

CUSTOMER SATISFACTION AND EXPECTATION TOWARDS AIRCEL: A RESEARCH CONDUCTED IN WEST MIDNAPORE

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ABSTRACT

The present study is aimed to determine the customer satisfaction & expectation towards a telecommunication company in West Midnapore which is a district of West Bengal. A descriptive study was conducted to achieve the objectives. In total 250 respondents filled a well-structured questionnaire having a list of statements pertaining to products, services & facilities provided by the service provider. Results reveal that the dimensions which influence the satisfaction level of customer's are: Core services (like good coverage, good connectivity and network quality) and call rate. Further results show that there is a significant relation between the brand name and the preference of customers. Hence, it has been recommended that telecom companies should focus on connectivity, call rate, coverage and network quality.

Keywords: Customer Satisfaction & Expectation, Customer Preference, Product Quality, Value for Money, Analysis of Strengths & Weaknesses of the Product.

INTRODUCTION

The breathtaking growth of the telecommunication companies in India over the last twenty years has made a history. The economic resurgence affected in the early 1990s brought around a paradigm shift on the overall business scenario of India. With the arrival of private telecommunication companies in India, the industry observed introduction of mobile phones into the Indian market and it became extremely popular amongst the Indian masses.

India's telecom sector has shown huge expansion in the recent years in all respects of industrial growth due to liberalization in Government policies after 1991. Removal of restrictions on foreign capital investment and industrial de-licensing has allowed various private players to enter into the Indian telecommunication market.

The Indian telecom market is regulated by Telecommunication Regulatory Authority of India (TRAI) which acts as an independent regulator was set up in 1997 by the Indian Government. Despite several controversies, the TRAI has earned a reputation for transparency and competency. Today two types of mobile phone service providers operates in the Indian market, they are -

- Global System for Mobile Communications (GSM)
- Code Division Multiple Access (CDMA)

Presently India has nearly 200 million telephone lines making it the third largest network in the world after China and USA. With a growth rate of 45%, Indian telecom industry has the highest growth rate in the world. Three types of service providers exist in the Indian telecommunication sector, like the following -

- State owned companies like - Bharat Sanchar Nigam Ltd, Videsh Sanchar Nigam Ltd and Mahanagar Telephone Nigam Ltd.
- Private Indian owned companies like - Reliance Infocomm and Tata Teleservices.
- Foreign invested companies like - Vodafone, Bharti Tele-Ventures, Idea Cellular, BPL Mobile, Spice Communications etc.

This project has been carried out to study the scope of Aircel with an aim to popularize & meet the expectation level of the consumer. Research activities with the help of well-structured questionnaire have been carried out to interact with the customers for their feedback and also concentrated on a comparative study of Aircel with its competitors through direct interview method. The project also covered the opinion of the distributors and dealers among with different types of customers of different industrial sectors and households.

Due to increasing competition among various players allowed the prices drastically down by making the mobile facility accessible to the urban middle class population, and to a great extends in the rural areas.

LITERATURE REVIEW

Meeting and exceeding expectations of clients and customers is a perspective that has gained most attraction. This concept is all inclusive and cuts across service domains, but expectations change and experiences with alternate service providers could shape the customers' expectations. The important research gap here is attaining customers' expectation towards a particular service. A gap is the difference, imbalance or disparity which is determined to exist between customers' perception of firm performance and their prior expectation. Service quality (SQ) perceived by customers is therefore as a result of a comparison of customers' expectation (E) of services that the organization should offer versus their perception of the performance (P) delivered by the service organization.

Service Quality (SQ) = Customer's Perception (P) – Customer's Expectations (E).

Management of service quality largely focuses on managing the gaps between expectations and perceptions of customers. The goal of the firm is to minimize the gap between (P) and (E).

In this context, Leonard L. Berry and A. Parasuraman (1991) showed that inspired leadership, a customer-centered corporate culture, exceptional service-system design and perfect use of information and technology are vital for attaining superior service quality and service marketing.

Ruth M. Bolton and James H. Drew (1991) developed a model of how customers with prior experiences and expectations assess service performance levels, overall service quality and service value.

Pratibha A. Dabholkar (1993) iterated that customer satisfaction and service quality are both important tools for creating competitive advantage. However, there is a lack of consensus on whether the two are separate constructs and how they should be measured.

