Existing and Expected Service Quality of Grameenphone Users in Bangladesh

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Abstract. The Grameenphone (GP) is a market leader in the telecommunication industry in Bangladesh. This study investigates the existing and expected service quality of Grameenphone users in Bangladesh. The study reveals that there is a significant gap between existing and expected perceived service network, 3G, customer care, physical facilities, billing cost, information service, mobile banking and GP offers. The study concludes that customer satisfaction is a dynamic phenomenon. Maintaining desired level of customer satisfaction requires corporate proactive responsiveness in accessing, building & retaining satisfied customers for sustainable competitive advantages in the marketplace.

Keywords: Service Quality, Customer Satisfaction, Existing Service Quality, Expected Service Quality, Grameenphone

1. Introduction

Mobile telecommunication industry of Bangladesh has rapidly expanded in recent years. The total number of Mobile Phone subscribers has reached 133.163 million at the end of November 2015. Grameenphone is a market leader occupying 42.38% active subscribers by end of November 2015 of the mobile telecommunication industry in Bangladesh. (BTRC, 2015). The Grameenphone starts its operations in the Independence Day of Bangladesh on March 26, 1997. Presently, nearly 99 percent of the country’s population is within the coverage area of the Grameenphone network. GP was the first company to introduce GSM technology in Bangladesh when it launched its services in March 1997. Grameenphone is the largest cellular operator in the country.

It is a joint venture enterprise between Telenor and Grameen Telecom Corporation, a non-profit sister concern of the internationally acclaimed microfinance organization and community development bank Grameen Bank. Telenor, the largest telecommunications company in Norway, owns 55.8% shares of Grameenphone; Grameen Telecom owns 34.2% and the remaining 10% is publicly held (GP, 2015).

Currently, six mobile telecommunications service providers operating in Bangladesh. The mobile telecommunication industry in Bangladesh faces intense competition within this industry. Market competitiveness of mobile telecommunication service providers becomes quality centered, customer focused for earning additional market share for corporate profitability and success. In this respect quality factors such as strong network coverage, 3G service, customer care service, visible physical facilities, reasonable billing cost, information service, mobile banking platform and attractive offering becomes vital issues for customer satisfaction in the telecommunication industry in Bangladesh. Mobile market rapidly expanded in this respect the quality of service should be increased for corporate survival, growth and profitability. The mobile telecommunication industry tries to provide service to the customer for sustaining in that industry and capture new customers and retain them. The
Grameenphone tries to deliver the best quality service to the targeted customers, but recognizing service quality what the customers are wanted is critical task. This study is about to find out the potential gap between existing & expected service quality perceived by Grameenphone users in Bangladesh.

Mobile telecommunication industry in Bangladesh maturated through dramatic expansion of digital communication among the peoples of Bangladesh. The Market within mobile telecommunication industry faces intense completion for retaining existing customer and gaining additional customer apart from competitors. On the other side customer of telecommunication industry becomes self directed of choosing a favorable service provider due to low switching cost. Customers are constantly complaining about existing service quality. In these realities, researchers are motivated to find out the perceived service quality gap among the of Grameenphone users in Bangladesh.

2. Review of Literature and Hypotheses Development

In the telecommunication industry, there is urgency to meet the customers’ expectations. Customers are wanted unique & high quality services from telecommunication industry, but expected service of the customers will be higher than existing service and customer service have become a marketing priority (Zeithaml, Parasuraman & Barry, 1996) and are the core basis for consumer behavior and satisfaction. Service quality is a critical component of customer perception – as it is a dominant element in customers’ evaluation of a product (Zeithaml & Bitner, 2000). Cronin & Taylor (1994) viewed service quality as a form of attitude representing a long-run real evolution. Churchill & Surprenant (1982) defined and measured service quality as a belief statement or attribute of performance. Zeithaml (1988) defined service quality as ‘the customer’s assessment of the overall service excellence’. Customers perceived service quality will be enhanced by continuous quality improvement program initiated by mobile telecommunication service providers.

Network: The network is the core value of telecommunication services. Comparatively the network & signal coverage of Grameenphone is better than those of other telecommunication service provider in Bangladesh. Signal quality and network coverage have always been essential criteria for selecting mobile telephone service providers (Rahman et al, 2014). Today the signal quality has been improved and the company networks have grown to a great extent. Surveys have shown that both signal quality and network coverage affect positively consumer’s satisfaction and the image of the company (Woo & Fock, 1999).

