Impact of Perceived Service Quality (PSQ) Elements on Client Satisfaction in Telecommunication Industry with Perceived Corporate Image as Mediator

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Abstract — The main objective of this study is to determine the relationship between various PSQ (Perceived Service Quality) elements and customer satisfaction levels in the telecom business. In terms of customer satisfaction, the Corporate Image factor serves as a mediator between PSQ and CS. The conceptual model and the hypotheses that were drawn from the literature are put forth. Members of the target population telecom businesses were used, and questionnaires were used to collect data. The relationships between PSQ (Perceived Service Quality) and CS (Customer Satisfaction) are mediated by CI (Corporate Image), according to the data analysis results. There was a significant correlation found between customer satisfaction and the PSQ aspects of Tangibles, Reliability, Responsiveness, Assurance, and Empathy. The findings of this study recommend that telecom companies enhance the aspects of their service quality to raise customer satisfaction. Customers will become more loyal as a result, and businesses will be able to hold onto them for longer. A larger sample size may yield a more thorough analysis of this crucial issue.

Keywords — Perceived service quality PSQ, Corporate Image (CI), Telecom, SERVPERF

I. INTRODUCTION

QOS has attracted consideration of specialists past numerous many years. Due to its significance in CS, it has become an important subject. Quality characterized as essential portion of client insight about the help. By satisfying clients' necessities through top notch administration, business firms can hold their clients, as well as augmentation their market share [1]. Telecom industry has been under enormous strain to give quality offers and increment efficiencies. For a really long time, the public area specialist organization has ruled Pakistani telecom industry. However, the market is now highly competitive due to privatization and the emergence of new service providers.

Among other factors QOS has Proven as one of the important factor in increasing customer satisfaction level. Providing high quality service is important as it can contribute to positive image building of the company (Song, Ruan, and Park 2019).The main purpose of providing quality is to meet customer requirements.it also helps company to retain its customers and attract other potential customers .Previous study results also shown that better QOS helps building positive image of the company(Setiadi, Setiadi, and Rahayu 2016).

Although QOS is one of the factor to improve corporate image, it take time to build image of the company. Positive image of the company also helps customer to understand the product and it also reduce uncertainty in customers mind(Adeniji et al. 2014). According to Herbig and Mileicz corporate image is built on company's action and gestures towards customers. corporate image also effects customers

trust towards the company. The main aim of this research is to determine the influence of Perceive QOS element on corporate image by using SERVPERF tool(Setiadi, Setiadi, and Rahayu 2016).

II.   LITERATURE REVIEW

PSQ

PSQ refers to the difference between Promised QOS and Actual QOS. It is also know as degree of difference between expectation and Perception. PSQ is one of the perfect driver for customer satisfaction. Customer satisfaction is one of the key strategic issue in service industry and is mostly customer driven or customer centered industry. The better they understand the customer needs, the more they can satisfy their customers and a satisfied customer can become a loyal customer(Izogo and Ogba 2015). Empirical literature review shows that QOS is reliant on purchasers' needs and desires, it represents whether the dimension of service addresses these desires or needs. As indicated by research, satisfaction is subject to numerous components including responsiveness, quality of tangible facilities, and empathy of staff to customer needs and requests. The accuracy of QOS and consistency to provide information plays an important role in building customer perception (Presbury et al. 2006) .

Majority of researchers believe that quality of service does not depend on a single attribute, it must have different dimensions on which overall quality can be measured. In this context, results of qualitative research (focus group) shows that customer pay little attention to the type of service while comparing QOS of different companies, for example customer does not care about how he gets his TV service but he is more concern about his favorite channel. After decades of work, Researchers developed SERQUAL model which states the five dimensions as tangibles, reliability, responsiveness, assurance, and empathy. It's unique and one of the most efficient tool to measure QOS (Alhaddad 2015). GAPQOS demonstrates discoveries based on exploratory research and it contains in-depth focus group interviews. Parasuraman analyzed the QOS model and proposed a gap model based on the findings of Gronross. According to Parasuraman, PSQ attributes

are Tangibles, Reliability, Responsiveness, Assurance and Empathy (Journal and Gr 2016).

