Determinant Factors of Customer Satisfaction for Mobile Service Providers

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Abstract  
Although many more of Vietnam’s mobile providers have recognized the importance of improving customer needs, they find it hard to satisfy their customers in a competitive market. This study attempts to investigate the critical factors which have a strong impact on the satisfaction of mobile phone users. Secondly, to analyze the reasons for it, and to find out the compelling reasons behind them. Furthermore, the study has also found the right direction for Mobile Telecom providers to move forward in the near future. An online survey was carried out using a quantitative method with the participation of 270 online subscribers who usually choose between three mobile service provider companies. The research indicated that all three variables including perceived value, service quality, and brand image, have a positive relationship with customer satisfaction. Moreover, the most important factor that has an impact on mobile service users’ satisfaction is brand image. 

Key words: customer satisfaction, perceived value, service quality, brand image

INTRODUCTION

In the 21st century, most companies pay more attention on managing relations with their customers to maximize the outcome. A first step to path success for every company is based on the way the leaders manage their long-term relationships with potential customers [1]. Furthermore, some entrepreneurs stressed on the power of developing these relationships, as noted in the previous study [2]. Thus, modern marketing is responsible for either seeking new customers, or finding ways of keeping their customers to permanently remain with the company. Drucker defined that marketing is designed in order to create and make customers more content [3]. He also mentioned that general marketing comes is boiled down to two dimensions that include acquisition and retention of customers. Acquisition focuses on mass and target marketing, while retention is used to describe customer evaluation, consumer complaints, and loyalty programs. Thus, it is becoming more vital to pay additional attention on making customers feel satisfied, as in their homes, for either maximizing the outcome or building up the company’s success in the long-term.

To avoid failure, companies should understand how to market their services to target customers by uniquely effective approaches to improve the firm’s strengths. This success can be achieved if customer satisfaction is considered as both the crucial asset for every firm and the central purpose of long-term marketing plans. However, in Vietnam, there is a great inequality between the costs of a mobile service and
the received care from network providers. It usually occurs by complaints from customers such as taking advantage of customer’s personal information, providing low network quality, charge payment fraud, scam promotions, and the negative attitude of mobile provider care service staff.

Consequently, to gain competitive advantages, many companies have applied price depreciation to appeal to customers which has led to a wider usage, quality service, and customer reflection. Therefore, amongst this highly competitive battle, the company that becomes the winner is the one that has improved their service, differentiated their product, and promoted their reputation by smart marketing strategies.

The mobile service provider sector appears to be of paramount importance to the developing economy in Vietnam because they have contributed a huge amount of income to the nation. Most of them have numerous ways of surviving; however, it still ends with the same target of making more profit without satisfying their customers. To examine whether customers feel satisfied or not, there are some factors that should be taken into consideration. This study aims to find out the relationship among perceived value, service quality, brand image of mobile network providers, and customer satisfaction.

LITERATURE REVIEW

Customer satisfaction

In recent years, numerous corporations have aimed to improve their customer satisfaction level [4]. Customer satisfaction has always been considered as one of the most central marketing roles of every company [5, 6]. While Aaker, explored that satisfaction is seen as one of the key measures in the service marketing department [7].

Customer satisfaction is considered as the final outcome of marketing activity, and to show the effect of post-purchase with customer’s reflection of brand loyalty, switching behavior, or reiteration purchase [8]. This could mean that in competitive advantage, customer-centric should be regarded as the most concerning of service marketing in all companies, so they have to be prudent in strategy selection to understand what customer’s expect from the organization, being the products. Many researchers have already stated their understanding of the theory of customer satisfaction. It is definitely recognized as the human appreciation of goods or services which are delivered via customers’ thoughts, feelings, or actions, directly related to their expectation [9].

Similarly, the prior researches argued that satisfaction represents the reaction of consumers to the difference between pre-purchase expectations and perceived valued performance post- consumption [10, 11, 12]. In accordance with the definition of customer satisfaction relating to their expectation, Schiffman & Kanuk addressed that satisfaction generally means the cognition of people about the goods invested with their perceived expectation [13]. If customer’s experience is under their expectation from the delivery system, it will be dissatisfied. Alternatively, if the perception is greater than the expectation, joy or delight is shown. In short, satisfaction is simply capable of being understood as the judgment of consumers after a service encounter with the sellers or the providers, and certainly it is different from each other. Last, but not least, customer satisfaction is the most important marketing contend.

