1.1 Introduction

Customer satisfaction is an important theoretical as well as a practical issue for most marketers and consumer researchers (Churchill and Suprenant, 1982; Moutinho and Goode, 1995; Naser et al., 1999; piercy, 1994). Customer satisfaction is a major outcome of marketing activity whereby it serves as a link with various stages of consumer buying behavior. For instance, if customers are satisfied with a particular service offering after its use, then they are likely to engage in repeat purchase and try line extensions (East, 1997). Customer satisfaction is widely recognized as a key influence in the formation of consumers’ future purchase intentions (Taylor and Baker, 1994). Satisfied customers are also likely to tell others about their favorable experiences and thus engage in positive word of mouth advertising (File and Prince, 1992; Richens, 1983). This positive word of mouth advertising is particularly useful in collectivist Asian cultures like that of Pakistan, where social life is structured in a way to improve social relationships with others in the society (see Hofstede, 1980; Hall and Hall, 1987). Dissatisfied customers, on the other hand, are likely to switch brands and engage in negative word of mouth advertising.

A study conducted by Levesque and McDougall (1996) confirmed and reinforced the idea that unsatisfactory customer service could lead to a drop in customer satisfaction and willingness to recommend the service to a friend. This would lead to increase in switching by customers. So, the significance of customer satisfaction and customer retention in strategy development for a ‘market oriented’ and ‘customer focused’ firm cannot be underestimated (see Kohli and Jaworski, 1990 for further discussion). Customer satisfaction can be considered as the essence of success in today’s highly competitive world of business. Customer satisfaction is increasingly becoming a corporate goal as more and more companies strive for quality in their products and services (Bitner and Hubbert, 1994). In this context, an understanding of ‘determinant of customer satisfaction’ (Churchill and Suprenant, 1982; Levesque and McDougall, 1996) is of great significance to markers.

The concept of customer care is concerned with customer satisfaction putting the customer first, anticipating needs and problems, tailoring the product and services to meet needs and being nice to customer it also includes service to the customer, delivery operation, employee relationship with customers and internal relationship between employee and management. In developing
customer care strategies and programs, financial services organizations are managing products and services, delivery systems, environment and people so as to provide an efficient and caring service, getting things right the first time and maintaining standards.

Organizations are increasingly interested in retaining existing customers while targeting non-customer; measuring customer satisfaction provides an indication of how successful the organization is in providing products and/or services to the marketplace.

Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviors such as return and recommend rate. The level of satisfaction can also vary depending on other options the customer may have and other products against which the customer can compare the organization’s products.

Because satisfaction is basically a psychological state, care should be taken in the effort of quantitative measurement, although a large quantity of research in this area has recently been developed. Berry, Brodeur between 1990 and 1998 defined ten ‘Quality Values’ which influence satisfaction, behavior, further expanded by Berry in 2002 and known as ten domains of satisfaction. These ten domains of satisfaction include: Quality, value, Timeliness, Efficiency, Ease of Access, Environment, interdepartmental Teamwork, Front line service Behaviors, Commitment to the Customer and innovation. These factors are emphasized for continuous improvement and organizational change measurement and are most often utilized to develop the architecture for satisfaction measurement as an integrated model. Work done by Parasuraman, Zeithaml and Berry between 1985 and 1988 provides the basis for the measurement of customer satisfaction with a service by using the gap between the customer’s expectation of performance and their perceived experience of performance. This provides the measurer with a satisfaction “gap” which is objective and quantitative in nature. Work done by Cronin and Taylor propose the “Confirmation/ Disconfirmation” theory of combining the “gap” described by Parasuraman. Zeithaml and Berry and also combined two different measures (perception and expectation of performance) into a single measurement of performance according to expectation. According to Garbrand, customer satisfaction equals perception of performance divided by expectation of performance. Berry 1998.
1.2. Background

As the importance of service is increasing in the modern society, the quality of service has aroused more and more attention. Service Quality Management is increasingly becoming the focus of concern; there are several reasons for the following: First, the status of services is growing more and more important in the society. In the past thirty years, the global business environment has changed dramatically. The emerging services have dominated the world economy, which was unified by manufacture industry in the past. Second, the service has become an efficient way in the competition between the enterprises. Along with the development of service-oriented society and the degree of fierce service competition, the majority of enterprises have changed approach to maintain competitive advantage. Third, it can improve the business performance by the way of improving the service quality. On the condition to the promotion of Total Quality Management and the fierce competition in the market, more and more enterprises realized the necessity to improve the service quality, the nature of telecommunication industry is services industry. Therefore, the service of telecommunications is the source of business life. In the 1990s, China's telecommunications enterprises have a sense of quality of service. With the deepening of state telecommunications reform, break of monopolies, policies for encouraging competition have been introduced; effective competition in the telecommunications market is gradually being formed. At the same time the consumption of telecommunications services has been changed into active choice from accepted by the past passive consumers, requirements of telecommunications service quality are also increasingly high. In the intense competitive environment, providing high-quality service is one of the crucial factors to the success. Quality of Telecommunications services which throughout the entire process of production are related to business success. "Services" has been the main theme in the development of telecommunications enterprises. Therefore, it is a tough problem for telecommunication vendors to meet growing consumer demand, improve service quality, and enhance customer satisfaction. Compared with the vigorous development of services in the global economic market, the study of quality management is still in the exploration and the initial stage. On service management, there has been fierce controversy about many key issues in the academic community. There are more than ten models to evaluate service quality, but there is no model has received the academic
recognition. There also has been a controversy about the dimensions of the service quality and there are some blind spots in the theory study. The existence of these blind spots has provided an opportunity to complete this article.

1.2.1. Theoretical background

One of the leading fields of marketing research has been the study of service quality (Grapentine, 1998). If service quality is, as purported by Powell (1995), a global strategic force, then research needs to be extended beyond western regions and cultures (Imrie, Cadogan, and McNaughton, 2002; Kim and Jin, 2002). The specific field of service quality research that this study examines is telecom service quality.

The intent of this research is to increase the understanding of the evaluation of retail service quality by Indian customers with respect to the marketing construct of telecom service quality.

As marketing concepts, and practices, continue to have a greater global perspective (Keegan 1995; De burca, Brown, and Fletcher, 2004), a fundamental debate over the goal of international research is: should researchers concentrate on developing equivalence of measures across countries in order to extend measurement reliability, or research focus should be on a greater understanding of true cultural differences, and thus measurement validity (Parameswaran and Yapark, 1987; Mullen, 1995).

The construct of service quality, defined as how consumers perceive the service a company provides (Parasuraman, Zeithaml, and Berry, 1990), has been studied extensively, as evidenced by the research literature (Brown, Churchill, and Peter, 1993); (Ghobadian, Speller, and Jones, 1994; Buttle, 1996). From an academic perspective, service quality research has explored the theoretical framework and conceptualization of the construct (Cronin and Taylor, 1994; Quester and Romaniuk, 1977). From a practitioner standpoint, service quality research has studied the linkages between providing high quality service and attaining superior business performance (Zeithaml, 2000; Kotler, Armstrong, and Cunningham, 2002).

The operationalization, or measurement of the service quality construct has also received attention (Parasuraman, Zeithaml, and Berry, 1988; Cronin and Taylor, 1992); Gronroos, 1988). Consensus as to a universal measure of service quality has not been reached in the literature,
and studies that have examined construct measurement issues continue to receiev research attention (Roberts, varki, and brodie, 2003).

Among all the service, quality scales SERVQUAL has attracted the most attention (Lin, 2010) and has been identified as being the most widely used scale for measuring service quality (Akabab, 2006; avast-Suez, Fuentes-fonts and Llore’ NS-Montes, 2007; Stodnick and Rogers, 2008) in service management and marketing literature (Stodnic & rogers, 2008). Early academic research in the field of service quality concentrated on pure service encounters; for example, servicing, appliance repair, and telephone long-distance service (parasuraman et al. 1988). Subsequent studies questioned the application of service measures within other service settings such as retailing (Carman, 1990; Finn and Lamb, 1991). The added level of complexity created by the mix of merchandise and service questioned the use of pure service measurement models and instruments within a retail setting (Carman, 1990; Dabholkar et al. 1996).

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First, the status of services is growing more and more important in the society. In the past thirty years, the global business environment has changed dramatically. The emerging services have dominated the world economy which was unified by manufacture industry in the past.

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Third, it can improve the business performance by the way of improving the service quality. On the condition to the promotion of total Quality Management and the fierce. Competition in the market, more and more enterprises realized the necessity to improve the service quality (James A. Fitzsimmons, Mona J. Fitzsimons, 2007, pp.2-11,101-125).

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Research is based on the theories and methods of service quality and service quality evaluation.

1) The development of service quality research
2) The development of service quality evaluation model research

1) The development of service quality research

According to the literature research by American scholar Raymond Fisk in 1995, by far service quality is the most concentrated problem in the service management study. In 1982, Christian Gronroos raised the concept of customer perceived service quality and its perception elements (technical quality and functional quality) (Davis, Heinecke, 2006, pp.2-15).
The study on the service quality and some related issues can be divided into three stages:

• **First stage (1980-1985)**

This phase is the initial stage of research, mainly on service management and service quality management in defining some of the basic concept, laying a solid foundation for future research. But the study of this stage is mostly confined to a single concept; also most of the designed models are static.

• **Second stage (1985-1992)**

The main study of this stage is about service quality elements such as: how to choose elements of customer perceived service quality, especially in 1991, professors Parasuraman. A Valarie A .Zeithamland Leon and L .Berry (referred to PZB) from The University of Cambridge, raised the concept of adequate service and desired service, and laid foundation for proposing the concept of “Tolerance zones”. At the same time, PZB Group proposed Gaps Model and began to focusing on the evaluation of customer perceived service quality, such as SERVQUAL model.

