An Evaluation of Service Quality of Mobily and STC Telecommunication Companies in Saudi Arabia

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Author's contribution

This whole work was carried out by author NAK.

ABSTRACT

The study aims at evaluating service quality of Mobily and STC; the main providers of telecommunication services in Saudi Arabia. The study uses the five quality dimensions introduced by [1]; assurance, empathy, reliability, responsiveness and tangibles. For this purpose, 300 questionnaires are collected and analyzed. The study reveals that the level of service quality in Mobily is of mid-high level in all dimensions. Mobily sequence of dimensions are as follows; empathy, tangibles, responsiveness, reliability and assurance comes last. On the other hand, STC level of quality services starts with tangibles and empathy in the mid-high level while responsiveness, reliability and assurance come in the average level of quality. The study reveals that Mobily performs better than STC in all the five quality dimensions and the differences between the two companies are of significant values. Finally, male and female respondents in the study agree on their opinions on both companies.

1. INTRODUCTION

There are three telecommunication companies serving the public in Saudi Arabia. Mobily, an affiliated joint venture of Etisalat of the United Arab Emirateshas operated in the country

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since 2006. This company provides mobile and internet services in the country. Secondly, Saudi Telecommunication Company (STC) has been in the field since 2003. STC provides mobile, fixed and internet services. Zain, a Kuwaiti affiliated joint venture, operates in the country since 2008 providing both mobile and internet services. Mobily has shown a growing success both financially and in terms of customer attraction in the country. STC profits and market share are shrinking over time and losing a growing number of customers towards Mobily and Zain. On the other hand, Zain is suffering from great financial losses year after year since its establishment.

This study aims at evaluating the service quality of the three companies using the five quality dimensions introduced by [1]. Those dimensions are: assurance, empathy, reliability, responsiveness and tangibles. However, only 17 respondents Zain company. Such questionnaires have been removed from the study due to lack of generalization. Therefore, this study will evaluate service quality of Mobily and STC telecommunication companies. It is also needed to compare between the two companies regarding those five dimensions. Although [1] provides SERVQUAL scale in that paper, our study will use the dimensions of quality only and not pursue the model itself. The reason for that is to make the study as simple as possible and focus on the comparison itself between the two companies. SERVQUAL model requires the investigation of the "Gaps" between the expectation and the delivery of service quality by the users of the service of the company. Therefore, a more thorough answer has to be developed by each respondents stating his or her opinion twice for each question. Hence, we decide to use the five dimensions developed by [1] but collecting data using our interpreted question to each dimension.

The first objective of this current study is to evaluate the service quality of the two major telecommunication companies in Saudi Arabia using the five quality dimensions introduced by [1]. Those dimensions are: assurance, empathy, reliability, responsiveness and tangibles. Another objective is to compare between Mobily and STC in their performance of service quality of the five dimensions and find out if there are significant differences between those companies in their performance. The third objective is to find significant differences, if any, between the two genders included in the study in their opinions regarding their evaluation of the companies.

2. LITERATURE REVIEW

2.1 General Overview

[2] define service quality as being achieving or exceeding customers' expectation while [3] consider service quality as the difference between the provided and the expected level of service quality. The quality of service has become a key factor for the survival and success of businesses [4]. Believe that the most powerful completive trend currently shaping marketing and business is service quality. It is linked to increased profitability and it provides an important competitive advantage by generating repeat sales, positive word of mouth feedback, customer loyalty, and competitive product differentiation. In present times, the highest priority issue involves understanding the impact of service quality on profit and other financial outcomes of the organization [5]. [6] find in Egypt that service quality has significant effect on customer satisfaction. [7] find that sex, education, income and occupation have significant influence on patient satisfaction of service quality in hospitals in Saudi Arabia.The quality offered by services has become an important strategic tool for organizations across the world. Offering successful quality services results in major benefits including reduced

costs and increased profit margins and performance, increased sales and market shares, satisfied customers and employees and their retention, attracting new customers and their long term relationship, and enhanced corporate relationship [8,9,10]. [11] find that service quality has significant direct effect on customer value perceptions, satisfaction judgments, and behavioral intentions in India.