Determinants of customer satisfaction

Attaching to customer satisfaction from a service marketing perspective, one of the long-term
Determining factors of customer satisfaction can be price [14]. Meanwhile, in reviewing studies of many authors [15, 16, 17], to assess the level of customer satisfaction, some elements are suggested comprising of service quality, service recovery, reputation, pricing, and customer orientation. Customer satisfaction thus depends on a variety of factors, including perceived service quality, customers’ moods, emotions, social interactions, and other experience-specific subjective factors [18].

More essential components, customer services, billing systems, locator services, entertainment services, messages/data services, and network quality, are added in dimension of customer satisfaction [19]. Customer reaction and judgment of a fulfilled state can be measured in telecommunications by knowing the satisfaction from price, call clarity, user friendliness of services, value added services, support services, and customer complaints [14]. Simply stated in this study, the three most important factors which might affect customer satisfaction in the telecom industry are perceived value, service quality, and brand image.

**Perceived value**

Value is generally used in literature to describe the judgment behavior of preference by consumers toward the product or service [20]. In the 1990s, value appears in most discussions of researchers or practitioners, although no common voice in defining this term would be created [21].

Value as a concept is one that shows perspectives, as well as opinions from customers or suppliers [22, 23]. Value is defined as a function of the overall quality and price of the firm’s products and services when compared to the competition [24]. It may not be contemplated that managers should understand the importance of retail customer’s value that is a tool that drives the firm’s success [25]. Consumer’s value is the key factor that companies should concentrate their attention on to enhance their market place advantage [26].

Perceived value is regarded as the customer’s overall assessment of the utility of a product based on perceptions of what is received and what is given [27]. Customer perceived value is described as a trade-off ratio between quality and price [28, 29], or benefits and sacrifices [30, 31]. Perceived value as a function of product features, quality, price, delivery, and service [32]. Jillian & Geoffrey tested and discovered four main factors having strong affections to measure perceived value, insisting on quality, emotion, social, and price [33].

Customer perceived value happens in the pre-purchase period while satisfaction is usually characterized as customers’ positive evaluation and feelings after they buy or use products and service [8, 26, 34]. As a result, value perceptions can be generated without the product or service being bought or used, while satisfaction depends on the experience of having used the product or service. Therefore, we have proposed hypothesis one.

**H1: There is a positive relationship between perceived value and customer satisfaction**

**Service quality**

Whole appreciation of customers about a firms’ service is called service quality [35]. Service quality has been seen as a vital tool for most businesses to make a difference from other competitors in this turbulent market, and is highlighted as the method to enhance consumer satisfaction [36]. Thus, the better the service customers receive, the higher the satisfaction is created.
Skills and professionalism, behavior and attitude of employees, flexibility and convenience, trustworthiness and reliability, recovery of services, scope of service, and credibility and reputation, are the seven determinants of service quality [31]. The quality of a service firm will be evaluated by six main elements, comprising of the perceived service from the point of human factor, core service, social responsibility, technical system, tangible service, and marketing service [37]. Service quality involved three aspects, such as interaction, physical background, and outcome. Earlier studies have judged service quality measures as call clarity, pricing tolerance, value added services, user friendliness, and customer support services [38, 39, 40, 41].

The SERVQUAL Model is to measure the quality of service in retail and service companies based on five dimensions, tangibility, reliability, assurance, responsiveness, and empathy. These five factors refer to the discrepancy between customers’ expectation for service performance and their perception of service received [42].

Tangibility focuses on machinery conditions, and material resources of the firm; reliability represents how the company can build up a trustworthy base with their customers; responsiveness describes willingness to help customers and provide prompt service; assurance refers to knowledge and courtesy of employees and their ability to inspire trust and confidence; empathy deals with interaction, communication, cordiality, ability of comprehension, and knowledge support [42].