• **Third stage (1992-now)**

The study of this stage shows significant in-depth, systematic and integrative, and the model was proposed to dynamic direction. Heskett discussed the variables impact on profits and their mutual relations then established the "service profit chain" structure. In the article “Comparison Standards in Perceived Service Quality” published in 1995 by Veronica Liljander and the article “Tolerance Zones in Perceived Service Quality” by Tore Strandvik, scholars used the new methods to study the relationship between customer perceived service quality, customer perceived value, customer satisfaction, customer loyalty and business competition, made many valuable viewpoints and raise relationship model: (Hoffman, Peterson, 2004, pp.247-260).

2) The development of service quality evaluation model research

In 1982, Christian Gronroos first raised the concept of customer perceived service quality and total customer perceived service quality model. After then, PZB Group made more in-depth study on customer perceived service quality. Academic community has been engaged in the
research on the service quality evaluation model (Christian Gronroos, 2002.). By far there have been more than 10 types of evaluation model. The research shows significant in-depth, systematic and integrative, and the model was proposed to dynamic direction.

a) Customer Satisfaction Index

Customer Satisfaction Index is an index system to assess quality of products or service from customers’ aspects. Customer Satisfaction Index is based on the micro-customer behaviour theory to build mathematical model. The Index principle is to quantify the six factors (Customer expectative service, Customer perceived service, Customer perceived value, Customer satisfaction, Customer complaint, Customer loyalty) with mathematical methods and analysis the data so that to show not only the simple assessed value of service quality, but also the mutual affected quantitative value among the various factors which affect customer satisfaction ( Claes Fornell, Liu Jinlan, 2006, pp.6-11.)

b) Customer expectative service quality model

It is described in the model that the quality that uses feel is more important than that the designer or staff feel. According to customer behaviour model, Customer expectative service quality is the result after comparison between Customer expectation and Customer perceived service. If the perceived service exceeded expectations, then the perception of quality is high; On the contrary, if the perceived service does not meet the level of expectation, then the perception of quality is low(Tang Shoulian, 2000, pp.44-68.).

c) SERVQUAL methodology

PZB Group developed the original 22 item SERVQUAL model with questions intended to assess five specific dimensions (tangibles, reliability, responsiveness, assurance, and empathy). In the SERVQUAL instrument, 22 statements measure the performance across these five dimensions, using a seven point Likert scale measuring both customer expectations and perceptions. The SERVQUAL instrument utilizes a “gap (or difference) score” analysis methodology, wherein the user’s expectations for service quality are assessed at the same time as the user’s perception of the actual system performance. The difference between these two scores is used as the basis of
analysis. The SERVQUAL instrument has been the predominant method used to measure consumers’ perceptions of service quality (Wei Fuxiang, 2005, pp.14-103).

d) SERVPERF methodology

In 1992, Cronin and Taylor promote “service performance measurement methods”, methodology (referred to SERVPERF). In the process of assess service quality, the model not only directly measure customer perception of service quality, but also there is no need to consider the issue of weighing. They used the same questionnaire SERVQUAL methodology in the study, but only for performance measurement, so the application questionnaire is relatively simple. In addition, Cronin and Taylor made a more detailed research on the relationship among service quality, customer satisfaction and customer re-purchased will, which is the part ignored by PZB Group. In the course of research, Cronin and Taylor use more statistical methods, such as the variance testing (Wei Fuxiang, 2005, pp.14-103)

e) Non-Difference methodology

Brown, Churchill and Peter advocated direct measure the difference between customer expectations and perceptions, it is so-called Non-Difference methodology. They used the same questionnaire SERVQUAL methodology in the study, but only for the gap between customer expectations and perceptions, so the application questionnaire is relatively simple (Wei Fuxiang, 2005, pp.14-103)

f) Unilateral point of evaluation model

There are some unilateral points existing in the current evaluation models, mainly embodied as follows:

**First**, the existing service quality evaluation models are mostly focused on the functional service quality, while ignoring the technical quality (the quality of results).

**Second**, the current evaluation methods are basically to assess the quality of service contacts, few methods to evaluate the relationship quality between service providers and customers.

Therefore, the field of measuring the technical quality and relationship quality is still vacancy; the development of more comprehensive and scientific evaluation model needs more efforts.
1.3 Statement of the Problem

The research problem is “A Study on Customer Satisfaction with reference to mobile service providers in Hyderabad, India”

In the present scenario of competitive servicing, excellence in customer service is the most important tool for sustained business growth. Customer complaints are part of the business life of any corporate entity. This is more so for telephone service providers because telephone service providers are service organizations. As a service organization, customer service and customer satisfaction should be the prime concern of any telephone service provider. In today’s competitive environment relationship marketing is critical to servicing corporate success. Servicing is a customer oriented services industry and Indian telephone service providers have started realizing that business depends on client service and the satisfaction of the customer. This is compelling them to improve customer service and build relationships with customers.

The growth of the services market, especially mobile industry is in beginning stage rest compared with the developed world. The country’s economy is in the developing stage. Many mobile operators are playing an essential role in fulfilling the needs of the customers. Nowadays customers are more dynamic compared to the previous days. Their needs and preferences change depends upon trend available in the market.

Research has always been concentrated on measuring Customer Satisfaction or Servqual for customer services. What most researchers agree and have a consensus on is that Servqual being a crucial element in Customer Satisfaction even when the offering involved a combination of a product and service. The study aims at measuring the influences of Servqual in select mobile services with Customer Satisfaction taken as the effective outcome measure. Every marketing effort is directed to be customer focused and hence it is imperative that Servqual initiatives result in higher customer satisfaction levels. The main issues we are addressing in this research are service quality and customer satisfaction using the SERVQUAL model in telephone services context. We are interested in. The dimensions of service quality from the consumer’s perspective through assessing their expectations and perceptions of service quality. We therefore will like to answer the following questions in our study:

• How do consumers perceive service quality in telephone services?
• Are consumers satisfied with service quality offered by telephone services?
Today is the world of inventions and innovations and that lies in a customer who is dynamic and his beliefs. Attitude and his satisfaction level. It is needless to affirm that marketing is a new way of thinking about how companies and other organization can develop a beneficial change with target customer who is always inclined in seeking to satisfy some needs and wants. Hence the problem is how we can And more customers for what services we provide, customer satisfaction and the new services provided by the competitors, how the company can live up to their expectations and understand the different aspects of customer's views.

1.4. Purpose of the study
The purpose of the study is to identify the factors which lead to “Customer satisfaction” in the telephone servicing Industry. This study sets out to expand understanding of how customers evaluate service quality in the context of a developing economy, an environment that differs significantly from the European and North American context that has hitherto dominated service quality research. The goal of this study was to identify and compare the dimension of customer-perceived service quality in the Indian telephone servicing sector.

Based on a review of the literature of service quality assessment models, this paper selected two of the more mature models, i.e. the Customer Satisfaction Index (CSI) and the SERVQUAL model, as its research focus. After evaluating their respective advantages and disadvantages in light of the particular characteristics of telecommunications enterprises, a new and improved service quality assessment model is proposed. This paper adopts an innovative view of the quantitative analysis of the service quality of telecommunications enterprises, so as to provide telecommunications companies with the most appropriate solutions for improving their service quality. An empirical study is conducted to test the effect of the practical application of this new assessment model. The outcome helps to better understand the consumer’s various specific service requirements in the course of the consumption of the Telecommunications services.

The main purpose of this study is to test the Servqual & CSI model in the context of telephone Service Providers in order to know its applicability the measurement of service quality and customer satisfaction. This is will be done by investigating the reliability and validity of the Servqual model in a telephone Service environment. This will be a theoretical contribution for better understanding the Servqual model. This study is also aimed at determining the overall service quality perceived by consumers in Telephone Service providers and identify those
dimensions that bring satisfaction to consumers. This will enable Telephone Service providers to identify the most effective ways of closing service quality gaps and choose which gaps to focus on. This will be achieved by measuring the customer expectations and performance on the various Servqual dimensions, hence evaluating the gap scores obtained between the consumer’s expectations and perception of service experienced. This will also enable us to identify strengths and weaknesses in service, quality of Telephone Service. Summarily, our goal is to understand both the expectations and perceptions of customers and also measure them from their perspective in order to identify gaps in delivering service quality in order to ensure customer satisfaction.

The information gained from the study may aid in educating telephone service provider officials and designing programs to train future Officers. Telephone service provider Officials need instruction on effective ways to alter their administrative skills in order to lessen the stress of staff, improve their service provider climate and satisfaction of Customers in telephone service provider settings especially in servicing settings.

The relevance and intrigue of this research may be seen in how far it supports or refutes prior claims about Customer satisfaction amongst telephone service providers. The empirical findings from this study would help in describing or explaining the pivotal role of motivation on the needs satisfaction of telephone service provider customers in line with other theories that are reviewed in this work. However, the emphasis of this research is on the need-based or content theories, with a glance at the process and reinforcement theories.

1.5. Significance of the study

The study of the evaluation and management of telecommunications service quality is relatively backward. Most of the studies are subjected to macro level, such as industrial structure analysis, and they are also staying on the qualitative level lacking in quantitative analysis, which cannot give a guideline to business management. In this research, the frame of this research is based on the model of SERVQUAL, CSI (Consumer Satisfaction Index) and IPV Model. The thesis introduces a research to improve the Consumer Satisfaction Index and Service of Quality model, let it be more suitable for valuating and improving the telecom industries’ service quality on the quantitative level.
This study is needed in order to gain information as to the factors that affect satisfaction among Customers of telephone service providers. This study will add to the existing body of knowledge as to what differences may exist between new and old Customers in regards to satisfaction. The findings of the study will contribute to knowledge, which might help improve the customer satisfaction of the service providers.

