Identifying the Gaps between Customer Expectations and Perceptions on Service Quality Dimensions of ABC Mobile Operator

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Abstract

The purpose of the study is to identify the gaps between customer expectations and perceptions on service quality of ABC operator based on five dimensions of the Service Quality model (SERVQUAL). Both qualitative and quantitative approaches were employed. Survey data were collected from 445 customers of ABC operator. The research data were analyzed using frequency, percentage, mean, reliability analysis, and paired t-test. This study found that member perceptions were greater than member expectations on tangibility, reliability, and empathy dimension. It is also an appearance at a statistically significant level of 0.01. In responding to closing the gap, the management should focus on improving network speed, increasing coverage areas, offering more choices of a mobile plan, and monthly staff training to improve inter-personal service quality. This study would enable management to identify service quality dimensions that needed to be improved to enhance their customers' satisfaction.

Keywords: Service Quality, Customer Expectations, Customer Perception, Customer Satisfaction

Introduction

The Thai communication sector is one of the prominent sectors. The National Broadcasting and Telecommunication Commission (NBTC) reported, in 2018, It had a total value equivalent to 3.9% of GDP. This sector has two segments: 1) the communication service and 2) the communication equipment section. The communication service segment had a value of THB 357 billion and a value of THB 256.9 billion for the communication equipment segment. The communication sector's total value was around THB 613.9 billion. This sector's growth comes mainly from the mobile phone segment, a part of communication service. The rapid pace of technology change in both network providers and the development of mobile phones have significantly influenced market expansion. With the 4G availability, 4G coverage, and even faster with 5G service in major cities, users get a much better experience using video and voice applications, play games, as well as download and upload speed from their smartphone. The

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mobile operators are competing to be on top. There are two state enterprise operators: TOT and CAT; three private enterprise operators: AIS, DTAC, and TRUE. The market share of major mobile operators by subscribers in the third quarter of 2018 is presented in Table 1.

Table 1 The market share by subscribers (3Q2018)

Operators	AIS	CAT	DTAC	TRUE	TOT
Market share (%)	43.8%	1.92%	23.0%	31.0%	0.13%

Source: The National Broadcasting and Telecommunication Commission (NBTC)

In this highly competitive market, customer satisfaction becomes essential. If mobile operators failed to meet customer needs, it would be pragmatic in this service-oriented market. Providers need to deliver the best service to customers in order to gain satisfaction. Customer satisfaction can be measured by employing an instrument called "SERVQUAL" (Parasuraman, Zeithaml, & Berry, 1985). The SERVQUAL instrument is practical for exploring customers' satisfaction in the service industry. The opinions from customers will be the best source of information for service enhancement.

Successful service quality strategies have been essential to attract customers and create customer loyalty (Porter, 1980, 1985). Knowing what customers prefer, a service provider can offer its customers exactly what they want by customizing the product or service to satisfy their customers (Porter, 1980; Albrecht, 1992). By offering the optimal levels of customer service, the company has accurately assessing customer expectations and delivering highly-valued customer expectations (Evelyn & DeCarlo, 1992; Miller, 1992; Peters & Waterman, 1982; Peters & Austin, 1985; Sonnerberg, 1991).

Research objectives

1) To identify the gaps and differences between customer expectations and perceptions on service quality of ABC private enterprise mobile operator on five dimensions of SERVQUAL model**.** (Due to confidentiality purposes, company information in this research cannot be disclosed**.** Therefore, the researcher named it as ABC operator)**.**

2) To determine the relative importance attributed to five dimensions of SERVQUAL.

Literature Review

Service Quality

Perceived quality is defined as the customer's evaluation of a product's absolute superiority or excellence (Zeithaml, 1988; Aaker & Jacobson, 1994). In the recent decade, works of the literature suggest that perceived quality is not the actual quality of the product or brand. Instead, it is a consequence of consumers' subjective judgment about a product's or a service's overall performance (Parasuraman, Zeithaml, & Berry, 1988; Cronin & Taylor, 1992). Service quality is also regarded as the customer's impression of the relative inferiority or superiority of a service provider and its services (Bitner & Hubbert, 1994; Tsoukatos & Rand, 2006). Some researchers believe that service quality is a difference between customer expectations and perception of services (GrÖnroos, 1984; Parasuraman, Zeithaml, & Berry, 1988, 1991). Another has suggested that the difference could be measured through difference scores calculated from both expectation and perception by researchers (Parasuraman, Zeithaml, & Berry, 1985, 1988, 1991).