Later, convenience is added to the PZB model [43]. In telecommunication companies, reliability, empathy, and tangibility, have strong effects in examining service quality [44]. The quality of service is the main reason that leads to mobile subscribers’ dissatisfaction [17]. Therefore, the present research evaluates customer satisfaction based on the level of service quality they perceive from mobile operators. Therefore, we have proposed hypothesis two.

**H2: There is a positive relationship between service quality and customer satisfaction.**

**Brand Image**

Creating a brand image is considered as one of the concentrated aims in product marketing for service companies [45]. There are several ways to conceptualize brand image. Brand image is built by the product’s image, manufacturers’ image, and competitive brand image [46]. Brand image conveys some value of emotion and thoughts from customers towards the firms’ products or service [47, 48]. Three major dimensions, functional needs, experiential needs, and symbolic needs, are adopted to measure brand image [48]. Functional needs are discussed concerning physiological and safety needs, as well as the desire for problem removal or problem avoidance. Experiential needs are referred to as what customers feel during the usage of the product or service. Symbolic needs are related to underlying needs for social approval or personal expression and outer-directed self-esteem. Brand image plays a vital role on building customer satisfaction [49]. Therefore, we have proposed hypothesis three.

**H3: There is a positive relationship between brand image and customer satisfaction**
METHODOLOGY

Conceptual framework and measurements
Based on the literature review, the research conceptual framework explains the determinants, pricing policy, service quality, and brand image, of customer satisfaction in the mobile operating service industry. Customer satisfaction determines how much the business’s products, services, and improvements, are able to fit the customers’ expectations. Taylor & Baker’s 4-items measurement is adopted, and a 7-point Likert-type scale is used to denote the concept [50]. Perceived value is the level between the total values that customers receive, and the total cost that customers pay for a product or services. Jillian & Geoffrey’s 8-items measurement is adopted, and a 7-point Likert-type scale is used to denote the concept [33]. Service quality represents the level of quality that customers receive. Five dimensions, tangibility, reliability, assurance, responsiveness, and empathy, are the construct of the service quality [42]. A 7-point Likert-type scale is used to denote the concept. Brand image is the perception of the customer regarding the characteristics of the product and service is influenced by the perceptions about the brand [51]. Three dimensions, functional, experienced, and symbolic, are the construct of the brand image’s concepts [48]. A 7-point Likert-type scale is used to denote the concept. Respondents’ demographic data, age, gender, monthly income, job, and mobile operators which customers use are also collected.

Data Collection
An online survey was adopted to collect the data. Three hundred online questionnaires were collected, and 270 valid data were analyzed in this research. Questionnaires were translated into Vietnamese to be more easily understood and thereby more able to receive accurate information for the respondents.

RESULTS

Demographic analysis
In total, 300 questionnaires were collected, and 270 were valid. The questionnaire return rate was 90%. There were 50.37% male and 49.63% female respondents. Results of the survey showed that the respondents were mostly in the 25~34 year old age group (which accounted for 50.9%), 43.2% were under 25 years old, and the remaining ones were 34~44 years old. The majority of the respondents, 42.9%, had a monthly income of between three million VND and seven million VND, while 25.5% of the respondents earned less than three million VND per month, and 17.5% of the respondents earned a monthly income from seven to 15 million VND.

The respondents were requested to answer with multiple choice questions about the mobile services they usually selected. The statistical results from Table 1 showed that the samples with 95.2% of the people used the service call, 80.4% used messaging services; 66% used receive and transmit Services Data, Fax, WAP, GPRS, and the Internet; 32.1% used music download service information retrieval; 12.9% used international roaming services, and 11.1% used other services.

This table shows that service calls and messaging were widely used. In addition, there was an increased trend to use a smart modern service such as Services Data, Fax, WAP, GPRS, and the Internet. Whereas
other value-added services were only used by a few people. Thus, the potential of the domestic market has been developed effectively. The explanation for this may be due to the competitive strategy of the promotional price cuts; increases in the number of subscribers that have invested heavily in the expansion of the other value-added services, so that consumers are still indifferent to these services.

