INTI INTERNATIONAL UNIVERSITY

MASTER OFBUSINESS ADMINISTRATION

DETERMINENT FACTORS OF CUSTOMER SATISIFICATION DEGREE OF CHINA MOBILE IN BEIJING,CHINA
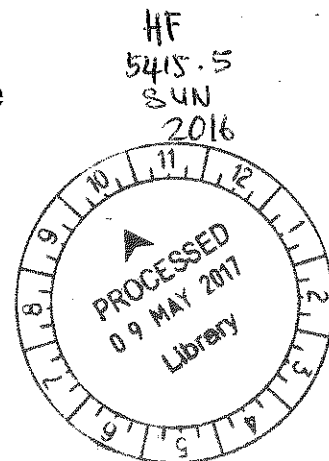
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ABSTRACT :

Telecommunication services in China are mainly provided by China telecom corporations, China Unicom, and China Mobile. China's telecommunications industry began in November of 1987 and only had more than 150 subscribers during that time . According to Verto and iResearch data, there is 48% of the online population in China currently from the total global population which approximately 651,360,000 people at the time of writing. In contrast, while there is 85% of Americans are online compare to China has almost 2.5X the online community. However, the devices people in China are using to access the Internet might surprise you. the simultaneous trend of China-focused services such as Baidu and Alibaba had gaining momentum from the last five years which had overlapped along with the emergence of smartphones and increasingly affordable mobile devices. In fact, this growth can be seen in headline-grabbing Chinese apps such as WeChat CINIC believes that only 186 million rural Chinese currently access the web, something that has massive implications for growth given advances in mobile technology.therefore there is an urgent need for the service provider to improve their customer satisfication for the sake of customer retention and develop more persepctive customers.

DECLARATION

I Certify this is my own work and the use of materials from other sources has been properly and fully acknowledhed in the text.I understand,that the noraml consequences of cheating in any element of examination,If proved and in the absence of mitigating circumstances is that the relevant faculty examiner's meeting will be directed to fail the candidate in the examination as a whole.

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Even though my name appears on the cover of the thesis,which is inseparable from the people who helped me,I am very grateful for the people who is willing to help me.if there is no help from them.i will be hardly able to complete this project.

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Chapter 1 : Introduction

The background shows the level of mobile user's customer satisfaction within China in Chapter 1. The research problem statement has been identified as the number of disadvantages to China's industry of real estate's marketing. Therefore, three aspects which include competitor attraction, customer service, and word of mouth would be the variable which is independent and the dependent variable would be customer satisfaction (Aydin & Ozer, 2005). For the research significance, it can be seen that there is importance for the people and country to realize about. As the study is only conducted in China, the research would not be able to represent every country around the world and can only be able to represent China would be the main limitation of this study (Bolton, 1998).

1.1 Background of the Study

China's Telecommunications Industry Development

Telecommunication services in China are mainly provided by China telecom corporations, China Unicom, and China Mobile. China's telecommunications industry began in November of 1987 and only had more than 150 subscribers during that time (Brady & Cronin, 2001). According to Verto and iResearch data, there is 48% of the online population in China currently from the total global population which approximately 651,360,000 people at the time of writing. In contrast, while there is 85% of Americans are online compare to China has almost 2.5X the online community. However, the devices people in China are using to access the Internet might surprise you. According to Rogers (2016), the simultaneous trend of China-focused services such as Baidu and Alibaba had gaining momentum from the last five years which had overlapped along with the emergence of smartphones and increasingly affordable mobile devices. In fact, this growth can be seen in headline-grabbing Chinese apps such as WeChat (or

Weixin, as it is known in China). CINIC believes that only 186 million rural Chinese currently access the web, something that has massive implications for growth given advances in mobile technology (Scutt, 2015). Thus,China's Telecommunications Industry Development can be separated into four phases.

1.1.1 Initial Development Phase (1987-1993)

The initial development was triggered by the analog mobile phone demand of one urgent customer. The handset that looks clumsy was a social and wealth status symbol during this period. Only people who lives in metro cities who are involved with businesses and foreign companies can afford to pay for the services. The state owned company China Telecom is able to provided long distance and local services (Carman, 1990).

1.1.2 Rapid Development Phase (1994 – 2000)

The government of China made the decision to support domestic telecommunications market actively during the year 1994, starting LianTong, or China Unicom Corporation to provide value added and wireless services (Caruana, 2002). It turned into the force that drives the transition towards the digital global system's widespread utilization for GSM mobile services. In the year 1995, these mobile services were introduced in Guangzhou, Tianjin, Shanghai, and Beijing. Price of service change were low because of competition. In the year 1999, the mobile division of China Telecom separated from them and became China Mobile (Choi et al, 2004). With their huge client base, there were more than 137 million internet users only in China alone and China then was recognized as the biggest telecommunications services market in Asia Pacific (Choi et al, 2004).

1.1.3 Data Services Transition Phase (2001-2008)

China Mobile and China Unicom were the two companies which revolutionized China's communications industry. This 2 companies introduced wireless application protocol, also known as WAP, utilized for wireless service and provided a range of value added service for data. In the last quarter of 2003, the amount of mobile phone users has already exceeded the amount users who are using fixed line. Local services for wireless access are well connected even in certain remote villages and smaller cities. Right before 2009, there were a total of 641 million subscribers (Eisingerich & Bell, 2009).

