

Customer Perception towards Service Quality in Indian Telecommunication Industry

¹ Ms .Meena Suguanthi.G , ²Dr.R.Shanthi

¹Research Scholar, Department of management, Kaamadhenu Arts & Science College, Sathyamangalam, India.

²Assistant Professor, Department of management, Kaamadhenu Arts & Science College, Sathyamangalam, India.

Abstract: Customers are the hearts of any industry. Telecommunication being a service oriented industry always puts priority to find ways of making customers happy and satisfied. Sensing this importance, this study was conducted to determine what makes customers perception towards service quality of Telecommunication Industry. Researchers confined the study within sathyamanagalam, in tamil nadu. A structured questionnaire developed based on previous works was distributed among 100 customers who were selected conveniently for the study. A customer perception model was developed including variables taken from the extensive review of previous literature. Those variables are responsiveness, reliability, assurance, tangibility, empathy, perceived network quality. Model was tested using SPSS, statistical software package, and found personal and market factor, perceived quality, perceived value and company image statistically significant.

Keywords: Telecommunication Industry, Customer perception, service quality.

I. INTRODUCTION

This is the era of globalization- age of competition. Not only for the success but for the existence, companies are always struggling here. In this battle for survival, companies are now more concerned about their customers than the shareholders. Moreover, rather than getting new customers, retaining old one satisfied and with the company for long time has been a much greater challenge. On the other hand, competition is not same in all industries. There are only a few industries like telecom industry that is recently undergoing such a fierce competition all over the world. Everyday more and more people are using telecom services in diverse ways but number of service providers are also growing and they are coming up with innovative ideas to make the competition even bitter (Malik et al., 2012). Telecom industry is now of a paramount importance in developing countries with emerging markets (Arokiasamy & Abdullah, 2013). India is such a lucrative market for telecom service providers. Indian Telecom Industry is the fastest growing and 5th largest in the world at 110.01 million connections. The subscriber base has grown by 40% in 2013 and has reached the expectations of 250 million in 2016. They are not using mobiles just to make calls rather to use it for multiple value added services like messaging, video-calling, entertainment, financial services, healthcare services, e-commerce and internet browsing. Telecom industry is hugely influencing the growth prospect of India and the government of this country is also encouraging the augmentation of this industry. Mobile is not a device of luxury to the people of India today, it is a necessity. Therefore, it has become very challenging but opportunistic for the operators of this industry to acquire and retain customers.

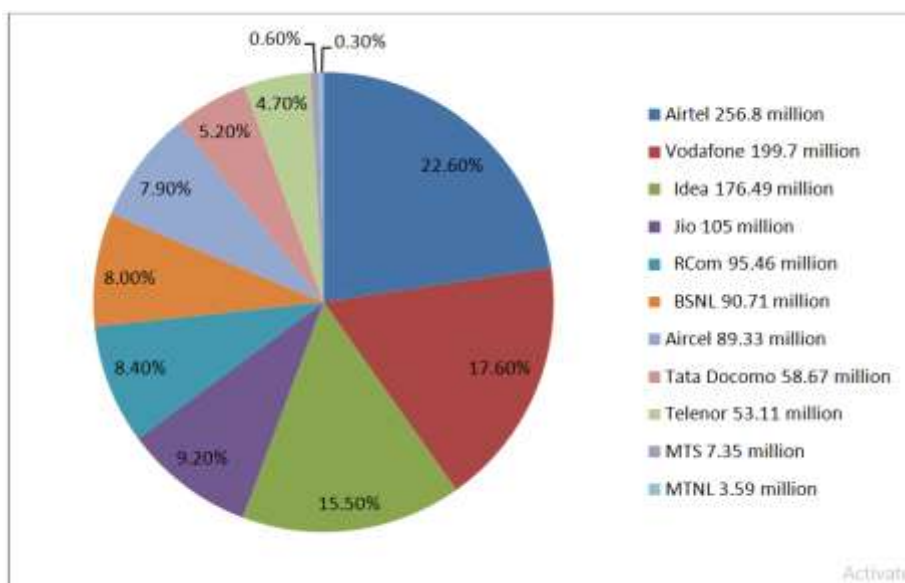
It is well known fact that success of a service provider depends on the long term relationship with customers which is determined by customer satisfaction and loyalty (Mosahab, et al., 2010). It is also well Established by worldwide researches that higher service quality results in customer's satisfaction and loyalty, greater willingness to recommend to someone else, reduction in complaints and improved customer retention rates (Danaker, 1997, Magi and Julander, 1996 & Levesque and McDongall, 1996 cited in Dhandabani, 2010). It in turn results increase in sales, profit and market share, enhancement of corporate image and thereby leads the organization toward superior performance and sustainable competitive advantages (Mosahab, et al., 2010). Therefore, customer perception has gained considerable attention and interest and has achieved the centrality in marketing activities. Companies are developing different strategies in order to establish long term profitable relationship with customers by ensuring customer satisfaction. Being on the flames of rivalry telecom service providers are also trying to employ their best strategies to attract, satisfy and retain the customers to survive in long run (Hanif et al., 2010 & Nimako, 2012). This study is intended to investigate the level of customer perception in the telecom industry of India.

