Study of Customers' Satisfaction with respect to leading Mobile Service Providers in Telecom Industry

Dr. Shalini Wadhwa,

Assistant Professor, HR, Uma Krishna Shetty Institute of Management Studies and Research,
Shashi Manmohan Shetty Higher Education Complex Opp. Buntara Bhavana, Buntara Marg,
Kurla (East), Mumbai – 400 040.

Abstract: The present study concentrates on the level of customers' satisfaction with respect to leading service providers in the telecom industry. Leading service providers Airtel, Vodafone, Docomo and Idea are chosen for the purpose of this study. It is observed that people switch the service providers very often due to several reasons. It may be because they are not satisfied with the present company. The dissatisfaction may be due to several factors like price, customer service, or better network, less activation time, more value added services, flexibility in changing various plans offered like individual plans, group plans, single plan for various data services, plans with different usage and talk rates etc. It is also a perception that as and when new plans are introduced by the companies, these lucrative sales promotion offers lead to switching over of the service providers. Therefore, it is important to know how satisfied the customers are with their present provider and the type of connection they have viz. post-paid or pre-paid.

INTRODUCTION

Telecom industry in India was opened to private companies during liberalization era. Telecom Regulatory Authority of India was appointed in 1990 to regulate the telecom industry. The work done by TRAI has been under scanner. It is believed that it is not that effective as it should have been (Ashok Desai, 2006). However, the number of private service providers in the industry has increased due to eased regulations. Wireless subscribers or mobile phone users have increased manifold during last 2 decades in India as per Telecom Regulatory authority of India report (January-March 2013). As per the TRAI report major companies in wireless communications in India are Bharti Airtel, Reliance, Tata Docomo, Vodafone, Idea etc. These companies compete with each other by offering different types of plans, services at different rates. All these companies offer two types of payment options- Pre-paid and Post-Paid. Subscribers can opt for post-paid or pre-paid connection depending on various factors.

Post-paid- It refers to the monthly billing system for payment of the services. The user is charged a fixed monthly rental as per the plan chosen. Some of the calls and the data usage are offered free according to the plan chosen. However, if the user exceeds the limit, he/she has to pay charges over and above the monthly rental.

Pre-paid- In this, the payment for the services is made before the services are utilized. However, user gets the flexibility of recharge or top up the card from time to time and top-ups.

Companies are offering various value added services (M-VAS) to the mobile phone users. This industry has tremendous potential of growth in the coming years. It is believed that the growth will surpass that of e-commerce also. (Mukesh Kumar and Ram Kumar Kakani, 2012).

OBJECTIVES OF THE STUDY

The objectives of this research paper are:

 To know the level of satisfaction of customers with respect to different service providers.
To understand the difference in level of satisfaction of customers with post-paid and pre-paid connections
To identify the impact of demographic factors on satisfaction level of customers of different service providers.

RESEARCH METHODOLOGY

Sample size
The sample for the study was collected from the users of selected service providers. The sample unit of the study constituted all 25 customers of each service provider. The sample size was limited to hundred (100).

Sampling Method
Convenience sampling technique was adopted in the selection of the sample units or respondents of the service providers.

Data Collection
Primary and secondary sources of data were collected for the research.

Primary Source
Tool adopted for the collection of the primary data was a well designed questionnaire. Interviews were also taken wherever found necessary.

Secondary Source
Secondary data was collected through books, articles, journals and reports of TRAI. Electronic search engines such as the internet and Encyclopedia were also accessed.

Limitations of the Study
Due to lack of time and finances the sample size was restricted to 100. Also, it was not possible to study all the service providers, so only major companies having large number of subscribers as per TRAI were selected for the study. Since this industry has tremendous opportunities, area and scope of the study can be widened.

DATA ANALYSIS AND INTERPRETATION

Introduction
This chapter explains information gathered from the field through the use of questionnaires. These are analyzed to emphasize response from respondents using various forms of graphical representations. This chapter is also divided into sub-headings to throw more light on questions asked on the field.

Question-1

Customers of Service Providers

Service_Provider	Frequency	Percent	Valid Percent	Cumulative Percent
Airtel	25	25.0	25.0	25.0
Idea	25	25.0	25.0	50.0
TATA Docomo	25	25.0	25.0	75.0
Vodafone	25	25.0	25.0	100.0
Total	100	100.0	100.0	

This table indicates that equal number of respondents (25) of each service providers were approached.

