Factors Affecting Customer Experience in Telecommunication Services and its Importance on Brand Equity: A Study on Telecommunication Companies in Bangladesh

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Abstract
Customer experience is a term that includes total incident of a customer with a service and service provider and finally consider the durability of relationship of that customer with the service provider. On the other hand brand equity is the value of a well known brand. This research study attempted to find out the factors that have a significance influence on customer experience in telecommunication services and finally the impact over brand equity. To begin with the factors are identified through literature review and current context of Bangladesh. Five factors were found and a quantitative research was done. After developing a questionnaire, survey was conducted among 100 respondents. The outcome of the research is that three out of five factors (core service, product variation and promotion) have significant influence on customer experience. The study concluded that customer experience significantly affected by core activities of telecommunication services like network, promotion and product variety.

Keywords: Customer Experience, Brand Equity. Core Service, Promotion, Product Variety, Customer Service, Quantitative Research.

1.0 Introduction:
Telecommunication is such a process that reduces human effort and now people can easily communicate with others through this technology. In Bangladesh, we have over 105.051 million (June, 2013) mobile phone subscribers and compare to potential users Bangladesh have limited telecommunication service provider. However, customer experience is a term that directly interrelated to service, service provider and long term customer relationship. This research is all about identifying those factors that can affect the customer experience and also to find out the importance of customer experience on brand equity. Customer experience is a very consideration for both customer and company. It also considers the durability of relationship between them. Building good customer experience is a multipart project that includes strategy, combination of technology, business models, brand management and CEO comments (Jeananne Rae, 2006). Therefore, the success of a company is based on creating distinctive customer experience for their customers (Michelli 2007). In our research, we have distinguished major elements which have direct affect on customer experience. In the perspective of Bangladesh we have considered network (as core service), product variation, campaign and promotional activities; value added service and finally customer service as major factors or elements of customer experience. Customer experience is variable with its elements and the importance of these elements varies customer wise. Therefore, the Primary objective is to run a reliability test for identified factors and to evaluate data and to draw a relationship with customer experience and brand equity. Finally, this research ends up with some recommendations.
2.0 Literature Review:

For any company in telecommunication business, profit margin and long term customer relationship are the main focus. To establish a long term relationship it is always important to provide a positive customer experience to the customer and finally to create a brand loyalty to their mindset. To begin with, customer experience is such a term that customers avail from a product or service and if it is positive then it adds values to the brand. According to Jessica Sebor (2008) loyalty is now determined mostly by a company’s by relations with its customers and how well it can distribute customers’ needs and wants. However, to provide a positive customer experience a company also needs quality employees and updated technologies. As per, (Allen, James, R., Frederick F, H., & Barney, 2005) a company needs to teach, train and develop in order to keep up with the stable demand of providing an outstanding customer experience. Based on experts review and definitions, we can find some determinants of customer experience such as network as core service; value added service as supplementary option and product variation as complementary factor.

On the other hand, using mobile phone causes some cost and as a low involvement product it has a serious impact on customer experience. However, changing SIM (Subscriber Identification Module) card or switching operator may not be so difficult or costly for customer but it can be boundless loss for a company. Therefore, pricing for availing telecommunication service is a crucial factor for both customer and company. Along with that, promotion and Customer Service are the stimulating factors that stimulate customers’ interest to use a specific operator and also to hold customer for long term purpose. Promotion is the way of influencing customer where as customer service is the way to delight customer with excellent service on their query, request or complaint.

According to Adam Richardson (2010), customer experience is how customers engage with company and brand throughout the entire arc of being a customer. In that case, during this time frame a company can give positive customer experience towards their customers’ by providing a considerable pricing, distinctive network, flexible product variation, appropriate customer service and last but not the least value added service.

