

Ali, M. Q. and Waseem, M. (2014). The impact of service quality toward customer satisfaction: an empirical case of smart-phone users in higher educational institutions of southern Punjab, Pakistan. *Bulletin of Business and Economics*, 3(1), 13-20.



## **The Impact of Service Quality toward Customer Satisfaction: An Empirical Case of Smart-Phone Users in Higher Educational Institutions of Southern Punjab, Pakistan**

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### **Abstract**

Service Quality plays a prominent role in enabling businesses to meet their customers' need and therefore it acts as a catalyst in the process of creating and delivering value to them. Therefore, the effort has been made to examine the crucial factors such as service quality and satisfaction among the smart-phone users of higher educational institutions of Southern Punjab, Pakistan. The core objective of this research paper is to examine the effect of service quality on satisfaction. Researchers have adopted the research conceptual model of (Kim et al., 2004). Researchers have taken dependent variable as satisfaction and independent variable is service quality. Researchers have used descriptive survey research and the research tool of questionnaire used as a tool of data collection. Population of the study comprised all the higher education institutions in Southern Punjab. Data collected from the sample of 200 smart-phone user. Results indicate that quality of customer services dimensions on satisfaction are significant; the 14.5% variance is explained. Four quality dimensions of service quality have positive effects on satisfaction. Those are Value-added-services (Beta, .155, sig (p), 0.27) Price (Beta .184, sig (p), 0.009), Mob devices (Beta.188, sig (p), 0.007), and Customer services (Beta .158, sig (p), 0.023). The characteristic of service quality dimensions on purchaser's satisfaction is positive.

**Keywords:** Smart-phone user, Services quality, Satisfaction

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## **1-Introduction**

Smart-phone companies due to ease competition, has become one of the most competitive companies of the world. As trade barriers of international market minimized due to better transportations, sophisticated information technology and government support, the business has witnessed quick globalization and struggle (Winfried Daun, Raffaella Klinger, (2006). Smartphone's have blown away world mobile market in recent years. According to Business recorder smart-phones usage has jumped 79% in the past year and around 450 million smart phones are expected to ship worldwide in the current year. Besides the worldwide popularity, smart phones are also becoming popular among the users in Pakistan.

According to the Annual Report (2012-2013) of Pakistan Telecommunication Authority there are 130 million cellular subscribers of different GSM operating companies' e.g. Mobilink, U-fone, Telenor, Warid and Zong in Pakistan and phone density is round 70% of the Pakistan's population use mobile phones and percentage of Smart-phones users is increasing day by day.

After launching the 3G service, 4G in Pakistan, the user Smart-phones will also increase. Pakistan's monthly mobile phone imports are between 2 to 3 million units – only 15% can be categorized as smart phones. Smart Phones market in human history is Spreading Faster than any other Technology (Federal Board of Revenue).

## **2-OBJECTIVES OF THE STUDY**

1. To find out the effects of service quality on customers' satisfaction
2. To explore the satisfaction of smart-phone users in educational institutions in Punjab

## **3-RESEARCH HYPOTHESES**

H1: value added service has been positive associated with customer satisfaction.

H2: The price has positive associated with customer satisfaction.

H3: Mobile device has positive associated with customer satisfaction.

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H4: Customer Service have positive associated with customer satisfaction.

## **4-LITERATURE REVIEW**

### **CUSTOMER SATISFACTION**

Satisfaction is the feeling of compensation or frustration resulting from comparing the perceived performance of a product (or outcome) in relation to its forecast for a person (Kotler, 2003, p. 36). The narrower the gap between consumer expectations and actual output feature or service, the greater the satisfaction. (Hutcheson & Moutinho, 1998). According to Wirtz (2003) Satisfaction can increase the quantity of repeat purchase and positive word of mouth by customers. Anderson and Srinivasan (2003) used a construction of 6 items to assess customer satisfaction in scenes of electronic commerce.

Buyer's satisfaction classified in two main categories: transaction-specific and general overall transaction (Yi, 1991). According to Johnson & Fornell (1991) the transaction-specific considered customer satisfaction as evaluating specific transactions made after a specific purchase event. Overall transaction examined in all encounters and experiences. Cumulative client satisfaction is estimation on the total purchase and intake sophistication with a good or service over time.

Transaction-specific satisfaction explains specific information about an exit or particular encounter service. Satisfaction is a fundamental sign of the past of the company, the current and future performance (Anderson et al., 1994).

### **CUSTOMER SERVICE QUALITY**

Customer service quality dimensions are very important for researchers due to its effect on the performance of the company, buyer satisfaction and brand loyalty. According Santos (2003) the quality of customer service is defined that how well the layer of services provided matches with Customer anticipation. Service quality is the outcome of an estimation process, where the consumer compares his anticipation with the service, he perceives he has received

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SERVQUAL model is used for evaluation of customer service dimensions in a telecommunication sector in South Africa (Van der Wal et al (2002). In another study, Johnson & Sirikit (2002) applied the SERVQUAL model for the evaluation of quality of customer service in the Thai telecommunication industry. Generally, SERVQUAL is recommended for corporation such as banking, telecommunication, and retailing.

Choi et al. (2007) classify the characteristics of the mobile phone as Mobile design, quality, and network and value added services, etc. Different research studies of companies have proved that service quality is positively associated with customer satisfaction (Kim et al., 2004).

