ASSESSING SERVICE QUALITY IN THE MOBILE TELECOMMUNICATIONS MARKET

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Abstract

The South African telecommunications market is vibrant and growing, dominated by two players. It is recognised that service quality plays an important role in establishing a competitive advantage. The aim of this paper is to assess ratings of service quality among mobile telecommunications customers. To this end, a survey was conducted among 400 customers using the SERVQUAL questionnaire to measure customers' expectations and perceptions based on the five dimensions of service quality. The findings indicate that there are gaps between customer expectations and perceptions of service quality. The tangibles dimension exhibited the smallest gap for both companies and the assurance and empathy dimensions revealed the largest gap scores. There were no significant differences in overall expectations between the two companies, but there were significant differences between the companies on overall perceptions of service quality. There was no significant difference in the overall expectations and perceptions between males and females.

Keywords: Mobile Telecommunications Market; Service Quality; Competition

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1 Introduction

The South African mobile telecommunications market has been dominated by two key players. As mobile telecommunications companies strive for competitive advantage, customer service and service quality are becoming driving forces. Furthermore, in the current marketplace, service quality is recognized as one of the most important factors in developing and maintaining successful relationships (Bateson and Hoffman, 2011). Superior service quality leads to enhanced customer satisfaction and loyalty. Institutions that focus on superior quality service can enjoy a distinctive competitive edge since improved levels of service quality are linked to higher revenues, higher customer retention and increased market share.

Intense competition, changing technologies and continuous shifts in the regulatory environment have led to increasing customer awareness and sophistication. Customers are now demanding higher standards of services. Therefore, customer satisfaction, customer value and service quality have become the primary focus of service organisations in today's customer-orientated era (Wilson, Zeithaml, Bitner and Gremler, 2008). Kotler and Armstrong (2010) believe that superior service quality can lead to customer retention, avoidance of price competition, retention of good employees and reduction in costs.

Services in the US for example, now constitute over 79 per cent of the GDP (The World Factbook, 2012). Researchers therefore recognise a paradigm shift in marketing from an exchange of goods towards a service-centred model of exchange in which the customer plays a pivotal role (Lovelock and Wirtz, 2007). Marketers have now become aware of service quality and its importance for long-term survival. Bateson and Hoffman (2011) concur that service quality can lead to increased customer satisfaction and can therefore contribute significantly to organisational performance. Given the situation, there is little evidence of customer service quality assessments in the mobile telecommunications market. This paper therefore seeks to assess ratings of service quality among mobile telecommunications customers.

The aim of this paper is to assess ratings of service quality among mobile telecommunications customers. The objectives of this paper are to identify customer expectations of service quality, to identify customer perceptions of service quality, and to determine gaps between expectations and perceptions of service quality.

The two leading mobile communications operators in South Africa have enjoyed considerable success and growth in the past few years. However, as the industry grows and competition becomes more intense, there is a need to measure and evaluate the service quality offered. The increase in the number of product options, including the use of virtual technology, also places immense pressure on mobile communications companies to provide unique customer experiences (Bateson and Hoffman, 2011). This research study would enable an assessment of the

extent to which service quality is embraced by the two leading mobile communications companies operating in South Africa. By measuring service quality, the industry will be able to identify and close any gaps that may exist in service quality. Consistent and regular measurement of customers' perceptions of service quality will help management to improve customer satisfaction and customer loyalty, increasing competitiveness in this industry.

2 Literature review

Quality is viewed as the degree to which the service, the process and the service organisation can satisfy the customer's expectations (Brink and Berndt, 2007). Lovelock and Wirtz (2007) define quality as the extent to which a service satisfies a customer's needs, wants and expectations. The term service quality can be defined from different perspectives and orientations (Sahney, Banwet and Karunes, 2004). Dale (2003) believes that service quality, in itself, is difficult to define and measure and has been widely debated for a very long time. Many of the known definitions of service quality highlight the relationship between quality and a customer's need and satisfaction (Zafiropoulos and Vrna, 2007). Bateson and Hoffman (2011) support the premise that higher service quality results in greater customer satisfaction. Therefore, satisfaction is based on the customer's expectations and perceptions of service quality.

