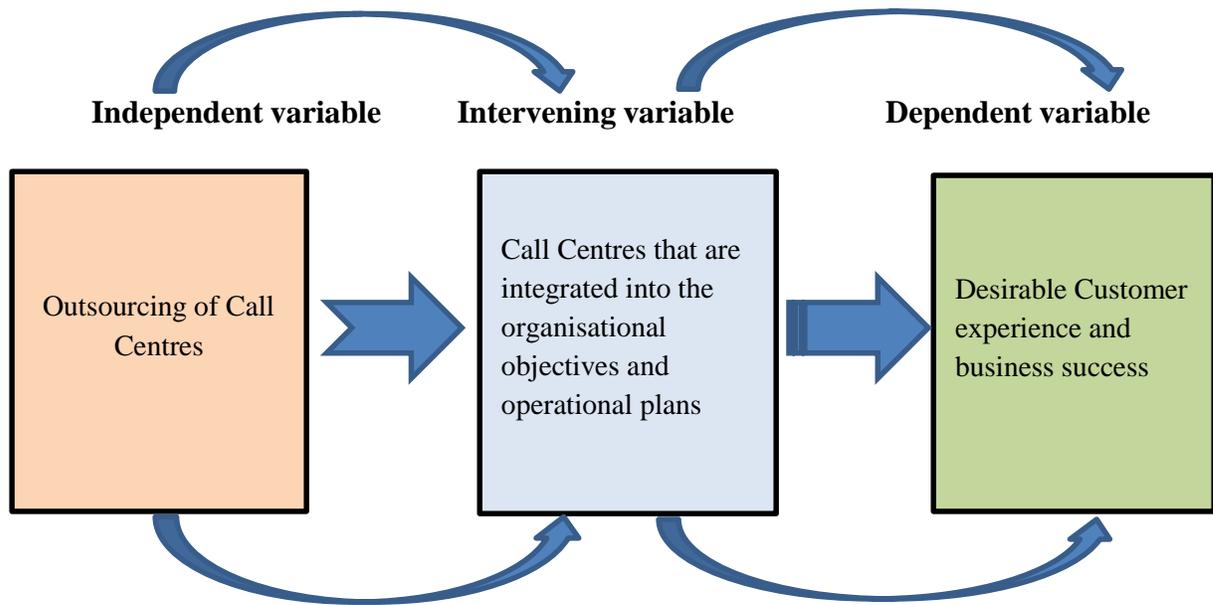
According to Usifoh (2021), the concept of outsourcing is believed to have started in the 1950s but it only began to be noticeable in the 1980s as an attractive business strategy which was motivated mainly by what was referred to as a focus on core competency strategy and overtime has had a profound impact on businesses in a way that helped them to compete effectively. This growth of the concept has created novel areas of responsibilities which have permitted dissimilar institutions to restructure and restructure their operations. As a result outsourcing has gained decent recognition in strategy formulation for most organisations, which has been fundamental in change management with regards to repositioning the competitive position including the structure itself.

The core driver of outsourcing is essentially to compete effectively which may be justified as an avenue in consideration of such factors as if it is an effective and efficient means of doing business. It gives focus to the core competencies and also seeks reduction in operational costs of businesses.

With regards to the implications of outsourcing on customer experience, it should be understood that for an entity that prioritises customer experience and satisfaction first via a customer centric approach, desired quality of service implies doing everything to ensure customers are happy with the experience of the service (Kurtovic and Hasimbegovic, 2015). In the recent past, the telecommunications sector has undergone numerous dynamic changes with regards to call centre business infiltration and usage by many businesses.

Arguments by Amaoko (2012) also suggest a similar trend in the advent of globalisation, mergers and acquisitions in which the evolution of technologies have significantly contributed to the stiffer competitions and pressures on the well-being of companies in terms of profitability. Consequently, in light of the competitive environment in which Mobile Telecommunication players operate in, it is prudent for customers to be prioritised profitably through outsourcing of an effective and efficient call centre.

Figure 1: Conceptual Framework



Source: Author's Construction, 2021

Conceptually, it can be seen that achievement of desirable customer experience and business success, the study evaluated the call centre integration into the organisational objectives and operational plans to ascertain whether this results in desirable customer experience and business success. However, it is important to ensure that there is bridging of the objectives of the organisation with the call service centre through some kind of integration to ensure that the service being rendered is not drifting away from the core objectives of the organisation.

2.4 Theoretical Framework

Theoretically, the study employed the customer satisfaction and service quality theories and the word of mouth and loyalty and relationship theories. The customer satisfaction theory argues in favour of prioritising customer satisfaction through the experience he or she gets in using the service in a way that enhances customer retention and attraction of new consumers to the service facility (Clinton and Wellington, 2013).

The service quality theory on the other hand argues for continuous provision of quality services to the customer if such a customer is to be retained and for the business to attain

or retain competitive advantage (Kalaiselvi, 2016 and Angelova and Zeqiri, 2011). As for the word of mouth and loyalty and relationship theories, they advocate for satisfactory treatment of customers through appealing experience in the use of the company service (Kranias and Bour-lessa, 2010).

The relevance of the theories relates to the manner in which they speak to integration of all aspects that are able to attract and retain customers in the same manner as would the organisation if the avenue of employing permanent staff had been exploited.

2.5 Review of Prior Research

Research by Chicu *et al.*, (2019) on how human beings working in Call Centres impact customer experience including customer satisfaction revealed that human beings are enticed into tapping into a service rendered by the service provider if that particular service meets their needs in a manner that is convenient to use and that call service centres must be structured in a way that integrates them to the objectives of the Organisation.

Empirical research by Nkonde and Phiri (2020) to that focused on the assessment of offshore outsourcing of the Call Centres in relation to customer service and how the Commercial Banks in Zambia have been impacted. The Empirical research by Nkonde and Phiri (2020) also explains the different types of Call Centres and the challenges encountered and the corrective measures taken in order for the firm's growth in Market Share is realised while ensuring that the delivery of an excellent customer experience and satisfaction is done. This research was done based on 125 customers in the Commercial Banks through the administering of customer focused samples that was used in the study and description of statistics including to correlate information in the analysis of the collected data that revealed that the Call Centre was considered as a crucial aspect of customer experience and relations. The Research showed that of the sampled customers, various services were accessed and utilised through the Call Centre ranging from Internet Banking Services, Account Transactions, Account Balance Inquiries, Bank Account Transactions as well as Mobile Banking Services. Through this Research, the sample results that showed challenges customers were experiencing showed that it was necessary that local Call Centres be established in Zambia in order to ensure that Customer

experience and service was easily accessible to customers in trying to get their customer queries resolved speedily and with quality.

