

# Comparison of Service Performance and Customer Satisfaction in Telecom Sector.

## A Research Study of Mobile Communication Karak Pakistan

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### *Abstract*

*This study was carried out to know the association between Telecommunication services and customer satisfaction. For this study a sample of 150 respondents (75 each from Ufone and Mobilink) were selected through simple random sampling method. A comprehensive questionnaire was used for data collection. The data was analyzed by using descriptive statistic and Comparing mean analysis. Three variables including network base service performance, retailer services and customer services were taken for customer satisfaction assessment. Also the four sub-variables in network based service performance, namely basements, suburbs, cities and ease in calling were analyzed too. In Two Independent variables which are Network Services performance and Customers services result showing that Mobilink is providing better network and customer's service then Ufone, in Retailer services Ufone is leading. Recommendation for Mobilink is to invest more money to bring more improvement rather than investing in retailer services and for ufone is to invest more money in retailer services to increase the satisfaction level of the customers.*

**Key Word:** *Customer satisfaction, Network based services performance, Retailer related process performance, and Network operator related process performance.*

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### **Introduction**

For every individual cellular service has become a need, to contact with their relatives, family, friends and with the business people. In Pakistan, there are many cellular companies which offer prepaid and postpaid services. The satisfaction level of cellular services customers change with their expectations. This can also be co-related with the potential of services a cellular company can offer to its customers.

Cellular is usually a general term for a vast array involving Technologies that send information over long distances. It can be defined in simple words "Cellular services connect people and give the advantage to communicate their messages. In other words it is wireless connection through which message can be sent from sender to receiver.

In 1962 Telecommunication developed for the first time in Pakistan. In 1991 there was only one Telecommunication provider company which was working by the name of Pakistan Telecommunication Company Limited (PTCL). But in 1994 the situation changed because Multi-national companies started business in Pakistan and launched 1<sup>st</sup> cellular services "global system for mobile communications (GSM)"

in different cities of Pakistan. By then the services charges of the Network and prices of mobile set was very much high. Only people with good resources can afford cellular services facilities. Cellular services usage had become a sign of richness. In 2001 PTCL established a new cellular service company by the name of U-fone. By now, five major companies Mobilink, Telenor, Ufone, Warid and Zongare operating in Pakistan. Mobilink started its operation in Pakistan in 1994. Mobilink was first cellular service provider to operate on hundred percent digital GSM technology in Pakistan. Mobilink entered first and High market share and market growth, that's why Mobilink became market leader in mobile companies in Pakistan. Today Mobilink is leading with 36 million subscribers.

Ufone is another GSM cellular company which started its operations in Pakistan on 28<sup>th</sup> January 2001. Ufone is a subsidiary of Pakistan Telecommunication Co. limited (PTCL), Etisalat group of UAE has 49% shares in U-fone. Till 2013 Ufone has made more than 20 million subscribers.

In National Economy, According to Pakistan Telecommunication Authority (PTA), Telecom sector is considered as one of the developed sectors. It injected Rs 467 billion into national economy in the year 2013. As compared to last year, it showed 6.4% increase. Pakistan is having good position in Internet and cellular field. Latest statistics released by the PTA showed that registered cellular subscriptions have reached to 123.1 million till 2013.

Companies learn and take experience when they come in interaction with unhappy & unsatisfied customers. This paper investigates some independent variables that play key role in customer satisfaction. The three independent variables Service Performance, Retailer services and Customer services were taken. According to Muzammil Hanif Sehrish Hafeez (2010) any cellular company who wants to maintain long term relationship with customers, it is possible only when they satisfy them in first instant, so it is important for a company to concentrate on the affecting factors. This paper is showing few variables which influence and should be paid much attention which are affecting customers' satisfaction.

## Background of the Study

In Pakistan, from past few years mobile communication has emerged as a fast growing industry. Pakistan is considered one of progressive country of the world in which Mobile phone subscribers has increased over 123.5 million. That's the reason that many foreign companies are interested to invest in this sector. Telephone & Telegraph (T&T) department provided telecom services for the first time in Pakistan. T&T department was run by the Government. T&T department was later merged into a Corporation. The corporation earned huge profits from its services. Corporation policy was to re-invest the profits in the market to expand its market base by providing more & more telecom services.

