

# HOW SATISFIED IS MY CUSTOMER?: AN EVALUATION OF CUSTOMER SATISFACTION OF CELLULAR SERVICE PROVIDERS IN THE REGION OF MUMBAI WITH SPECIAL REFERENCE TO TATA DOCOMO

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**Abstract:** *Customer service provides a competitive advantage as it's a key differentiator from its competitors. The purpose of the research is to find out the parameters most valued by cellular subscribers and in the process build a successful Customer Satisfaction Index (CSI) for Cellular Service Providers (CSP) operators and evaluate the same. Primary data have been sourced through a survey with the aid of an exhaustive questionnaire where the cellular subscribers from four different cellular operators in Mumbai shared their preference of parameters they seek as satisfiers and ranked them accordingly. With the primary research and findings from the survey conducted, customer satisfaction index was formulated giving weightages to each of the below parameters such as Network and Coverage, Value Added Services etc. Customer satisfaction index of Tata Docomo is further compared with its fierce competitors.*

**Keywords:** *Customer Satisfaction Index, Cellular Service Providers*

## INTRODUCTION

Customer satisfaction is a measure of how products and services supplied by a company meet or surpass customer expectation. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy.

The customer satisfaction index is a leading indicator of consumer behavior, measuring the satisfaction of consumers across the economy. United States of America is one of the countries that have been using the customer service index successfully for over 12 years. The American Customer Satisfaction Index (ACSI) is an economic indicator based on modeling of customer evaluations of quality of goods and services purchased in the United States and produced by both domestic and foreign firms with substantial U.S. market shares. The Index was developed to provide information on satisfaction with the quality of products and services available to consumers. Prior to the development of ACSI, no national measure of quality from the perspective

of the user was available. ACSI was designed to measure the *quality* of economic output as a complement to traditional measures of the *quantity* of economic output.

Customer satisfaction has been studied in different directions, from measurement to its relationships with other business aspects. Some researchers have provided possible means of measuring customer satisfaction (Levy, 2009; NBRI, 2009). Meanwhile other authors like Wilson *et al.* (2008) demonstrated some determinants of customer satisfaction to be product and service quality, price, personal and situational factors (Wilson *et al.*, 2008, p. 79-80). Some researchers have looked into the relationship between total quality management and customer satisfaction (Wen-Yi, *et al.*, 2009, p. 957-975). Because customer satisfaction is also based upon the level of service quality provided by the service provider (Lee *et al.*, 2000, p. 226) and service quality acts as a determinant of customer satisfaction (Wilson *et al.*, 2008, page 79-80). Other authors have brought out theories relating customer satisfaction and service quality in their researches. Wang & Hing-Po, (2002, p. 50-60) measured service quality in China's mobile phone market and

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emphasis on the dynamic relationship among service quality, customer value, customer satisfaction and their influence on future behaviours after the key drivers of customer value and customer satisfaction are identified.

## RESEARCH OBJECTIVES

1. To find out the parameters most valued by cellular subscribers.
2. To build a successful Customer Satisfaction Index (CSI) for Cellular Service Providers (CSP) operators & evaluate the same for various CSPs.

## RESEARCH DESIGN

In order to determine the parameters that would be a part of the customer service index, we will rely on the TRAI data. From the TRAI reports, we can see that the main (broad) parameters that cellular operators are measured on are Network Performance & Customer Service Quality.

All these main parameters have the following sub-parameters:

### A) Network Performance:

- Network availability
- Connection establishment (Accessibility)
- Connection maintenance (Retainability)

### B) Customer Service Quality:

- Metering and billing
- Response time to the customer for assistance
- Termination/ closure of service

The sub parameters are further divided to measure the effectiveness of the service provider by TRAI.

Primary data have been sourced through a survey with the aid of an exhaustive questionnaire where the cellular subscribers from four different cellular operators in Mumbai shared their preference of parameters they seek as satisfiers and ranked them accordingly.

After analysing these results, weights were assigned to the parameters most valued by customers and a second set of questionnaire was prepared and filled by subscribers of the top 2 GSM and 2 CDMA operators (basis their subscriber base). The results derived from this survey helped in assigning the Customer Satisfaction Index scores of these 4 operators and determine the best among them basis the scores assigned.