2.1 Measuring service quality

The SERVQUAL instrument has been used to measure service quality in numerous industries. These have included the airline industry (Sultan and Simpson, 2000), the higher education sector (Govender, Veerasamy and Noel, 2012), banking (Arasli, Mehtap-Smadi and Katircioglu, 2005) and telecommunications (Van der Wal, Pampallis and Bond, 2002). SERVQUAL has also been applied in various economic contexts, including the United States (Kilbourne, Duffy, Duffy and Giarchi, 2004), China (Zhou, Zhang and Xu, 2002), India (Tripathi, Kumar and Nema, 2012) and South Africa (Govender and Pan, 2011).

SERVQUAL has its theoretical foundations in the gaps model and defines service quality in terms of the difference between customer expectations and performance perceptions on 21 items. Customer expectations are beliefs about service delivery that serve as standards against which performance is evaluated, whereas customer perceptions are viewed as subjective assessments of actual service experiences through interaction with the providers (Zeithaml, Bitner and Gremler, 2006).

The SERVQUAL instrument has five generic dimensions. These dimensions express how consumers view service quality and are briefly outlined:

2.2 Tangibles

Tangibles refer to the appearance of facilities, equipment, staff and communications (Bateson and Hoffman, 2011) and provide physical representations that customers will use to evaluate service quality. On the human front, the appearance of staff should be neat and tidy. Service performance should go beyond tangible forms. Most organisations use a combination of tangibles and other dimensions to develop a service quality strategy for the firm (Zeithaml, Bitner and Gremler, 2006).

2.3 Reliability

Wilson et. al. (2008) view reliability as the ability to perform the promised service dependably and accurately. Yeo (2008) states that the discrepancy between promise and delivery is largely the result of inaccurate communication from advertisements and exhibitions. Many organisations tend to oversell their services. This leads to grand promises that misrepresent their actual undertaking or promise. Blose and Tankersley (2004) propose that providing a service and meeting commitments timeously, in keeping with the promised service date in a professional manner, will influence a customer's perception in an important way. The employees at the institution should perform the desired service level correctly the first time. It also means the organisation keeps its promises within the specific time frame set out. If delivery is done in a proper way, it will enhance the perceived quality as viewed by the customer (Brink and Berndt, 2007). Lovelock and Wirtz (2007) believe that reliability is the most important factor in customers' judgement of service quality. Chowdhary and Prakash (2007) concur, adding that reliability affects the assessment of quality dimensions significantly.

2.4 Assurance

Assurance relates to the competence of the staff in providing a courteous and secure service. Arasli, Mehtap-Smadi and Katircioglu (2005) contend that assurance constitutes the employee's knowledge, courtesy and ability to inspire trust and confidence in the customer. This dimension is of crucial importance to services since customers are confronted with a high level of risk or uncertainty about their ability to evaluate outcomes. To Dhurup, Singh and Surujlal (2006), assurance represents courtesy, credibility and competence on the part of employees. Bruhn and Georgie (2006) advocate that assurance is associated with the service provider's capability to deliver the output, especially in terms of the knowledge, politeness and trustworthiness of the employees.

2.5 Responsiveness

Dale (2003) defines responsiveness as the willingness to assist customers and to provide prompt service on a continuous basis. Responsiveness is present in the time period that customers have to wait for help, receive answers to queries or attention to problems as well as the ability to develop customised solutions for customers. The staff at the organisation must be willing and ready to serve and help customers. It is crucial that staff members are knowledgeable about the service they represent. Blose and Tankersley (2004) contend that, whether the interaction occurs face-to face or telephonically, the degree to which the service personnel exhibit the ability to handle such matters effectively, and whether they care about attending to the customer's request, will undoubtedly impact on perceptions of service quality.

