

## **THE DETERMINATION OF CUSTOMER SATISFACTION TOWARDS TELECOMMUNICATION COMPANIES IN KURDISTAN REGION OF IRAQ**

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**ABSTRACT:** *Customer satisfaction is the most important determinant of companies' profitability in market economy. Companies are concerning towards customer needs and expectations. The performance of any business entities relies on the extent in which customers' satisfied. The number of telecommunication companies in Kurdistan Region has increased in the last few years, and each company tries to attract more customers and thus created a competitive environment. To survive in the competitive market economy, the companies need to take customers as the centre of their strategy. This study intends to understand the level of customers satisfaction based on some measurements including price, quality, package and services. The qualitative method of data collection has been used and 100 questionnaire distributed. The study indicated that prices is the most important determinant of customer preference in telecommunication market of Kurdistan Region. This study indicated that lower price service is really a matter for subscribers. Thus, followed by the quality of services provided to them. Customers are also care about the quality of the services they receive. However, the study illustrated that offered packages and security is not a big issue when customers decide to choose their provider. To improve their market share and number of subscribers, the telecommunication companies in Kurdistan Region need to offer a cheaper and better quality services and considering the economic condition of the citizens.*

**KEYWORDS:** Customer Satisfaction, Customer Loyalty, Telecommunication, Quality, Price.

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### **INTRODUCTION**

The satisfaction of the customers must be a priority objective of any business companies. Their very survival is at stake and, on the other hand, customer loyalty depends largely on them, as well as getting them to become ambassadors of the brand. More clearly, the satisfied customer becomes an agent for the company and invites other people to choose that particular company to buy their products or using their services. For that, customer satisfaction should incorporate along with customer loyalty to focus on the large number of customer and success of business (Khadka, 2017). In the globalized world and the emergence of several other companies especially in telecommunication market, has created a highly competitive environment and makes customer satisfaction a difficult challenge. Furthermore, customers are increasingly informed and their level of demand is higher than before. Several studies have revealed the importance of customer satisfaction in business especially in the highly competitive market. Every business deals with customers whether it's individual buyers, or government agencies. So, they need to be targeted in a way their satisfaction could be fulfilled. Customer satisfaction has a great impact on the progress of the business (Suchánek & Králová, 2015), from its profitability with the contribution of income until the recommendation of the customer regarding the products and services of the company. However, dissatisfied customers are leaving negative effects on business, because not only do they suppose less income, but they also share their bad experience with others and in addition they do it more frequently than the satisfied customer. Nowadays, things can easily broadcasted and shared all over print and social media. Once customer finds something odd, they directly complain and inform everyone. This

will destroys the image of the companies especially when it's on Facebook, twitter, Instagram or other social media networks. Thus, in the same way that social networks and social media in general are platforms that offer great opportunities for recruitment and customer loyalty. In fact, business companies are better off to dedicate time to internal processes concerning customer service, offer quality service, attention and product, so that the client is satisfied and remains engaged with what the company offers instead of leaving with any of the competition (Chen and Wang, 2009). Thus, they will capable to maintain their operation and increase their sale. Consequently, the company will achieve better economic and financial results, therefore, higher profitability, profits and shareholder satisfaction.

In the last few years, the companies are working hard to win market share in Kurdistan Region especially the telecommunication companies. In the competitive environment nothing is more important than customer satisfaction. These companies have tried a lot to offer new internet and communication packages to their customer in order to satisfy their needs. However, it seems that customers are not really satisfied with their services and prices. For that, some customers are frequently changing their company and using other companies' services. In the other words, the customer loyalty among telecommunication companies is controversial. This study aims to investigate the extent in which customers are satisfied with the three major telecommunication companies including Korek Telecom, Asia Cell, and Zein Iraq. AsiaCell provides mobile and telecommunication services all over Iraq and it has more than 10 million subscribers as of December 2013. Korek Telecom with its headquarter in Kurdistan Region has a market share of 16% as December 2013, while Zain Iraq which is a unit of Kuwait's Zain controls 53% of the market share in Iraq with less subscribers in Kurdistan Region (Marcopolice, 2018). Satisfaction is greatly influenced by the value of the services provided to customers.

