

A STUDY ON CUSTOMER SATISFACTION INDEX OF MOBILE PHONE SUBSCRIBERS IN KERALA

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Abstract *This study gives a breakthrough into the magnitude of the importance of customer service and the network coverage of the service providers within the mobile telecommunication industry. This study mainly concentrates on the six popular mobile service networks in Kerala. i.e., BSNL, Airtel, Vodafone, Tata DOCOMO, Idea, and Reliance.*

This study uses Berry's SERVQUAL model to analyze the quality of the service provided by the mobile service providers. The study concludes that there is significant evidence to illustrate the relationship between customer satisfaction and the services that the subscribers perceive from the service provider.

Keywords: *SERVQUAL, Rater Model, Reliability, Assurance, Tangibility, Empathy and Responsiveness*

INTRODUCTION

India has the second largest and fastest growing mobile telephone market in the world (www.trai.gov.in). The mobile phone communication became a boon to many vocational industries. One such example is the success story in the Kerala's fisheries sector. The espousal of mobile phones by fishermen and traders was associated with an astonishing reduction in price diffusion, the entire elimination of waste, and embracing the economic principle of the Law of One Price. This episode is indeed presenting us with the significance of mobile phone and its reach in the uplift of the economic development of one of the main occupational sectors in Kerala. Thus it became all the more important to learn about customer satisfaction of mobile phone subscribers who rely on various mobile phone network service providers.

In today's dynamic technological outburst consumers are provided with a plethora of alternatives. In this epoch, marketers have an enormous challenge of retaining their existing customers as well as recruiting new clients.

The services sector contributes the most to the Indian GDP. The growth rate of the services sector in Indian GDP has risen due to several reasons and it has also given a major boost to the Indian economy. This is due to the fact that India has a large pool of highly skilled, low cost, and educated

workers in the country. The sector of services in India has the biggest share in the country's GDP for it accounts for around 59% in 2012. (http://planningcommission.nic.in/data/datatable/0904/tab_5.pdf)

The uniqueness of the product/service provided by any service provider is the quality of the service that they offer to their customers. This study uses Berry's SERVQUAL model to analyze the quality of the service provided with in the mobile telecommunication industry.

The study concludes with the comparative analysis of the customer ratings for the services provided by the major mobile phone service providers in Kerala. This is carried out based on the RATER scale provided by SERVQUAL model. Customer satisfaction is one of the main factors which influence customer retention as well as customer recruitment.

OBJECTIVES OF THE STUDY

1. The primary objective is to determine the consumer preference towards the use of different services offered by mobile phone service provider and the preferred payment mode of the availed services by the consumer.
2. The second objective is to find out the relevance of five dimensions of the SERVQUAL model developed by Zeithaml, Parasuraman and Berry within the mobile phone service providers in Kerala.

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- The third objective is to rate the service providers against the services provided by them based on the RATER scale which includes the five dimensions of SERVQUAL model like reliability, assurance, tangibility, empathy, and responsiveness.

LITERATURE REVIEW

The literature review on customer satisfaction is divided into four main parts covering the main areas in this study and the rationale behind it.

Quality of Service

Service quality refers to an attitude formed by a long-term overall evaluation of a firm's performance. A successful relationship between businesses and a customer is centered on mutually satisfying goals. These goals tend to evolve with time, technology and financial and political environment.

In their book of 'Principles of Marketing' Armstrong and Kotler (1996) described customer satisfaction as an emotion resulting from the evaluation of the balance between the services described and provided against the felt needs that motivated the purchase decision. Bitner and Zeithaml (2003) identified that satisfaction is the customers' evaluation of the fulfillment of their requirements and expectations from a product or service. As said by Boselie, Hesselink, and Wiele (2002) satisfaction is a positive, affective state resulting from the review of all aspects of an organisation's working relationship with another.

Better Value for Money (could include service after sales, unique features of the product etc.)

Value of economy has constantly been a core reflection in a decision making action by the management. Value for money can be defined as customers' perception of a service in terms of its economy, efficiency and effectiveness in relation to the cost of the service. Thus, value of money for a service delineates that if an organisation achieves maximum benefit from the goods and services it attains compared to the resources available to it. It looks into the cost of goods and services as well as the quality, price, usage of resources, suitability, fitness for purpose, and convenience to judge whether they form good value.

