SATISFACTION AS A DETERMINANT OF CUSTOMER LOYALTY TOWARDS MOBILE COMMUNICATION

Boban Melovic¹, Slavica Mitrovic², Tamara Markovic³, Ana Nesic², Ida Vajčnerová⁴

¹ Faculty of Economics, University of Montenegro, Podgorica, Montenegro, Jovana Tomasevica 37, 81000 Podgorica, Montenegro
² Department of Industrial Engineering and Management, Faculty of Technical Sciences, University of Novi Sad, Serbia, Trg Dositeja Obradovica 6, 21000 Novi Sad, Serbia
³ Financial Controller, Ministry of Finance of Montenegro, Podgorica, Montenegro
⁴ Department of Management, Faculty of Business and Economics, Mendel University in Brno, Zemědělská 1, 613 00 Brno, Czech Republic

Abstract


Modern business, characterized by growing user expectations and intense competitive relationships requires companies to survey customer satisfaction in a continuous manner. Customer satisfaction increases loyalty, fosters repurchase intention, enhances positive reaction and reduces the number of complaints. Customer satisfaction survey on regular basis is one of the prerequisites for creating adequate offer that meets customers' expectations and ensures their long-term loyalty. Namely, loyalty as a long-term preference for the company's products and services assumes customer who is willing and able to maintain interact with the brand offered by the company. Essentially, brand loyalty implies that the customer, based on the information and his beliefs, prefers the brand that is superior to the others. The main objective of this paper is to examine the level of customer satisfaction with specific aspects of services provided by mobile operators in the Montenegrin mobile communications market. Customer satisfaction with specific aspects of services available in the mobile communications market in Montenegro has been surveyed in 2013. This survey covered 788 respondents, and their levels of satisfaction have been examined using the survey method along with the statistical analysis of a number of variables. The first part of questionnaire consisted of questions aimed at collecting data on demographic characteristics of respondents, i.e. users of services of mobile operators, while the second part consisted of questions related to the basic research subject, i.e. the levels of customer satisfaction with the mobile communications services provided by mobile operators in Montenegro. The presented research method and recommendations provided in relation to the process of surveying customer satisfaction in terms of methodology may be important also for mobile operators operating beyond the Montenegrin market, enabling them to raise the quality of their customer satisfaction surveys and to improve thereby their own business.

Keywords: satisfaction, customer, survey, loyalty, mobile communications

INTRODUCTION

The concept of customer satisfaction is one of the most important topics in modern marketing, drawing more and more attention both towards literature and business practice as well. Customer satisfaction is an important goal of every business, indicating its success in the past, present and future. Customer satisfaction has long been investigated by marketing and customer researches (Park and Choi, 1998). In particular, a number of empirical studies have been published with regard to cognitive processes mediating customer satisfaction (Yi, 1990).
On the other hand, current business conditions, particularly in transition and developing countries, impose companies a number of new requirements, based on which company managers become increasingly aware that satisfaction is the only way of retaining the existing and attracting new customers (Mitrović et al., 2013). Companies focused on customer satisfaction are doing this based on their experience. Customer satisfaction is believed to increase loyalty, foster repurchase intention, enhance positive reaction and reduce the number of complaints. In contrast, customer dissatisfaction increases the possibility of shifting to other brands, leads to negative reactions and increases the number of complaints. In this way, customer satisfaction strongly impacts the revenues and costs of modern companies. Some authors perceive satisfaction as a multidimensional variable, integrating practical functional aspects as well as different dimensions of consumer value (Williams-Soutar, 2009). Zeithaml, Bitner and Gremler (2006) in their publication state that although in practice the terms of satisfaction and quality are mutually interchangeable, experts claim that satisfaction is generally perceived as a broad concept while the quality of services concentrates especially on the dimensions of services. Job satisfaction is positive emotional state that arising from employee's work or practical experience (Almanae, 2013).

