

# Exploring the Critical Factors of Service Experience in Customer Care Centre of Telecom Industry in Kota Kinabalu, Sabah

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**Abstract** – Customer care centres of Telecom Industry play vital role in telecom business field last few years. The capital of Sabah, Kota Kinabalu is the place for telecom service providers to promote the best service and grab the market. In this geographical location, efficiency and service excellence are the two major goals for customer care centre as other part of Malaysia. Efficiency depends on speed and delivery that leads to get excellent service. The objectives of the research is to identify and explore the influential factors of the service experience in customer care centre for telecom industry in Kota Kinabalu, Sabah, Malaysia. Based on the first part of the research, it was identified the critical factors of service experience of customer care centre to eliminate the rigidity of service near future in the industry. Questionnaire survey was used for this research because the research method was quantitative and experimental. Data were collected from the people who are attached with the customer care centre activities of telecom industry in that region in terms of usage of the product or seeking services through customer care centre. Results of this study show that how different factors influence and shape a better service experience and whether the factors have positive and significant influences on customer's service experience in a customer care centre of this industry in Sabah. In total 18 questions were asked to answer to the 200 sample interviewee to get the real scenario of customer care centre in terms of service excellence. This study helps to find out the factors which affect the service experience in Customer Care Centre. The result indicates that three out of four factors have significant influence on Customer service experience in Telecom Industry in Sabah.

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**Keywords:** Service Experience, Customer Care Centre, Physical Environment, Contact Personnel, Service Provider

## 1.0 INTRODUCTION

This is the extension of the last research paper, which identified the conceptual framework of service experience in customer care centre of telecom industry in Kota Kinabalu, Sabah [1]. Variety of frameworks provide the factors which influence customer's service experience in the customer care centre but in this study three distinct frameworks concerning service experience factors were examined, in particular service marketing mix, the servuction framework and the service theatre framework. The essence of this research is to identify the underlying factors and analyse of these factors that influence a customer's service experience in customer care centre of telecom industry in Kota Kinabalu, Sabah. The several factors have been revealed after the literature review in last publication. Those factors are physical environment, contact personnel, service provider and customer care centre's system or rules and regulation. Based on these factors four hypotheses were developed. Further analysis in

this paper will provide an appropriate answer whether these factors are influencing or not to the customer service experience in a customer care centre in that particular region.

## **2.0 RESEARCH QUESTION**

From studies conducted by researchers it has being found out that customer service experience has received increasing attention from consultants [2-3]. The impact of the service experience on consumers' feelings, satisfaction and service brand attitudes are of vital importance to service marketers. Researchers applied theory and techniques in practice to identify the factors that influence the service experience of different industries consumer like bank, hotel and tourism [4], but until now comparably little research was done on customer's service experience of customer care centres of telecom industry. This research is of the aim to answer the question of:

- What are the underlying factors and analysis of those factors that influence on service experience in customer care centre in specific region i.e. Kota Kinabalu, Sabah?

## **3.0 METHODOLOGY**

In this study convenience sampling technique was applied. Data were collected from the people who are attached with the customer care centre activities of telecom industry in that region in terms of usage of the product or seeking services through customer care centre. The sample size is chosen based upon the general guidelines for sample size that depends upon the number of variables involved in the study. As the instrument used in this study has 18 items (statements), the required sample size should be approximately 180 subjects i.e. ten times of total number of items [5]. For this study, the targeted sample size was set at 200 ( $n = 200$ ). A questionnaire served as a data-gathering instrument. According to Proctor (2000) questionnaire is a structured technique for data collection that consists of a series of questions and important for survey and experimental research. Questionnaire survey is appropriate for this study because the research method is quantitative and experimental. A questionnaire of 18 questions was developed based on the literature review. A five point Likert scale was used to question the respondents. According to Proctor, designing questionnaire based on Likert scale is significant for experimental and survey research [6]. It is easy to construct and administer and respondents readily understand how to use the scale. The data was analysed using the SPSS software. Frequency table was presented to analyse the number of respondents' certain answer. Regression analysis was applied to analyse the data because it is a powerful and flexible procedure for analyzing associative relationships between a dependent variable and one or more independent variables. Two types of regression are possible to apply in research. One is bivariate regression that find out the effect of single dependent variable and single independent variable. The statistical significance of the linear relationship between  $x$  (dependent) and  $Y$  (independent) may be used by examining the hypothesis [6-7]. Many researchers have successfully applied the bivariate regression analysis technique in their research for hypothesis testing [8-9]. On the other hand another type of regression is multiple regression analysis that involves a single dependent variable and two more independent variables. The results have a measure called R-squared, which tells how well a set of variables explains a dependent variable [6-7-10]. Both types of regression analysis were applied in analysis part.

