

An Empirical Assessment of Customer Satisfaction of Mobile Phone User in Indian Telecom Industry

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Abstract

The present study is aimed to determine the customer satisfaction level towards mobile phone service provider in India. A descriptive study was conducted to achieve the objectives. In total 110 respondents filled a well-structured questionnaire having a list of statements pertaining to products, services & facilities provided by the service provider. The factors related to network performance, customer service quality, tariff and charges, range of services and value for money are the most significant in determining satisfaction level.

Results reveal that –most of the customer are satisfied with services provided from their service provider. Hence, it has been recommended that telecom companies should focus on connectivity, call rate, coverage and network quality for satisfy their customers.

Keywords: *Customer Satisfaction, Mobile Phone User, Telecom Industry.*

Introduction

The breath-taking growth of the telecommunication companies in India over the last twenty years has made a history. The economic resurgence affected in the early 1990s brought around a paradigm shift on the overall business scenario of India. With the arrival of private telecommunication companies in India, the industry observed introduction of mobile phones into the Indian market and it became extremely popular amongst the Indian masses.

India's telecom sector has shown huge expansion in the recent years in all respects of industrial growth due to liberalization in Government policies after 1991. Removal of restrictions on foreign capital investment and industrial de-licensing has allowed various private players to enter into the Indian telecommunication market. With a growth rate of 45%, Indian telecom industry has the highest growth rate in the world. In today's competitive world Organisations are increasingly being customer centric and are embracing customer-driven initiatives that seek to understand, attract, retain and build intimate long term relationship with profitable customers (Kotler, 2006; Gro'nroos, C 1994; Narver and Slater, 1990). Modern organisations are much interested not just in acquiring new customers, but more importantly, retaining existing customers. This is perhaps because it costs more to attract new customers than

to retain existing ones. It is believed that the average business spends six (6) times more to attract new customers than to retain old customers. Again it is more profitable retaining an old customer who is more likely to re-purchase or re-use a company's products/services and recommend them to others. Customer satisfaction (CS) is central to the customer- centric paradigm shift, and has gained much attention from scholars and practitioners as it has become one of the cardinal means for achieving quality improvement programmes, and one of the crucial foci of strategic marketing management in business organisations that have long-term perspective for growth.

Statement of the problem and Purpose of the study

In view of the above, the main problem that is addressed in this paper is: - Are customers satisfied with the service quality delivered by different service provider in telecom industry in Haryana? The focus of this paper, therefore, is to assess and analyse overall customer satisfaction towards telecommunication companies in Haryana.

Customer Satisfaction

Customer satisfaction is a personal feeling of either pleasure or disappointment resulting from the evaluation of services provided by an organization to an individual in relation to expectations. Service providers frequently place a higher priority on customer satisfaction, because it has been seen as a prerequisite to customer retention. As a positive outcome of marketing activities, high customer satisfaction leads to repeat visitation to stores, repeat product purchases, and word-of-mout promotion to friends, while low customer satisfaction has been associated with complaining behaviour. A satisfied customer often stays loyal longer, and is likely to patronise the firm in future. Customer satisfaction can be conceptualized as either transaction-specific satisfaction or cumulative satisfaction. Transaction-specific satisfaction is a customer's evaluation of her or his experience and reactions to a specific company encounter. Cumulative satisfaction refers to customers overall evaluation of patronage experience from inception to date.

Customer satisfaction (CS) is a term that has received considerable attention and interest among scholars and practitioners perhaps because of its importance as a key element of business strategy, and goal for all business activities especially in today's competitive market (Anderson, Fornell, and Lehmann, 1994; Gronroos, 1984; Lovelock & Wirtz, 2007). Satisfaction is a "psychological concept that involves the feeling of wellbeing and pleasure that results from obtaining what one hopes for and expects from an appealing product and/or service" (WTO, 1985).

Service Quality

The most commonly used definition of service quality is the extent to which a service meets customer's needs or expectation and it involve a comparison of customer expectation with customer perception of actual service performance. Companies need to provide services with such a quality that meet or exceed customer expectations. The quality of a product or service is a customer's perception of the degree to which the product or services meets his her expectations. Service quality from the very beginning based on the notion that is what customer perceive as quality that is important, not what designers or operations people feel is good or bad quality. The customer quality perception depends on the degree to which quality expectations are confirmed or disconfirmed by experience. The quality of service as perceived by customer is the result of a comparison between expectation of customer and his real life experience. If the experiences exceed the expectations, the perceived quality is positive. If the experience doesn't reach the level of expectations, the perceived quality is low.