In another research and study by Zitkiene and Dude (2018) who carried out an investigation regarding the impact of outsourcing implementation in companies with focus on service with particular focus on the factors impacting the spread of outsourcing practice in service companies, it was revealed that the implementation of outsourcing services in service organisations is mostly impacted by internal and external factors that include the strategic and economic factors in terms of the outsourced services not being in tandem with the objectives of the organisation and hence affecting the manner in which the service level is somewhat compromised.

In a research conducted by Baraka, Baraka and Gamily (2013) to assess call centre success through validation of the Delone and McLean model for information system recommended the identification of performance evaluation indicators instead of the classical ways based on customer surveys, customer praise, complaints, and observation of customer interactions. They argued that through such an undertaking, the organisation is able to assess the ability of the outsourced call centre service to deliver on the needs of the customers and their compatibility with the organisational objectives as a means of averting sub-standard service delivery.

In another study by Asatiani, Penttinen and Kumar (2019) who conducted an investigation to uncover the nature of the relationship between outsourcing motivations and the degree of outsourcing on Finnish small and medium-sized enterprises found that the cost reduction, a focus on core competence and business/process improvements are all associated with a higher degree of outsourcing, but interestingly, access to expertise is negatively associated with the degree of outsourcing, a finding that suggested that companies that outsource mainly to acquire external expertise outsource only a limited number of processes within a specific business function. The main theoretical contribution of their studies lies in uncovering the dynamic nature of outsourcing motivations, meaning that as companies outsource a larger degree of their business processes, some motivation items become more accentuated and others fade in importance.

2.6 Chapter Summary

The Chapter covers the critical review of call centre service literature from a variety of sources, the theoretical and conceptual framework, the review of prior research conducted in evaluating the impact of call centre service outsourcing on customer experience. The next Chapter will cover the research methods employed to design, approach, strategy, gathering and analysis of data, the generalizability of results, reliability and validity and ethical considerations.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This Chapter discusses the Methodological approaches employed in ascertaining the impact of outsourcing call centre service on customer experience covering the design, approach, strategy, sampling, data collection and the means of reducing the data for meaningful interpretation, highlighting the package that was used in drawing charts for easy of interpretation, the reliability and validity, generalizability of findings and ethical considerations when dealing with human subjects.

3.2 Research design

The research design was both quantitative and qualitative in that the responses provided through the questionnaire were analysed using the Statistical Package for Social Sciences (SPSS) in order to produce charts to which description and/or interpretation of the findings were attached and interpreted qualitatively. The advantage of this design typology is the ease with which data gathered is interpreted to make meaningful resolution with regard to the research objectives set in this study (Saunders *et al.*, 2009).

3.3 Research Approach

With regard to the approach, the study was inductive in nature commencing with the gathering of the relevant data through the questionnaire research instrument, to formulation of theoretical inferences and/or literature contribution. The justification is attributed to the interpretive nature of philosophy as a means of making inferences from the questionnaire responses through theory or literature contribution.

3.4 Research Strategy

In terms of strategy, the study utilised the case study strategy which has been used in numerous studies of an exploratory nature such as Nkonde and Phiri (2020) who looked at an assessment of outsourcing of offshore call centres on customer service in Commercial Banks using a case of Zambia and Govender (2016) who investigated outsourcing of in-

bound call centres and their impact on customer experience in South Africa and hence justifying its use in the current research (Saunders *et al.*, 2009).

3.5 Sampling

From the total population of Four hundred (400) employees and over Six (6) million customers for MTN Zambia countrywide, fifty (50) respondents (staff and customers) were selected using the non-probabilistic sampling technique called purposive sampling or judgemental sampling based on the knowledge levels of the selected staff as a selection criteria for research participants as argued by Saunders *et al* (2009).

3.6 Data collection and analysis

With regard to data gathering and analysis, this researcher gathered primary data using the questionnaire and analysed them using SPSS to make charts that will be used for ease of interpretation (Guest, 2009). The questionnaires were preferred because of their ease of administration especially that the same type of questions were being asked and there were options for selection that accompanied a few written questions where respondents had to provide written opinions and/or views.

3.7 Generalizability of Research results

As regards generalizability of the research results, the study results were generalised to the context of MTN Zambia in Lusaka District. It should be noted however, that the findings have the potential of being applied to other contexts due to the exploratory nature of the study and due to the nature of the Telecommunication services rendered to customers.

3.8 Ethics and Access Issues

Further, the study adhered to the ethical requirements of dealing with human subjects who were informed of their rights in the Research to either participate or opt out at no cost or force and the risks and distributions of the results coupled with the fact that their identity will be kept confidential, highlighting the fact that their responses were to be used purely for academic purposes only. With regards to accessibility of information, the researcher

made prior communication with the respondent company for accessibility to its staff and for which he was assured.

CHAPTER FOUR: FINDINGS, PRESENTATIONS AND ANALYSIS

4.1 Introduction

The Research seeks to evaluate impact of outsourcing the Call Centre services focusing on customer experience with reference to the case of MTN Zambia Limited who outsourced its call centre services to an Indian based company called ISON BPO specialised in Business Process Outsourcing within the Technology environment. This chapter covers the analysis, presentation including the interpretation that are associated with the finding of the Research.

4.2 Demographic Characteristics of Respondents

The portion of this segment will cover the Demographic characteristics of the respondents with focus on age, gender and education status.

Figure 2: Demographic Characteristics

Variable		Frequency	%
Gender of Respondents	male	30	60%
	Female	20	40%
	Bisexual	0	0%
Total		50	100%
Age Group	30 and below	15	30%
	31-40 Years	25	50%
	41 and above	10	20%
Total		50	100%
Education Level	Diploma	20	40%
	Degree	25	50%
	Postgraduate	5	10%
Total		50	100%