A sample of 440 cellular subscribers has been taken into consideration in the first phase of survey and nearly the equal amount of subscribers are taken in the second phase as well. The sample comprises cellular subscribers from the age group from under 19 years to above 50 years from all walks of life

from Mumbai City. 110 customers of each of the top 4 operators based on the subscriber base data are considered for the survey. A Simple Random Sampling technique has been used for selecting the sample as according to Fraenkel And Wallen (2006), the advantage of random sampling is that it is very likely to produce a representative sample if the sample is large enough.

## CREATING THE CUSTOMER SATISFACTION INDEX FOR CELLULAR OPERATORS

With the primary research and findings from the survey conducted, customer satisfaction index was formulated giving weightages to each of the below parameters such as Network and Coverage, Value Added Services, Company Image, Purchase Process, Billing and Payment, Tariff & Pricing and Customer Care.

From the earlier survey conducted with the subscribers, it has been found that they give equal importance to the network & coverage, tariff & pricing and customer care services provided by the company. Hence we will be giving equal weightages to each of the parameters.

The next two categories are the Company Image and Billing & Payment facilities provided by the companies, hence these two parameters have been given equal weightages. Finally, Value Added Services provided and Purchase Process would be given the least weightages. The CSI score would be of maximum 100 points and below would be the maximum points one can score in each section. Since we want to see the performance of Tata DOCOMO amongst its main competitors, the survey would be conducted for the existing subscribers of its major competitors along with its own customers: Airtel, Reliance, Vodafone.

## RESULT & ANALYSIS

As mentioned in the Research Design, two major GSM network companies and two major CDMA network providing companies were chosen for this survey. The average score in each of the parameters were tabulated and given marks related to their weightages. For example, if Airtel scored an average score of 3.25 in the Network and coverage section, then this score was given an absolute score out of 20 marks (which is the max score in this parameter). Let a score of 5 denote 100% score, so a score of 3.25 will get an absolute score of 65% of max score. Hence, 65% of 20 points = 13 points. Thus a final Customer Service Index score is measured out of 100.

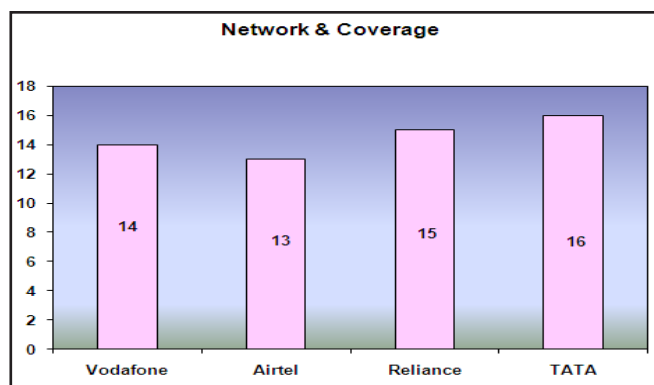


Fig. 1: Network & Coverage

The CDMA operators have performed better in this category than the GSM operators with TATA DOCOMO having the maximum score.

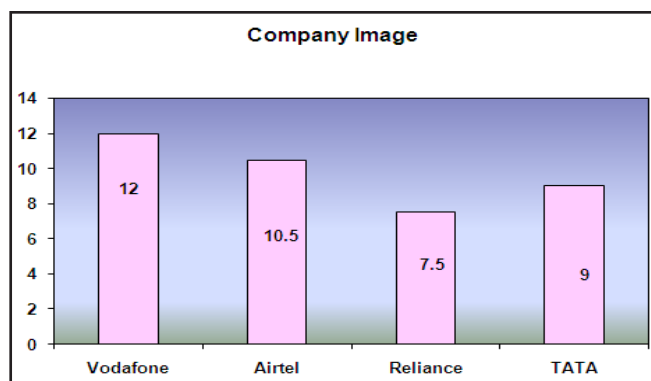


Fig. 4: Company Image

Here, Vodafone has performed the best due to its respectable image in the market.