Several authors understand satisfaction as an emotional state, others as a result of cognitive processes, or a combination of both. Other authors work with satisfaction as with a one-dimensional value, representing overall mental state of a person who has passed a tourist activity (Baker and Crompton, 2000); this is frequently used approach in the tourist destination research. Another authors understand the satisfaction as a manifestation of emotions in the form of subjective assessment of the destination and its particular components. The satisfaction is influenced firstly by the individual expectations of the visitors and secondly by the destination and its characteristics itself (Vajnerová Žiarian, Ryglóvá and Andráško, 2014).

Customer loyalty is a routine commitment to repurchasing a product or service in future in a consistent fashion, regardless of the influence of situational factors and marketing efforts that possibly can lead to brand-shifting behaviour (Oliver, 1997). Customer loyalty is defined as a buyer's deeply held commitment to stick with a product, service, brand or organization consistently in the future, despite new situations or competitive overtures to induce switching (Oliver, 1999). It is similar to relationship commitment in buyer–seller relationships where customers have an enduring intent to maintain a long-term relationship (Anderson and Weitz, 1992).

Loyalty in terms of behaviour is measured by taking into account the probability of repurchase. In terms of attitude and behaviour, loyalty appears as a brand preference or emotional commitment. Therefore, it is measured with the intention of buying, rejection of better alternatives, price tolerance, and intention of recommending the product or service to others.

Loyalty behaviour can take on several forms, but is usually operationalized as future intention to repurchase products and services or continue a working relationship (Dick and Basu, 1994). As suggested by some studies, customer experience is crucial to predicting the level of loyalty. Higher levels of satisfaction with a specific transaction indicate higher levels of loyalty. Most often loyalty is measured as a direct consequence to customer satisfaction (Heskett et al., 1997). But some suggest that satisfying customers is insufficient to create loyal customers (Fornell, 1992).

In order to obtain information on customers' response to and satisfaction with the company's services, appropriate surveys should be conducted along with the quantification of their results. Surveys of customer satisfaction are carried out with the goal to gain better insight in customers' expectations and experiences when using the services of a given company (Kos et al., 2011). Some of the specific questions to which the surveys of customer satisfaction may provide answers are the following (Dermanov and Eklof, 2001):

- Quantifying the level of customer satisfaction and identifying the reasons leading to customer satisfaction or dissatisfaction;
- Comparing the satisfaction of customers with competitive enterprises;
- Effectiveness of the company's efforts and investments in improving customer satisfaction;
- Determining the reasons for the loss of customers, as well as the ways of their retention, and conceiving suitable loyalty programs.

Surveying customer satisfaction is a starting point in planning the company's further activities in terms of improving its services and future relationships with customers (Melović, 2012). Surveying customer satisfaction leads to continuously generated information about what the company should do to keep customers satisfied and loyal. The customer satisfaction research program implies monitoring customer attitudes and perceptions in a continuous manner about the quality of services being offered, and selecting an adequate feedback system on their experiences (Stanković and Djukić, 2006). Surveying customer satisfaction enables the company to find out what is most important for customers, how they perceive the company, and ultimately and most importantly, it helps the company in setting priorities for improving and increasing both customer satisfaction and profits (Punoševac and Rajković, 2011).

Undoubtedly, surveying customer satisfaction represents an important tool in hands of service company because it allows for identifying hidden tendencies before they become critical.
to the business, setting priorities for addressing the identified problems and taking advantage of opportunities, but also for identifying the causes of customer satisfaction and dissatisfaction (Marković, 2003). However, despite of being a very important and extremely useful tool, the procedure of surveying customer satisfaction brings many challenges and problems. In fact, the extent to which it is important to survey customer satisfaction is the same to which it is burdened with research-related difficulties. These difficulties stem from the fact that customer satisfaction is basically a psychological state, and therefore its quantification requires special attention.