1.1.4 Proceeding into the 3rd Generation (2009-)

In the year 2009, China Telecom, China Unicom, and China Mobile were issued with the licenses of the 3G wireless communications, which is also the third generation (Martin et al, 2009). Currently, there are three main companies within China's telecommunications market. China is constantly upgrading and expanding their infrastructure in order to be prepared for on demand videos, higher speed access of data, and other mobile related services. Right before 2011, there were a total of 829 million subscribers. China Mobile is the biggest service provider, which owns approximately 70% of the market share in China (Martin et al, 2009).

1.2 Problem Statement

As China's largest telecommunications service provider, the counter for customer service in every one of China Mobile outlets are filled with high amount of customers every day and the employees there would need to tend to their mobile issues. Customers may choose to buy a new mobile device, change new mobile plans, or even renew contracts, almost all services would need to be signed in a contract which will produce high amount of processes and paperwork for the employees depending on the regulation or process which is designated (McDougall & Levesque, 2000).

Therefore, signature security and document management are important factors for big companies such as China Mobile with a high number of outlets to take care of. Having said that, contracting is a process which consumes quite a lot of time for both employees and clients. Customers would need to review and sign the documents, at the same time, employees of the store would also need to handle the contract with care, paper storing, data searching, scanning and photocopying, verifying customer ID, and other processes, which would take up quite some time, leading to lower rate of turnover, and in worst cases, lower customer satisfaction due to the long waiting time. This does not only cause a rise in cost of labour management, but also increases storage and paper printing fee which is an important cost control problem for business managers (Lehtinen & Lehtinen, 1982). The most appropriate solution would be to create a workflow which is smooth, enabling customer service employees to tend to more customers and shorten the time for document recovery, eliminate time wasted for printing, and more importantly increase customer satisfaction. Besides, Apple's CEO Tim Cook had declared that in China, rivals like Huawei and Xiaomi Corp have developed their own cheaper products with similar specifications, while the relative success of the iPhone 6 has made it harder for Apple to sustain its growth rates. Thus, it shows how intense the competitve force in the mobile inustry in China as there are too many mobile manufacturers and it is easily for consumers to shift to other brand without incur any switching cost.

1.3 Research Objectives

The following are the research objectives of the study

1. To ascertain whether there is a relationship of consumer perception to customer satisfaction of China Mobile in Beijing, China.
2. To ascertain whether there is a relationship of word of mouth to customer satisfaction of China Mobile in Beijing, China.

3. To ascertain whether there is a relationship of customer service to customer satisfaction of China Mobile in Beijing, China.

4. To ascertain whether there is a relationship of competition attraction to customer satisfaction of China Mobile in Beijing, China.

5. To determine the most significant factors (consumer perception, word of mouth, customer service, competition attraction)that influence customer satisfaction of China Mobile in Beijing, China.

1.4   Research Questions

1. Is there a relationship of consumer perception to customer satisfaction of China Mobile in Beijing, China?

2. Is there a relationship of word of mouth to customer satisfaction of China Mobile in Beijing, China?

3. Is there a relationship of customer service to customer satisfaction of China Mobile in Beijing, China?

4. Is there a relationship of competition attraction to customer satisfaction of China Mobile in Beijing, China?

5. What is the most significant factors (consumer perception, word of mouth, customer service, competition attraction) in influence on the customer satisfaction of China Mobile in Beijing, China?

1.5 Study Significance

1.5.1 Academe

This paper will provide contributions to the Academic community. The outcomes from this research will increase the understanding and the knowledge about the factors that are influencing the customer satisfaction toward mobile in China. The results will help universities to offer some courses to improve the design, technology and marketing methods that should learn by students in order to

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encounter when they are in working career. This research will help researchers, especially those China's researchers to be more understand on how customers' satisfaction of mobile. To sum up, the research findings will provide a more critical view on improve customer satisfaction in future into education institutions.

1.5.2 Industry

China's telecommunications industry will continue to grow and become huge in the future, the amount of subscribers is also expected to increase at a steady rate of 50 million per annum in the years to come (Lai et al, 2007). With the amount of voice contents and subscribers keeping pace, new applications, related non-voice services, and mobile data will also have faster growth rate. It is now an important factor for organizations and companies to place emphasis on customer satisfaction by putting more efforts in order to improve service and product quality and retain customer loyalty within a very competitive industry. In the past 10 years, quite a few national indicators shown that customer satisfaction has been increasing among a wide range of companies. Similar to other industries, China's telecommunications industry is highly competitive and much emphasis have been placed by China Mobile on improving service as well as customer satisfaction (Lai et al, 2007). With the high amount of complex regulations and processes when there are contracts involved, accurate and fast service is a very crucial problem within the business of telecommunications. A measurement for satisfaction which is standardized provides the required for regulatory objectives which are accurate that would identify both the interest of consumers and resolve the vagueness problem.

1.6 Scope of Research

The scope of the research is to identify factors(consumer perception, word of mouth, customer service, competition attraction) that might affect the degree of customer satisfaction of China Mobile within Beijing, China. According to the world population statistic 2016, there are approximately 21.7 million of people who live in

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