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# A STUDY ON CUSTOMER SATISFACTION WITH REFERENCE TO MOBILE SERVICE PROVIDERS IN HYDERABAD (INDIA)

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**ABSTRACT**
This report is intended to conduct market analysis of telecom companies operating in the Hyderabad in India with the focus on their customer satisfaction. Nowadays customers are more dynamic compared to the previous days, and also their taste needs and preferences change depends upon trend available in the market. How do consumers perceive service quality in Telephone service providers and are they satisfied with the services offered by these providers? By answering these questions, we will attain our objectives which theoretically trying to find out what dimensions of service quality are consumers satisfied within Telephone service providers, and hence finding out the overall perceived service quality and customer satisfaction.

**Keywords:** *Service Quality, Servqual Model, Expectations, Perceptions, Customer Satisfaction.*

**INTRODUCTION**
Customer satisfaction is an important theoretical as well as a practical issue for most marketers and consumer researchers (Churchill and Suprenant, 1982; Moutinho and Goode, 1995; Naser *et al.,* 1999; Piercy, 1994). Customer satisfaction is a major outcome of marketing activity whereby it serves as a link with various stages of consumer buying behavior. For instance, if customers are satisfied with a particular service offering after its use, then they are likely to engage in repeat purchase and try line extensions (East, 1997). Customer satisfaction is widely recognized as a key influence in the formation of consumers' future purchase intentions (Taylor and Baker, 1994). Satisfied customers are also likely to tell others about their favorable experiences and thus engage in positive word of mouth advertising (File and Prince, 1992; Richens, 1983). This positive word of mouth advertising is particularly useful in collectivist Asian cultures like that of Pakistan, where social life is structured in a way to improve social relationships with others in the society (see Hofstede, 1980; Hall and Hall, 1987). Dissatisfied customers, on the other hand, are likely to switch brands and engage in negative word of mouth advertising.

*Literature Review*
The research is based on the 1) theories &2) methods of service quality and service quality evaluation.
*1) The Development of Service Quality Research*
The study of theservice quality and some related issues can be divided intothree stages:
- First stage (1980-1985)
- Second stage (1985-1992)

*2) The Development of Service Quality Evaluation Model Research*
In 1982, Christian Gronroos first raised the concept of customer perceived service quality and total customer perceived service quality model. After then, PZB Group made a more in-depth study on customer perceived service quality. The academic community has been engaged in the research on the service quality evaluation model (Christian, 2002). By far there have been more than 10 types of the evaluation model. The research shows significant in-depth, systematic and integrative, and the model was proposed to dynamic direction.
a) Customer Satisfaction Index
b) Customer expectative service quality model
c) SERVQUAL methodology
d) SERVPERF methodology

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e) Non-Difference methodology
f) Unilateral point of the evaluation model

### Statement of the Problem

The growth of the services market, especially mobile industry is in beginning stage rest compared with the developed world. The country's economy is in the developing stage.   Many Cell phone operators or mobile operators are playing an essential role in fulfilling theneeds of the customers. Nowadays customers are more dynamic compared to the previous days. Their taste needs and preferences change depends upon trend available in the market.   Hence the development of Cellular industry, mainly depends upon Customer Satisfaction.   However, the following questions arise regarding Customer Satisfaction.

1. Whether the Cellular Industry satisfy the Social Responsibility.
2. The expectations of the customers regarding service provided by the Cell Phone Providers
3. Whether the service provided by Cell phone industry is satisfying the customers
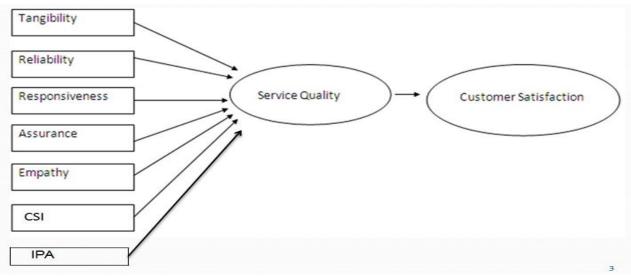4. Are the facilities available adequate to satisfy the customers.