2.6 Empathy

Empathy relates to providing caring and individualised attention to the customer. The focal point of empathy highlights the message that customers are unique and special. Curry and Sinclair (2002) view empathy as providing caring, individualised attention to its customers. The number of customers that the service provider has to deal with at one given time has an influence on the level of individual attention given to each customer. Yeo (2008) states that there is a greater need for managers to adopt a customer-orientation by showing a human dimension to their interaction with customers. Listening, understanding and communicating with the customer forms the cornerstone of empathy.

2.7 The gap between perceived service and expected service

This gap represents the difference between actual performance and the customers' perceptions of the service. This is also known as the service gap and results when one or more of the preceding gaps occur. It provides a distinct indication of the level of service quality in an organisation. The expected quality is what the customer expects to receive from the company and the perceived service is what the customer perceives he or she received from the company. If the customer receives less than he or she expected, he or she is dissatisfied (Kotler, Bowen and Makens, 2006).

Parasuraman, Zeithaml and Berry (1985) believe that the most important gap is between the customers' expectations and their perceptions of the service quality actually delivered. Zeithaml and Bitner (2006) concur, by stating that in order to manage service quality, it is important to manage the gaps between expectations and perceptions on the part of management, employers and customers. Mullins, Walker, Boyd and Larreche (2005) contend that

organisations must close these gaps in order to improve customer satisfaction and build long-term relationships.

3 Research methodology

This paper constitutes a quantitative, descriptive and cross-sectional study. Houser (2008) defines descriptive research as a type of study that tries to find out what, why, who or where. The descriptive aspect comprises the measurement of the gaps between expectations and perceptions of mobile telecommunications customers. The study uses a cross-sectional methodology. Dabholkar, Shepherd and Thorpe (2000) support the premise that the majority of empirical studies conducted to measure service quality have been cross-sectional.

The population comprised users of services by the two major mobile communications companies in South Africa. A sample size of 400 was chosen. The sample size was guided by Sekaran and Bougie (2013) who suggest that for a population in excess of 1 million, a sample of 384 respondents was adequate to draw inferences. Non-probability sampling was used at a multi-stage level. According to Welman, Kruger and Mitchell (2005), non-probability sampling offers the advantage of being less complicated and more economical in terms of time and financial constraints. Firstly, judgemental sampling was used where four shopping malls representing a cross-section of South African consumers were chosen. Secondly, quota sampling was used to ensure equal representation from customers of both mobile telecommunications companies. Thirdly, convenience sampling was used to select individual respondents.

The questionnaire was adapted from the SERVQUAL instrument, developed by Parasuraman, Zeithaml and Berry (1985). The questionnaire consisted of the standard 21 item questionnaire for expectations and perceptions, designed to cover the five dimensions of service quality, viz. tangibles, reliability, responsiveness, assurance and empathy (Kotler and Armstrong, 2010). A five-point Likert scale, where 1= strongly disagree and 5 = strongly agree, was used. A pilot test was conducted prior to the administration of the final questionnaire. Necessary alterations were then done to the questionnaires before administering the survey.

4 Results

Four hundred questionnaires (200 each for Company A and Company B) were analysed. The gender representation of respondents was 53% female and 47% male.

4.1 Assessing reliability

Cronbach's alpha was used to assess reliability. A Cronbach alpha coefficient of 0.79 for the items

relating to expectations indicates a high degree of internal consistency amongst the questions and confirms that the questions together measure the common construct of expectation. Similarly, the Cronbach alpha coefficient of 0.78 for the items relating to perception indicates a high degree of internal consistency and confirms that the questions together measure the common construct of perception.

4.2 Gap analysis of the dimensions

Table 1 reflects the expected, perceived and gap scores for each of the service quality dimensions. The assurance dimension exhibited the largest gap score for Company A, whereas the empathy dimension exhibited the largest gap score for Company B. Both these dimensions showed significant gap scores for both companies. The tangibles dimension had the lowest gap scores for both companies.