Customer satisfaction is actually an abstract dimension, which varies from person to person and is manifested differently depending on the type of service. Customer satisfaction would eventually contribute to marketers’ success in terms of profitability and market share (Flint et al., 2011). The level of customer satisfaction depends on the customer’s perception and expectations; in this sense, the level of satisfaction is believed to be extremely subjective. Therefore, when surveying customer satisfaction, it is important to bear in mind that it cannot be measured by a direct inquiry, because satisfaction is complex and at the same time hidden variable, given that it is about a subjective evaluation of customers (Veljković and Nedeljković, 2010).

When defining the procedure of surveying the satisfaction service users, it is necessary to make some important decisions concerning the form of research (defining the research objective, the research type, methods of collecting and analyzing the data, and the like). These decisions are integral parts of the strategy of surveying satisfaction service users, and they can be divided into seven steps (www.usaservices.gov):

1. Defining the research objectives;
2. Defining the research scope;
3. Defining the research type;
4. Deciding whether the company should conduct it autonomously or hire an independent agency;
5. Defining the method of data collection;
6. Defining the sample size;
7. Defining the method of analysis and submitting the report.

Given the importance and complexity of surveying customer satisfaction, as well as the specific nature of the service sector, the procedure of surveying customer satisfaction clearly must be based on surveying the users in order to obtain valid and quality information. Companies that base their operation on surveying customer satisfaction need to establish a clear relation between customer satisfaction and their own goals, because survey results are intended to be used as inputs for strategic planning, as well as the basis of defining what should be improved.

**MATERIALS AND METHODS**

**Research subject** – The subject of this paper is to analyze the level of customer satisfaction with specific aspects of service in the mobile communications market of Montenegro using the method of survey-based research and comparing a number of variables that influence the loyalty users of this type of services.

**Research objective** – The study is aimed at identifying the level of customer satisfaction with specific aspects of services provided by mobile operators in the Montenegrin mobile communications market, providing thereby methodological guidelines for mobile operators in terms of research elements, which should be taken into account when determining the levels of customer satisfaction and loyalty.

The main research hypothesis – Based on the research subject and objective, the main research hypothesis can be defined as follows: (H1) Surveying customer satisfaction in a continuous manner is indispensable instrument used by service company, which, if used properly, provide adequate and useful information for achieving high levels of customer loyalty.

**Survey instrument and sample** – Customer satisfaction with specific aspects of services available in the mobile communications market in Montenegro has been surveyed in 2013. This survey covered 788 respondents, and their levels of satisfaction have been examined using the survey method along with the statistical analysis of a number of variables. The first part of questionnaire consisted of questions aimed at collecting data on demographic characteristics of respondents, i.e. users of services of mobile operators, while the second part consisted of questions related to the basic research subject, i.e. the levels of customer satisfaction with the mobile communications services provided by mobile operators in Montenegro.

Regarding the structure of questions, the questionnaire included closed-ended questions, while in some questions customer satisfaction has been evaluated using a rating scale, which included the following answers: very satisfied, mostly satisfied, mostly dissatisfied and very dissatisfied (Before presenting the detailed answers to the questions in questionnaire, it is important to state the method of calculating the response percents. Namely, as certain aspects of satisfaction were examined using filter questions, respondents who answered negatively to the first (filter) question were not required to answer the next related question or the next related set of questions. Consequently, the percentage of responses to the next question or set of questions has been calculated only for respondents who answered the first question positively). Results obtained by this research are presented in the section that follows.
RESULTS AND DISCUSSION

The introductory part of the analysis and interpretation of research results provides an overview of the basic data on the characteristics of respondents included in the sample.

As indicated by the table above, the survey included and surveyed both genders, where 54% of respondents were males and 46% females. Analyzing the results of the introductory part of the questionnaire revealed that the majority of respondents were people holding college or university degree (65%), while individuals with elementary education contributed with the lowest share (2%). In addition, the majority of respondents were aged 26–35 (44%).

