A Study Of Service Quality And Customer Satisfaction Across Various Service Providers In The Telecom Sector

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INTRODUCTION

In the extraordinarily competitive telecom sector, customer satisfaction is the ultimate metric of success. The surest path to a strong business bottom line is assuring that customers receive the highest appropriate Quality of Service (QoS) across multiple applications and delivery mechanisms. At the same time, however, isolating and resolving technical problems across a complex telecom infrastructure, and evaluating them in the context of the customer experience, is no simple trick.

As a result, service assurance has evolved as a discipline along two paths. First, within service management, it has grown from rudimentary root cause analysis- based on element managers and low-level network interfaces - to a more sophisticated, integrated and mature function of Operations Support Systems (OSS).

Second, service assurance has grown in relevance across the organization, developing gradually into a key business intelligence source which delivers performance and service delivery analytics to even the highest level of the organizational hierarchy.

SERVICE QUALITY

Juran defines customer led quality as, *"feature of products which meet customer's needs and thereby, provide satisfaction"*, and service quality relates to meeting customers' needs, *'perceived service quality'* is identified to understand the consumer.

Zeithaml (1987) defined perceived quality as *'the consumers' judgment about an entity's overall excellence or superiority'*, which can be viewed as distinct from *'objective'* quality in as much as it is a form of attitude, related in part to satisfaction, and resulting from a comparison of expectations with perceptions of performance.

CUSTOMER SATISFACTION

Customer satisfaction measurement has seen a dramatic growth over the past 15 years. Many service companies spend as much as half of their research budget on the measurement of satisfaction. However, there has been criticism in a number of the marketing and management press. In particular, **Brandt** stated that satisfaction scores have become an expensive end in themselves as a result of companies failing to link satisfaction measurements with customer loyalty, or propensity to purchase, or profits. In the car industry, which pioneered the use of satisfaction research, manufacturers are regularly achieving satisfaction levels of around 85% - this means little, as repurchase rates of car brands are stuck at around 40 to 50%. **Reichheld** claims that satisfaction surveys are a poor gauge of future purchasing intentions. To support this view, he cites research carried out in the USA, which found that 60 to 80% of the customers who defected to a competitor stated that they were satisfied or very satisfied just prior to their defection and they stated that customer satisfaction was considered to be one of the weakest measurements used by companies. At some companies, high levels of reported customer satisfaction are contradicted by continuing declines in sales and profits. *'There are too many customer satisfaction studies which are only concerned with making management feel good about the scores they are earning from year to year.'*. **Pruden** claims that customers make their purchasing and defection decisions on the basis of the perceived value of the service package being offered, rather than simply their current levels of satisfaction. They have relationships with more than one service provider, because they perceive each relationship to offer specific value to them.

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OBJECTIVES OF THE STUDY

The study has the following objectives:

❀ To compare the service quality perception of customers across selected telecom service providers.

❀ To suggest remedial measures to the telecom companies under the study to enhance quality of services and customer satisfaction.

HYPOTHESES

H1: Customer's perception of Service quality differs across selected telecom service providers.
H2: Customer's perception of Customer Satisfaction differs across selected telecom service providers.

RESEARCH METHODOLOGY

The purpose of present study was to study the Service Quality and Customer Satisfaction across various service providers in the telecom sector in selected telecommunication providers of Chandigarh, Panchkula and Mohali. Providers taken for the study were Airtel, BSNL, Hutch, Tata Indicom, Reliance and Spice. These six selected service providers have a market share of 99% in the mobile services in the selected region. To carry out the research study, a systematic model and procedure was developed. The content of this section deals with the method and procedure of the study.

❀ **Research Instrument:** The data required for conducting this study was collected using self administered questionnaire.

❀ **Methods of Data Collection:** To collect the primary data, a face-to-face survey was conducted. Assessment was based on a five point Likert Scale. Secondary data was collected from the annual reports of the companies, magazines, journals and websites of various national and international institutions.

