

## Comparison of Customer Satisfaction Between Grameen Phone Ltd and Robi

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### Abstract

*This study, by using various dimensions of customer satisfaction, investigates and compares the level of customer satisfaction between two leading telecom companies of Bangladesh, Grameen Phone Ltd (GP) and Robi. To collect the primary data, a structured questionnaire was designed and administered on 400 samples comprising of the existing subscribers of both the companies. Results show that in terms of performance & reliability, network coverage, perceived brand image and switching propensity and after sale service, Robi is lagging behind GP. The findings of this study necessitate the ways for Robi to adopt customer-centric strategic approach through competitive offerings & quality services to enhance customer loyalty and improve corporate brand image.*

**Keywords:** Customer Satisfaction, Performance, Reliability, Perceived Brand Image, Subjective and Objective approach etc.

### Introduction

The Telecommunication infrastructure is used as a reliable indicator of economic development of a country that multiplies economic growth through creating employment opportunities, improving business efficiency and enlarging the scope of mass communication. The concept of customer satisfaction has gradually been widening. Companies can attain competitive advantages by providing distinctive product and through ensuring service quality which helps to gain customers' loyalty. In the telecommunication industry the companies are getting more customer-centric over the last half decade. The companies have been emphasizing on customers' needs and wants, and then translate them into the capacity development. To provide quality services, telecommunication companies need to investigate degree of customers' sensitivity and expectations toward service quality and prepare suitable strategies to adapt with the emerging market needs.

### Objectives of the Study

The prime objective of the study is to make a comparison between Grameen Phone Ltd. and Robi in the context of customer satisfaction. The specific objectives therein are

- To identify the different dimensions of customer satisfactions

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- To determine and compare the subscribers' satisfaction of Grameen Phone Ltd. and Robi on selected dimensions.
- To give a set of recommendations for both the companies in regard to the selected dimensions of customer satisfaction.

### **Methodology of the Study**

This study is based on the dimensions of customer satisfaction like performance, reliability, serviceability, brand image, service feature and service plan provided by GP and Robi. A sample size of 400 subscribers of GP and Robi is used to demonstrate the issue.

In this case, a stratified random sampling method has been used. To distribute the sample between both of the companies, the market share has been used as the parameter. Market Share has primarily been determined on the basis of published data. It was found that the GP and Robi are consecutively occupying 44% and 18% of the total market share (BTRC, 2011). Still, there is a gap prevailing between the sold and actually using connection. Moreover, versatility among the GP subscribers is relatively greater than those of Robi. Hence, considering the diversity, 320 questionnaires were operated to the GP subscribers and 80 questionnaires were operated to Robi subscribers. The sample elements were the individual using the connection of GP and Robi. While analyzing the data, the study had not only counted the number of people using the connection of GP and Robi, but also tried to relate it with various demographic features such as age groups, gender, profession and income level.

Primary data have been collected to investigate the current scenario. For this purpose, a structured questionnaire has been used. A set of questions relating to the elements of the each selected dimensions were used in the questionnaire. A five point Likert Scaling technique was applied to measure the aptitude of the targeted subscribers of GP and Robi.

After collecting the primary data, on the basis of descriptive statistics, ten hypotheses have been developed on the selected dimensions and tested to verify the authenticity of descriptive findings in population parameter. For the purpose of testing the hypotheses both normal and binomial approaches have been used. Here, for 0.05 (100%-95%=5%) level of significance the critical value is 1.96. This study is based on two different samples and the sample size is (60+45>30). Hence, for all the hypotheses Z distribution has been used.

The hypotheses are explained in terms of theoretical framework. On the basis of specific findings from tested hypotheses a set of recommendations have been given.

### **Literature Review**

Customer satisfaction with a company's products or services is often seen as the key to a company's success and long-term sustainability. Customer satisfaction has developed extensively as a basic construct for monitoring and controlling activities in the relationship marketing. Satisfaction is regarded as a short term emotional state that results from an intrapersonal comparison of the customer's expectations with the evaluation of a single product or service encounter. Customer satisfaction can be conceptualized as an individual's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations (Oliver, 1981; Brady and Robertson, 2001; Lovelock, Patterson

and Walker, 2001). If the product's performance falls short of expectation, the customer is dissatisfied. If performance matches expectations, the customer is satisfied. If performance exceeds expectations, the customer is highly satisfied or delighted (Kotler & Armstrong, 2006). Turel et al. (2007) found that customers' adoption decision of the service provider depends on the quality offered and the price of the service provided. Chau and Kao (2009) found that all elements of service quality directly influence satisfaction of customers and value the service offered to them. Customer satisfaction is now considered as the corporate level strategy (Rust and Zahorik, 1993). Drucker (1973) sees customer satisfaction as the base and source of success for an organization. As such, customer satisfaction is a base of relation between marketing and management departments (Claycomb and Martin, 2002), and a source of competitive edge (Anderson et al., 1994). Customer satisfaction is also important for organizations as it has a positive impact on the overall financial performance of organizations. Henkel et al. (2006) found that those customers who are satisfied with the service provided by the telecom company intended to increase their usage and intentions to purchase in the future.