II. BACKGROUND OF TELECOM INDUSTRY IN INDIA:

India's telecommunication network is the second largest in the world by number of telephone users (both fixed and mobile phone) with 1.053 billion subscribers as on 31 August 2016. It has one of the lowest call tariffs in the world enabled by mega telecom operators and hyper-competition among them. India has the world's

second-largest Internet user-base. As on 31 March 2016, there were 342.65 million internet subscribers in the country. Major sectors of the Indian telecommunication industry are telephone, internet and television broadcast Industry in the country which is in an ongoing process of transforming into next generation network, employs an extensive system of modern network elements such as digital telephone exchanges, mobile switching centres, media gateways and signalling gateways at the core, interconnected by a wide variety of transmission systems using fibre-optics or Microwave radio relay networks. The access network, which connects the subscriber to the core, is highly diversified with different copper-pair, optic-fibre and wireless technologies. DTH, a relatively new broadcasting technology has attained significant popularity in the Television segment. The introduction of private FM has given a fillip to the radio broadcasting in India. Telecommunication in India has greatly been supported by the INSAT system of the country, one of the largest domestic satellite systems in the world. India possesses a diversified communications system, which links all parts of the country by telephone, Internet, radio, television and satellite

Indian telecom industry underwent a high pace of market liberalisation and growth since the 1990s and now has become the world's most competitive and one of the fastest growing telecom markets. The Industry has grown over twenty times in just ten years, from under 37 million subscribers in the year 2001 to over 846 million subscribers in the year 2011. India has the world's second-largest mobile phone user base with over 929.37 million users as of May 2010. It has the world's second-largest Internet user-base with over 300 million as of June 2015. Telecommunication has supported the socioeconomic development of India and has played a significant role to narrow down the rural-urban digital divide to some extent. It also has helped to increase the transparency of governance with the introduction of e-governance in India. The government has pragmatically used modern telecommunication facilities to deliver mass education programmes for the rural folk of India



III. LITERATURE REVIEW:

Over the time, in different research, it has been found that there is a significant positive relationship between customer satisfaction and customer loyalty or retention (Kheng et al., 2010). In fact, customer satisfaction has been perceived as a key determinant behind the customer's decision to leave or stay with an organization (Thakur, 2011). By definition, customer satisfaction is the "customer's fulfillment response" (Rust and Oliver, 1994). It is a personal feeling of either pleasure or disappointment resulting from the evaluation as well as an emotion-based response to a service (Dhandabani, 2010 & Loke et al., 2011). This evaluation comes from the comparison of expected services with the services actually received by the customer (Oliver, 1980; Leisen and Vance, 2001 cited in Loke et al., 2011).

