

Customer Satisfaction on Mobile Services in Chitwan with Reference to NTC

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ABSTRACT

This study explores the key determinants of customer satisfaction with mobile services in Chitwan, with a specific focus on Nepal Telecom (NTC). Based on the sample size one hundred and two, this research identifies several critical factors influencing customer satisfaction, including service quality, effectiveness of customer support, competitive pricing, and perceived value for money. Additionally, brand reputation, product differentiation, and accessibility of services were found to significantly impact user experiences.

The study highlights that a strong brand image, user-friendly service processes, and consistent service delivery contribute to higher customer loyalty and satisfaction. The findings suggest that for NTC to remain competitive and maintain a satisfied customer base in Chitwan, it must prioritize service quality enhancements, responsive customer care, fair pricing strategies, and innovation in service offerings. This research provides valuable insights for policymakers and telecom service providers aiming to improve customer-centric strategies in the region.

Keywords: *Brand reputation, mobile services, service quality, telecom industry*

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1. INTRODUCTION

The mobile telecommunications sector in Nepal has experienced rapid growth, outpacing many other industries in terms of expansion and penetration. Despite its relatively recent emergence, mobile services have become an indispensable part of daily life, facilitating communication, economic activities, and access to information. With the increasing reliance on mobile services, the telecommunications industry has transformed into one of the most competitive sectors within the country (Steinbock, D. (2005). Chitwan, a rapidly developing region of Nepal, has witnessed a significant surge in mobile service usage, contributing to local economic growth and improved connectivity. As the demand for seamless communication continues to rise, service providers such as Nepal Telecommunications Corporation (NTC) have encountered both opportunities and challenges in meeting customer expectations, particularly in terms of service quality, affordability, and network performance. The telecommunications industry in Nepal has evolved considerably over the years, with a history dating back to B.S. 1970 when initial telecommunication services were introduced. However, the formal

provision of these services began with the establishment of Mohan Akashwani in B.S. 2005, followed by structured development plans under the National Five-Year Plans. The transformation of the Telecommunication Department into the Telecommunications Development Board in B.S. 2026, and eventually into Nepal Telecommunications Corporation in B.S. 2032, marked a significant milestone in the nation's communication infrastructure. After serving the country for nearly three decades, Nepal Telecommunications Corporation transitioned into Nepal Doorsanchar Company Limited in B.S. 2061, with an emphasis on business-oriented, customer-focused services. Despite these developments, ensuring high customer satisfaction remains a critical aspect of sustaining competitive advantage and maintaining a loyal customer base.

Customer satisfaction is a key determinant of service success, influencing consumer preferences, brand loyalty, and overall market competitiveness. In the context of mobile network services, factors such as service quality, pricing, and customer support play crucial roles in shaping customer perceptions. NTC, as a leading government-owned telecom service provider, must continuously assess and enhance its offerings to meet the evolving expectations of its users.

This study seeks to analyze the level of customer satisfaction with mobile services in Chitwan, identifying key strengths and areas for improvement in network performance and service delivery. By conducting a comprehensive assessment, this research aims to provide valuable insights that can contribute to enhancing customer experience and fostering the growth of the telecommunications sector in the region.

Despite the substantial growth of the telecommunications sector in Chitwan, challenges persist in ensuring optimal customer satisfaction. As mobile communication becomes an essential service, concerns regarding network reliability, service affordability, and customer support continue to emerge. NTC, being a government-owned entity, faces unique challenges in balancing service expansion with quality enhancement, particularly in addressing the diverse needs of both rural and urban customers. While urban populations seek advanced, high-speed services with seamless connectivity, rural communities primarily demand the availability of basic telecommunication facilities. Furthermore, Nepal's geographic diversity, with only 23% of the land classified as flat terrain and the remaining 77% consisting of hills and mountains, presents significant

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infrastructural challenges for telecom service providers, Neupane, S. (2023). The increasing demand for modern and technologically advanced communication services in major cities such as Kathmandu, Biratnagar, Birgunj, and Pokhara further intensifies competition and necessitates continuous innovation. In this dynamic landscape, ensuring customer satisfaction with NTC's mobile services requires a deeper understanding of the factors influencing user experience, ranging from network performance to service pricing and overall accessibility. This study, therefore, aims to examine these critical aspects, providing empirical evidence to support service improvements and strategic decision-making in Nepal's telecommunications sector.

The primary objectives of this study are to explore customer satisfaction with regard to the services offered by Nepal Telecom, assess customer satisfaction with network performance, and analyze the relationship between price and customer satisfaction.