Question-2

Type_of_connection

Type of Connection	Frequency	Percent	Valid Percent	Cumulative Percent
Post-paid	50	50.0	50.0	50.0
Pre-paid	50	50.0	50.0	100.0
Total	100	100.0	100.0	

The above table indicates that out of total 100 respondents 50 had pre-paid and 50 had post-paid connection. Notably, equal no. of respondents was chosen to bring parity in the results.

Question-3

Post-Paid

Sr no	Factors of satisfaction	CDS	D	N	S	CS	Total
1	Better Network		20	20	5	5	50
2	Activation Time		5	15	15	15	50
3	Customer Care Service	10	5	20	5	10	50
4	Price	15	20	15			50
5	Value Added Services		5	10	25	10	50
6	Sales Promotion	5	20	25			50
7	Plan Flexibility	10	25	15			50
8	Availability	10	30	10			50

Question-4

Pre-paid

Sr.No.	Factors of satisfaction	CDS	D	N	S	CS	Total
1	Better Network	5	10	30	5		50
2	Activation Time			10	30	10	50
3	Customer Care Service		20	10	15	5	50
4	Price		5	15	25	5	50
5	Value Added Services		15	20	15		50
6	Sales Promotion		5	15	20	10	50
7	Plan Flexibility			15	30	5	50
8	Availability			5	25	20	50

Above responses are rated as follows

Completely Dissatisfied =1, Dissatisfied=2, Neutral=3, Satisfied=4, Completely Satisfied =5

Mean score of satisfaction is calculated for all 100 respondents and presented in the following table:

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Satisfaction score	100	40.00	80.00	62.7500	10.38708

Above table indicate that mean satisfaction score is 62.75 and standard deviation is 10.38. These respondents are classified in to three categories. Respondents of score below 52.37 are classified as customers having 'LOW satisfaction'. Respondents of score between 52.37 and 73.13 are classified as customers having 'MEDIUM satisfaction'. Respondents of score more than 73.13 are classified as customers having 'HIGH satisfaction'. Classified information is presented in the following table:

Level_of_satisfaction

Level of satisfaction	Frequency	Percent	Valid Percent	Cumulative Percent
HIGH	15	15.0	15.0	15.0
LOW	15	15.0	15.0	30.0
MEDIUM	70	70.0	70.0	100.0
Total	100	100.0	100.0	

Null hypothesis-1 There is no association between customer satisfaction and service provider.

Alternate hypothesis-1 There is association between customer satisfaction and service provider.

Service_Provider * Level_of_satisfaction
Cross tabulation

Count

Service_Provider	Level_of_satisfaction			Total
	HIGH	MEDIUM	LOW	
Airtel	0	25	0	25
Idea	5	10	10	25
TATA Docomo	0	20	5	25
Vodafone	10	15	0	25
Total	15	70	15	100

Chi-Square Tests

	Value	df	p-value	Result of test
Pearson Chi-Square	43.810[a]	6	.000	Rejected

Since the P-value of the Chi-square test is less than .05, alternate hypothesis is accepted. We can say that there is association between service provider and level of satisfaction.
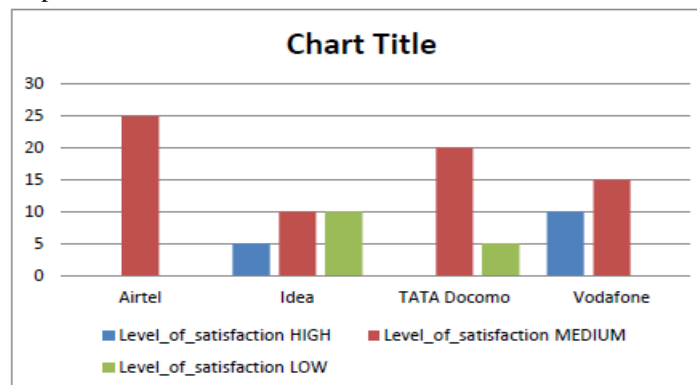
Null hypothesis-2 There is no association between customer satisfaction and type of connection.