2.2 Measurement of Service Quality

Offering good services leads to enhanced customer satisfaction. However in implementing a strategy for measurement of service quality, there are many problems. One of them is the elusive nature of the service quality construct, making it extremely difficult to define and measure [12,13,3]. Practitioners and academicians have focused on accurately measuring service quality in order to better understand its essential incidents and consequences, and ultimately, establish methods for improving quality to achieve competitive advantage and build customer loyalty [14]. Many studies have been done on service quality, but still there are some unresolved issues that has to be addressed, and the most controversial one refers to the measurement instrument for service quality [15,16,17]. Quality of services is a difficult and elusive concept to measure [3]. The measurement of quality in the service sector is based on customer's perceptions of the service and is highly multidimensional [18]. The customers are usually involved in the delivery of service and their perceptions of quality depend on contentment, and satisfaction with both the result of the service and the service process itself. Metrics have been developed to measure this. The most commonly used scales for measuring quality of service are SERVQUAL and SERVPERF [19].

2.3 Servqual vs. Servperf

[1,3] proposed the SERVQUAL scale that measure service quality. At that time, this model was considered to be a revolutionary tool in measuring service quality. However, they criticize SERVQUAL in their literatures in later years. [1] has conceptualized service quality and SERVQUAL is based on this, it is the difference between consumer's perceived performance and expectation. SERVQUAL is the most commonly used scale for measuring service quality [20,21]. SERVQUAL is a technique used for assessing and managing service quality [17]. It measures service quality through customers' expectations and their perceptions [22]. Expectations is what firms should provide and perceptions is how a given service provider performs against these criteria. SERVQUAL consists of 22 items with five dimensions: reliability, responsiveness, assurance, tangible and empathy. Each item in the instrument is of two types. One to measure expectations about the firms in general within an industry and the other measures perceptions of the particular firm whose service is being studied. The application of SERVQUAL in measuring service quality is immense. It is used to measure quality in different fields. It has been used in retail chains including Wal-Mart, K-Mart and Target stores among others [23], health care applications [16,24,25] website application [26], banking [27], and public services [28].

On the other hand, [29] present SERVPERF model to measure service quality in four industries; banks, pest control, dry cleaning and fast food. They prefer this model over SERVQUAL considering it to be confusing with service satisfaction. They argue that SERVPERF is an enhanced means of measuring the service quality construct. They emphasize that SERVPERF is purely a performance based approach for measuring service quality. The scale of SERVPERF as a measuring instrument for service performance has a

wide application. It is used in retail sector [30], libraries [31], higher education [32], fast food industry [33] and automotive repair industry [15].

2.4 The Dimensions of Quality

[3] consider ten quality dimensions in their study. Those dimensions are: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding and tangibles. However, [1] change service quality dimensions from ten elements mentioned above to five dimensions believing that there is a redundant and overlap. Therefore, [1] specify those elements as: assurance, empathy, reliability, responsiveness and tangibles. This current study will work on those five dimensions of quality. [34] find in their study on Thailand hospitals that those five dimensions have significant influence on overall service quality. Responsiveness has the most influence followed by empathy, tangibles, assurance and reliability comes last. On the other hand, [11] find two dimensional construct consisting of service system (human and technology) and core service or service product in India. In a study of [35] in Kenya, they find that confidence and communication dimensions come first, then emotional satisfaction, reliability and responsiveness. Another study in India by [36], when using factor analysis, find that the dimensions to be service improvements and technical preparedness, apart from the applicability of dual aspects of perceived service quality technical and functional dimensions.

