

A Study On Customer Satisfaction Towards Airtel Money (A Newly Launched Scheme Of Airtel) And Its Impact On Customer Loyalty Among The Airtel Customers Of Thiruvananthapuram District

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Abstract: Any market is driven by customers who drive the success of a business. Product or service, a satisfied customer plays a key role in the making or breaking of the product/ service. Hence it is very important to keep the customers satisfied so as to reap the multiple benefits of the satisfied customer. A satisfied customer will not only come back for repeat purchases but also bring in more customers through his influence.

In the wake of rapid technological changes, it is very important to get the pulse of the customer so as to keep pace with the changing customer needs and to keep them not only satisfied but delighted. The current study is an attempt to study the satisfaction of customers towards Airtel money, a service newly launched by Airtel and its impact on loyalty of customers.

I. Introduction

Indian telecom industry has undergone rapid changes in the recent years. The companies that are a part of the industry are struggling to keep foot in the market by using many techniques like introduction of new schemes, products, services etc., apart from attempting to understand the changing needs of the customer and catering to them. One such service extended by Bharthi Airtel is Airtel money, which can be used to a wide range of utilities like paying bills, online shopping, etc using an app downloaded in the mobile. Apart from serving as an easy alternative cash/card payment options. Airtel money also offers customers the convenience of instant money transfer from an Airtel money wallet to another Airtel money wallet and bank account.

Introduction of new products/ services is but only a first step. More important is to understand whether the product/ service is received well by customers, whether they are satisfied with it and more importantly, whether they will act as ambassadors for the product/ service so as to gain a good mileage in the market. This can be understood by measuring the satisfaction of the customers as well as their intention to propagate it to their contacts.

Customer satisfaction is, thus, a very important and most looked forward by the organizations. The same features and services which created satisfaction among customer cease to create satisfaction over a period of time or until a competitor introduces a new one. Thus, it is important to keep pace with the customers, understanding their changing needs and satisfaction from time to time.

In the present study, a sample of 426 respondents were surveyed to find out their level of satisfaction towards Airtel money on different dimensions like the features of Airtel money and customer service. The intention of the customers to recommend the services to others was also measured.

The objective of the study is to test the impact of customer satisfaction on customer loyalty with respect to Bharthi Airtel among the airtel customers of Trivandrum district.

The study is extended to airtel customers of Trivandrum. The study is an inquiry into the awareness of airtel money services among the customers and the customer satisfaction on the various airtel money services and loyalty towards airtel money services. The study was carried out from 1st May to 30th June 2015.

II. Limitations Of The Study

The study has been conducted only in Thiruvananthapuram city. Hence the result of the study may not be applicable to other places. The sample representation may also pose challenges in generalizing the results of the study.

III. Literature Review

The need for achieving customer satisfaction is increasing day by day the reason is obvious. Modern world is competitive and consumers occupy a pivotal position. All business activities are directed towards the consumer in such a manner that the customer satisfaction can be achieved. In the modern world, products are produced and services are rendered as per the taste, requirements and needs of the target customer. Otherwise, goods/services will be left unsold.

Drucker (1954) underpinned that the principle purpose of a business is to create satisfied customers. According to Oliver (1980), "Customer satisfaction is generally described as the full meeting of one's expectations". The most dominant theory of customer satisfaction is the expectancy disconfirmation model (Oliver, 1980). According to this theory, "satisfaction outcomes are a function of perceived performance and perceived disconfirmation. Perceived disconfirmation depends on perceived performance and standard for comparison. Standards of comparison may include expectations, ideals, competitors, other service categories, marketer promises and industry norms. If perceived performance is significantly worse than the comparison standard (more than the customer is indifferent to), a customer will experience negative disconfirmation (service did not meet the comparison standard). It does not matter how the service provider believed the service was performed". It is especially important for managers of business services to recognize negative disconfirmation, as it presents the largest threat to customer loyalty, word-of-mouth recommendation, repeat purchases, and other desirable customer responses.

Fornell and Wernerfelt (1987) concluded that it is better for a company to spend resources in order to keep existing customers than to attract new ones. Attracting new customers means expenditure in advertising and promotion and at the beginning of the relationship a compromise with profitability.

Reichheld and Sasser (1990) argued that retention of customers have a strong impact on a company's results. File & Prince (1992) identified a strong impact of customer satisfaction to recommendation of potential customers. They stated that satisfied customers are likely to communicate to others their good experience and through this communication they contribute to the word of mouth advertising. Fornell (1992) defined customer satisfaction as an overall evaluation of the total purchase experience compared with pre-purchase expectations over time. Ewing (2000) underpinned that the higher the customer's intention to purchase a brand, the higher will be his willingness to make a referral of a potential customer to that brand.

Customer satisfaction consists of post-consumption judgment concerning product or service quality, given pre-consumption expectations (Kotler 1991). The customer satisfaction-customer loyalty association is one of the most vital relationships for marketing theory and practice, due to the marketing effectiveness that these metrics summarize (Fornell 1992; Reichheld and Sasser 1990) and their implications for firms' current and future product marketplace and financial performance (Fornell 1992).