Customer satisfaction is a concerning factor here because high customer satisfaction leads to higher market share and profit resulting in a strong competitive position. Steenkamp (1989) concluded that offering quality service is a main source of customer retention which leads to increased market share. Similarly, Fornell (1992) had also discovered that in order to retain customers, companies should offer such service that increases satisfaction of the customers. Kim et al. (2004) suggested that core quality, value added services and customer support had a definite impact on the level of satisfaction of customers in cellular service companies which finally brings loyal customers to the company. Deng et al found that provision of better service quality is one of the most crucial factors for satisfaction of customers and it increases the loyalty and repurchase intentions of customers. Providing efficient service to customers increases customer loyalty (Kandampully, 1998). Loyal customers in return are found to have a great intention of being customers of the company in future, willing to spend more amounts on purchase and would recommend others to be customers of their service provider (Keiningham et al., 2007). Same findings were given by Chen (2008), who concluded that provision of better services and satisfaction of customers with the services increase future usage intentions of customers. Customer loyalty is dependent on the quality of service offered (Cöner and Güngör, 2002). Findings given by Lai (2004) showed that there is significantly positive relationship between the quality of service offered and customer satisfaction, as well as with future purchase intentions of customers. Brown and Gulycz (2001) consider the satisfaction of customers as an important tool to retain customers in the future and with positive repurchase intentions.

Customer-centered companies have emphasized a better understanding of customers' needs and wants, and then translated them into the capability to give customers what they really need and want. Simply stated, customer satisfaction is essential for corporate survival or existence. Customer satisfaction is defined as the result of a cognitive and affective evaluation, where some comparison standard is compared to the actually perceived performance. If the perceived performance is less than expected, customers will be dissatisfied. On the other hand, if the perceived performance exceeds expectations, customers will be satisfied. Otherwise, if the perceived expectations are met with performance, customers are in an indifferent or neural stage. In general, increased customer satisfaction leads to

- Higher customer retention rate,
- Increases customer repurchase behavior, and
- Ultimately drive to higher profitability.

To achieve the purpose of the study selected dimensions relating to customer satisfaction has been framed and used. Those dimensions with the related elements are as following:

**Performance:** The accomplishment of a given task measured against presently known standards of accuracy, completeness, cost and speed. Performance is deemed to be the fulfillment of an obligation, in a manner that releases the performer from all liabilities. It refers to the primary characteristics of a product. If the inevitable features are not present then it leads to customer dis-satisfaction.

**Reliability:** Reliability is the probability that a plant or component will not fail to perform within specified limits in a given time while working in a stated environment. Reliability becomes more important to consumers as downtime and maintenance become more expensive.

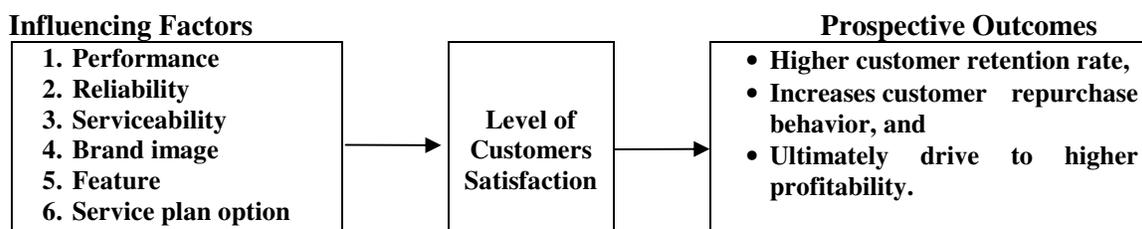
**Serviceability:** It refers to the speed and ease of repair of a product. Availability of spare parts, provision of service center etc are the sign of good serviceability. So serviceability means that the quality of being able to provide good service. In the case of mobile operators, if they do not provide in time service then it generates excruciating condition and ultimately the consequence is of-course high customer dissatisfaction.