The SERVQUAL Model

The ten dimensions of service quality were suggested by Parasuraman, Zeithaml, and Berry (1985). Later in 1991, Parasuraman, Zeithaml, and Berry introduced the well-known five dimensions in the SERVQUAL model. Five key dimensions of service quality consist of tangible, responsiveness, reliability, assurance, and empathy. As for the telecommunication industry, the SERVQUAL model has been developed and adjusted to suit this sector (Park, Robertson, & Wu, 2004; Zeithaml, 1988, Thanabordeekij, 2018). The key dimensions of service quality in this study are listed as follows:

1) Tangibles are the dimension that refers to the physical facilities, network quality and coverage, appearance of staff, and communication materials in the service process.

2) Responsiveness can be defined as the willingness to provide timely and efficient service for customers. This dimension is associated with the employees' ability and attitude to promptly and attentively solve requests, questions, and customer complaints.

3) Reliability is related to the ability to deliver service dependably and accurately. The reliability of ABC operator involves on-time performance, dependable service, understand customer needs, and keep accurate records of their customers.

4) Assurance could be explained by the ability to convey trust and confidence to customers, such as knowledge and competencies to answer questions. This dimension means a customer can perceive the courtesy and credibility of staff.

5) Empathy is associated with the treatment that is individualized care and attention provided to a customer, such as personalized attention, the staff understands needs of customers. Empathy is regarded as a significant factor in the competitive market of mobile operators.

Gaps in Service

The SERVQUAL model focuses on five gaps (figure 1): 1) Gap between the expectation of client and perception of management; 2) Gap between the perception of management and service quality specification; 3) Gap between the specification of quality and delivery of service; 4) Gap between the delivery of service and external communication; and 5) Gap between perceived and expected service. This study focuses on Gap 5: the difference between customer expectations and perceptions of the services. This is the only gap that can be studied exclusively on the data from the customer.

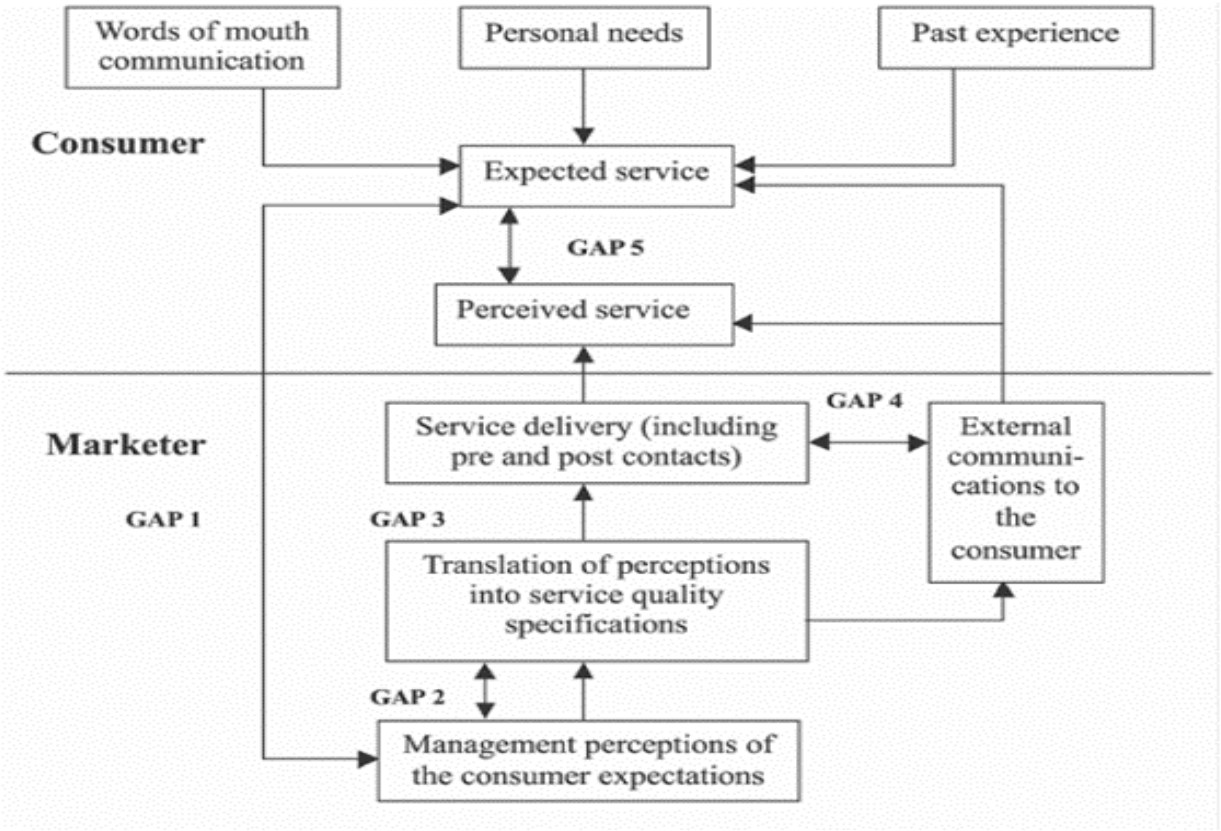

Figure 1 Service Quality Gaps

Source: Parasuraman, Zeithaml, & Berry (1985)