2. RELATED WORKS

Customer satisfaction has been recognized as a critical success factor in any business organization. One of the key challenges facing telecommunication companies is managing their service quality, which is

crucial for customer satisfaction. A cross-sectional study conducted in Chitwan, Nepal, sought to empirically measure customer satisfaction with mobile service providers. The study aimed to assess satisfaction levels regarding various services offered by telecom companies, providing valuable insights for mobile service providers to develop competitive strategies for market sustainability.

Gurung and Shrestha (2023) emphasize the importance of customer care in enhancing customer satisfaction within the Nepali mobile service industry. Their research highlights that effective customer care practices significantly contribute to overall customer satisfaction by addressing customer needs, resolving issues efficiently, and offering personalized support. Customers who receive high-quality service tend to develop a positive perception of their mobile service provider, leading to increased loyalty and higher recommendations. They further stress that continuous training for customer care representatives and leveraging technology are crucial for maintaining high levels of customer satisfaction.

Kim et al. (2004) describe customer service as a set of interconnected activities that include customer support, complaint processing speed, ease of reporting

complaints, and the friendliness of the complaint resolution process. Similarly, fair pricing has a direct impact on customer satisfaction and consumer loyalty (Martin-Consuegra et al., 2007). Price fairness also plays a significant role in shaping customer satisfaction (Herrmann, 2007). Since telecommunication services are intangible, customers are likely to switch providers if they are dissatisfied with the service (Eshghi et al., 2008).

Service quality is determined by comparing a service's perceived performance with customer expectations (Paulrajan, 2011). Consumers have different perceptions regarding communication quality, call service, pricing, customer care, and the overall characteristics of service providers. According to Saha et al. (2016), customer satisfaction is often based on the range of services available to customers, such as easy recharge options, utility bill payments, enhanced friends and family (FFs) services, and fast internet connectivity. Additionally, organizations can use customer service facilities and product differentiation as competitive advantage strategies to cater to consumer preferences. The company's brand image is also expected to positively correlate with customer satisfaction, expectations, and loyalty (Martensen et al., 2000).

Paulrajan and Raj Kumar (2011) found that consumer preferences for mobile service providers are influenced by factors such as communication quality, call service, facilities, pricing, and customer care. Their study concluded that communication quality and affordability were the two most important factors when selecting a mobile service provider. In the Indian market, product quality and availability play a crucial role in influencing consumers' choices of mobile service providers. Similarly, Zainurin et al. (2011) found that Malaysian consumers are highly aware of the pricing, service quality, and brand image of mobile phone operators. Consequently, mobile service providers in Malaysia must carefully manage these factors to maintain customer satisfaction.

Emotional satisfaction is another key determinant of customer loyalty. Alison (2012) examined the impact of emotional satisfaction on customer loyalty, distinguishing between cognitive and affective components. While many studies focus on cognitive aspects, this study found that both positive and negative emotions significantly impact customer loyalty. Regression analysis revealed that affective components, rather than cognitive ones, are stronger predictors of customer loyalty.

Sapkota (2013) conducted an investigation into customer satisfaction within Nepal's joint venture commercial banks. The study aimed to assess overall customer satisfaction and identify the factors contributing to customer contentment or dissatisfaction. Findings indicated that most customers were satisfied with the bank's service system. However, some respondents expressed concerns that banking services did not adequately cater to underprivileged communities.

Shrestha and Mahajan (2016) explored customer satisfaction in Nepal Telecom's service division system. Their study identified staff attitudes, service quality, response speed, and pricing as key determinants of customer satisfaction. They formulated a functional relationship for customer satisfaction: Customer satisfaction is the function of process, punctuality, pricing and staff behavior. The study aimed to assess public perceptions of service satisfaction and discussed the advantages of customer relationship management (CRM) in enhancing customer value.

In the telecommunication sector, network security is another essential factor that influences customer satisfaction. Effective security responses help companies react quickly and efficiently to threats,

preventing unauthorized access, misuse, or damage to communication networks and applications. Ensuring strong network security measures improves overall trust and satisfaction among customers.

Previous studies have demonstrated that customer satisfaction in the telecommunication sector is influenced by various factors, including customer care, service quality, pricing, emotional satisfaction, and network security. Companies that prioritize these factors are more likely to retain customers and maintain a competitive advantage in the market.

3. METHODS

3.1 Study design and population

This study employs an analytical and descriptive research design to evaluate customer satisfaction with Nepal Telecom's (NTC) mobile services in Chitwan. The analytical component aims to identify factors influencing customer satisfaction, while the descriptive approach provides a comprehensive overview of user experiences and service perceptions. The research focuses on understanding service quality, network performance, pricing structures, and customer care effectiveness. The target population for this study comprises individuals using

NTC's mobile services within Chitwan. Given the vast number of users, a sample of 102 respondents was selected using a systematic sampling approach to ensure diverse representation.