## 5-RESEARCH DESIGN

The study was design to investigate the satisfaction of smart-phone users in the educational institutions of southern Punjab. Descriptive survey method was used during the study, and quantitative method was used for the analysis of the data. Population of the study comprised 2000 smart-phone users in the educational institutions of southern Punjab.

Formula for sample size  $n = N / (1 + N \times e^2)$

N= total population

n = sample size

e = is probability of committing errors.

$$n = 2000 / (1 + 2000) \times 7\%^2$$

$$n = 204 \text{ respondents.}$$

For the said purpose, sample of 200 participants were taken from the population. Data were collected through a questionnaire. The questionnaire is validated by the experts in the field and overall reliability is 0.85 co-efficient. Frequency distribution, validity, reliability, regression and correlation were used to analyze data through SPSS version 18.

**Table 1 Research Conceptual Model (Research Conceptual Model)**

Independent variable	Dependent variable
Services Quality Dimensions	

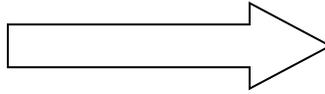
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Value added services

Price

Mobile devices

Customer services



Customer satisfaction

## 6-DATA ANALYSIS AND FINDINGS

**Table 2 Variables Entered or Removed**

Model	Variables entered	Variables removed	Method
1	CUSER, MOVDEV, PRICE, VADS		Enter

- a. All requested variables entered.
- b. Dependent variable: CS

**Table 3 Model Summary**

Model	R	R Square	Adjusted R Square	Std. error of the estimate
1	.515 <sup>a</sup>	.265	.249	3.41726

a. Predictors: (Constant), CUSER, MOVDEV, PRICE, VADS

In this case the value of R square is .265 showing that 26.5% variance in overall evaluation of customer satisfaction is explained by predictor variable.

**Table 4 ANOVA Analysis**

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	775.006	4	193.751		
1 Residual	2148.687	184	11.678	16.592	.000 <sup>a</sup>
Total	2923.693	188			

- a. Predictors: (Constant), CUSER, MOBDEV, PRICE, VADS
- b. Dependent Variable: CS

The value of f test is 16.592 shows the model goodness of fit.

**Table 5 Analysis of Quality Dimensions**

Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig.
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	B	Std. Error	Beta		
(Constant)	2.190	1.912		1.145	.254
VADS	.421	.131	.207	3.208	.002
1 PRICE	.541	.173	.202	3.131	.002
MOBDEV	.818	.147	.356	5.577	.000
CUSER	.547	.304	.115	1.799	.074

a. Dependent Variable: CS

Three quality dimensions of service quality have positive associated with customer satisfaction. VADS (Beta, .207, sig (p), 0.002) Price (Beta .202, sig (p), 0.002), Mobile devices (Beta .356, sig (p), 0.000).

**Table 6 Beta Standard Coefficients and p value of the Quality Dimensions**

Hypothesis	Model Variables	Sig (P)	Value	Beta ( $\beta$ ) Standardized Coefficients	Results
H1	VADS→CS	.002	.207	.207	Supported
H2	PRICE→CS	.002	.202	.202	supported
H3	MOBDEV→CS	.000	.356	.356	Supported
H4	CUSER→CS	.074	.115	.115	Not Supported

VADS = VALUE ADDED SERVICES.  
 PRICE = PRICE.  
 MOBDEV = MOBILE DEVICES.  
 CUSER = CUSTOMER SERVICES.  
 CS = CUSTOMER SATISFACTION.  
 CL = CUSTOMER LOYALTY.

## 7-DISCUSSION

The Regression analysis of research data shows that R square is (.265) it means that 26.5percent variance in evaluation of customer satisfaction (predicted variable) is explained by customer service quality (predictor variable).Research findings of standardized coefficient Beta of customer service quality dimensions shows the strong positive association with customer satisfaction.

Value added services (Beta, .207 p<0.05) indicate that if it is increase by one unit of Value added services than customer loyalty increase.207 units of brands. Hence it is proved that direct effect of Value added services on customer satisfaction is significant positive.

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Similarly, the coefficient of Price (Beta, .202  $p < 0.05$ ) indicate that if Smartphone provider increase the price of Smart-phones than customer satisfaction increase .202 units of brand. It means those customers are not too much price sensitive and will not move to another competitors brand if smart-phones provider increases the price of smart-phones.

Standardized Coefficient of Mobile devices (Beta, .356  $p < 0.05$ ) indicate that if the supplier/manufacturer will increase the one unit of mobile devices than customer satisfaction will increase by .356 units of brands. Therefore this research finding show that mobile devices closely link with customer satisfaction.

Standardized Coefficient of Customer Services (Beta, .115  $p > 0.05$ ) shows that if it is increase by one unit of customer services than customer satisfaction increase .115 units of brands. It means smart-phones users do not pay much more attention customer services issues after sale services repair and warranty etc.

The study concludes that if smart-phones provider wants to make the successful strategies of customer loyalty than they should pay the special attention to customer satisfaction. At the end previous studies confirm a positive effect of value added services on customer satisfaction (Kim et al., 2004 and Lim et al., 2006), mobile devices had not strong positive effect on customer satisfaction (Kim et al., 2004), price has indirect effect on customer satisfaction (Lim et al., 2006) finally customer services is the major antecedent of customer satisfaction (Kim et al., 2004).

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