Bepko (2000) says that among the areas which need to be addressed in service quality research is the nature of consumer expectations across the range of intangibility.

Carsten Fink et al. (2001) examined the liberalization of the basic telecommunications sector in Asian countries in their research paper for World Bank, with a view to identify the elements of good policy and examine how it can be promoted through multilateral negotiations.

Maran et al. (2004) studied the consumer perceptions about fixed telephone lines in Chennai. The objectives of the study was (1) to find the most influencing factor in selection of service provider, and (2) to measure customer perception and satisfaction as regards the service provided.

Shanthi (2005) throws light on the telecommunications market of India (post privatization) in the scenario of falling prices, hyper-competition and increasing attrition rates. The author provides a predictive churn model for telecom segment, to allow a qualitative insight for understanding the structure and methodology of churn management in the Indian telecom sector, and also discusses the level of applicability of such models in the Indian context.

Seth et al (2008) analyzed that there is relative importance of service quality attributes and showed that responsiveness is the most importance dimension followed by reliability, customer perceived network quality, assurance, convenience, empathy and tangibles.

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. Customer satisfaction can be conceptualized as either transaction-specific satisfaction or cumulative satisfaction. Transaction-specific satisfaction is a customer's evaluation of his or her experience and reactions to a specific company encounter. Cumulative satisfaction refers to customers overall evaluation of patronage experience from inception to date.

The literature reviewed above indicates major inadequacies in the areas like

- Identifying the expectation-satisfaction gaps in the telephone services provided in Indian Telecommunication industry.
- Identifying the difference in the expectation and satisfaction levels of users of different service providers in India.

SCOPE FOR FURTHER RESEARCH

Telecommunication industry is the fastest growing industry in India. For this reason so many companies are also entering into this market segment. Naturally there are various scopes are still there for further researches. That is why the further research scope in respect of

customer perception & satisfaction, brand awareness of the product, maintaining customer relationship and competitors' analysis needs to do subsequently.

The researchers are not only conducted the research for the purpose of finding the problem but also find their corresponding remedies for the purpose of effective functioning of the organization. AIRCEL, is a big organization in telecommunication segment, has got lot of customer base for many years. Nowadays it is mandatory that an organization remains accustomed to changes and continuous development for the purpose of survival of the organization and also for maintaining the growth. Based on this background, this research will include data collection and methodology through interviews and direct observation as a tool to identify the specific problems within the organization and trying to find out the subsequent remedies for this.

RESEARCH OBJECTIVES

The key objectives of the study are:

- To determine the consumer of cellular services.
- To determine the influencers who are mainly influencing the consumers to buy a particular service provider.
- To determine the usage of various service providers in the Kolkata market.
- Competitor analysis in Kolkata market with the help of consumer preference.
- Feedback from the consumers about the services provided by AIRCEL.
- Overall response from the consumers about the company to judge the satisfaction level of the consumers of AIRCEL.
- Consumers' expectation from a particular service provider.

RESEARCH METHODOLOGY

Research is a common parlance refers to a search for knowledge. Here the research methodology followed is descriptive research. It includes surveys and fact-finding enquiries of different kinds. The descriptive research design must make enough provision for protection against bias and must maximize reliability.

The sample size for the study is 250. The sample unit of the study included different occupation, age, income and educational background. For the study in hand, both the primary and secondary data is collected. The primary data for the study is collected directly from target respondents through structured questionnaire and personal interviews. The secondary data for the study is collected from different sources such as technical and trade journals, articles, newspapers, magazines, internet, periodicals, books, reports, publications of associations related to mobile phone service providers. With the help of the questionnaire I have collected the data through simple random sampling. Then I analyzed the outcomes by the answers provided by the respondents and based on the result I have made the analysis report.

I have used the Percentage Analysis Method with proper charts/diagrams and weighted average method to complete the analysis report successfully.

Percentage Analysis Method: Simple percentage analysis method refers to special kind of ratio. With the help of absolute figures, it will be difficult to interpret any meaning from the collected data, but when percentages are found out, and then it becomes easy to find the relative difference between two or more attributes.

Percentage = No. of Respondents/Total No. of Respondents x 100

The data collection methods, which are used for this project, are explained below.

