



## FUNDAMENTAL ANALYSIS OF DIFFERENT SERVICE QUALITY MODEL IN MOBILE SERVICE WITH SPECIAL REFERENCE TO INDIA

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**ABSTRACT**

Mobile phones, which were introduced a decade ago in 1995-96 in India, are becoming the dominant means of accessing communication. At the end of 2005-06, there were 90 million mobile subscribers in India in comparison to 50 million subscribers for landlines. The increase in mobile phones has been phenomenal in comparison to landlines since the introduction of mobiles in the country. Consequently, mobile subscriber base is projected to increase from 90 million in 2005-06 to 433 million in 2010-11 and nearly 900 million in 2015-16. Due to this, revenues collected by mobile operators and the government will increase substantially during the coming years. Mobile operators' revenue is projected to increase approximately from Rs. 405 billion in 2005-06 to Rs. 3236 billion in 2015-16.

The main aim of this paper is to estimate the future fundamental trend analyze the pattern and rate of adoption of mobile phones in India.

**KEYWORDS**

mobile service quality, Technology diffusion; mobile telecommunications

### INTRODUCTION

Mobile is becoming and will continue to become the dominant means for accessing communications in India primarily because deploying mobile network is not only more cost-efficient than deploying copper landline but also mobile provides greater flexibility and convenience to its subscribers than landline telephone. It costs only Rs. 6000 in added infrastructure to serve a new mobile subscriber whereas the corresponding costs for a new landline connection are Rs. 24000 (Jayaram, 2004). Since wireless can be deployed more rapidly, cash flow and return on investment is faster for the operators. Although corporate sector and home data users (basically, internet surfers) are still going for landlines, the general public are opting for mobile services, which are now really cheap. It is unlikely that this trend will change anytime in the near future.

The mobile phone industry in India is experiencing an astonishing growth since the introduction of mobiles in the country. Mobile phone subscriber base has increased from a meager 0.03 million in 1995-96 to 90 million in 2005-06. Market oriented regulation that encouraged competition in terms of both the number of competitors and the breadth of services that they can offer has played an important role in stimulating the demand. India's "Unified Licensing for Basic and Cellular Mobile Services" has enabled operators to use the most cost-efficient access technology. Competition among operators has resulted in rapid fall in tariffs. Presently, telecommunication usage charges in India are among the lowest whereas growth in subscriber base is among the highest in the world.

An effective management of mobile services requires an understanding of the factors that underlie the evolution of the market. Factors such as market potential and timing and speed of adoption are of great importance for telecom operators for capacity planning. Understanding the evolution of mobile phone market and its likely future trend is equally important for policy makers.

### Mobile phone demand in India: 1995-96 to 2014-15

Deregulation, liberalization, and competition have played a key role in incredible growth in mobile networks in India. There has been a dramatic fall in mobile tariffs with increased competition. Mobile telephony prices for local calls have dropped from Rs. 16 per minute in 2000 to Rs. 1.20 per minute in 2005. The public sector operators, Bharat Sanchar

Nigam Limited (BSNL) and Mahanagar Telephone Nigam Ltd. (MTNL), have launched the 'One-India Plan' with effect from March 1, 2006. This new plan will enable the customers of BSNL and MTNL to call from one end of India to other at the cost of Rs. 1.00 per minute, any time of the day to any phone. Similar schemes are getting introduced by the private mobile phone operators. Similar schemes are getting introduced by the private mobile phone operators like **aircel, airtel, Vodafone, idea, reliance, tata etc.**, At the same time, there has been significant increase in average income of the people. For example, per capita gross domestic product (GDP) in India has increased at the rate of almost 5% per year from the last five years or so. The reduction in tariffs and increase in average income of the people is stimulating the demand for mobile phones in India.

### Indian Customer Satisfaction Model

The Indian Customer Satisfaction Index (ICSI) is the national indicator of customer evaluations of the quality of goods and services available to Indian residents since 2005. It is the only uniform, cross-industry and government measure of customer satisfaction. It produces indices of satisfaction, its causes and effects, for seven economic sectors, 39 industries, 50 private sector companies, two types of local government services, and the Indian Postal Service. The Customer Satisfaction Index is a weighted average of three questions. The questions are answered on a 1-10 scale and converted to a 0-100 scale for reporting purposes. The three questions measure:

*Overall satisfaction, Satisfaction compared to expectations, and Satisfaction compared to an 'ideal' organization,*

### ICSI Methodology

The ICSI model is a cause-and-effect model with indices for drivers of satisfaction on the left side (customer expectations, perceived quality, and perceived value), satisfaction (ICSI) in the center, and outcomes of satisfaction on the right side (customer complaints and customer loyalty). The indexes (shown in the diagram below) are multivariable components measured by several questions that are weighted within the model. The questions assess customer evaluations of the determinants of each index. Indexes are reported on a 0 to 100 scale. The survey and modeling methodology quantifies the strength of the effect of the index on the left to the one to which the arrow points on the right. These arrows represent "impacts."

