

Service Quality on Telecom Sector in India

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Abstract— This study emphasize on Service Quality in Telecom sector. The concept of Service Quality and its dimensions are the essential elements of service sector. Service Quality directly affects the customer satisfaction and loyalty. It determines the customer satisfaction by matching the customer expectations with perceived service. This is defined as Gap in Service sector. All the telecom industries are striving to reduce this gap occurred in Service Delivery System. By reducing the gap, the Quality of service will improve in terms of prompt service, zero defects, effective communication and individualized attention to customers. It gives the profitability, business growth, growth of market share, gain value and financial performance to the organization.

Key words: Service Quality, Service Delivery System, Service Gap, Customer Satisfaction

I. INTRODUCTION

From the past decades, LPG (Liberalization, Privatization & Globalization) helps to increase the growth of Service Sector with quality benefits. Service sector plays the vital role of contributing GDP in India. Service quality is defined as "Conformance to requirements." (Crosby 1979). This paper is focused the Service Quality towards Telecom Sector. Telecom industries possess 41.01% of Compound Annual Growth Rate for past ten years reported by TRAI. Today, the Telecom sector focus the customer to gain value. Customer satisfaction and loyalty developed by the superior delivery system. Here, Service quality measurement is explained with its dimensions. The model for Service Quality is firstly developed by Parasuraman A at 1985. That model is considered as the standardized model for all service sector. Here, the model is proposed especially for Telecom Sector with special reference to Indian Telecom Industries. By applying this model, the benefits which are obtained by the Telecom sector are discussed.

II. LITERATURE REVIEW

A. Service quality journals:

Parasuraman. A et al (1985) pend the concept of service quality and defined the dimensions with proposed model. In this study, the authors found the gap between the expectations and perceived service.

Sasser et al (1990) emphasized on defecting customer and cost of losing a customer. The authors described about the defection management and zero defection culture for increase in profitability.

Varun Grover (1996) explained the service quality in the outsourcing of Information System (IS) and trends in outsourcing of IS. The author focused the quality of service provider and their relationship for successful service. The model is proposed for quality service and partnership in outsourcing.

Zeithaml (2000) described the relationship between quality of service and profitability. The author analysed the offensive and defensive effects of service quality to found key drivers of profitability and customer retention.

Aravind Malhotra et al (2002) explained the service delivery process through web sites called e-SQ by proposing a model. This study concluded the delivery of service using websites are more efficient and compare the e-SQ delivery with existing delivery.

B. Telecom Journals:

Parvez et al (2009) proposed a framework to analyze the customer satisfaction and the effect of quality service for creation of loyal customers.

Zekiri et al (2011) described the perceived service quality and satisfaction using the American Customer Satisfaction Index (ACSI) towards telecom industry. The ACSI model indicates the factors influences satisfaction of customer by repeated purchases of product and generate loyalty.

Abdullah (2013) analyzed the dimensions of service quality in Malaysian Telecom Sector using SERVQUAL model. The author concluded that the five dimensions have positive influence on customer satisfaction.

Uprety (2013) aimed to find out the various dimensions in service quality by using TOPSIS and AHP method with trapezoidal fuzzy numbers. In this study, the eight important service quality attributes are found.

Bhargav et al (2014) explained the service quality gap in telecom sector and distinguished between expectation and perception of services regarding mobile phone services. In this study, the suggestions for the telecom companies were provided and continually assess the provided services and take corrective actions.

Masud Ibrahim et al (2014) explained the delivery of service quality by dimensions (reliability, responsiveness, assurance, empathy and tangible) and analyzed the service quality gap at Vodafone Ghana telecom industry.

Debasish Baruah et al (2015) conducted a study to find the impact of dimensions of service quality in customer's perception and they assessed the influence of dimensions and gave suggestions to improve the quality of service.

K. Osotimehin (2015) emphasized on perceived service quality in the Nigerian telecom sector. The author found that the service quality influence on profitability, sustainability and performance evaluation of the service organizations by providing prompt service.

III. SERVICE QUALITY

Service quality is defined as "Conformance to requirements." (Crosby 1979). "Service quality is a measure of how well the service delivered matches customer expectation. Delivering quality service means conforming to customer expectations on a consistent basis" (Lewis and Booms 1983). The search for quality is arguably the most important consumer trend of

the 1980s (Rabin 1983) Service quality perceptions results from a comparison of consumer expectations with actual service performance (A.Parasuraman et al 1985).service concern of highest priority to today’s companies is the impact of service quality on profit and other financial outcomes of the organization (Gresing 1994; Rust, Zahorik, and Keiningham 1995).

IV. SERVICE QUALITY MEASUREMENTS

Measuring service quality is a challenge because customer satisfaction is determined by many intangible factors. Service quality contains many psychological features (Fitzsimmons, 2006). Quality is a comparison between expectations and performance (Zeithaml, 1985). A set of key discrepancies or gaps exists regarding executive perceptions of service quality and the tasks associated with service delivery to consumers. These gaps can be major hurdles in attempting to deliver a service which consumers would perceive as being of high quality (Parasuraman et al, 1985). The quality that a consumer perceives in a service is a function of the magnitude and direction of the gap between expected service and perceived service (L L Berry et al, 1985). This gap is defined as Gap 5. Gap 5 determines the quality of service. The minimal gap shows the maximum quality of service which leads to customer satisfaction and loyalty.