Out of all respondents, 46% have one active mobile phone number, 36% two, and 18% more than two. The majority of respondents use the services of Telenor (54%), followed by T-Mobile (36%) and M:Tel (10%). Telenor is also the leading company regarding the ratio of prepaid and postpaid users. The ratio of prepaid and postpaid users for all three operators is shown in Fig. 1.

Thus, as indicated by the graph above, most of the overall number of respondents uses the services of Telenor, which also has the highest number of prepaid and postpaid users. T-Mobile has 13% prepaid and 23% postpaid users, while M:tel has the lowest number of prepaid (6%) and postpaid users (4%). The reason for this is that Telenor is the company with the longest presence in the Montenegrin market, and in the first few years, its operation could be characterized as monopolist.

When it comes to services, respondents have the option of using communications (voice and video calls), sending SMS and MMS messages, as well as internet services (data transmission) and, recently, the increasingly popular internet applications (Viber, Skype, etc.). The following graph presents the user responses to the question regarding the most commonly used mobile services.

As shown in the graph above, the most commonly used services among the users are voice communications (90%) and SMS (86%). Also, 66% of all respondents use internet services, while services of video calls and MMS are used only by 4% and 2% of respondents, respectively.

The respondents’ satisfaction or dissatisfaction with services of mobile operators was evaluated using a rating scale, results of which are shown in the following table.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>54%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>46%</td>
</tr>
<tr>
<td>Age</td>
<td>25 or less</td>
<td>24%</td>
</tr>
<tr>
<td></td>
<td>26–35</td>
<td>44%</td>
</tr>
<tr>
<td></td>
<td>36–46</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>46 or more</td>
<td>17%</td>
</tr>
<tr>
<td>Education</td>
<td>Elementary school</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>High school</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>College, faculty</td>
<td>65%</td>
</tr>
<tr>
<td></td>
<td>Masters degree, PhD.</td>
<td>13%</td>
</tr>
</tbody>
</table>

Source: the author’s interpretation

![Graph 1: The ratio of prepaid and postpaid users](image1)

![Graph 2: Mobile communications services](image2)
As indicated by results shown in the table above, respondents are most satisfied with services of voice communication (33.9% very satisfied, 57.1% mostly satisfied) and SMS services (44% very satisfied, 52% mostly satisfied). Also, these results indicate that respondents are least satisfied with internet services (15% very dissatisfied, 38.5% mostly dissatisfied).

Results of rating the coverage and quality of network of the mobile operator whose services are used, as well as the tariff packages and mobile phones being offered, are shown in the following table.

When it comes to rating the network coverage and quality of the mobile operator whose services are used, as well as the tariff packages and mobile phones being offered, respondents were also mostly satisfied.

Given that in the Montenegrin market it is possible to shift between mobile operators while keeping the existing number, the survey also included questions relating to this service. Asked whether they ever shifted to other mobile operator, 14% of respondents provided a positive answer. In this regard, the following graph presents the respondents' answers regarding the reasons that caused the shift to other mobile operator.

As indicated in the graph above, the majority of respondents of those who have shifted their mobile operator did this because of service prices (43%). 29% of respondents have shifted to other mobile operator because the poor service quality provided by old operator, while 14% of respondents did this because of better offers provided by new operator. Same is the percentage (14%) of those who have done it for better quality of services provided by the new operator.

The question, if you shifted the operator, have you returned to the old one, was answered positively by 43% of those respondents who shifted their operator. As shown in the following graphic, the main reason for the return was dissatisfaction with the savings at the new operator.

The respondents satisfaction or dissatisfaction with customer support services (call centre) were rated using a satisfaction assessment scale. The majority of respondents (54%) are mostly satisfied with this service, as can be seen in the figure below.

Results of satisfaction or dissatisfaction with specific aspects of customers support services (waiting time, answer, behaviour) are presented in the following table.

