

Pay TV Product quality and customer satisfaction: An investigation

Chidimma Udeh¹, Chukwudi Ifekanandu², Edwin Chukwuemeka Idoko³, Chidera Christian Ugwuanyi^{3*} and Chioma Vivian Okeke³

¹NTA-Star TV Limited, Enugu

²University of Nigeria Business School Limited, Enugu, Nigeria

³Department of Marketing, University of Nigeria, Enugu Campus

*Corresponding author: Chidera Christian Ugwuanyi (chidera.ugwuanyi@unn.edu.ng)

Abstract

The pay TV service sector in Nigeria is growing rapidly as new entrants are joining the market and consumers are adopting several brands to suit their needs. This implies a high rate of competition among the service providers to win over customer and expand their market share. The main objective of this study is to examine the effects of product quality on Pay TV customer satisfaction. The study used a survey research design and sampled 397 Pay TV subscribers. A total of 241 copies of the questionnaire were returned and the study hypotheses were tested using the multiple regression analysis. The study findings revealed that content quality, reception quality, and customer service has a positive and significant relationship and impact on Pay TV customer satisfaction. The study recommends that to increase the level of customer satisfaction and win the competitive war, operators in the pay TV service sector should improve their customer service unit, improve the stability of reception irrespective of weather conditions, maintain unique, educative and entertaining contents to stay ahead of competition while maintaining a competitive price.

Keywords: Pay TV, Reception Quality, Content Quality, Customer Service, Broadcasting

1. Introduction

The rapid advances in technology-based systems especially from those related to broadcasting industry, have led fundamental changes on how to satisfy the customers of television services. Evidences are that in the service industry, operators are increasingly urged to invest in technology to better secure their customer satisfaction in the electronic age (Jang and Noh, 2011; Dawi et al., 2016). This infers that for any broadcasting firm to succeed, it is expected to thrive on customer satisfaction through quality service delivery in order to survive in the broadcasting environment. Satisfaction therefore, is not a static idea but a concept that changes as soon as a client finds a better deal that meets his expectations. In this perspective, firms must focus on customer satisfaction, studying and determining as soon as possible the customer satisfaction level, to adjust the product to customer needs.

The pay TV service sector in Nigeria is growing rapidly as new entrants are joining the market and consumers are adopting several brands to suit their needs. This implies a high rate of competition among the service providers to win over customer and expand their market share. It therefore requires a continuous improvement in service and product quality so as to satisfy customers more than competitors. Beyond customer satisfaction, firms in the pay TV service sector aims to build a large pool of loyal customers from whom they can reap customer lifetime value. The implication is that customer satisfaction has great significance for securing market position and achieving market objectives. Hansemark and Albinson (2004) argued that loyalty is seen in the overall customer attitude towards a service provider, or the customers' emotional reaction to the difference between what he anticipates and what he receives. Therefore, it is assumed that customer loyalty is a construct comprised of both customers' attitudes and behaviors. Customers' attitudinal component represents repurchase intention or purchasing additional products or services from the same company, demonstration of such commitment to the company or by exhibiting a resistance by not switching to other competitors (Cronin & Taylor, 1992), and willingness to pay a price premium (Zeithaml, Berry, & Parasuraman, 1996).

On the other hand, the behavioral aspect of customer loyalty represents- actual repeat purchase of products or services that includes purchasing more and different products or services from the same company, recommending the company to others, and reflecting a long-term choice probability for the brand. It can be concluded that customer loyalty expresses an intended behavior related to the product or service or to the company.

Cook and Thompson (2000), assert that service quality represents the extent to which a product or service delivered meets customer's expectations. In view of this, service quality essentially is aimed at creating customer satisfaction. Customer satisfaction has been defined as an overall attitude formed based on the experience after customer's purchase and use of a product or service (Fornell, 1992). It is that "fulfilment response a customer gets after consumption". Besides that, Park et al. (2004) asserts that service quality represents overall consumer's services that leave an impression of inferiority/ superiority of the service provider firm. Thus, service quality can only be interpreted by the customer once he or she experienced the service. Beyond this, customer satisfaction occurs when perceived product quality matches or exceeds expectations while dissatisfaction occurs when expectations are greater than actual product performance. That is why product quality is a key consideration for the broadcasting industry in order to compete and attract opportunities for increasing profitability, customer satisfaction and loyalty.