Review of literature

Customer satisfaction has been extensively studied by marketing scholars (Oliver, 1980 & 1999; Johnson, Gustafsson, Andreassen, Lervik, & Cha, 2001; Anderson, Fornell, & Mazvancheryl, 2004; McQuitty, Finn, & Wiley, 2000; Eshghi, Kumar, & Gangui, 2008). Kotler and Keller (2009) define satisfaction as "a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his/her expectations". This definition is supported by many other studies, for example, Tse and Wilton (1988) and Oliver (1997). Others define customer satisfaction as the feeling or attitude of customers toward a product/service after it has been used (Solomon, 1996; Wells & Prensky, 1996; Hansemark & Albinsson, 2004). Literature shows that many customer satisfaction studies have used the Disconfirmation of Expectations model

which assumes that consumers evaluate product performance by comparing its perceived performance with their expectations (Parasuraman, Zeithaml, & Berry, 1985 & 1988; Cadott, Woodruff, & Jenkins, 1987; Oliver, 1997; Motley, 2003). When perceived performance matches or exceeds expectations, the customer becomes satisfied. Conversely, when perceived performance is below expectations, the customer becomes dissatisfied (Oliver, 1993; Mittal, Kumar, & Tsiros, 1999; Westbrook & Oliver, 1991; Banker, Potter, & Srinivasan, 2000). Satisfied customers will repeat the purchase, be brand loyal, convey positive word-of-mouth advertising, and all these will enhance sales (Dispensa, 1997; Aaker, 1992; Fornell, 1992; Oliver, 1997). Dissatisfied customers may stop buying the product, spread unfavourable word-of-mouth advertising, and may avoid the product manufacturer and the retailer (Day, Grabche, Schetzle, & Staubach, 1981; Hirschman, 1970).

Pratibha A. Dabholkar (1993) iterated that customer satisfaction and service quality are both important tools for creating competitive advantage. However, there is a lack of consensus on whether the two are separate constructs and how they should be measured.

According to Lee, Lee & Feick, (2001) while both service quality and customer satisfaction have certain things in common, satisfaction is generally viewed as a broader concept than service quality assessment; thus, perceived service quality is a component of customer satisfaction Zeithaml and Bitner, (1996) (as in author Lee, Lee & Feick, 2001).

Leelakulthanit and Hongcharn (2011) investigated the determinants of customer satisfaction by interviewing 400 mobile phone users in Thailand. Their study found that promotional value, quality of customer service at shops and corporate image play the most important role in determining customer satisfaction. In the same respect, Alom, Khan, & Uddin (2010) interviewed 60 university students in Bangladesh who were also mobile users, to identify the determinant factors in selecting mobile service providers. Results of that study revealed two factors, brand image and perceived call rate, to have the most influence on the consumers' selection decision of a mobile service provider in Bangladesh.

Eshghi, Kumar, & Gangui (2008) recruited 238 mobile phone users in four major cities of India to identify the impact of service-related factors on customer satisfaction, repurchase intention, and the recommendation of a service to others. They found

that “the most significant predictors of customer satisfaction are: competitiveness, relational quality, reliability, reputation, support features, and transmission quality”. Other studies found that Satisfaction in telecom industry is determined by factors like voice call quality, wireless coverage, and the customer complaint process (Kim, Park, & Jeong, 2004).

Their customers without satisfying them. In telecom industry, customer retention determines the success and survival of mobile service providers (Wong, 2010; Mittal & Kamakura, 2001; Leelakulthant & Hongcharu, 2011). This might be due to fierce competition, the high cost of attracting new customers, and the similarity of services offered by the operators (Neslin, Gupta, Kamakura, Lu, & Mason, 2006; Kim & Yoon, 2004; Gerpott, Rams, & Schindler, 2001). In this respect, Wong (2010) conducted an interesting study using a usage and payment records of 1403 Canadian post-paid mobile customers over 3.7-year study period. Wong reported that greater loyalty, thus retention, is observed in customers with optimal rate plans than those with non-optimal ones. This indicates that in order to reduce churn rates (i.e. loss of customers), mobile service providers must seek effective customer retention strategies. According to some studies, the major churn determinant was found to be the dissatisfaction of customers on pricing (Wong, 2009; Kim, Park, & Jeong, 2004; Keaveney, 1995).