Table 1. Gap scores for the dimensions

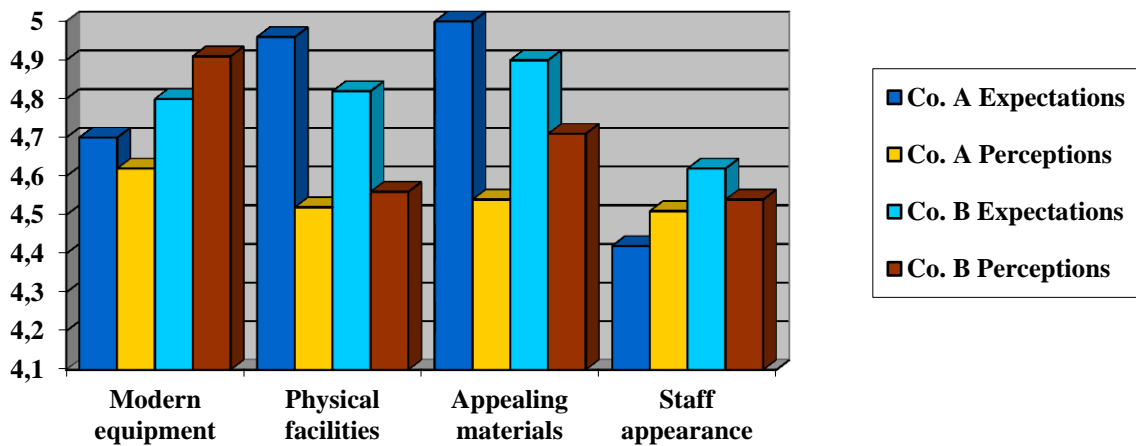|	COMPANY A			COMPANY B		
	EXPECTATIONS	PERCEPTIONS	GAP	EXPECTATIONS	PERCEPTIONS	GAP
Tangibles	4.764	4.558	-0.206	4.773	4.661	-0.112
Reliability	4.852	4.180	-0.672	4.786	4.479	-0.307
Responsiveness	4.644	3.691	-0.953	4.597	3.751	-0.846
Assurance	4.732	3.421	-1.311	4.734	3.764	-0.970
Empathy	4.712	3.751	-0.961	4.754	3.642	-1.112

4.3 The specific dimensions

4.3.1 Tangibles

Figure1 illustrates the scores for the items pertaining to tangibles in terms of expectations and perceptions by customers in respect of the two companies. For the other four dimensions, all items have negative gap scores, meaning that perceptions were scored lower than expectations. Interestingly, for Company B, it emerged that consumer perceptions of the equipment being modern (n= 4.91) exceeded expectations (n= 4.80).

Figure 1. Tangibles

Furthermore, for Company A, perceptions of staff appearance (n= 4.51) exceeded expectations (n= 4.42). The mean scores of 4.764 and 4.661 for expectation for the tangibles dimension for Company A and Company B respectively imply that respondents at both companies are in agreement that mobile telecommunications providers should have high levels of tangibles.

4.3.2 Reliability

Figure 2 depicts the expected and perceived scores for the reliability dimension and the gap for each item. Overall, the scores show larger gaps between expectations and perceptions for Company A, compared to Company B, across all the five items that constituted reliability. The largest gap score for Company A pertained to "doing things right the first time" and "having error free records". The largest gap score for Company B pertained to "promptness". The mean expectation scores for the reliability dimension

were similar for both companies, suggesting that customers expect mobile communications companies to be reliable.