To provide a quality customer experience a company also need well skilled employees. A company needs to teach, train and develop in order to keep up with the stable demand of providing an outstanding customer experience (Allen, James, R., Frederick F, H., & Barney, 2005). However, for a company it is also important to a proper value chain process to establish a long term customer relationship. According to McFarland (2010), customer experience is how customer perceives their interaction with the company. Here, company includes employee, processes, products and services. Customer experience is a journey and it includes many touch point and life stages which are important to both customer and company (Leonard Kile, 2013). So if day by day a company can develop itself with all resources then it can also build up good customer experience accordingly. In this case, the existence of other customers has also an impact on one’s own experience (Grove and Fisk, 1997). Besides, according to Arnould and Price (1993), Ritchins (1997), for some customers’ customer experience is related to early consumption that includes some experimental effects. Based on this definition, recently in Bangladesh telecommunication companies have opened a new department named customer service. The objective of this department is to reduce negative experimental effects of customers and to assist them or make them user friendly with relative difficulties. This is also a enthusiastic tool for any company to capture their customer insights and a way to promote their brand and giving value to customer with proactive information. As per (Richardson, A. 2010) customer experience can be modified by individual insights, emotions and behaviors. On the other hand, customer experience management is the route of understanding and managing customer’s connections with and the perception about the company or brand (Bob Hayes, 2011) and it can be the broadest and warm way of looking over the customers and their role in the success of an organization Lynn Hunsaker, 2010). A company can provide superior service through call center also and in that case it becomes easier for company to measure the customer satisfaction index (CSI) through the agent who are serving over phone. However, customer experience is an individual interface of the service process that influence him or her feelings (Csikszentmihalyi, 2000; Ding et al., 2010; Johnston and Clark, 2008; Pullman and Gross, 2004; Shaw and Ivens, 2002). A proper management process and utilization of marketing tool can influence customer feelings and finally ends up with less complaint. Through quality, successful promotion, cost effectiveness and even through a representative a company can grab customer feelings and can establish a brand into their mind ladder. Finally, customers can become devoted customer if company can offers someone who can understand their journey and that company can lead them through customer experience (Williams, C., 2009).
In the context of brand equity, we all can say it is the value of a well known brand that can generate more profit. In Bangladesh number of telecommunication service provider is limited. According to Bangladesh Telecommunication Regulatory Commission (BTRC) Grameenphone is the market leader with 44.6 % market share followed by Banglalink (27.3%), Robi (23.7%), Airtel (7.8%), Teletalk (1.9%) and Citycell (1.3%). Based on the market share we can easily get raw idea about brand value of every company and their profit margin. However, branding is the indicator of the producer of their branded products and later become a quality indicator for products (Farquhar, 1989). In other way, brand is a management tools that especially add value to the companies and the development goes to hand in hand with the paradigm change in marketing (Rust, Zeithaml & Lemon, 2000; Vargo and Lusch, 2004). In Bangladesh, it is a challenge to provide service quality, service availability and service affordability towards the large target audiences’. Here, brand equity work as an emotional and unique factor for every telecommunication company. According to, Keller (2003) Brand equity is the set of links and behaviors on the part of the brand’s customers, channel members and parent corporations that allows the brand to earn greater volume or greater margins and which gives the brand a powerful, sustainable and distinguished advantage over competitors. Moreover, we can say strong value chain system and controlled management is also a vital factor to establish brand equity in the market. So brand equity become the summation of all accumulated attitudes and behavior of customers and external value chain which in long run enhance future profit and cash flow (Srivastava and Shocker, 1991). Once we put emotion brand equity comes to a total value of a brand, strength of customer’s attachment to a brand and the beliefs the customer has towards the brand (Feldwick, 1996). In advance, brand equity increases possibility of brand choice, lead to brand loyalty and protect the brand from competitive threats (Pitta and Katsanis, 1995). Finally, brand equity become an asset along with liabilities which is linked to a brand and its symbol and also add values towards customers (Aaker, 1991).

Customer experience and brand equity are positively interrelated and these two factors is proportional to each other. customer experience is the customers’ engagement with company and brand throughout the entire arc of being a customer (Adam Richardson, 2010) and it plays important role and it is a driver of brand equity (Rondeau, 2005; Kimpakorn and Tocquer, 2010). Last but not the least, customer experience is not only about an interaction with service provider but also thinking and feelings towards the brand and the strength of relationship with the brand (XU and Chan, 2010; Berry and Carbne, 2007; Brakus et al., 2009).

3.0 Conceptual Framework:
A conceptual framework has been developed (Figure 1) that is one of the relative construct of this study.

4.0 Hypotheses Development:
Based on research question following hypotheses has been developed for the study-
\[ H_{1e} \] Core service affects customer experience.
\[ H_{2e} \] Product variations have influence on customer experience.
\[ H_{3e} \] Customer service has direct impact over customer experience.
\[ H_{4e} \] Campaign and promotional activities determine customer experience.
\[ H_{5e} \] Value added service has impact over customer experience.

