BENCHMARKING MEASURES OF CUSTOMER SATISFACTION FOR NEW SERVICE OFFERINGS

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Abstract : *India's telecommunication network is the second largest in the world based on the total number of telephone users both fixed and mobile phone. It has one of the lowest call tariffs in the world enabled by the mega telephone networks and hyper-competition among them. In terms of New Services and Value added Services, the development, launch and sale of the New Services offerings is inherently risky. Since Services are intangible in nature, it is very difficult to determine whether the New Service offerings will prove to be fruitful once launched. Though there are measures to analyze the success, there are new tools also developed to understand if the Service provider would succeed with the current strategies. The current paper addresses the aspects of Benchmarking measures of Customer satisfaction for New Service offerings for Airtel. A time tag of 2 to 3 months is allowed to understand if the New Service offering has added to the Cost, affected the Sales figures and eventually lead to Customer satisfaction. Telecommunication Sector has come a long way. It is known as one of the primary sector and is responsible for the throughout Socio Economic development of a Nation. Liberalization has made the path easier for this transit. The scenario has therefore changed drastically compelling many of the foreign investors to invest in this sector. The Telecommunication sector has witnessed many manifolds in the last decade. With more of coverage, increased VAS, (Value added Services) at affordable rates, the subscriber base has also been increasing to a great extent. Service offerings are the different Services offered by the Service providers of Telecom Companies. The Services offered by different Telecom companies are synonymous in nature.*

The research paper aims at Benchmarking the measures of Customer satisfaction through New Service offerings by the Telecom Service providers in Pune region. Every quarter new Services get added to the list of Service providers of each Organization.For the said purpose 300 customers were interviewed, through structured questionnaires.

Key words : *Customer satification, telecom services, value added, offerings.*

INTRODUCTION

Telecom Companies today attempt their best for Market sustenance. To keep upto the customer's expectations, companies keep innovating in terms of the Services that are offered to the final customers. Since it is always difficult to get a new customer added, it is equally important to ensure that the current customer base is totally satisfied and would not deflect. Only then can one retain and gain the confidence of the Customer.

In terms of Value Added Services, VAS the observation is that the total tendency is picking up and more of the attractive concepts like the Bollywood ring back tones are in demand. Bharati Airtel is one of the company striving to make a mark in the VAS space span in the Country.

The Customer centric approaches are more

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in the limelight and are emphasized upon since it is the ultimate shareholder's satisfaction that would be responsible for the Company's growth and thereby enhancing the Brand image of the Company. Therefore the entire focus is on engaging the customer, enhancing his satisfaction level in the best possible way and hold him with the Organization. A satisfied customer would recommend further to his peers and friends, which has an imperative effect on the Brand Image of the Organization.

Benchmarking is the process of comparing one's business processes and performance metrics to industry bests or best practices. Dimensions typically measured are quality, time and cost. Benchmarking is used to measure performance using a specific indicator, cost per unit of measure, which is used in the current paper, per unit of measure. Customer retention is a product or customer loyalty and value which in turn is a function of the level of customer satisfaction or dissatisfaction. (Reichheld,1996).

Customer satisfaction is of vital significance since this has become the means of ensuring that the customer gets Best of the quality from the Organizations. Satisfied customers would recommend to five people about their good treatment, and that five percent increase in loyalty can increase profits by 25% to 85%. The average customer with a problem eventually tells 8 to 10 other people about his experience. (SPSS White paper 1996, Limayem M, 2007). Customer satisfaction is a yard stick to measure the performance of the Organization. This compels the Organizations to deliver the Best. Organizations today have many tools developed for measuring this Customer satisfaction.

THE CELLULAR SYSTEM CLASSIFICATION:

GSM and CDMA:

Global System for Mobile Communications (GSM) and Code Division Multiple Access (CDMA) are two competing standards in cellular service. They both have derivatives for use with 3G phones known as Universal Mobile Telecommunications System (UMTS) and CDMA2000, respectively. The major difference between the two technologies is how they turn voice data into radio waves and how the carrier connects to the phone. Other differences include the coverage area, the data transfer speeds, and the type of hardware used.

2G, 3G, 4G:

The distinction between the two technologies is largely irrelevant in 4G phones, since both can be used with the both of the main standards used with 4G phones, Long Term Evolution (LTE) and Worldwide Interoperability for Microwave Access (WiMax). Since GSM and CDMA work by means to radio waves, but 4G technologies work by means of an IP network, the radio signals from both have to be translated into electronic data for use on the network or the phone has to switch back to a 2G or 3G network to make voice calls.