The ICSI model explains customer satisfaction (ICSI) on customer loyalty. Looking at the indexes and impacts, users can determine which drivers of satisfaction, if improved, would have the most effect on customer loyalty.

### ICSI Consequences

**Customer complaints** are measured as a percentage of respondents who indicate they have complained to a company directly about a product or service within a specified time frame. Hirschman in his exit voice theory argues that the immediate consequences of increased customer satisfaction are decreased customer complaints and increased customer

**Loyalty** .If customers are dissatisfied, then they may have the option of exiting (e.g., going to a competitor) or voicing their complaints in an attempt to receive retribution. On the other hand an increase in overall customer satisfaction should decrease the incidence of complaints. Increased overall customer satisfaction should also increase customer loyalty. Thus, satisfaction has a negative relationship with customer complaints, as the more satisfied the customers, the less likely they are to complain.

**Customer loyalty**- is a combination of the customer's professed likelihood to repurchase from the same supplier in the future, and the likelihood to purchase a company's products or services at various price points (price tolerance). Customer loyalty is the critical component of the model as it stands as a proxy for profitability.

ICSI represents a new means of evaluating and enhancing performance for organizations and companies and economies. Thus, ICSI helps firms, industries, and nations seeking to maintain and strengthen their positions in the increasingly competitive economic environment of the twenty-first century.

### Service

Services include all economic activities which are intangible, not physically apparent like products, which provide value to the customer. Service has become very crucial in all business industries due to globalization and the IT developments. Services are now seen almost to every part of our life, starting from the most essential demands, like eating to other entertainment activities, such as: sport, travelling, etc. Service is not bound to only service based businesses, like: banks, telecommunications, hotels, restaurants, and beauty salons, but it is found on all companies strategic tools for gaining a competitive advantage. Nowadays products heavily rely on its services to acquire competitive advantage, and to satisfy customers' needs.

### Service Quality

Quality in a service business has become a measure of the extent to which the service provided meets the customer's expectations. Companies have found that in order to increase profits and market share, they should pay much attention to service quality. Service quality has become a key strategic factor for companies to differentiate their products and services from other competitors by using service quality as a process that customers evaluate. Many researchers suggest that customers access service quality by comparing what they feel a seller should offer and compare it against the seller's actual service performance .The importance of quality to firms and

customers is unequivocal because of its benefits contributing to market share and return on investment et al.

The search for service quality is with no doubt the most important consumer trend of the new era, as consumers now are demanding higher quality in products and services than ever before. The fierce and intensifying competition and rapid deregulation have made many businesses in the service sector to seek profitable ways and becoming competitive. Delivering high service quality is a good strategy for businesses to succeed in their businesses.

Quality has been recognized as a strategic tool for attaining efficiency and business performance. With service assurance companies not even retain their existing customers but increase chances of getting and attracting new customers.

*The technical quality*, which involves what the customer, is receiving from the service delivery. This can be measured by the consumer in a rather objective manner.

*Functional quality*, which involves the manner in which the service is delivered This concerns the psychological interaction between the buyer and the seller an is perceived in a very subjective way, and would include elements such as:

- Attitudes and behavior of employees;
- Approachability of service personnel;
- Accessibility of service;
- Appearance and personality of personnel;
- Relationship between employees, and;
- Interrelationships between employees and customers.

### IMPLICATION OF THE MODEL

The purpose of this study was to measure customer satisfaction with service quality delivered by the three mobile operators in Macedonia. As was previously mentioned, the three ICSI core questions were used to find out about Overall Customer Satisfaction (OCS), Expectation Disconfirmation (ED), and Desire Disconfirmation (DD).

The empirical findings from customers' opinions, mobile users of the Eleven mobile operators in tamilnadu were not satisfied with service quality offered by the mobile operators. Findings also showed that customers' expectations were higher than customer perception. Significance tests for measuring the mean rating for satisfaction provided strong evidence for rejecting the null hypothesis, so the tests proved with 95 % confidence that customers were not satisfied with service quality.

### 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.

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