Research Objectives

- The main objective of this research is to analyze the satisfaction level of customers in telecom sector.

The Methodology:-

Research Design -The research design used in this study is Descriptive research design. As well as to recommend some suggestion to make future strategy.

Population- The population for the present study are mobile phone user above 18 years.

Sample Size: - The sample size is taken as 110.

Data Collection Method: - Both primary and secondary data sources have been used to answer research questions. Primary data mainly is obtained through the structured questionnaires while secondary sources like past studies and review of literature.

Design of Questionnaire:-The structured questionnaire was used for the collection of data as an instrument. In order to get the required information from the respondents a series of close ended questions were composed. Questionnaire was divided into two parts, first was based on Demographical background. Second part based on dependent Variable (customer satisfaction) and Independent Variables (customer service quality, network performance, brand image, range of services, service plan, value for money etc. seven point Likert Scale was designed to measure the variables and the purpose was to indicate those variables that can be the reason to compel customers toward any other service provider.

Analysis and Discussion

The results obtained from 110 respondents were thoroughly analyzed, and the outputs of the results had clearly explained in this section. Data collected was analyzed through Percentage Analysis Method: Simple percentage analysis method refers to special kind of ratio. With the help of absolute figures, it will be difficult to interpret any meaning from the collected data, but when percentages are found out, and then it becomes easy to find the relative difference between two or more attributes. The sample respondents were in the age group of 18 to 45.

Table No- 1
Demographic Profiles of Respondents

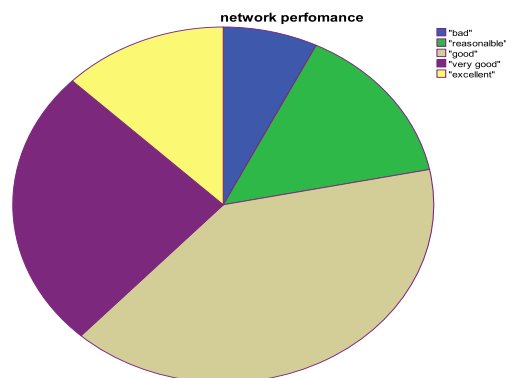
Measure	items	frequency	percentage
Age	18- 25	84	76.4
	26-30	6	5.5
	31-35	4	3.6
	36-40	6	5.5

	More then 41	10	9.1
Type of connection	Post-paid	54	49.1
	prepaid	56	50.9
Occupation	Working	38	34.5
	student	72	65.5

Table-1 shows the demographical analysis of 110 respondents. Descriptive table shows 76% were age group of less than 25 years. 49% respondents are using post-paid connection and 50% are using prepaid connection. Table shows that 34. % respondent are working and 65.5% respondent were students.

1. Customer feedback on network performance

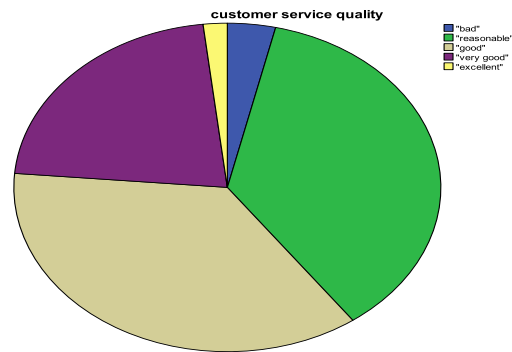
Response from customer	No. of Respondent	Percentage
Bad	8	7.3
Reasonable	16	14.5
Good	44	40.0
Very good	28	25.5
Excellent	14	12.7
total	110	100



Analysis: - It was seen that most of the customer are feeling good with network performance of their service provider.