**Figure 1:Research design**

### Purpose of the Study

The purpose of the study is to identify the factors which lead to "Customer satisfaction" in the telephone servicing Industry. The goal of this study is to identify and compare the dimension of customer-perceived service quality in the Indian telephone servicing sector.This paper adopts an innovative view of the quantitative analysis of the service quality of telecommunications enterprises, so as to provide telecommunications companies with the most appropriate solutions for improving their service quality. The outcome helps to better understand the consumer's various specific service requirements in the course of the consumption of the Telecommunications services.

### Significance of the Study

The study of the evaluation and management of telecommunications service quality is relatively backward. Most of the studies are subjected to macro level, such as industrial structure analysis, and they are also staying on the qualitative level lacking in quantitative analysis, which cannot give a guideline to business management.  In this article, the frame of this research is based on the model of SERVQUAL, CSI (Consumer Satisfaction Index) and IPV Model. The thesis introduces a research to improve the Consumer Satisfaction Index and Service of Quality model, let it be more suitable for valuating and improving the telecom industries' service quality on the quantitative level.The Phone has become a part of everyone's life. In this study we try to understand users who are using different services provided by the subscriber.

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## Conceptual Framework

As stipulated by the Servqual model, the statements are divided into two parts, the first part seeks to measure the expectations of customers and the second part seeks to measure their perceptions.There is also a demographic part that provides general information about respondents on age, gender, income, qualification, occupation. This is to enable us get a better understanding of the type respondents and relate it to how they perceive service quality in telephone service providers. We used the Servqual model as the basis for the structured questionnaire because it provides information on our research questions in which we are trying to know how customers perceive service quality in telephone service providers by assessing the difference between the expectation and perception of services experienced by consumers in 4 telephone services.

## Research Objectives

The following objectives are arrived at after are reviewing the past literature related to the problem in question.

1. To study the perceived satisfaction levels of Customers according to their background (demographic) variables, namely gender, age, Income, educational qualifications, Occupation to explore the variations if any.
2. To study the perceived satisfaction levels of Customers, according to the independent variables, Tangibles, Reliability, Responsiveness, Assurance, Empathy, CSI and IPV to explore the variations if any.
3. To compare the satisfaction levels of Customers.
4. To identify the hindering and facilitating factors associated with satisfaction.

## Research Hypotheses

The following Null hypotheses are set to study the satisfaction levels of Customers.

1. Customers do not differ in their perception about satisfaction, according to their personal background variables like gender, age, Income, educational qualifications, Occupation and brand.
2. Customers do not differ in their perception about Satisfaction according to independent variables Tangibles, Reliability, Responsiveness, Assurance, Empathy, CSI and IPV.
3. There is no correlation between satisfaction (dependent variable) and independent variables (Tangibles, Reliability, Responsiveness, Assurance, Empathy, CSI and IPV).
4. There is no significant difference in the perceived satisfaction level of Customers

## Operational Definitions

Tangibility: Appearance of physical facilities, equipment, personnel and written materials.

Reliability: Ability to perform the promised service dependably and accurately.

Responsiveness: Willingness to help customers and provide prompt service.

Assurance: Employee's knowledge and courtesy and their ability to inspire trust and confidence.

Empathy: Caring, individualized attention given to customers.

CSI: customer satisfaction index

IPV: important, performance variables

- Dependent variables:

Reliability, Responsiveness, Assurance, Empathy, Tangible, CSI, IPV

- Independent variable:

Customer satisfaction

## Limitations and Delimitations

### Limitations

- This study is based on the customer satisfaction prevailing But the Customers satisfaction may change according to the time, fashion, Technology, development
- This study is restricted only to the Hyderabad City, The results may be not applicable other areas,Geo-demographic could have a great deal of influence on the customer expectations and perceptions

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*Delimitations*

Telephone service providers will include those of all sizes be it small or big. We are interested in evaluating how consumers perceive service quality in these telephone service providers in general. Even though the size of telephone service provider's matters in choice of telephone service providers, we assume that most of these stores offer similar retailing assistance to their customers. We are focusing solely on telephone service providers and not on retail outlets that offer similar support as telephone services. This study is limited to telephone service provider.