A. Expected Service:

Expected quality or requirements are essentially basic functions or features that customers normally expect of a product or service. Expected requirements are usually invisible unless they become visible when they are unfulfilled. “Exciting” quality or requirements are sort of “out of ordinary” functions or features of a product or service. Exciting requirements are also usually invisible unless they become visible when they are fulfilled and result in customer satisfaction; they do not leave customers dissatisfied when left unfulfilled (Kano. N. et al. 1984).

B. Perceived Service:

Perceived quality can be defined as the customer’s perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives. Perceived quality is, first, a perception by customers. Perceived quality is an intangible, overall feeling about a brand. How-ever, it usually will be based on underlying dimensions which include characteristics of the product to which the brand is attached such as reliability and performance (Aaker, 1991).

C. Service Quality:

- 1) Expectations exceeded $ES < PS$ (Quality surprise)
- 2) Expectations met $ES \approx PS$ (Satisfactory quality)
- 3) Expectations not met $ES > PS$ (Unacceptable quality)

Source: Parasuraman et al, 1985.

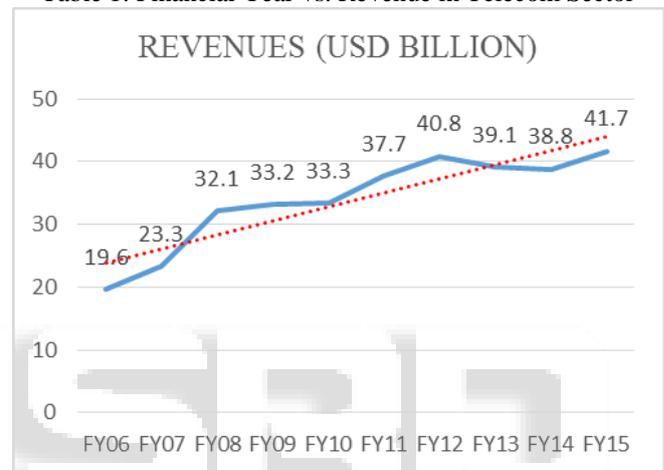
Measuring service quality involves many intangible factors to determine customer satisfaction. Service quality contains many psychological features such as a person’s future quality of life. The multiple dimensions of service quality are captured in the SERVQUAL instrument, which is an effective tool for surveying customer satisfaction that is based on the service quality gap model (Fitzsimmons, 2006).

V. SERVICE QUALITY IN TELECOM INDUSTRY

From the Economic survey for 2013-2014, India has the second fastest growing sector with its compound annual growth rate at 9 percent during the last eleven year period from 2001-2012 (The Hindu – 09 July 2014).

Financial Year	Revenues(USD Billion)
FY06	19.6
FY07	23.3
FY08	32.1
FY09	33.2
FY10	33.3
FY11	37.7
FY12	40.8
FY13	39.1
FY14	38.8
FY15	41.7

Table 1: Financial Year vs. Revenue in Telecom Sector



..... Trend line CAGR (Compound Annual Growth Rate): 41.01%

Fig. 1: Graphical Representation of Growth (Telecom Regulatory Authority of India, Feb 2017).

Quality can neither be inspected into a product nor somehow added on, and this same observation applies to services. A concern for quality begins with the design of service delivery system (Fitzsimmons, 2006). Service delivery process occurs with the presence of customer. Quality directly affects the customer satisfaction. The most important function is tracking service quality trends through periodic customer surveys.

There is a positive relationship between the quality and customer satisfaction and loyalty referred by the author Anderson & Sullivan (1993). Customer satisfaction has been considered to be based on the Customer’s experience on a particular Service Provider (Cronin & Taylor, 1992).

A. Service quality dimensions:

Reliability involves consistency of performance and dependability. It means that the firm performs the service right the first time. It also means that the firm honors its promises, specifically, it involves:

- accuracy in billing;
- keeping records correctly;
- performing the service at the designated time.

Responsiveness concerns the willingness or readiness of employees to provide service, it involves timeliness of service:

- mailing a transaction slip immediately;
- calling the customer back quickly;
- giving prompt service (e.g., setting appointments quickly).

Competence means possession of the required skills and knowledge to perform the service. It involves:

- Knowledge And Skill Of The Contact Personnel;
- Knowledge And Skill Of Operational Support Personnel;
- Research Capability of The Organization, E.G. Securities Brokerage Firm.

ACCESS involves approachability and ease of contact, it means:

- The Service Is Easily Accessible By Telephone (Lines Are Not Busy And They Don't Put You On Hold);
- Waiting Time To Receive A Service (E.G., At A Bank) Is Not Extensive;
- Convenient Hours Of Operation;
- Convenient Location Of The Service Facility.