Source: Author, 2022

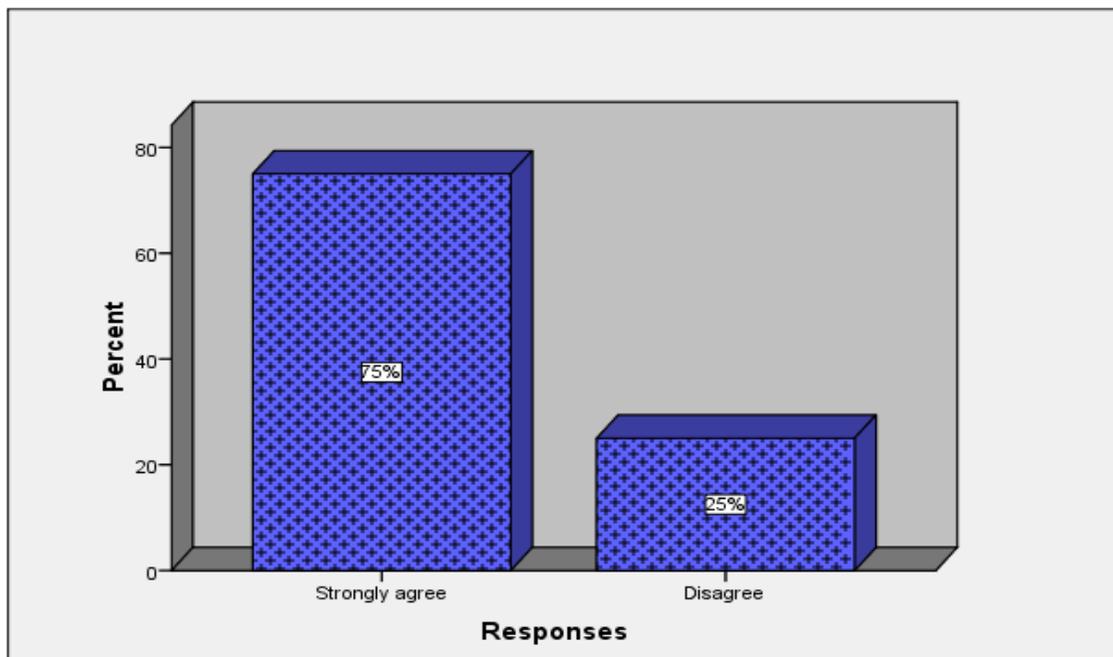
From the Table above, the research results show that 60% (30 respondents) were male while 40% (20 respondents) were female which demonstrated the level of balance with regards to participation and keenness to participate in the Research and also with regards to avoidance of biasness. With regards to age group, research results revealed that 50% (25 respondents) were aged between 31 and 40 years, 30% (15 respondents) were aged between 30 years and below while the remainder of 20% (10 respondents) were within the age range

of 41 years and above. Further, with regards to the educational level, statistics revealed that 50% (25 respondents) had Diplomas, 40% (20 respondents) had Degrees and 10% (5 respondents) were Postgraduates. This further demonstrated the level of educational knowledge and the extent to which the respondents were to articulate the issues related to the subject matter of topic. Further, the age group was well balanced in that it cut across all age groups within which one would be in possession of a phone, has used the phone and has some level of understanding regarding some of the problems encountered which involves the use of a call centre services with reference to MTN Zambia Limited.

4.3 Impact of Call Centre Service Outsourcing

The segment covers and reveals the Research results findings that reveal whether the outsourcing the Call Centre has an impact on customer experience from the perspective of the Mobile Network operator of over six (6) million subscribers and from the employee perspective of MTN Zambia.

Figure 3: Respondents views on whether call centre service outsourcing has a positive impact on customer experience



Source: Author, 2022

According to Kurtovic and Hasimbegovic, 2015, Organisations should put the customers at the centre of their business through the provision of quality service.

The Research results as to whether Call Centre service outsourcing has a positive impact on customer experience revealed that to a large extent, and as it can be seen by the 75% respondents agreement in the chart above owing to the fact that the nature and efficiency of the Call Centre has a desirable or negative impact on the customer experience which in the case above demonstrates that it has a positive effect due to the efficiency levels of the Call Centre service outsourced at MTN Zambia both from the employee and customer perspective.

However, 25% of the respondents disagreed with the assertion owing to the bad experience they may have had in dealing with the call center in resolving their communication problems with their phones. This comparatively and statistically suggests that the Call Centre at MTN Zambia is efficient in dealing with customer problems and thus has a positive effect on customer experience notwithstanding the negativity highlighted above.

4.4 Benefits of Outsourcing the Call Centre Service

This section covers the Research results as to whether the outsourcing of the Call Centre benefits MTN Zambia Limited or not.

According to Reynolds in Govender (2016), a Call Centre has been defined as a place or single point of contact where customers will interact with businesses in order to access customer service to respond to queries, complaints and concerns.

Figure 4: Respondent's views on whether Call Centre Service Outsourcing has benefited MTN



Source: Author, 2022

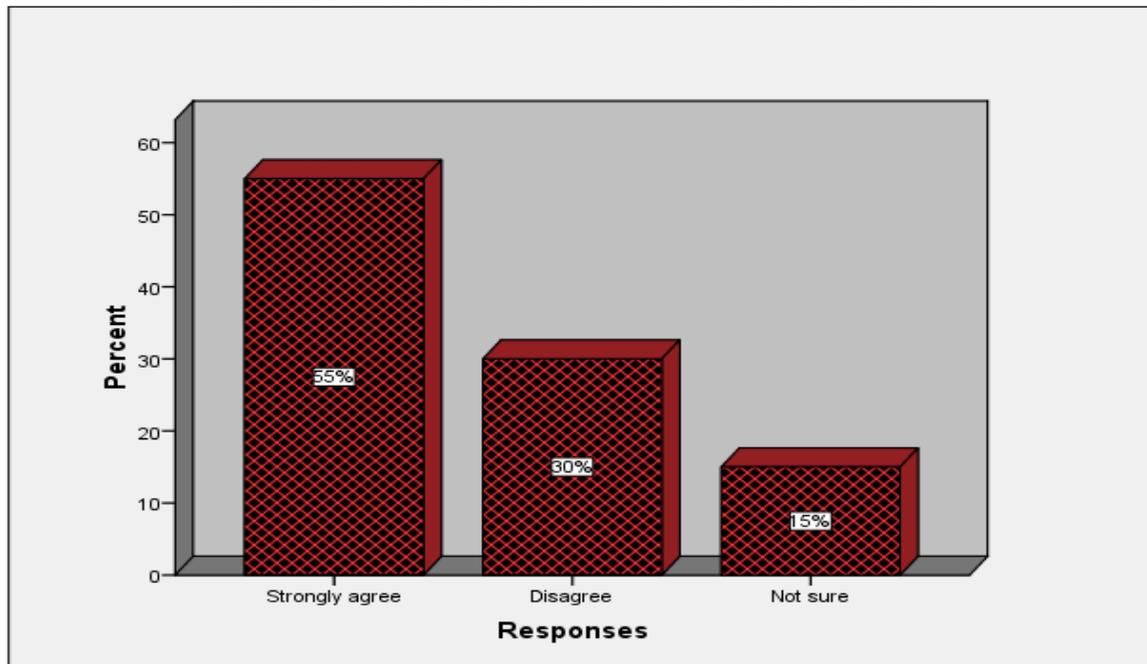
The Research results has endeavored to reveal as to whether the Call Centre services outsourcing has benefited MTN Zambia to a large extent as it can be seen by the 70% agreement representation as a customer single point of contact for all queries, complaints and concerns owing to the level of compliance to the service level agreement, the level of repeat business that has made the company Zambia's number one network besides Airtel and Zamtel, the level of efficiency in dealing with customer queries and minimal network interruptions among others. However, 15% of the respondents were not in agreement to the assertion probably because of the negative encounters they may have experienced in using the Call Centre for help in resolving their communication queries among others and are probably on the verge of switching to other service providers in the interaction with the Agents. The remainder of the 15% respondents were not sure as they felt that due to competition with other service providers and owing to the cost implication of outsourcing, the benefits may not be that significant and thus were not sure of the performance of the company in relation to the performance of the Call Centre services in terms of envisaged benefits. This suggests that on the overall, the outsourcing of the Call Centre has resulted