Methodology

Both quantitative and qualitative approaches were used in this study. The target population of this study was the current subscribers of ABC mobile operator in Bangkok, Thailand. Convenience sampling was employed. The questionnaires were distributed in front of the ABC operator shops. Respondents would be randomly asked to fill the survey in the presence of a researcher who provided explanations and information if necessary. All questionnaires were anonymous in order to obtain possibly the most spontaneous and valid answers. A total of 550 samples were distributed; 445 surveys returned by respondents could be included in the database, giving a response rate of 80 percent. A semi-structured interview was conducted with six current volunteer customers of ABC operator. The detailed information of this study was presented to all participants.

The questionnaire for the main study contains three parts: a screening question to ensure that respondents were ABC operator's current customers, followed by seven items in the demographic information section and the research framework section. In the research framework part, a total of 22 scale items were used to measure the five variables (four scale items on tangibility, responsiveness, and assurance dimension; five scale items on reliability and empathy). The measuring scale was a five-point Likert response scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

Results of the Study

The demographic profile comprises gender, age, length of subscription, and type of service (prepaid/postpaid). The collected sample consists of 48.8% males and 51.2% females, which is considered equally distributed in gender. The majority of respondents, 23.80% are between 18 and 30 years old, 48.50% are in the range of 31 to 40 years old, 21.80% are in the range of 41 to 50 years old, and 5.80% are over 50 years old; 55.00% of respondents are the subscriber of ABC operator for over four years; 49.00% of respondents are prepaid subscribers, and 51% are postpaid subscribers.

Table 2 Paired sample t-test of service quality

SERVQUAL factor	Mean (expectation)	Mean (perception)	Gap (p-e)	t-test	Sig.
Tangible	3.667	3.550	-0.124	4.010	0.000*
TAN1	3.557	3.413	-0.144	3.885	.000*
TAN2	3.564	3.463	-0.101	2.743	.006*
TAN3	3.769	3.636	-0.133	3.502	.001*
TAN4	3.688	3.804	0.117	3.083	.002*
Cronbach's alpha	0.843	0.870			
Reliability	3.703	3.660	-0.043	1.396	0.164
REL1	3.357	3.371	0.013	-0.352	.725
REL2	3.515	3.539	0.025	-0.610	.542
REL3	4.079	3.989	-0.090	1.967	.050*
REL4	3.652	3.622	-0.029	0.725	.469
REL5	3.912	3.778	-0.135	3.718	.000*
Cronbach's alpha	0.785	0.816			
Responsiveness	3.582	3.708	0.126	3.278	0.001*
RES1	3.744	3.865	0.121	2.685	.008*
RES2	3.529	3.735	0.146	3.281	.001*
RES3	3.591	3.703	0.112	2.502	.013*
RES4	3.404	3.528	0.124	2.936	.004*
Cronbach's alpha	0.909	0.895			
Assurance	3.581	3.601	0.020	0.493	0.622
ASR1	3.535	3.744	0.209	3.744	.000*
ASR2	3.652	3.589	-0.063	1.105	.270
ASR3	3.672	3.591	-0.081	0.655	.513
ASR4	3.465	3.404	-0.061	0.607	.544
Cronbach's alpha	0.843	0.884			
Empathy	3.782	3.711	-0.071	2.245	0.025*
EMP1	3.921	3.845	-0.076	2.133	.033*
EMP2	3.746	3.618	-0.128	3.215	.001*
EMP3	3.710	3.679	-0.031	0.830	.407
EMP4	3.782	3.726	-0.056	1.462	.144
EMP5	3.748	3.688	-0.061	1.524	.128
Cronbach's alpha	0.879	0.898			
Note: *p < 0.01,**p < 0.05					

Source: Author's calculation

The Analysis of Service Quality Gap

Table 2 shows that Cronbach's alpha values are from 0.785 to 0.909 for all variables. Many previous studies suggest that Cronbach's alpha values must be above 0.7 and could prove the scales have internal consistency (DeVellis, 2012; Hair et al., 2009; Kline, 2015). Thus, all constructs of this study were accepted for internal consistency. The mean scores of customer expectations and perceptions ranged from 3.357 to 4.079 for expectation and 3.371 to 3.989 for perceptions. The results indicated that the highest gaps were in between customer expectations and perceptions on the "Responsiveness" dimension, whereas the lowest gaps were on the "Assurance" dimension. However, the customer perceptions were higher than expectations on the "Responsiveness," and the "Assurance" dimension as the gaps showed a positive value of 0.126 and 0.020, respectively. The gaps were tested by paired samples t-test. Based on the results shown in Table 3, the researcher separated the service factors into three types of gap to measure customers' satisfaction as proposed by Chang and Chang (2009) and Thanabordeekij (2018); (1) indifference quality, (2) ideal quality, and (3) undesirable quality.