#### **4.0 MEASUREMENT OF THE VARIABLES**

A total of 18 items (questionnaire) were constructed to get the data on five variables (Physical environment- 4 items, contact personnel- 4 items, service provider- 4 items, rules and regulation- 4 items, service experience- 2 items) where four were independent (Physical environment, Contact personnel, Service provider, Rules and regulation) and the remaining was dependent variable (Service experience). Reliability and internal consistency of the multi item scales for each of the constructs were measured using Cronbach Coefficient Alpha. The minimally acceptable reliability (alpha value) for primary research should be in the range of point 0.50 to 0.60 [5]. In questionnaire the items 13 to 16 were related to customer care centre's rules and regulation. The internal consistency of these four questions was found 0.48 but if one item (item number 13) deleted it goes up to 0.63. So, item number 13 has been deleted for more reliable data. Based on the assessment a total of 17 items measuring the constructs were finally retained for final use. Coefficient alpha values were computed for each construct separately which ranged from point 0.634 to 0.853.

#### **5.0 DATA ANALYSIS**

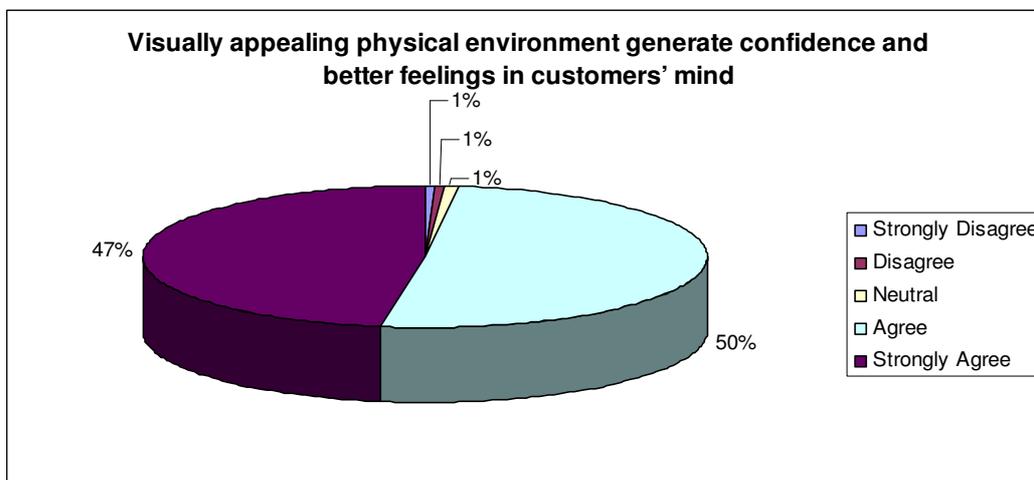
The analysis part of this study starts from the frequency distribution of data that represents judgment of the respondents. The respondent's view will be reflecting in graphical analysis. This analysis part will also test the developed hypotheses by applying regression analysis. The discussion part will provide a precious outcome of this study.

##### **5.1 Findings from frequency distribution table**

The first four questions of questionnaire were related with physical environment. The first question asked to the respondents through questionnaire was visually appealing equipment of customer care centre creates good service experience. Most of the respondents were strongly agreed with this statement. The next question was good smell inside the customer care centre creates better feelings and the answer was positive from the respondent's. Out of two hundred respondents, only two disagreed with this statement. According to David and Philips, Smell is an important element of a modern service firm and a good smell easily influence the customer's service experience [11]. Third question was neat and clean physical environment generate confidence in customers' mind. Maximum respondents were agreed with this statement. Fourth question was good lightening and sound system gives better service experience. Forty nine point five percent respondents were strongly agreed and forty eight percent were agreed with this statement. This result also reflects the several scholars' opinion. Fisk et al., Lockwood and Jones, also mentioned that proper sound system should be developed for every service firm otherwise customers' centre of attention will be going down [12-13]. On the other hand David and Philips also mentioned better lightening and sound system of a care centre easily enlarge the attention of the customer [11].