## MATERIALS AND METHODS
### Research Methodology
*Research Design*

As the study attempts to explore the relationships between perceived satisfactions among the Customers, with the personal background variables, it was decided to adopt, descriptive-analytic research design as the most suitable design. This design is most suitable when scores of independent and dependent variables are presented in a descriptive manner. Further, the relationships between independent and dependent variables are analyzed using statistical tools like correlation and regression analysis.

*Study Area*

The present study is carried out at IDEA, VODAFONE, AIRTEL & BSNL of Hyderabad, India and, The population of these cities was 68 lakhs as per the 2011 census. The city also caters to the 2 lakh floating population; recently some surrounding villages have been bought under the Greater Hyderabad Municipal Corporation. Most of the surrounded municipalities' people are migrants from all corners of the Andhra Pradesh.

*Participants*

All respondents were account holders of telephone service providers situated in around in Hyderabad

*Sample Design*

*Sample Size Determination (For Infinite Population)*

**n = {Z2\* (P) \* (1-P)}/ C2**

**Z = 1.96 (For 95% confidence level)**

**P = Percentage of population with a particular choice**

**C = Confidence levels expressed as a decimal**

**Taking 95% confidence level and P = 0.6 (based on the pilot study)**

**N = {1.96\*1.96\*(0.6)\*(1-0.6)} /0.05\*0.05**

**= {3.8416\*0.6\*0.4}/0.0025**

**= 0.921984/0.0025 = 368.79**

**N ≃ 369**

P = Percentage of population who have visited Pantaloons' outlets as one of their choices

P = Visited at least once/Total pilot study respondents = 18/30 = 0.60 = 60%

**Table 1: Sample size**

| Name of service | Geographical location | No of respondents | Total |
|---|---|---|---|
| a. IDEA | a. Hyderabad | 92 | |
| b. BSNL | b. Hyderabad | 92 | |
| c. VODAFONE | c. Hyderabad | 92 | |
| d. AIRTEL | d. Hyderabad | 92 | |
| Total | | | 369 |

*Survey Instrument*

The survey tool used in the present study is the modified SERVQUAL instrument.
SERVQUAL was modified to suit the telephone sector with 29 questions.

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This scale consists of 29 items which were statements rather questions pertaining to the Customer Satisfaction of telephone service providers. They were measured with 5-point (Likert), (where very dissatisfied=1, somewhat dissatisfied=2, neither satisfied nor dissatisfied=3, somewhat satisfied=4, Very satisfied=5).

### Questionnaire

- Customer profile,
- PART A:  SERVQUAL MODEL,
- PART B: CSI MODEL,
- PART C: IPA,

### Data Collection

The primary data were collected from the customers of telephone services. All categories of customers were taken from Hyderabad. The secondary data has been collected from Journals, Articles, Books, Doctoral Thesis, Magazines of Indian and Foreign origin, from the last ten years.

A pilot study was carried out taking 30 respondents. The purpose of this study was to check the consistency of the scales incorporated in this study. Further, to check for the item analyses of the scales included. Having ensured the reliabilities of the scales used in the pilot study, the questionnaire was slightly modified to suit to the main study.  Data collected were collected during a three month period, 2014.

### RESULTS AND DISCUSSION

#### Discussion

##### Data Processing and Analysis

The questionnaires collected from the respondents were examined for the completeness in all manners. Later a code book was prepared in order to enter the data in the statistical package for social sciences (SPSS v 20). The data were processed using the same statistical package. Firstly, frequency tables were prepared for the personal background variables, which include gender, age, Income, educational qualifications, Occupation. Secondly, means and standard deviations were computed for the independent and dependent variables in order to present the results pertaining to the perceived Customer Satisfaction. Correlation, Regression and ANOVA test were conducted for testing the relationship.

##### Profile of the Respondents

The demographic variables used in the research were age, gender, educational level, occupation, and income, demography is the statistical study of living populations.