**Brand image:** The impression in the consumer's mind of a brand's total personality (real and imaginary qualities and shortcomings). Brand image is developed overtimes through advertising campaigns with a consistent theme, and is authenticated through the consumers' direct experience. So brand image is defined as consumers 'perception as reflected by the associations they hold in their minds when they think of your brand.

**Feature:** It means of providing benefits to customers. Feature is a distinctive characteristics of a good or service that sets it apart from similar items. Customers however want a benefit and do not care much about the features which are touted by every supplier as unique or superior. Different distinctive feature makes competitive advantages over the rivals and that is why different cell phone company provides different attractive feature and the most extensive feature make high customer satisfaction.

**Service plan option:** A package of services offered by wireless service providers that includes the activation, monthly charges, per-minutes air time charges, roaming terms, local service area as well as additional service ( such as voicemail, data, or international roaming).

The factors influencing customer satisfaction and the outcome of those have been summerized in the following table.



Now, to analyze the dimensions of customer satisfaction, we develop ten different hypotheses to compare the level of satisfaction between Grameen Phone (GP) and Robi. Both normal and binomial distribution approach have been applied to test the hypotheses on the basis of descriptive statistics. The hypotheses are:

1. Ho:  $P_r = P_g$

Ho: There is no significant difference between Robi and GP subscribers in terms of performance reliability.

2. Ho:  $P_r = P_g$  H1:  $P_r < P_g$

Ho: There is no significant difference between Robi and GP subscribers in the strong opinion that, if they switch then they would prefer each other over other brands.

3. Ho:  $P_r = P_g$  H1:  $P_r < P_g$

Ho: There is no significant difference in diversified service plan options between Robi and GP to attract the customer.

4. Ho:  $P_r = P_g$  H1:  $P_r < P_g$

Ho: There is no significant difference between Robi and GP in the opinion that diversion of call.

5. Ho:  $P_r = P_g$  H1:  $P_r < P_g$

Ho: There is no significant difference in network service between Robi and GP.

6. Ho:  $P_r = P_g$  H1:  $P_r < P_g$

Ho: There is no significant difference to the performance of customer care between Robi and GP.

## Discussion and Findings

The structured questionnaire reveals the characteristics of both of the companies regarding the dimensions related to the study. The following table glimpses a statistical outlook over the factors influencing satisfaction.

**Table 1: Descriptive Statistics**

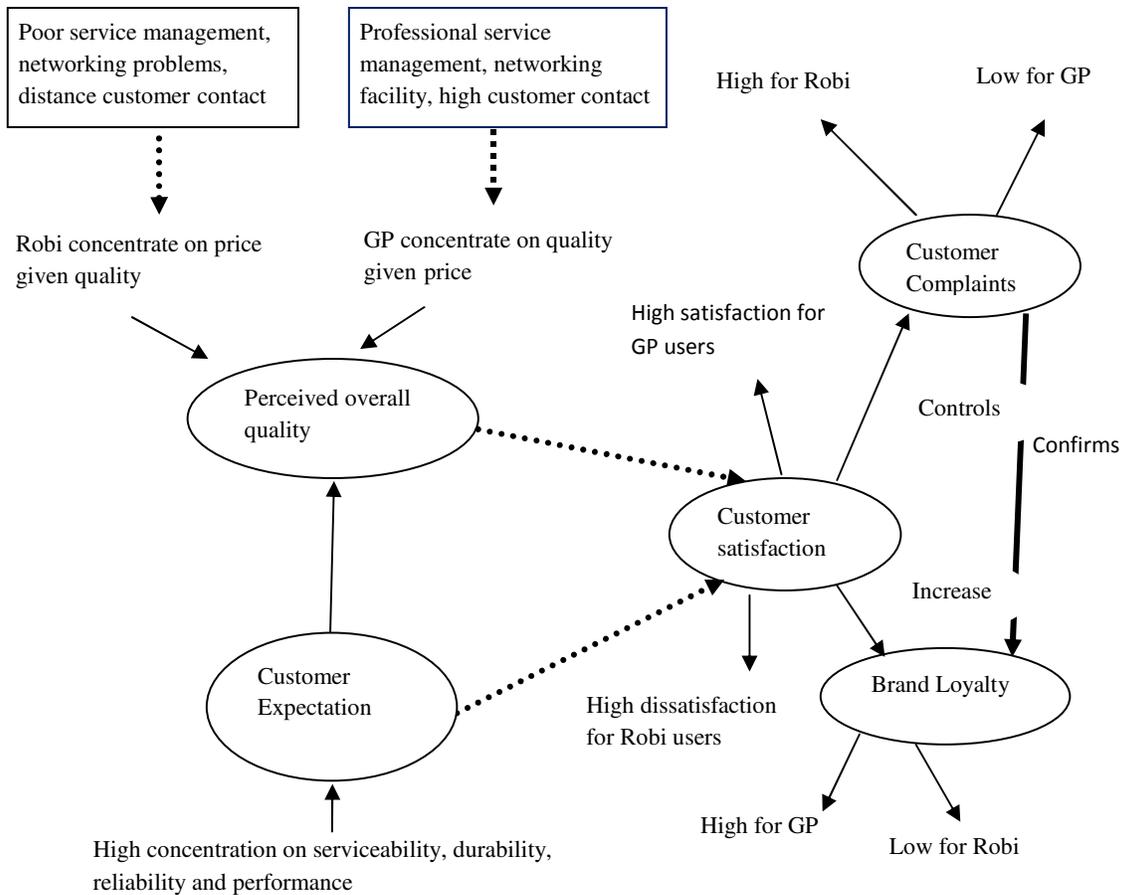
Hypothesis	$P_{gp}$	$P_{robi}$	Z – value	P - value	Decision
<b>Performance</b>	0.033	0.2	2.76	0.0058	Rejected
<b>Preference to Each Other</b>	0	0.16	3.16	0.0016	Rejected
<b>Service Plan</b>	0.38	0.11	3.12	0.0018	Rejected
<b>Call Diversion</b>	0.083	0.51	3.12	0.0018	Rejected
<b>Network Service</b>	0.017	0.27	3.84	0.0001	Rejected
<b>Customer Care</b>	0.05	0.2	2.39	0.0168	Rejected