GSM and CDMA:

GSM and CDMA are competing wireless technologies with GSM enjoying about an 82% market share globally. In the U.S., however, CDMA is the more dominant standard. Technically GSM (Global System for Mobile communications, originally from Group Special Mobile) is a specification of an entire wireless network infrastructure, while CDMA relates only to the air interface the radio portion of the technology.

Code Division Multiple Access **(CDMA)** describes a communication channel access principle that employs spread-spectrum technology and a special coding scheme (where each transmitter is assigned a code).

CDMA also refers to digital cellular telephony systems that use this multiple access scheme, as pioneered by QUALCOMM, and W-CDMA by the International Telecommunication Union (ITU), which is used in GSM's UMTS.

Problem identification and Purpose of study:

The problem statement according to Wiersam (1995) describes the content for the study and it identifies the general analysis approach or "is the issue that exists in the literature theory or practice that leads to a need for the study, (Creswell, 1994) and when stated effectively should answer the question" "Why does this research need to be conducted", (Pajares, F 2007).

The main problem that the Service providers face is : How to keep customers satisfied through out, since the customers have the variety seeking buying behavior.

Therefore the challenge for the Service provider is to keep adding New and Innovative Services to the Customers.

In view of the above, the problem of the study lies in: Benchmark the measures of Customer satisfaction for New Service offerings.

Do New Service offerings only add to cost or do they contribute eventually in attaining customer satisfaction.

To assess this, there is a need to carry out research to understand the Customer satisfaction and Service Offerings aspects in detail.

Research Questions:

1. How frequently do customers want New Service offerings from their Service provider?
2. Does this New Service offering add to much of Cost?
3. Do New Service offerings enhance Sales and enhance Customer satisfaction?

Objectives:

1. To identify the New Service offerings offered to customer by Airtel in the past 1 year.
2. To benchmark the measures of Customer satisfaction for New Service offerings.

Significance of the study:

The study is of vital importance to Telecom Service providers, Decision makers and stakeholders.

Since the study aims at addressing the needs of Variety seeking buyer behavior of customers, by offering New Service offerings, considering the Cost and benefit factors.

Telecom Service providers need to understand the psychology of their customer base. Time and again, the thought process evolves and evokes towards the bottom line "Customer is the King", give him the best, give him what he deserves and ensure he is satisfied with your Services.

The decision makers of the Organization will get a clear understanding of designing the Services that would in a way propel Customer satisfaction.

The Benchmarking of measures of Customer satisfaction for New Service offerings when analyzed and calculated at the end of the study should be an appropriate yard stick to measure Customer satisfaction for a given Organization which implies that there is a need to keep Innovating.

Theoretical Framework:

Customer satisfaction:

- Customer satisfaction "a consumer's post-purchase evaluation and affective response to the overall product or service experience." (Oliver, 1992);
- "Satisfaction is merely the result of things not going wrong; satisfying the needs and desires of consumers." (Besterfield 1994);
- Satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product's performance (outcome) in relation to his or her expectation. (Kotler P. & Kevin L. K., 2006 p. 144).

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 visit to stores, repeat product purchases, and word-of-mouth promotion to friend, while low customer satisfaction has been associated with complaining behavior. A satisfied customer often stays loyal longer, and is likely to patronise 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 her or his experience and reactions to a specific company encounter. Cumulative satisfaction refers to customers overall evaluation of patronage experience from inception to date.

Customer satisfaction is largely a reflection of the expectations and experiences that the customer has with a product or service. The Customer experiences accumulate and form an opinion of a Product or Service which is nothing but the feeling of Satisfaction or dissatisfaction.

However expectations also reflect the influences on the evaluation of the product or service. When we make major purchases, we research the product or service and gain information from the advertising, salespersons, and word-of-mouth from friends and associates. This information influences our expectations and ability to evaluate quality, value, and the ability of the product or service to meet our needs.

Customer satisfaction is intangible in nature and would be difficult to measure unless certain parameters are defined to measure it. In the research carried out the following were the determinant factors identified which would define the level of Customer satisfaction. The questions asked were related to these determinants.