1.6. Conceptual framework

The conceptual framework explains the underlying process, which is applied to guide this study. The Servqual & CSI model is suitable for measuring service quality and customer satisfaction with telephone service providers offering retail services using the service quality dimensions which are modified with the addition of products. This is because we cannot use a generic SERVQUAL & the CSI model in this context since it may not be adequate to assess service quality in telephone service providers and will not provide a good measure of customers’ perceptions. We think ‘products’ from the primary motive why people go to make purchases in telephone service providers and so cannot be neglected when measuring service quality. This is line with Gronroos, (1982), technical quality dimension which is used to measure service quality.

We use the same dimensions to measure both service quality and customer satisfaction because we assume both are related (Parasuraman et al., 1988) and customer satisfaction is an antecedent of service quality (Negi, 2009). The SERVQUAL approach integrates the two constructs and suggests that perceived service quality is an antecedent to satisfaction (Negi, 2009, p.33). Therefore, in this research, the initial 22 items of SERVQUAL model are modified and additional items are included to measure the perceived service quality and customer satisfactions in telephone service providers. The model is a summary of the 29 items and we want to find out the overall service quality perceived by customers and which dimensions Customers are satisfied with.
1.6.1 Research Model

Figure 1.1 Servqual model

SERVQUAL Modle

Tangibility: Coverage rate, website and hotline for customer service

Reliability: Network signal, Quality of telecommunications, Business handling, company’s reputation.

Responsiveness: Accomplish services at the specific time as promised.

Assurance: Attitude of staff, possession of required skill and knowledge of business, regularizing extent of service.

Empathy: Flexible business portfolio.
### Table 1.1 SERVQUAL COMPOSITION ELEMENTS ANALYSIS IN TELECOM INDUSTRY

<table>
<thead>
<tr>
<th>ELEMENT</th>
<th>COMPOSITION</th>
<th>QUESTIONNAIRE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibles</td>
<td>Functional Quality</td>
<td>Coverage Rate of Business Hall, Website and Hot Line for customer service</td>
</tr>
<tr>
<td>Reliability</td>
<td>Technical Quality</td>
<td>Network signal, Quality of telecommunications</td>
</tr>
<tr>
<td></td>
<td>Functional Quality</td>
<td>Business Handling, company's reputation</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>Functional Quality</td>
<td>accomplish their services at the specific time they promise to do</td>
</tr>
<tr>
<td>Assurance</td>
<td>Functional Quality</td>
<td>The attitude of staff, Possession of required skill and knowledge of business</td>
</tr>
<tr>
<td>Empathy</td>
<td>Functional Quality</td>
<td>Flexible of business portfolio</td>
</tr>
</tbody>
</table>

**CSI (CUSTOMER SATISFACTION INDEX)**

**Customer Perceived value:**

Considering the relationship between service quality and price, how do you feel the charge of telecommunications?

**Customer complaint:**

Have you made a complaint to a company’s service this year?

Are you satisfied with the result of handling complaints?

**Customer loyalty:**

Buy new telephone card, what possibility do you choose the same telephone service
Table 1.2 ANALYSIS OF TELECOM INDUSTRY SATISFACTION INDEX ELEMENTS

<table>
<thead>
<tr>
<th>Element</th>
<th>Questionnaire</th>
<th>scale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer perceived value</strong></td>
<td>Considering the relationship between service quality and price, how do you feel the charge of telecommunications?</td>
<td>1 2 3 4 5 strongly unsatisfied strongly satisfied</td>
</tr>
<tr>
<td><strong>Customer complaint</strong></td>
<td>Have you made complaint to company’s service this year?</td>
<td>0 no 1 yes</td>
</tr>
<tr>
<td><strong>Customer loyalty</strong></td>
<td>If you will buy a new telephone card, what possibility do you choose the same telecommunications vendors again?</td>
<td>1 2 3 4 5 strongly low strongly high</td>
</tr>
</tbody>
</table>

**IPA (IMPORTANT PERFORMANCE ANALYSIS)**

QUADRANT A: LOYALTY DISTRICT: quality of service level should be “continue to maintain” due to direct impact on consumer behavior,

QUADRANT B: HEALTH DISTRICT: quality of service level should be “more input” due to achieving an acceptable level,

QUADRANT C: NEGLECTED DISTRICT: quality of service level should be, “maintained” due to compliance level,

QUADRANT D: OPPORTUNITY DISTRICT: quality of service level should be “improved” due to create a unique value, thus pleasing customers.
The Servqual model proposed by Parasuraman et al., (1988), was used as the main guide for our structured questionnaire where data were collected accurately on the customers’ expectations and
perceptions of service quality. This guide provided information on the following research purposes; to test the applicability of the Servqual model in the telephone service provider’s context and also to know how consumers perceive service quality in telephone service providers and identify which attributes bring satisfaction.

We used the Servqual seven dimensions (Tangibles, Reliability, Responsiveness, Assurance, and Empathy, CSI & IPV) which are subdivided into 22 statements, which were directed to measuring service quality in the telephone service providers in our case. We added one dimension, product which is subdivided into two statements variety and quality of products. This dimension is in line the technical quality dimension proposed by Gronroos, (1982) which could be used to measure service quality and this is very relevant in the case of telephone service providers that mostly deal with the goods.

As stipulated by the Servqual model, the statements are divided into two parts, the first part seeks to measure the expectations of customers and the second part seeks to measure their perceptions. There is also a demographic part that provides general information about respondents on age, gender, frequency of shopping and average monthly expenditures. This is to enable us get a better understanding of the type respondents and relate it to how they perceive service quality in telephone service providers.

We used the Servqual model as the basis for the structured questionnaire because it provides information on our research questions in which we are trying to know how consumers perceive service quality in telephone service providers by assessing the difference between the expectation and perception of services experienced by consumers in 4 telephone services. This will enable know over perceived service quality by customers and identifying what items of the Servqual dimensions consumers are satisfied with. Administering of questionnaires as mentioned earlier in this study, we are using a convenience sampling technique. It was a little challenging experience, but it was fun all the same. We had 369 questionnaires to administer and it took us two days to administer these 369 questionnaires, that were complete. This is because some people got the questionnaires and went away with them and others did not completely answer the questions and so we considered them invalid. This however was taken care of by trying to verify if the respondents completed the questionnaire in order to increase the number of completed questionnaires. We located ourselves in front of the University’s main library. We approached any person whom we judged available and proposed to him/her to help us fill a questionnaire. We explained to all our respondents that we were
seeking to measure the gap between what they want from service providers in terms of service quality and what they perceive in terms of service quality offered by service providers in Hyderabad. We did this because we think it was important to keep them focus so that they do not go astray since some people could possibly ignore reading the instructions and it could render the work null and void.

1.6.2. CONCEPTS

Service
According to Johns, (1999, p. 954), a service could mean an industry, a performance, an output, an offering or a process and it is defined differently in various service industries. The differences in service industries are based on the characteristics of service which include; intangibility, heterogeneity, Perishability and inseparability. Intangibility means there is no physical product, nothing to be touched, tasted, smelled or heard before being purchased and this therefore means that it is difficult for consumers to understand the nature of what they receive. An example would be a telecommunication company offering mobile services to consumers; here the consumer makes just calls and does not receive any physical product. In, telephone is very difficult to evaluate intangibility because their activities are centered on the physical products. This means that service providers must try to determine the level of Intangibility telephone service quality of services and try to include tangible elements that could aid under s telephone services tending of expectation from the consumer’s perspective (Beamish & Ashford, 2007, p. 240). Heterogeneity means that, difference which comes in at the level of telephone service delivery of service due the difference in human behavior of those offering services and the consumer. Example occurs when salesperson offers assistance to one customer a telephone services the counter, that same person cannot offer exactly the same thing to the next customer because of differences in behaviors. This is why it is difficult to determine the quality and level of service provided for consumers and service providers are different, the same consumer could act differently with the same service provider (Beamish & Ashford, 2007, p. 241). Portability means that, since services are produced and consumed at the same time implying they cannot be stored for later use. If the service is not used then, it cannot be used again. This does not, however, hold in every service industry (Beamish & Ashford, 2007, p.241). An example occurs
when a person books a hotel room for a night and does not use it, no other person can use at that same time. Inseparability means services consumed as they are purchased. An example is seen when a consumer is making a telephone call, he/she consumes the service while paying the charges. This implies that the consumer is involved in the production and delivery of the service, meaning he/she takes special note of what is actually produced by the service provider (Beamish & Ashford, 2007, p.240). These above mentioned aspects of service make it very difficult to measure service unlike.

**Quality**

**Technical and functional quality**

Product quality which is measured objectively using factors such as durability and number of defects because of its tangible nature, quality (Parasuraman et al., 1988, p. 13). Gronroos, (1982, p. 36-43), developed the first model to measure service quality. He identified three components of service quality; the technical quality is concerned with what is delivered (outcome), the functional quality deals with the process of service delivery (how it is delivered) and the image quality which is identified as corporate image of the company resulting from both technical and functional qualities of service components. The technical quality component of products unlike services is easy to assess because they are concerned with tangibility (service scape) such as physical features that are visible to the consumer. Services scape is defined as the physical facilities of a service company and this concept is related to the SERVQUAL model in that the tangible aspects of the physical environment are covered in the SERVQUAL model. Service scape therefore plays a great role in that it influences customers’ evaluations of other factors determining perceived service quality like empathy, reliability, responsiveness, and assurances (Reimer & Kuehn, 2004, p. 785). William & Dargel, (2004, p. 310) further suggest that, service scape is more in service settings.