**Table 1:** Frequency table for question 1 to question 4

	Question 1 Frequency	Question 2 Frequency	Question 3 Frequency	Question 4 Frequency	Average frequency question 1- 4	Percent
Strongly Disagree	1	1	1	1	1	0.5
Disagree	1	1	1	1	1	0.5
Neutral	3	1	1	3	2	1
Agree	96	107	108	93	101	50.5
Strongly Agree	99	90	89	102	95	47.5
Total	200	200	200	200	200	100



**Figure 1:** Pie chart for question 1 to question 4

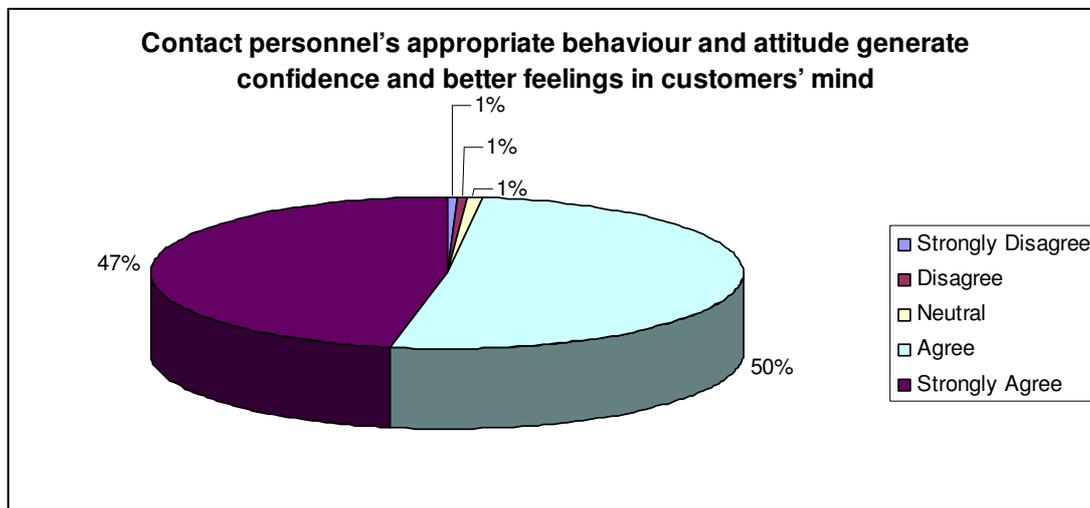
Table 1 shows the mean value of the first four questions and the pie chart represents the percentage. Fifty percent of the respondents agree and forty seven percent of the respondents strongly agree that the visually appealing physical environment of customer care centre generate confidence and better feelings in customers' mind. Respondents' opinion has been matched with the scholars' view. Based on the literature review it has found that several researchers already mentioned that the physical setting influence customers' satisfaction, productivity, and motivation [14-15-16]. Customers often look to the physical evidence that surrounds the service when forming evaluations [17]. Price et al. identified elements of the physical environment as important tangibles, a key determinant of service experience [18]. The quality of materials of a service as well as appealing environment generates better feelings in customers' mind and also creates trust.

The next four questions (number five to eight) of questionnaire were related with contact personnel activities. The fifth question asked to the respondents through questionnaire was service experience goes up when contact personnel pays good attention to you and most of the respondents were strongly agreed with this statement. The next question was Contact personnel's neat and clean appearance makes your service more prolific and the answer was positive from the respondent's. Out of two hundred respondents, ninety-nine strongly agreed

and ninety-six agreed with the statement, only two disagreed with this statement. According to Hartline and Ferrel good service of an organization entirely depends on contact personnel's better appearance and improved attention [19]. Question number seven was contact personnel's instant response makes you happy. Maximum respondents were agreed with this statement. The next question was contact personnel's appropriate knowledge to answer the queries makes you convince. Forty nine point five percent respondents were strongly agreed and forty eight percent were agreed with this statement. This result also reflects the several scholars' opinion. David and Philips mentioned that the contact personnel's are the heart of the organization and customers' get the first impression about the organization from the contact personnel's behavior [10].