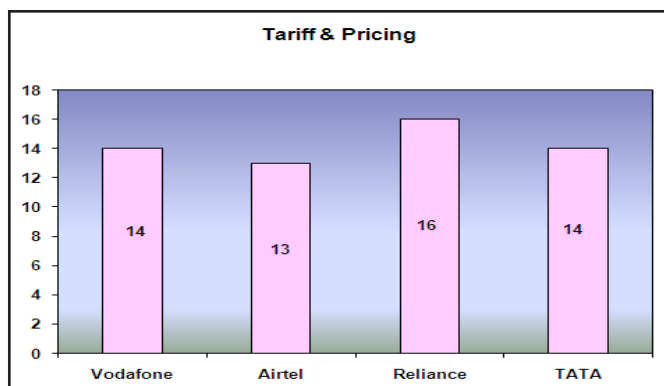


Fig. 2: Tariff and Pricing

Here, the operators are at par, with Reliance Communications having a marginally higher score.

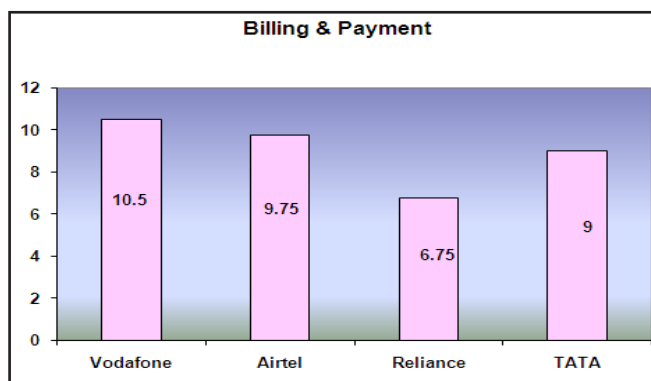


Fig. 5: Billing and Payment

With regards to billing issues and payment facilities, most operators have performed at par, except Reliance Communications.

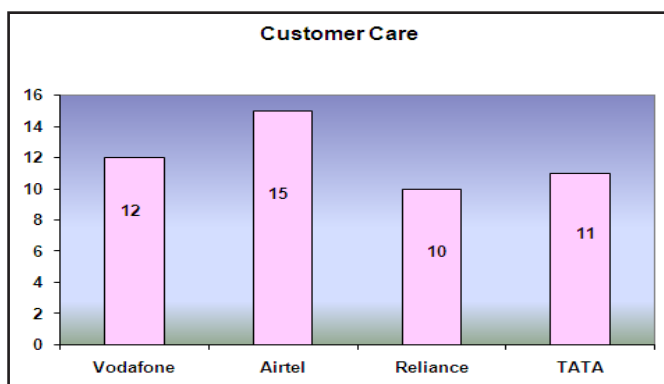


Fig. 3: Customer Care

In relation to customer care, there is a variance across the operators with Airtel performing the best in the league.

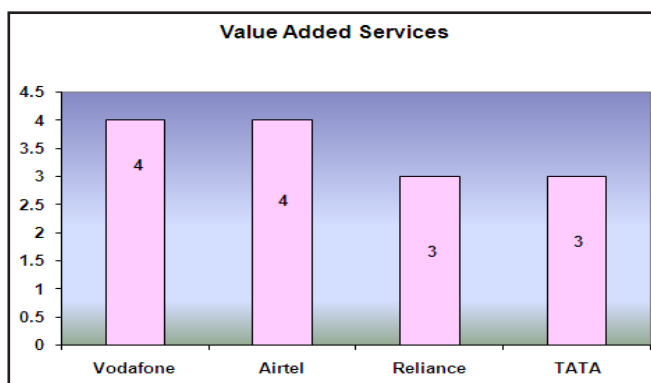


Fig. 6: Value Added Services

The GSM companies have performed at par with the CDMA companies marginally behind them.

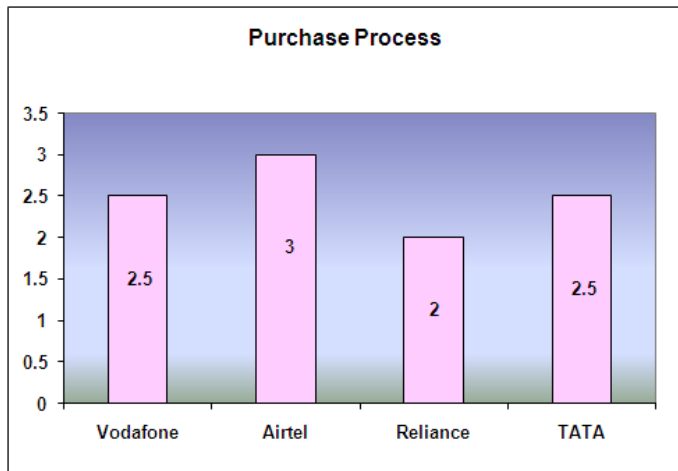


Fig. 7: Purchase Process

Though the weightage of this parameter is less, all the operators have not performed well in this category.