Because of the unique characteristics of services (intangibility, perish ability, inseparability and heterogeneity), summarily, service scape is very important in the delivery of services and affects perceived service quality which further leads either customer satisfaction or not. Service quality is an important area to academicians because of its relevancy to service companies and therefore many researchers have tried to develop various models to measure it, even though some claim it is hard to measure because of its intangibility which is hard to quantify (Eshghi et al., 2008, p. 20).
This is why as services are intangible in nature, evaluating the customer’s perception of quality can be done through the interaction with the personnel offering services, (Magi & Julander, 1996, p.35). From their suggestion, interaction between consumer and service provider is very important when measuring service quality because through that interaction, the service provider could easily understand the consumer better and identify what he/she exactly wants. Sureshchander et al, (2002, p.373) state that “The veritable gains of a quality revolution come only from customer delight, which again to a very great extent depends on the customer’s perceptions of overall service quality. This is why it is very imperative to understand how consumers perceive service quality and how these perceptions could affect their repurchase behavior because through this way, organizations can be able to identify whether or not gaps exist and do take corrective actions to improve upon their activities. In this way, organizations can implement appropriate quality systems which could result to customer satisfaction. Service quality is an important area for practitioners because according to (Douglas & Connor, 2003, p.167), (Saravanan & 10 Rao, 2007, p. 435) the need for survival and growth in ever increasing competitive markets are main critical factors in the search for providing superior service quality and achieving customer satisfaction. Researchers have proven that providing good service quality to customers, retains them, attracts new ones, enhances corporate image, positive word-of-mouth recommendation and above all guarantees survival and profitability, Negi, (2009); Ladhari, (2009).

ISO 9000 (2005) intimates that quality is the extent to which a bunch of inbuilt features (relating to a product, a process or a system) meet requirements. The inbuilt features can be physical, sensor, behavior, temporal, ergonomic or functional whilst requirements are the stated need or expectation be it implied or obligatory. Crosby and Juran cited in Fox (1993:4) define quality as conformance to requirements or specifications and fitness for the purpose or use respectively. Dale and Bunney (1999) explain that Crosby is of the view that quality cannot be compared and adjectives such high, low, excellent and good cannot be used to describe quality. Parasuraman et al (1991) notes that quality is the meeting the needs and the expectations of customers. Therefore, the yardstick for determining service quality is the expectations of customers and not the policy of the telephone service providers. This view has been corroborated by Ting (2004) and Jamali (2007). Bitner and Hubbert and Rust and Oliver cited in Nguyen and LeBlanc (1998:53) put forward that the quality of service is the view of customers about how superior or excellent the
service received or used is. Metawa and Almossawi (1998) submit that the quality of service is a function of the experience of customers since services must be used first.

According to (Zeithaml et al 1988) the interaction or the relationship between customers and service organizations induces perceptions of customers quality. The attitude of service providers can also serve as a quality indicator for customer. Alluding to this, Owusu-Frimpong (1999) claims a receptive attitude of workers is a key ingredient for giving customers a good impression about a telephone service provider and its services. The physical environment in terms of the infrastructure, the design and the general atmosphere are also considered by consumers in assessing the quality of services of telephone service provider. Likewise, the duration of the service delivery gives a positive or a negative impression to customers. A short waiting time may give a good impression about the telephone service providers that its services are of high quality and vice versa.

Bowen and Schneider cited in Ennew an Binks (1996:6) on the other hand think that the quality of the service will partially be based on the customer interactions with the organization rendering the service. They further indicate that customers who are willing to participate actively in the delivery of service are likely to expect to receive a better quality of service. The reasons are that, the service provider will understand their needs and circumstances. Also, customers involved in the service delivery process will have an insight into the impediments in the way of the service organization and therefore be sympathetic in their quality expectations.

According to Burke et al (205) service purchase is different from a product. There is no contact with the organization selling the product and the consumer and therefore the perceptions of the quality of the product are not induced by the people in the organization. The consumer forms his judgments about the quality of the product based on advertisements. Recommendations by individuals who have used the product before or the experienced he has had after using the product in the past. On the other hand, consumers are moved either positively or negatively by he service provider and therefore the provision of service is both a personal and a psychological thing. (Schneider and Bowen, 1985).
Athanasopoulos et al (2001) has given a summary of the literature about the criteria customers used to measure the quality of services. The general conclusion is that the criteria used are complex and difficult to determine exactly due to the factors listed below;

- Services are intangible
- Services are heterogeneous indicating that their performance often varies from provider to provider, from customers, and from context to context
- Services cannot be placed in a time capsule and thus be tested and retested over time
- Production of services is likely to be inseparable from their consumption

Gronoroos and Kotler cited in Athanassououlos et al (2001) intimate that customers generally evaluate service quality of its outcome, the process of the service delivery and the context. According to Zeithaml et al. (1993) consumers access services and products through three processes. These are pre-purchase or search qualities, experience qualities and credence qualities. Such qualities, experience qualities and credence qualities. Such qualities are features that consumers look out for before buying and are those they can see, feel or touch. On the other hand, experience qualities are post-purchase features that customers assess whilst credence features are not easy for those consumers to assess during the post-purchase period. Telephone service provider services are about the experience and credence types and therefore difficult to assess by customers. Customers cannot evaluate these types because they do not have the required skills, expertise and knowledge to carry out the evaluation. As a result of that, customers place a high premium on the image and reputation of the telephone service providers before purchasing. Owusu-Frimpong (1999) contends that because the services of telephone service providers are of the credence type, friends and fellow customers constitute the main source of information for customers. This has been confirmed by the results of a study of Tan and Chua in Ting (2006:99). Burke et al (2005) claims that there are two ways service organizations can improve upon service quality. First, a good human resources management policy must be adopted to ensure employee satisfaction. It is believed that with the necessary support from management, employees strive hard to provide high quality service to customers. Also, the organization has to implement its organizational values, policies and procedures to leverage the delivery of high service quality to customers.
**Dimensions of quality**

Research has indicated that customers consider reliability, responsiveness, assurance, empathy and tangibles as the five quality dimensions that apply specifically to service organizations (Walker, Boyd and Larréché, 1995:263). These dimensions reflect customers’ subjective judgment on the value they received from services. Reliability refers to the ability to perform the promised service dependably and accurately. Organizations which honor their promises on service delivery, service provision, problem resolution, and pricing are the preferred organization to do business with, in the eyes of customers. According to Zeithaml and Bitner,(1999:31) organizations need to be very aware of customers’ expectations of reliability, since this is regarded as the most vital determinant of the perception of service quality.

Responsiveness signify the willingness of service providers to help customers and provide them with prompt service. The dimension of responsiveness requires organizations to handle complaints and problems that result from a lack of enforcement of this dimension. Responsiveness are communicated to customers by the length of time they have to wait for assistance from the service employees, answers to questions and/or attention to their problems. This dimension accentuates the necessity of flexibility and ability within the organization to customize service delivery to customers’ needs. Organizations which wish to excel in this dimension need to view service delivery from the customers’ point of view and not that of the organization. Standards for responsiveness need to be set according to customers’ requirements because their notion of what constitutes speed and promptness might be different from the organization’s. The structuring of service employees’ jobs, clear job descriptions and training form a firm basis for responsiveness success (Zeithaml and Bitner, 1999:31).

Assurance is experienced in the employees’ knowledge, courtesy, and ability to inspire trust and confidence. This dimension of quality is critical to customers, especially if the service presents them with a high degree of risk. Customers’ uncertainty about the outcome of services and their inability to evaluate services increases the perceived risk. Service employees who perform the actual services are responsible for instilling trust and loyalty in
the customer through the quality of the interaction. Recruiting and employing personnel with a positive attitude towards quality is of the utmost importance to service organizations. Their degree of friendliness, credibility, Trustworthiness, and competence will be reflected in customers' perception of service quality (Sunduram, 2000: online). Service employees interact with customers and their attitude toward quality is therefore very important. Organizations can enforce the assurance dimension in the minds of the customers by providing strong tangible evidence of the service, especially in the early stages of the relationship (Walker et al., 1995:261).

Empathy stipulates the caring, individualized attention given to customers. The essence of empathy is conveying, through personalized or customised services, that customers are unique and special. Customers want to feel understood by and important to organizations. Small organizations gain a competitive advantage over large organizations through their ease in collecting information about their customers’ personal issues, needs, and desires. Subsequently, this provides them with the opportunity to develop personalized and customized services for individual customers.

Tangibles are the appearance of physical facilities, equipment, employees, and written materials. Customers, especially new customers, use these elements to evaluate the quality of services. Service organizations which customers call on for a service should emphasise the tangible elements. Tangibles are used to enhance the image of organizations, provide continuity, and signal quality to customers. Most service organizations will combine the tangible dimension with one or more of the other quality dimensions to create a service strategy. Therefore, it can be argued that organizations which do not incorporate the tangible dimension in their quality strategy can fail to develop a good strategy.

Walker et al., (1995:263) argue that customers perceive all five dimensions of quality to be key elements in their evaluation of service quality, regardless of the kind of service being evaluated.

**Service Quality**

Service quality is a major factor contributing to customer satisfaction, however, excellent service quality is a prerequisite to satisfy customers complete and create customer loyalty.
(Kasper et al., 1999:139). Service quality is defined as the delivery of excellent or superior service relative to customers’ expectations (Zeithaml and Bitner, 1998:116). The basic principles that underlie the concept of service quality indicate certain factors.

It is more difficult for customers to evaluate the quality of services than the quality of goods. Service quality is based on customers’ perception of the outcome of the service and their evaluation of the process by which the service was performed. Service quality perceptions result from a comparison of what the customer expected before the service and the perceived level of service received (Kurtz and Clow, 1998:98).

Consequently, it can be said that service quality is used by customers to evaluate service organizations, service processes and to differentiate between competing services. Customers’ expectations play an essential role in the judgement of service quality, therefore, a service that fails to meet the expectations of one customer might satisfy another customer whose expectation level of the service was not as high. As a result, it is important that service providers develop meaningful ways by which customers can judge the quality of the service offerings.

