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### Service Quality and Customers' Satisfaction level in Telecommunication Sector: A Comparative Study of Kingdom of Saudi Arabia & India

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**Abstract:** In service industries, customers' satisfaction plays a vital role in attracting and retaining customers. Satisfaction of customers primarily depends on the quality of service. So, studying customers in different type of markets can help in identifying crucial elements which lead to customer satisfaction service quality. This research paper tries to make a comparative study of customers' satisfaction between the telecommunication sector of Saudi Arabia and India to extract the positive customers' satisfaction factors from the both countries. The study concludes that factors like low population density, high income, high subscription which are characteristic of Saudi Arabia in no way lead to better service quality, while high population which can be considered as a proxy of market size can be associated with better service quality.

**Keywords:** Customers' Satisfaction, Telecommunication Sector, Saudi Arabia, India.

#### INTRODUCTION

Telecom has now become similar to bread and butter to the general population. Except for those who are really poor everyone now uses one or the other of the telecom service. Service quality is most essential to this sector as it is not a very big ticket item. A person not satisfied with the services can easily opt for a different telecom operator and even can change the operator without changing the number, using portability. Hence for an operator it is essential both to attract new customers and retain old customers. Like any other service, for telecom also quality of the product, pricing of the product and quality of service are important. Product differentiation in terms of differences in product is somewhat difficult as all the telecom operators use the same technology/spectrum. Price reductions will also not be having much impact as it would be quickly followed by others. What stands apart is the service quality. This is where operators can outshine others. The relationship between service quality dimensions and customer loyalty in the telecommunication

sector is well established and service quality is the most significant factor while switching cost is negligible in case of retention of customers (Shafei & Tabaa, 2016; Izogo 2017).

The service quality in the telecom sector of both India and Saudi Arabia had been studied in many a researches. Generally the studies have used five dimensional scale of Parasuraman. Previous researchers have identified many a gaps in the service quality both the countries. As the researchers had an experience of using the telecom operators of both the countries, they were initially of the opinion that in some respect the telecom operators of Saudi Arabia were better than their Indian counterpart like call connectivity while Indian telecom operators were better in terms of customer care and support. Though this could be an individual perception and may not be the actual case in general. Hence, the researchers attempted to study the service quality of the telecom operators for both the countries. The researchers first searched for similar studies but could not find any over the internet. This rarity obviously becomes the significance of this study.

Though both Saudi Arabia and India are developing countries but two are poles apart. There is a huge difference between population density and gross national income per capita of both the countries. The rational for choosing two completely different countries is to study whether the telecom market responds differently in different market situations. According to the latest ICT Development Index 2016, published annually by United Nations International Telecommunication Union out of 160 countries, Saudi Arabia has a rank of 45 while India has a rank of 138. In Saudi Arabia the population density is low at 29897741 whereas for India it is 1282390303 while the gross national income per capita is high for Saudi Arabia at 23550 and is low for India at 1590. Saudi Arabia has 176.59 mobile-cellular telephone subscriptions per 100 while it was 78.84 for India. Saudi Arabia has 5 while India has 10 telecom operators.

	<i>SA</i>	<i>India</i>
Population	29897741	1282390303
GNI per capita	23550	1590
IDI 2016 Rank	45	138
Mobile-cellular telephone subscriptions per 100	176.59	78.84
Active mobile-broadband subscriptions per 100 inhabitants	111.67	9.36

*Source:* ICT Development Index 2016, United Nations International Telecommunication Union

### Hypotheses of the Study

The null hypotheses of the study were as follows:

- H1: There is no significant difference between the gaps in tangibles between Saudi customers and Indian customers.
- H2: There is no significant difference between the gaps in Reliability between Saudi customers and Indian customers.
- H3: There is no significant difference between the gaps in Responsiveness between Saudi customers and Indian customers.

- H4: There is no significant difference between the gaps in Assurance between Saudi customers and Indian customers.
- H5: There is no significant difference between the gaps in Empathy between Saudi customers and Indian customers.