in above average of the benefits despite the negativity highlighted above and thereby producing the MTN Zambia Board and business in yielding the desired results.

4.5 Call Centre Outsourcing ability for MTN Zambia to concentrate on Core Activities

This section of the Research results covers the assessment of whether outsourcing of the Call Centre services enables MTN Zambia to concentrate on core activities.

Figure 5: Respondent's views on whether call centre service outsourcing enables MTN to concentrate on Its Core Activities



Source: Author, 2022

The Research results as to whether outsourcing of the Call Centre services has enabled MTN Zambia Limited to concentrate on its core activities revealed that to a large extent as represented by the 55% strong agreement respondents and statistics in the chart above actually reveals the outsourcing business strategy of the Call Centre has enabled the company to concentrate on its core activities of dealing with the Network and Technology services provision as opposed to being crowded with a lot of activities that may compromise the levels of service. Further, it has also revealed and argued that it was

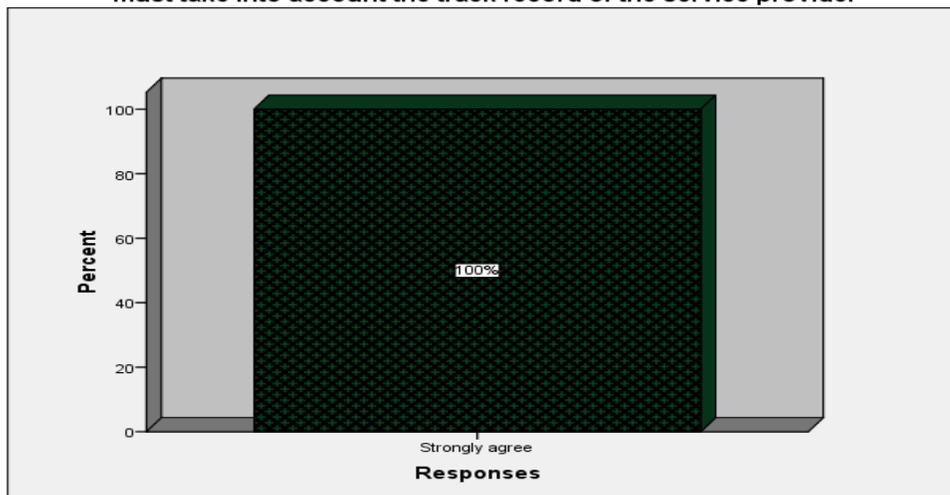
actually cheaper to hire such a service provider in the name of ISON BPO than to manage an in-house Call Centre especially in relations to operational efficiency and cost reduction in terms of wage bill as well as imploring high technology expertise. However, 30% of the respondents were not in agreement with the assertion owing to the fact that the Call Centre service constitutes a core activity and if outsourced and the service provider compromises the level of service repeat business may be affected and this will in turn affect the profitability of the company. The remainder 15% were not sure if outsourcing the Call Centre service enables MTN Zambia to concentrate on its core activities or not as they felt that it must be a balancing act in that the core activities of providing communication network was complimented by desirable and effective Call Centre services. Suggestively, this entails that it is only to a certain extent that the outsourcing of the Call Centre services enables MTN to concentrate on its core activities (Badenhorst-Weiss & Nel 2008:632).

4.6 Track Record as an enabler of Hiring the Call Centre Service

This section will cover the assessment of whether the track record evaluation helps in obtaining a desirable Call Centre services for MTN Zambia Limited.

According to Angelova and Zeqiri (2011) states the service quality and satisfying customers was key in remaining competitive. This is important for MTN Zambia as they select the vendor for the call centres.

Figure 6: Respondent's views on whether call centre service outsourcing must take into account the track record of the service provider



Source: Author, 2022

The Research results tries to reveal as to whether checking the track record of the outsourced Call Centre service provider is important. The analysis revealed that it is a key criterion to check to ensure that the outsourced service provider's level of service is compatible with the aspirations, objectives and mission of MTN Zambia as a whole because if this not taken into consideration, there is a likelihood that service provision will be compromised and this may potentially result in the rise in churn where most customers will decide to switch to other service providers (i.e. Zamtel and Airtel) which may affect the market share and profitability of the firm. This assertion is supported by the 100% string agreement. This suggests that as part of assessing the creditworthiness of the potential customers, it is imperative that the track record in terms of historical experience is checked and confirmed that it will be in tandem with the objectives of the organization to an extent of not compromising the level of service and customer relationship.