Figure 2. Reliability
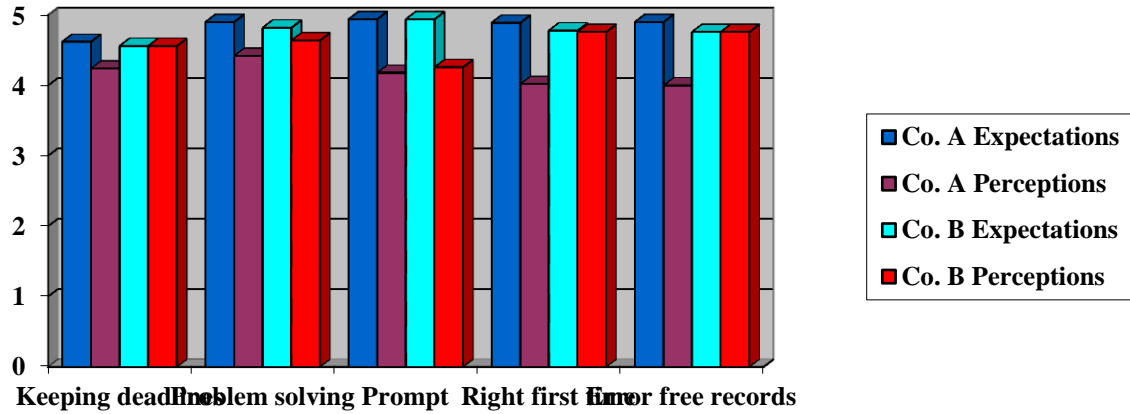
4.3.3 Responsiveness

Figure 3 presents the gap scores for the items that constituted the responsiveness dimension. The lowest gap score pertained to "staff promptness when dealing with customers" for both companies. The largest gap score common to both companies pertained to "staff never being too busy to assist customers". Other significant gaps existed for the item "staff accuracy" for Company B and "staff willingness to help" for Company A.

Figure 3. Responsiveness
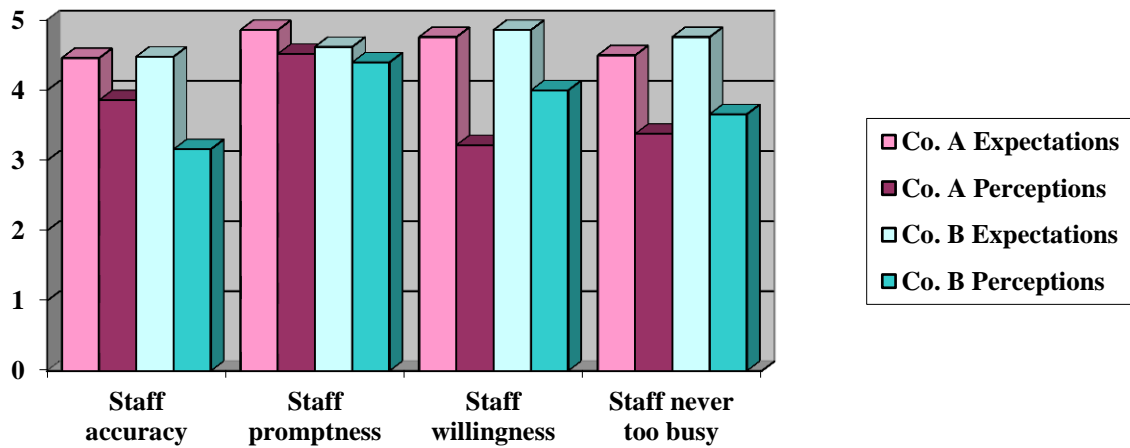
The mean expectation scores for the responsiveness dimension were for 4.644 for Company A and 4.597 for Company B, implying that respondents had similar levels of expectations when it came to the responsiveness of mobile telecommunications companies.