TANGIBLES include the physical evidence of the service:

- physical facilities;
- appearance of personnel;
- tools or equipment used to provide the service;
- physical representations of the service, such as a plastic credit card or a bank statement;
- other customers in the service facility.

Credibility involves trustworthiness, believability, honesty. It involves having the customer's best interests at heart. Contributing to credibility are:

- Company Name;
- Company Reputation;
- Personal Characteristics Of The Contact Personnel;
- The Degree Of Hard Sell Involve In Interactions With The Customer.

Courtesy involves politeness, respect, consideration, and friendliness of contact personnel (including receptionists, telephone operators, etc.). It includes:

- consideration for the consumer's property (e.g. no muddy shoes on the carpet);
- clean and neat appearance of public contact personnel.

SECURITY is the freedom from danger, risk, or doubt. It involves:

- Physical Safety (Will I Get Mugged At The Automatic Teller Machine?);
- Financial Security (Does The Company Know Where My Stock Certificate Is?);
- Confidentiality (Are My Dealings With The Company Private?).

UNDERSTANDING/KNOWING THE CUSTOMER involves making the effort to understand the customer's needs. It involves:

- Learning The Customer's Specific Requirements;
- Providing Individualized Attention;
- Recognizing The Regular Customer.

Communication means keeping customers informed in language they can understand and listening to them. It may mean that the company has to adjust its language for different consumers-increasing the level of sophistication with a well-educated customer and speaking simply and plainly with a novice. It involves:

- explaining the service itself;

- explaining how much the service will cost;
- assuring the customer that a problem will be handled.

Source: Parasuraman et al. (1985)

B. Existing model:

Existing model for Service Quality was developed by Parasuraman A et al (1985). This model provides the five Gaps in Service Sector. This model can also be applicable to the Telecom Service Provider. From 1985 onwards, this is the best suit model for measuring Service Quality.

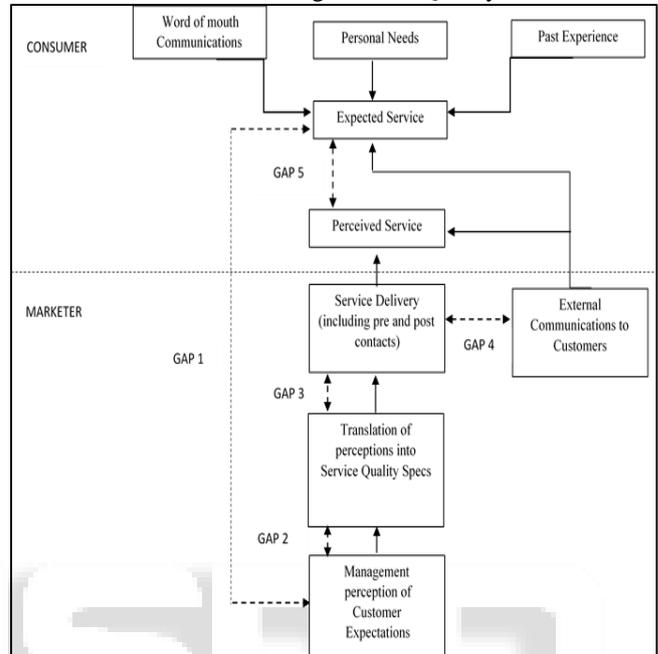


Fig. 2: Existing Model of Service Quality (Parasuraman A, 1985)

C. Proposed model:

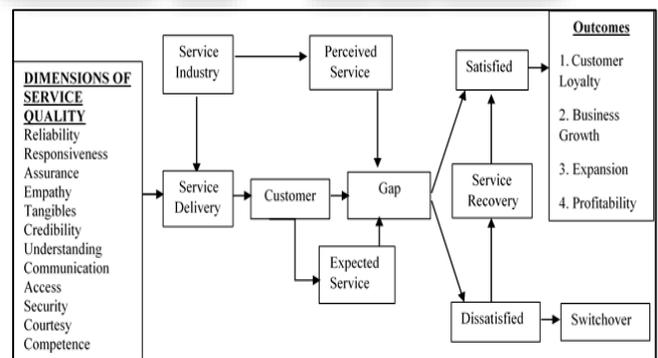


Fig. 3: Proposed Model for Service Quality

Service Delivery: Customer Service Delivery provides a framework for Customer service as a process and an outcome (Salas, 2005).

Service Recovery: Process of changing service failure into service delight by providing quick resolution and creates loyal customers.

By applying this model, the Quality of Service is measured by using SERVQUAL instrument. This model also includes the customer retention for dissatisfied customer. The quality system provides the better results in Customer loyalty, Business Growth, Expansion and Profitability to organization.

VI. DISCUSSION & FUTURE RECOMMENDATIONS

Quality in service is the influencing factor for business growth, expansion of their service, gain customer loyalty especially in Telecom sector. Here, the model is developed for Service Quality with its benefits. By this study, the telecom sector can improve their competitive advantage. This study can be adopted in both public and private telecom sector. For future research, it leads to the empirical model by using Fuzzy AHP and FTOPSIS methods. As the result of this method, we can understand the customer's perception towards the service provided by the Telecom sector.

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