Anderson and Sullivan (1993) specify satisfaction as a function of perceived quality and "disconfirmation". In the extent to which perceived quality fails to match repurchase expectations. Expectations in their model do not directly affect satisfaction.

Johnson et al. (1995) argue that customer satisfaction is a cumulative construct that is affected by market expectations and performance perceptions in any given period, and is also affected by past satisfaction from period to period.

Rust and Zahorik (1993) suggested a number of ways companies could improve customer satisfaction and thereby increase retention rates that drive profitability. Among these were "training programmes to help personnel to be more responsive to customers, upgraded facilities, better data handling systems, customer survey and newsletters". The authors further suggested that companies with weak customer service cultures may need to change fundamentally the way they do business.

Prus & Randall (1995) describe customer loyalty as "a composite of a number of qualities which is driven by customer satisfaction, also involving a commitment on the part of the customer to make a sustained investment in an ongoing relationship with a brand or company. Finally, customer loyalty is reflected by a combination of attitudes (intention to buy again and/or buy additional products or services from the same company, willingness to recommend the company to others, commitment to the company demonstrated by a resistance to switching to a competitor) and behaviors (repeat purchasing, purchasing more and different products or services from the same company, recommending the company to others)".

Customer satisfaction is typically defined as a post consumption evaluative judgement concerning a specific product or service (Gundersen, Heide and Olsson, 1996). According to Oliver (1980), satisfaction is the result of an evaluative process that contrasts prepurchase expectations with perceptions of performance during

and after the consumption experience and can be quantified and that satisfaction level is a result of the difference between expected and perceived performance. studies by Söderlund, 1998; Kandampully and Suhartanto, 2000; Dimitriades, 2006; Olorunniwo et al., 2006; Chi and Qu, 2008; Faullant et al., 2008 showed that customer satisfaction increases customer loyalty, influences repurchase intentions and leads to positive word-of-mouth

According to East (1997) when customers are satisfied with a particular product or service, are likely to engage in repeat purchase or cross-purchase. Taylor & Baker (1994) stated that customer satisfaction has a direct impact in the formation of future purchase intentions. Oliver (1999) regarded satisfaction as a fulfillment judgment, focused on a product or service, which is evaluated for one time or repeated consumption.

Bloemer et al. (1998) supported the notion that repeat purchasing or visiting sequence, as a method for measuring loyalty, must not be the only factor for assessing loyalty. For instance the low degree of repurchasing could mean that the customers do not need any other products (i.e. mortgage loan) or that the variety of products can not satisfy their needs. Of course this factor is very important but it is not the only one needed to be analyzed.

Karatepe & Ekiz (2004) argued that unresolved problems may lead to permanent loss of customers and negative word-of-mouth. Empirical research conducted by authors like Bodgett & Anderson (2000) and Maxham & Netemeyer (2002) proved that satisfied complainants tend to have the intention to repurchase, to recommend new customers and feel, in general, satisfied from the entire organization.

Nikolopoulou (2006) wrote that the notions of customer service and customer satisfaction are connected with effective complaints handling. It must be clarified first to shareholders and then to the personnel, that complaints are not “troubles” or “threats” but must be perceived as “gifts”. When this “gift” is used properly it can add value to the company and improve the general image of the organization. Politeness, promptness and smiling are necessary characteristics of the employees who serve customers or who deal with customers complaints. Despite the fact that these characteristics do not cost anything to the company, they increase a lot the customer satisfaction level and consequently customer loyalty and profitability.

The most important goal that companies follow up is to maintain customer loyal to the firm so they more focus on customer centric approach in their organizational and marketing strategies (Jain and Singh, 2002). Bowen and Chen (2001) said that having satisfied customers is not sufficient, there has to be really satisfied customers. This is because customer satisfaction has to direct to customer loyalty. Sivadas and Baker-Prewitt (2000) said “there is a rising recognition that the last objective of customer satisfaction measurement should be customer loyalty”

Customer satisfaction with business service can be defined with a customer's positive or negative feeling about the value of using a business service in a specific situation. This feeling can be a reaction to an immediate use situation or an overall reaction to a series of use situation experiences (Woodruff, Gardial, 1996).

Satisfaction is therefore related to customer value, Customer value (or client's value) is a perception of what a customer wants to accomplish with a help of a service, in order to reach a desired goal. Woodruff et al. (1997) argue that “customer value describes the nature of the relationship between the firm-customer and the service, while customer satisfaction represents a customer's reaction to the value received from the service. They further stated that value identifies which service dimensions are central for a firm-customer to reach desired goals and how these service dimensions are related to one another and to the firm. Satisfaction, however, captures the customer's response to a particular service - how the customer feels about the service received. While value gives the business service provider a direction, satisfaction gives a report card on how they are doing. Therefore, firm-customers may have value hierarchies before the purchase of service, whereas satisfaction offers a historical perspective. Furthermore, customer value is generic, while satisfaction judgments are specific to a particular service”.

