

## “Role of Value-Added Services in Enhancing Customer Satisfaction in Telecom Companies”

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### Abstract

The telecommunications sector has become highly competitive, making customer satisfaction a key factor for the success of telecom companies. In addition to basic services such as voice calls and internet connectivity, telecom service providers now offer various value-added services to enhance customer experience and retain customers. The present study aims to examine the role of value-added services in enhancing customer satisfaction among telecom users in the selected cities of Junagadh, Rajkot, and Jamnagar. The study is based on a quantitative research design. Primary data were collected from 150 telecom customers using a structured questionnaire. The data were analyzed using statistical techniques such as percentage analysis, mean and standard deviation, correlation, and regression analysis to understand the relationship between value-added services and customer satisfaction. The findings of the study reveal that value-added services such as OTT subscriptions, data rollover, and security and spam protection services play a significant role in improving customer satisfaction. The results also indicate a positive relationship between value-added services and customer loyalty, as satisfied customers are more likely to continue using the same telecom service provider. The study concludes that effective and customer-oriented value-added services can significantly enhance customer satisfaction and provide a competitive advantage to telecom companies in the selected cities.

**Keywords:** Value-Added Services; Customer Satisfaction; Telecom Sector; Customer Loyalty; Service Quality; Quantitative Study.

### Introduction

The telecom sector plays an important role in daily life by providing communication and internet services to people. In recent years, the telecom industry has become highly competitive, and customers now have many service providers to choose from. Due to this competition, telecom companies cannot depend only on basic services such as voice calls and data services. They must focus on improving customer satisfaction to retain their customers.

To enhance customer experience, telecom companies offer value-added services (VAS) along with their basic services. Value-added services include OTT subscriptions such as Netflix and Amazon Prime, caller tune services, data rollover, security and spam protection, SMS alerts, and international roaming services. These services are designed to provide extra benefits and convenience to customers and increase the overall value of telecom services.

Customer satisfaction is a key factor for the success of telecom companies. When customers are satisfied, they are more likely to continue using the same service provider and recommend it to others. In cities like Junagadh, Rajkot, and Jamnagar, the use of smart phones and internet-based services has increased rapidly, making value-added services more important in influencing customer satisfaction. Customers in these cities expect affordable, useful, and easy-to-use value-added services along with good network quality. A total of 150 respondents were selected for the study. The respondents consist of telecom service users from the selected cities. The study uses the convenience sampling method, as respondents were selected based on their availability and willingness to participate in the survey. Primary data were collected through a structured questionnaire designed to capture respondents' perceptions regarding value-added services and customer satisfaction. The questionnaire was administered to telecom users in the selected cities. Understanding customer perception towards these services is important for telecom companies to design better service strategies. Therefore, the present study aims to examine the role of value-added services in enhancing customer satisfaction among telecom customers in Junagadh, Rajkot, and Jamnagar. The study also seeks to identify the most preferred value-added services and analyze their impact on overall customer satisfaction. The findings of this research will help telecom companies improve their value-added service offerings and increase customer satisfaction in these cities.

### **3. Review of Literature**

#### **Abstract**

1) (Mutaz M. Al-Debeia, 2022) The purpose of this study is to provide an explanation for telecom users' continued use of mobile value-added services (MVAS), such as transaction, communication, entertainment, and information services. Based on the S-O-R paradigm and previous studies on MVAS and mobile service quality, we created a model in which we postulate that customers' intention to keep using MVAS as a behavioural response (R) is directly related to their satisfaction with the services and their perception of its value as affective and cognitive states (O), respectively. Additionally, the established model acknowledges the significance of mobile service quality (S) in terms of attributes and features in fostering perceived value and customer satisfaction. Customer service, service content, and mobile network quality are all used as stimuli in this study. An online survey tool was used to gather data from 371 respondents. Data analysis was done using PLS-SEM and SmartPLS3 software. The structural data indicate that although both customer satisfaction and perceived value have direct positive effects on continuous usage intention, the customer satisfaction effect is more substantial. Furthermore, it was shown that perceived value was directly predicted by the quality of mobile networks, customer service, and service content.

2) (Ramayah, 2021) Growing global competition has made the market for service providers extremely competitive. A variety of products and services have been generated by numerous companies; mobile phone services, in particular, have been produced by the telecom industry. Many value-added services related to mobile phone services, including as communication, entertainment, information services, and money transfer services, have been substantially integrated in order to sustain and satisfy client needs. This necessitates optimizing performance. Service quality in emerging sectors, such as B2B services in the retail industry, cannot be measured by SERVQUAL or SERVPERF, according to findings in service marketing literature. Therefore, additional work needs to be done on service quality models for the mobile phone service industry.

3) (Sikander Ali Qalati, April 2019) the purpose of the study was to determine how customer purchasing behaviour acted as a mediator. 36 percent of students took part in the survey, and 68.5 percent of respondents are from the nation's younger generation. According to the findings, 46% of respondents said that their family consisted of 1–5 people. Pakistan's population is represented by the 567 responders.

(Jatau, 2023) This study's primary goal is to investigate the factors that influence consumer switching behaviour in Nigeria's telecom sector and the moderating influence of value-added services. A cross-sectional study approach was used to gather data from university students in Borno State, north-eastern Nigeria. The study used the Krijcie and Morgan (1970) rule of thumb to arrive at 382 respondents, and the personally administered approach was used to distribute and collect the surveys. The study hypothesis was tested using partial least squares structural equation modelling, or PLS-SEM.