3.2 Method of data collection and analysis

The study primarily relies on primary data collected from NTC users in Chitwan. A structured questionnaire was designed as the primary data collection tool, incorporating sections on demographic details, service usage patterns, and customer satisfaction levels across key dimensions such as network quality, customer service, pricing, and overall user experience. The questionnaire employs a Likert scale to quantify responses, ensuring a standardized approach to data measurement. Data analysis was conducted using the Statistical Package for the Social Sciences (SPSS), enabling the identification of trends, relationships, and statistical significance among variables. Descriptive statistics, frequency distributions, and inferential statistical techniques were applied to interpret customer perceptions and satisfaction levels effectively.

3.2 Theoretical background

Customer satisfaction theories and service quality models provide the theoretical

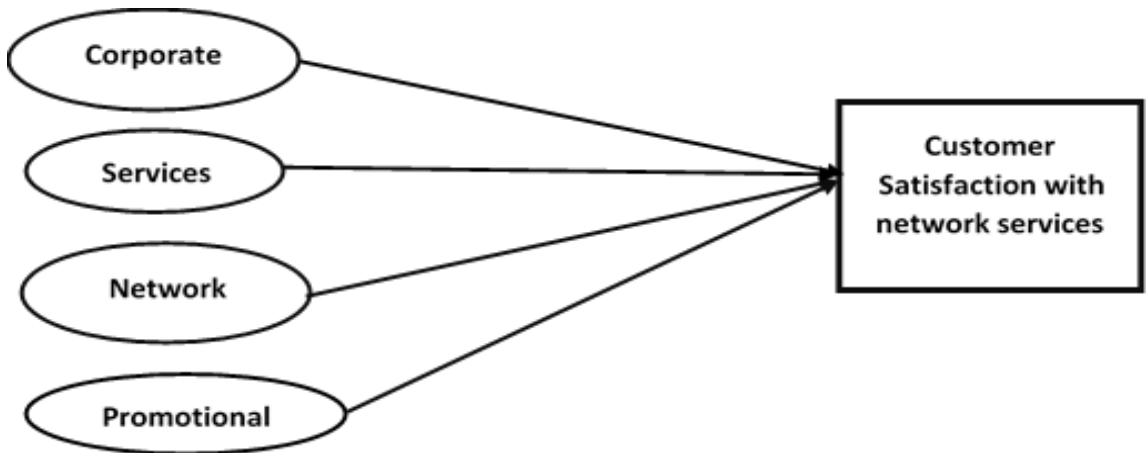


Figure 1: Conceptual framework of the study

foundation for this study. The study primarily draws on the SERVQUAL model, which evaluates service quality based on five key dimensions: tangibility, reliability, responsiveness, assurance, and empathy. Additionally, the Expectation-Disconfirmation Theory (EDT) is considered to explain how customer satisfaction arises from the comparison between expected and actual service performance. Pricing theories and consumer behavior models further support the analysis, helping to assess the impact of cost perception on customer satisfaction. These theoretical frameworks guide the research methodology, ensuring a structured approach to evaluating the key determinants of customer satisfaction with NTC’s mobile services in Chitwan. Based on this theoretical background we proposed following conceptual framework:

4. RESULTS

The study’s sample comprises 102 participants, with a notable predominance of younger individuals: 78.4% are below 25 years of age, and 21.6% are between 26 and 40 years old. The gender distribution indicates a slight female majority, with 55.9% female and 44.1% male participants.

These demographic characteristics suggest that the sample is predominantly young and slightly more female, which may influence the generalizability of the study’s findings to broader populations.

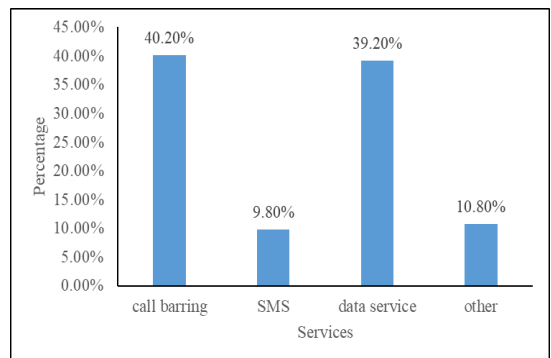


Figure 2: Facilities used by respondents

Table 1: Demographics of respondents

Demographics	Categories	Number of respondents	Percentage
Age	Below 25 years	80	78.40%
	26-40 years	22	21.60%
Gender	male	45	44.10%
	female	57	55.90%

The data summarizes the usage of various mobile phone facilities among respondents. According to the bar graph and table, 41 respondents (40.2%) use call barring, 10 respondents (9.8%) use SMS, 40 respondents (39.2%) use data services, and 11 respondents (10.8%) use other facilities. This indicates that call barring and data services are the most commonly used facilities, while SMS and other facilities are less frequently used.