Determinants of Customer Satisfaction:

1. Awareness and Usage rate of the New Services
2. Analyzing the Sales figures
3. Cost involved in adding a New Service
4. Trends in buying behavior of Customer
5. Customer satisfaction analysis

Bharti Airtel had introduced a huge range of variety of deals to choose from like best of deals on digitalTV, Value Added Services, devices and more being offered by Airtel on this first-of-its-kind cyber sale day in India. As a double dhamaka, customers paying via airtel money can even avail an additional discount on top of the deals being offered by popular eCommerce websites - eBay, Homeshop18, Myntra, 99Labels, India Today, Learn Today, India Plaza and Bagittoday. *(Source Google Analytics).*

Category	Offer Description
Value Added Services	HelloTunes: Unlimited free song downloads for the day. Choose a song for free (Rs 15 song selection fee waived off only on Dec 12th). Subscription fee of Rs 30/month continues to apply.
Value Added Services	Airtel Live: 6 VAS services for free for a month
airtel Shop purchases at http://shop.airtel.com/	Mobiles • Rs 1000 off on purchases between Rs 30,000 • Rs 750 off on purchases between Rs 20,000 to Rs. 29,999 • Rs 500 off on purchases between Rs 10,000 to Rs 19,999
airtel Shop purchases at http://shop.airtel.com/	Tablets • Rs 750 off on purchases Rs 12,000 onwards • Rs 550 off on purchases between Rs. 7,000 to Rs. 11,999 • Rs 350 off on purchases between Rs. 3,000 to Rs. 6,999
airtel digitalTV purchase at www.airtel.in/digitaltv	Applicable with Promo Code GOOGLE12 while making payment • Get a Normal (SD) Set-top box with 1 month Free Subscription @ 15% discount • Get a High Definition Recorder Set-top box with 1 month Free Subscription including 15 HD channels @ 15% discount • Get a High Definition Set-top box with 1 month Free Subscription including 15 HD channels @ 20% discount
On online purchases with airtel money	• www.bagittoday.com/ - Upto 90% off on electronics, apparel etc + 10% cashback • www.indiaplaza.com/ - Flat 10% off on customer price on Smartphones, flat 12% off on customer price on Cameras, + 10% cashback • www.homeshop18.com/ - Upto 32% off on mobile handsets and apparel, + 10% cashback • www.indiatoday.intoday.in/ - 1 month free (digital magazine) subscription for customers • www.99labels.com - Rs. 200 off (on a minimum purchase of Rs 999) + 10% cashback • www.learntoday.in - 15% on Learn Today courses + 10% cashback • www.ebay.in - Enjoy discounts of up to 50% + 10% additional cash back • www.myntra.com - Shop from 500 Brands @ up to 100% Rebate & Win exciting prizes + 10% additional cash back

Airtel Online aims to serve as a simple, convenient and efficient online access channel for customers to engage with Airtel on its wide range services. In keeping with this, Airtel had recently launched a free-download 'my airtel' app which allows customers of various Airtel services (mobile, fixed line, dth etc) to check their outstanding bills, recharge their accounts, make payment, activate/deactivate any service; raise requests-complaints, at just a click of a button across. In only 2 months since launch, the **'my airtel' app has clocked approximately 7 lac downloads and continues to trend among top downloads across mobile operating systems including Android, iOS, Symbian and Java.** *(Source Google Analytics).*

A series of customer experiences from a particular Service provider give rise to the ultimate Brand image for a given Organization. A Customer service experience is defined as the Service encounter that creates the customer's cognitive, emotional and behavioural responses that result in mental mark, memory, (Groonoos 2005 in Bo Edvardsson, 2005).

Other factors like the match between the expectations that the customer had Pre purchase expectations and post purchase experience. This mismatch leads to customer dissonance. Perceived quality is formed with customer experiences.

Customer Satisfaction measurement Approaches: Customer satisfaction is measured by different ways in different situations. But the models are not empirically validated. Oh and Parks, (1997) identified nine methods for measuring CS, which are: expectancy disconfirmation, assimilation or cognitive dissonance, contrast, assimilation-contrast, equity, attribution, comparison-level, generalized negativity and value-precept. Swedish Customer Satisfaction Barometer (SCSB) was the first national customer satisfaction index to be developed and applied for customer satisfaction and evaluation of the quality of products and services. It is based on annual survey data from customers of about 100 leading companies in some 30 industries (Fornell, 1992,).

It uses several questions multivariable components measured by several questions having different industrial weights and reported on a 0 to 100 scale.

SERVICES : Services—broadly defined as " acts, deeds, performances, or efforts have different characteristics from goods defined as articles, devices, materials, objects or things" (Rathmell 1966;Berry 1980 cited in C. Lovelock 2005)service is a process that leads to an outcome during partly simultaneous production and consumption processes" (Gronroos 2001).