According to Asubonteng et al., (1996), due to intense competition and the hostility of environmental factors, service quality has become a cornerstone marketing strategy for companies. This highlights how important improving service quality is to organizations for their survival and growth since it could help them tackle these challenges they face in the competitive markets. This means that service-based companies are compelled to provide excellent services to their customers in order to have a sustainable competitive advantage. There is, however, a need for these organizations understand what service quality is in order to attain their objectives.

In service marketing literature, service quality is generally defined as the overall assessment of a service by the customers, (Eshghi et al., 2008, p. 121) or the extent to which a service meets customer’s needs or expectations, Asubonteng et al., (1996).

Parasuraman et al., (1985) define service quality as “The discrepancy between consumers’ perceptions of services offered by a particular firm and their expectations about firms offering such services”. If what is perceived is below expectation, consumer judges quality as low and if what is perceived is meets or exceeds expectation then consumer sees quality to be high. A critical component of service quality identified are; consumer’s expectation which is seen as what they feel service provider should offer and this is influenced by his/her personal needs,
past experience, word-of-mouth and service provider’s communications, Parasuraman et al., (1985, p.49). However, this meaning of expectation is that of service quality literature which is different from expectation in the customer satisfaction literature which defines expectation as the predictions made by consumer about what is likely to happen during an impending transaction. Consumers’ perception of performance is what he/she experiences, (Parasuraman et al., 1988, p. 17). Generally, it is interesting to study expectations and experiences of consumers in many different contexts. It is of particular interest to study these concepts in the context of grocery stores because grocery stores play an instrumental role in the lives of people and it is primordial for firms to know what consumers expect and perceive from these stores. Therefore, in this study, we will define consumer’s expectation as what consumers think should be offered by the ideal telephone services while consumer’s perception will be defined as what they experienced in telephone services and this is assessed after the performance. In addition, service quality is mainly focused on meeting the customer’s needs and also how good the service offered meets the customer’s expectation of it. It is however difficult according to previous studies to measure service quality because of its intangible nature and also because it deals with expectations and perceptions of consumers, which is difficult as well to determine due to the complexity of human behavior. The intangible elements of a service (inseparability, heterogeneity and perish ability) are the critical determinants influencing service quality perceived by a consumer (Douglas & Connor, (2003, p.166)), Parasuraman et al., (1985, p.42), and Ladhari, (2008, p.172). This means that a service must be well defined by the provider in terms of its characteristics in order to understand how service quality is perceived by consumers.

**Components of service quality**
Gronroos (1984a) identified technical quality, functional quality, and corporate image as significant components of service quality (Palmer, 1994:174). Technical quality, or what is delivered to customers, refers to the relative quantifiable aspect of services. It is an essential basis for judging the quality because both the customer and the service provider can determine whether or not the service was performed correctly, on time and as promised. The inseparability characteristic of services indicates that the outcome of service processes is dependent on the interaction between service providers and customers. Functional quality, or how a service is performed, is not objectively measurable, but provides a clear indication
of customers’ thoughts and feelings concerning the service performance. The attitude of the employees, the appearance of the employees and the atmosphere of the service environment will influence customers’ perceptions of the service delivery. As a result, functional quality signifies the influence which technical quality had on customers (Palmer, 1994:175).

The corporate image is based on both the technical quality and the functional quality of services. It focuses on the actual service performance, the surroundings in which the service was provided and the image conveyed by service providers. The focal point of service organizations is to influence customers to remember the corporate image, as organizations intend them to remember it (Palmer, 1994:175).

**Service Quality within Telecom**

Service Quality within TELECOM units is pivotal for satisfying customers, retaining them and creating loyalty amongst customers.

This research uses SERVQUAL to analyze the gap between perceptions and expectations of the customer, concerning with the service at TELECOM units in the HYDERABA in Andhra Pradesh. The customer Satisfaction level is assessed for the services offered at selected telecom units in the city of Hyderabad. Five dimensions in service quality (servqual), tangibility, reliability, responsiveness, empathy, and assurance (Parasuraman, Zeithaml, &Berry, 1985) have been considered for this empirical research. General purpose of this research to know some factors that impact customer satisfaction. The purpose is (1) to describe applied of service quality (servqual) dimension in retail Business (2) to know service quality (servqual) dimensions that make customers satisfied, and (3) to know service quality (servqual) dimensions that are dominant in influencing customer satisfaction. The research methodology was carried out in a survey cross-sectional applied to 369 respondents. The data obtained was analyzed by using reliability method, correlation and regression. The Result of research showed that services offered by retail units have a positive impact and are significant in building customer satisfaction. The findings of this empirical research reiterate the point of view that Service Quality dimensions are crucial for customer satisfaction in retailing — a burgeoning sector with high growth potential and opportunities in fast growing economies like India's.
Customers’ perception of services

Services are characterized by the interaction between service providers and customers, therefore the quality and the capability of service providers have a direct and significant effect on the delivery processes and customer satisfaction (Lau, 2000:online). Customers perceive services in terms of service quality, customer satisfaction, and value (Zeithaml and Bitner, 1996:116). Dynamic service organizations realize that these three components help to differentiate them from their competitors and guarantee that they compete more effectively in the marketplace.

Satisfaction

The ISO 1002 (2004) indicates that satisfaction is the extent to which the requirements of the customers have been met where (ISO 9000 2005) requirements means stated needs or expectations whether implied or obligatory. According to Oliva et al (1992) satisfaction is whereby the service provider meets the expectations and norms of customers. This view is shared by Anderson et al (1994). Westbrook and Oliver, (1991) postulate that satisfaction is when a consumer cognitively compares actual performance with expected performance. Kotler (1991) opines that satisfaction is the post-purchase evaluation of products or services taking into consideration the expectations. Summarizing the literature on the definition of satisfaction, Fecikova (2004), indicates that satisfaction is the feeling which emanates from the process of evaluation what was obtained against what was expected, the purchase decision itself and or the fulfillment of needs or wants.

Abdullah and Rozario (2009) accentuate that the level of customer satisfaction may be influenced by various internal and external factors. This suggests that the determination of satisfaction is very difficult. Veloutsou et al (2005) indicates that overall customer satisfaction is not a static process, but keeps on changing when the customer gets an experience with the service provider. In the same vein, communities Scotland cited in the European Institute of Public administration (2008:15) has listed the following as the difficulties associated with the concept of satisfaction;

- It is not static, but changes over time; new experiences and levels of awareness will alter the potential levels of satisfaction that could be achieved.
• It is likely to be complex and the result of a mix of experiences before, during and after the point at which it is measured.
• It occurs in social contexts which are varied and changing and may be unpredictable or inexpressible to the service user.
• It may be difficult to express the reasons for satisfaction; particularly where less tangible aspects of services are being considered.
• It may be easier to express the reasons for dissatisfaction, particularly if this is the exceptional state.
• Without understanding the causes of satisfaction, there is a danger that we might treat a “good result” as a reason not to change anything, seeing it largely as a PR tool.

Jamal and Nazer (2002) contend that customer satisfaction is not linked with only the view of customers regarding the reliability of the service delivered, but also based on the experience of the customer with the service delivery process. Kotler (2003) posit that high customer retention is an indicator customer satisfaction. Reichheld (1993) opines that customer satisfaction alone is not enough and cannot guarantee loyalty to organizations as between 65% to 85% of customers who switch to other organizations are satisfied customers. What is needed is a full customer satisfaction to ensure customer loyalty and improvement in performance of organizations, (Jones and Sasser, 1995).

The Kano model specifies three types of attributes that give different satisfaction to customers; ‘must-be’, one dimensional and attractive needs. (Baki et al 2009, Wang and Ji 2010). According to them, the ‘must-be’ is whereby customers are not satisfied if the service or product quality fail to meet their expectations. There is no corresponding increase in satisfaction when the service or product attribute is above expectation. Another attribute is the one-dimensional or performance needs. In this case, when the customer perceives the service or product of a high quality, satisfaction is also high and vice versa. Finally, the attraction or the excitement needs are whereby there is a corresponding increase in satisfaction when he service or he product performance increases, but a decrease in performance does not lead to a decrease in customer satisfaction.
It is also believed that there is a correlation between satisfaction of employees and customer satisfaction. The results of the study of Schneider (1980) suggest that Frontline employees handled customers well if they thought they have been treated well by the management. Customers were glad and satisfied with the service provided when they see telephone service providers’ employees also in a good mood. The results of the study of Levesques and McDougall (1996) on the determinants of customer satisfaction in retail servicing in Canada. Showed that service quality dimensions (core and relational performance, problems encountered and satisfied with problem recovery), the telephone service providers’s features (e.g. Location), the competitiveness of the telephone service providers interest rates, the customer’s judgment about the telephone service providers employees’ skills and whether the customer was a borrower influenced satisfaction. In a related development, service problems and the telephone service providers’s service recovery ability impacted on customer satisfaction and intentions to switch very much. Customers who encountered service problems were likely to switch to other
telephone service providers and inform others to follow suite since they were not satisfied. Similarly, resolving problem does not necessarily improve customer satisfaction.

**Customer satisfaction**

Customer satisfaction is seen as a combination of service quality, product quality, and price, in addition to the influences of situational and personal factors. While the perception of service quality can be evaluated in the absence of the actual experience. This is not possible with customer satisfaction. Customer satisfaction can only be assessed after an experience with the service provider (Zeithaml and Bitner 1996:124). Because customers are more knowledgeable these days, they consistently tend to seek out new services that will provide them with more satisfaction. As a result, service providers are expected to increase the value of their service offerings to customers to stop them from defecting to other organizations. Research on the impact of customer satisfaction on customer loyalty concluded that customer satisfaction influences purchase intentions and post-purchase attitudes. Organizations must bear in mind that customer loyalty contributes an exceptionally high portion of sales and profit growth within service organizations (Lau, 2000:online).