3. RESEARCH DESIGN

The research instrument is a questionnaire which contains five questions that reflect the five dimensions of quality as defined by [1]. Those dimensions are; assurance, empathy, reliability, responsiveness and tangibles. We use a 5-points Likert scale starting fromstrongly agree, agree, neutral, disagree and strongly disagree. We distributed more than 400 questionnaires, collecting 344 and analyzing 300 questionnaires. Questionnaires are distributed to male and female students of the Executive MBA, Master of Accounting, Master of Health Administration and Master of Public Administration at King Abdulaziz University in three campuses; Jeddah. Gassim, Riyadh and Hail. Those students are employees working in both public and private sectors and some of which are self-employed in their companies. Moreover, questionnaire are distributed to senior male and female students at the Faculty of Economics at King Abdulaziz University. They come from all parts of Saudi Arabia and study during the week-ends and we may imply high representation of the country. The questionnaire includes a question at the beginning asking respondents about their current service providers. They have to choose between three service providers; Mobily, STC or Zain. Therefore, we assume that each respondent is evaluating his or her current provider. It was found that there are 17 respondents who are clients of Zain Company and since that number is too small, those questionnaires have been dropped from this study. Therefore, the study includes Mobily and STC; the main provider of telecommunication services in the country.

The researcher assumes a reasonable validity of research instrument since the five quality dimensions used in the study, have been introduced by experienced scholars in the field of service quality [1]. However, the wording of the five questions included in the study have been pilot tested and modified. We assess the reliability of data collected using Cronbach's Alpha reliability test. The value of this test is (.767) which is a reasonable figure that constitutes a strong internal consistency. This suggests that respondent who tends to select high scores for one item also tends to select high scores for the others. Therefore, we can

safely conclude that the data used in this study are reliable. The five categories of Likert scale are represented by value of means, this representation is displayed in Table 1.

Table 1. Representation of the ranges of means

Range of Mean	Representation
1 to 1.80	Strongly Disagree
1.80 to 2.60	Disagree
2.60 to 3.40	Neutral
3.40 to 4.20	Agree
4.20 to 5	Strongly Agree

4. FINDINGS AND ANALYSIS

4.1 Classification of Respondents

Questionnaires are distributed to male and female respondents and to great range of people so that we can generalize the results regarding their opinions on Mobily and STC service quality. Table 2 depicts the distribution of respondents by gender and service provider.

Table 2. Classification of respondents by gender and service provider

Respondents by gender		
Gender	**Frequency**	**Percent**
Male	202	67.3
Female	98	32.7
Total	300	100
Respondents by service provider		
Service Provider	**Frequency**	**Percent**
Mobily	117	39.0
STC	183	61.0
Total	300	100

Table 2 shows that male respondents to this study are 202 representing approximately two third of total sample while female's are 98 making the remaining one third of the sample. This distribution does not imply that males using telecommunication services are double the size of females. However, it is the convenience of approaching and accessing male respondents more than female. We would say that almost all males and females in the country are using the telecommunication services. We needed the representation of opinion of both genders in this current study so that we may generalize the findings. The second part of Table 2 shows the distribution of the sample between Mobily and STC customers. It shows that more than 60% of respondents are clients of STC while approximately 40% are those of Mobily. This distribution can be valid and representing the true distribution since STC started its business years before Mobily launching its business in the country. However, these two figures cannot be a decisive distribution of market share in the country. Nevertheless, it has been noticed that a growing number of STC customers are shifting their patronage to Mobily in recent years.

4.2 Level of Service Quality of Mobily and STC

Respondents of the study are asked to determine the degree of their agreement on the five questions that represent the quality dimensions. A question is developed by the researcher to interpret each of the five quality dimension included in this current study. Because of the significance of this interpretation, we give it special attention by reviewing it during the Pilot testing of the questionnaire. Therefore, we reach a conclusion that the five questions represent the five dimensions with a high degree of confidence. The results are shown in Table 3 which reflect the opinions of both Mobily and STC customers.