## Statement of the Problem

Mobile Communication Network has showed rapid growth in Pakistan and now it is considered one of the important sectors of economy from different prospective like foreign investment & economic growth. But interesting and important thing is that still cellular networks have not yet satisfied their customers due to low performance of services. They having high market share but these companies are unable to satisfy their customers.

## Objective of the Study

1. The main objective of the research is to identify those factors which are used into customer's satisfaction in mobile communication.
2. Find out the relationship b/w mobile communication & customers satisfaction.
3. In last the suggestions based upon the result of the study.

## Literature Review

Conducting one good research on a particular problem Literature Review has technical importance. It is one way of guidance to researcher. Literature review deal with the relationship between variables and it describe analytical framework related to the research issue. Inside Literature review the reader examine the analysis effects along with previous studies which have performed about comparable theme.

### Customer Satisfaction

Satisfaction defined and explained by different researchers in different ways and previous Researchers have given special importance to customer's satisfaction. It can be defined satisfaction whether it may relate to cellular industries or others industries. "Satisfaction is a feature or characteristic that can full either a need or want of customer in better way than competitors". Hanif et al (2010) whenever one company is providing a product or service. If the product or services according to requirement of the consumer, the consumer will get satisfaction the high will be quality of product brand, the high will be satisfaction of the consumers. (Gerpott et al, 2001) in coming future time, the company having chances to make more profit by keeping their customers satisfied. Hauser et al (1994) If the company wants to retain the consumers they should to satisfy them. Guo et al (2009) The Company unsatisfied customers quickly switched to other brands. Henkel et al. (2006) found that satisfied customer have high extent of usage and chances to repurchase in future.

In the words of (Rust and Zahorik, 1993) Customers Satisfaction has become a corporate level strategy for business. Many researcher and authors have discussed the importance of customer satisfaction in their own words. According to Drucker (1973) which stated that customer satisfaction is to be considered the base of success for any business. For the relationship b/w marketing and management customer satisfaction is corner stone (Claycomb & Martin, 2002), and for sort of organization customer satisfaction become a competitive advantage (Anderson et al., 1994).

According to Anderson, Fornell, and Lehmann, 1994 Satisfaction is a person pleasure or disappoint feeling about a product resulting from comparing the product performance with actual and with the expectation.

In telecom sector satisfied customers have high usage of extent and having the possibility to repurchase in future again. Greater the satisfaction level the more will be chances of repurchasing by customers (Iqbal et al. 2008), and reduce customer whip (Henkel et al, 2006; Serenko & Turel, 2004).

Iqbal et al. (2008) also found that satisfied customer can pursue others to use the services provider.

Kim et al. (2004) found that customers' satisfaction leads them to use current service and creates loyal customers for future. The customers who are loyal reported to produce higher retention rates, tend to commit a higher contribution of their category spending for the firm, and are more likely to pursue others to be a part of customers of the firm. (Zeithaml, 2000, Keiningham, et al. 2007)

Melisdou & Theocharis (n.d.) found that those customer which are satisfied from any cellular network, they don't stay only as customer but also they creat for the oragnaization new business as well. Loyal & satisfied customers become a higher soure margins for oranization

### Customer Services

User do not expect the company to be perfect, customers always do expect from company to fix things when going wrong. (Gronroos, 1984). it is responsibilities of the services provider staff to communicate everything with customers clearly and also the responsibility to solve the problem of customers what they are facing. The staff having also the responsibility to inform their customer from the company new services. Which are lunched by the company (Jawaria et al, (2009). For every business customer loyalty firm should provide good quality customer services (Han, 2009).

One of many reasons for your enhancement of network-services quality is actually of which clients be able to get into your company's internet site through distinct locations worldwide as well as is able to assess your company's assistance with other people company's giving. Consequently, on-line customers' expectancy is actually greater than traditional clients. Cronin *et al.* (2000) found in which support good quality, support worth, and also full satisfaction are extremely straight away to customers objectives involving consumption. (Omachanuet *et al.* 2008) explained that the Quality experienced a long phrase influence on the actual fulfillment of consumers.

Kim *et al.* (2004) indicated that network services including call quality and customer support participate a key role in constructing customer satisfaction for telecom services provider and then the satisfied customer become the loyal customer for the current services provider. (Baumann *et al.* 2006) expressed that satisfied customer become a corridor for other users to use that services from which they are satisfied.