3G: The 3G (third generation) is also known as UMTS (Universal Mobile Telecommunications System) and this is predicted to be the next generation in the mobile market. This is one of the valuable innovations in mobile technological devices. The 3G capability of an electronic device enables access to information and data at anytime at any place. With the 3G technology, mobile phones began to offer high speed internet access along with data, video and CD-quality music. The cellular phones enable a user to surf the web, view the image and video of the person he is talking to, watch movies and listen to music – just with the handset.

Customer Care: In Bangladesh, customer care is initially concerned with the perceptions of an organization reflected in associations with reaching customers (Rahman et al., 2014). Customer is a systems of activities that comprises customer support systems, ease of reporting and speed of processing complaint; friendliness when reporting complaint. The promptness of all these activities grounds for creating customer loyalty towards the service operator in the telecom market of...
Bangladesh. Moreover, in the Grameen Phone telecommunication industry, the high levels of competition among service providers call for the adoption of different customer service techniques to satisfy and retain customers that have practical relation with building loyalty of customers according to the study. Although customer care is a comparatively new practice of mobile telecom operators in Bangladesh but their presences have partially influenced customer loyalty. The cordial and expertise service through training of personnel’s of telecom companies can help deriving customer retention for using GP as an operator.

**Physical Facilities**: Customers today prefer a way that could make their lives comfortable. Available prepaid recharge facilities are important for telecom companies to customer retention for using a GP operator. GP provides available recharge facility and also online prepaid recharge is very helpful for those people who mostly work at home or office with an internet connection. They don’t have to go anywhere for recharging mobile. They just have to follow some easy online recharge steps and recharge will be done swiftly. GP provides available customer care layout and retail stores.

**Billing Cost**: Price is the monetary cost for a customer to buy products or services. It is the critical determinant that influences customer buying decision. Customers usually select their service providers strongly relying on perceived price. How much consumers are willing to pay differs due to their different needs and wants. The price perceptions to the same service or product may differ among individuals. Higher pricing, perceived by consumers might negatively influence their purchase probabilities (Peng and Wang, 2006). Price perception is also thought to be related to price searching (Lichtenstein et al., 1993). Consumers are likely to be attracted by perceived high-quality services at perceived competitive prices during the searching process. The research shows that price perceptions directly influence satisfaction judgments as well as indirectly through perceptions of price fairness (Herrmann et al., 2007). Customers often switch mainly due to some pricing issues, example, perceived high prices, unfair or deceptive pricing practices (Peng and Wang, 2006). In order to increase customer loyalty, it is essential for service firms to actively manage their customers’ price perceptions.

**Information Service**: Grameenphone provides a news service, health care service and updated information of product and promotion. News is the communication of information on current events which is presented by print, broadcast, Internet, or word of mouth to a third party or mass audience. Stay up to date with the latest news from the official website of these popular Bangladeshi English and Bengali newspapers.

**Mobile banking**: Mobile Banking services of different partner banks such as; Dutch Bangla Bank Mobile Banking Service, One Bank OK Mobile Banking Service, Islami Bank Bangladesh MyCash Mobile Banking Service, BRAC Bank bKash Mobile Banking Service. Customer registration and opening a mobile banking account from partner banks Cash-in (deposit cash into your mobile banking account). Cash-out (withdraw cash from your mobile banking account). Bill Pay service for utility service such as electricity, gas, and WASA (applicable in approved locations).

**GP offers**: Quality Function Deployment (QFD) model used to incorporate customer wants and desire in product and service requirement for satisfying want, desire and expectation of ultimate customers. Quality of GP offers, how do consistent with demand and qualitative to the customers depends on corporate translation it into product and service requirements (Rahman et al., 2014). Here, quality of service refers to how particular GP service offer able to meet customer expectation. Higher the fulfillment of expectation; higher will be customer satisfaction.
Conceptualization of Hypotheses: On the basis of these extensive review of literature following hypotheses have been developed to test the empirical investigation for the purpose of assessing existing and expected perceived service quality gap of Grameenphone users in Bangladesh.

**H1:** There is a significant difference between the Existing & Expected Network strength of coverage of GP perceived by GP users.

**H2:** There is a significant difference between the Existing & Expected 3G service of GP perceived by GP users.

**H3:** There is a significant difference between the Existing & Expected Customer Care Services of GP perceived by GP users.

**H4:** There is a significant difference between the Existing & Expected Physical Facilities of GP perceived by GP users.