**Table 2:** Frequency table for question 5 to question 8

	Question 5 Frequency	Question 6 Frequency	Question 7 Frequency	Question 8 Frequency	Average frequency question 5- 8	Percent
Strongly Disagree	1	1	1	1	1	0.5
Disagree	1	1	1	1	1	0.5
Neutral	1	3	1	3	2	1
Agree	108	96	106	98	102	50
Strongly Agree	89	99	91	97	94	47
Total	200	200	200	200	200	100



**Figure 2:** Pie chart for question 5 to question 8

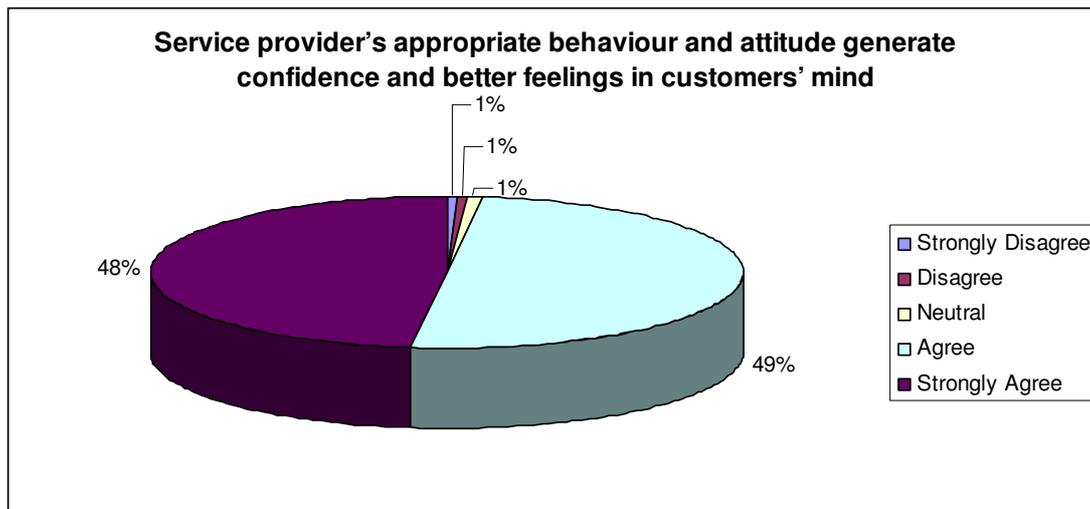
Table 2 shows that the mean value of the respondent's opinion for four questions (question number five to eight) and the pie chart represents the percentage. Fifty percent of the respondents agree and forty seven percent of the respondents strongly agree with the contact personnel's appropriate behavior and attitude generate confidence and better feelings in customers' mind in a customer care centre. Respondents' opinion has been matched with the scholars' view. Based on the literature review it has found that several researchers already

mentioned that bundle of service benefits a customer receives grows out of interaction with the contact personnel (e.g., their courtesy and competence) [20]. In consumers' minds, the performance of contact personnel can be evaluated on three elements: appearance, competence, behavior and each of these elements creates an impact in customers' mind [21].

Question number nine to twelve were based on service provider's activities in customer care centre. Question number nine was customer care manager's sincere interests to solve a problem generate better service experience and most of the respondents were agreed with this statement. The next question was Service providers prompt service makes a customer happy in customer care centre and the answer was positive from the respondent's. Out of two hundred respondents, one hundred and five respondents strongly agreed and ninety respondents were also agreed with this statement which means prompt service always makes a customer happy. According to Hartline and Ferrel, good service of an organization entirely depends on service provider's sincere interest to solve the problem in a quick manner [19]. Question eleven was pleasant behavior of service provider creates confidence in customer's mind. Maximum respondents were agreed with this statement. The next question was Service experience goes up positively when Service Provider provides service at the time they promise to do so. Forty nine point five percent respondents were strongly agreed and forty eight percent were agreed with this statement (see appendix). This result also reflects with the several scholars' perception. Wener also concluded that customer perceptions of trust and better service experience was found to be positively correlated with the quality of the customer-service provider communication process and accurate taming is also important for service delivery [16].

