



## Assessment of Customer Satisfaction towards Cellular Operators: An Empirical Study of Punjab Telecom Sector.

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### ABSTRACT

*The study presents the findings of a primary study conducted to investigate the customer satisfaction towards cellular operators of the Punjab Telecom Circle. The Indian cellular industry has grown at an alarming rate due to low prices and entry of new operators. The Indian telecom industry is now focusing away from attracting new customers, towards retaining the existing profitable customers. A total of 150 respondents using the mobile phone services have been selected on the basis of convenience sampling. The study has been conducted to find the factors influencing customer satisfaction. Statistical analysis has been conducted through SPSS version 20. The findings of the study suggests that there is a significant relationship between customer satisfaction with different variables like network quality, price fairness, variety of value added services, customer care etc. The paper also presents the implications for cellular operators and other stakeholders.*

**KEYWORDS :** Customer Satisfaction, Cellular Operators, Service Quality, Customer Retention.

### INTRODUCTION

Expansion of Indian telecommunication industries is widely attributed to rapid technological development and liberal policy environment. India is the second largest telecommunication network in the world in terms of telephone subscriber. Indian telecom industry is one of the fastest growing service industries. The cellular services play a major role in the telecommunication industry. The exponential growth of mobile telephony along with the cut throat competition between the cellular operators has brought sharp drop in call charges. The recent introduction of mobile number portability has further increased the competition amongst the telecom service providers. The dynamics of managing customer satisfaction in the cellular industry have undergone a sea change with the advent of higher bandwidth spectrum and better technology.

Customer Satisfaction is very important as it creates emotional binding, sense of belongingness and brand loyalty among the customers. At present, the aim of cellular industry like other service sectors is to attract new customers but the most important to satisfy and retain the existing customers for maintain financial performance. This paper focuses the customer satisfaction in the cellular industry in India. This paper is about to explore those variable which have influence in the customer satisfaction in the telecom industry. There are various factors which would results into customer satisfaction as shown in below model.

### REVIEW OF EXISTING LITERATURE

**Butt and Run (2008)** carried out an empirical study to find out the factors that contributed towards consumer satisfaction in Pakistani mobile cellular services. The results of the study confirmed a multidimensional construct of customer satisfaction in the Pakistani telecom sector. Customer satisfaction of cellular phone users in Pakistan consisted of four factors including price, transmission quality, usage ease and service support.

**Negi(2009)** in his research paper titled "User's perceived service quality of mobile communications: experience from Ethiopia" studied the seven modified dimensions of SERVQUAL, namely tangibles, reliability, responsiveness, empathy, assurance, network aspect, and convenience. These dimensions were used to measure customers' perceptions and expectations of mobile telecommunications services by drawing a sample of 220 respondents using stratified random sampling. He was of the opinion that The Ethiopian Telecommunication Corporation should concentrate on providing superior reliability, particularly, accuracy and dependability in mobile services According to him additional focus on the network aspect is also helpful in improving customers' perceived quality of mobile services.

**Chander (2010)** assessed the usage pattern and customer satisfaction level of mobile phone users of the Jammu telecom circle. Pre-

sales/sales, network, VAS, cost of service, customer care and billing were identified as six broad parameters that contribute to overall satisfaction of mobile phone users with their mobile service provider.

**Santouridis&Trivellas (2010)** investigated crucial factors that lead to customer loyalty in the mobile telephony sector in Greece-service quality and customer satisfaction. The results indicated that the Customer service, pricing and the billing system are the service quality dimensions that have more significant positive influence on customer satisfaction, which in turn has a significant positive impact on customer loyalty.

**Adhinarayanan (2011)** conducted an empirical study on the customer using Reliance postpaid services and analyzed customer awareness about Reliance products. The study conducted at Salem city. The sample size of 500 customers was taken for analysis. The result revealed degradation in any of the services may adversely affect the profitability of the company.

**Singh (2011)** conducted a customer satisfaction survey towards mobile service providers in the Punjab with a sample size of 100 respondents. The author used seven major parameters viz. convenience, responsiveness, reliability, tangible, assurance, network quality, and economy to conduct the study. He further classified parameters into 31 important factors which were related to the customer satisfaction of mobile phone users.