One of the mostly important and targeted outcomes of marketing activities of any service provider is customer satisfaction (Siddiqi, 2011). Companies place higher priority on customer satisfaction, because it influences customer's desires for future purchase (Mittal & Kamakura, 2001) and their tendency to say affirmative or negative words about the service to others. Satisfied customers are expected to make repeat purchases, to pay frequent visits, to participate in positive word of mouth advertising and display less switching tendency or to show ultimate loyalty (Mosahab et al., 2010). On the other hand, dissatisfied customers will show up with the opposite actions like complaining, switching and also spreading negative experience with the service providing company. Therefore, keeping customers satisfied has become prerequisite to not only customer

retention but also to protect the company image. Customer satisfaction can be conceptualized as either transaction-specific satisfaction or cumulative satisfaction (Boulding, et al., 1993). Again, satisfaction can be related to attribute-specific and overall performance (Nimako, 2012).

In the competitive telecommunication industry, customer satisfaction is considered as the key to success (Siddiqi, 2011) However, customer satisfaction is not static in nature. Companies can't feel safe with their presently "appeared to be satisfied customers". Rather companies need to know how to keep their customers consistently satisfied because satisfied customers may look for better services elsewhere. Again, some customers may not switch because of the unavailability of better service to other service providers but actually they are not those of the satisfied customers (Thakur, 2011). Generally, level of satisfaction increases when customers receive maximum usage and profit for minimum price paid (Jamal and Kamal, 2002 cited in Afsar et al., 2010). Silva and Yapa (2009) conducted an explanatory study to identify the attributes corporate customers consider relevant in deciding whether to retain with the current service provider or to migrate or switch completely.

The research found that the common belief of price or the low cost being the most important factor that determines the customer loyalty did not work here, rather the most important factor for all the groups was value addition to the customer. It was also found that the relative importance of the determinants was different to different user groups. Almosawi (2012) conducted a study to investigate the importance, determinants, and consequences of customer satisfaction in the mobile telecom industry in Bahrain. The study found insignificant association between customer satisfaction and loyalty as 88% of the mobile users declared that they would switch if they get a better offer which indicates lack of loyalty. Again the study also revealed trivial relationship of customer retention and loyalty because 86% of who claimed that they will remain with their current providers said that they would switch for a better offer.

Khan and Afsheen (2012) believe that most unhappy customers are the greatest source of learning and attempted to investigate mostly crucial factors that can influence customer satisfaction in Telecom industry of Pakistan. The study found that many factors have impact on customer satisfaction, but price fairness (mostly important), coverage (secondly important) and customer services (thirdly important) were three major factors which can highly affect the customer satisfaction. Kim et al. (2004) conducted a study to determine the effects of customer satisfaction and the switching barrier on customer loyalty and the structural relationship between these factors in the Korean mobile telecommunication services industry. The study found that higher levels of call quality, value-added services, and customer support were associated with higher levels of customer satisfaction while higher level of the pricing structure, mobile device and convenience in procedures didn't affect customer satisfaction. Nimako (2012) examined the effects of service quality on customer satisfaction and behavioral intention in mobile telecommunication industry applying structured equation modeling techniques. This study identified that Tangibles, Customer Relations, Real Network Quality and Image quality aspects of service quality positively affect customer satisfaction, which in turn affects behavior intention in Ghana's mobile telecom industry. The findings further show a strong relationship between service quality, satisfaction and behavior intention and that service quality and satisfaction.

Oyeniya and Joachim (2012) worked on the mobile phone users in Nigeria to identify relationships of customer service on customer retention. They investigated intention from various point of views like customer service, satisfaction, value and behavioral intention. This study had shown a strong relationship between customers' perceived quality level and customer satisfaction. It is also revealed from the study that customers' retention is ensured when customers believe that they are offered effective and high quality services.

Al-Zoubi (2013) investigated the effect of SERVQUAL model on customer loyalty among Jordanian telecommunication sector. They assessed the effect of this model based on the application of regression model. The study found a strong and positive correlation between SERVQUAL model and customer loyalty in telecommunication industry. They concluded that this model has significant impact on the customer loyalty. Haridasan and Venkatesh (2011) intended to analyze the extent to which Indian telecom companies are practicing customer relationship management (CRM) effectively and its impact on service quality of the practicing companies and therefore on customer loyalty. The study found that two providers were fully efficient and other service providers need to analyze the input and output parameters of the efficient frontiers to identify their weaker areas and take appropriate steps to correct those areas so that they can improve their performance and reach the efficient frontier. Loke et al. (2011) attempted to highlight the service quality and customer satisfaction of a telecommunication service provider in Malaysia. They examined the impacts of reliability, responsiveness, assurance, empathy and tangible aspects on customer satisfaction. This study found that reliability, responsiveness, assurance and empathy significantly positively influenced customer attitudes in terms of satisfaction and loyalty. Moreover, a significant gap between the perceived satisfaction and importance on all of the service quality dimensions was also found.