4.3.4 Assurance

Figure 4 depicts the expected and perceived mean scores for the assurance dimension as well as the gap score for each item. The largest gap score for both companies pertained to the item "staff instilling confidence in customers", followed by "staff knowledge". The item "staff courtesy" also exhibited a significant gap score. Overall, the gap score for the assurance dimension was greater for Company A (-1.311). The overall expectations mean score for this dimension was 4.732 for Company A and 4.734 for Company B indicating that customers had similar expectations with regard to the assurance dimension at both companies.
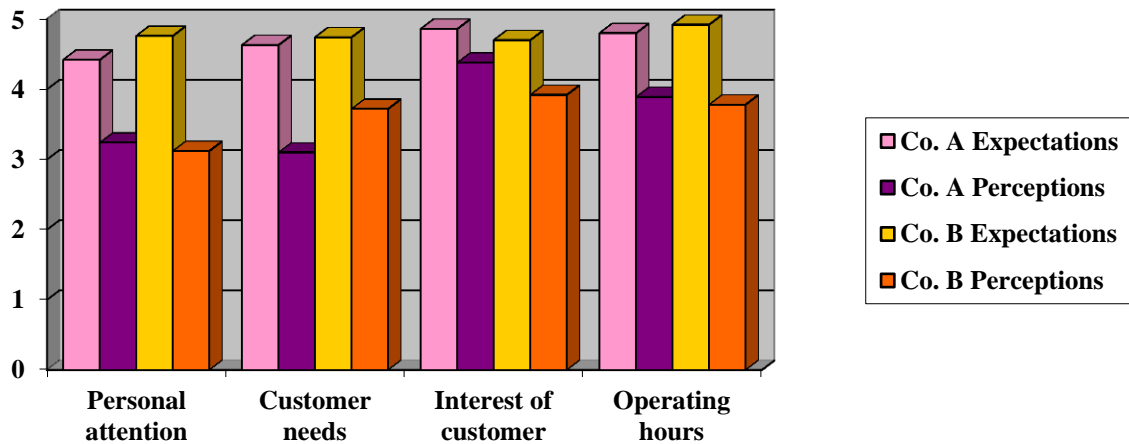
Figure 4. Assurance
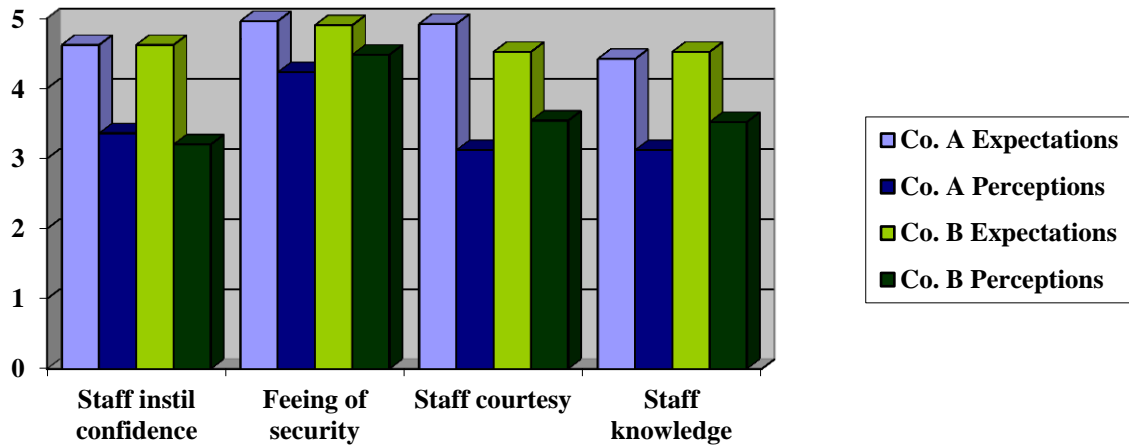
For Company A, attention needs to be paid to the item relating to staff being consistently courteous to customers while, for Company B, the emphasis needs to be placed on the item pertaining to the behaviour of staff being able to instil confidence in customers.

4.3.5 Empathy

Figure 5 depicts the expected and perceived scores for the empathy dimension and the gap for each item is presented. Overall, the scores show larger gaps between expectations and perceptions for Company B, compared to Company A. The largest gap score for Company A pertained to "satisfying customer needs".

Both companies exhibited similar gap scores on the item "giving personal attention to customers". The mean expectation scores for the empathy dimension were similar for both companies (4.712 for Company A and 4.754 for Company B), suggesting that customers expect mobile communications companies to show empathy to their customers. Specifically, Company A needs to address the issue relating to staff being able to understand customers' specific needs. Both companies need to focus on giving personal attention to customers. Being empathetic is crucial to the delivery of a high level of service quality.