Kotler and Keller (2006) explained that customer value could be articulated as a ratio of the perception of benefits to the total cost of ownership. Thus for any business to enhance the value of its services it has to improve ways of perceived benefits or reduce the total cost of ownership.

As per Susan and Derek Nash (2002), "Exceeding customer expectations and 'going the extra mile' can leave a memorable impression that the customer talks about time and time again." This approach of delivering customer service helps to gain and retain customers and stay ahead of the competition.

Customer Loyalty and Customer Retention: Word of Mouth Recruits New Customers

The business needs a good understanding of the evolving needs in order to sustain and develop business, while at the same time providing a good quality service to its consumers at an acceptable price delivering good value. Such change is also essential to recruit new customers and retain market position in that business. Zineldin M (2006) has added that one of the conditions of true customer loyalty is total satisfaction.

Reichheld F (2001) discussed the advantages of customer loyalty to the service provider. Loyalty brings continuous profit, reduces marketing cost, increases per-customer revenue growth through greater interaction and service utilization and increases referrals which is a marketing tool that carries the advantage of the trust projected in the service provided, which is difficult to achieve in other forms of advertising strategies. There is a direct link between customer satisfaction, customer loyalty and customer retention.

The interest in understanding the dynamics of customer satisfaction comes from its relationship to business promotion and profitability that comes from retention of that customer and customer driven promotion of the business through recommendations and recruitment of new clients.

Servqual Model Quantifies the Service Quality

Excellence in service is yet another factor that influences customer loyalty. The study conducted by Boulding, Kalra, Staelin, and Zeithaml (1993); Cronin and Taylor (1992) explored the relationship between quality of service and customer loyalty. Zeithaml's RATER model shows that five factors, namely; Reliability, Assurance, Tangibles, Empathy, and Responsiveness together form the qualities of a service offering from a customer perspective (University of Wisconsin-Superior website, 2011). Service quality is mainly determined by the customers' viewpoint of the service offering they received and their evaluation as to whether it matches or exceeds their expectations.

Zeithaml's SERVQUAL method can be used to measure the service quality. This measures the difference between

expectations and customer perceptions on five factors. (12 manage.com website, 2011a)

Lindgreen *et al.* (2006) also pointed out the importance of gaining customers' trust and respect in retaining customer relationships and improving business performance.

Literature shows that relationship between satisfaction and service quality is the key to measure user satisfaction (Pitt *et. al.*, 1995).

RESEARCH METHODOLOGY

Methods of Data Collection

An empirical study is conducted on the data collected through an online web based survey based on customers of Kerala. It is an exploratory research in which respondents were asked to assess their perception of various items of different constructs, including factors identified as the five dimension of SERVQUAL. Assessment was based on a five point likert scale.

Table 1: Personal Profile of Respondents

Profile	Characteristics	Frequency	Percentage
Gender	Male	124	49.60
	Female	126	50.40
Age	21-30	225	90.00
	31-40	13	5.20
	41-50	8	3.20
	51-60	4	1.60
Education	Graduate	139	55.60
	Post Graduate	108	43.20
	Ph.D	3	1.20
Monthly Income	Below Rs. 25,000	84	33.60
	25,000-49,999	70	28.00
	50,000-74,999	24	9.60
	75,000-99,999	20	8.00
	1,00,000-1,24,999	10	4.00
	1,25,000-1,49,999	6	2.40
	1,50,000-1,74,999	4	1.60
	1,75,000-1,99,999	5	2.00
	2,00,000-2,24,999	10	4.00
	2,25,000-2,49,999	12	4.80
Above 2,50,000	5	2.00	

Sample Design and Sample Size

Primary data were collected from customers of different telecom service providers across Kerala. Systematic random

sampling was used to select approximately equal number of customers from each service providers. The sample consists of 250 customers across Kerala.

Statistical Techniques Used

Simple percentage method and cross tabulation using Microsoft Excel are used. Graphical representation using Microsoft Excel has been used.