### CSI Scores of Cellular Service Providers

#### Vodafone India

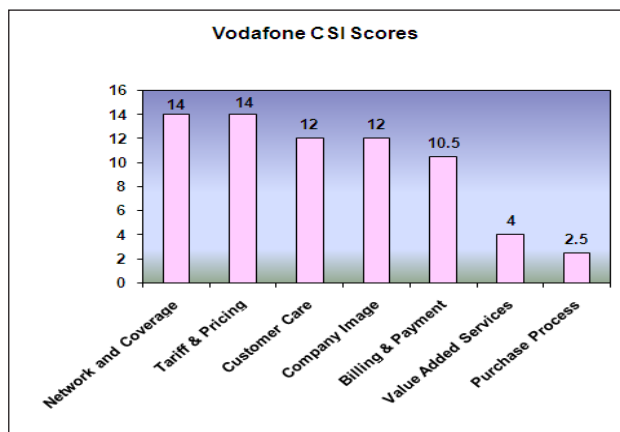


Fig. 8: Vodafone CSI scores

Total Score: 69

Vodafone has achieved maximum scores in the Network & Coverage and Tariff and Pricing sections. With regards to Customer Care it can do better as it has scored 12 out of a maximum score of 20.

Again in relation to Company Image it has scored well with 12 out of a maximum score of 15. Vodafone has scored well in the Value Added Services parameter by achieving an almost maximum score of 4 out of 5. It has not performed too well in the Purchase Process and has scored only half of the maximum score of 5.

#### Bharti Airtel

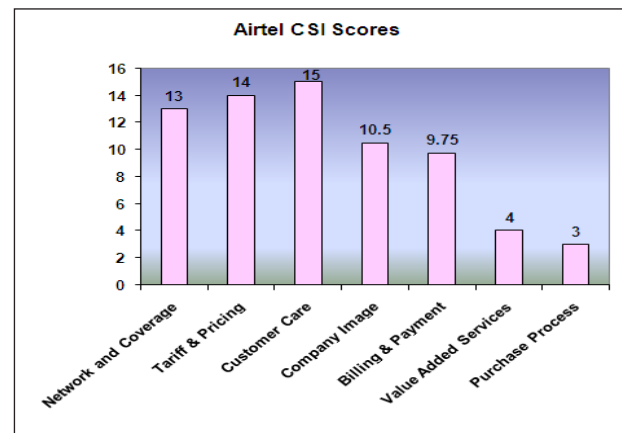


Fig. 9: Airtel CSI Scores

Airtel has achieved a maximum score in the Customer Care department with a highest score of 15 out of 20. With regards to Network and Coverage & Tariff & Pricing it has performed on almost the same lines as Vodafone. In relation to Company Image and Billing and Payment it has scored at an average score of 10.5 and 9.75, respectively out of a maximum score of 15. Airtel too has scored well in the Value Added Services parameter by achieving an almost maximum score of 4 out of 5. Airtel too has not performed well in the Purchase Process and has scored 3 out of 5.

#### Reliance Communications

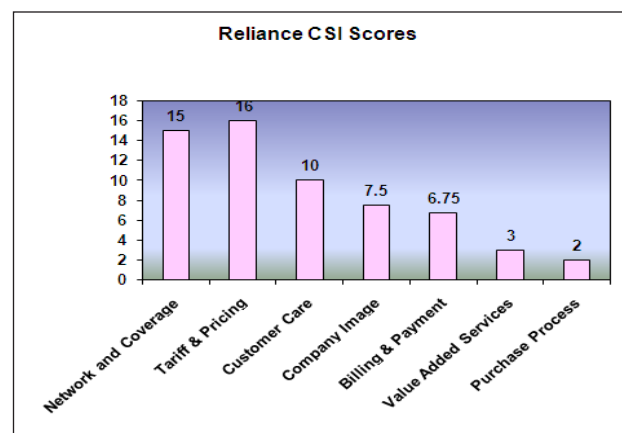


Fig. 10: Reliance CSI Scores

Total Score: 60.25

Reliance has achieved maximum scores in the Network & Coverage and Tariff & Pricing are as, scoring 15 and 16 respectively. However Reliance has not performed well in the Customer Care department achieving only half the maximum score of 20. Even in the parameters of the Company image and Billing and Payment it has scored poorly at an average

score of 7.5 and 6.75 respectively out of a maximum score of 15. In the Value Added Services parameter, Reliance has achieved an average score of 3 out of a maximum score of 5. Reliance too has not performed too well in the purchase process and has scored 2 out of 5.