- **Collection of data through questionnaire:** This method of data collection is quite popular, particularly in case of big enquiries. In this method, the concerned person himself fills a questionnaire. A questionnaire consist of a number of questions printed or typed in a defined order on a form or set of forms. In the project the main source of collecting data was through questionnaire. For this purpose questionnaire was designed and filled by individuals.
- **Interview:** The interview method of collecting data involves presentation of oral-verbal stimuli and reply in terms of oral-verbal response. There are two methods of interview-personal interview and telephonic interview. Interview with the help of questionnaire was carried on with individuals. A lot of telephonic interviews were also performed in which the response was average due to time constraints.

Sampling Plan

The sampling technique, which I have used, is Random Sampling. For the survey, I have selected some areas like Midnapore town, Belda, Khargpur, Chandrakona town, Chandrakona road, Garbeta, Balichalk as universe and the samples are randomly chosen from the universe. The sample size is 250.

Fieldwork Plan

- I have made the questionnaire for the survey.
- Then I personally visited some areas in West Midnapore like Midnapore Town, Belda, Kharagpur, Chandrakona Town, Chandrakona Road, Garbeta and Balichalk.
- I filled up the questionnaire through personal interview for both retailers and customers.
- I have also collected the opinion of the prospects without the help of company's database. I have randomly chose people and tried to get their honest opinion.
- Then after getting 250 responses, analyze the outcomes by different tests and based on the result I have made the analysis report.

Assumptions

During the entire project some assumptions are being made to simplify the task by reducing the variable factors as for as practicable. Some of the assumptions are as follows:

- The information gathered through the survey is authentic.
- The sample size taken for the research work is small which may not represent the actual population.

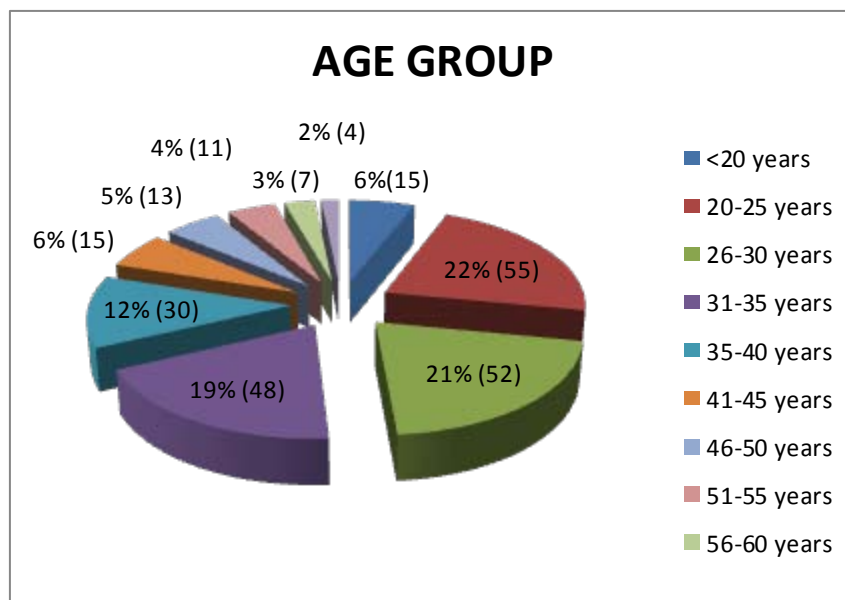
- The study was limited to only in Midnapore Town, Belda, Kharagpur, Chandrakona Town, Chandrakona Road, Garbeta and Balichalk
- The effect of any media has not taken place on the person's opinion till the analysis and the computation of the report.

All the consumers were not very cooperative at the time of providing the information.