Figure 5. Empathy

4.4 Factor analysis

As far as the expectations component was concerned, the Bartlett's test of Sphericity indicates that there are significant relationships amongst the items (Chi-Square = 2346.937; df = 2 and p = 0.000). However, only 58.3% of the variance in expectations is explained by the eight factors generated in terms of the expectations component.

It was only for the responsiveness dimension that the four variables that made up the component loaded perfectly on one factor for the expectation (E) scores. This implies that the items that made up this dimension perfectly measured the dimension. All

other dimensions have overlap, which shows a mixing of factors.

With regard to perceptions, the Bartlett's test of Sphericity indicates that there are significant relationships amongst the items (Chi-Square = 3214.124; df = 231 and p = 0.000). 67.9% of the variance in perception is explained by the seven factors generated. The results indicate that that no dimension loaded perfectly in one factor for the perception (P) scores. This means that the dimensions have factors that overlap.

4.5 Comparison of the mean scores

As reflected in Table 2, the overall scores do not follow a normal distribution. Therefore, the non-parametric Mann-Whitney test was used to compare the means between the companies. The results show no significant difference in the overall expectation between customers at both companies at the 95% level (p>0.05). However, the overall perception is significantly different between the two companies at the 95% level (p<0.05).

Table 2. Overall mean scores between the companies

		Mean	SD	Z	p
Overall expectation	Company A	4.698	.1446	-1.699	0.078
	Company B	4.701	.2005		
Overall Perception	Company A	4.113	.2453	-5.231	0.000
	Company B	3.922	.3117		

The overall mean scores in respect of gender grouping also do not follow a normal distribution. Therefore, the non-parametric Mann-Whitney test was used once again, to compare the means between the two gender groups. The results indicate that neither overall expectation nor overall perception is significantly different between males and females (p>0.05). This is reflected in Table 3.

Table 3. Overall mean scores between the gender groups

		Mean	SD	Z	p
Overall expectation	Male	4.892	.1731	-0.870	0.378
	Female	4.867	.1673		
Overall Perception	Male	4.013	.2913	-0.292	0.583
	Female	4.131	.2753		

5 Recommendations

Based on the findings, some recommendations are made. Skilled and competent staff members are vital for superior service quality. Staff members need to undergo formal training in service quality to deal with different types of customers and their needs. Comprehensive training in service quality should be in the areas of customer service improvement, product knowledge, communication and interpersonal skills. Staff should share work practices and problem-solving approaches with other staff members in the organisation.

Staff members at mobile telecommunications companies need to embrace the concept of empathy in their interaction with customers. Front-line staff members, for example, need to show customers that they are interested in their welfare. It is imperative that the human dimension be given consideration. Customers must be given caring, individualised attention. It is essential to promote the right mindset for delivering the 'right' service quality. Staff members need to be customer-centred rather than being merely task-driven. This means the adoption of customer orientation rather than just following rules and procedures. This can be accomplished by recognising superior service, regular dialogue and

sharing good practices, personal coaching and counselling.

It is important to entrench the concept of responsiveness in the interest of customer satisfaction and of high quality service. This must be translated into ensuring that staff members give accurate information to customers, show willingness to assist and show that they are always available to the customer. Management must ensure that staff members pay attention to instilling confidence in customers, showing courtesy and displaying the relevant knowledge when dealing with customers. Management should encourage customer feedback and respond to identified problems.

6 Conclusion

The South African telecommunications industry has been dominated by two players. It is recognised that service quality plays an important role in establishing a competitive advantage. This paper therefore sought to assess ratings of service quality among mobile telecommunications customers. A survey was conducted among 400 mobile telecommunications customers using the SERVQUAL model. The results indicated that there are gaps between customer expectations and perceptions of service quality. The

tangibles dimension exhibited the smallest gap for both companies and the assurance and empathy dimensions revealed the largest gap scores. There were no significant differences in overall expectations between the two companies, but there were significant differences between the companies with regard to overall perceptions of service quality. There was no significant difference in the overall expectations and perceptions between males and females. Recommendations have been made as to how mobile telecommunications companies can make improvements, with a view to enhancing service quality.

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