The global digital pay TV revenue is expected to grow from about \$150 billion in 2010 to \$215 billion by 2014 (John, 2010). It is also expected that pay TV penetration rate increased by 57.1% to 886 million households across 138 countries including Nigeria by the end of 2014 compared to 714 million in 2010 (Dawi, Jusoh, Nor & Qureshi, 2016). This reflects an increasing market share among pay TV service providers globally. Given these dynamics, it is very important for pay TV service providers to satisfy customer and create more loyal customers as a way of

achieving competitive advantage and expansion of their market share. However, the available knowledge on measuring service quality in pay TV seems inadequate, hence, this study.

This study aims to achieve the following specific objectives: (1). To determine the effect of content quality on the satisfaction of Pay TV customers, (2). To ascertain the influence of reception quality of Pay TV product on customer satisfaction, (3). To examine the relationship between Pay TV customer service and customers' satisfaction

2. Literature Review

2.1. Content quality and customer satisfaction

Content quality refers to the ability of pay TV service provider to provide a good channel offering, that give information, enjoyment and benefits to customers (Shin, 2009a). In terms of overall program quality, related issues are program content, extended use of commercial time, over use of news crawl and abrupt commercial inserts.

Cheong and Park (2005) measured the acceptance of IS, specifically in mobile internet context, found that content quality is a significant predictor for customer to adopt a technology. Therefore, it is important for service providers to provide a good quality of content in order to attract customers' attention to the technology they are offering. In pay TV setting, Yang and Jun (2002) who studied customers' acceptance of IPTV, found a significant relationship between perceived content quality and perceived enjoyment. Moreover, the study shows that the more useful the content provided the more positive customers' attitude toward the IPTV. In addition, a study by Chen and Kuo (2009) using quality function deployment to maintain product quality and design in cable TV context has used program content as a construct to measure program quality.

2.2. Customer service, Reception Quality and Customer Satisfaction

Grönroos (2007) classified services into three categories: core service, facilitating services, and supporting services. The quality of core service is analogous to technical quality, while qualities of facilitating and supporting services are similar to the breakdown of functional quality as previously stated in the first theme. Along with the typology of Grönroos (2007), we divided services into three groups. The core service of a cable TV firm is the programming it provides to its customers, and the corresponding service quality is the viewing quality. Facilitating services are mandatory since the service package collapses if they are left out (Grönroos, 2007; Ravald and Grönroos, 1996). Thus, the corresponding service quality of facilitating service in cable TV is the quality of reception stability. In relation to reception signal, affected areas include noises, blurred screen image, and poor reception under bad weather conditions.

Similar to facilitating services, supporting services are auxiliary services, but used to increase the value of a service and/or to differentiate the service from those of competitors (Grönroos, 2007).

In this study, supporting services denoted as customer services are those mainly employed to differentiate the Cable TV firm from competitors.

Customer service is one of the critical elements in measuring service quality in IS related service setting. There are considerable number of researchers that have attempted to measure this variable in pay TV and mobile telecommunications industry (e.g; Hossain and Suchy, 2013; Srikanjanarak et al., 2009; Lim et al., 2006; Chen and Kuo, 2009; Chen et al., 2013). Jang and Noh (2011) have made a move to extend previous literature in the acceptance of IPTV which mostly focused on content and system quality (Yang and Fang, 2004; Yang and Jun, 2002; Shin 2007) by adding customer service factor. They claimed that service provider can ensure customer's expectation is being met through customer service. Besides, Chen and Kuo (2009) and Jacobs (1995) have included customer service as one of the core attributes that affects cable TV quality. They used secondary attributes to define customer service which are receptionist service, professional skill of receptionist, engineering technique, convenience in payment and repair speed.

2.3. Price and customer satisfaction

In the context of pay TV studies, it is empirically supported that price plays an important role. Shin (2009b) studied customer acceptance of internet protocol television (IPTV) and found that price is the main driver for customers to switch TV services. His earlier study has included economic factors such as equipment cost, monthly fees and additional service charge as factors to adopt IPTV (Shin, 2007). Jacobs (1995) stressed out that price is the most important determinants of service quality in cable TV while Chen and Kuo (2009) through five forums that held to determine service quality dimensions found out that fees is one of the service quality dimensions in cable TV setting.