## LITERATURE REVIEW

Customer satisfaction is a pre-condition for the success of business entities. In that case, recommending products by the loyal customers is really important for business ventures to flourish. The more satisfaction achieved, the better loyalty could be obtained as discussed by Yuksel, Yuksel & Bilim, 2010). However, this is highly relates to other factors such as the quality of services provided to the customers. Wicks and Roethlein (2009) in their study affirmed that high quality services increase customer loyalty towards the business. The authors correlated this to the customer retention which consequently maximizes profit (Davis-Sramek, Droge, Mentzer, & Myers, 2009; Wicks & Roethlein). The notion of customer loyalty is actually includes behaviour and attitude. The first refers to when the consumer decides to buy your product again. The second is related to what you think, feel and consider about your brand and the values it represents. In this case, as discussed by Dick and Basu (1994), satisfaction is key to customer loyalty. However, the relationship between both satisfaction and loyalty are controversial. Njei (2018) believes that both concept must incorporate together in order to accomplish desired goal and ensure profitability and market share. Therefore, illustrated that, satisfied customers are more likely to buy the product again (Chen and Wang, 2009; Woodcock, 2005). More clearly, it's feasible for a satisfied customer to buy again in your company than in a different one that is not. The fulfilment of those expectations is what generates the behaviour true to a brand. For that, the challenge of every company lies today in how to achieve customer loyalty.

The price allocation strategy is one of the most important aspects of a business. Prices impacts on customer level of satisfaction (Abdullah, 2018). Human beings are partly rational when making a decision and in so many cases, people decide to buy product based on price. There are also people who think that the most expensive product is better, even if it is not that way. The price allocation strategy that consists in offering a product at a price higher than that of the competition is known as quality-price indication. The idea is that by assigning a higher price than your competitors, the signal is sent that your product is of better quality. However, this is not always true. For instance, some authors argued that price sensitivity is positively correlates to the satisfaction especially among the female customers as in Chinese market economy (Low, Lee & Cheng, 2013). On the same vein, Dodds (1991), Anderson and Sullivan (1993) constructs a model in which believes that customer satisfaction and willingness to purchase relies on the product price and brand name information. In fact, we are living a disbanding of promotions, which aim to captivate consumers and create a trend of loyalty and approach to the purchase process, the idea is to take the largest number of consumers to these chain stores, in order to offer not only better prices, but an excellent sales service with added value that is called timely and efficient attention. Also discounting and price friendly products generates a higher level of satisfaction in the customer, so that the client feels very important for this company. Price is actually the most important instrument in the competitive market economy for attracting more customers and challenging other competitors (Wairimu, 2011).

Customer satisfaction is influenced by several other measures such as quality of the products. Customers when buying a product normally checking the quality. Sometimes, the quality is compared against the price before the buyer makes a decision. Actually, customers are looking for the quality even to improve their safety and the life of the product. For instance, in the automotive industry, Cruz (2015) studied the relationship between quality and customer satisfaction. The author founds a positive relationship between the two concepts. More clearly, the author insisted that the repair, injuries or death is due to the unsafe car product design or product quality. Thus, also explains the importance of quality in business. Therefore, in order to ensure the quality product Flavio, Filho and Bonney (2009) and Feigenbaum (1991) recommended the production control through particular regulations, coordination, monitoring and checking material flows and production activities. Thus, as argued by Zaifang & Xuening (2010) ensures customer satisfaction and consequently creates a sustainable consumption. Similarly, the integration of product quality and quality control in the production system facilitates the boost of business due to the increase of customer satisfaction.

## **METHODOLOGY**

This employed quantitative method through the collection of data from customers using telecommunication services. This method is effective because it provides a constructive solution to the current problem (Abdullah, 2018, p.440). This study distributed 100 questionnaires and then the data was simply analysed through SPSS. The first part of the questionnaire was about participant's background. The study showed that 63% of the participants were male and female participants constitutes 35%. On the other hands, the demographic analysis of this study indicates that most of the participants were young people between 25-35 years with the percentage 58%. The participants were selected from different telecommunication provides. In this study, 39% of the participants were Korek Telecom subscribers, 35% Korek Telecom and 21% Zein and a small number of participants used other service providers.