Kabir et al. (2009) looked for the factors determining the customer satisfaction and loyalty of mobile telecommunication industry in Bangladesh. They strived to identify the relationship between service quality and customer satisfaction along with service quality, switching cost and trust with customer loyalty collecting data about the perceptions of 300 pre-paid mobile subscribers of Grameen Phone, Banglalink and Aktel. The study found the existence of significant linear relationship between service quality and customer satisfaction. It has also identified that service quality, switching cost, and trust are significant predictors of customer loyalty. Among other factors, trust has been found to be the most significant predictor of customer loyalty. Malik et al. (2013) analyzed the impact of brand image, service quality and price on customer satisfaction in Pakistan telecommunication sector. This study found brand image, service quality and price to be correlated to customer satisfaction. Among these, there was negative correlation of customer satisfaction with price but positive correlation with brand image and service quality. Ojo (2010) investigated the relationship between service quality and customer satisfaction in the Nigerian telecommunication industry. The study revealed a positive relationship between service quality and customer satisfaction. It also recommended that organizations should focus more attention on service quality.

Ahn et al. (2006) searched for the determinants of customer churn in the Korean mobile telecommunications service market. Results have indicated that call quality-related factors and customer's participation in membership card programs as the determinants. However, changes in customer's status have found to explain the relationship between churn determinants and the probability of churn. Ocloo & Tsetse (2013) has undertaken a study to find out the relationship between quality service and customer retention and between customer satisfaction and retention in Ghanaian mobile telecommunication industry. The study revealed a relationship between quality service and satisfaction while customer satisfaction has been found to influence customer retention in large extent.

Using SERVQUAL model, GAP analysis, regression and t-test, Arokiasamy & Abdullah (2013) studied on service quality and customer satisfaction in the cellular telecommunication service provider in Malaysia. From this study they found that all service quality dimensions of SERVQUAL model positively influenced customer satisfaction in terms of loyalty and attitudes, while there was a significant gap between the perceived satisfaction and expectation on all of these service quality dimensions. Hossain & Suchy (2013) explored the influence of customer satisfaction on customer loyalty in the context telecommunication industry of Bangladesh. This study focused on six factors- communication, price structure, value-added service, convenience, sales-promotions and customer service and the result indicated that except for sales-promotion, all other five factors have positive correlations with customer loyalty. Shafiq et al. (no date) evaluated the hotels' service quality through customer satisfaction in Pakistan. Adopting SERVPERF tool this study found that among the five dimensions of SERVPERF, tangible and empathy dimensions are more influential in Pakistan and therefore needed to be focused more by the hotel service providers.

Turela and Serenko (2006) performed an empirical investigation of 210 young adult cellular subscribers in Canada to examine the antecedents of customer satisfaction and loyalty. Adapting the American Customer Satisfaction Model this study offered insights for service providers, policymakers and subscribers. Also it formed the foundation for future benchmarking of the performance of wireless network operators in terms of user satisfaction and loyalty.

Research question

This study has been designed to find answer of what influences customer perception about service quality in telecommunication industry.

IV. METHODOLOGY

This study was conducted based on the opinions of customers. All subscribers of mobile operators active in sathyamanglam area were the population of this study. A convenience sampling method was applied to select intended number of respondents as sample from the population. Initially a hundred subscribers were targeted and interviewed in Kamadehenu College of arts and science college sathyamangalam to ensure reliability of data collection. A total of 100 respondents were interviewed with structured questionnaires. A structured questionnaire was generated based on previous study with seven point likert scale. This study has tested with correlation technique to find the answer of research questions. Statistical software package SPSS was used for data analysis.