### Tata Docomo

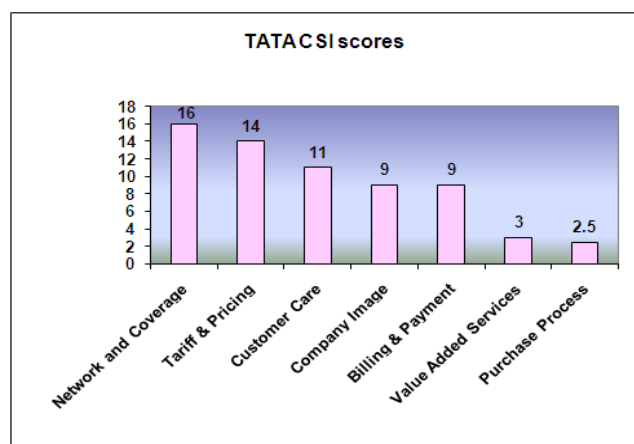


Fig. 11: TATA Docomo CSI Scores

Total Score: 64.50

TATA has achieved maximum scores in the Network & Coverage of 16 and has also achieved a fair score of 14 in the Tariff and Pricing parameter. Again in the Customer Care department, TATA tele-services has not done too well and has scored only 11 out of a maximum score of 20. In the parameters of the Company image and Billing and Payment it has scored averagely at 9 out of maximum score of 15. In the Value Added Services parameter TATA has achieved an average score of 3 out of a maximum score of 5. TATA too has not performed too well in the purchase process and has scored 2.5 out of 5.

### Comparison of CSI Scores

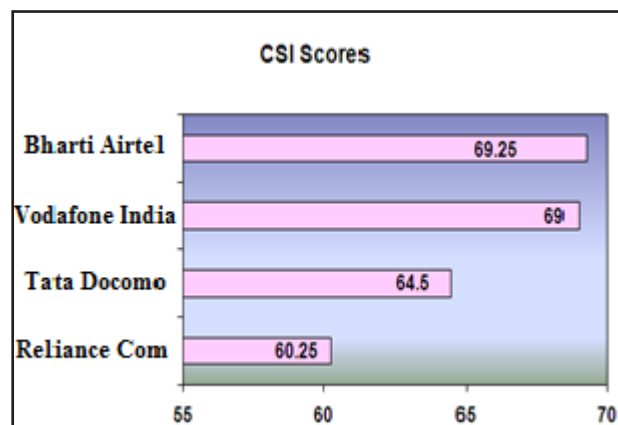


Fig. 12: Comparison of CSI scores

Airtel has scored highest with an average score of 69.25. Vodafone is second to Airtel with a score of 69 points i.e. losing out by 0.25 points only. Both the CDMA companies have CSI scores lower than that of GSM operators. Reliance Communications has the least CSI score of 60.25. After completing the CSI interviews with the subscribers of Mumbai mobile operators, we have found out that Vodafone India has scored 69 out of a maximum score of 100. However there is a lot of scope of improvement for the company. Surveys suggest that service-driven companies are able to charge up to 9% more for the goods and services they offer and grow twice as fast as the average. These are powerful incentives for becoming the best customer-service company in any industry. Equally, poor service has a cost penalty. It costs up to five times as much to go out and get a new customer as to retain those we have.

### CONCLUSION

Customer care matters because keeping existing customers is easier than finding new ones and satisfied customers will do a lot of our advertising for us. Most people consider doing business with a certain company because of recommendation by a friend or acquaintance. Dissatisfied customers spread the bad news and undermine our business which ultimately threatens everyone's jobs.

Good customer service can also be very satisfying and is good for self esteem. It is always nicer going home at night feeling that we have been able to help someone. So the objective must be to provide the highest standard of customer care possible and to always aim for excellence.

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