ANALYSIS & DISCUSSION

1. Age wise Usage of Service Provider

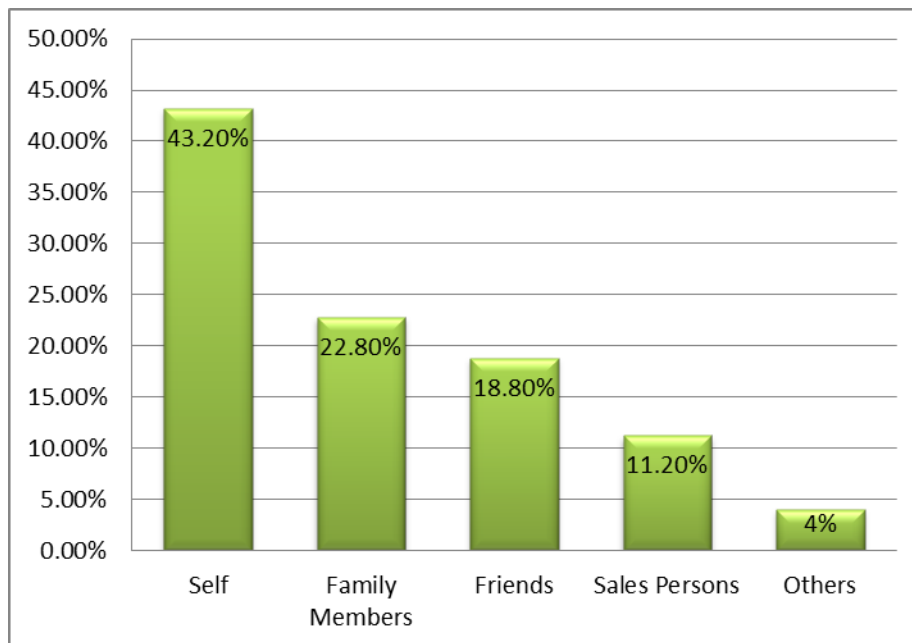
Age Group	No. of Respondents	Percentage
<20 Years	15	6%
20-25 Years	55	22%
26-30 Years	52	21%
31-35 Years	48	19%
36-40 Years	30	12%
41-45 Years	15	6%
46-50 Years	13	5%
51-55 Years	11	4%
56-60 Years	7	3%
>60 Years	4	2%
Total	250	100%



Analysis: The main users of cellular services are falling in the age group of 20-35 years. But I have felt that there is lot of scope in below 20 segment and 35-50 segment which need to be explored properly with appropriate marketing strategies.

2. Who Influences Consumer for Buying Service Provider

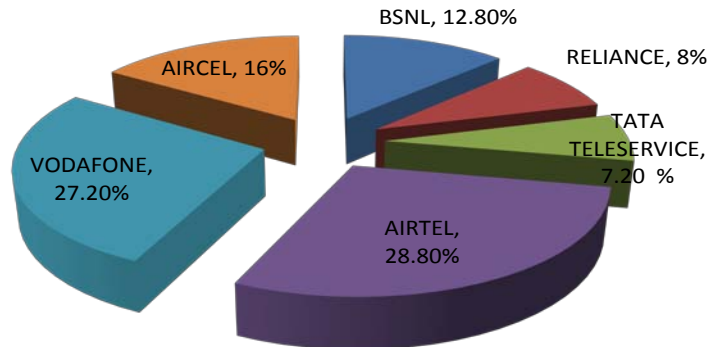
Factors influencing consumers for buying service provider	No. of Respondents	Percentage
Self	108	43.2%
Family Members	57	22.8%
Friends	47	18.8%
Sales Persons	28	11.2%
Others	10	4%
Total	250	100%



Analysis: Consumer himself and their family members are mostly taking the decision at the time of buying the products.

