

## **AN ANALYSIS OF QUALITY SERVICE OFFERED BY INTERNET SERVICE PROVIDERS**

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### **ABSTRACT**

This study aims to test an alternative model to examine the relations among service quality, satisfaction, and loyalty in India among the Internet Service Providers. Analysis of survey data from 750 customers of Internet service providers reveals that service Loyalty directly influences both fringe benefits and service quality and fringe benefit and service quality are the significant determinants of loyalty. Other variables were mediated and moderated the impact of both service quality and customer loyalty.

**Keywords:** Internet Service Providers, Service quality, Consumer behavior.

## INTRODUCTION:

### Expansion of Internet Service Providers:

The history of the Indian Internet service providers goes way back to 1924, when the first operational landlines were laid by The British Government in Calcutta. With independence, all foreign telecommunication companies were nationalized to form Post, Telephone and Telegraph, a monopoly run by the Government of India. DoT (Department of Telecommunication) was formed in 1985 when the Department of Posts and Internet Service Providers was separated into Department of Posts and Department of Internet Service Providers. Till 1986, it was the only telecom service provider in India. It played a role beyond service provider by acting as a policy maker, planner, developer as well as an implementing body. In spite of being profitable, non-corporate entity status ensured that it did not have to pay taxes. DoT depends on Government of India for its expansion plans and funding.

### Service Quality Measurement – Recent trends:

Based on this perspective, Parasuraman et al. (1988, 1991) developed a scale for measuring service quality, which is mostly popular as SERVQUAL MODEL. This scale operationalizes service quality by calculating the difference between expectations and perceptions, evaluating both in relation to the 22 items that represent five service quality dimensions known as 'tangibles', 'reliability', 'responsiveness', 'assurance' and 'empathy'. The SERVQUAL model scale has been tested and/or adapted in a great number of studies conducted in various service settings, cultural contexts and geographic locations like the quality of service offered by a hospital (Babakus and Mangold, 1992), a CPA firm (Bojanic, 1991), a dental school patient clinic, business school placement center, tire store, and acute care hospital (Carman, 1990), pest control, dry cleaning, and fast food (Cronin and Taylor, 1992), banking (Cronin and Taylor, 1992; Spreng and Singh, 1993; Sharma and Mehta, 2004) and discount and departmental stores (Finn and Lamb, 1991; Teas, 1993; Dabholkar et al., 1996, Mehta et al., 2000, Vazquez et al., 2001; Kim and Byoungcho 2002). All these studies do not support the factor structure proposed by Parasuraman et al. (1988). The universality of the scale and its dimensions has also been the subject of criticisms (Lapierre et al., 1996) and it is suggested that they require customization to the specific service sector in which they are applied (Vazquez et al., 2001). Senthilkumar.N and Arulaj.A (2011) empirically studied the service quality and service measurement through employability in education institutional in India. These research studies are empirically studied for the sustainability of the markets. The authors have developed a new approach for measurement service quality in their home country consumer's behaviours.

### Procedure for Data Analysis:

The data collected were analysed for the entire sample. Data analyses were performed with Statistical Package for Social Sciences (SPSS) using techniques.

### Construct Measures and Data Collection:

A total of 750 nos. of questionnaire were circulated to Customer of the Madurai districts in Tamil Nadu of these 750 were collected. Out of the questionnaires that were collected 750 valid questionnaires were used for the analysis, leading to a response rate of 100 percentages. Hence, the sample size for the analysis is 750.

The identity dimensions reflection (i.e., image of the target group) and self-image (i.e., how the brand makes consumers feel) depict the receiver. The dimensions culture (i.e., values) and relationship (i.e., mode of conduct) form a bridge between the sender and the receiver (Sritharan R, and Samudhrarakumar C. 2008)

Tamizh jyothi and Samudhra Rajkumar (2005) concluded in their study on the effectiveness of celebrity advertisements, wherein they have considered product categories and brands are the important factors that influence the effectiveness of celebrity advertisements.

Tamizh jyothi and Samudhra Rajkumar (2005) conducted a study on the effectiveness of celebrity advertisements, and identified that the products and brands are the key factors in the determination of the effectiveness of celebrity advertisements.

Kailasam Tamizhjyothi and Samudhra Rajakumar (2011) concluded in their study on the role of profession in the prediction of effectiveness of multiple celebrity endorsement, and found that attitude towards celebrity and attitude towards brands will be enhanced when it is endorsed by multiple celebrities. However, profession of the celebrity is a major factor in the prediction of multiple celebrity endorsement effectiveness.

Kailasam Tamizhjyothi and Samudhra Rajakumar (2011) found that attitude towards celebrity and attitude towards brands have significant influence on the purchase of multiple celebrity endorsed products or brands. Profession of the celebrity is also considered while predicting the effectiveness of multiple celebrity endorsement.