Meanwhile, studies in other information system (IS) environment also show that price plays an important role in service quality measurement. Price is a critical service attribute (Ostrom and Iacobucci, 1995), since consumers use price to infer both a product's quality and the monetary sacrifice associated with a purchase (Monroe 1990). As suggested by Dodds et al. (1991) and Parasuraman et al. (1988), studies take perceived sacrifice into account when researching satisfaction. Perceived sacrifice is beyond financial sacrifice, considering risks associated with purchase decisions, as well as psychological investment in the purchase. An important clue to quality or a quality criterion, fees and payment (price) raise attention to the perceived service quality and overall satisfaction (Dodds et al., 1991; Grönroos, 2007). For customers, a high price implies a high-perceived quality and vice versa (Suri and Monroe, 2001). As proposed in equity theory, higher positive appraisal of payment policy (fees and prices) implies higher perceived quality for which customers leverage their benefits with the sacrifice resulting from the payment made; the payment (input–output ratio) is fair (Xia et al. 2004). Such situations lead to higher customer satisfaction.

3. Research Methods

The research design used in this study is the survey research design. This research design is considered appropriate for this study because it describes the causal relationships among variables and identifies the present conditions of the existence situation as well as the wide and inclusive coverage of the study and its desire to find out what is obtained presently. This involves the use of questionnaires to collect primary data from respondents.

The study was carried out in Enugu Metropolis, Enugu State, South-eastern Nigeria. The state has the presence of several Pay TV service providers. A total of 397 PayTV subscribers were approached. The sampling technique adopted by the researcher in sampling the population is convenience and purposive sampling techniques due to the large sample size and the nature of the study.

In a bid to collect data for the research, a questionnaire was carefully designed and structured in five-point Likert scale ranging from Strongly Agree (5) to Strongly Disagree (1) to elicit response from the respondents. All the questionnaire items were adapted from previous studies; Chen and Kuo (2009) and Jan et al. (2012) for content quality; Chen and Kuo (2009) for reception quality and; price; Jan et al. (2012) and Kim et al. (2004) for customer service and Fornell (1992) for customer satisfaction. Customers were appealed to at 3 registered dealer shops within Enugu metropolis as well as at the customer service point at the PayTV offices in Enugu.

4. Result and Discussion

Of the 397 copies of questionnaires distributed, only 276 were returned and 241 found valid due to serious omissions in responses to some scale items. The demographic distributions of the respondents are as found in table 1.

Table 1: Demographic profile of the respondents

		Frequency	Percent	Cumulative Percent
Gender	Male	128	53.1	53.1
	Female	113	46.9	100.0
Marital Status	Single	84	34.9	34.9
	Married	117	48.5	83.4
	Divorced	25	10.4	93.8
	Widowed	15	6.2	100.0
Age Range	Less than 20 years	10	4.1	4.1
	20-35 years	78	32.4	36.5

	36-50 years	103	42.7	79.3
	Above 50 years	50	20.7	100.0
Educational Qualification	SSCE/O'LEVEL	44	18.3	18.3
	Tertiary	138	57.3	75.5
	No formal education	59	24.5	100.0
Income Range	Below N50,000	12	5.0	5.0
	N50,000-N100,000	21	8.7	13.7
	N100,001-N150,000	122	50.6	64.3
	Above N150,000	86	35.7	100.0
	Total	241	100.0	

4.1. Test of Hypotheses

The study hypotheses were tested using multiple regression analysis

Table 2 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.647 ^a	.419	.283	1.94902

a. Predictors: (Constant), Content Quality, Reception Quality, Customer Service

Table 3 ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	11.053	3	2.763	3.068	.000 ^b
	Residual	15.311	211	.901		
	Total	26.364	214			

a. Dependent Variable: Customer satisfaction

b. predictors: (constant), Content Quality, Reception Quality, Customer Service

Table 4 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	11.793	1.766		1.015	.324	4.318	4.933
Content Quality	2.258	.143	.345	1.805	.029	2.043	2.559
Reception Quality	5.301	.160	.376	1.879	.048	6.137	6.638
Customer Service	1.809	.157	.011	.058	.034	3.022	3.340

a. Dependent Variable: Customer satisfaction

The regression tables above, shows the correlation (R) of 0.647, the significant value of 0.000 indicates that the correlation is significant and implies that there is a positive relationship between the PayTV product quality constructs of content quality, reception quality and customer service and customer satisfaction. The R^2 of 0.419 indicates that the variation in customer satisfaction can be explained, 41.9% by these identified factors- of content quality, reception quality and customer service. Thus, it is indicative that these factors- of content quality, reception quality and customer service has a positive effect on customer satisfaction.