### METHODOLOGY

The objectives of the study are to:

1. To investigate the effect of service quality and network quality on customer satisfaction.
2. To investigate the customer preference towards cellular operators in terms of their demographic profile.
3. To recommend appropriate measures to cellular operators for enhancing customer satisfaction.

### Data Sources

Data was collected through primary and secondary method. A total of 150 respondents of selected cities covered under the Punjab circle (Amritsar, Jalandhar, Ludhiana, and Chandigarh) using the mobile phone services have been selected on the basis of convenience sampling. The data was collected through questionnaire method. Various journals, books, documents, official websites such as TRAI, COAI, D.O.Tetc. were referred for study.

**Table: 1 Demographic Profile of respondents**

Measures	Items	Frequency	Percentage
Age	Upto 21 years	18	27
	21 to 25 years	32	48
	26 to 30 years	38	57
	31 to 35 years	27	40.5
	36 to 40 years	13	19.5
	41 years & above	22	33
Gender	Male	89	59.33
	Female	61	40.66
Connection Type	Postpaid	44	29.33
	Prepaid	106	70.66
Network Operator	Airtel	38	25.33
	Vodafone	29	19.33
	BSNL	24	16
	Idea	21	14
	Reliance	14	9.33
	Tata Docomo	12	8
	Aircel	8	5.33
	Videocon	4	2.66
Association with network	Up to 6 months	28	18.66
	6 months to 1 year	38	25.33
	more than 1 year but less than 2 years	44	29.33
	More than 2 year but less than 3 years	24	15.78
	More than 3 years	16	10.66

**Interpretation of Data**

Test of Goodness was performed to use the adequacy and reliability of the questionnaire. The KMO test shows that the samples are adequate and useable for inferential statistical analysis. As per statistical analysis, KMO >0.5 is considered to be an appropriate indicator of adequacy of data. The Bartlett's test of Sphericity also confirms that the data is significant at P<0.05 .

**Table 2: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.815
Bartlett's Test of Sphericity	Approx. Chi-Square	1231.065
	df	478
	Sig.	.000

**Table 3: Correlations among the Seven Dimensions**

Dimensions	Overall Service Quality
Reliability	0.419*
Responsiveness	0.628*
Assurance	0.436*
Empathy	0.307*
Tangibles	0.223*
Convenience	0.420*
Customer perceived network quality	0.547*

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

The findings indicate that there is strong correlation among the seven quality dimensions and overall service satisfaction at p<0.01 level. Thus, users of cellular services give weightage to all the seven dimensions of service quality.

**Table: 4 Regression Analysis**

Independent Variables	Beta (β)	Sig. T
Reliability	0.363	0.000
Assurance	0.266	0.000
Tangibles	0.049	0.040
Empathy	0.197	0.000
Responsiveness	0.452	0.000
Convenience	0.232	0.000
Customer perceived network quality	0.342	0.000

Table 4, the results indicate that perceived service quality is influenced by all the seven dimensions with responsiveness as the most important dimension, β coefficient= 0.452,, and tangibles appearing to be the least important (with β co-efficient = 0.049).

**Conclusions and implications**

Most of the respondents in the sample have been found to be using the services of Airtel and Vodafone. The trend is followed by BSNL, Idea, Reliance, Tata Docomo, Aircel and Videocon. A majority of the customers (70.66%) are using prepaid connections. It was found that there is correlation between dimensions of service quality. Out of seven dimensions, responsiveness is the major determinant of service quality followed by reliability and perceived service quality. The cellular operators should emphasize on Responsiveness and should try to improve the Network Quality. Call clarity and Price are two network related variables having impact on Customer Satisfaction.

**Limitations of the Study**

The scope of the present study is limited to Punjab telecom operators only which may be different from other telecom circles in terms of market size, demographics, culture, demographic profile etc. The sample size of the study was 150 respondents, thus the sample may not fully reflect the perceptions of the total population.

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