**H5:** There is a significant difference between the Existing & Expected Billing Cost of GP perceived by GP users.

**H6:** There is a significant difference between the Existing & Expected Information Service of GP perceived by GP users.

**H7:** There is a significant difference between the Existing & Expected Mobile Banking Platform of GP perceived by GP users.

**H8:** There is a significant difference between the Existing & Expected GP Offers perceived by GP users.

3. Materials and Methods

This study is descriptive and designed to test hypotheses. Therefore, this study is aimed to examine the existing and expected gap between quality factors leading to the customer satisfaction and loyalty to the Grameenphone Users in Bangladesh. The hypotheses have been drawn based on the literature review and the empirical tests have been deployed for explaining the relationship among variables. The structured questionnaire sampling procedure has been applied to collect data. The survey is conducted during January 2013 to December 2014 and total 200 number of Grameenphone users Pabna University of Science and Technology at the graduate level has been taken for this study.

This study is based on primary data originating from a survey. For this purpose a constructed questionnaire has developed. Excepting the questions regarding demographic characteristics and user’s value added service interface of the respondents and the issues relating to network, 3G, customer care service, physical facilities, billing cost, information service, mobile banking, and GP, measured and investigated through 5 point Scale standardized by (Brayfield-Rothe, 1951). The scale consists of 71 statements, for each statement has five options/points such as strongly disagree/1, disagree/2, undecided/3, agree/4, and strongly agree/5. SPSS Statistics software package version 17 is used for statistical analysis. Reliability of data has been measured by using the Cronbach Alpha (Cronbach, 1951). Cronbach Alpha was 0.910. Alpha is higher than that is suggested by Nunnally (1978) and therefore data collected can be considered reliable. Descriptive statistical techniques such as mean and standard deviation were used to measure the mean scores and their variability. Pair sample mean difference test as has been deployed to find out the mean difference of pair variables and used to test the hypotheses. Paired sample Pearson correlation is used to indicate correlations among the variables.

4. Results

4.1. Paired Samples Statistics

Descriptive statistics such as mean is used to measure the average value of the variables and standard deviation is used to test variability of the mean value. Five point scales is used to collect perception regarding the variables. Therefore, mean value of variables ranges 1 to 5. A mean value below 2.5 is below average, mean value 2.5 to 2.9 above average, 3 to 3.9 is moderate and mean value 4 to 5 is high.
Table 1. Paired Samples Statistics

| Pair | Existing Network | Expected Network |  |  |  |
|------|------------------|------------------|---|---|---|
| 1    | 3.93             | 4.43             | 200 | .815 | .535 |
| 2    | 3.86             | 4.52             | 200 | .974 | .558 |
| 3    | 3.67             | 4.32             | 200 | .920 | .598 |
| 4    | 3.96             | 4.48             | 200 | .961 | .558 |
| 5    | 2.81             | 4.50             | 200 | 1.132 | .558 |
| 6    | 3.67             | 4.37             | 200 | .967 | .604 |
| 7    | 3.78             | 4.32             | 200 | 1.071 | .648 |
| 8    | 3.11             | 4.51             | 200 | 1.175 | .567 |

The mean value of the variables of the study ranges 4.52 to 2.81. Mean value of Existing Network is 3.93 (moderate) & Expected Network is 4.43 (high). Mean value of Existing 3G is 3.86 (moderate) & Expected 3G is 4.52 (high). Mean value of Existing Customer Care is 3.67 (moderate) & Expected Customer Care is 4.32 (high). Mean value of Existing Physical Facilities is 3.96 (moderate) & Expected Physical Facilities is 4.48 (high). Mean value of Existing Billing Cost is 2.81 (above average) & Expected Billing Cost is 4.50 (high). Mean value of Existing Information Service is 3.67 (moderate) & Expected Information Service is 4.37 (high). Mean value of Existing Mobile Banking is 3.78 (moderate) & Expected Mobile Banking is 4.32 (high). Mean value of Existing GP Offers is 3.11 (moderate) & Expected GP Offers is 4.51 (high). The Standard Deviation ranges 0.535 to 1.75. Therefore, moderate variability in perception regarding variables has been observed.