As indicated by ratings of specific aspects of customer support services provided in the table...
Boban Melovic, Slavica Mitrovic, Tamara Markovic, Ana Nesic, Ida Vajčnerová

4: Reasons for returning to the old operator
Source: the author's interpretation

5: Levels of satisfaction with customer support services (call centre)
Source: the author's interpretation

IV: Ratings of specific aspects of customer support services

<table>
<thead>
<tr>
<th>Aspects</th>
<th>Very satisfied</th>
<th>Mostly satisfied</th>
<th>Mostly dissatisfied</th>
<th>Very dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waiting time</td>
<td>12%</td>
<td>34%</td>
<td>36%</td>
<td>18%</td>
</tr>
<tr>
<td>Answer</td>
<td>15%</td>
<td>45%</td>
<td>25%</td>
<td>15%</td>
</tr>
<tr>
<td>Behaviour (communication)</td>
<td>44%</td>
<td>53%</td>
<td>3%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: the author's interpretation

6: Roaming prices
Source: the author's interpretation

7: Reasons for dissatisfaction with roaming services
Source: the author's interpretation
above, respondents are most satisfied with behaviour or communication (44% very satisfied, 53% mostly satisfied), followed by the answers provided (15% very satisfied, 45% mostly satisfied). The aspect of customer support services respondents were most dissatisfied with is the waiting time (18% very dissatisfied and 36% mostly dissatisfied users).

Roaming services are used by 60% of respondents. For the majority of respondents using this service the prices are high (60%), 27% of respondents believe that they are acceptable, while 13% believe that prices are low (see Fig. 6).

When asked about the satisfaction with roaming service of their operator, 30% of respondents are satisfied, 45.3% of them are both satisfied and dissatisfied, and 26.7% of them are dissatisfied. Some of the main reasons for dissatisfaction with roaming services are primarily high prices. There are also problems with calls, messages and other aspects of this service (Fig. 7).

Thus, as indicated by the above graph, the main reason for dissatisfaction with roaming services is high prices (38%). For 25% of respondents the reason for dissatisfaction with roaming services is the problem with calls, while 12% of respondents are dissatisfied with roaming services because of problems with messages.

The above results indicate varying degrees of satisfaction or dissatisfaction with specific aspects of mobile phone services, provided by mobile operators in the Montenegrin market. Questions stated in the survey are examples of possible questions that may be a part of surveying satisfaction of users of mobile communications services, i.e. surveying customer satisfaction with specific aspects of provided services.

CONCLUSION

The business world today is in the process of very rapid and numerous changes (globalization of economy, swift growth of electronic commerce, increasing pace of business operations, rapid obsolescence of technological novelties, rapid expansion of new companies in the world market), which inevitably imposes the need for the development of new models and forms of business, which entails a different treatment of users, in order to ensure higher levels of their satisfaction and loyalty. Customer satisfaction and loyalty are positively related to marketer profitability and market share (Anderson et al., 1994: 53–66). It has become a relatively common rule of thumb that acquiring new customers costs marketers between five to ten times more than it does to retain current customers (Slater and Narver, 2000). Thus, many firms have developed distinct competencies in measuring customer satisfaction and similarly an entire consulting industry has emerged in the area of customer satisfaction measurement (Flint et al., 2011).

Customer satisfaction is an excellent benchmark and barometer of future revenues and profits. Satisfaction is a forward-looking indicator of business success, which measures how customers respond to the future of the company. Although quite related, satisfaction and loyalty is not the same thing. Satisfaction is an attitude towards something, while loyalty is behaviour toward something. On the other hand, there is no doubt that satisfaction and loyalty are related categories. Though loyal customers are customers who are satisfied, but satisfaction cannot be universally interpreted as loyalty. Ultimately, customer satisfaction and loyalty have significant impact on company’s financial flows and modern companies have to keep this in mind constantly.