DATA ANALYSIS

Table 2: Consumer Preference towards Mobile Phone Service Provider

Service Provider	Frequency	Percentage
Airtel	69	27.60
BSNL	78	31.20
Tata DOCOMO	19	7.60
Idea	28	11.20
MTS	1	0.40
Reliance	11	4.40
Vodafone	44	17.60

Table 3: Consumer Preference towards payment mode

Payment Mode	Frequency	Percentage
Prepaid	234	93.60
Postpaid	16	6.40

CONSUMER RESPONSE TOWARDS THE 5 DIMENSIONS OF PORTER'S 'RATER' SCALE

Figure 1: Airtel Consumers' Response to the Dimension 'Reliability'

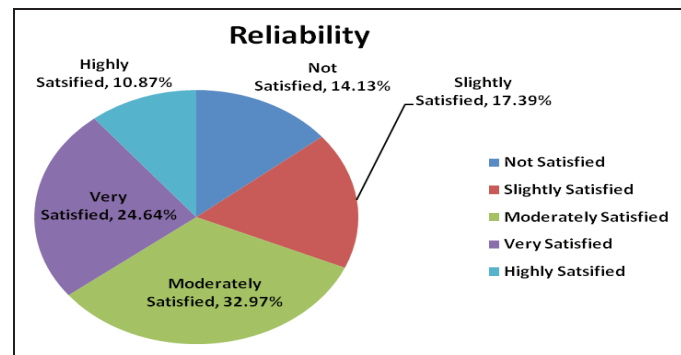


Figure 2: Airtel Consumers' Response to the Dimension 'Assurance'

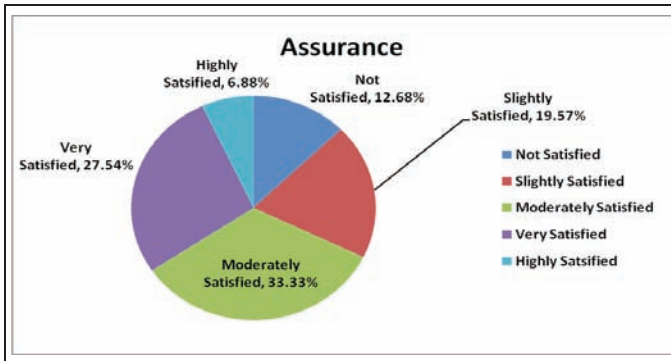


Figure 3: Airtel Consumers' Response to the Dimension 'Tangibility'

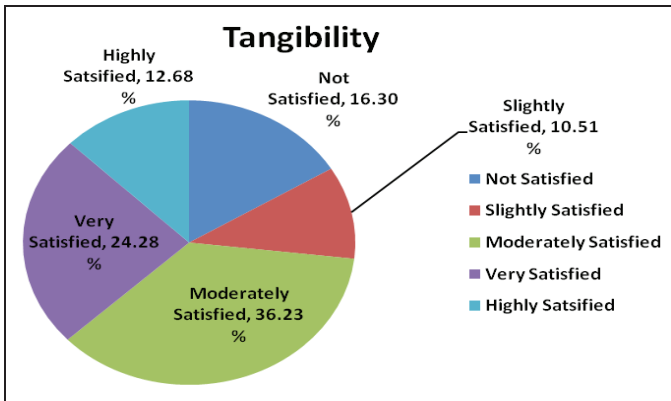


Figure 4: Airtel Consumers' Response to the Dimension 'Empathy'

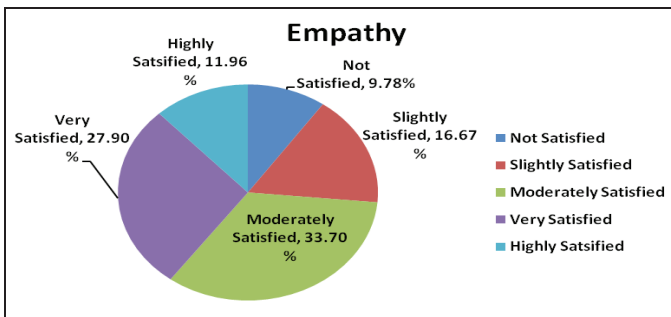


Figure 5: Airtel Consumers' Response to the Dimension 'Responsiveness'