Due to its soundness and remarkable success, researchers prefer to use the SERVPERF scale for surveying QOS. The SERVPERF tool is also a useful research instrument when one is interested in QOS comparisons across service industries (Babic-Hodovic, Arslanagic-Kalajdzic, and Imsirpasic 2017). The SERVPERF technique uses factorial investigation to gauge service performance. A comparison study conducted in 2017 by Beyza Aydin to test difference in outcome using SERQUAL and SERPERF tool. Although results were as at dimensions level, the difference between them was that SERVPERF tool provides detail information about the dimensions and explain which part of dimension is important for customer satisfaction (Aydin(Beyza and Dokuz Eylul University, İzmir 2017) .

Tangibles are defined as physical equipment that are provided by the service provider and they can vary from service to service (D. A. G. A. Anantha Raj A. Arokiasamy 2015). Reliability is service provider 's ability to deliver the guaranteed service flawlessly and within a predefined period. Responsiveness is defined as service provider's ability to respond quickly and promptly. Regardless of whether clients are modest in returning to service provider, responsiveness is one important part of QOS assessment(Brady, Cronin, and Brand 2002). Assurance represents service provider's specialty; Service provider is supposed to be an expert in service they are providing. Sometimes service provider is providing service to its complete specifications, yet customer may not be satisfied and may not feel that service provider cares about it(Abkar 2017). Customer thinks service provider does not give due importance to it. disinterested (Pantouvakis and Chlomoudis n.d.).

CI(Corporate image)

CI is the customer's perception of the service provider and is usually known as buyer's view of service organization. Service provider image relies upon its specialization of quality, cost, interaction with customer, facility, competence and behavior of service provider's employees (Abd-Elrahman AEH (2018) 2018).Researchers defined corporate image repeatedly and used different methods to analyze its concept. Kaller defined corporate image as impression of

company that customer has in its mind and it reflects customer's interaction with company. A brand is said to have positive or negative client-based brand value. Corporate image is based on, company's attributes and it is defined as descriptive features that characterize a service or product (Keller 2013). The meaning of corporate image according to various concepts are different, for example, Fombrun defines CI as the image customer has of an organization through the collection of received messages. Intensive literature review show Kaller's definition more is relatable to corporate image and researchers like Dowling, Kazoleaz, and Kim also agree with Kaller's version of corporate image (Valaei and Rezaei 2016).Many Researchers defined corporate image difficult to measure as most of the parameters are intangible in nature. corporate image usually represents overall experience and reputation of the company(Adeniji et al. 2014). Customer asses his or her experience and nature of interaction with the company. Customer combine interaction, Product used , reputation and marketing values while building

an image of the company(Tang 2007). Result of research shows that corporate image enhances customer loyalty and create trust between Customer and company(Hart and Rosenberger 2004). It is also important that management of the company always consider impact of their decision on corporate image(Moon 2007).

According to intensive research review, PSQ and corporate image are the factors on which service industry depends. Important dimensions of PSQ that work as independent variables are:

- Tangible(Ta).
- Reliability(RI).
- Assurance(AS).
- Responsiveness(RS).
- Empathy(EP).
  Dependable variable:
- Cooperate Image(CI).