Table 3. Level of service quality (Mobily and STCCombined)

Items	Quality Dimensions	Weighted Mean	Std. Deviation	Overall Response (in Mean)	Priority
Employees are polite, positive and provide respect to customers	Empathy	3.86	.87	Agree	1
Company offices are accessible have employees and well equipped	Tangibles	3.83	.99	Agree	2
Employees are ready and desired to provide service to customers	Responsiveness	3.37	1.12	Neutral	3
Services are provided in a consistent manner in terms of performance and reliability	Reliability	3.22	1.08	Neutral	4
Employees acquire skills and knowledge needed to serve customers	Assurance	3.18	1.05	Neutral	5

Table 3 shows that both Mobily and STC together perform a level of mid-high (agree) in two quality dimensions; empathy and tangibles. However, they perform an average level (neutral) in the remaining three dimensions; responsiveness, reliability and assurance. It can be said from the results of this table that the two telecommunication companies do better in the empathy which reflect some kind of politeness and respect to customers which is an attribute in the cultural scene itself and this dimension is not related to the professional well-being of the companies. Offices and equipment (tangibles) dimension come second which is also not related to the professional performance of the companies. In contrast, such companies did not do well in the dimensions that constitute professional performance. We may conclude from this table that both Mobily and STC combined level of service qualityin Saudi Arabia is not promising.

4.3 Mobily vs. STC in Service Quality

After the overall evaluation of both Mobily and STC companies, we will now compare between the firms in the five quality dimensions. The results are depicted in Table 4.

Table 4. Comparison between Mobily and STC

Quality 5 Dimensions	Mobily		STC	
	Weighted Mean	Overall Response (in Mean)	Weighted Mean	Overall Response (in Mean)
Empathy	4.18	Agree	3.62	Agree
Tangibles	3.97	Agree	3.78	Agree
Responsiveness	3.64	Agree	3.12	Neutral
Reliability	3.44	Agree	3.02	Neutral
Assurance	3.40	Agree	3.02	Neutral

Table 4 shows that Mobily performed better than STC in all five quality dimensions; empathy, tangibles, responsiveness, reliability and assurance. The level of quality service of Mobily in all five dimensions is in the level of mid-high (agree) ranging from Means of 4.18 to 3.40. On the other hand, the level of service quality of STC is average (neutral) in responsiveness, reliability and assurance. All those three dimensions are the real constructs of service quality. STC, however, performs in the level of mid-high (agree) in the empathy and tangibles dimensions, both are related to the politeness of employees and facilities. We perform Independent Samples t-test (Table 5) to determine if the difference between the two companies is significant or not. It appears clearly in the table that there are significant differences (P-value=.000) between Mobily and STC in the levels of all five quality dimensions of the study in the favor of Mobily.

Table 5. Independent samples t-test (Differences between Mobily and STC)

Company	N	Mean	Std. deviation	Std. Error Mean	T- value	P-value
Mobily	117	22.2393	3.76153	.34775	5.099	.000
STC	183	19.8033	4.43198	.32762		

4.4 Comparison between Genders

The study includes both male and female respondents and we want to know if there isa significant difference between the two genders in their opinions regarding the services of Mobily and STC. The following table (Table 6) shows that the value of significance (P-value=.915) is greater than (0.05) which is not a significant value. Hence, we conclude that both male and female respondents of this current study share similar opinions on their evaluation of the two companies; Mobily and STC.

Table 6. Independent samples t-test (Differences between genders)

Group	N	Mean	Std. Deviation	T- value	P-value
Male	211	20.8578	4.24474	.106	.915
Female	106	20.8019	4.50274		