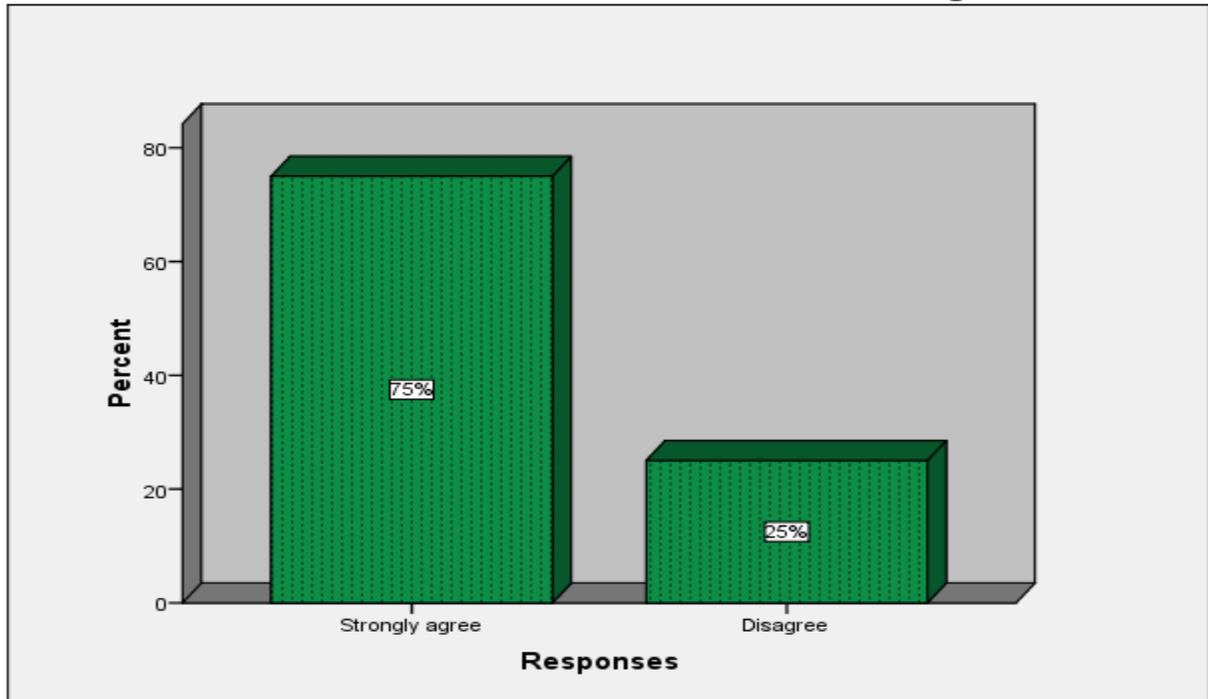
Service quality increases customer satisfaction which is important for MTN Zambia as a business according to Kotler in his Clinton and Wellington (2013) when discussing satisfaction as a person's feeling of pleasure or disappointment during customer experience when they interact with Call Centres.

4.7 Effectiveness of Call Centre Service Outsourcing in realizing Benefits envisaged

This section of the Research results will cover the assessment of whether the envisaged benefits are assured in the outsourcing Call Centre services to a third party.

It is evident that Customer satisfaction has yield results in terms of profitability for organisations and this aspect for MTN Zambia Call centre vendor's profitable according to Khadka and Maharjan (2017).

Figure 7: Respondent's views on whether call centre service outsourcing must realise the effectiveness and benefits envisaged



Source: Author, 2022

The Research results regarding the outsourced Call Centre yielding desired results in terms of effectiveness revealed that to a large extent as it can be seen by the 75% strongly agreement respondents, must be one that is capable of achieving the desired results in terms of meeting customer value proposition and customer satisfaction in using the network in comparison to other service providers. This also covers the resolution of communication challenges encountered by MTN Zambia network users with minimal delays. However, 25% of the respondents were not in agreement as they felt that achieving the desired results is a challenging task as this can only be achieved to some extent especially if the Call Centre service provider does not comprehend or have an understanding of the customers MTN Zambia as a business deals with and their needs and thus may not be integrated to the objectives of the company. This results benefits both MTN Zambia and the Vendor.

4.8 Does Call Centre Service Outsourcing result in Repeat Business?

This section of the Research results covers the assessment of whether repeat business is assured in the outsourcing of the Call Centre services by MTN Zambia Limited.

According to Khadka and Maharjan (2017) repeat business is necessitated through the provision of good customer experience resulting in customer satisfaction. A customer will continue buying goods and services as well as being able to recommend products and services to other customers as a result.

Figure 8: Respondent's views on whether call centre service outsourcing must yield desirable repeat business



Source: Author, 2022

The Research results as to whether outsourced Call Centre services must achieve desirable repeat business revealed that to a large extent as shown by the 70% strong agreement, outsourced service must be able to result in desired customer satisfaction in terms of meeting customer value proposition and satisfaction ultimately repeat business in terms of sustainable business relationship. This is crucial in that if the Call Centre service is unable to prove itself on this aspect, may mean that they are not effectively discharging their

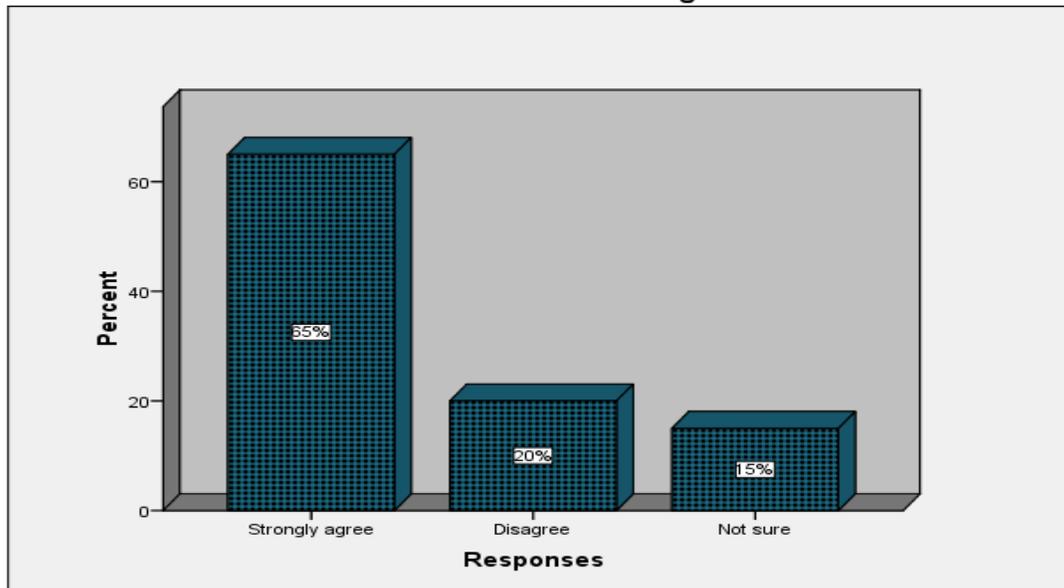
responsibilities in addressing customer related queries that satisfy the customers for them to remain valued customers of the company and this may result in costly marketing and advertising to recall customers that would have switched to other service providers. However, 30% of the respondents were in disagreement of the assertion owing to the fact that other factors apart from Call Centre service plays a key role such as innovation in product and service provision which must also be given attention owing to the competitive environment in which MTN Zambia operates. This suggests that the undertaking must be a holistic approach that must cover both ensuring that the Call Centre achieves the desired repeat business in combination with desired innovation with regard to service and product offerings.

4.9 Does Outsourcing Call Centre Service Result in Cost Savings?

This section of the research results analysed the extent to which outsourcing of Call Centre service result in cost savings.