Table 1 The rate of mobile services participants use

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency (N)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total participants</td>
<td>270</td>
<td>100</td>
</tr>
<tr>
<td>Types of mobile services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service call and listen.</td>
<td>258</td>
<td>95.2</td>
</tr>
<tr>
<td>Short Message Service SMS, MMS multimedia messaging.</td>
<td>218</td>
<td>80.4</td>
</tr>
<tr>
<td>Receive and transmit Services Data, Fax, WAP, GPRS, and Internet.</td>
<td>179</td>
<td>66.1</td>
</tr>
<tr>
<td>International roaming services.</td>
<td>35</td>
<td>12.9</td>
</tr>
<tr>
<td>Upload services, games, and music information retrieval (stocks, news, love advice ....).</td>
<td>87</td>
<td>32.1</td>
</tr>
<tr>
<td>Other services.</td>
<td>30</td>
<td>11.1</td>
</tr>
</tbody>
</table>

Reliability test

The reliability of the measurement of perceived value, service quality, brand image, and consumer satisfaction, was tested. Each category of questions has a Cronbach’s alpha ≥0.70, indicating adequate reliability: perceived value (α = 0.805), service quality (α = 0.879), brand image (α = 0.904), and consumer satisfaction (α = 0.896).

Hypotheses Test

A model of linear regression is used to predict the relationship between dependent variables (customer satisfaction) and independent variables (perceived value, service quality, and brand image). Among the three independent variables, brand image (β= .579) has the strongest effect on customer satisfaction, by keeping a positive relationship with customer satisfaction. Followed by Service quality with (β= .301), and perceived value (β= .178). As a result, one regression equation was constructed to predict the positive relationship among these factors. Hence, the results found that up to 59.9% of customer satisfaction depends on the three above mentioned variables, whereas the model is also significant (F-value=118.29). Therefore, we can propose the equation as follow.

Customer satisfaction = .178 PV + .301 SQ + .579 BI
Table 2 Regression model

<table>
<thead>
<tr>
<th>Dependent variable: customer satisfaction</th>
<th>(Estimated) Coefficient</th>
<th>(Estimated) S.E</th>
<th>Standardized Coefficient</th>
<th>T-value</th>
<th>Sign.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>-1.181</td>
<td>.401</td>
<td>-2.946</td>
<td>.004</td>
<td></td>
</tr>
<tr>
<td>Perceived value</td>
<td>.263</td>
<td>.064</td>
<td>.178</td>
<td>4.087</td>
<td>.000</td>
</tr>
<tr>
<td>Service quality</td>
<td>.410</td>
<td>.058</td>
<td>.301</td>
<td>7.051</td>
<td>.000</td>
</tr>
<tr>
<td>Brand image</td>
<td>.643</td>
<td>.050</td>
<td>.579</td>
<td>12.922</td>
<td>.000</td>
</tr>
</tbody>
</table>

Note: Sample size is 270.

According to the results, a positive relationship between perceived value and customer satisfaction (H1), positive relationship service quality and customer satisfaction (H2), and positive relationship brand image and customer satisfaction (H3), were all supported.

CONCLUSIONS AND SUGGESTIONS

Research Summary

In order to understand more deeply about the mobile operator market situation in Vietnam, and to discover the relationship among service providers and buyer’s satisfaction, the research had some significant summaries. The main motivation of this study was to check on how the factors of perceived, service quality, and brand image, add value towards creating satisfied customers. All three given hypotheses were supported by regression analysis. These three independent variables have a fairly positive relationship with dependent variables. Brand Image is the most powerful stimulant of mobile phone service customer satisfaction. The results of the study that focused on customers of telecommunication companies showed that if a brand is fulfilling its promises, it would enhance customer satisfaction and create a feeling in the customers that they had chosen one of the best brand. This paper has taken into account all the dimensions that would be accounted for in customer satisfaction, like physical and safety needs, over all the experience and fulfillment of social communication needs. Research has shown that customer satisfaction is created once the primary needs of the customer are met by the brand.

In terms of service quality, the procedure to examine the divergence of satisfaction and quality of service was based on Parasuraman et al., who summarized the nature of the core (outcome) and relational (process) constructs. Responsiveness, assurance, and empathy, should be observed with involved with the service process [42].