## FINDINGS

This study aimed to understand the factors that are determining customers' satisfaction among telecommunication companies in Kurdistan Region of Iraq. The findings indicated that the most important indicators for customers to subscribe to a telecommunication service provide is price friendly with percentage of 56%, while 29% of the customers are looking for the quality of the products. This result is consistent with Wairimu (2011) findings who believes price is the most important determinant of customer satisfaction. However, only 9% of the participants selected their telecommunication company because of the available packages and offered services. Therefore, a small number of participants which is 6% of the participants care about security.

The customers also asked whether they are willing to change their company in case there is a better offer. Most of the participants showed their willingness to switch their service provider if they are given a lower price services that constitutes 44%; however, 13% of the participants showed their willingness to switch to another service provider if they are given a better quality of services and only 3% of willing to change their service provider if they are offered a better package. However, 40% of the participants insisted that they will not shift to another service provider even if they are offered a better price, quality, package and security. The result shows that a large number of customers remain engaged with their companies and have some sorts of loyalty. In fact, the satisfied customers pleasantly buying the same product which consequently increase the benefits of the company and increase the number of their subscribers and market share if they fulfil their wishes because they will not shift to another company.

The results also provided a clear answer of whether respondents are satisfied with services they receive from their companies. Most of the participants showed their dissatisfaction towards the services currently offered by the companies. For instance, 72% of the participants believed that the prices are too high, and only 25% believe that the prices are fair enough. This clearly indicates the loyalty of the customers because as previously shown, loyalty relies on customer preferences. In the case of this study, prices is really important and determines the future preference of the clients. In this case, the three major telecommunication companies have problem with their customers to remain engaged with their services. Besides, the quality of the services is not really fulfils customer expectations. The number of people who disagreed with the quality of the services provided by the telecommunication companies are very high and only 22% of the respondents satisfied with quality of the services such as internet speed and network, but 78% dissatisfied. Based on that, the telecommunication companies need to invest more in the quality of their services. The internet speed is really a problem for the customers. In order to meet the wishes of the customers, the companies need to provide exactly what they are looking for through feasibility study. Also, the services must offers commitment of quality that consolidates the money each client's spend. The companies need to deal with their customers and offers a good treatment as a key factor to determine the level of customer satisfaction.

Regarding the packages such as prepaid plan, Extra G. Unlimited Data Bundles provided by the companies, majority of the participants are not feeling satisfied with the percentage of 62%, but 38% are satisfied with the packages provided. In fact customers are expecting to get varies types of prepaid packages to meet their needs. Also, customers are looking for the better and faster data bundles on daily, weekly, and monthly basis with fair price for everyone. The lower price, better quality services, and more packages will encourage more customers to subscribe to the companies. In contrast, lack of understanding towards customer needs dissatisfies

customers and makes the company hardly survive in the market. Lastly, the results shows that internet and network security is not a big deal to determine their preferences. Most of the participants did not have information about the level of security with the percentage of 55%. However, 28 percent believed that their information will not be shared without their consents, while 13% believe their information is shared without their consent and their security is not adequately protected by telecommunication companies.

## CONCLUSION

Customer satisfaction is really essential in business and market economy. Since business is about profit, customers should be cantered when business decision is made. Any business decision that does not fulfils customer expectation will have negative impacts on the company profitability and loyalty of the customers. The level of satisfaction indicates the future purchase intention, so any companies will be transmitted to other customers and effects on the company performances. However, dissatisfied customer helps the company to detect dysfunctions and problems in the company and, in the same way, the satisfaction shown in certain points tells us what aspects of the company we have to take care, reinforce and also serves as guidance to find new success formulas. This study concluded that prices is the most effective and essential determinant of customers satisfaction in telecommunication market of Kurdistan Region. Customers are looking for the cheap price products and services rather than anything else. It's followed by the quality as a set of characteristics of a product, process or service that confer the capacity to satisfy the explicit and implicit needs of the client. Quality of products and services is really important for the customers to make their future purchases. The better quality services attracts more services and maximizes the loyalty of customers toward the company. In fact, quality if equal to the degree to which the customers need are fulfilled. The value that the client assigns to their needs and expectations is subjective, so the concept of quality implies great subjectivity, there are as many levels of quality as customers, and it is a dynamic concept, related to perceptions and changes in people. The best quality product will be the one that satisfies the clients' expectations at the lowest cost for them as well as the business, which entails the challenge of being able to do things right at the first time. Finally, the available packages and security have not been the case in customers' decision towards their company of preferences.

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