**Table 3:** Frequency table for question 9 to question 12

	Question 9 Frequency	Question10 Frequency	Question 11 Frequency	Question 12 Frequency	Average frequency question 9-12	Percent
Strongly Disagree	1	1	1	1	1	1
Disagree	1	1	1	1	1	0.5
Neutral	1	3	1	3	2	1
Agree	107	90	107	96	100	49
Strongly Agree	90	105	90	99	96	48
Total	200	200	200	200	200	100



**Figure 3:** Pie chart for question 9 to question 12

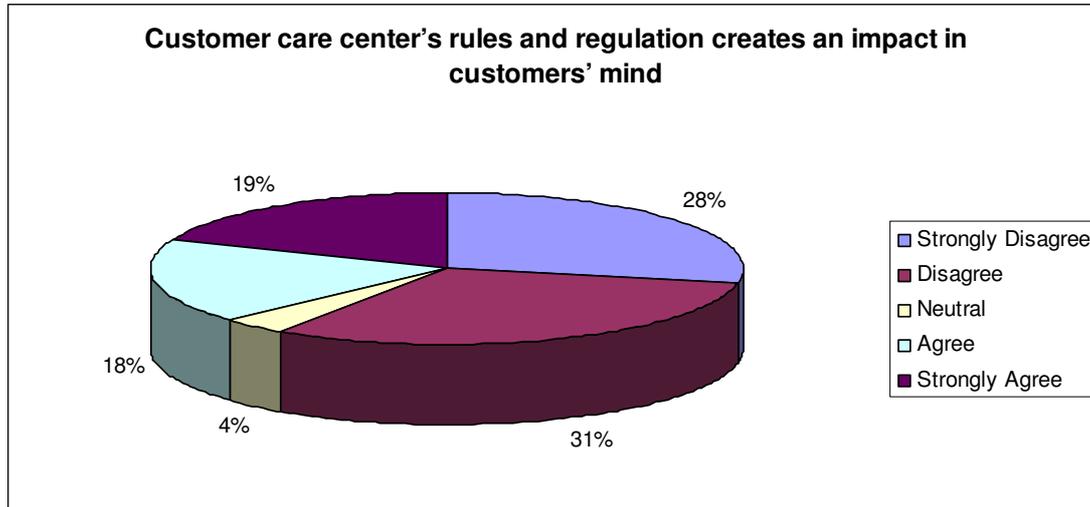
Table 3 shows the mean value of the respondent's opinion for the four questions (question number nine to twelve) and the pie chart represents the percentage. Forty nine percent of the respondents agree and forty eight percent of the respondents strongly agree that the service provider's appropriate behavior and attitude generate confidence and better feelings in customers' mind. According to Edvardsson et. al., in the service encounter, the service providers are predominant actors, along with the client, and have to accomplish tasks planned and specified in a script describing the role of each participant during the course of operations and their proper behavior as well as attitude gives a better fallings to the customer [22].

Question numbers thirteen to sixteen were based on customer care centre's rules and regulation. Question number thirteen has been deleted for more reliable data which has been discussed in measurement of the variables of methodology part. Question number fourteen was long time waits in the queue makes customer dissatisfy and the answer was in favour of this statement. Out of two hundred respondents, ninety nine respondents strongly agreed and ninety seven respondents only agreed with this statement which means customers always like prompt service. According to David and Philips, long time waiting in a queue for service always creates a bad impact in customers mind. Question fifteen was strict system creates terrible feelings in you [11]. Out of two hundred respondents, ninety four respondents disagreed and eighty four respondents strongly disagreed with this statement. Customers' may think strict rules and regulation is good for their personal security. The last question was filling up an information form is time consuming and ninety three out of two hundred respondents disagree and eighty four strongly disagreed to accept the statement. According to Evelyn and Decarlo, though the filling up an information form is time consuming but the benefit comes from both the company and customers point of view [2]. Overall this process helps to build a long term relationship between the company and customer.