Both customers and telephone services attach much importance to satisfaction. Frantic efforts are being made by telephone service providers to offer high quality products and services to their customers. Customers also want the best value for their money and are sparing no efforts in selecting the best products and services, (Strategic Direction, 2007). Once customers are satisfied and have a positive image or intentions about a particular firm, it will take some time for competitors to snatch or convince them to switch to them. Benefits derived by companies from customer satisfaction include loyalty, repurchasing to increase sales or profit, speak well about the products or services to others to purchase, (He and son, 2009 and Sit et al., 2009). As pointed out by Assael (1995), the economic viability of firms lies in the hands of consumers. According to Solomom et al (1999), there are various types of customers or consumers. They may be individual, groups, organizations, communities or nations. The service industry like any other industry has intensified its efforts to satisfy consumers through the provision of quality services.
These stem from that fact that competition has been stiff and every telephone service provider is trying to retain old customers and woo new ones.

Quality, satisfaction and value are the concepts that featured prominently in the customer satisfaction literature. Explaining these concepts will be very useful.

**Value**

Value according to Zeithaml (1988) is the importance attached to services based on their usage and the amount paid in exchange. Alluding to this, Woodruff (1997) indicates that value is what customers derive from the transactions made egg Quality, benefits, worth and utilities) and what he used for the exchange (price or the sacrifice made). He again intimates that value emanates from learnt perceptions, preferences and the overall assessment made by customers. He accentuated that perceived value is higher than the quality. Also value can be defined in four ways; value is low price, value is want satisfaction, value is the quality of the price paid for and what is received in exchange for what is given out. It is also argued that value judgments are based on both financial and non-financial costs. That is, the sacrifices made in using the service and the gains made in exchange for the service, (Hauser and Urban, 1986). Corroborating this, Lam et al (2004) point out that, customers assign value to a product or service based on perceived price and perceived quality. Based on this, Zeithml (1988) intimates that value is situational and personal than quality. It varies in accordance with the consumption process. Lam et al (2004) contends that when perceived value is more than perceived cost, the value of customers is high and vice versa. Rust and Oliver (1994) cited in Nguyen and LeBlanc (1998:54) suggest that there must be a rise in value when quality rises and price falls.

Treacy and Wiersema cited in Bick et al (2004:301) contend that customers buy different types of value. Since values are different, corporate bodies should select their customers and scale down their value focus. Value standard shores up in connection with customer expectations. Woodruff (1997) claims that there are two types of customer’s value. The first is the value or the expected value that customers get from the organization. The second is how the organization also values its customers.

Treacy and Wiersema cited in Bick et al ( 2004:301) have come out with three value concepts that business organizations should bear in mind. These are value proposition, value driven
operating model and value disciplines. The Value proposition is the suppose assurance which is not verbally stated. It is given to customers by management of organizations that they will render particular values like price, quality, performance, selection or convenience. The value driven operating model is the auxiliary supporting systems in delivering value driven operating model is the auxiliary supporting systems in delivering value (value proposition) to customers. These include; management systems, operating processes, business structure and culture. The last one, values disciples are how management of organizations can integrate both the value proposition and the value driven operating model to beat all competitors in their markets and provide the highest value to customers.

According to them, there are three value disciplines; operational excellence, product leadership and customer intimacy. Operating excellence is the provision of a combination of low price and services which is devoid of problems to customers. Product leadership on the other hand, refers to the delivering of the highest quality and best performing products in the market. This is possible when organizations keep on innovating to improve product quality. Customer intimacy concerns the establishment of relationship with customers, supporting and providing what they want in order to enable them get the needed value from the product or service.

**Perceived value**

Zeithaml and Bitner (1997) define value as the customers’ overall assessment of the utility of a product based on perceptions of what is received and what is given. Value is therefore very closely tied to customers’ perception of price. Although customers may perceive the quality of the service as well, and may be generally satisfied with the service delivery, the value of the service in terms of money, time and effort may not be of benefit to them. Often customers perceive the value of a service by comparison with similar experiences or past experiences. Once again, the influence of highly skilled and well-trained service employees, who perform service, processes efficiently and accurately, can positively influence the customers’ perceived value of service offerings.

Service, quality, customer satisfaction, and service value are important components of the success of a service organization. Customer satisfaction is the customer’s own experience of the service and is accordingly evaluated in terms of the value that was received by the
customer. Value-orientated customers seek service quality that exceeds the price and acquisition costs they incurred for the service. Customers who believe they received a high service, value and a quality offering from a service provider are likely to display customer loyalty and are excellent sources of “word of mouth advertising” (Lau, 2000:online). Ultimately, satisfied customers are the goal of service organizations. However, service employees constitute a very important component of service offerings. In the next section the importance of service employees in the organization will be discussed.

Relationships among the Concepts of Customer Satisfaction

Light has been thrown on the three concepts that are most often used to refer to customer satisfaction. A cursory glance at the relationship between these concepts will be desirable.

Customer Satisfaction and Quality

Oliver cited in Ting (2004:408) have enumerated the differences between service quality and satisfaction. They indicated that the dimensions of service quality are specifically or directly connected with the rendering of the service whilst satisfaction is based on many factors, both directly and indirectly relating to the delivery of the service. Customers do not base their perceptions of the quality of service on experiences/encounters with both the service provider and the service environment. On the other hand, past experiences form the basis for evaluation of satisfaction. In addition, quality is supposed to be ascertained by external cues such as price and reputation whilst satisfaction is prompted by conceptual cues like equality and regret. Also ideals and excellence in connection with the service delivery are the clues to service quality. In the same vein, satisfaction perceptions are based on predictions or norms for the service delivery. Oliver however, indicated that it is very difficult to draw a line between satisfaction and quality of service. Parasuraman et al (1988) postulate that satisfaction can be experienced and happened during or at the transaction level whilst quality is seen to be taking place at the global level. Oliver (1997) believes that quality judgments are more specific and that of satisfaction is holistic. Quality judgments have a connection with cognitive judgments whilst that of satisfaction relates to affective judgments.
As noted by Ting (2004), researchers are divided over the antecedents of service quality and satisfaction. Whilst some believe service quality leads to satisfaction, others think otherwise. Authors like Parasuraman et al (1988) and Bitner (1990) are of the view that satisfaction leads to quality whilst others, such as Cronin and Taylor (1992) and Anderson Sullivan (1993) have a contrary view. Empirical studies regarding the above issue support the assertion made by the latter. The studies of Tam (2000) and Cronin and Taylor (1992) suggest that satisfaction leads to quality. Newman (2001) else submits, that is a correlation between the quality of service and customer satisfaction. Enhanced service quality leads to customer satisfaction with its ripple effects such as; customer loyalty and improvement in the existing relationship between the organization and customers. Others are that customers will bear with the service provider when the organization is not able to deliver as well as customers canvassing for the organization to get more customers.

It can be gathered from the above that the two concepts are same and are being used interchangeably. Authors, such as DeRuyter et al (1997) Rust and Zahorik (1993) and Boulding et al (1993) think that quality and satisfaction are closely connected and are synonymous and interchangeable. Thus, both concepts are referring to meeting the requirements of customers. Therefore, making a clear distinction between them will be a difficult task.

**Value, Satisfaction and Quality**

According to Zeithaml and Bitner, cited in Kangis and Voukelatos (1997:280). There are four main factors that constitute customers’ perceptions of service quality, satisfaction and value. These are service encounters, the evidence of service, image and price. Service encounter refers to both verbal and non-verbal attitudes which form the basis of intangible service quality such as the environment where the service is provided like equipment and layout of the room or building. Evidence of service is whereby customers based their search on the level of service provided with certain proof like employees, process and physical evidence. This is because services are intangible and they are produced and consumed at the same time. Zeithaml and Bitner have furnished three proofs; employees, process and physical evidence.

Zeithaml and Bitner are of the view that a high service price is associated with an equally high quality consumer expectation. A low price will prompt customers to be apprehensive about the
quality of the service and the capability of the organization to render quality service. This point is not wholly true. Normally a low price of things in general does not connote inferior or superior quality. Reidenbach (1995) asserts that the value is more practicable or is a feasible thing than satisfaction since it includes not only the benefits accrued but the price. According to him, value is dynamic that must be managed. On the other hand, satisfaction is derived from the value proposition offered in specific products/markets. Cronin et al (2000) claims that value precedes satisfaction. They further accentuated that quality affects value. The results of study of Nguyen and LeBlanc (1998) also suggest that there is a correlation between service satisfaction and quality and value. It is clear from the literature that value is the worth or the importance attached to or gains and loss derived from purchases or consumption of services. Satisfaction and quality are also seen as the meeting of the requirements of customers. It could therefore be inferred that the requirements are the same as the importance attached to the services. Therefore, the three concepts; quality, satisfaction and value are the same and are being used interchangeably.

**Measures of Service Quality**

Measuring service quality is difficult due to its unique characteristics: Intangibility, heterogeneity, inseparability and perishability (Bateson, 1995). Service quality is linked to the concepts of perceptions and expectations (Parasuraman et al., 1985, 1988; Lewis and Mitchell, 1990). Customers’ perceptions of service quality result from a comparison of their before-service expectations with their actual service experience. The service will be considered excellent, if perceptions exceed expectations; it will be regarded as good or adequate, if it only equals the expectations; the service will be classed as bad, poor or deficient, if it does not meet them (Vázquez et al., 2001). Based on this perspective, Parasuraman et al. developed a scale for measuring service quality, which is mostly popular known as SERVQUAL. This scale operationalizes service quality by calculating the difference between expectations and perceptions, evaluating both in relation to the 22 items that represent five service quality dimensions known as ‘tangibles’, ‘reliability’, ‘responsiveness’, ‘assurance’ and ‘empathy’.