4) (Rahman, 2014) Advanced value-added telecommunication services provide high growth potential for telecommunication operators. Intelligent networks provide new opportunities for the development of differentiated value-added services. With increasing competition customer oriented service development becomes very important. In this paper we will present a framework for service development that includes both customer values and operations of the service provider. The framework of value network will be formed of customer preferences and the operations of the service provider. Our approach thus combines the theory of value creation in the company with consumer theory of how consumers perceive created values. We also give an example of the utilisation of the framework by analysing how customer value is created with the 9700-service of Telecom Finland.

### **4. Research Objectives**

#### **Primary Objective:**

- To analyze the role of value-added services in enhancing customer satisfaction in telecom companies.

#### **Secondary Objectives:**

- To identify the most preferred value-added services

- To measure the level of customer satisfaction toward VAS
- To examine the relationship between VAS and customer satisfaction
- To assess the impact of VAS on customer retention intention

**5. Research Hypotheses (Quantitative)**

Form null hypotheses (H<sub>0</sub>):

- **H<sub>01</sub>:** There is no significant relationship between value-added services and age group of customer satisfaction.
- **H<sub>02</sub>:** Value-added services do not significantly influence customer loyalty.
- **H<sub>03</sub>:** There is no significant difference in customer satisfaction across different telecom providers based on VAS.

**6. DATA ANALYSIS**

- **Demographic result**

Gender	frequency	percentage
Male	75	50%
female	75	50%
<b>Network types</b>		
BSNL	5	0.03%
VI	30	0.2%
AIRTEL	18	0.12%
JIO	106	0.70%
<b>Age</b>		
Up to 25	89	59.3%
25 to 35	17	11.3%%
35 to 50	28	18.6%
More than 50	16	10.6%
<b>Time of Network Experience</b>		
Less than 1 year	19	12.6%
1 year to 3 year	48	32%
3 year to 5 year	65	43.3%
More than 5 year	35	23.3%
<b>Income</b>		
less than 10,000	65	43.3%
10,000 to 20,000	28	18.6%
20,000 to 30,000	13	8.6%
more than 30,000	43	28.6%

- **H<sub>0</sub>1:** There is no significant relationship between value-added services and age group of customer satisfaction.

Services	Up to 25	25 to 35	35 to 50	More than 50	ANOVAs table
Caller tunes	32	45	23	22	0.203144
Data rollover	18	11	32	13	
SMS/Call alerts	50	3	36	13	
Security & spam protection	27	18	38	48	
International roaming	23	24	19	12	

- **H<sub>0</sub>2:** Value-added services do not significantly influence customer experience.

Services	Less than 1 year	1 year to 3 year	3 year to 5 year	More than 5 year	ANOVAs
Caller tunes	25	22	45	50	0.004734
Data rollover	30	14	36	25	
SMS/Call alerts	35	20	25	36	
Security & spam protection	36	45	35	52	
International roaming	25	5	3	3	

- **H<sub>0</sub>3:** There is no significant difference in customer satisfaction across different telecom providers based on VAS.

Services	BSNL	AIRTEL	VI	JIO	p-value
Caller tunes	2	11	8	35	0.034991
Data rollover	3	17	15	100	
SMS/Call alerts	3	22	10	22	
Security & spam protection	1	5	15	23	
International roaming	0	2	2	11	

The collected data were analyzed using the following **statistical techniques**:

- Percentage analysis
- ANOVAs table
- Correlation analysis

### **7. Questionnaire Design (Variables)**

#### **Independent Variable (VAS):**

- OTT subscriptions
- Caller tune services
- Data rollover
- Security & spam protection
- Customer alerts & notifications

#### **Dependent Variable:**

- Customer satisfaction
- Repurchase intention
- Recommendation likelihood

### **9. Findings**

The findings reveal that a majority of customers show a strong preference for over-the-top (OTT) and security-related value-added services (VAS), indicating that these services are perceived as highly relevant and beneficial in meeting their digital and safety needs. The analysis also demonstrates a strong positive relationship between the adoption of VAS and overall customer satisfaction, suggesting that customers who actively use these services tend to have a more favourable perception of the service provider. Furthermore, the results indicate that VAS plays a significant role in enhancing customer loyalty, as satisfied users are more likely to remain committed to the provider, highlighting the strategic importance of VAS in retaining customers and building long-term relationships.

### **10. Suggestions**

- Improve customization of VAS
- Offer flexible VAS bundles
- Enhance awareness of available VAS
- Improve quality of OTT partnerships

### **10. Conclusion**

This study was undertaken to examine the role of value-added services (VAS) in the telecommunications sector, with a particular focus on understanding customer preferences, satisfaction levels, and loyalty outcomes. The primary objective was to assess how different VAS offerings influence customers' perceptions and behaviours, thereby contributing to the overall performance of telecom service providers. The findings emphasize that VAS plays a critical role in the success of telecom operators. Services such as OTT platforms and security-related features not only enhance the core telecom offerings but also create additional value for customers.

### **12. Limitations of the Study**

- Limited sample size
- Restricted geographic area

- Responses based on customer perception

### **13. Scope for Future Research**

- Comparative study among telecom brands
- Longitudinal study on VAS adoption
- Impact of 5G-based value-added services

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