Service offerings: Services—broadly defined as " acts, deeds, performances, or efforts—have different characteristics from goods—defined as articles, devices, materials, objects or things" (Rathmell 1966;Berry 1980 cited in C. Lovelock 2005);

- Services refer to "economic activities offered by one party to another, most commonly employing time-based performances to bring about desired results in recipients themselves or in objects or other assets for which purchasers have responsibility." Lovelock and Wirtz (2007)
- A service is a set of one time consumable and perishable benefits
- delivered from the accountable service provider, mostly in close coaction with his internal and external service suppliers,
- effectuated by distinct functions of technical systems and by distinct activities of individuals, respectively,
- commissioned according to the needs of

his service consumers by the service customer from the accountable service provider,

- rendered individually to an authorized service consumer at his/her dedicated trigger,
- and, finally, consumed and utilized by the triggering service consumer for executing his/her upcoming business activity or private activity.

NEW SERVICE OFFERINGS LISTED :

1. Customized Services
2. Hassle free Service offerings
3. Services to ensure there is no Congestion in the Network.
4. Transparency in Billing.
5. Low/No call drop.
6. Prompt in resolving customer's complaints.
7. Better coverage
8. New and Improved Services every month
9. GPRS
10. 3G/4G
11. Internet facility
12. Social Networking
13. Roaming facility
14. Long distance calls at affordable prices.

Hypothesis: H0: Customer satisfaction is independent of New Service offerings.

H1: Customer satisfaction is depended on New Service offerings.

METHODOLOGY:

Structured questionnaire was used. The sample size was 300 Post paid customers of Airtel.

Respondents were 300 Post paid customers of Airtel.

Age was 18-35

220 of them were Working professionals, 50 were Businessmen and 30 were students.

After each of the Service was introduced with Idea Cellular Ltd, the observation was calculated using Pearson's Coefficient of Correlation. A time lag was allowed to understand the link between New Service, understanding the graph of Sales figures and eventually if this new Service has any impact on Customer satisfaction.

Tool used : PEARSON'S COEFFICIENT OF CORRELTION:

	Calculation of Correlation						
		(x - x)/10			Sales	(Y - Y)/100	
Months	New service expenditure						
	X	x	x^2	Y	y	y^2	xy
Jan	60	-8	64	1600	11.6	134.56	92.8
Feb	70	-7	49	1700	10.6	112.36	74.2
March	90	-5	25	2100	6.6	43.56	33
April	50	-9	81	2200	5.6	31.36	50.4
May	140	0	0	2300	4.6	21.16	4.6
June	150	+1	1	2700	0.6	0.36	0.6

July	160	+2	4	2500	2.6	6.76	5.2
Aug	170	+3	9	2300	4.6	21.16	13.8
Sept	150	+1	1	2300	4.6	21.16	4.6
Oct	160	+2	4	2400	3.6	12.96	7.2
Nov	170	+3	9	2600	1.6	2.56	4.8
Dec	170	+3	9	2600	1.6	2.56	4.8
	$\Sigma x = 1400$	**$\Sigma x = -14$**	**$\Sigma x^2 = 256$**	**$\Sigma y = 27600$**	**$\Sigma y = 58.2$**	**$\Sigma y^2 = 410.52$**	**$\Sigma x = 296$**

The Sales were observed from January 2012 to December 2012.

$r = \Sigma xy / \text{Sq root } \Sigma x^2 * \Sigma y^2$

$\bar{X} = 1400/10 = 140$

$\bar{Y} = 27600/100 = 2760$

$\Sigma xy = 296$

$\Sigma x^2 = 256, \Sigma y^2 = 410.52$

$R = 296/\text{Sq root } 256*410.52$

$R = 296/324.180$

$= 0.9130$

After substituting the values, $r = +0.913$

When r = +1, it means there is perfect positive correlation between the variables.

Discussion

In the current research, it was observed that Customer experiences from different technologies like CDMA, GSM, 3G and 4G are very different from each other. Each time the customer upgrades to a better technology with certain expectations and expecting something New in terms of Service from the Service provider. After allotting some time gap of 2 to 3 months, it was observed that in many of the cases from January to December, the Sales are picking up, gradually driving towards Customer satisfaction. Based on the analysis, Hypotheses H0 was rejected and H1 was accepted. This confirmed that there is a perfect correlation between New Service offerings and Customer satisfaction.

Conclusion

After every quarter when a New Service is introduced in Airtel,it does add to the Cost to an extent, but when the analysis f Sales Graph is done, we see that the Sales are picking up against each Service in specific. This clearly proves the hypothesis H1, that Customer Satisfaction is depended on New Service offerings from the Service provider. The same was observed with the pilot research conducted and observed, where the r value is 0.913, stating that there exists perfect positive correlation between, the New Service offerings, thereby increasing the Sales, and eventually leading to Customer satisfaction.

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