Here all the tests procedures are done on comparing two sample proportions test basis. In terms of overall satisfaction GP's average is around 15% higher than Robi with a deviation of 17%. It is found that switching propensity of Robi subscribers has an average of 67.77 with a standard deviation of 23.84 which is around 12% higher than GP. Monthly recharge expenditure of GP subscribers is around 21% higher than Robi. Perceived brand value of GP subscribers is around 12% higher than Robi. If the subscriber of both of the companies switch and preference is given to them then more of Robi subscribers would like to have GP connection than the number of GP subscribers wishing to have Robi. It is found from the descriptive statistical output that in terms of network service, customer care and service plan options Robi is lagging behind GP. The concept of customer satisfaction is multi dimensional in nature which may be conceptualized from different philosophical notion. But the dimensions stand overall on the range starting from product or service attribute to cost aspects like performance, reliability, serviceability, brand image, feature etc. This study generates heterogeneous findings to the selected dimensions of customer satisfaction. Through testing the hypotheses we can draw some findings which would help us to conceptualize different dimensions of customer satisfaction. The specific findings therefore are:

- According to the test statistics, Z value is 2.76 which are greater than our critical value 1.96. Hence, we may reject null hypothesis. It leads us to the decision that the reliability of Robi is weak compared to GP. As the early penetrator and target market differentiator, GP has been enjoying competitive edge in the area of market coverage and brand loyalty those in turn affect the level of reliability.
- According to the test statistics, Z value is 3.16 which are greater than our critical value 1.96. Hence we may reject null hypothesis. Here we come to the decision that Robi subscribers compared to GP subscribers would prefer to switch to GP over other brands.
- According to the test statistics, Z value is 3.12 which are greater than our critical value 1.96. So, we may reject null hypothesis which leads us to the decision that GP has more diversified service plan options than Robi to attract the customers.
- According to the test statistics, Z value is 3.12. This is greater than our critical value 1.96. Hence, we may reject null hypothesis. It leads us to the decision that the diversion of call of Robi subscribers is relatively slower than the GP subscribers.
- According to the test statistics Z value is 3.84 which are greater than our critical value 1.96. Hence, we may reject null hypothesis which leads us to the decision that the network of GP is better than Robi. Almost all the areas of the country can be reached through GP network. Most of the GP subscribers claim that it has the best network coverage in the industry which significantly impacts the level of satisfaction of the subscribers.
- According to the test statistics Z value is 2.39 which are greater than our critical value 1.96. Hence, we may reject null hypothesis which leads us to the decision that performance standard of GPs customer Care is better than that of Robi. According to the subscribers the ranges of post sale services of GP are more diversified and swift. Such position in the market helps GP to keep its own subscribers with expected level of satisfaction.