4.2. Paired Samples Correlations:
A correlation is a single number that describes the strength of the linear relationship between two or more interrelated quantitative variables. A mathematical measure of the between two sets of variables is called the Correlation Coefficient. It is most commonly symbolized by the letter $r$. The value of correlation coefficient ($r$) lies between -1 to +1. In universal, $r > 0$ indicates positive relationship, $r < 0$ indicates negative relationship while $r = 0$ indicates no relationship. Here $r = +1.0$ describes a perfect positive linear relationship and $r = -1.0$ describes a perfect negative linear relationship. Closer the coefficients of +1.0 and -1.0, greater are the strength of positive/negative the relationship between the variables. The following general guidelines indicate a quick way of interpreting the value of correlation coefficient: -0.9 to -1.0 or 1.0 to 0.9 very strong; -0.9 to -0.7 or 0.7 to 0.9 strong high; -0.7 to -0.4 or 0.4 to 0.7 moderate; -0.4 to -0.2 or 0.2 to 0.4 weak, low correlation and -0.2 to 0.0 or 0.0 to 0.2 very weak to negligible negative/positive correlation (Rahman et al., 2014).
Table 2. Paired Samples Correlations

| Table_02; Paired Samples Correlations | N  | Correlation | Sig.  |
|---------------------------------------|----|-------------|-------|
| Pair 1 Existing & Expected Network     | 200| .079        | .266  |
| Pair 2 Existing & Expected 3G         | 200| .019        | .787  |
| Pair 3 Existing & Expected Customer Care | 200| .165        | .019  |
| Pair 4 Existing & Expected Physical Facilities | 200| .167        | .018  |
| Pair 5 Existing & Expected Billing Cost | 200| -.167       | .018  |
| Pair 6 Existing & Expected Information Service | 200| .081        | .254  |
| Pair 7 Existing & Expected Mobile Banking | 200| .174        | .014  |
| Pair 8 Existing & Expected GP Offers  | 200| -.050       | .484  |

Table 2 shows the Pearson’s correlation coefficient of the variables of the study. The results show that there is a very weak, low significant positive correlation between the Existing Network & expected Network with coefficient correlation \( r = .079 \) at \( p < 0.266 \) level. There is a very weak, low significant positive correlation between the Existing 3G & Expected 3G with coefficient correlation \( r = .019 \) at \( p < 0.787 \) level. There is a very weak, low significant positive correlation between the Existing Customer Care & Expected Customer Care with coefficient correlation \( r = .165 \) at \( p < 0.019 \) level. There is a very weak, low significant positive correlation between the Existing Physical Facilities & Expected Physical Facilities with coefficient correlation \( r = .167 \) at \( p < 0.018 \) level. There is a very weak, low significant negative correlation between the Existing Billing Cost & Expected Billing Cost with coefficient correlation \( r = -.167 \) at \( p < 0.018 \) level. There is a very weak, low significant positive correlation between the Existing Information Service & Expected Information Service with coefficient correlation \( r = .081 \) at \( p < 0.254 \) level. There is a very weak, low significant positive correlation between the Existing Mobile Banking & Expected Mobile Banking with coefficient correlation \( r = .174 \) at \( p < 0.014 \) level. There is a very weak, low significant negative correlation between the Existing GP Offers & Expected GP Offers with coefficient correlation \( r = -.050 \) at \( p < 0.488 \) level.

Table 3. Paired Difference t-test

| Paired Difference t-test | 95% Confidence Interval of the Difference | Sig. (2-tailed) |
|--------------------------|-------------------------------------------|----------------|
|                          | Mean | Std. Deviation | Std. Error | Mean | Lower | Upper | t   | df |
| Pair 1 Existing & Expected Network | -.490 | .939 | .066 | -.621 | -.359 | 7.383 | 199 | .000 |
| Pair 2 Existing & Expected 3G | -.665 | 1.113 | .079 | -.820 | -.510 | 8.449 | 199 | .000 |
| Pair 3 Customer Care       | -.650 | 1.011 | .072 | -.791 | -.509 | 9.090 | 199 | .000 |
A paired t-test has been used to test a mean difference between paired samples (Existing & Expected). In table 3, paired sample 1, Existing & Expected strength of network coverage the t-statistic is -7.383 with 199 degrees of freedom. The corresponding two-tailed p-value is 0.000, which is lower than 0.05. Therefore, we conclude that the mean difference of Existing & Expected strength of Network coverage is different from 0.

Paired sample 2, Existing & Expected 3G’s coverage the t-statistic is -8.449 with 199 degrees of freedom. The corresponding two-tailed p-value is 0.000, which is lower than 0.05. Therefore, we conclude that the mean difference in Existing & Expected Existing & Expected 3G coverage is different from 0.