Model

Independent variable   Dependent variable
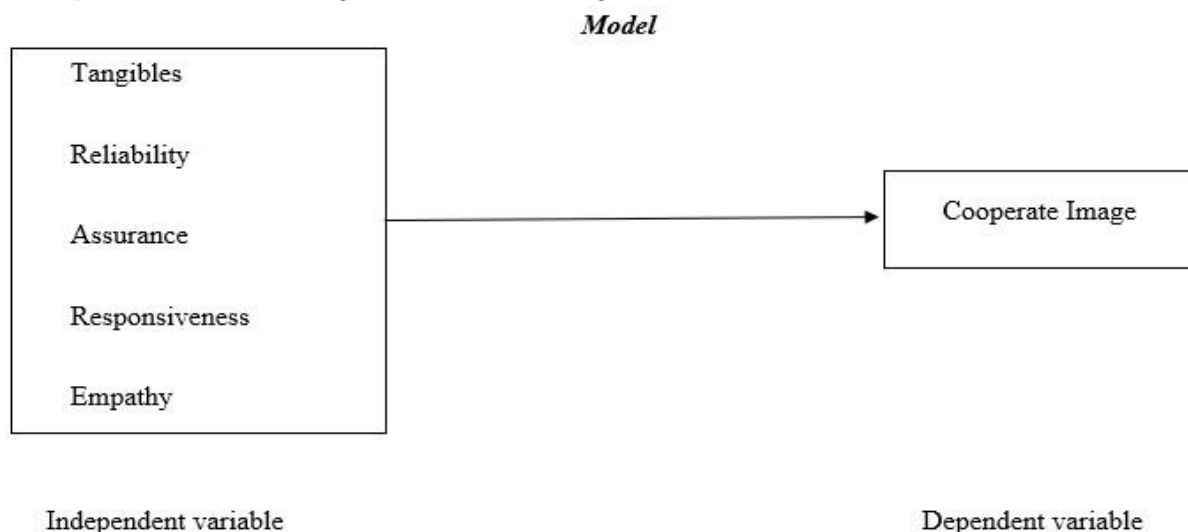
Hypotheses

Tangibles (Ta) has significant impact on Corporate image (CI)

Reliability(RI) has significantly affects Corporate image (CI)

Responsiveness(Rs) has significant impact on Corporate image (CI)

Assurance (As) has significant affects on Corporate image (CI)

Empathy(EP) has significant impact on Corporate image (CI)

III. METHODOLOGY

This is a descriptive study based on quantitative data. The main aim is this study is to explore the factors of

PSQ effecting corporate image. The target population for telecom subscribers residing in Islamabad and Rawalpindi. To collect data customers of telecommunication companies were approached and questioners were distributed to collect data for analysis. convenient sampling technique was used to for sampling as adopted in (Journal, Sciences, and Al 2012), (Negi 2009), (Brady, Cronin, and Brand 2002).SPSS software was used for data analysis. Independent variables are measured using the SERVPERF scale adopted from the study(Taylor and Cronin 2015). Its 5 items are rated on 6-point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (6).and for dependent variable (CI) . items scale adopted from the study(Babic-Hodovic, Arslanagic-Kalajdzic, and Imsirpasic 2017). The items are rated on 6-point Likert scale. (1) represents Strongly Disagree and (6) represents Strongly Agree.

IV.   ANALYSIS & RESULTS DEMOGRAPHICS

Out of 385 questionnaires, 44 were filled online while 265 responses were collected on printed questionnaires. Total 290 questionnaires were considered valid for analysis. The response rate is calculated to be 75.8%.

Gender	Frequency	Percentage
Male	150	51.7%
Female	140	48.3%
Marital status	Frequency	Percentage
Single	202	69.7%
Married	88	30.3%
Age	Frequency	Percentage
21 or less	25	8.6%
21-30	201	69.3%
31-40	59	20.3%
41-50	3	1.0%
60 and above	2	0.7%

Factors loadings

Loading values are above 0.5 and all items were retained for analysis. Test result shows all items load perfectly when executed together.