## LITERATURE REVIEW

First, we sought for studies on the telecom sector of Saudi Arabia. Talet (*et.al.*, 2011) found that quality of customer services significantly affect satisfaction of consumers. Customers' satisfaction is the factor that helps to both retain and attract customers. Alam and Salim (2012) opined that service quality affects customer loyalty primarily through satisfaction of customers. The study established a positive relation between service quality, brand image, price perception and customer's satisfaction. Saleh, (*et.al.*, 2015) found customer service, service pricing, and service quality as essential aspect causing customer satisfaction. Khizindar *et.al.*, (2015) found price, service quality, brand image as factors affecting customer loyalty. Alqahtani, Ghafar (*et.al.*, 2015) observed that customers' satisfaction is the main factor and responsible for brand switching in Saudi Arabia. Three factors play vital role in enhancing affect customers satisfaction positively. The eminent factors to enhance the level of satisfaction are: customer services, service pricing, and service quality. The most negative factors for the telecom service user are high call rates and low service quality, leads to change the service provider. Alsaleh and Othman (2015) established differences in satisfaction from different telecom companies.

Next, we studied some literature of the telecom sector of India. Wadhwa (2013) observed that Indian telecommunication service users switch the service providers very often due to several reasons 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. Kansal (2013) found in his study that the most important determining factors for consumers' satisfaction and their valuable recommendation (positive word of mouth) to others are customized VASs, convenience, network coverage and call tariff. According to Rajeswari (2017) now a days service providers are forced to strive for consumer satisfaction and loyalty by providing better quality of services. Ali & Ratwani (2017) explained that consideration of special needs of the customers' is necessary to enhance satisfaction level of customers. Sharma (2017) observed in his study that all the service industries including telecommunication are providing better customer services to ensure maximum customers satisfaction.

The next things the researchers sought to find was the methodology which was used to study service quality in the telecom sector. For Saudi Arabia, Adil (*et.al.*, 2016) using modified SERVQUAL found that network efficiency has the most positive impact on the customer service whereas staff responsiveness least which means this dimension has scope for improvement. Al-Aali (*et.al.*, 2011) added network quality and competitive advantage to SERVQUAL, Kadasah (2014) used SERVQUAL and compared the service quality of STC and Mobily and found that Mobily was best in all ways in its services. For India, Bora, (*et.al.*, 2015) added network quality to SERVQUAL and found that customer satisfaction was positively and significantly related with all the dimensions. There was difference in the perception of reliability, responsiveness and empathy of Indian telecom service user on the basis of their gender. Kushwah & Bhargav (2014), Suguanthi & Shanthi (2017) and Sharma & Deepika (2017) have also used SERVQUAL to study service quality and customer satisfaction in the Indian context.

Review of past literature showed that there had not been any comparative studies on customer satisfaction and service quality in the telecom sector of Saudi Arabia and India.

## METHODOLOGY

The sample for the study was based purely on convenience sample. The reason being that, the study needed data from two different countries because the researcher had their own limitations. India was chosen as it was the country where the researchers originally belonged to, while Saudi Arabia being the country where the researchers are currently working. In India, the data was filled from a college in a semi-urban place while in Saudi Arabia in College of Business Administration, Kharj. Both these places are neither metropolitan in nature nor rural in nature. Both the sample constituted of students and staff of respective colleges.

A questionnaire based on Parasuraman's SERVQUAL was designed with 20 items. The respondents had to give their response on a likert scale of 1 to 5, where 1 stood for strongly disagree and 5 stood for strongly agree. A total of 200 questionnaires were filled from India out of which only 159 were used for analysis as the remaining had incomplete responses. An equal amount of 159 properly filled questionnaires were then filled from Saudi Arabia.

Simple gap analysis of perceived minus expectations was done. Further, the sample score for each of the five component of SERVQUAL was tested for significant differences between customers in Saudi Arabia and India using Student's t test. Testing was done at 5% level of significance.