Furthermore, the analysis results especially highlighted that perceived value also played a major role in improving subscriber satisfaction in the mobile phone service market. Customers cared most about the perceived quality from mobile operators, whether it may be consistent in a long-term period or not. However, customers seemed to be bored with their perceived value as emotional and social pattern. If a brand is providing a compatible price and fair price increase, it will find a positive reaction which will, in turn, create
a sense of satisfaction among subscribers, and vice versa. In Vietnam, most of the users are price sensitive, so price fairness of any brand is a major deriver of their repurchase decision. Telecommunication is almost homogenous in Vietnam, so even a small difference in price would influence customer behavior.

Lastly, this result shows that in order to enhance the satisfaction of consumers; the most effective way is that the mobile suppliers should have a stronger investment on building their brand image. This is the most important predictor which should be improved to satisfy customers.

**Theoretical Implication**

As an emerging area of interest, the research framework was built to be considered as an additional insight, and an attempt to develop retention strategies through satisfaction programs like guarantee of service, and money refund offers in case of network failure. Furthermore, this would enhance the satisfaction attitude among customers in the telecommunication industry. With the full provision of useful theoretical information, the research relied on the PERVAL model to evaluate the perceived value from customers including the four main dimensions of quality, emotional, price, and social value [33].

Moreover, the preceding well-known SERVQUAL Model [42] to measure the quality of service in retail and service companies, based on the five major dimensions, including (1) tangibility, (2) reliability, (3) assurance, (4) responsiveness, and (5) empathy. As for the benefits, the marketing workers could be used as the brand image model as reference for the functional, experiential, and symbolic, values which are the three major dimensions [48]. In general, in terms of literature, our framework suggested partly the central important factors of customer satisfaction in the telecommunication sector, in that how it should be created among customers, and how to receive the most benefits.

**Practical Implication**

The major findings of the present study have important references that impact on making decisions for policy makers, marketing staff of mobile service providers in Vietnam, and customers in evaluating the mobile operators.

First of all, for the policy makers, the study recommends that the Vietnamese government should tighten operational control of the service quality. There should be some added inspection standards or regulations for all mobile service companies. If the companies just focused on widening their market share without service quality assurance and customer care, strict administrative fines should be applied to admonish them. Furthermore, public assessments information on the quality of the mobile service providers should be encouraged to be displayed by the mass media.

Regression analysis of the study also indicated that the main cause of this is because of the perceived quality that the mobile operators bring to consumers is not high. To be competitive enough to survive in this marketplace, the government should force telecommunications companies to focus on investment, improve the quality of services given to customers thereby enhancing their satisfaction. The upgrade will add new code numbers which are costly investments to upgrade the infrastructure network layer, as well as the cost of the first new digital broadcast.

Next, those findings which have crucial managerial implications. To enhance the satisfaction of customers in an efficient manner, at least, the mobile service suppliers should invest in enhancing the quality of services that they provide for the consumers; to better increase the needs of customers by reducing the
gap between the expected service and the perceived service of customers. Results of regression analysis of the study showed that the weighted images effects of these factors on customer satisfaction were significant. The mobile service market in Vietnam has great potential for the value added services but untapped efficiency. Therefore, businesses should focus more on profits earned from existing subscribers by developing their own value-added services. Besides, the different mobile operators should focus on the target customer segment. This will help providers avoid direct confrontation thereby minimizing the risks and saving costs. This is particularly relevant for those with the nascent and/or weaker financial resources.

Finally, customers’ choices play a direct and important role in determining a company’s fate. From the significant data provided, they could make a decision which would be best for the mobile operator.

This study sought to demonstrate empirically that customer satisfaction, service quality, perceived value, and brand image, had a linear relationship. The antecedents and consequences of customer satisfaction in the context of the Vietnam’s mobile services is the primary objective of this study. The consequences of customer satisfaction, such as word-of-mouth and company image and reputation, would provide additional insights for managers. Furthermore, because the telecommunication sector has achieved remarkable growth over the last few years and now faces intense competition, the results of the study can be useful for the marketers of mobile telecommunication services and products.

Research Limitations

The research still has some limitations. With this sample size, the research results will be fairly reliable, and therefore unlikely to hold a representative role for the general population of the mobile service market. Due to the disadvantage of using the online distribution method, most respondents who joined the survey were considered to be late teens and young adults; thereby having a greater advantage when using the Internet than other groups.

REFERENCES