5.0 Research Methodology:
The type of research used in this article is of descriptive nature and in other way it is a quantitative research. Through this descriptive research, the article wanted to establish an explanation of questions regarding customer experience and its impact on brand equity. It also involves collecting information and according to Fink (1995) and Sommer & Sommer (1996) it explains people thought and behavior on the topic. Telephone and online survey and sampling method was used for data collection and analysis and secondary data was there as a support tool.
A total of 100 sample size considered to be sufficient for my study. Each and every response is checked thoroughly for incomplete and missing response. A total 29 questions questionnaire has been made for my study and it contains some demographic information along with 24 questions in independent and dependent variable sectors. Table 1 gives a proper summary of demographic information. The chosen independent variables are: core service, product variety, customer service, promotional activities and value added service. Finally, a five point Likert scale (1= Strongly Disagree to 5= Strongly Agree) was used to collect data from the respondents. The questionnaire was outlined in English and understandable. Reliability analysis was done to classify the reliability of my study. Beside this, regression analysis, hypothesis testing was done for a proper justification and to draw an appropriate recommendation in my study.

6.0 Data Analysis and Findings:
6.1 Demographic Data Analysis
Our study contains 58% male respondent and 42% female respondent (Table 1). Among them 87% respondent’s age is in between 21-30 years and rest of 8% respondents belongs to 31-40 years of age and rest 5% respondents are from 10-20 years of age. However, 67% respondents are job holder where as 32% respondents are student and only 1% respondent is businessman. Among them 36% respondents has over 40000 taka as monthly income in where 21% and 20% goes to 30000 to less than 40000 and 5000 to 15000 monthly income category. Beside this, there is 23% respondent who has 15000 to less than 30000 taka per month income category. Last but not the least; we have mentioned overall percentage of respondent regarding mobile operator usability. Based on survey, we found that 64% respondents use Grameenphone network and then 16% use Airtel. However, only 11 % and 9% respondent use Banglalink and Robi network.

6.2 Secondary Data Analysis
6.2.1 Reliability Testing
A reliability analysis is frequently used to identify the internal stability of the variables. However, Cronbach’s alpha is usually used to test the reliability and the range of alpha coefficient value is in between 0 to 1. The higher value indicates the higher reliability (Hair, et al., 1992). A value more than .70 is significantly good measure for sufficient scale of reliability (Cronbach, 1951, Nunnally, 1987). In our study reliability value is 0.692 (Table 2) which is acceptable value. Therefore, 69.20% of data are reliable in my study. This reliable analysis has been done for all dependent and independent variables. Besides, this reliability test contains 24 items based on which we make our hypothesis test.

6.2.2 Hypotheses Testing:
To carry out the hypothesis test a regression analysis has been done and five factors have been considered which has affects on customer experience. However, Table 5 shows the detail of the influence of independent variable over dependent variable.
First hypothesis was \( H_1 \). Core service affects customer experience. According to the analysis, the significance value for the hypothesis is 0.001, which is less than level of significance \( \alpha = 0.05 \). So, null hypothesis is rejected and \( H_1 \) is accepted. Second hypothesis was \( H_2 \). Product variations have influence on customer experience. Based on analysis, the significance value for the hypothesis is 0.045, which is also less than level of significance \( \alpha = 0.05 \). So, null hypothesis is rejected and \( H_2 \) is accepted. Third hypothesis was \( H_3 \). Customer service has direct impact over customer experience. In this case, the significance value for the hypothesis is 0.545 which is higher than level of significance \( \alpha = 0.05 \). So, null hypothesis is accepted and \( H_3 \) is rejected. Our fourth hypothesis was \( H_4 \). Campaign and promotional activities determine customer experience. Here, the significance value for the hypothesis is 0.002, which is less than level of significance \( \alpha = 0.05 \). So, null hypothesis is rejected and \( H_4 \) is accepted. Final hypothesis was \( H_5 \). Value added service has impact over customer experience. According to the analysis, the significance value for the hypothesis is 0.925, which is greater than level of significance \( \alpha = 0.05 \). So, null hypothesis is accepted and \( H_5 \) is rejected.
6.2.3 Regression Analysis:
From the regression analysis (Table 3), I found the R square value to be 0.228 meaning only 22.8% of the variability of the customer experience in Telecommunication Companies in Bangladesh can be explained by these five independent factors. In this case the independent variables are core service, product variations, customer service, promotional activities and campaign and value added services. From the ANOVA table we see that the significance value is 0.000 (Table 4), thus proving that the model is valid and significant. However, among five factors three of them (core service, product variety and promotion) have positive and significance influence on customer experience. Other two factors (customer service and value added services) has no significance impact on quality of work life. Probably, respondents have given less importance on these.