2. Customer feedback on service quality

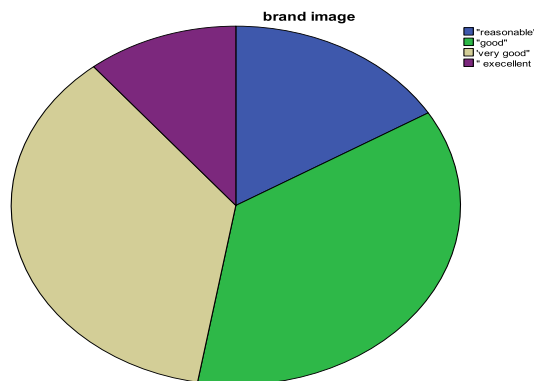
Response from customer	No. of Respondent	Percentage
Bad	4	3.6
Reasonable	40	36.4
Good	40	36.4
Very good	24	21.8
Excellent	2	1.8
total	110	100



Analysis: Consumers are largely voted on reasonable and good to service quality of their provider.

3. Customer feedback on brand image

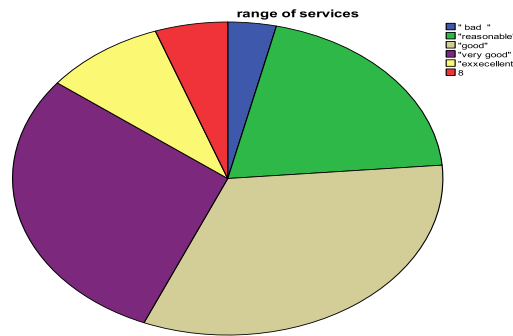
Response from customer	No. of Respondent	Percentage
Bad	0	0
Reasonable	18	16.4
Good	40	36.4
Very good	40	36.4
Excellent	12	10.9
total	110	100



Analysis: It was seen that most of the customer are saying that brand image of their provider are very good.

4. Customer feedback on range of services

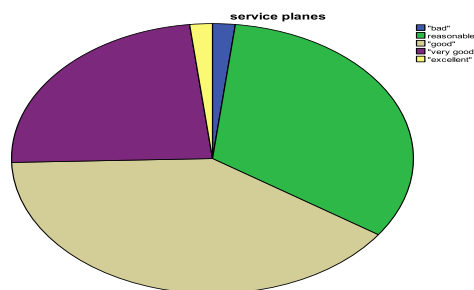
Response from customer	No. of Respondent	Percentage
poor	0	0
Very bad	0	0
Bad	4	3.6
Reasonable	22	20.0
Good	36	32.7
Very good	32	29.1
excellent	10	9.1
N.A	8	5.5
Total	110	100



Analysis: From the collected data I can say that customer is feeling good with the range of services provided from their service provider.

5. Customer feedback on service plan

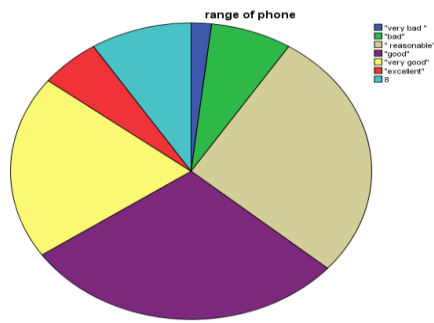
Response from customer	No. of Respondent	Percentage
poor	0	0
Very bad	0	0
Bad	2	1.8
Reasonable	36	32.7
Good	44	40.0
Very good	26	23.6
excellent	2	1.8
Total	110	100



Analysis: It was seen that most of the customer are saying that service planes provided by their service provider are good.

6. Customer feedback on range of phones

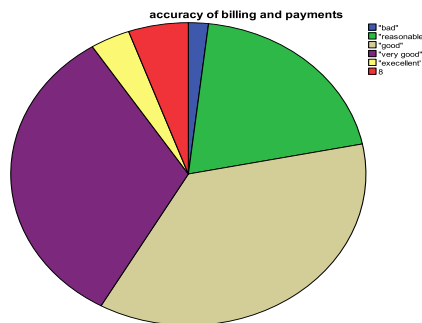
Response from customer	No. of Respondent	Percentage
poor	0	0
Very bad	2	1.8
Bad	8	7.3
Reasonable	30	27.3
Good	32	29.1
Very good	22	20.0
excellent	6	5.5
N.A	10	9.1
Total	110	100



Analysis: From the collected data I can say that most of the customer is satisfied with range of phones provided by their services provider.