##### The Relationship between Demographic Variables and Perceived Customer Satisfaction

##### ANOVA Analysis

It was hypothesized that "Customers do not differ in their perception about satisfaction, according to their personal background variables like "gender, age, Income, educational qualifications, occupation and brand name of their telephone services". In order to test this null hypothesis, means and standard deviations were computed for the dimensions of the customer satisfaction perceived by the telephone customers. Further, to know whether there is any significant variation in their mean scores, F values were computed.

**Table 2: Relationship between Demographic variables and Perceived Customer satisfaction**

**ANOVA ANALYSIS**

| Demographic variables | Significance | Remarks  LOS=5% | Conclusion |
|---|---|---|---|
| Gender | .144 | N-Sig. | Accepted. |
| Age | .111 | N-Sig | Accepted |
| Income | .362 | N-Sig. | Accepted. |
| Qualifications | .018 | Sig. | Rejected. |
| Occupation | .016 | Sig. | Rejected. |
| BRAND | .000 | Sig. | Rejected |

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### *Relationship between Independent Variables and Customer Satisfaction*

In this part, an attempt has been made to present the perceived satisfaction levels as reported by customers.

In this, customer satisfaction is assessed based on independent dimensions, namely Tangibility, Reliability, Responsiveness, Assurance, Empathy, CSI and IPV.

Scores on these independent variables have been classified into Low, medium and High responses, i.e. Highly dissatisfied and somewhat dissatisfied come under low score, Highly satisfied and somewhat satisfied come under High score and neither satisfied nor dissatisfied comes under medium score.

It was hypothesized that "Customers do not differ in their perception about customer satisfaction, according to independent variables, namely Tangibility, Reliability, Responsiveness, Assurance, Empathy, CSI and IPV."

In order to test this null hypothesis and to find the contribution of these independent variables to the perceived customer satisfaction, means and standard deviations were computed for the dimensions of the customer satisfaction perceived by the customers.

Further, to know whether there is any significant variation in their mean scores, F values were computed.

**Table 3: Relationship between independent variables and customer satisfaction**

**ANOVA ANALYSIS**

| Independent-variables | Significance | Remarks LOS=5% | Conclusion |
|---|---|---|---|
| Tangibility | .000 | Sig | Rejected |
| Reliability | .000 | Sig | Rejected |
| Responsiveness | .000 | Sig | Rejected |
| Assurance | .000 | Sig. | Rejected |
| Empathy | .000 | Sig | Rejected |
| CSI | .000 | Sig | Rejected |
| IPV | .000 | Sig | Rejected |

### *Correlation between Independent Variables and Perceived Customer Satisfaction*

In this part an attempt has been made to test another hypothesis of the study. It was hypothesized that "there is no positive and significant correlation between perceived customer satisfaction and the independent variables Tangibility, Reliability, Responsiveness, Assurance, Empathy, CSI and IPV of customers". Thus, to test the hypothesis, Pearson's correlation coefficients analysis among the study variables was computed.

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**Table 4: Correlation between Independent variables and perceived customer satisfaction**