Given the importance and complexity of surveying customer satisfaction, as well as specific nature of service sector, the procedure of surveying customer satisfaction clearly should be based on surveying the users in order to obtain valid and quality information. As satisfaction of users with services provided by the company is a reflection of their subjective perception, it should be quantified in a specifically focused manner. The procedure of measuring customer satisfaction is a rather complex process that requires precise planning of activities and continuous data collection, while its subjective reference should be also taken into account.

This research was aimed at examining the level of customer satisfaction with specific aspects of the services offered by mobile operators in the Montenegrin market of mobile communications to provide mobile operators with some of the basic methodological recommendations regarding the procedure of surveying customer satisfaction. A customer satisfaction survey, which is methodologically correct, represents a valuable and useful tool in hands of service companies in creating loyalty of satisfied customers, thus confirming the author’s hypothesis.

As indicated by this research, specific aspects of services provided by mobile operators in Montenegro are differently perceived by users of mobile communications. As customer satisfaction surveys are actually aimed at objectifying and quantifying the users’ subjective perceptions (Tse and Wilton, 1988), when analyzing and surveying customer satisfaction, researchers also need to account with variables causally related to customer satisfaction. The traditional research approach, which involves asking the user what he considers important, fails to provide answers to the question whether he is satisfied or not. A common mistake being made when surveying customer satisfaction is that customers are offered an answer to the question, which then makes the basis of drawing conclusion regarding their satisfaction; but neither the level of satisfaction nor the relationship between satisfaction and the other variables affecting it are examined. It must therefore
be borne in mind that satisfaction is not one-dimensional binary concept, but a matter of degree (Kostić, 2004).

In order to ensure long-term loyalty, service companies should bear in mind that surveying customer satisfaction requires a detailed and serious approach, which includes understanding each step of the procedure. One should always bear in mind that implemented improvements unlikely guarantee long-term customer satisfaction.

Performances of the company and its competitors in relation to main generators of satisfaction should be periodically measured, identifying thereby the degree of increase or decrease in customer satisfaction, as well as the need for taking corrective actions. Changes in the environment should periodically be monitored, since the dynamics of the environment affects the frequency of surveying changes in customer satisfaction.

**SUMMARY**

In modern business, satisfaction is connected with the consumers’ effort to achieve content by using goods and services in any sector. Telecommunication sector has marked continuous growth in the last ten years. This is especially true in the field of mobile telephony. The main objective of this paper is to examine the level of customer satisfaction with specific aspects of services provided by mobile operators in the Montenegrin mobile communications market. The presented research method and recommendations provided in relation to the process of surveying customer satisfaction in terms of methodology may be important also for mobile operators operating beyond the Montenegrin market.

Achieved results have significant implications for mobile operators so that they could improve the service quality by adjusting it to the customers’ expectations, with the aim to ensure satisfaction and loyalty. The results indicate varying degrees of satisfaction or dissatisfaction with specific aspects of mobile phone services, provided by mobile operators in the Montenegrin market. Questions stated in the survey are examples of possible questions that may be a part of surveying satisfaction of users of mobile communications services.

Special value of the subject research reflects in the fact that such types of research have been vaguely represented at the market in Montenegro. Customer satisfaction is believed to increase loyalty, foster repurchase intention, enhance positive reaction and reduce the number of complaints. In contrast, customer dissatisfaction increases the possibility of shifting to other brands, leads to negative reactions and increases the number of complaints. In this way, customer satisfaction strongly impacts the revenues and costs of modern companies.

Acknowledgement

This paper presents a segment of the research over our of mobility and scholarships in the scope of the network CEEPUS III SK-0044.

**REFERENCES**


Contact information
Boban Melovic: bobann@ac.me
Slavica Mitrovic: mslavica@uns.ac.rs
Tamara Markovic: tamaramarkovic1986@gmail.com
Ana Nesic: nesic.ana.88@gmail.com
Ida Vajčnerová: idava@mendelu.cz