Alternate hypothesis-2 There is association between customer satisfaction and type of connection.

Typ_of_connection * Level_of_satisfaction Crosstabulation

Count

Type_of_connection	Level_of_satisfaction			Total	
	HIGH	MEDIUM	LOW		
Post-paid	0	35	15	50	
Pre-paid	15	35	0	50	
Total	15	70	15	100	
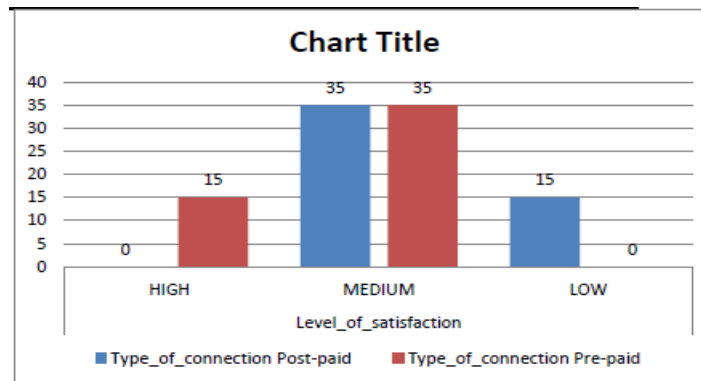
Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Result
Pearson Chi-Square	30.000^a	2	0.000	Rejected

P-value less than .05 indicates that there is association between type of connection and customer satisfaction. It is evident from the report given below:

Report

Mean

Type_of_connection	Saisfaction_score
Post-paid	55.0000
Pre-paid	70.5000
Total	62.7500

Report

Mean

Typ_of_connection	Que1	Que2	Que3	Que4	Que5	Que6	Que7	Que8
Post-paid	2.9000	3.8000	3.0000	2.0000	3.8000	2.4000	2.1000	2.0000
Pre-paid	2.7000	4.0000	3.1000	3.6000	3.0000	3.7000	3.8000	4.3000
Total	2.8000	3.9000	3.0500	2.8000	3.4000	3.0500	2.9500	3.1500

Null hypothesis-2 There is no association between customer satisfaction and age of the respondent.

Alternate hypothesis-2 There is association between customer satisfaction and age of the respondent.
**Age * Level_of_satisfaction**

Crosstab

Count

Age	Level_of_satisfaction			Total
	HIGH	MEDIUM	LOW	
Less than 25 yrs	5	40	2	47
25 to 40 yrs	5	30	8	43
More than 40 yrs	5	0	5	10
Total	15	70	15	100

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.778[a]	4	.000

P-value less than .05 indicates that there is association between age of the respondent and customer satisfaction. It can be established from the report given below:
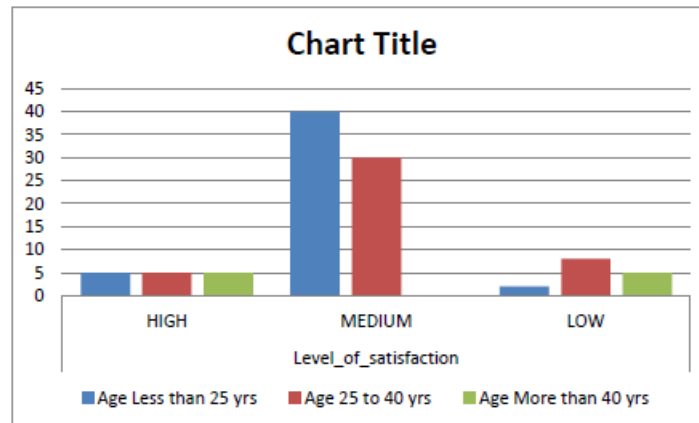
Report

Mean

Age	Satisfaction_score
Less than 25 yrs	64.8936
25 to 40 yrs	61.3372
More than 40 yrs	58.7500
Total	62.7500

Null hypothesis-2 There is no association between customer satisfaction and occupation of the respondent.