Theoretical Setting of the Model

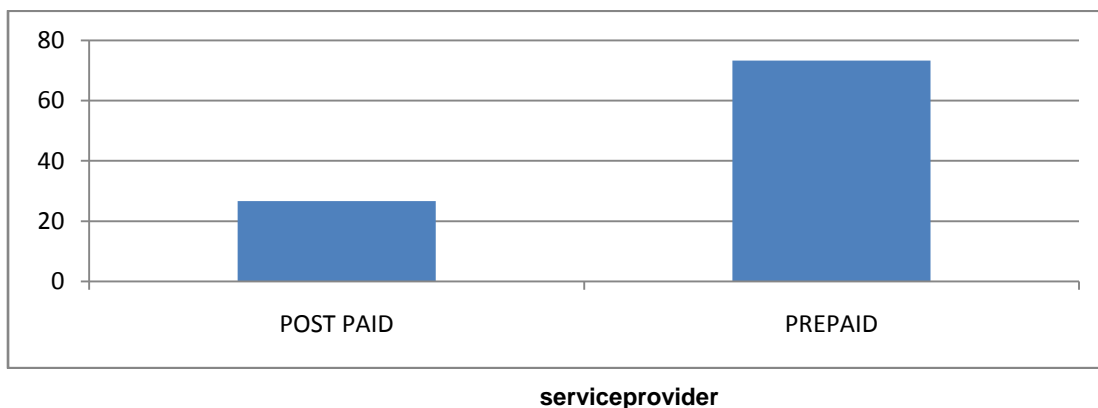
Variables selected in this study from the substantial review of the previous studies. The variables are responsiveness, reliability, empathy, assurance, tangibility, perceived network quality, age, income, profession, connections.



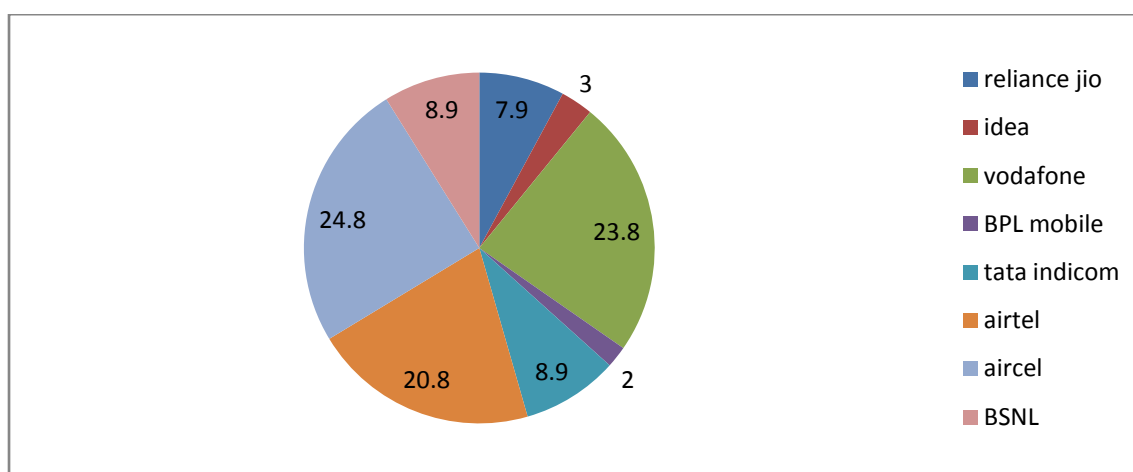
Findings and Empirical Analysis

connection

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid postpaid	27	26.7	26.7	26.7
Valid prepaid	74	73.3	73.3	100.0
Total	101	100.0	100.0	



	Frequency	Percent	Valid Percent	Cumulative Percent
reliance jio	8	7.9	7.9	7.9
idea	3	3.0	3.0	10.9
vodafone	24	23.8	23.8	34.7
BPL mobile	2	2.0	2.0	36.6
Valid tata indicom	9	8.9	8.9	45.5
airtel	21	20.8	20.8	66.3
aircel	25	24.8	24.8	91.1
BSNL	9	8.9	8.9	100.0
Total	101	100.0	100.0	