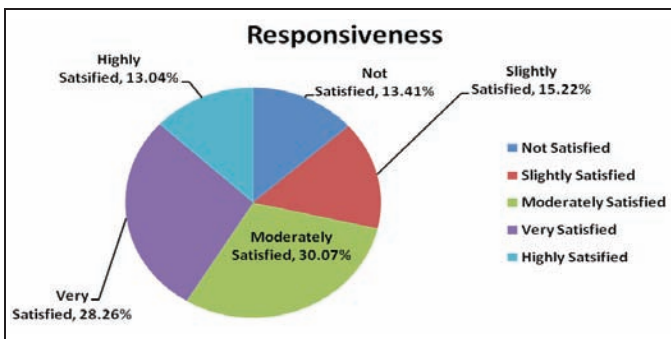


Figure 6: BSNL Consumers' Response to the Dimension 'Reliability'

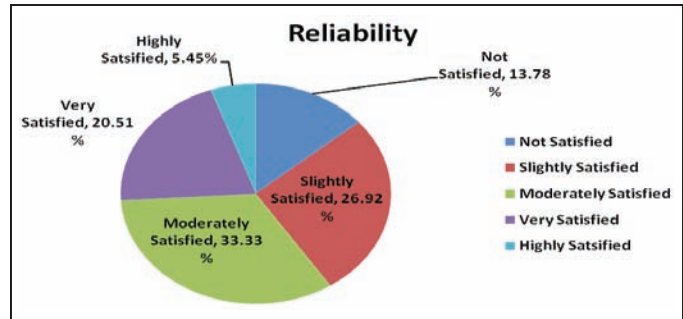


Figure 7: BSNL Consumers' Response to the Dimension 'Assurance'

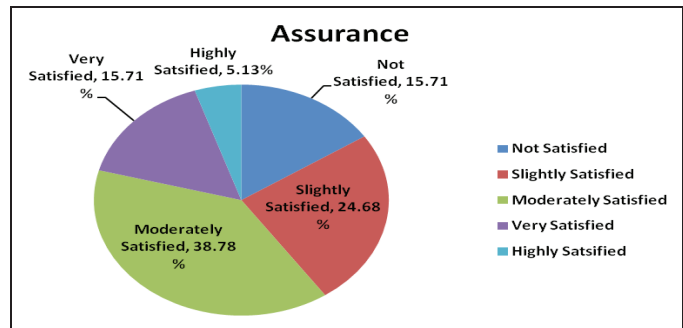


Figure 8: BSNL Consumers' Response to the Dimension 'Tangibility'

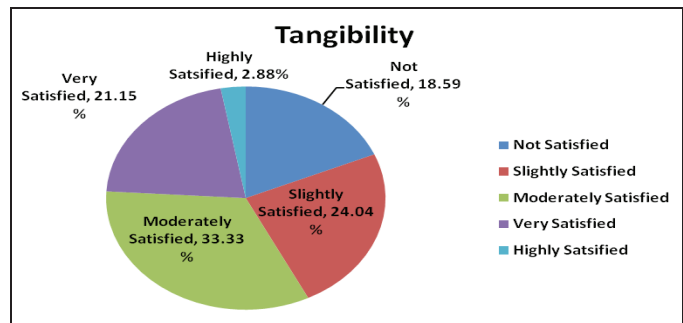


Figure 9: BSNL Consumers' Response to the Dimension 'Empathy'

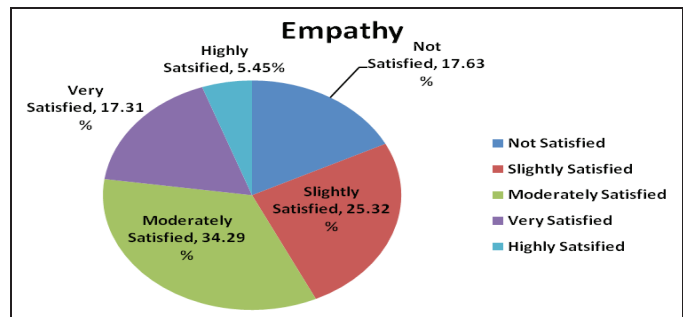


Figure 10: BSNL Consumers' Response to the Dimension 'Responsiveness'