Outsourcing models does provide cost saving. All costs in regard to labour and technology is passed on to the Vendor through a Vendor contract (Besanko, Dranove, Shanley, and Schaefer 2004).

Figure 9: Respondent's views on whether call centre service outsourcing must realise cost savings



Source: Author, 2022

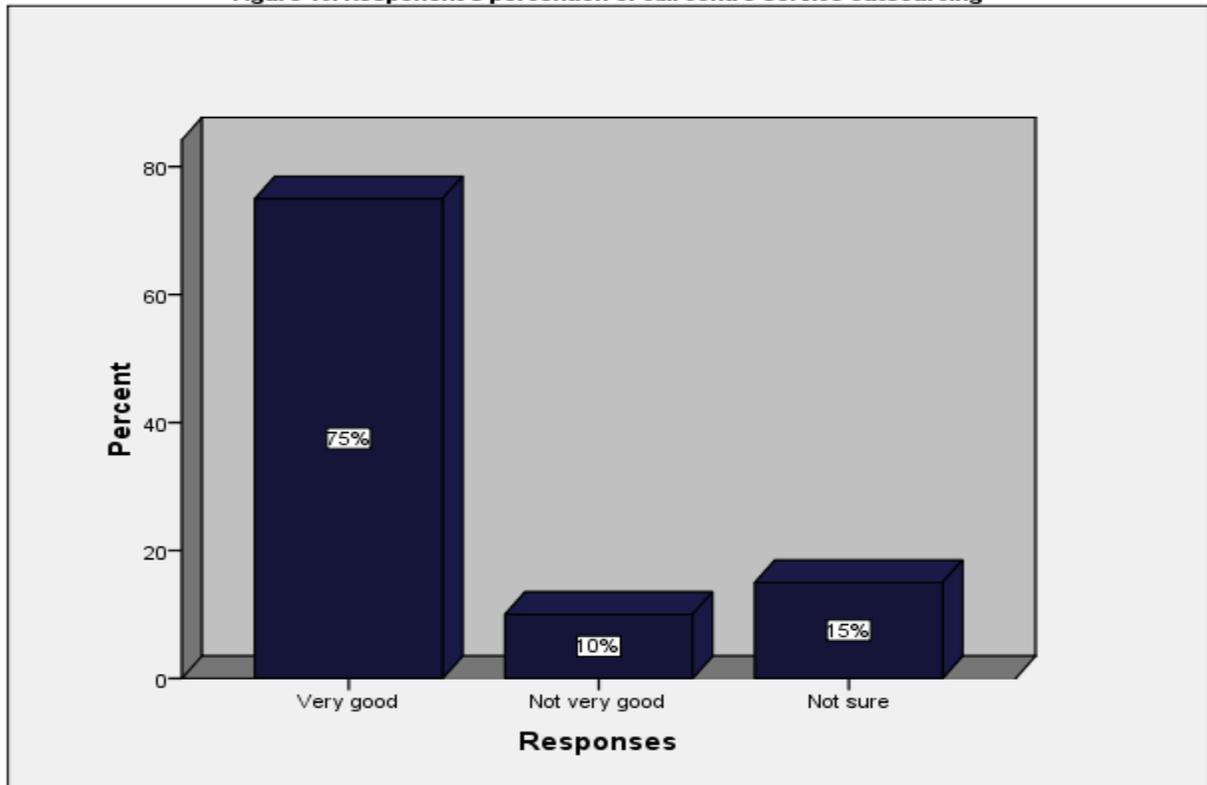
The Research results as to whether outsourcing the Call Centre services helps in reducing cost of doing business, revealed that to a large extent, it does as can be seen by the 65% strong agreement in the sense that it is considered a cheaper avenue than to employ permanent employees which may result in increasing the staff costs as compared to the cost of hiring a service provider for dealing with customer communication queries. However, 20% of the respondents were in disagreement arguing that the undertaking if not properly managed through adequate assessment of their worthiness, the track record and level of integration with the organization may result in costly consequences such as churn where customers start switching to other service providers in which case recalling them or finding new customers may be challenges. This suggests that a balance must be made between ensuring that the company is focusing on saving costs in not employing permanent staff and not compromising the quality of service being rendered on its behalf by the outsourced Call Centre services and thereby affecting customer experience subsequently impacting Net Promoter Score.

4.10 Perception of Outsourcing Call Centre Service by MTN Staff and Customers

This section will aim to cover the analysis of the perception of outsourcing the Call Centre services by MTN Zambia Limited staff and the customers.

Govender (2016) endeavors to propound how Call Centres are said to be creating an enabling environment for excellence customer service and also experience. He cites how Mobile Telecommunication companies have been impacted by evolving Technology to remain competitive. It has been seen through this research how the Call Centre staff working at outsourced Call Centres have contributed to customer satisfaction and loyalty through the outsourcing investment that has brought about high technological innovations

Figure 10: Responent's percention of call centre service outsourcing



Source: Author, 2022

The Research results of the perception of outsourcing Call Centre services revealed that to a large extent the perception has been positive in the sense that is a cheaper option to undertake owing to the increased staff costs if MTN Zambia is to employ staff to handle this aspect of the in-house Call Centre. This can be inferred from the 75% agreement in the chart above. Further, using the Call Centre was felt to be optimal in that the outsourced services of the Call Centre is specialized and that what it does for the business is that it may therefore possess the requisite knowledge and experience on the management of the Call Centre and MTN Zambia will thus benefit from this outside expertise in respect to specialised skills and advanced technology. However, 10% of the respondents were not in agreement of the very good perception of outsourcing the Call Centre service owing to the increased costs of doing so particularly with regard to the systems change which implies that the Call Centre service provider has to be oriented on any systems change whose cost is to be borne by MTN Zambia as a business. Further, the respondents felt that this despite being considered a peripheral and not a core activity is a platform where engagements with

the customers are mostly done and if not properly handled may be a Cost Centre that will bring more hurdles than benefits. The remainder 15% of the respondents were not sure as they felt it was a balancing act which must be aimed at benefiting from the Call Centre service provider and MTN Zambia at large and ignoring the customer bigger picture element.

4.11 Chapter Summary

The Chapter summary endeavored to cover the analysis, presentation as well as the interpretation of the Research findings as to the effectiveness of Call Centre service outsourcing covering the positivity of the impact, the perception by both MTN Zambia staff and customers, cost benefit analysis, repeat business issues among others.

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The Research objective was to ensure the evaluation of the impact of outsourcing the Call Centre services on customer experience. In this Chapter, effort is being made to summarise Research findings in its totality including the addressing of the objective of the Research and then ensuring to make policy recommendations and concludes with a proposition of future Research undertakings.