Percentage analysis indicates that there are highest number of prepaid subscribers than post paid , Vodafone , airtel and aircel are having highest number of subscribers

Some of the close relationship found between the variable like assurance with tangibility, responsiveness with assurance, tangibility and empathy, closeness with assurance and tangibility indicate Retailer network of service provider is easily located, Service provider's physical facilities are visually appealing, Contact employees appear neat, Materials associated with the service (such as pamphlets etc.,) are visually appealing. Sufficient geographical coverage, minimum premature termination of calls during conversation, clear and undisturbed voice, and call gets connected to the called person during first attempt most of the time, able to make calls at the peak hours

Another highest factors which determines the customer perception are Contact employees perform the service right the first time, Provides the services at the promised time , employees are kept well-informed about the progress of the complaints ,Billing system is accurate and error free , Bills are received in time

Correlations

		reliability	alresposiveness	allass	allempathy	alftangibility	alperceivednetworkuality
reliability	Pearson Correlation	1	.331**	.513**	.241*	.338**	.362**
	Sig. (2-tailed)		.001	.000	.015	.001	.000
	N	101	101	101	101	101	101
alresposiveness	Pearson Correlation	.331**	1	.442**	.485**	.459**	.367**
	Sig. (2-tailed)	.001		.000	.000	.000	.000
	N	101	101	101	101	101	101
allass	Pearson Correlation	.513**	.442**	1	.494**	.532**	.378**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	101	101	101	101	101	101
allempathy	Pearson Correlation	.241*	.485**	.494**	1	.382**	.349**
	Sig. (2-tailed)	.015	.000	.000		.000	.000
	N	101	101	101	101	101	101
alftangibility	Pearson Correlation	.338**	.459**	.532**	.382**	1	.259**
	Sig. (2-tailed)	.001	.000	.000	.000		.009
	N	101	101	101	101	101	101
alperceivednetworkuality	Pearson Correlation	.362**	.367**	.378**	.349**	.259**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.009	
	N	101	101	101	101	101	101

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

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

V. CONCLUSION

This study was designed to figure out what determine perceptions of customers in Telecommunication Industry taking data from sathyamangalam. A causal model was developed and implemented collecting data from the customers. This study has found variables are positively related with customer perception .various factors from different dimensions has positive influence on the customer perception, factors like resolving complaints , behavior of employees , fulfilling specific needs , location of retail shops physical facilities and material associated , call connection during peak hours are give highest priority by the customers. It seem to be like telecommunication industry is tae only a baby steps in delivering service quality when compared to offering value-added services . These are the areas where tremendous improvement is required, investing in manpower and physical facilities are to be made in future, if the companies want s to withstand the competition in future. customer services provided by the companies have found not to be that much influential to the customers. Findings of these aspects in this study have a great importance to the overall success of the telecom service providers in India. It is because; by concentrating on the specific aspects that positively influence customer satisfaction, companies can attract new customers, retain the existing ones and make them loyal. Besides, they can save costs and efforts by not focusing much on less important one. As the research have found that market factors with perceived quality have a great impact on customer satisfaction, companies should try to improve their service quality and develop new services to augment customer's satisfaction. Moreover, companies should spot the light to the value addition to different customer segments in their marketing and advertising strategies. Moreover, the telecom service providers should be more concerned about their product's or service's image and the overall company image.