### Sample Size across the Madurai district of Tamilnadu

Taluks	Region	Melur	Madurai South	Madurai North	Total
Sample collected		250	250	250	750
Source: Primary Data					

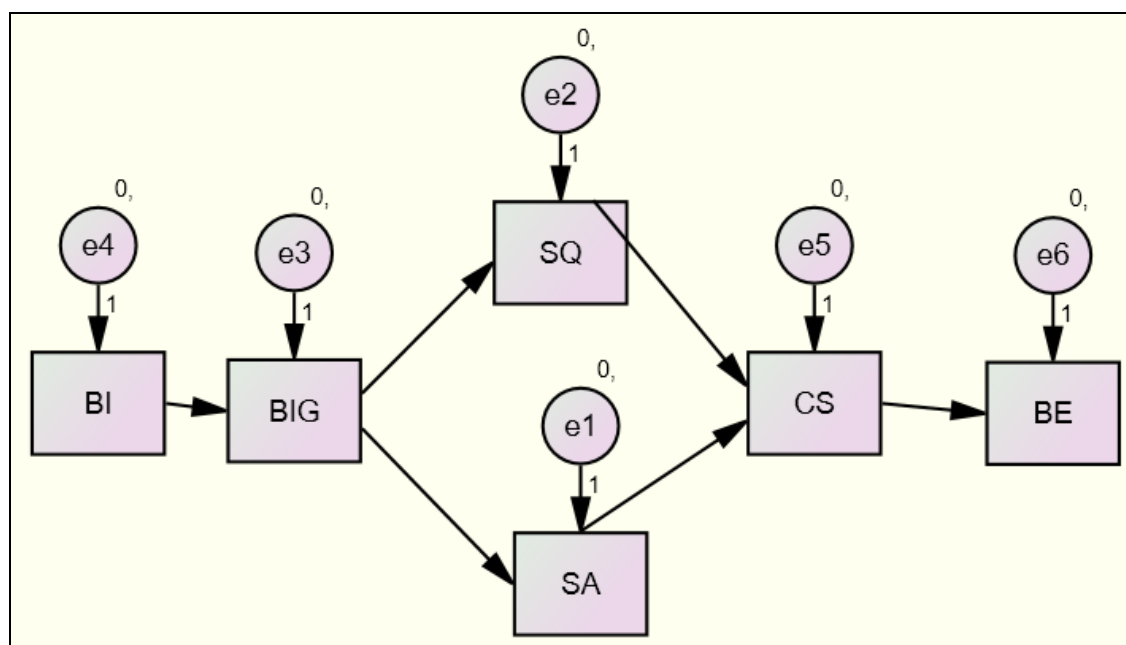
### Hypotheses Development:

Mediation refers to a process or mechanism through which one variable (i.e., exogenous) causes variation in another variable (i.e., endogenous). Studies designed to test for moderation may provide stronger tests of mediation than the partial and whole covariance approaches typically used (e.g. Baron and Kenny, 1986; Bing, Davison, LeBreton, and LeBreton, 2002; James and Brett, 1984). It is useful to distinguish between moderation and mediation. Moderation carries with it no connotation of causality, unlike mediation, which implies a causal order. Based on the arguments discussed in the previous chapters and this chapter the researcher formulated the following hypotheses.

- The dimensions of Internet Service Providers were influenced by the mediating factor Fringe Benefit Services.
- The dimensions of Internet Service Providers were positively influenced by the Fringe Benefit Services.

A mediator hypothesis is supported if the interaction path (SNC, TA, CCS, SQ, BSA, SL and FBS) are significant. There may also be significant main effects for the predictor (Service Loyalty) and mediator Fringe Benefit Services (FBS). Therefore, this research seeks to explore whether the relationship between Service Loyalty (SL) and SNC, TA, CCS, SQ, BSA, and SL are fully or partially mediated by Fringe Benefit Services (FBS).

### Hypothesized model for measuring service quality of Internet service providers



### Implications for practitioners:

The study should help marketing practitioners better understand the inter-relationship among service quality, customer satisfaction, and loyalty, as well as the mechanism for enhancing loyalty. First, service quality affects both satisfaction and loyalty indirectly with no direct influence in either case. In addition, service quality significantly affects value and image, two critical factors determining satisfaction and loyalty. Thus, service quality is a key building block to improving value and image, which determine service satisfaction and loyalty. Second, customer satisfaction and perceived value are direct determinants of customer loyalty. Obviously, service providers are concerned with these outcomes and this Internet Service Providers needs to build and monitor both satisfaction and value. In fact, value has a greater total effect on service loyalty than does any other construct. Consistent with other studies, no direct link from image to loyalty is suggested.

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