Alternate hypothesis-2 There is association between customer satisfaction and occupation of the respondent.
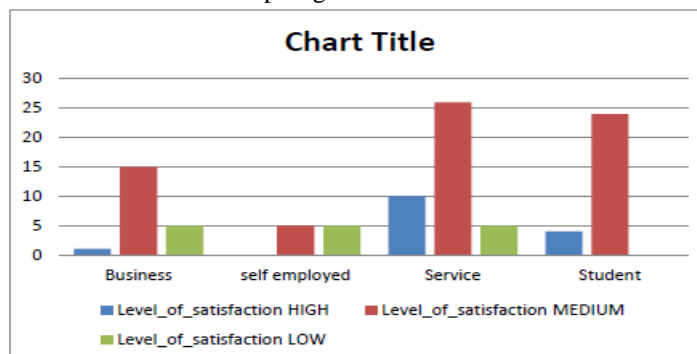
Occupation * Level_of_satisfaction

Crosstab .

Count

Occupation	Level of satisfaction			Total
	HIGH	MEDIUM	LOW	
Business	1	15	5	21
self employed	0	5	5	10
Service	10	26	5	41
Student	4	24	0	28
Total	15	70	15	100

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.875[a]	6	.002

P-value less than .05 indicates that there is association between age of the respondent and customer satisfaction. It can be established from the report given below:

occupation	Saisfaction_score
Business	61.5476
self employed	61.2500
Service	63.2317
Student	63.4821
Total	62.7500

SUMMARY OF FINDINGS

1) Amongst the four service providers selected 40% of the customers are highly satisfied with the Vodafone company followed by Airtel. The level of satisfaction of Idea users is lowest amongst all.

2) About 30% of the respondents are highly satisfied with the pre-paid services. Careful review of the score table indicates that there is high level of satisfaction in respondents with respect to pre-paid connections. It is due to the easy availability of the recharge coupons and sim cards, various promotional plans offered by the different companies and low cost recharge coupons. Respondents are of view that pre-paid connections are cost-beneficial in comparison to post-paid connections.

3) Respondents below 25 years are more satisfied with the service providers as compared to their older counterparts. Notably, most of the respondents below 25 years have pre-paid connections.

4) It is found in the study that mostly the satisfaction level of student category is higher followed by users who are in service.

RECOMMENDATIONS

1) Services- It is suggested that Idea and Docomo should improve the overall performance of the services offered by them in order to achieve high customer satisfaction which in turn will help them gain customer loyalty.

2) Pre-paid - The present study indicates that pre-paid connections are more popular amongst student community than with business people. However, users are not that satisfied with the network coverage, value-added services and customer care services offered to them. Therefore, in order to increase the level of satisfaction companies should work on these areas. Efforts should also be made to increase the market share by targeting business community and professionals through customized offers.

3) Post-paid connections- Users don't seem satisfied with the post-paid connections of the various service providers. They are particularly unhappy about the plan flexibility, availability of the connection and the monthly rentals they have to pay. In view of this it is suggested that subscribers should be given more free calls and more plan switching options. Also, the process of getting a post-paid connection should be made simpler. This will certainly help in increasing the satisfaction level of the customers.

4) Special Plans for Students– Some pre-paid plans should be especially for the students like more talk-time or free talk time if the card is recharged specific number of times in a particular time span or some offers like free lunch or coupon if the amount of recharge in a week reaches a particular limit.

CONCLUSION

It was observed from the study that satisfaction level of customers of Vodafone Company is higher as compared to other three service providers. It is mainly due to the prepaid plans and value added services it offers to the customers. In addition, the network coverage of Vodafone was also found satisfactory.

People, especially students' prefer pre-paid plans as it is value for money. They have the facility of recharging the card anytime, anywhere. It also gives them flexibility to switch on to other service providers when good promotional offers are launched.

Post-paid plans are more popular amongst employees and business community as it gives them un-interrupted services, flexibility of group and individual plans and the data services. The other important feature is bill statement which is not issued in pre-paid payment mode. It has been observed during informal interviews with the customers that they prefer post-paid plans if they have to utilize data services. Therefore, to increase the market share companies should bring out such post-paid offers which are cost-effective and designed for the specific group of people like students, business-man and employees. This will increase the customer base.

This is to summarize that to gain customer loyalty companies should provide better network coverage and customer service. The plans and offers should be tailor made keeping in view the different needs of buyers e.g. according to the age group or occupation of the customers.

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