European Journal of Social Sciences – Volume 16, Number 2 (2010), Service Quality (Servqual) and its Effect on Customer Satisfaction in Retailing, The SERVQUAL scale has been tested and/or adapted in a great number of studies conducted in various service settings, cultural contexts and geographic locations like the quality of service offered by a hospital (Babakus and Mangold, 1989), a CPA firm (Bojanic, 1991), a dental school patient clinic, business school
placement center, tire store, and acute care hospital (Carman, 1990), pest control, dry cleaning, and fast food (Cronin and Taylor, 1992), banking (Cronin and Taylor, 1992; Spreng and Singh, 1993; Sharma and Mehta, 2004) and discount and department stores (Finn and Lamb, 1991). All these studies do not support the factor structure proposed by Parasuraman et al. (1988). The universality of the scale and its dimensions has also been the subject of criticisms (Lapierre et al., 1996) and it is suggested that they require customization to the specific service sector.

Table 1.4: Five Broad Dimensions of Service Quality, Source: Adapted from Zeithaml et al. (1990)

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Definition</th>
</tr>
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<tbody>
<tr>
<td>Tangibles</td>
<td>Appearance of physical facilities, equipment, personnel and written materials</td>
</tr>
<tr>
<td>Reliability</td>
<td>Ability to perform the promised service dependably and accurately</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>Willingness to help customers and provide prompt service</td>
</tr>
<tr>
<td>Assurance</td>
<td>Employees’ knowledge and courtesy and their ability to inspire trust and confidence</td>
</tr>
<tr>
<td>Empathy</td>
<td>Caring, easy access, good communication, customer understanding and individualized attention given to customers</td>
</tr>
</tbody>
</table>

In Servqual, both - store service performance and consumer expectations of the storeage, service are explicitly measured to assess the ‘gap’. Several researchers he found the performance perceptions to be sufficient in assessing service quality as compared to the gap (Carman, 1990)[2]

Models of Service Quality

Various models have been developed to measure service quality following these approaches either attitude-based measures or disconfirmation models. According to (Shahin, p.2), it is very important to measure service quality because it allows for comparisons, before and after changes, identifies quality related problems, and helps in developing clear standards for service delivery.

The SERVPERF model developed by Cronin & Taylor, (1992), uses the performance approach method which measures service quality based on customer’s overall feeling towards service. This model is good to measure service quality, but does not provide information on how
customers will prefer service to be in order for service providers to make improvements. Teas, (1993), developed the Evaluated Performance model which measures the gap between perceived performance and the ideal amount of a dimension of service quality, rather than the customer’s expectation. This was to solve some of the criticism of some previous models Gronroos, (1984); Parasuraman et al., (1985, 1988). Parasuraman et al., (1985), developed a model of service quality after carrying out a study on four service settings: retail banking, credit card services, repair and maintenance of electrical appliances, and long-distance telephone services. The servqual model represents service quality as the discrepancy between a customer’s expectation of service offering and the customer’s perceptions of the service received Parasuraman et al., (1985). This makes it an attitude measure. What this model strives to measure exactly is the consumer perception of the service quality which depends on the size of the gap between expected service and perceived service which in turn, depends on the gaps under the control of the service provider such as delivery of service, marketing, (Parasuraman et al., 1985). This measurement of service quality is based on both on how consumer evaluates the service delivery process and the outcome of the service, (Parasuraman et al., 1985, p.42). A good service quality is considered as one which meets or exceeds consumer’s expectation of the service (Parasuraman et al., 1985, p.46). The SERVQUAL model was made of ten dimensions of service quality when created; tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding the customer, and access, Parasuraman et al., (1985, p.47-48) but later on these dimensions were reduced to five because some dimensions were overlapping (communication, credibility, security, competence, courtesy, understanding customers and access) and they included, Tangibles- physical facilities, equipments, and staff appearance. Reliability- ability to perform the promised service dependably and accurately; Responsiveness- willingness to help customers and provide prompt service; 11 Assurance- knowledge and courtesy of employees and their ability to inspire trust and confidence; Empathy- caring, individual attention the firm provides its customers (Parasuraman et al., 1988, p.23). These dimensions mainly focus on the human aspects of service delivery (responsiveness, reliability, assurance, and empathy) and the tangibles of service. According to studies carried out by Ladhari, (2009), it is recommended that the SERVQUAL model is a good scale to use when measuring service quality in various specific industries, but that it is appropriate to choose the most important dimensions of this model that fit for that particular
service being measured in order to assure reliable and valid results. In this regard, we will use this model because it takes into account customer’s expectation of a service as well as perceptions of the service which is the best way to measure service quality in the service sector (Shahin, 2005, p.3). Buttle, (1996, p.8) makes mention of several researchers that have used the Servqual model in various industries (retailing, restaurants, banking, telecommunication, industry, airline catering, local government, hotels, hospitals, and education). He further suggests that service quality has become an important topic because of its apparent relationship to costs, profitability, customer satisfaction, customer retention and positive word of mouth and it is widely considered as a driver of corporate marketing and financial performance. In our study, we are more interested in service quality and customer satisfaction by using the SERVQUAL model to assess them in telephone service providers. Service quality and customer satisfaction have received a great deal of attention from both scholars and practitioners because of their relevancy and relationship, according to Eshghi et al., (2008) and the main reason for focusing on these issues is improving overall performance of organizations (Magi & Julander, 1996, p.40).

The SERVQUAL model is used to assess consumers’ expectations and perceptions regarding service quality in telephone service providers. Both expectations and perceptions are measured using a 5-point scale to rate their level of agreement or disagreement (1- strongly disagree a 5- strongly agree), on which the higher numbers indicate a higher level of expectation or perceptions. Perceptions are based on the actual service they receive telephone service providers in Hyderabad while expectations are based on past experiences and information received about telephone services. Service quality scores are the difference between the perception and expectation scores (P-E) with a possible range of values from -5 to +5 (-5 stands for very dissatisfied and +5 means very satisfied). The quality score measures the service gap or the degree to which expectations exceed perceptions. The more positive the P-E scores, the higher the level of service quality leading to a higher level of customer satisfaction. Satisfaction and service quality are both treated together as functions of a customer’s perception and expectations. In most cases, when expectation and perception are equal, service quality is satisfactory. In this study, we use the disconfirmation paradigm which is based on the discrepancy theories. According to this paradigm, consumer’s satisfaction judgments are the result of consumer’s perceptions of the difference between their perception of performance and their expectations. Positive disconfirmation leads to increased satisfaction while negative disconfirmation leads to decreased satisfaction. This theory has been used to develop a questionnaire.
The SERVQUAL and the SERVPERF models

The most widely used models in measuring quality in the service industry in general and in the servicing sector in particular are the SERVQUAL and the SERVPERF models. Since the SERVPERF was curved out of the SERVQUAL, the literature on both models are reviewed.

The SERVQUAL Model

SERVQUAL is one of the tools used in measuring the quality of services. According to Buttle (1996), SERVQUAL is for the measuring and managing the quality of service. Asubonteng et al (1996) also intimate that the model is used to measure the quality of services from the customer’s point of view. The originators of the model are Parasuraman, Zeithaml and Berry. It was developed in 1985 but was polished in their subsequent articles (Parasuraman et al 1988). The main aim of SERVQUAL is to have a standard and a reliable tool that can be used to measure the quality of services in different service sectors, (Curry and Sinclair, 2002). Originally, those who developed SERVQUAL introduced ten service quality dimensions or attributes. These are: tangibles, reliability, responsiveness, competency, courtesy, communication, credibility, security, assess and understanding the customer. However, in the 1988 article, these were pruned to five (Parasuraman et al 1988). These are; tangibles, reliability, responsiveness, assurance and empathy. Tangibility refers to the physical environment in which the service provider operates. It comprises the physical facilities available, workers, equipment and communication materials. Reliability concerns the ability with which the service organization can deliver the service dependably and accurately. Empathy on the other hand, is about the special care and attention given to individual customers when being served. Responsiveness is also the preparedness of the service provider to assist customers and render as quick or prompt service as possible. Assurance too is in connection with the knowledge and the courteous attitude of staff and their ability to instill trust and confidence in customers.

Based on the five service quality dimensions, two sets of twenty-two statements or questionnaire are developed, (Donnelly et al 1995) and Iwaarden et al, 2003). The questionnaires are a seven-point Likert scale. Robinson (1999) also explains that one set is about customers’ expectations (expectation of service quality before using the service) and the other set measures customer
perceptions (perceptions of quality after using the service). The difference between the two; perceptions (P) and expectations (E) constitute the service quality gap. The quality gaps, according to Parasuraman (2004) and Tahir and Bakar (2007) are five. These are:

- **Gap 1:** The difference between what customers really (actually) expect and what management think (perceptions) of customers’ expectations. Donnelly et al (1995) is of the view that the gap occurs because management did not undertake in-depth studies about customers’ needs. Also, there are poor internal communication and insufficient management structures. This gap is referred to as understanding or knowledge gap.

- **Gap 2:** Is what is called the standard gap. It is the difference between management perceptions of customer service quality expectations and service quality specifications.

- **Gap 3:** This gap is also known as the delivery gap. The difference between service quality specifications and the actual service quality delivered. This means the failure to ensure that service performance conforms to specifications. Donnelly et al (1995) contends that the failure emanates from absence of commitment and motivation. Insufficient quality control systems and insufficient staff training.

- **Gap 4:** This gap too is termed as the communication gap. It is the difference between the delivery of service and the external information (communication) regarding promises made to customer or implied. Examples of medium used for the external communication are media and customer contracts, (Donnelly e al 1995)

- **Gap 5:** Is the difference between the customers’ expectation of service quality and the actual service received
Many criticisms have been leveled against the SERVQUAL model. One of the major shortcomings of the model is that the five service quality dimensions are not universal and cannot be applied in all service industries, (Ladhari 2009, Saurina Canals 1997, Buttle 1996 and Robinson 1999). They contended that it depends on the context in which the dimensions are applied since the definitions and the number differ. For instance, the results of the study of Babakus and Boller (1992) on an electric and gas utility company using SERVQUAL suggest that the dimension of this industry is known and not five. This has been confirmed by the study of Mels et al (1997). In their case only two dimensions were found. In the same vein, Cronin and Taylor cited in Jun and CAI (2001:278) conducted an investigation into the servicing, pest control and dry cleaning and fast food industries and found that, there was no evidence of the five dimensions. Also, the study of, Johnston (1995) and Joseph et al (1999) in the servicing
industry did not support the five dimensions. The study of the former unveiled 18 service quality attributes whilst that of the latter found six dimensions.