### Network Services

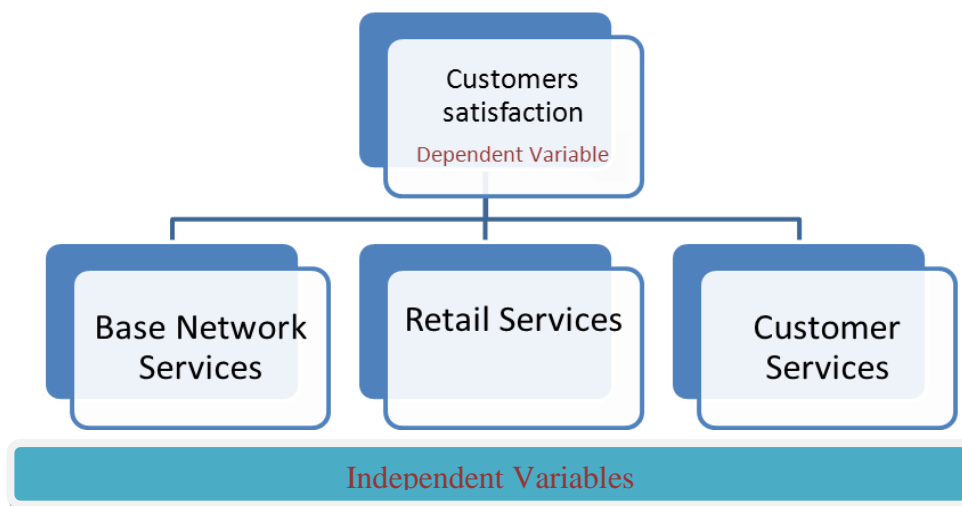
According to Parasuraman *et al.* (1988), Aydin and Özer (2005), Ismail *et al.* (2006), A high and good service is a key factor to compete in the services market. Services provider firms give more attention to quality services because it has direct impact on customer satisfaction. Every customer having different expectation from the services provider firm when they get more and better services the customer may become satisfied and trust of the customer built on the services provider too. Evaluation of the performance services firm quality services is a key factor in the telecommunication.

### Retailer Services

Retailer purchased products or goods directly or through a whole sealer from manufacturers or importers and then it sells these products in small quantities to the end user. Retailer is considered the end of the supply chain. Retailer sale the merchandise to very fixed location, like department store, or by mail.

### Framework of the Study

Framework of this research shows several factors affecting Customers satisfaction in Telecommunication are Network base service performance, retailer services, and customer services. Below factors are independent variables expecting the dependent variable which is Customers Satisfaction i.e. Customers satisfaction is affected by these independent variables.



## Research Methodology

### Population and Sample Size

The population of this research is constituted in district Karak. Where the entire cellular services companies providing the mobile services. Taking Mobilik and Ufone for the research as a sample, because these two are pioneer in the cellular industries in Karak region.

For the further process select stratified random method. A sample of 150 respondents selected from both networks. In which 75 respondents were from the Mobilink and the rest of 75 respondents were from the Ufone. Most of the data of the research collected from students.

### Sample Size

Table 1

Companies Name	Number of selected Customers
Ufone	75
Mobilink	75
Total	150

### Data Collection

To collect valid and reliable information from the respondents comprehensive questionnaires used for the collection of reliable information. According to time and space the data for the research collected from those respondents to which having easy access.

### Data Collection Tool (Questionnaire):

This questionnaire constructed on very simple way, which consist of those factors of Telecommunication that effect services performance and costumer's satisfaction and which were easily understandable to respondent.

The Questionnaire of research divided into five sections. Each section was having few sub questions.

1. Personal Information.
2. Network based service performance.
3. Retailer related service performance.
4. Network related operator process performance.
5. Customers satisfaction

## Result and Analysis:

### Demographic Result of Mobilink

Output of the below table shows that there are 51 male respondents with 81% and there are 12 Female respondents with 19%. The collections of total respondent are 63.

In the given table there are 39 respondents their age were from 15-25 and 22 respondents the age were from 2-35 and only 2 respondents their age were from 36-45.

In the above table there are 33 student respondents with the total percentage of 52.4%, and 11 Teachers respondents with percentage of 34.9%. & 6 employee respondents with percentage of 9.5% and 6 Govt. servant respondents with 9.5% and there were 1 Doctor Respondent with 1.6%.