5.2 Synopsis of Research results

The Research reveals that outsourcing Call Centre services is good an avenue in the sense that it is considered a cheaper option as compared to employing new staff to handle the service as this will have unavoidable cost of increasing the Staff costs of the business (Besanko, Dranove, Shanley, and Schaefer 2004). Further, the benefits are in light of the fact that the service centre is of a specialised nature as that is what they do for businesses and MTN Zambia Limited is to benefit from this outside expertise and be able to concentrate on other core activities. However, some respondents were of the view that this is not the case as system changes for example may result in cost increases vendor to who the service has been outsource in the vendor providing the services may need to be oriented on the changes to the system so that they deliver on the promises of MTN Zambia Limited. Further, it was argued that if the Call Centre is not able to deliver or meet customer value proposition, this may be costly in terms of recalling for example lost clientele from other service providers.

The Research also revealed that the perception on outsourcing the Call Centre services is positive to a large extent in the same lens as highlighted above in that is felt to be a cheaper alternative as compared to that of employing permanent staff who may increase the cost of operations in terms of salaries and staff costs especially that the outsourced Call Centre provider is regarded as possessing the requisite knowledge and exposure to deal with such activities through its highly skilled personnel and high technology investment.

Research Objective 1 (RO1): To determine whether MTN Zambia’s outsourcing of its Call Centre has helped in reducing operational costs.

The Research results show that MTN Zambia has benefited from the outsourced service in the sense that it has been cheaper to hire the specialised services as compared to if the company had to employ permanent employees who would have increased the operational costs in terms of staff and staff costs. Further, the outsourcing of the Call Centre services has resulted in MTN Zambia concentrating on its core activities which although other respondents argued to the contrary that it was costly with regard to systems change in that the outsourced company staff will need to be trained and/or oriented with the systems change which may be adding to the existing operational costs.

The Zambia Watchdog in its story covering how MTN Zambia outsourced its Call Centre highlights how one of the primary business objective was to run away from operational costs such as salaries and staff costs. The author tries to explain how an employee salary has been reduced as a result of outsourcing of the Call Centre (Zambia Watchdog, 14 August, 2014).

Research Objective 2 (RO2): Establish the extent to which outsourcing of MTN Zambia’s Call Centre has impacted customer experience.

The Research results revealed that to a large extent, the outsourcing of the Call Centre services has had a positive impact on customer experience in the sense that they are specialised in the provision of this service and would by all means endeavour to meet the service level agreements to ensure that they meet customer value propositions thereby ensuring a positive Net Promoter Score. This is with regard to addressing such network challenges in communication and other services related to what the company does for business.

As can be seen below from the MTN Group Integrated report on outsourcing of Call Centres, the impact on customer experience from both employee, employer and customer is evident (MTN Group Integrated report, 2017).

Details of our performance in 2017

- Increased relative brand NPS in all regions; lifted brand health to highest level since Q1 2015.

	 South Africa	 Nigeria	 Iran	 Uganda	 Ghana	 Cameroon	 Ivory Coast
NPS ranking	Co-#1	#2	#1	#1	#4	#2	#3
Change in score since H1 17	(5%)	13%	(14%)	10%	17%	47%	20%

- Set up a four-point programme to ensure better customer experience.
- Launched a refreshed brand identity across all markets.
- Rolled out a new, much more comprehensive NPS survey which is likely the largest tender conducted for research in Africa.
- Outsourced call centres in 11 markets to improve service levels.
- Deployed MyMTNapp across 17 markets; achieved 12,2 million downloads.

Research Objective 3 (RO3): To ascertain the measures MTN Zambia has put in place to remedy weaknesses in the outsourced Call Centre function

The Research results revealed that MTN Zambia has indeed put in place controls to ensure that the outsourced Call Centre is not compromised to a level where there are no lost customers due poor services as agreed in the service level agreement. Further, MTN has put in place measures such as ensuring that the potential bidders are assessed in terms of track records and experience in delivering on the promises and also carries out cost benefit analysis before awarding the contract.

5.3 Conclusion

The Research concludes and recommends and recognises an extensive relationship between outsourcing Call Centre services and Customer relationships in that if there is a compromise on the service by the outsourced company, this may have negative consequences on the customer with regard to repeat business as most customers may end up switching to other service providers as well as impacting MTN Zambia Net Promoter Score. Further, the compromised service may also not realise the expected benefits of cost saving. It is therefore imperative that in addition to the already existing controls at MTN with regard to assessment of bidders for Call Centre services must be rigorous on ensuring

that routine reports are made available by the outsourced company at prescribed intervals to assess whether they are still on track or not and how exceptional issues or problems can be addressed. Further, the board in liaison with the company shareholders must ensure that this is prioritised and discussed proactively to avoid any challenges and/or problems.

5.4 Propositions for future Research

In the current study, it is proposed that the Research be carried out on the impact of automation/digitisation on outsourcing of Call Centre services. This would allow the access to online self service facilities by customers. The proposition for the Call Centre future Research with regards the automation and digitization of the Call Centres and Customer service functions will ensure the following advantages and value addition is realised by MTN Zambia and other businesses:-

- Time saving will be a key advantage that the automation and digitization of the Call Centres and Customer service functions will bring.
- The automation and digitization of the Call Centres and Customer service functions will also ensure the increase and improvement in Customer Loyalty.
- Aside the increase and improvement in Customer Loyalty and time saving, the automation and digitization of the Call Centres and Customer service functions will also ensure there is a lot of cost saving for MTN Zambia as there will be less human intervention with regards to customer queries resolutions or problem solving thereby having less impact in the increase of salaries and staff costs.
- The automation and digitization will also provide for MTN Business Intelligence reports that reveal customer service trends in respect to the number calls, call frequency, query type and call demographics in order for the business to make decisions to improve customer experience and service. Together, the Business intelligence reports will reveal what businesses call a Net Promoter Score (NPS) of the Customer Service engagement either favourable or adverse.
- The automation and digitization will also help the business to have increased operational efficiency.
- The business will also focus mainly on the core business through the automation and digitization of the customer services portfolio.

- The automation and digitization of the Call Centre services will also provide and enabling environment for the happiness and engagement of its employees as there will be a lot of simplicity and speed in the systems thereby increasing the rate at which to respond to customer queries.
- The automation and digitization of the Call Centre services provides maximum convenience to the customer in that the service is available to the customer 24/7 and 365 days in a calendar year.
- The automation and digitization of the Call Centre services empowers the customer with self-service functionality as a first step of customer services and query resolution.