7. Customer feedback accuracy of billing and payments

Responses of customer	No. Of respondent	percentage
poor	0	0
Very bad	0	0
Bad	2	1.8
Reasonable	22	20.0
Good	40	36.4
Very good	36	32.7
excellent	4	3.6
N.A	6	5.5
Total	110	100

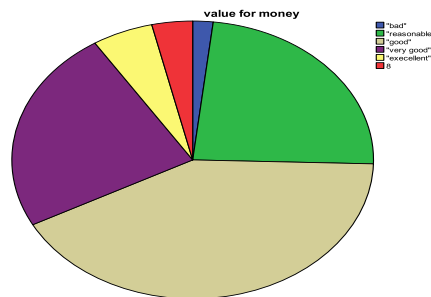


Analysis: From the collected data I can say that most of the customer is satisfied with accuracy of billing and payment of their services provider.

8. Customer feedback on value for money

Response from customer	No. Of respondent	percentage
poor	0	0
Very bad	0	0
Bad	2	1.8
Reasonable	26	23.6
Good	46	41.8

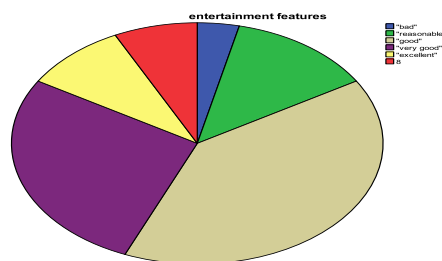
Very good	26	23.6
excellent	6	5.5
N.A	4	3.6
Total	110	100



Analysis: - from the above we can say that most of the customer thinks that they are getting good value against their money.

9. Customer feedback on entertainment features.

Response from customer	No. Of respondent	percentage
poor	0	0
Very bad	0	0
Bad	4	3.6
Reasonable	14	12.7
Good	44	40.0
Very good	30	27.3
excellent	10	9.1
N.A	8	7.3
Total	110	100

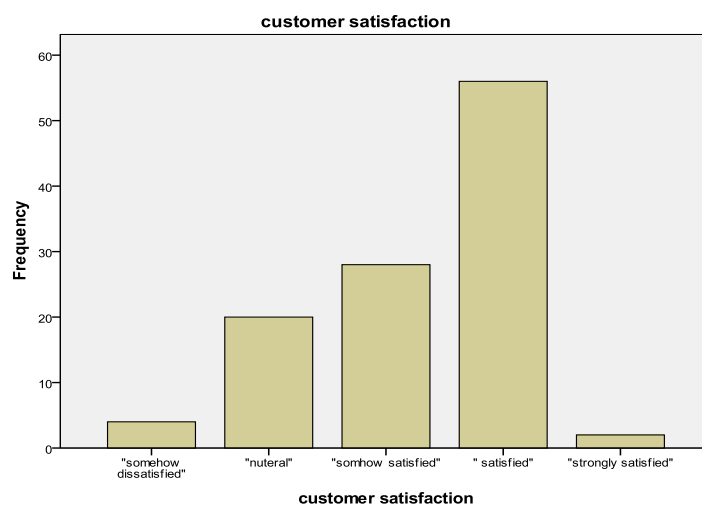


Analysis: From the collected data I can say that most of the customer are getting good entertainment feature from their services provider.

10. Customer feedback on overall customer satisfaction level

Response from customer	No.Of respondent	percentage
Strongly dissatisfied	0	0
Dissatisfied	0	0
Somehow dissatisfied	4	3.6
neutral	20	18.2
Somehow satisfied	28	25.5

satisfied	56	50.9
Strongly satisfaction	2	1.8
Total	110	100



Analysis: - the above table and graph is related to overall customer satisfaction based on different service attribute. We can say that most of the customer is satisfied with their service provider.

Conclusion

The main objective of this study is to analyze the satisfaction level of mobile phone user. After having understood the concept of service attribute and customer satisfaction of mobile phone user, one thing that clearly came out in the study is that 79% of the respondents were satisfied with their mobile service provider (50.9 % satisfied and 25.5% somehow satisfied and 1.8 are strongly satisfied somewhat satisfied). Customer are feeling good with network performance, customer service quality ,brand image, range of phones, service planes, billing system and entertainment features provided by their service provider. Mobile phone service provider should satisfy the consumers by providing them innovative offers like better network coverage, innovative and attractive service planes and value for money.

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