From the findings of tested hypotheses the following model may frame the concept of customer satisfaction of Grammen phone and Robi:

**Figure: I (Customer Satisfaction Model for GP and Robi)**



The above mentioned model shows the cause and effect relationship of customer satisfaction. Customer expectation which is dependent on serviceability, durability, reliability and performance influence directly to customer satisfaction and through perceived overall quality. Robi is found with Poor service management, networking problems, distance customer contact in comparison to Professional service management, networking facility, high customer contact of GP. The perceived overall quality differs between both of the companies' in terms of concentration on price and quality. On the other hand customer satisfaction influence the level of customer complains as well as brand loyalty directly. The level of complains would determine the extent of brand loyalty which is found higher for GP.

## Conclusion

The general objective of this study was to determine the dimensions of customer satisfaction and comparing those dimensions between Grameen phone and Robi. In most of the dimensions of customer satisfaction like product feature, reliability, serviceability and brand image GP seems to be better than Robi. Being the early penetrator, Robi has been enjoying first mover advantage at least at the mass level customer range. GP had a remarkable amount of investment over their network infrastructural facilities which in turn boost up the service quality of the company as well as leads to achieving customers' reliability. In Bangladesh, the telecommunication sector has been expanding day by day. The growth rate in the use of telecommunication facilities has increased tremendously, especially, in terms of the number of telephone subscribers. The main concern of today for every mobile company is to provide the quality service that is an inevitable concerning factor in the arena of telecommunication sector. Ultimately this is customer satisfaction which leads to a company's long run success and long-term competitiveness. Hence, the core concentration of every mobile company should be to furnish performance, ensure impeccable service facilities and eventually attaining customers' loyalty.

From the findings of the study the following recommendations may help to overcome the limitations of both the companies.

- Bangladesh as a developing economy still has great potentials in telecommunication industry as still around half of total population (BTRC, 2011) remaining out of this facility. Robi should give more focus to enhance competence to respond the customer's demand. A comprehensive customer urgency based strategic plan can therefore help it develop competence. The plan must be based on the uncovered potentials of the industry and incorporate the different strategies to expand market as well as tactics to meet up the emerging needs.
- The network coverage of Robi is still weaker than GP. Robi should immediately focus on network coverage through enlarging its scope of investment in the area of infrastructure and technical expertise. The customer Care services should also be more diversified to position itself competitive with GP. Besides, one of the effective ways to gain and retain customers' confidence toward brand may be to decorate and equip the customer care centers in a more attractive manner.
- As it was found that the switching tendency and preference of Robi subscribers are higher than GP which creates a threat for the firm's future growth. To restrict this propensity, Robi should intensify its effort to maintain two way communication to the customers to remain update to the lapses of the firm in the areas of various service dimensions. An extensive market research may therefore help Robi to search out the deficiencies and way out strategies in the marketplace.
- In the expenditure pattern, between both of the companies GP was found higher than Robi. Robi should focus on this issue as still there are quality differences between the companies from various aspects. Robi must maintain relatively a lower bill charge unless meeting or exceeding the level of quality ensured by GP. It should take simultaneous initiative to keep both the call charge relatively low and increasing the quality of services through strengthening network coverage and enlarging the offering varieties.

- To remain competitive in the market, Robi must come with diversified market development and brand management plan. Along with focusing to develop corporate brand image Robi should give more concentration to the development of product brand image with a strategic outlook. It has been found that perceived brand image of GP is relatively better than Robi. It is generally observed that there exists a gap between motive of target action and perceived value of those actions. Hence both the firm should be more caring in reducing the gap while customers translate the taken actions. This can only be possible giving more concentration to the customers' intrinsic motives and needs relating to purchasing decision. To root the success in the deepest layer of the subscribers' mindset, branding and market development can play a pivotal role.

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## Appendix

### **Formula for Sample Size Determination:**

$$n = z^2 pq/d^2$$

Where n = the desired sample size

z=the standard normal deviate, usually set at 1.96, which corresponds to the 95 percent confidence level.

p=the proportion in the target population estimated to have a particular characteristics. If there is no reasonable estimate, then can be used 50 percent (0.50)

$$q = 1 - p$$

d= degree of accuracy desired, usually set at 0.05

X=number of occurrence, N= Sample size,  $\bar{P}$  = probability of success for sample,

$\bar{q}$ = Probability of failure