5.5 Chapter summary

The Chapter covers the discussion of the summarised findings. It also addresses the Research objectives that the Research sought in evaluating the impact of outsourcing customer service on customer experience. It also made policy recommendations to the management of MTN Zambia and propositions for future research undertaking.

References

- Amoako, G. (2012). Improving Customer Service in The Banking Industry—Case of Ghana Commercial Bank (GCB)—Ghana. *International Business Research*, 5, pp.134-148. <https://doi.org/10.5539/ibr.v5n4p134>
- Asatiani, A., Penttinen, E and Kumar, A. (2019). Uncovering the nature of the relationship between outsourcing motivations and the degree of outsourcing: An empirical study on Finnish small and medium-sized enterprises. *Journal of Information Technology*. SAGE Publication.
- Angelova, B. & Zeqiri, C. (2011). Measuring Customer Satisfaction with Service Quality Using American Customer Satisfaction Model (ACSI Model). *International Journal of Academic Research in Business and Social Sciences*, 1, pp.232-258.
- Bahrami, B. (2009). A Look at Outsourcing Offshore. *Competitive Review: An International Business Journal Incorporating Journal of Global Competitiveness*, 19: pp 212-223
- Bain, P., Watson, A., Mulvey, G., Taylor, P. and Gall, G. (2002) ‘Taylorism, Targets and the Pursuit of Quantity and Quality in Call Centre Management’, *New Technology, Work and Employment*, 17(3): pp.170–185.
- Baraka. H.A., Baraka. H. A and Gamily. H. E. L. (2013). Assessing call centers’ success: A validation of the DeLone and Mclean model for information system. *Egyptian Informatics Journal*, Vol. 14, Issue 2. Elsevier.
- BuddeComm. (2020). *Zambia Telecoms, Mobile and Broadband: Statistics and Analysis*
- Conell, J. (2017). *Developments in the Call Centre Industry: Analysis, changes and challenges*. Routledge. Taylor and Francis
- Chicu. D., Mar Pamies. M., Ryan. G and Cross. C. (2019). Exploring the influence of the human factor on customer satisfaction in call centres. *BRQ Business Research Quarterly* Vol. 22, Issue 2. Elsevier

Datamonitor (2005b), 'The Future of Contact Centre Outsourcing in India and the Philippines, www.datamonitor.com [Accessed 20 October 2021]

Dean, A. M. (2002). Service quality in call centres: Implications for customer loyalty. *Journal of Service Theory and Quality*.

Govender, K. K. (2016). Outsourcing In-bound Call Centres: Impact on Customer Experience in South Africa. *Journal of Accounting and Marketing*. Research Gate

Guest, C. (2019). Structured vs. Unstructured Questions. CVent

Clinton, A., and Wellington, T. (2013). A Theoretical Framework of Users' Satisfaction/Dissatisfaction Theories and Models. 2nd International Conference on Arts, Behavioural Sciences and Economics Issues, Pattaya, Thailand, pp. 48-53

Jones, W.O. (2009). Outsourcing in China: Opportunities, challenges and lessons learned: Industry Insight. *Strategic Outsourcing: An International Journal*, 2: pp. 187-203

Kranias, A., and Bourlessa, M. (2010). Investigating the Relationship between Service Quality and Loyalty in Greek Banking Sector. *Procedia Economics and Finance*, 5, pp.453-458. [https://doi.org/10.1016/S2212-5671\(13\)00053-1](https://doi.org/10.1016/S2212-5671(13)00053-1) Kurniali,

Nkonde, Z and Phiri, J. (2020). An Assessment of Outsourcing of Offshore Call Centres on Customer Service in Commercial Banks: A Case of Zambia. *Open Journal of Social Sciences*. Scientific Research Publishing

Richardson, R., Belt, V. and Marshall, N. (2000) 'Taking Calls to Newcastle', *Regional Studies*, 34(4): pp.357–376.

Usifoh, D. (2021). History and evolution of outsourcing

MTN Zambia. (2020). Management Reviews.

Zitkiene, R and Dude, U. (2018). Impact of outsourcing implementation in service companies. *Journal of Entrepreneurship and Sustainability*. Research Gate.

<https://journals.co.za/doi/pdf/10.10520/EJC51102>

<https://www.mtn->

[Investor.com/mtn_ar2017/ebook/files/assets/common/downloads/publication.pdf](https://www.mtn-investor.com/mtn_ar2017/ebook/files/assets/common/downloads/publication.pdf)

https://m.facebook.com/story.php?story_fbid=794878233896262&id=129987587052000

[&p=0](#)

Appendix I: Research Questionnaire



UNIVERSITY
of
GREENWICH



Data Collection Questionnaire on the Impact of Outsourcing the Call Centre Services on Customer Experience: A Case Study of MTN Zambia Limited

Instructions

1. Answer by ticking or putting an **X** in the boxes provided to indicate your response (i.e.

[] or []

2. In case of open ended questions, kindly write your responses in the spaces provided. Kindly use short sentences or words that expresses your opinions in the most adequate way

Section A: Demographic Features of Respondents

1. Gender of Respondents: Male 1 Female 2 Bi-sexual 3

2. Age Groups of Respondents

<=30 Years 1

31 –40 years 2

> Or =41 years 3

3 Education of Respondents

Diploma and Below 1 First Degree 2

Postgraduate and Above 3

4. Call Centre experience from an employee or customer perspective.

Below 30 years 1 30-40 years 2
41 and above years 3

Section B: Impact of Call Centre Service Outsourcing

5. In your honest opinion, to what extent do you feel outsourcing call centre service have a positive impact on customer experience?

Strongly agree 5
Agree 4
Not sure 3
Disagree 2
Strongly disagree 1

6. To what extent do you feel outsourcing of call centre service benefited MTN Zambia?

To a larger extent
To a moderate extent
To a lesser extent
To no extent

7. The following is a list of some of the characteristics that influence outsourcing of call centre service. To what extent do you agree with the statements shown by the Likert Scale in the table below? [5-Strongly Agree; 4-Agree; 3-Not Sure; 2-DisAgree; 1-Strongly Dis-Agree]

Characteristic	Strongly Agree	Agree	Not Sure	Dis-Agree	Strongly Disagree
Enables the company to concentrate on its core activities					
Track Record of the service provider					
Effectiveness and envisaged benefits					
Level of repeat business					
Cost Saving					

Section C: Perception and Influence of Call Centre Service Outsourcing

8. Using a five point Likert Scale given how do you rate the perception of call centre service outsourcing for MTN?

Very good 5 Good 4 Not very Good 3 Moderate 2 Not sure 1

Thank You