4.2. Discussions

The findings of this study are discussed hereunder showing the relationship it bears with earlier researches and the implications of the findings.

Content quality was found to have a significant positive relationship with customer satisfaction in pay TV service sector. This is in consonance with other research findings. Yang and Jun (2002) while studying customers' acceptance of IPTV, found a significant relationship between perceived content quality and enjoyment of the service. Enjoyment translates to satisfaction. Similarly, DeLone and McLean (1992) stressed that content quality affects system usage and customer satisfaction. In the same vein, Shin (2009 a & b) found content quality as influential factors affecting customers adoption of pay TV. This implies that customers consider the quality of the content in pay TV services as of utmost importance and values it. This includes the nature of programs aired, how entertaining, educative and instructive they are as well as the convenience provided in the way channels were arranged.

The outcome of the investigation also found reception quality has significant effect on customer satisfaction. Chen at al (2011) in their study found reception quality in pay TV to significantly influence the level of customer satisfaction. Similarly Chen and Kuo (2009) argued that reception quality in pay TV service is an important factor for service providers to pay attention to

as it influences viewers' choice. The quality of reception is determined by its stability over different weather conditions, picture clarity and noise-free viewing. Players in the pay TV service sector should ensure that these factors are constantly put in check to increase the customers' satisfaction level and avoid brand switching.

Finally, customer service was found to bear a significant relationship with customer satisfaction in pay TV service sector. Similarly to other studies (see Jang and Noh, 2011; Chen and Kuo, 2009; Chen et al., 2013), customer service was found as a major driver of customer satisfaction in the pay TV service sector. This implies that customers are conscious of the way and manner their complaints are resolved, the time and reception given at the customer service desk as well as the ease with which they can be attended to or reach a customer service platform of the service provider.

5. Conclusion

There is no doubt that service quality is a powerful tool in determining the level of effectiveness of businesses. Thus, each organization is striving to enhance its service offerings in order to catch customer's attention that will lead to satisfaction. Perceived service quality directly affects the level of customer satisfaction, however, service quality measures have been conceptualized differently by sectors. This study supports the need for effective product quality improvement and particularly in view of achieving customer's satisfaction. From the findings above, it can be concluded that achieving customer satisfaction or increasing the customer satisfaction levels in pay TV service sector requires improvement in reception quality, the content quality, customer service and the pricing of the product. Consumers expect to view entertaining, educative as well as instructive programs. Some others are interested in exciting sports programs while enjoying them in a noise-free, bright and stable reception platform. Customers also expect to be well received by customer service personnel and expect that complaints should be resolved as soon as possible.

This study proposes a continuation to enrich the body of knowledge and further create more insight into the subject matter. First, thus study concentrated effort in testing the satisfaction of all pay TV customers only; future researchers in this area should consider a comparative study among the pay TV firms to synthesize their similarities and differences for a deeper insight. Also the population of this study is limited to subscribers in Enugu, a consideration of other areas could show the influence of socio-cultural and economic differences on the result. Finally, it will also be beneficial to management if future research integrates outcome variables such as repurchase intention, trust and word-of-mouth besides customer satisfaction, this will make for a more comprehensive understanding.