In the above table the Education output shows that there are 12 respondents with 19.0 % form foundation and 29 were Undergraduate with 46.0%, and also 16 respondents with 25.4% were Graduate and 6 respondents were postgraduate with 9.5 % of the total respondents. Marital states show that 36 respondents are signal and 27 respondents are married and their percentage is 57.1% and 41.3% respectively.



Table 2

Measure	Item	Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	51	81	81	81
	Female	12	19	19	100
	Total	63	100	100	
Age	15-25	39	61.9	61.9	61.9
	26-35	22	34.9	34.9	96.8
	36-45	2	3.2	3.2	100.0
	Total	63	100.0	100.0	
Occupation	Student	33	52.4	52.4	52.4
	Teacher	11	17.5	17.5	69.8
	Employee	6	9.5	9.5	79.4
	Govt. Servant	6	9.5	9.5	88.9
	Labor	6	9.5	9.5	98.4
	Doctor	1	1.6	1.6	100.0
	Total	63	100.0	100.0	
Education	Foundation	12	19.0	19.0	19.0
	Undergraduate	29	46.0	46.0	65.1
	Graduate	16	25.4	25.4	90.5
	Postgraduate	6	9.5	9.5	100.0
	Total	63	100.0	100.0	
Marital states	Single	36	57.1	57.1	57.1
	Married	27	41.3	41.3	98.4
	Total	63	100.0	100	100
Total income	5000-15000	36	57.1	57.1	57.1
	16000-25000	17	27.0	27.0	84.1
	26000-35000	8	12.7	12.7	96.8
	36000-50000	1	1.6	1.6	98.4
	Above 50000	1	1.6	1.6	100.0
	Total	63	100.0	100.0	100.0

In the above table there are 36 respondent whose income level from 5000-15000 with 57.1% of the total and 17 respondents there income level from 16000 -25000 with 27.0 % and income 26000-35000 were 8 respondents with 12.7% and 1 respondent whose income were from 36000-50000 with 1.6% and 1 respondent whose income above then 50000 with 1.6% of the total income.

### Ufone Demographic Result

In the above table the output shows that there are 56 male respondents with the total percentage of 88.9% and there are 7 Female respondents there percentage are 11.1% .the collection of total respondents were 63.

In the given table there are 29 respondents their age were from 15-25 and 30 respondents the age were from 26-35 and 4 respondents there age were from 36-45.

In the above table there are 31 student respondents with the total percentage of 49.2%, and 15 Teachers respondents with 23.8%. & 8 employee respondents with 12.7% and 2 Govt. servant respondents with 3.2% and there were 1 Doctor Respondent with 1.6% and 6 labor respondents with 9.5% of the total.

In the above table the Education output shows that there are 7 respondents with 11.1 % education level were foundation and 22 were Undergraduate with 43.8%, and also 26 respondents with 41.3% were Graduate and 8 respondents were postgraduate with 12.7 % of the total respondents.

Marital states show that 36respondents were signal and 27 respondents were married there percentage is 57.1% and 42.9% respectively.

Table 2

Measure	Item	Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	56	88.9	88.9	88.9
	Female	7	11.1	11.1	100.0
	Total	63	100.0	100.0	
Age	15-25	29	46.0	46.0	46.0
	26-35	30	47.6	47.6	93.7
	36-45	4	6.3	6.3	100.0
	Total	63	100.0	100.0	
Occupation	Student	31	49.2	49.2	49.2
	Teacher	15	23.8	23.8	73.0
	Employee	8	12.7	12.7	87.0
	Govt. Servant	2	3.2	3.2	88.9
	Labor	6	9.5	9.5	98.4
	Doctor	1	1.6	1.6	100.0
Total	63	100.0	100.0		
Education	Foundation	7	11.1	11.1	11.1
	Undergraduate	22	34.9	34.9	46.0
	Graduate	26	41.3	41.3	87.3
	Postgraduate	8	12.7	12.7	100.0
	Total	63	100.0	100.0	
Marital states	Single	36	57.1	57.1	57.1
	Married	27	42.9	42.9	100.0
	Total	63	100.0	100.0	
Total income	5000-15000	36	57.1	57.1	57.1
	16000-25000	12	19.0	19.0	76.2
	26000-35000	11	17.5	17.5	93.7
	36000-50000	4	6.3	6.3	100.0
	Above 50000	63	100.0	100.0	
	Total	63	100.0	100.0	

In the above table there are 36 respondent whose income level from 5000-15000 with 57.1% of the total and 12 respondents their income level from 16000 -25000 with 19.0% and income level from 26000-35000 were 11 respondents with 17.5% and 4 respondent whose income were from 36000-50000 with 6.3%.