Table 3 Service Quality Gap for XYZ fitness

Service Quality Gap		**Key Service Items of ABC operator**
Indifference Quality Gap (Expectation = Perception)	REL1	ABC operator's staffs always stick to their words and serve customers based on the special offers on the application date.
	REL2	ABC operator' staffs perform the service right the first time.
	REL4	ABC operator always insists on error-free records.
	ASR2	ABC operator's staffs have the knowledge to answer your questions.
	ASR3	The behavior of staff in ABC operator instills confidence in you.
	ASR4	You feel safe regarding your privacy while using the service from ABC operator.
	EMP3	ABC operator has operating hours convenient to all their customers.
	EMP4	ABC operator has staff who give you personal attention.
	EMP5	ABC operator's staffs understand the specific needs of their customers.
Ideal Quality Gap (Expectation < Perception)	TAN4	The design of ABC's service centers is striking.
	RES1	ABC operator's staff handle your problems immediately.
	RES2	ABC operator's staffs are eager to listen and solve problems.
	RES3	ABC operator's staffs pay attention to your concerns and understand your problems.
	RES4	ABC operator's staff have never been too busy to respond to your concern.
	ASR1	ABC operator's staffs are consistently courteous.

Table 3 Service Quality Gap for XYZ fitness (CON.)

Service Quality Gap		Key Service Items of ABC operator
Undesirable Quality Gap (Expectation > Perception)	TAN1	ABC operator has good mobile internet speed.
	TAN2	ABC operator has good network coverages.
	TAN3	ABC operator provides a variety of mobile packages.
	REL3	When you have a problem, ABC operator's staffs show a sincere interest in solving it.
	REL5	ABC operator is reliable in providing service to you.
	EMP1	ABC operator staff provide personalized service for you.
	EMP2	ABC operator staff has attention to provide the best service for you.

According to the ideal quality gap, there were six service items that ABC operator should continue to maintain its service level. One of the customers told the researcher that "What I like about ABC is the shop's design. It is very nice looking. Also, the staff handles my problem immediately. For example, I expressed my concern that I mistakenly ordered an extra internet package, and it was a charge on my bill to the customer service staff. The staff immediately took care of that concern". "Staff pays attention to my concern regarding the monthly plan. I cannot decide whether I should have more minutes and less internet, vise versa. One of the staff went over my bills over the past few months and suggested a proper plan to fit my lifestyle", commented one of the customers.

There were seven unacceptable service items as indicated in the undesirable quality gap. One of the customers told the researcher that "The mobile internet speed is not quite stable. There are many times in a day that I could not Youtube at 720P. I have to dial it down to 240P" . "My work required me to do lots of travels. I was unable to connect to the 4G network in some areas. That is the reason for me to have two mobile phones from different operators", as mentioned by one member. Therefore, these service items need to be improved to customer satisfaction.

Last but not least, the service items of indifference quality gap were those that were insignificant after statistical analysis. However, ABC operators should closely observe and improve service quality in pursuance of satisfying the customers.

Conclusion

The main goal of the study was to 1) identify the gaps and differences between customer expectations and perceptions on service quality of ABC operators; 2) determine the relative importance attributed to five dimensions of SEVQUAL (tangible, responsiveness, reliability, assurance, empathy) proposed by Parasuraman, Zeithaml, and Berry (1991). The gaps of service quality items were separated into three types, namely, 1) indifferent satisfactory gap, 2) ideal quality gap, and 3) undesirable quality gap. This study found four service items in the ideal quality gap (member perception is significantly greater than expectation). The results suggest that the management of ABC operators has to continue with current service levels to maintain customer satisfaction. Also, seven service quality items fall into the "unacceptable quality gap". These items need to be improved in the interest of management to enhance customers' satisfaction. In responding to closing the gap, the management should focus on improving

network speed, increasing coverage areas, offering more choices of a mobile plan, and monthly staff training to improve inter-personal service quality. For service quality items in the "indifferent satisfactory gap", it could be an opportunity for management to enhance customers' satisfaction by improving these service quality items.

Thus, this study would enable ABC operators to identify service quality dimensions influencing their customers' satisfaction. This helpful information could be used to improve service and design better customer service strategies, possibly making XYZ Fitness more competitive.

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