References

- Chen N-H, Huang, S. C-T., Shu, S-T., and Wang, T-S. (2011). Market segmentation, service quality, and overall satisfaction: self-organizing map and structural equation modeling methods, *Qual Quant* 47:969–987
- Chen, N.H., Kuo, H.Y. (2009), Using gray relation and quality function deployment in service quality of the cable TV. In: *Computer Science and Information Engineering*, 2009 WRI World Congress on. IEEE, p: 268-272.
- Cheong, J.H., Park, M.C. (2005), Mobile internet acceptance in Korea. *Internet Research*, 15(2), 125-140.
- Cook, C., & Thompson, B. (2000). Reliability and validity of SERVQUAL scores used to evaluate perceptions of library service quality. *Journal of Academic Librarianship*, 26(4): 248-258.
- Cronin, J. J., Jr., & Taylor, S. A. (1994). SERVPERF versus SERVQUAL: Reconciling performance-based and perceptions-minus-expectations measurement of service quality. *Journal of Marketing*, 58 (1), 125-131.
- Dawi, N. M., Jusoh, A., Nor, K. M & Qureshi, M. I. (2016). Service quality dimensions in pay TV industry: A preliminary study. *International Review of Management and Marketing*, 6(54): 239-249.
- Dodds, W. B., Monroe, K. B., Grewal, D. (1991). Effects of price, brand, and store information on buyers' product evaluations. *J. Mark. Res.* 28(3), 307–319
- Fornell C (1992). "The American customer satisfaction index: nature, purpose, and findings", *Journal of Marketing*, 60 (4), 7-18
- Fornell C (1992). "The American customer satisfaction index: nature, purpose, and findings", *Journal of Marketing*, 60 (4), 7-18
- Gronroos, C. (2007). Service management and marketing: managing the moments of truth in service competition. Lexington, MA: Lexington Inc.
- Hansemark, O. C. & Albinson, M., (2004). Customer satisfaction and retention: The experiences of Individual with Employees, *Managing Service Quality*, 14 (1)
- Hossain, M.M., Suchy, N.J. (2013), Influence of customer satisfaction on loyalty: A study on mobile telecommunication industry. *Journal of Social Sciences*, 9(2), 73.
- Jacobs, R. (1995), Exploring the determinants of cable television subscriber satisfaction. *Journal of Broadcasting and Electronic Media*, 39(2), 262-274.
- Jan, P.T., Lu, H.P., Chou, T.C. (2012), Measuring the perception discrepancy of the service quality between provider and customers in the Internet Protocol Television industry. *Total Quality Management and Business Excellence*, 23(7-8), 981-995.

- Jang, H.Y., Noh, M.J. (2011), Customer acceptance of IPTV service quality. *International Journal of Information Management*, 31(6), 582-592.
- John, E. (2010), Global Digital TV Subscription Forecast (2014). Available from: http://www.international-television.org/tv_market_data/global-digital-tv-subscription-forecast-2014.html. [Last Accessed on 2021 December 14].
- Kim, M, Park, M & Jeong, D (2004). The effects of customer satisfaction and switching barrier on customer loyalty in Korean mobile telecommunication services. *Telecommunications Policy*, 28, 145-159.
- Ostrom, A., Iacobucci, D. (1995). Consumer trade-offs and the evaluation of services. *J. Mark.* 59(1), 17–28
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). Servqual: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12-40.
- Park, J.W., Robertson, R., Wu, C.L. (2004). The effect of airline service quality on passengers' behavioural intentions: A Korean case study. *Journal of Air Transport Management*, 10(6), 435-439.
- Ravald, A., Grönroos, C. (1996). The value concept and relationship marketing. *Eur. J. Mark.* 30(2), 19–30
- Salami, M.P. (2005). Impact of customer relationship management (CRM) in the Iran banking sector', *International Journal of Organizational Innovation*, 2 (1):.225–251.
- Shin, D.H. (2007), Potential user factors driving adoption of IPTV. What are customers expecting from IPTV? *Technological Forecasting and Social Change*, 74(8), 1446-1464.
- Shin, D.H. (2009a), An empirical investigation of a modified technology acceptance model of IPTV. *Behaviour and Information Technology*, 28(4), 361-372.
- Shin, D.H. (2009b), Determinants of customer acceptance of multi-service network: An implication for IP-based technologies. *Information and Management*, 46(1), 16-22.
- Srikanjanarak, S., Omar, A., Ramayah, T. (2009), Value Added Service and Service Quality from the customer's perspective: An empirical investigation in Thai telecommunication industry. *Asian Marketing Journal*, 1(2), 63-74.
- Suri, R., Monroe, K.B. (2001). The effects of need for cognition and trait anxiety on price acceptability. *Psychol. & Mark.* 18(1), 21–42
- Xia, L., Monroe, K.B., Cox, J.L. (2004). The price is unfair! A conceptual framework of price fairness perceptions. *J. Mark.* 68(4), 1–15
- Yang, Z., Fang, X. (2004), Online service quality dimensions and their relationships with satisfaction: A content analysis of customer reviews of securities brokerage services. *International Journal of Service Industry Management*, 15(3), 302-326



Yang, Z., Jun, M. (2002), Consumer perception of e-service quality: From internet purchaser and non-purchaser perspectives. Available from: http://www.researchgate.net/publication/240744107_Consumer_perception_of_eservice_quality_From_internet_purchaser_and_non-purchaser_perspectives. [Last accessed on 2021 Sept 10].

Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). The behavioral consequences of service quality. *Journal of Marketing Research*, 60(2), 31–46.

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>)