**Table 4:** Frequency table for question 13 to question 16

	Question14 Frequency	Question 15 Frequency	Question 16 Frequency	Average frequency question 14- 16	Percent
Strongly Disagree	1	84	84	56	28

Disagree	1	94	93	63	31.5
Neutral	2	9	11	7	3.5
Agree	97	6	6	36	18
Strongly Agree	99	7	6	38	19
Total	200	200	200	200	100



**Figure 4:** Pie chart for question 13 to question 16

Table 4 shows the mean value of the respondent's opinion for the four questions (question number fourteen to sixteen) and the pie chart represents the percentage. Thirty one percent of the respondents disagree and twenty eight percent of the respondents strongly disagree that the Customer care centre's rules and regulation creates an impact in customers' mind. This cue was an important cue based on the literature review. According to Jones, this cue was used to measure the service experience in different service sector like bank; hotel and tourism [23]. The impact was significant based on the other scholar's analysis in various sector but in context of customer care centre respondents deny to accept that rules and regulation creates an impact in customers' mind. Customers may confer less attention in rules and regulation of the customer care centre.

## 5.2 Hypothesis Testing

In this section hypothesis are being analyzed by applying bivariate regression techniques. Sample size is two hundred.

**Table 5:** Result of hypothesis's based on the independent cues with the relation of service experience

Independent Variables	Regression Coefficient ( $\beta$ )	t value	P
Physical environment	.185	1.539	.01

Contact personnel	.236	1.97	.04
Service provider	.163	2.07	.02
Rules and regulation	-.189	1.87	.136

### **H1: Physical environment shapes a better service experience.**

The observed table shows that physical environment has a positive influence ( $\beta=.185$ ) on the customer and it is also statistically 99% significant because P value is .01 which is lower than .05 ( $P < .05$ ). According to Horn (2009) the hypothesis would normally be accepted if the probability of the results is less than 0.05. So, H<sub>1</sub> is accepted.

### **H2: Contact personnel influence the service experience of customer**

The observed table shows that contact personnel has a positive influence ( $\beta=.236$ ) on the customer and it is also statistically 96% significant because P value is .04 which is lower than .05 ( $P < .05$ ). So, H<sub>2</sub> is accepted.

### **H3: Service Providers influence the service experience of customer**

The observed table shows that service provider has a positive influence ( $\beta=.163$ ) on the customer service experience and it is also statistically 98% significant because P value is .02 which is lower than .05 ( $P < .05$ ). So, H<sub>3</sub> is accepted.

### **H4: The rules and regulation influence the service experience of customer**

The observed table shows that rules and regulation has a negative influence ( $\beta=-.189$ ) on the customer service experience and it is also statistically insignificant because the P value is .136 that is higher than .05 ( $P > .136$ ). So, H<sub>4</sub> is rejected.

