



MOBILE SERVICE QUALITY EFFECT ON CUSTOMER SATISFACTION AND BUSINESS PERFORMANCE IN SALEM DISTRICT

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ABSTRACT

Service quality and customer satisfaction are very important concepts that companies must understand if they want to remain competitive and grow. In today's competitive environment delivering high quality service is the key for a sustainable competitive advantage. Customer satisfaction does have a positive effect on an organization's profitability. Satisfied customers form the foundation of any successful business as customer satisfaction leads to repeat purchase, brand loyalty, and positive word of mouth. Using the SERVQUAL model, this study attempts to examine the impact of service quality dimensions on customer satisfaction. A total of 11 current users of a GSM provider participated in this study. Gap Analysis was used to determine the perceived and expected satisfaction level on each of the service quality dimensions and regression analysis was conducted to test the relationship between the SERVQUAL dimensions and customer satisfaction. c

KEYWORDS : Service quality, customer satisfaction, perception and expectation, cellular Telecommunication.

INTRODUCTION

Quality is generally regarded as being a key factor in the creation of worth and in influencing customer satisfaction. Hence, the telecommunication industry in India has to be strategically positioned to provide quality services to satisfy customers. To provide improved quality service, telecommunication companies need to investigate degree of customers sensitivity and expectations toward service quality. Armed with such information, telecommunication outfits are then able to strategically focus service quality objectives and procedures to fit the Indian market. The purpose of this study was to examine the impact of several product and service delivery factors on reported levels of service quality within a single GSM provider.

In today's competitive environment delivering high quality service is the key for a sustainable competitive advantage. Customer satisfaction does have a positive effect on an organization's profitability. Satisfied customers form the foundation of any successful business because customer satisfaction leads to repeat purchases, brand loyalty, and positive word of mouth. There are numerous studies that have looked at the impact of customer satisfaction on repeat purchases, loyalty and retention. Many researchers point out the fact that satisfied customers share their experiences with other people to the order of perhaps five or six people. On the contrary, dissatisfied customers are more likely to tell another ten people of their experience with product or service.

Cellular telecommunication service providers (CTSP) are a paramount importance to both developed and developing nations. In an emerging economy like India, CTSP are envisaged to greatly contribute to the national goal of achieving a fully developed nation status by 2020. Delivering superior service quality appears to be a prerequisite for success, if not survival of such business (Parasuraman, Zeithaml & Berry, 1988). Quality is an indistinct construct often mistaken for vague adjectives like goodness, luxury, shininess or weight (Crosby, 1979). Few academic researchers have attempted to define and model quality because of the difficulties involved in developing and measuring the construct. Along this line, Parasuraman, Zeithaml and Berry, (1988) developed a model in which they contended that customers compare the service they expected with perception of the service they received in the evaluation of service quality. The model is known as SERVQUAL.

IMPORTANCE OF TELECOMMUNICATION SERVICE QUALITY

Service quality can be described as a rationale of differences between expectation and competence along the important quality dimensions. Reliability, responsiveness, tangibles, communication, credibility, security, competence, courtesy, understanding the customers and service accessibility, a service quality scale (SERVQUAL), a gener-

ic instrument that has 5 dimensions of service quality: reliability, responsiveness, assurance, empathy and tangibles, the constructs were found to have high correlation.

This instrument continues to be widely used in marketing studies of customer satisfaction and consumer preference, The stage of performance that a top quality service will need to give was conditioned through the expectation of the customers. Service quality is judged low when the performance was below expectation. The SERVQUAL model is a common diagnostic tool used to measure customer service and perceived satisfaction. Reliability is the service company ability to deliver promises on time. In this study we focused on five factors that could predict the quality of the service provided by the investigated telecommunication service provider. Responsiveness is the degree to which customers perceive service providers' readiness to assist them promptly. Assurance is the degree of courtesy of service providers' workers and their ability to communicate trust to customers. Empathy is the care and importance the service provider gives to an individual customer, and the degree to which specific customer needs and preferences can be understood and articulated. Lastly, tangibility is the evidence of facilities, personnel, and communication materials used by the company while offering services to customers.

Customer satisfaction is the outcome felt by those that have experienced a company's performance that have fulfilled their expectations. Many researchers and academicians highlight the importance of customer satisfaction. Many researchers see that customer satisfaction has a positive effect on organization's profitability. Much empirical evidence also shows the positive connection between customer satisfaction, loyalty and retention. Nowadays all companies are realizing the significance of delivering and managing service quality, which leads to customer satisfaction. Service quality that is delivered can meet or exceed customers expectations are mainly influenced by customer's prior expectations.