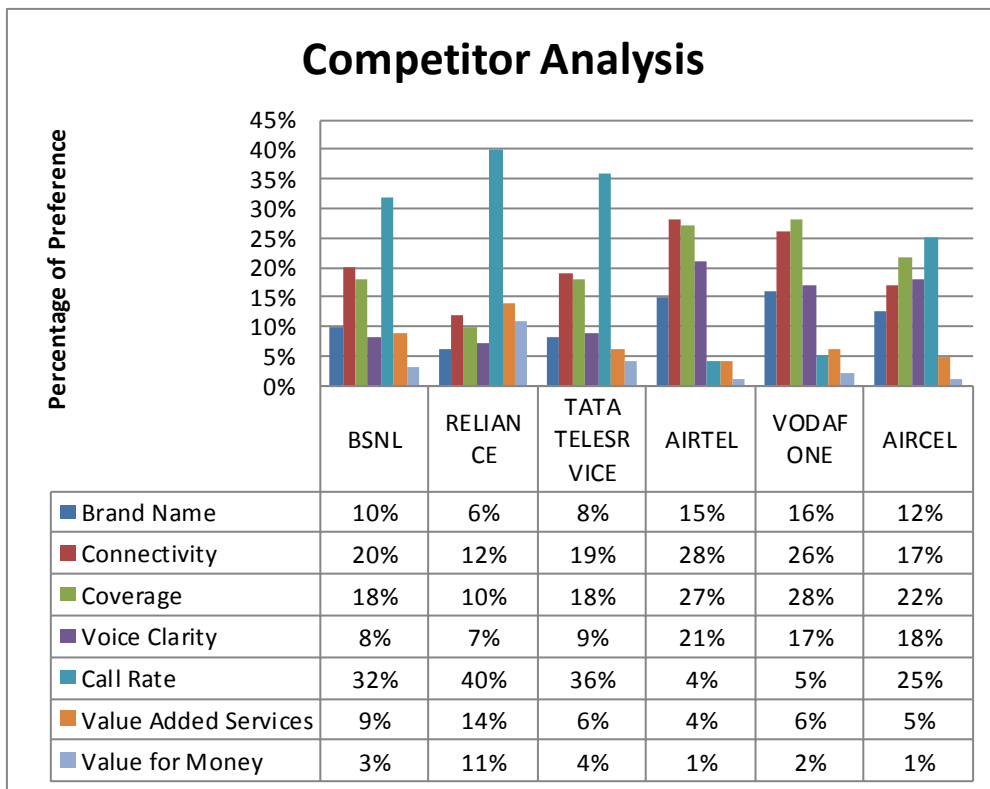
3. Usage of Various Service Providers in the Market:

Service Providers	No. of Respondents	Percentage
Bsnl	32	12.8%
Reliance	20	8%
Tata Teleservice	18	7.2%
Airtel	72	28.8%
Vodafone	68	27.2%
Aircel	40	16%
Total	250	100%



Analysis: According to the survey the most popular brands are Airtel & Vodafone.

4. Competitor Analysis with Percentage of Services Provided By The Various Service Providers In The Market:

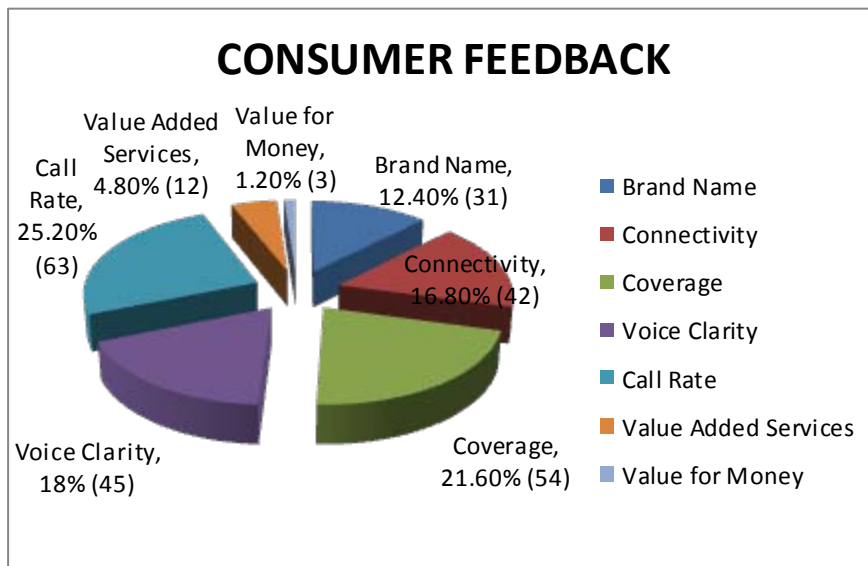


Analysis: From the collected data I can say that BSNL is slowly losing their grounds. The companies like Airtel, Vodafone are closing the gap by implementing aggressive marketing

strategies. Other than this, the other players must improve the network quality and coverage to capture the competitive telecom market.