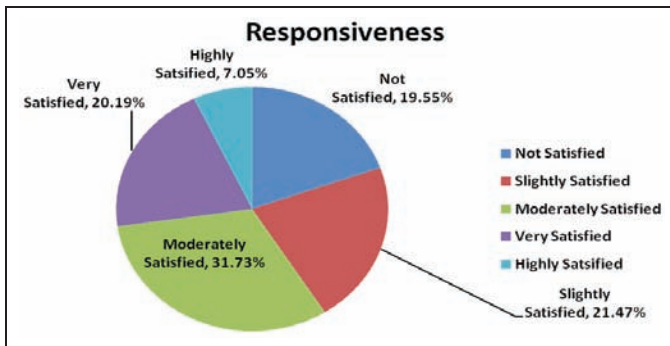


Figure 11: Vodafone Consumers' Response to the Dimension 'Reliability'

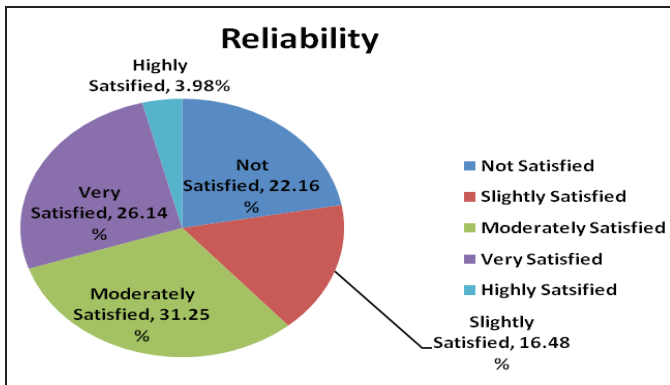


Figure 12: Vodafone Consumers' Response to the Dimension 'Assurance'

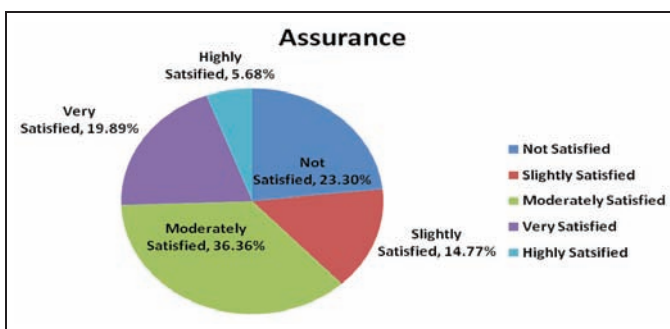


Figure 13: Vodafone Consumers' Response to the Dimension 'Tangibility'

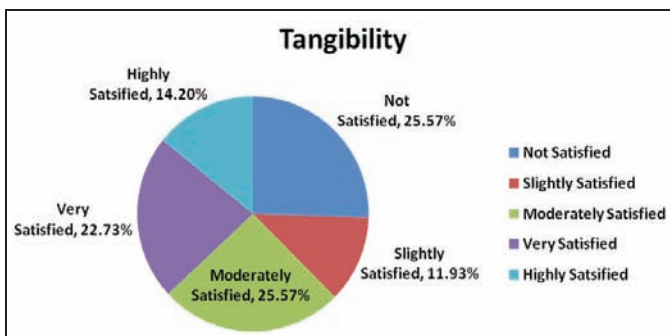


Figure 14: Vodafone Consumers' Response to the Dimension 'Empathy'