ROLE OF CUSTOMER SATISFACTION TOWARDS BUSINESS PERFORMANCE

Customer satisfaction is a personal feeling of either pleasure or disappointment resulting from the evaluation of services provided by an organization to an individual in relation to expectations. Service providers frequently place a higher priority on customer satisfaction, because it has been seen as a prerequisite to customer retention. As a positive outcome of marketing activities, high customer satisfaction leads to repeat visitation to stores, repeat product purchases, and word-of-mouth promotion to friends, while low customer satisfaction has been associated with complaining behavior. A satisfied customer often stays loyal longer, and is likely to patronize the firm in future

Since customer satisfaction has been considered to be based on the

customer's experience on a particular service encounter, (Cronin & Taylor, 1992) it is in line with the fact that service quality is a determinant of customer satisfaction, because service quality comes from outcome of the services from service providers in organizations. Another author stated in his theory that "definitions of consumer satisfaction relate to a specific transaction (the difference between predicted service and perceived service) in contrast with 'attitudes', which are more enduring and less situational-oriented," (Lewis, 1993: 4-12) This is in line with the idea of Zeithaml et al. (2006:106-107). Regarding the relationship between customer satisfaction and service quality, Oliver (1993) first suggested that service quality would be antecedent to customer satisfaction regardless of whether these constructs were cumulative or transaction-specific.

Some researchers have found empirical supports for the view of the point mentioned above. where customer satisfaction came as a result of service quality. In relating customer satisfaction and service quality, researchers have been more precise about the meaning and measurements of satisfaction and service quality.

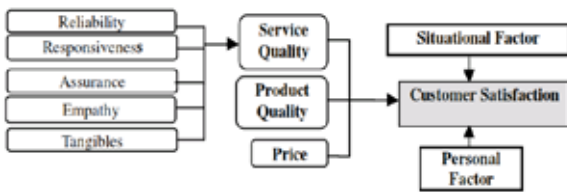


Figure 1.1 .Research Framework

Generally, the level of satisfaction indicates to what extent customers are satisfied and to what degree their expectations have been confirmed. In this research, this factor evaluates the level of the total customer satisfaction, the fulfillment of their expectations and the efficiency of the company in comparison with the ideal .

FACTORS THAT AFFECTING MOBILE SERVIC CUSTOMER SATISFACTION

Many and different models of customer satisfaction have been proposed since the beginning of 1970, mainly due to the difference in interpretation of the word satisfaction by a number of researchers. Erevales & Leavit conducted a review and gathered the characteristics from most of the customer satisfaction models that had been developed in the 1980s. Company image is defined as the total impression that the public has for a company. From the companies' perspective, being reliable, professional and innovative, having social contribution and valuing the customers are the elements that form the company image. Martensen et al indicate that the image is an important element in the customer satisfaction model. The image is expected to have a positive relationship towards the customer expectations, customer satisfaction and loyalty of customers to the company.

Customer loyalty has been defined as a long term commitment for the consumer to remain in the same company, and use more products and services in the future. Company image and customer satisfaction are found to affect positively customers' loyalty. Signal quality and network coverage have always been essential criteria for selecting MTS providers. During the previous years, where technology had not advanced so much in this area, company networks were limited only to certain locations. Today the signal quality has been improved and the company networks have grown to a great extent. Surveys have shown that both signal quality and network coverage affect pos-

itively consumer's satisfaction and the image of the company.

CUSTOMER SATISFACTION VS CUSTOMER EXPECTATION

Expectations play an important role in the satisfaction formation. The extent to which a product or service fulfills a customer's need and desire may play an important role in forming feelings of satisfaction because of the impact of confirmation or disconfirmation that have on satisfaction. Consumers expect to be delivered quality products and services; therefore companies try to offer quality products and services. The term expectations really matters to companies because they want to know what customers' expectations are. The term "expectations" has different uses, in the satisfaction literature, it is viewed as a prediction made by a consumer about what is likely to happen during an exchange or transaction.

Customer satisfaction has a positive effect on an organization's profitability. The more customers are satisfied with products or services offered, the more are chances for any successful business as customer satisfaction leads to repeat purchase, brand loyalty, and positive word of mouth marketing. Customer satisfaction leads to repeat purchases, loyalty and to customer retention. Satisfied customers are more likely to repeat buying products or services. They will also tend to say good things and to recommend the product or service to others.

CONCLUSION

In conclusion, companies can benefit from the fact of knowing how customers perceive the service quality and knowing the way of how to measure service quality. Therefore, the management can use the specific data obtained from the measurement of service quality in their strategies and plans. This will help companies to better understand various service quality dimensions that affect overall service customer satisfaction. In this way, companies can better allocate resources to provide better service to their customers. Thus, understanding customer satisfaction with service quality is very important and challenging.

The purpose of this study was to measure customer satisfaction with service quality delivered by the three mobile operators in Salem District of Tamilnadu. As was previously mentioned, SERVQUAL is used to find out about Overall Customer Satisfaction (OCS), Expectation Disconfirmation (ED), and Desire Disconfirmation (DD). The study was carried out using a quantitative method of collecting primary data, through questionnaires.

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