REFERENCES

- [1] Afsar, B., Rehman, Z. U., Qureshi, J. A. & Shahjehan, A. (2010) Determinants of customer loyalty in the banking sector: The case of Pakistan. *African Journal of Business Management*, 4 (6), pp. 1040-1047.
- [2] Ahn, J., Han, S. and Lee, Y. (2006) Customer churn analysis: Churn determinants and mediation effects of partial defection in the Korean mobile telecommunications service industry. *Elsevier Telecommunications Policy*. 30 (2006), pp. 552–568.
- [3] Almossawi, M. M. (2012) Customer Satisfaction in the Mobile Telecom Industry in Bahrain: Antecedents and Consequences. *International Journal of Marketing Studies*, 4 (6), pp.139-156.
- [4] Al-Zoubi, M. R. (2013) Service Quality Effects on Customer Loyalty among the Jordanian Telecom Sector "Empirical Study". *International Journal of Business and Management*, 8 (7), pp. 35-45.
- [5] Arokiasamy, A. R. A. and Abdullah, A. G. (2013) Service Quality and Customer Satisfaction in the Cellular Telecommunication Service Provider in Malaysia. *International Refereed Research Journal*, 4 (2), pp. 9.
- [6] Boulding, W., Ajay, K., Richard, S. and Valarie, A. Z. (1993) A Dynamic Model of Service Quality: From Expectations to Behavioral Intentions, *Journal of Marketing Research*, 30 (2), pp. 7–27.
- [7] Danaker, P. J. (1997) Using Conjust Analysis to Determine the Relative Importance of Service Attributes measured in Customer Satisfaction Surveys. *Journal of Retailing*, 2, pp. 235-260. Cited in: Dhandabani,
- [8] S. (2010) Linkage between service quality and customers loyalty in commercial banks. *International Journal of Management & Strategy*, 1 (1), pp. 1-22.
- [9] Dhandabani, S. (2010) Linkage between service quality and customers loyalty in commercial banks. *International Journal of Management & Strategy*, 1 (1), pp.1-22.
- [10] Evans, P. (2013) Bangladesh - Telecoms, Mobile, Broadband and Forecasts [online]. Budde.com. Available from: <http://www.budde.com.au/Research/Bangladesh-Telecoms-Mobile-Broadband-and-Forecasts.html?r=51> [accessed 19 April 2014].
- [11] Hossain, M. M. and Suchy, N. J. (2013) Influence of Customer Satisfaction on Loyalty: A Study on Mobile Telecommunication Industry. *Journal of Social Sciences*, 9 (2), pp. 73-80.
- [12] Jamal, A. and Kamal, N. (2002) Customer satisfaction and retail banking: an assessment of some of the key antecedents of customer satisfaction in retail banking. *International Journal of Bank Marketing*, 20 (4), pp. 146-160. Cited in: Afsar, B., Rehman, Z. U., Qureshi, J. A. & Shahjehan, A. (2010) Determinants of customer loyalty in the banking sector: The case of Pakistan. *African Journal of Business Management*, 4 (6), pp. 1040-1047.
- [13] Kabir, M. R., Alam, M. M. D. and Alam, Z. (2009) Factors determining the Customer Satisfaction & Loyalty: A Study of Mobile Telecommunication Industry in Bangladesh. *ASA University Review*, 3 (2), pp. 147-156
- [14] Khan, S. and Afsheen, S. (2012) Determinants of Customer Satisfaction in Telecom Industry A Study of Telecom industry Peshawar KPK Pakistan. *Journal of Basic and Applied Scientific Research*, 2 (12), pp.12833-12840.
- [15] Kheng, L. L., Mahamad, O., Ramayah, T. and Mosahab, R. (2010) The Impact of Service Quality on Customer Loyalty: A Study of Banks in Penang, Malaysia. *International Journal of Marketing Studies*, 2 (2), pp. 57-66.
- [16] Kim, M., Park, M. and Jeong, D. (2004) The effects of customer satisfaction and switching barrier on customer loyalty in Korean mobile telecommunication services. *Telecommunications Policy*, 28 (2004), pp.145–159.
- [17] Leisen, B. and Vance, C. (2001) Cross-national Assessment of Service Quality in Telecommunication. *Journal of Marketing*. 11 (5), pp. 307-317. Cited in: Loke, S., Taiwo, A. A., Salim, H. M. and Downe, A. G.
- [18] (2011) Service Quality and Customer Satisfaction in a Telecommunication Service Provider. Singapore: International Conference on Financial Management and Economics, IPEDR. 11 (2011), pp. 24-29.
- [19] Levesque, T. and Mc Dougall, G. H. G. (1996) Determinants of Customer Satisfaction in Retail Banking.
- [20] *International Bank Marketing*, 7, pp. 12-20. Cited in: Dhandabani, S. (2010) Linkage between service quality and customers loyalty in commercial banks. *International Journal of Management & Strategy*, 1 (1), pp. 1-22.