## ANALYSIS

### Gap Scores: Saudi Arabia

	<i>Perceived</i>	<i>Expected</i>	<i>Gap</i>
Tangibles	2.6075	2.96875	-0.36125
Reliability	2.48125	2.893333	-0.41208
Responsiveness	2.58	2.98	-0.4
Assurance	2.745417	3.18125	-0.43583
Empathy	2.610833	3.11125	-0.50042

### Gap Scores: India

	<i>Perceived</i>	<i>Expected</i>	<i>Gap</i>
Tangibles	1.83	1.66	0.17
Reliability	1.97	1.73	0.24
Responsiveness	1.93	1.69	0.24
Assurance	1.85	1.77	0.08
Empathy	1.64	1.67	-0.03

## Hypothesis Testing

A set of five hypotheses were tested. In four of them, there was a significant difference between Saudi and Indian customers while for the last one the hypothesis was not significant. All the null hypothesis are stated below:

- H1: There is no significant difference between the gaps in tangibles between Saudi customers and Indian customers (Significant)
- H2: There is no significant difference between the gaps in Reliability between Saudi customers and Indian customers (Significant)
- H3: There is no significant difference between the gaps in Responsiveness between Saudi customers and Indian customers (Significant)
- H4: There is no significant difference between the gaps in Assurance between Saudi customers and Indian customers (Significant)
- H5: There is no significant difference between the gaps in Empathy between Saudi customers and Indian customers (Not Significant)

The results indicate that there is a significant difference between tangibles, reliability, responsiveness, assurance and empathy between the Saudi and Indian customers.

### CONCLUSION

The findings show that in the Saudi telecom market there is a negative quality gap in terms of all the five elements of SERQUAL whereas for India there is a negative quality gap only in terms of one element namely empathy. As the study is based on a small sample hence hypothesis testing is used to check whether these results are significant or not. On testing the hypothesis it is found that there is a significant difference between the gaps in tangibles, reliability, responsiveness and assurance between Saudi customers and Indian customers. And, no significant difference between the gaps in Empathy between Saudi customers and Indian customers. A plausible thought which emerges from the analysis points the argument that there are more gaps in the service quality of the telecom sectors of Saudi Arabia than India. So, factors like low population density, high income, high subscription which are characteristic of Saudi Arabia in no way lead to better service quality, while high population which can be considered as a proxy of market size can be associated with better service quality. Another factor, that is no of service providers is weighted in favor of more service providers, better the service quality. Further scope of study would be a comprehensive study on the market concentration.

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**Appendix**

*t-Test: Two-Sample Assuming Equal Variances*

	<i>Tangibility</i>		<i>Reliability</i>		<i>Responsiveness</i>		<i>Assurance</i>		<i>Empathy</i>	
	<i>S1</i>	<i>I1</i>	<i>S2</i>	<i>I2</i>	<i>S3</i>	<i>I3</i>	<i>S4</i>	<i>I4</i>	<i>S5</i>	<i>I5</i>
Mean	0.17	1.73	0.24	1.51	0.24	1.53	0.08	1.43	-0.02	-0.08
Variance	0.31	0.15	0.50	0.57	0.35	0.65	0.26	0.67	0.38	0.26
Observations	159	159	159	159	159	159	159	159	159	159
Pooled Variance	0.23		0.53		0.50		0.46		0.32	
Hypothesized Mean Difference	0.00		0.00		0.00		0.00		0.00	
Df	316		316		316		316		316	
t Stat	-28.78		-15.59		-16.26		-17.62		0.92	
P(T<=t) one-tail	0.00		0.00		0.00		0.00		0.18	
t Critical one-tail	1.65		1.65		1.65		1.65		1.65	
P(T<=t) two-tail	0.00		0.00		0.00		0.00		0.36	
t Critical two-tail	1.97		1.97		1.97		1.97		1.97	