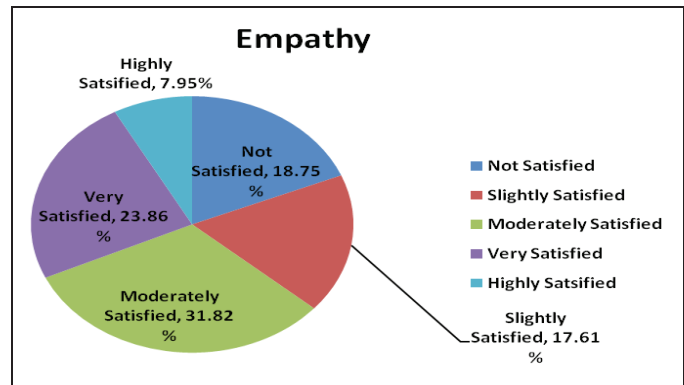
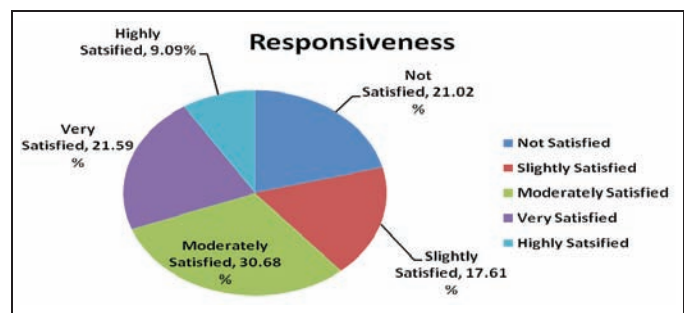


Figure 15: Vodafone Consumers' Response to the Dimension 'Responsiveness'



CROSS TABULATION OF SERVICE PROVIDERS AGAINST THE RATER SCALE DIMENSIONS

From Table 4, it is revealed that Tata DOCOMO customers are the most satisfied customers in terms of reliability with a whopping 21.05%. They are followed by Airtel customers with 10.14%. A meagre 5.13% of BSNL customers believe that the service provider is highly reliable.

Table 5 reveals that 10.53% of Tata DOCOMO customers are highly satisfied with the assurance provided to them by the customer service staff. They are followed by Reliance customers with 9.09%. IDEA customers are at the bottom of the table with only 3.57%.

In terms of the overall appearance of the customer service division Vodafone customers top the table with 13.64% (Table 6) of highly satisfied customers followed by Airtel with 13.04% of highly satisfied customers. At the bottom of the table we could find BSNL customers with 2.56% of highly satisfied customers.

Reliance customer service staffs are the most empathetic towards their customers. This is revealed from Table 7 where 18.18% of the customers are highly satisfied. They are followed by Airtel customers with 11.59%. At the bottom of the table we could find BSNL with 5.13%.

Table 4: Reliability

Satisfaction Level											
Service Provider	Not Satisfied		Slightly Satisfied		Moderately Satisfied		Very Satisfied		Highly Satisfied		Total
	Count	%	Count	%	Count	%	Count	%	Count	%	Count
BSNL	11	14.10	21	26.92	26	33.33	16	20.51	4	5.13	78
Airtel	10	14.49	12	17.39	23	33.33	17	24.64	7	10.14	69
Vodafone	10	22.73	7	15.91	13	29.55	11	25.00	3	6.82	44
IDEA	7	25.00	7	25.00	10	35.71	2	7.14	2	7.14	28
Tata DOCOMO	2	10.53	3	15.79	4	21.05	6	31.58	4	21.05	19
Reliance	1	9.09	2	18.18	4	36.36	3	27.27	1	9.09	11

Table 5: Assurance

Satisfaction Level											
Service Provider	Not Satisfied		Slightly Satisfied		Moderately Satisfied		Very Satisfied		Highly Satisfied		Total
	Count	%	Count	%	Count	%	Count	%	Count	%	Count
BSNL	12	15.38	20	25.64	30	38.46	12	15.38	4	5.13	78
Airtel	9	13.04	13	18.84	23	33.33	19	27.54	5	7.25	69
Vodafone	10	22.73	7	15.91	16	36.36	9	20.45	2	4.55	44
IDEA	6	21.43	7	25.00	9	32.14	5	17.86	1	3.57	28
Tata DOCOMO	2	10.53	3	15.79	7	36.84	5	26.32	2	10.53	19
Reliance	1	9.09	3	27.27	4	36.36	2	18.18	1	9.09	11