6.3 Limitation:
This research study has some limitation. Since the survey was conducted on questionnaire therefore it was a great challenge to ensure the actual validity of the response. In some cases, the topics were not understood by the respondents who have minimal idea about customer experience. Respondents are selected only from Dhaka city; therefore this research does not reflect the perception of customers of all over Bangladesh. However disinclination of respondents was another limitation of my study. Moreover, R Square (0.228) is somehow very low which means that other factors can also influence the customer experience.

7.0 Conclusion and Recommendation:
This research study is tried to scrutinize the factors that have an impact on customer experience in Telecommunication Company and its importance on brand equity. Five factors have been chosen and these are core service, product variations, customer service, promotional activities and value added services. The result of the research indicates that three out of five factors (core service, product variations and promotional activities and campaign) have significant weight on customer experience and the remaining factors (customer service and value added services) have no significant influence on customer experience.

From the finding, it can be recommended that customer experience terms mainly belong to core activities of telecommunication service such as network, promotional activities and product variety. Network is a basic priority where as promotional activities are stimulus which can influence customers emotionally and logically. Besides, product variation is a customized way in where customers are allowed to choose the best option for them on the basis of pricing and benefits. However, though all these factors are important to enrich brand equity but customer service and value added service may also become the raising factors in future. Finally, to hold a long term relationship with customers in a delighted way, these two factors can be key indicator along with other factors (network, promotion and product variety).
References:


Figure 1: A Conceptual frame work of Factors Affecting Customer Experience and its Impact on Brand Equity

![Conceptual Framework Diagram]

Table 1: Demographic Profile of Respondent

<table>
<thead>
<tr>
<th>Telecommunication Operator Usability</th>
<th>Grameenphone</th>
<th>ROBI</th>
<th>Banglalink</th>
<th>Airtel</th>
<th>Teletalk</th>
<th>Citycell</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>64%</td>
<td>9%</td>
<td>11%</td>
<td>16%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>(%)</th>
<th>Age</th>
<th>(%)</th>
<th>Occupation</th>
<th>(%)</th>
<th>Household Income</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>58%</td>
<td>10-20 Years</td>
<td>5%</td>
<td>Job Holder</td>
<td>67%</td>
<td>40000 and above</td>
<td>36%</td>
</tr>
<tr>
<td>Female</td>
<td>42%</td>
<td>21-30 Years</td>
<td>87%</td>
<td>Student</td>
<td>32%</td>
<td>30000 to less than 40000</td>
<td>21%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>31-40 Years</td>
<td>8%</td>
<td>Business</td>
<td>1%</td>
<td>15000 to less than 30000</td>
<td>23%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5000 to less than 15000</td>
<td>20%</td>
</tr>
</tbody>
</table>
Table 2: Overall Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>Cronbach's Alpha Based on Standardized Items</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.694</td>
<td>.663</td>
<td>24</td>
</tr>
</tbody>
</table>

Table 3: Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.478(a)</td>
<td>.228</td>
<td>.187</td>
<td>.42890</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), VAS, Customer Service, Core Service, Product Variety, Promotion

Table 4: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>5</td>
<td>1.023</td>
<td>5.561</td>
<td>.000(a)</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>94</td>
<td>.184</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>99</td>
<td></td>
<td>5.561</td>
<td>.000(a)</td>
</tr>
</tbody>
</table>

a Predictors: (Constant), VAS, Customer Service, Core Service, Product Variety, Promotion
b Dependent Variable: CEX

Table 5: Hypothesis Testing

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Constant)</td>
<td>3.677</td>
<td>.580</td>
<td>6.342</td>
</tr>
<tr>
<td></td>
<td>Core Service</td>
<td>.368</td>
<td>.109</td>
<td>.326</td>
</tr>
<tr>
<td></td>
<td>Product Variety</td>
<td>.206</td>
<td>.102</td>
<td>.335</td>
</tr>
<tr>
<td></td>
<td>Customer Service</td>
<td>-.049</td>
<td>.081</td>
<td>-.059</td>
</tr>
<tr>
<td></td>
<td>Promotion</td>
<td>-.387</td>
<td>.121</td>
<td>-.538</td>
</tr>
<tr>
<td>1</td>
<td>VAS</td>
<td>.008</td>
<td>.082</td>
<td>.009</td>
</tr>
</tbody>
</table>

a Dependent Variable: CEX