5. Consumers Feedback on Brand Name & Services Provided By the Aircel:

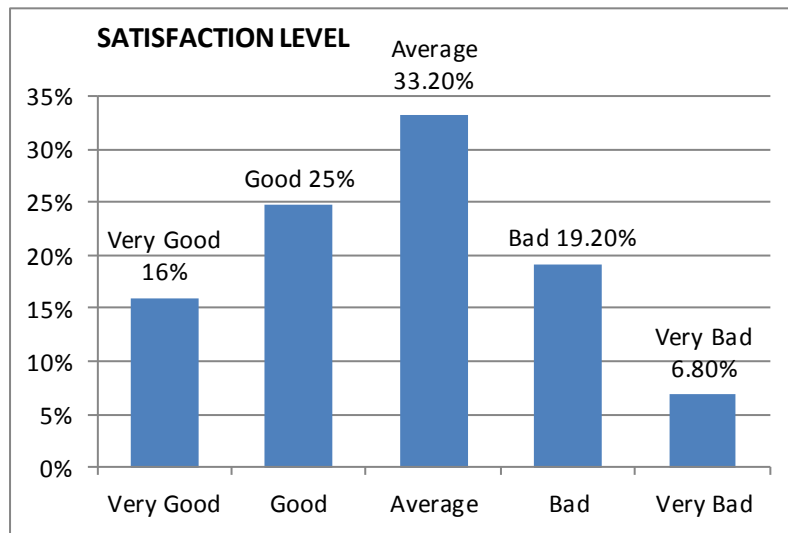
Consumer Preference	No. of Respondents	Percentage
Brand Name	31	12.4%
Connectivity	42	16.8%
Coverage	54	21.6%
Voice Clarity	45	18%
Call Rate	63	25.2%
Value Added Service	12	4.8%
Value for Money	3	1.2%
Total	250	100%



Analysis: It was seen that consumers are not happy with the connectivity and voice quality. But they are happy with the call rate. But to satisfy the consumers the AIRCEL need to improve the connectivity, coverage, and voice quality immediately.

6. Aircel's Overall Response from the Market & Ratings (Consumers Pole):

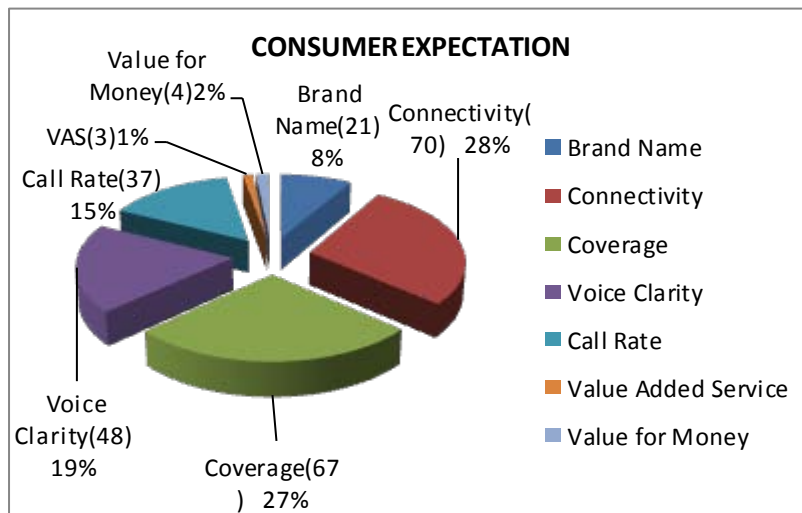
Response from Market	No. of Respondents	Percentage	Ratings	Total Rating
Very Good	40	16%	10	(40*10)=400
Good	62	24.8%	8	(62*8)=496
Average	83	33.2%	5	(83*5)=415
Bad	48	19.2%	3	(48*3)=144
Very Bad	17	6.8%	0	(17*0)=0
Total	250	100%		1455



Analysis: Then, Total Rating/Total No. of Respondents= $1455/250$ =Weighted Average = 5.82. This implies AIRCEL have an average consumer rating which means the satisfaction levels of consumers are average.

7. Expectation of the Consumers from a Particular Service Provider:

Consumer Preference	No. of Respondents	Percentage
Brand Name	21	8.4%
Connectivity	70	28%
Coverage	67	26.8%
Voice Clarity	48	19.2%
Call Rate	37	14.8%
Value Added Service	3	1.2%
Value for Money	4	1.6%
Total	250	100%



Analysis: Consumers are largely voted on connectivity, coverage, voice clarity and call rate. So, the consumers' expectations from the companies are to improve these services as soon as possible.