Iems	Initial	Extraction	Items	Initial	Extraction
Ta1	1.000	0.760	EP1	1.000	0.72
Ta2	1.000	0.752	EP3	1.000	0.70
Ta3	1.000	0.692	EP2	1.000	0.83
Ta4	1.000	0.695	EP4	1.000	0.77
RI1	1.000	0.696	EP5	1.000	0.79
RI2	1.000	0.686	CI1	1.000	0.72
RI3	1.000	0.688	CI2	1.000	0.74
RI4	1.000	0.718	CI3	1.000	0.69
RS1	1.000	0.71	CI4	1.000	0.80
RS2	1.000	0.682	CI5	1.000	0.72
RS3	1.000	0.683			
RS4	1.000	0.720			
RS5	1.000	0.696			

Communalities : Tangibility Ta, Reliability RI, Responsiveness RS, Assurance AS, Empathy EP, Corporate image CI

Cronbach's Alpha:

Cronbach's Alpha is calculated to test the reliability of scale used. As it is evident from the test results that all the values are above 0.6 shows that scale used is reliable.

Scale	Reliability	Number of Items
Ta	**0.73**	**4**
RI	**0.72**	**5**
RS	**0.77**	**4**
AS	**0.71**	**4**
EP	**0.83**	**5**
CI	**0.79**	**5**

Cronbach's Alpha: Tangibility Ta, Reliability RI, Responsiveness RS, Assurance AS, Empathy EP, Corporate image CI.

Correlation Analysis :

Correlation analysis is done to describe the relationship between independent and dependent

variable .Test results shows that all the values are significantly related to each other.

	Ta	RI	Rs	As	EP	CI
Ta	1					
RI	.491**	1				
Rs	.281**	.217**	1			
As	.532**	.515**	.210**	1		
EP	.213**	.213**	.531**	.161**	1	
CI	.401**	.420**	.211**	.319**	.208**	1

Regression Analysis

Regression analysis was done using SPSS software. After establishing significant relationship between independent and dependent variable, Regression analysis was performed. Regression analysis represents the impact of independent and dependent variable Tests results are as follows

Hypothesis	Relationship	Beta	S.E (β)	Significance (P)	T value	Results
H1	Ta ➜ CI	0.318	0.018	0.000	8.375	Supported
H2	RI ➜ CI	0.356	0.102	0.000	11.99	Supported
H3	RS ➜ CI	0.421	0.045	0.012	5.530	Supported
H4	AS ➜ CI	0.124	0.041	0.000	9.976	Supported
H5	EP ➜ CI	0.199	0.048	0.000	6.945	Supported

As the model summary shows, that 31.8% of variation is present in CI because of Tangibility(Ta) . that 35.6% of variations are present in CI because of Reliability (RI). 42.1% of variations are present in CI because of Responsiveness (Rs) . 12.4% of variation is present in CI because of Assurance (As). 19.9% of variations are present in Corporate image because of Empathy (EP).

V.   CONCLUSION

The main aim of the study was to examine the impact of PSQ elements on CI. To validate the model proposed theory was consulted. After that scale were selected to measure the variables. Cronbach alpha test results shows that chosen scale are reliable to perform analysis on. Correlation test showed that items are strongly related to each other. Regression Analysis was done using SPSS and test results shows that Corporate image (CI) is related to all the elements of PSQ. Responsiveness (RS) of service provider have the most significant impact on CI(corporate image). Reliability(RI) of service also have significant impact on Corporate image while Assurance have the lowest impact on Corporate image (CI).

VI.   RECOMMENDATIONS, LIMITATION AND FUTURE RESEARCH

As evident by the findings of test results , all five dimensions of PSQ have significant impact on CI(Corporate image).Telecom companies can improve their corporate image by shifting their focus on these dimensions .It will also contribute the overall and Image of the company .Collected Data and interpretation of findings should be taken with caution because this study used a convenient sampling technique and sample size can not represent the entire population of telecom users. In the same way, Study results cannot be generalized to the entire population because Customer views about PSQ might be different depending on their interaction and experience. The qualification, occupation and usage respondents may also have differential influence on the results. Future research can take an approach of filtering population on the basis of their qualification or occupation. This approach could provide more detailed and comprehensive results. The views of respondents may differ if the population is sorted on the basis of education level or income level.

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