**Comparison of Mean value for both Networks.**

The above table shows that the mean value of the Mobilink is 3.85 while the mean value of the Ufone is 3.72, comparing the mean value of the both network, Mobilink having high mean value. It indicates that Customers are more satisfied then Ufone.

Table3: Network Services Related Questions

S.No	Item Network	Mean Value	
		Mobilink	Ufone
1	The Signal is Strong Even Inside the Buildings Including Basement.	3.88	3.95
2	All Part of the City including Suburbs is reasonably Covered by this Mobile phone company.	3.65	2.73
3	The signal is strong in all the cities covered by this Mobile Phone company.	4.06	4.19
4	It is usually easy to get through while making or receiving calls	3.84	4.01
<b>Average</b>		<b>3.85</b>	<b>3.72</b>

Table no 4: Retailer Services related Questions:

S.No.	Items retailer service	Mean Value	
		Mobilink	Ufone
1	The retailer had knowledge of the tariffs and plans to the cellular service	3.11	2.60
2	The retailer was courteous and dealt with me in a friendly manner	3.71	4.20
3	The retailer was extremely helpful in guiding me on using the cell phone	3.25	3.28
<b>Average</b>		<b>3.35</b>	<b>3.36</b>

The above table indicates that, the mean value of the Mobilink is 3.35 while the mean value of the Ufone is 3.36, comparing the mean value of the both network, Ufone having high mean value. It indicates that from Retailer services of Ufone, customers are more satisfied as compare to Mobilink.

Table no 5: Customer Service Performance related Questions result:

S.No	Items Customer Service Performance	Mean Value	
		Mobilink	Ufone
1	It is difficult to get through to the customer service officers	3.36	3.03
2	The information booklet contains exhaustive information about using cellular phones	3.25	2.21
3	The information booklet is easy to understand	3.42	3.88
4	The billing is done accurately and timely	3.71	4.20
<b>Average</b>		<b>3.43</b>	<b>3.33</b>

In the above table shows that the mean value of the Mobilink is 3.43 while the mean value of the Ufone is 3.33, comparing the mean value of the both network, Mobilink having high mean value. It indicates that Customers are more satisfied from Customers services performance of Mobilink as compare to Ufone.

## Conclusion

The main purpose of the research was to find out those factors which influence service performance and customer satisfaction in cellular networks. To get fruitful result the data collected through questionnaire, the sample of research were 150 customers, and then divided the sample into two sections. 75 respondent from Mobilink and 75 respondents from Ufone.

Then used a convenience sampling method for the questionnaire, distributed the questionnaire among Mobilink and Ufone customers. According to the result of the research, the first question asked from customers of the both networks about Network Service, and the question was also divided into four sub questions. The average mean value of the first question for Mobilink is 3.85 and for Ufone is 3.72. So the result can be declared for the first independent variable, that the high value of the mean show that Mobilink is providing better Network service then Ufone and customers are more satisfied from Mobilink as compare to Ufone. Suggestion is that there is strong association of Network services with customer satisfaction, due to high mean value for Network Services of the Mobilink Ufone needs to improve their Network services to satisfy customers.

The result of the second question can be declared by the average mean value of the both networks. The second question was related to Retailer services and got the average mean value from Mobilink 3.53 and from Ufone 3.36. Which shows that customers are slightly more satisfied from Retailer service of Ufone as compare to Mobilink. Suggestion to Mobilink as to improve Retailer Services because Retailer Services have high impact on Customer satisfaction.

In above table the third question which asked from customers was related to Customers services, and in table the average mean value for Mobilink is 3.43 and for Ufone the mean value is 3.33 which is less than the mean value of the Mobilink, so here can display the result that Mobilink is providing high customer services than Ufone, and Customers are more satisfied from Mobilink than Ufone. Ufone needs to work hard and bring improvement in Customers Services.



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