Table 6: Tangibility

Satisfaction Level											
Service Provider	Not Satisfied		Slightly Satisfied		Moderately Satisfied		Very Satisfied		Highly Satisfied		Total
	Count	%	Count	%	Count	%	Count	%	Count	%	Count
BSNL	14	17.95	19	24.36	26	33.33	17	21.79	2	2.56	78
Airtel	11	15.94	7	10.14	25	36.23	17	24.64	9	13.04	69
Vodafone	11	25.00	6	13.64	11	25.00	10	22.73	6	13.64	44
IDEA	9	32.14	2	7.14	10	35.71	6	21.43	1	3.57	28
Tata DOCOMO	3	15.79	3	15.79	4	21.05	8	42.11	1	5.26	19
Reliance	4	36.36	1	9.09	2	18.18	3	27.27	1	9.09	11

Table 7: Empathy

Satisfaction Level											
Service Provider	Not Satisfied		Slightly Satisfied		Moderately Satisfied		Very Satisfied		Highly Satisfied		Total
	Count	%	Count	%	Count	%	Count	%	Count	%	Count
BSNL	14	17.95	20	25.64	26	33.33	14	17.95	4	5.13	78
Airtel	7	10.14	12	17.39	23	33.33	19	27.54	8	11.59	69
Vodafone	8	18.18	8	18.18	14	31.82	11	25.00	3	6.82	44
IDEA	6	21.43	7	25.00	7	25.00	6	21.43	2	7.14	28
Tata DOCOMO	2	10.53	2	10.53	7	36.84	6	31.58	2	10.53	19
Reliance	2	18.18	2	18.18	3	27.27	2	18.18	2	18.18	11

Table 8: Responsiveness

Service Provider	Satisfaction Level										
	Not Satisfied		Slightly Satisfied		Moderately Satisfied		Very Satisfied		Highly Satisfied		Total
	Count	%	Count	%	Count	%	Count	%	Count	%	Count
BSNL	15	19.23	17	21.79	25	32.05	16	20.51	5	6.41	78
Airtel	9	13.04	10	14.49	21	30.43	20	28.99	9	13.04	69
Vodafone	9	20.45	8	18.18	13	29.55	10	22.73	4	9.09	44
IDEA	8	28.57	4	14.29	8	28.57	7	25.00	1	3.57	28
Tata DOCOMO	3	15.79	2	10.53	6	31.58	6	31.58	2	10.53	19
Reliance	2	18.18	3	27.27	2	18.18	3	27.27	1	9.09	11

Airtel customers top the table (as shown in Table 8) with 13.04% of their customers who are highly satisfied, followed by Tata DOCOMO customers with 10.53%. IDEA customers reveal that their service provider is the least responsive as only 3.57% of the customers are highly satisfied.

CONCLUSION

The telecom sector in India is in a consolidation state where the end customers are currently in a position to pick and choose from an array of service providers. The customers are also provided the facility to pick and mix their own convenient plans. Moreover mobile number portability is also offering the technical platform to switch between service providers without changing the mobile number (which has in fact become their personal identity).

The study was conducted based on an online survey conducted among the customers of different parts of Kerala. It is understood from the study that based on the response from 250 consumers; the mobile phone service provider BSNL top the table with 31.02 percentage customers followed by Airtel with 27.60 percent of the customers. In terms of payment mode a whopping 93.60 percent prefer prepaid payment mode. This study analyses, identifies and classifies the service providers according to the RATER scale provided by Porter. It is understood from the study that a mix of service providers top the table when their customers rate their service against the RATER scale – reliability, assurance, tangibility, empathy and responsiveness. Majority of Tata DOCOMO customers are very highly satisfied in terms of reliability and assurance provided by the service provider. Vodafone customers are very highly satisfied with the overall appearance of the customer service division. As the response says Reliance customer service staffs are the most empathetic towards their customers. Majority of Airtel customers agree that their service provider is the most responsive when compared to other service providers.

Since we are expecting a market consolidation in the telecom sector it is important that the service providers focus on the customer satisfaction levels in terms of SERVQUAL model as illustrated based on the RATER scale. This is an indication of what customers expect and what they actually get. In this ever changing world of customer requirements the key aspect is that retaining existing customers is as significant as attracting new customers.

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