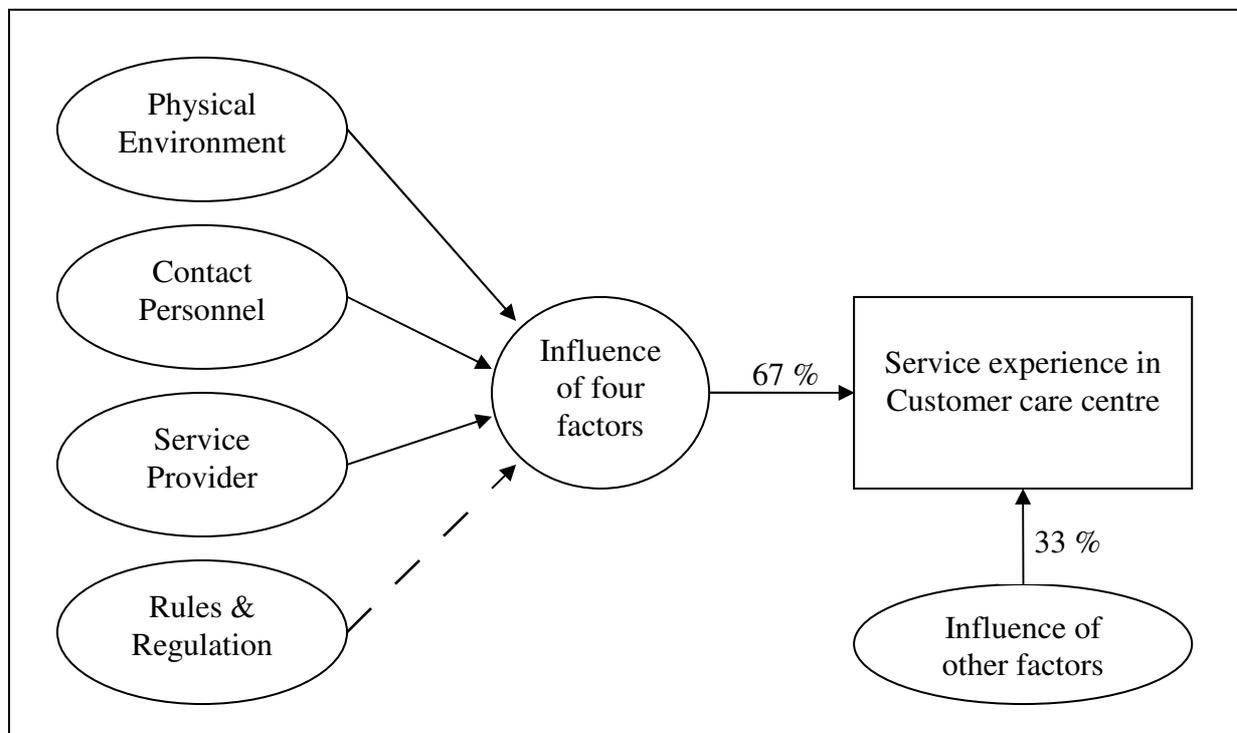
**Table 6:** Measurement of R-square

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.786(a)	<b>.670</b>	.623	.1806	.670	9.986	4	45	.000

From the multiple regression analysis, it has been found that the Value of R Square is .670 which explains that the independent variable (Inanimate Environment, Contact Personnel, Service Provider, Rules and Regulations) has 67% impact over the dependent variable (Service Experience of Customers in a Customer Care Centre). In other words, the dependent variable (Service Experience of Customers in Customer Care Centre) can be influenced 67% by the independent variable (Inanimate Environment, Contact Personnel, Service Provider, Rules and Regulations).

## 6.0 RESULTS

This paper has found out the factors which affect the service experience in Customer Care Centre of telecom industry in Kota Kinabalu, Sabah. The four factors are physical environment, Contact personnel, Service providers and Rules & Regulation are tested by conducting a Regression analysis. The result indicates that three out of four factors (Physical environment, Contact Personnel, Service Providers) have significant influence on Customer service experience. Only rules and regulation did not show any significant influence on customer service experience. Perhaps Customers may give less attention to the customer care centres' rules and regulation (invisible factor according to servuction model) and focus more on other factors.



**Figure 6:** The Research Framework

## 7.0 CONCLUSION

Results of this study have shown that physical environment shapes a better service experience. A customer care centres' physical evidence includes, but is not limited to, facility exterior design elements such as the architecture of the building, landscaping, and the surrounding environment of the centre's location, the centre's sign, parking, interior design elements such as size, shape and colours and smell inside the centre influence the service experience of a customer. The result of this study also revealed that the service provider and contact

personnel have also positive and significant influences on customer's service experience in a customer care centre. The contact personnel and the service provider is the salient information that is retained in a customer's memory. Thus, it is likely the first information that is retrieved from customer's memory and transformed into images and the result also shown the influence of contact personnel and service provide is significant in customer's mind. However, a puzzling and contradictory result occurred in the role of customer care centre's rules and regulation. In this study, it was hypothesized that rules and regulation influence customer's service experience. However, the results showed that rules and regulation had a negative as well as insignificant influence on customer's service experience. The reason might be that customer care centre rules and regulation which is invisible may not be an important cue in experiencing service in the context of customer care centre. Following statements have been revealed from this study.

- Customer's service experience influence by physical environment (e.g., interior design, sound system, lighting system) of customer care centre.
- Customer's service experience influence by contact personnel (e.g., receptionist, security personnel) of customer care centre.
- Customer's service experience influence by service provider (manager, supervisor) of customer care centre.

## **ACKNOWLEDGEMENT**

Project funded by: RAGS  
Project Code: RAG0052-SS-2014

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