IV. Research Methodology

Descriptive research design has been used for the study. The respondents consisted of persons using Airtel money and were chosen at random from the list of Airtel money customers given by the Company. The sample size was computed using www.surveysystem.com. For 95 percentage confidence level, 5 percentage confidence interval and infinite population, the sample size required is 384. Considering response rate and completeness of filled in questionnaires, 500 questionnaires were distributed to respondents. About 426 complete responses were received, making a sample size of 426 respondents.

The questionnaire in this study included closed – end nominal scale questions to measure the demographic profile of the respondents and target questions in likert scale, where the respondents had to make their response in a 5 point scale varying from —Strongly disagree to —Strongly agree. The contents of the questionnaire was designed to collect data on the demographic profile of the respondents and the satisfaction of respondents about the usage of Airtel money and their intention to continue using the Airtel money services and recommend other to use Airtel money services. The target questions consisted of 9 items to measure satisfaction of different services and 5 items to measure the loyalty of customers.

The data was collected through the questionnaire using direct survey method. Frequency analysis is used to understand the demographic profile of the respondents, mean perception score was used to identify the perception of the respondents about the satisfaction on usage of various Airtel money services. Regression analysis is used to test the impact of customer satisfaction on customer loyalty.

V. Data Analysis And Interpretation

The items were subject to reliability analysis and the Cronbach’s Alpha was found to be 0.78, which shows that the instrument is reliable.

Demographic Profile

The respondent mix consisted of 60 percent males and the rest females; 39 percent in the age group of below 25, 29 percent in the age group of 26 to 35, 7 percent in the age group of 36 to 45 and the rest 2 percent in the age group of above 45 years. 66 percent were married while 34 percent were unmarried.

46 percent of the respondents were users of Airtel for more than 2 years, 21 percent were users from 1 to 2 years and 33 percent were using Airtel for less than a year. 54 percent used express account type and 46 percent used power account type.

The overall satisfaction of the customers’ experience on Airtel money was found to be 3.62, for the item: Overall, how satisfied are you with the services of Airtel Money. The loyalty of the customers gave a grand mean score of 3.52.

To test the impact of customer satisfaction on customer loyalty, the items measuring customer satisfaction and that measuring customer loyalty were averaged separately and customer loyalty was regressed on customer satisfaction. The regression analysis was carried out is SPSS 17.0 at 5 percent level of significance.

VI. Results of Regression Analysis

The results of ANOVA indicate whether there is a cause effect relationship between the independent and dependent variables. Table below shows the Model Summary.

Table 1 – Model Summary

Model	R	R Square	Std. Error of the Estimate
1	.740	.547	.736

Source: Primary Data

It can be seen that the correlation between customer satisfaction and customer loyalty is 0.740, which is very high. For a cause effect relationship to exist, ANOVA should be significant.

Table 2 – Results of ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	195.038	1	195.038	360.049	.000
Residual	161.426	498	.542		
Total	356.463	499			

Source: Primary Data

From the above table, the significance value of ANOVA is seen to be 0.000, which is less than 0.05. This suggests that there is a cause effect relationship among customer satisfaction and customer loyalty.

To find out the extent of effect of customer satisfaction on customer loyalty, the table of coefficients was referred to.

Table 3 – Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	Beta	Std. Error	Beta		
(Constant)	-.166	.212		-.786	.433
Customer Satisfaction_Mean	1.223	.064	.740	18.975	.000

Source: Primary Data

Table shows the regression coefficients of the independent variables on the dependent variable. The cause effect relationship is further confirmed if the t-statistic of the independent variable/s is significant at 5 percent significance level. It is seen that customer satisfaction has a t-value of 18.975 and a significance value of 0.000. The standardized coefficient of Customer Satisfaction on Customer Loyalty is found to be 0.740. From this, it can be inferred that customer satisfaction has a significant effect on customer loyalty, to the extent of 74 percentage.

VII. Findings And Implications

The mean score for satisfaction and loyalty is 3.62 and 3.52 respectively. This implies that even though the mean scores are greater than a neutral of 3, there is a gap to reach the satisfaction level of 4. The customers are easily likely to switch over to other similar service providers, which may affect the revenue of Airtel.

The result of regression analysis shows that customer satisfaction has a positive impact on customer loyalty. This can be used by the service providers to take steps to improve the satisfaction of the customers so as to keep them with the product and expand their customer base.

VIII. Suggestions

In the first place, it is very important to keep the customers informed of the products/ services that are being introduced from time to time. This will help the existing customers to explore the product/ service. Making the customers more aware about the service and its benefits is likely to increase the number of customers.

Celebrating special days like “Airtel Money Day” can help the customers to know more about the service.

Providing special payment offers to the customers of Airtel who have activated Airtel money will make customers more loyal to the service.

IX. Scope For Further Study

The present study has been restricted to the geographical area of Thiruvananthapuram and has been restricted to the variables customer satisfaction and customer loyalty. Expanding the geographical base will help to improve the generalizability of the study. Further, including more variables that are antecedents to customer loyalty and consequences of customer satisfaction as well as customer loyalty will help to get a holistic view of the customer expectations and benefits for the organization.

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