❀ **Sample Design and Sample Size :** Primary data has been collected from different telecom users in Chandigarh, Panchkula and Mohali. Judgmental sampling was used to select approximately equal no of customers from each type of telecom provider. The main service providers are Airtel, Hutch, BSNL, Spice, Tata Indicom, and Reliance. A total of 900-customers of the above mentioned service providers had been approached, out of which, 720 correctly completed questionnaires had been obtained. Data was collected using "Personal contact" after approaching the respondents personally and explaining in detail about the survey objectives and purpose of the study. Questionnaires were distributed to the customers and they had been asked to contact the researcher whenever they encountered any difficulty in responding to the questionnaire.

❀ **Analysis of Data :** To arrive at certain conclusions regarding the hypothesis advanced in the present investigation, the following statistical tools for the analysis of data were employed i.e. Descriptive Analysis, Correlation Analysis, ANOVA, T-test. Statistical calculations have been made, making extensive use of Microsoft Excel and SPSS Software Packages on the computer.

LIMITATIONS OF THE STUDY

An attempt has been made to complete the research work in the best manner possible, but still, there are a few obvious limitations.

1) The limitation concerns the nature of the measure used. The measures included in this research were all based upon the perceptions of the participating customers. Therefore, the potential for data inaccuracies due to item misinterpretation or predisposition to certain response on the part of the participant does exist.

2) Responses had been solicited from the customers of telecom providers in Chandigarh, Panchkula and Mohali. Perception of people may vary according to those living in other parts of India.

PROFILE OF THE RESPONDENTS TAKEN FOR THE STUDY

This section of the study deals with the profile of the respondents.

❀ **Customer Profile :** This section, with the results, aims to study whether the average perception of Service quality

and Customer satisfaction vary across various service providers. The data collected was analyzed according to customer usage of various service providers. Table 1 below shows the sample distribution between various service providers as it relates to the customer's age, gender, education, monthly income, occupation and the duration of their relationship with the telecom provider. In the sample, 154 were Airtel customers, 116 BSNL customers, 91 Tata Indicom customers, 132 spice, 86 Reliance customers and 141 were Hutch customers.

Table 1 : Characteristics Of The Sample

	Airtel	BSNL	Tata	Spice	Reliance	Hutch	Total
Less than 25 yrs	55	29	41	59	48	91	323
25-34 yrs	53	33	17	43	13	30	189
35-44 yrs	33	33	18	24	12	16	136
45-54 yrs	7	16	6	3	8	2	42
Above 55 yrs	6	5	9	3	5	2	30
Total	**154**	**116**	**91**	**132**	**86**	**141**	**720**
GENDER							
Male	96	61	54	82	62	100	455
Female	58	55	37	50	24	41	265
Total	**154**	**116**	**91**	**132**	**86**	**141**	**720**
EDUCATION							
Below Secondary	1	1	0	4	5	3	14
Secondary	8	8	1	11	4	3	35
Graduation	57	54	42	47	44	78	322
PG	88	52	48	70	33	57	348
Others	0	1	0	0	0	0	1
Total	**154**	**116**	**91**	**132**	**86**	**141**	**720**
MONTHLY INCOME							
Upto ₹ 5000	39	15	40	51	39	69	253
₹ 5000 to ₹ 10000	16	17	11	19	7	8	78
₹ 10001 to ₹ 15000	66	41	15	35	20	36	213
₹ 15001 to ₹ 20000	24	31	15	12	8	15	105
₹ 20001 to ₹ 25000	5	7	9	5	6	4	36
Above ₹ 25001	4	5	1	10	6	9	35
Total	**154**	**116**	**91**	**132**	**86**	**141**	**720**
TIME PERIOD							
Less than 2 yrs	48	30	33	60	45	70	286
2 to less than 3 yrs	54	35	31	22	18	42	202
3 to less than 4 yrs	24	18	14	25	12	17	110
4 to less than 5 yrs	12	16	6	13	4	6	57
5 yrs above	16	17	7	12	7	6	65
Total	**154**	**116**	**91**	**132**	**86**	**141**	**720**
OCCUPATION							
Business	3	5	12	10	3	5	38
Student	39	12	27	49	43	64	234
Service	85	80	33	49	27	45	319
Others	27	19	9	24	13	27	129
Total	**154**	**116**	**91**	**132**	**86**	**141**	**720**

❀ Service Quality Perception Across Various Service Providers : ANOVA was used to analyze the service quality perception across various service providers. Table 2 shows the result of the analysis, when applying ANOVA analysis on the difference between the mean score across service providers, it was noticed that for fifteen out of twenty three factors, the differences were statistically significant at the 95% level. Level of significance was thus 0.05 or lower for 15 out of 23 items.