Paired sample 3, Existing & Expected Customer Care Service the t-statistic is -9.090 with 199 degrees of freedom. The corresponding two-tailed p-value is 0.000, which is lower than 0.05. Therefore, we conclude that the mean difference in Existing & Expected Customer Care service is different from 0.

Paired sample 4, Existing & Expected Physical Facilities the t-statistic is -7.091 with 199 degrees of freedom. The corresponding two-tailed p-value is 0.000, which is lower than 0.05. Therefore, we conclude that the mean difference of Existing & Expected Physical Facilities is different from 0.

Paired sample 5, Existing & Expected Billing Cost the t-statistic is -17.800 with 199 degrees of freedom. The corresponding two-tailed p-value is 0.000, which is lower than 0.05. Therefore, we conclude that the mean difference of Existing & Expected Billing Cost is different from 0.

Paired sample 6, Existing & Expected Information Service the t-statistic is -9.014 with 199 degrees of freedom. The corresponding two-tailed p-value is 0.000, which is lower than 0.05. Therefore, we conclude that the mean difference of Existing & Expected Information Service is different from 0.

Paired sample 7, Existing & Expected Mobile Banking Platform the t-statistic is -6.634 with 199 degrees of freedom. The corresponding two-tailed p-value is 0.000, which is lower than 0.05. Therefore, we conclude that the mean difference of Existing & Expected Mobile Banking Platform is different from 0.

Paired sample 8, Existing & Expected GP Offers the t-statistic is -14.887 with 199 degrees of freedom. The corresponding two-tailed p-value is 0.000, which is lower than 0.05. Therefore, we conclude that the mean difference of Existing & Expected GP Offers is different from 0.
difference of Existing & Expected GP Offers is different from 0.

5. Discussion on Results

Paired sample t-statistics of the study shows significance difference between the existing & expected network coverage of Grameenphone. Paired sample t-statistics shows that there is significant gap between the existing & expected 3G service of Grameenphone. Paired sample t-statistics shows that there is significant deviance between the existing & expected customer care service of Grameenphone. Paired sample t-statistics shows there is significant gap between the existing & expected network coverage of Grameenphone. Paired sample t-statistics shows that there is significant gap between the existing & expected billing cost of GP perceived by GP users. Paired sample t-statistics shows that there is significant gap between the existing & expected information service of Grameenphone. Paired sample t-statistics shows a significance gap between the existing & expected mobile banking service of Grameenphone. Paired sample t-statistics shows a significance gap between the existing & expected GP offers of Grameenphone.

6. Conclusions and Recommendations

For retaining existing customers and to convert them as loyal customers, the mobile telecommunication industry offers the most attractive and unique offers that are better than competitors do for maximizing the perceived customer satisfaction in a highly competitive marketplace.

Mobile telecommunication service has many options available due to low switching cost, competitive service among the operators. This study is an attempt to measure the gap between existing and expected quality of telecommunication services such as network, 3G, customer care, physical facilities, billing cost, information service, mobile banking and GP offers.

These factors of quality should be carefully furnished for customer satisfaction, retaining existing customers and capturing prospects. If customers are satisfied the GP's offers or services then they are become loyal, role as an advocate to the GP's operator. But making a loyal customer is a complex task. In customer philosophy are denoted that they want high quality services with lower cost otherwise quickly switch another operators who provides the best and unique services at minimal price. Therefore, company success is associated with concentration to customer and provide better service to the customers that leads to higher customer satisfaction and ultimately to gain the corporate objective.

On the basis of findings of the study it is suggested that:

- The Grameenphone network coverage system should be strong enough in future for enriching perceived customer satisfaction.
- The Grameenphone should provide frequently & smoothly 3G service and should be spread 3G services to all over the country.
- The Grameenphone should set up customer care point and appointed skilled personnel to provide customer services promptly and gentle behave with customers. However, in spite of that significance gap, GP's customers are satisfied with Grameenphone customer care services.
- The Grameenphone should built up physical facility that means available layout, recharge point and retail store in every corner of the country for providing better perceived services to the customers.
- The Grameenphone should set up reasonable price with offer high quality service then competitors price to capture new prospect and to make a loyal customer for survive in the competitive market. GP charges reasonable cost of voice call, video call, SMS, MMS and cost of using Internet.
• The Grameenphone should provide updated information to the customers of GP users. GP should be provided news service, health care service and up-to-date information of product and promotion.
• The Grameenphone should be affiliated with mobile banking service provider for retaining existing customers.
• The Grameenphone should have attractive and innovative service offers that are match with customer needs.

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