**Correlations**

| | | Caustomer satisfaction | Age in year | Gender group | Occupation | Highest qualification | Income | Brand of telephone service |
|---|---|---|---|---|---|---|---|---|
| **Caustomer satisfaction** | Pearson Correlation | 1 | .025 | .088 | .081 | .125[*] | .038 | .149[**] |
| | Sig. (2-tailed) | | .628 | .090 | .120 | .016 | .464 | .004 |
| | N | 369 | 369 | 369 | 369 | 369 | 369 | 369 |
| **age in year** | Pearson Correlation | .025 | 1 | .100 | .006 | .233[**] | .228[**] | .006 |
| | Sig. (2-tailed) | .628 | | .056 | .911 | .000 | .000 | .908 |
| | N | 369 | | 369 | 369 | 369 | 369 | 369 |
| **gender group** | Pearson Correlation | .088 | .100 | 1 | .158[**] | .034 | -.059 | .003 |
| | Sig. (2-tailed) | .090 | .056 | | .002 | .512 | .256 | .951 |
| | N | 369 | 369 | 369 | 369 | 369 | 369 | 369 |
| **Occupation** | Pearson Correlation | .081 | .006 | .158[**] | 1 | -.023 | -.013 | .042 |
| | Sig. (2-tailed) | .120 | .911 | .002 | | .666 | .799 | .418 |
| | N | 369 | 369 | 369 | 369 | 369 | 369 | 369 |
| **highest qualification** | Pearson Correlation | .125[*] | .233[**] | .034 | -.023 | 1 | .248[**] | -.008 |
| | Sig. (2-tailed) | .016 | .000 | .512 | .666 | | .000 | .876 |
| | N | 369 | 369 | 369 | 369 | 369 | 369 | 369 |
| **Income** | Pearson Correlation | .038 | .228[**] | -.059 | -.013 | .248[**] | 1 | .022 |
| | Sig. (2-tailed) | .464 | .000 | .256 | .799 | .000 | | .667 |
| | N | 369 | 369 | 369 | 369 | 369 | 369 | 369 |
| **brand of telephone service** | Pearson Correlation | .149[**] | .006 | .003 | .042 | -.008 | .022 | 1 |
| | Sig. (2-tailed) | .004 | .908 | .951 | .418 | .876 | .667 | |
| | N | 369 | 369 | 369 | 369 | 369 | 369 | 369 |

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

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## Multiple Regression Analysis Approach

In this way, the predictive power of independent variables can be obtained for the dependent variable. Initially, a simultaneous solution was performed in which all independent variables were entered at the same time. This allows a determination of the relative power of each independent variable among a set of them.

**Table 5: Multiple regression analysis approach**

**Coefficients**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| * | (Constant) | .858 | .087 | | 9.825 | .000 |
| | TANGIBLE | .125 | .021 | .195 | 5.981 | .000 |
| | RILIABLE | .167 | .027 | .221 | 6.198 | .000 |
| | RESPONSIVNESS | .150 | .017 | .307 | 8.834 | .000 |
| | ASSURANCE | .132 | .029 | .175 | 4.619 | .000 |
| | EMPATHY | .159 | .016 | .310 | 9.653 | .000 |
| 1 | SERVQUAL | .736 | .026 | .825 | 27.933 | .000 |
| 2 | CSI | .687 | .023 | .841 | 29.821 | .000 |
| 3 | IPV | .711 | .022 | .862 | 32.624 | .000 |

*a. Dependent Variable: CAUSTOMER SATISFACTION*

## Conclusion

- The results of this study did not confirm the assumption that there is no significant difference among Customers of Telephone service with respect to customer satisfaction,
- When the Customers of Telephone services were compared on the demographic variables, nearly all the customers differed significantly on their satisfaction (except age, gender and income).
- Similarly when customers of Telephone services are compared on independent variables, all the customers differed significantly on all independent variables.
- The results also revealed that there is a significant and positive correlation between independent variables and satisfaction
- The critical factors for mobile service providers are:

Price, Service tariff, Making complaint to company's service , Service attitude , Degree of understanding of service , Coverage rate of business hall, Phone call quality , Charging level, Accurate and transparent billing , Network signal , Quality of telecommunication, the possession of required skill and knowledge of business, Feeling of charge of telecommunication.

- Since many factors can impact on customer satisfaction or dissatisfaction, the enterprises should choose representative of the main factors as evaluation of projects.

## Suggestions

- Employees and Branch managers should be made to undergo basic management training to serve the customers professionally (empathy).
- Improve the existing system of grievance addressee mechanism for expeditious resolution of complaints.(csi)
- The internal management system of the nationalized Telephone services is to be toned up (assurance)
- Improve the existing system of grievance addressee mechanism for expeditious resolution of complaints.(csi)
- The operational efficiency of the Telephone service providers is to be improved through modern technology systems and better staff management. (Responsiveness)
- The internal management system of the nationalized Telephone services is to be toned up (assurance)

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