The statistical significant difference in service quality perception existed in the following items that related to :

a.	Knowledge about the providers' product.	(p=0.040)
b.	Polite and Courteous nature.	(p=0.034)
c.	Good Work culture.	(P=0.001)
d.	Service provider is sympathetic reassuring and dependable.	(p=0.018)
e.	Visually appealing physical facilities.	(p=0.033)
f.	Visually appealing signs, symbols, advertisement boards and other articrafts.	(p=0.04)
g.	Convenient operating location.	(p=0.003)
h.	Good network coverage and calls are easily connected.	(p=0.000)

Table 2: Service Quality Perception Relating To Service Providers

Items	Airtel	BSNL	Tata	Spice	Reliance	Hutch	Sum of square	P-value
Factor 1 - Assurance								
Knowledge about the providers' product.	3.63	3.47	3.37	3.71	3.62	3.49	2.340	0.40
Polite and courteous staff .	3.69	3.36	3.59	3.68	3.60	3.56	2.428	0.034
Good work culture.	3.55	3.21	3.52	3.36	3.31	3.25	4.055	0.001
Knowledge to answer your questions.	3.31	3.47	3.43	3.52	3.67	3.42	1.932	0.087
Factor 2 - Reliability								
Service Provider is sympathetic, reassuring and dependable.	3.16	3.16	3.46	3.20	3.38	3.05	2.747	0.018
Services as per promised schedule.	3.23	2.99	3.14	3.25	3.05	3.05	1.428	0.212
Factor 3 - Tangibility								
Employees are well dressed.	3.53	3.47	3.45	3.64	3.63	3.65	1.096	0.361
Visually appealing physical facilities.	3.52	3.21	3.41	3.42	3.38	3.55	2.439	0.033
Visually appealing signs, symbols, advertisement boards and other artifacts.	3.80	3.51	3.70	3.39	3.50	3.74	3.503	0.004
Factor 4 - Empathy	3.64	3.38	3.64	3.47	3.45	3.23	3.605	0.003
Convenient operating location.	3.64	3.38	3.64	3.47	3.45	3.23	3.605	0.003
Individual attention.	3.26	2.98	3.16	3.32	3.31	3.20	2.126	0.061
Understanding specific needs of the customer.	3.25	3.09	3.27	3.08	3.35	3.13	1.407	0.219
Factor 5 - Responsiveness								
Prompt and efficient services.	3.38	3.07	3.26	3.29	3.34	3.11	1.960	0.083
Helping nature.	3.36	3.17	3.37	3.40	3.37	3.26	1.158	0.328
Factor 6 - Network quality								
Good Network coverage & calls are easily connected.	3.65	3.19	3.57	3.43	3.51	3.11	5.360	0.000
Good voice clarity.	3.66	3.19	3.45	3.79	3.70	3.43	6.461	0.000
Problem of call drooping.	3.29	2.94	3.24	3.27	3.02	3.06	2.244	0.048
SMS facilities are good & instant delivery of the SMS.	3.77	3.36	3.64	3.70	3.60	3.73	2.463	0.032

Factor 7 - Other factors								
Adequate facility for payment of Bill +	3.79	3.62	3.57	3.90	3.71	3.62	1.9875	0.79
Convenient to get the phone recharged.	3.19	3.35	3.42	3.68	3.15	3.44	3.994	0.001
Billing system accurate.	3.19	3.35	3.42	3.68	3.15	3.44	3.994	0.001
Awareness about the new plans offered by company.	3.08	3.16	3.30	3.18	3.41	3.22	1.506	0.186
Roaming incoming free in your phone.	1.99	1.94	2.69	2.30	2.19	2.13	4.198	0.001
Roaming outgoing facility at local rate.	2.10	2.06	2.99	2.56	2.33	2.40	6.872	0.000

i. Good voice clarity.   (p =0.000)
j. Problem of call dropping   (p=0.048)
k. SMS facilities are good and there is instant delivery of message   (p=0.032)
l. Billing system accurate   (p=0.001)
m. Roaming incoming free and   (p=0.001)
n. Roaming outgoing at local rate   (p=0.000)