Buttle (1996) opines that there is but a little proof that customers evaluate the quality of service on the basis of the different between perceptions and expectations. Alluding to this, Ladhari (2009) intimates that researchers advance that the difference scores didn’t give any additional information beyond that already existed in the perceptions’ items. This has been supported by the study of Babakus and Boller (1992). The result showed that the perceptions’ score was the dominant contributor to the gap scores. Buttle (1996) further posit that the model dwells on the delivery process, but not on the outcome of the service encounter. Buttle again punched holes in the Likert scale. He contended that, it is defective or flaw whilst the use of the two sets of questionnaire are tired-some and confusing. Though the model has been credited with the fact that it furnishes information concerning the gap between perceptions and expectations of the quality of service, It fails to provide clues for the closure of these gaps, (Tan and Pawitra, 2001).

Gilmore cited in Kumar et al (2009): 213) put forward that, the five service quality dimensions are highly inter-correlated or related. Ladhari (2009) accentuate that the factor-loading pattern of the model unearths some weaknesses in the convergent validity in some studies. Thus, most of the SERVQUAL’s 22 items have higher loadings on dimensions that are different from those suggested by those who developed the model. For example, the study of Engeland et al (200) shows that there was an excessive cross-loading as three items belonging to the assurance dimension loaded on the empathy dimension. In the same vein, only one item from the tangible dimension loaded in the tangles dimension. The results of the research of Lam (1997) also reveal that items belonging to the assurance, responsiveness and empathy dimensions tended to load in an unstable manner.

In spite of the numerous criticisms, SERVQUAL has been adopted for conducting many studies. It is therefore held in high esteem (Buttle 1996). Other points in favor of SERVQUAL as enumerated by Tan and Pawitra (2001) are given below. The model in general lays bare the strengths and weaknesses of the quality of service provided by organizations. In this way, areas of weaknesses can be prioritized by the organization. Another important merit of the model is that it serves as the standard for organizations to measure the quality of service in the same industry. Apart from this, it serves as a signal to management to take into consideration the
perceptions of both management and customers. It also helps manage to know customers’ impressions about the service purchased. The analysis of the quality gaps assists management immensely to draw their strategies to meet customers’ expectations.

Having discussed the SERVQUAL model, the next section dwells on the studies conducted in the servicing industry using the SERVQUAL model.

The SERVPERF Model

The SERVPERF model was carved out of SERVPERF by Cronin and Taylor in 1992. SERVPERF measures service quality by using the perceptions of customers. Cronin and Taylor argued that only perception was sufficient for measuring service quality and therefore expectations should not be included as suggested by SERVQUAL (Baumann et al, 2007). Studies conducted by researchers like Babakus and Boller, Brady et al., Brown et al., and Zhou cited in Carrillat et al (2007:473) have supported that of Cronin and Taylor. Therefore, advocates SERVPERF hold the view that it is a better alternative to SERVQUAL.

SERVPERF however, has suffered a setback. According to Gilmore and McMullan (2009), Taylor and Cronin’s examined the psychometric properties of the SERVPERF scale and he results of a multi-industry study in 1994 suggested that SERVPERF lacks consistency and a generalized factor structure. As a result of that, the following recommendations were made:

- Practitioners should adapt the factor structure of the service quality data for specific or different settings.
- Academic researchers should revisit their research objectives so that a reliable and valid multidimensional scale of service quality that could be generalized across service settings should be applied

A Site must not be lost on the fact that, whilst SERVQUAL measures the quality of service via the difference between the perceptions and expectations (P-E) of customers, SERVPERF and the 22-item scale in measuring the service quality. Based on the above, Cronin and Taylor cannot claim to have developed a new model (SERVPERF). In fact it was more or less a suggestion they made.
1.7. **Objectives of the study**
The following objectives are arrived at after are reviewing the past literature related to the problem in question.

1. To study the perceived satisfaction levels of Customers according to their background (demographic) variables, namely gender, age, Income, educational qualifications, Occupation to explore the variations if any.

2. To study the perceived satisfaction levels of Customers, according to the independent variables, Tangibles, Reliability, Responsiveness, Assurance, Empathy, CSI and IPV to explore the variations if any.

3. To compare the satisfaction levels of Customers.

4. To identify the hindering and facilitating factors associated with satisfaction.

1.8 **Research hypotheses**
The following Null hypotheses are set to study the satisfaction levels of Customers.

1. Customers do not differ in their perception about satisfaction, according to their personal background variables like gender, age, Income, educational qualifications, Occupation and brand.

3. Customers do not differ in their perception about Satisfaction according to independent variables Tangibles, Reliability, Responsiveness, Assurance, Empathy, CSI and IPV.

5. There is no correlation between satisfaction (dependent variable) and independent variables (Tangibles, Reliability, Responsiveness, Assurance, Empathy, CSI and IPV).

6. There is no significant difference in the perceived satisfaction level of Customers
1.9 Operational definition

**Tangibility**: Appearance of physical facilities, equipment, personnel and written materials.

**Reliability**: Ability to perform the promised service dependably and accurately.

**Responsiveness**: Willingness to help customers and provide prompt service.

**Assurance**: Employee’s knowledge and courtesy and their ability to inspire trust and confidence.

**Empathy**: Caring, individualized attention given to customers.

**CSI**: customer satisfaction index

**IPV**: important, performance variables

Key words

Service Quality, SERVQUAL Model, Expectations and Perceptions, Customer Satisfaction

**Dependent variables:**

RELIABILITY, RESPONSIVENESS, ASSURANCE, EMPATHY, TANGIBLE, CSI, IPV

**Independent variable:**

CUSTOMER SATISFACTION

1.10 Limitation and delimitation

**Limitation of study:**

- Though the detailed investigation is made in the present study, it has got the following limitations:
- This study is restricted only to the Hyderabad City. The results may be not applicable other areas.
- This study is based on the customer satisfaction prevailing But the Customers satisfaction may change according to the time, fashion, Technology, development
- As per the Population of the study is huge, the researcher has taken only sample respondent from each service provider
- Customer expectations and Customer Perceptions are subjective and are in a state of constant flux and change. The findings therefore can be generalized to a given period, a pre-defined market, and economic scenarios.
- A longitudinal study could probably overcome or alleviate this limitation.
- The study also is confined to the Indian scenario and with Hyderabad as the focal point.
- Geo-demographic could have a great deal of influence on the customer expectations and perceptions. It is also not amiss to mention here that the zone of tolerance could vary from one customer to another. This variation has not been assessed in the current study.
- The Sample size was restricted to the Ratnagiri city as it was difficult to approach people outside that because of time constraint. So sample size was limited Improper decisive- many respondents could not have sufficient time to answer fill the questionnaire.
- Inadequate information- some of the questions were not answered filled properly or accurately.
- Project study was conducted only in 2014
- The users of cell phones are geographically wide read and hence contacting them is time consuming.
- The sample size of customer is limited to 369 because of the time and cost factor.
- Few of the respondents were not open with their responses.
- The study was limited to 4 mobile service providers only.
- The study was limited to only a few days, so each and every aspect of satisfaction could not be covered.
- The management did not disclose the confidential data.
- Seldom had to come across respondents who did not have much idea about the objective of the study.
- The market of Telecommunication is too vast and it is not possible to cover each and every dealer, manufacturer and seller in the available short span of time.
- Generally the respondents were busy in their work and were not interested in responding rightly.
- Respondents were reluctant to discover complete and correct information about themselves and their organization.
- Most respondents were not maintaining proper knowledge of various services provided by their company, so they were unable to provide exact information.
- Most of the respondents don’t want to disclose the information about the various other companies’ which they have experienced before.
- Some of the respondents were using the service first time in their company and they were not able to properly differentiate among their product.
- Due to human behavior information may be biased. Mainly in BSNL case.

**Delimitation of the study:**

We have to define our scope of research in order to make things clear. We are focusing our study on telephone service providers in Hyderabad. Telephone service providers will include those of all sizes be it small or big. We are interested in evaluating how consumers perceive service quality in these telephone service providers in general. Even though size of telephone service provider’s matters in choice of telephone service providers, we assume that most of these stores offer similar retailing assistance to their customers. We are focusing solely on telephone service providers and not on retail outlets that offer similar support as telephone services. This study is limited to telephone service providers in Hyderabad because our sample is drawn from those living in Hyderabad and do have experiences with telephone service providers in the town. In this study, the word consumers’ will refer to peoples who use these telephone services who can be considered customers as well.

1.1. Organizations of the study

**Chapter 1** of this study introduced the problem statement and described the specific problem addressed in the study as well as design components.

**Chapter 2** presents a review of the literature and relevant research associated with the problem addressed in this study.

**Chapter 3** presents the methodology and procedures used for data collection and analysis.

**Chapter 4** contains an analysis of the data and the presentation of the results.

**Chapter 5** offers a summary and discussion of the researcher's findings, implications for practice, and recommendations for future research.
1.12 Summary

This chapter of this study has revealed the problem of this study and has attempted to clarify the components that directly or indirectly affect the telephone service providers and the issues and circumstances that influence service provider's customer satisfaction. Finally, Chapter 1 contains a brief explanation of the study’s methodology, research questions, study customers, assumptions, delimitations, limitations, conceptual framework, and concludes with the organization of the study.