FINDINGS

1. There are lots of scopes in below 20 segments because they are more tech savvy and readily adopt new innovations and offers. Where as in above 35 segment people have already understood the benefit of the cellular phones. So they are eager to accept this. With proper marketing strategies the mobile phone companies can penetrate this segment also.
2. With proper promotional strategies and facilities the mobile companies can attract more customers as well as their family members and friends.
3. Vodafone and Airtel have become the most popular brands in the market. Whereas, the other companies like Aircel, Tata Teleservices and Reliance also giving a strong competition to their rivals.
4. Connectivity, coverage, call rate and network quality is the most important parameters nowadays. Without these the company cannot sustained in the market.
5. The players who are not doing well in the market they need to improve their network quality, coverage and connectivity. Because the Vodafone and Airtel have got the popularity after improving their network quality & coverage.
6. Aircel is having an average consumer rating. If they are failed to improve their network quality then it can be a big concern for them.

Gap Analysis

The gaps, if any between the expectations from a service provider and the satisfaction derived from the use of Aircel telephone service were discovered by above facts & figures. From the above figure it can be clearly seen that the expectations for the three most important types of services (connectivity, coverage and voice clarity) provided are lower than the satisfaction levels of the users. It was observed from the gap analysis, that there is a

significant difference in the expectation and satisfaction levels of the users with regard to all the above mentioned service variables. That is why Aircel has got an average rating and it has only 16% of the market share comparing to the other brands in market (according to my survey report). Most of the consumers are not happy with their basic services like connectivity, coverage, voice clarity etc. For an example if we see the consumer feedback table it is showing that only 16.8% of the respondents have said that they are happy with the service called connectivity where as 28% of the customers are expecting better connectivity from their service provider. So here the gap of expectation and satisfaction is average (around 60% are satisfied and 40% are dissatisfied). Though in the case of the services like value added services, call rate and value for money the expectation level for all the three types of services provided are higher than the satisfaction levels of the users.

Complaints against Aircel from Consumers & Retailers

At the time of data collection I got few complaints from the consumers as well as from the retailers. Few of them are given below:

Consumer complaints: At the time of data collection I have got few complaints against the AIRCEL. Due to these reasons the consumers are mainly shifting from one brand to another brand. The reasons are given below--

1. Poor network quality.
2. Coverage is poor.
3. Hidden cost.
4. Not aware of all the VAS, WAP, IVR services.

Retailer complaints: The retailers they are also facing few problems-

1. Delivery not on time.
2. Unknown with new schemes.
3. When the new connection was on demand, it was sold directly from some of the company's outlet and at that time new connections were not supplied to the retailers when they needed at that point of time.

SUGGESTIONS

- From the above data I can see that the AIRTEL & VODAFONE has capitulates most of the market share, but still there is a big scope of further penetrating into the current market scenario by more innovative marketing strategies.
- Having worked in the above market I have felt that there is lot of improvement needed in promotional strategies and making the people aware of the usefulness of VAS, WAP etc. Unless nothing is done in that respect, awareness will remain a problem for advanced services providing by the companies.
- Also I have felt that that people are less aware of IVR which will be the next big thing. In areas of low literacy rate, IVR will see large scale adoption due to ease of use and local language support.
- Rural applications initiatives have launched in pilots, and are likely to grow quickly in less developed geographies because of the willingness to spend on services which

enhance livelihood. Users are also confused about tariff structures for premium SMS, IVR and data usage.

- So in a nutshell, most of the telecom companies must focus on those areas where other competitors are lagging.

CONCLUSION

It was a great opportunity for me to watch and analyze the market directly and cope up with the challenges. It is also at the same time not an easy job to do. However the information gathered from the survey is authentic. India has one of the world's largest telecommunication networks. In just six years, the number of mobile subscribers has gone up from just about one million to 100 million. There is a further lot of scope for the growth of telecom market because in the above 50 age group the demand is increasing day by day.

Through this study we understood the various perceptions of different respondents towards Aircel. We also found out how much they were satisfied with the overall quality & service of the product. The customer's expectation from the various segments and the problems faced by them were identified. Today Aircel is facing severe challenges from the other telecommunication companies like Airtel, Vodafone etc but still there is a big scope of further penetrating into the current market scenario by more innovative marketing strategies. Connectivity, coverage, call rate and network quality is the most important parameters nowadays. Without proper coverage and network quality the companies cannot survive in the market. They need to again fully organize the distribution system also. What is most needed is the advertising and promotion of the particular service. As we surveyed we found out that most of the people are not aware about the latest actions of the company. If the above suggestions are implemented, the brand named Aircel can find better prospect in the future.

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