Table 3: Customer Satisfaction Across Various Service Providers

Items	Airtel	BSNL	Tata	Spice	Reliance	Hutch	Sum of square	P-value
Considering everything, I am extremely satisfied with the overall dealing with the service provider.	3.34	3.14	3.31	3.47	3.51	3.28	2.509	0.029
The overall service quality provided by service provider is satisfactory .	3.57	3.26	3.48	3.60	3.45	3.39	2.557	0.026
My service provider always meets my expectations.	3.24	2.97	3.52	3.32	3.09	3.10	4.673	0.000
Service provider offers you value for money.	3.30	3.21	3.68	3.47	3.24	3.26	4.148	0.001

❋**Customer Satisfaction Across Various Service Providers:** Table 3 shows the overall customer satisfaction with the various service providers. The statistical difference was found in the items that relate to:-

Overall satisfaction with telecom provider services.   (p=0.029)
Overall service quality is satisfactory.   (p=0.026)
Service provider always meets the expectations.   (p=0.000)
Service provider offers you value for money.   (p=0.001)

A statistically significant difference in service quality perception across service providers was founded in all of the items.

❋ **Hypothesis Testing :** It was noticed that for fifteen out of twenty three factors, the differences were statistically significant at the 95% level. A statistically significant difference in service quality perception across service providers was founded in all of the items.

EMPIRICAL FINDINGS OF THE STUDY

The main findings of the study are the following :

1) The results of the study found that 44.9% of the respondents were less than 25 years, while 26.3% of the respondents were between the age group of 25 to 34 years. 18.9% of the customers were between the age group of 35 - 44 years, while 5.8% of the customers lie in the 45-54 years range. 4.1% of the customers are above 55 years of age. These results indicate that customers, who are in the above 45 age category may be using less mobile as compared to those who are in less age category.

2) An examination of the Gender profile of the respondents indicates that out of those who use mobile connection, 63.2% are male, while 36.8% are female.

3) The findings of the study showed that 39.7% of the respondents had maintained a relationship with the service provider for less than 2 years, 28.1% had used the same connection for a period of 2 to less than 3 years, 15.3% and 7.9% used the same connection for a period of 3 to less than 4 years and 4 to less than 5 years respectively. These results indicate that there was relatively higher degree of instability among the customers. Customers in case of Telecom companies do not maintain a long time relationship with the provider.

4) It was noticed that for fifteen out of twenty three factors, the differences were statistically significant at the 95% level. Level of significance was thus 0.05 or lower for 15 out of 23 items.

5) It has been found that customer's perception of service quality and customer satisfaction differs across service providers.

IMPLICATIONS FOR MANAGERS

❀No study is complete without suggestions. The empirical findings of the present research have also practical implications for telecom managers, who strive to organize their service offering in order to accomplish their corporate goals. Following are some of the suggestions which telecom companies should take into account to enhance service quality so as to induce greater customer satisfaction and to attain higher level of favourable outcome and to alleviate negative outcomes.

❀Due to throat cut competition in the telecom sector, achieving a high level of customer satisfaction may be more like a moving target. Hence, it is important for telecom providers to continually access customer segments and identify the drivers of customer satisfaction so as to retain their profitable customers.

❀Network quality has been found to be a very important factor in determining service quality. So, every telecom provider should give emphasis on improving the Network coverage so that more and more customers can be retained. So, emphasis should be on strong Network Coverage.

❀When discussed with the customers, it was found that they want personalized customer care services. So, telecom companies should concentrate on it. Managers should give emphasis on personalized customer care services.

❀It had been suggested during the survey that telecom operators should provide mobile handsets at a lower rate itself, so managers should take into consideration this thing also.

❀The managers should lay emphasis on developing good customer care centers, and should provide proper training to the staff, so that they can handle the problems of the customers in a better manner.

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