5. CONCLUSION AND DISCUSSION

Saudi Telecommunication Company (STC) that inherits its operations and organizational culture from those of the government has not shown a promising level of quality service. The organizational culture, ways of doing business and practice of the company are apparently not to the aspirations and expectations of its customers. In Contrast, Mobily, the newly UAE joint venture is doing a better standard of service quality based on the results of this current study. The know-how and expertise in Mobily have been transformed from its parent company in the UAE. The billing procedures and calculation of internet and calls fares of STC are done in a vague and inconsistent ways. Customers who transformed their services from STC to Mobily in recent years have experienced lower bills in Mobily aside from a better dealing and courteous services. Saudi government still owns almost 70% of STC and choose the CEO's of the company because of the government voting power. Therefore, some of the selected CEO's of STC may be of public backgrounds which will lead to a more bureaucratic dealing and inefficient management of STC. In addition, STC offered what was known in 2008, "the Golden Check" to encourage its low productive employees to get early retirement. Nevertheless, what happened then was that a great number of STC productive and professional employees got the check and found other promising jobs somewhere else while the low productive employees stayed in the company. STC profits have shown a decline accompanied by a growth of Mobily profits in recent years which complicates the situation in STC. This decline lead STC to increase its prices in some services and reduce them in others which make customers wondering about the consistency and transparency of the company.

6. RECOMMENDATION AND POLICY IMPLICATIONS

1. The first recommendation stems from the low level of service quality that STC has and the need to improve the company image in the country. Therefore the first recommendation to the company is that it has to exert its efforts to improve its organizational culture. Changing organizational culture is a very difficult process and we suggest the following policies to improve STC organizational culture:

    a. Saudi government is encouraged to fully privatize STC. This move requires the selling of the government shares to the public. By doing so, the influence of the government will diminish anda change in its leadership executive formulation will eventually exist.
    b. Employees who have been inherited from the government-run company mentality, may be laid off with proper compensation. The process should not be voluntary, instead, a thorough employee's appraisal should take place.
    c. As STC has some affiliations with some world telecommunication companies, the company may benefit from their systems, procedures or even exchanging some employees with such companies. This move may result in bringing some talented employees from abroad and send some Saudi employees to those companies.
    d. Extensive training programs in customer care, human, as well as technical skills should be mandatory to STC employees across the country. However, the majority of those training programs should be held outside Saudi Arabia in the form of workshops and role playing type of development.

2. STC should have a more reliable appraisal and compensation system of its employees to ensure the proper negative and positive incentives to its employees. Hence,

incentives cannot be given as a face value manner to all employees. Rewards and compensations should be tied to the accomplishment of employees.

3. Outcomes and effects of STC training programs should be evaluated periodically to ensure proper changes and revisions of such programs. Also, assessing the training packages and trainers shall be undertaken.
4. STC may consider the participation in King Abdullah Scholarship Program and benefit from the program. The company may send some high school or university graduates to some highly developed countries to benefit from their advance educational and vocational systems.
5. Finally, as Mobily and STC the main provider of telecommunication services in the country, they should observe a fair competition and provide better services with reasonable prices to their customers.

7. LIMITATION OF THE STUDY

This study is limited to the evaluation of service quality dimensions of Mobily and STC [42]; the two leading telecommunications companies in Saudi Arabia. Therefore, it will not investigate the other important aspects such as prices of services, internet services, fixed line services and promotional programs of the two companies. Other researchers may want to study those aspects of such companies in the country.

8. SIGNIFICANCE OF THE OUTCOMES OF THIS STUDY

The outcomes of this study may contribute to the empirical researches in service quality field in Saudi Arabia and in the Middle Eastern countries that share similar business and cultural attributes with those of Saudi Arabia. Results of this current study may help the telecommunication companies in the country; Mobily, STC and Zain to understand the current situation in all of service quality attributes. They can benefit from the evaluation of their five quality dimensions: assurance, empathy, reliability, responsiveness and tangibles. Such companies may improve their negative aspects based on the results if this study. In addition, other service organizations such as hotels, hospitals, travel agencies and banks may benefit also from the outcomes of this current research. They may understand the directions and preferences of Saudi customers on service quality and hence improve and develop their strategies and programs. Researchers may build from the outcomes of this study and expand through other aspects of service quality on their future studies.

COMPETING INTERESTS

Author has declared that no competing interests exist.

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