In terms of overall satisfaction, more than half of the respondents (54.9%) reported being satisfied with NTC services, while

12.7% were very satisfied. However, 24.5% remained neutral, and a small proportion expressed dissatisfaction (4.9%) or very dissatisfaction (2.9%). Regarding clarity of voice calls, 58.8% of customers reported being satisfied, and 6.9% were very satisfied. A notable proportion (29.4%) remained neutral, whereas dissatisfaction was relatively low, with only 2.9% dissatisfied and 2% very dissatisfied. For network performance during peak hours, a slightly lower percentage (48%) of respondents indicated satisfaction, while 9.8% were very satisfied. However, a substantial portion (35.3%) remained neutral, suggesting mixed experiences.

Table 2: Satisfaction of customer towards services of NTC

Satisfaction	VS	S	N	D	VD
Range	13(12.7%)	56(54.9%)	25(24.5%)	5(4.9%)	3(2.9%)
Clarity of voice calls	7(6.9%)	60(58.8%)	30(29.4%)	3(2.9%)	2(2%)
Network performance during peak hours	10(9.8%)	49(48%)	36(35.3%)	7(6.9%)	
Quality of video calls		8(7.8%)	57(55.9%)	30(29.4%)	7(6.9%)
Overall value you receive	11(10.8%)	52(51%)	31(30.4%)	3(2.9%)	5(4.9%)

Dissatisfaction was slightly higher compared to voice call clarity, with 6.9% of respondents expressing dissatisfaction. Customer satisfaction with the quality of video calls followed a similar trend, with 55.9% reporting satisfaction and 7.8% very satisfied. However, 29.4% remained neutral, while dissatisfaction stood at 6.9%. Finally, with regard to the overall value received from NTC services, 51% of respondents reported being satisfied, and 10.8% were very satisfied. Meanwhile, 30.4% remained neutral, and dissatisfaction levels were slightly higher than in other service dimensions, with 2.9% dissatisfied and 4.9% very dissatisfied.

Findings from Bar chart shows, 23.5% of respondents are very likely, 52.0% are likely, 18.6% are neutral, 3.9% are unlikely, and 2.0% are very unlikely to continue using NTC mobile services. This indicates a predominantly positive outlook among users regarding the continuation of NTC mobile services, with a significant majority expressing a likelihood to continue usage.

5. DISCUSSION

The study's findings reveal that call barring and data services are the most utilized mobile phone features among respondents,

each with approximately 40% usage. This aligns with Nepal Telecom's report indicating over 10 million data service users, highlighting the growing reliance on data services in Nepal. In terms of overall satisfaction, a majority of respondents expressed contentment with NTC services, particularly regarding voice call clarity and video call quality. However, network performance during peak hours received comparatively lower satisfaction ratings, with a notable proportion of users remaining neutral or dissatisfied. This observation is consistent with reports indicating that the quality of voice services on mobile networks in Kathmandu Valley falls short of the standards set by the Nepal Telecommunications Authority. Despite these concerns, the intention to continue using NTC services remains high among respondents, suggesting that while certain service aspects require improvement, overall customer loyalty persists.

5.1 Limitation

Although Nepal Telecom Company (NTC) has customers distributed across the entire country, the data for this study have been collected exclusively from Chitwan. As a result, the findings may not fully capture the diverse opinions, market responses, and customer profiles from other regions of Nepal. This geographical limitation

restricts the generalizability of the study's conclusions to the broader national context. Furthermore, the study may not encompass the full spectrum of mobile service users, as certain demographic groups or user categories might be underrepresented. Consequently, while the study provides valuable insights into NTC customers in Chitwan, its applicability to the entire population of NTC users remains constrained.

6. CONCLUSION

In conclusion, the research into customer satisfaction with mobile services in Chitwan reveals that several critical factors influence user experiences. Service quality, including network coverage, internet speed, and call quality, is fundamental, as users rate their satisfaction highly when these aspects are well-managed. Effective customer care also plays a crucial role, with prompt and helpful support significantly enhancing satisfaction.

Competitive pricing and perceived value for money are essential for maintaining positive customer perceptions. Additionally, a strong brand image and reputation contribute to higher satisfaction levels, as does product differentiation, where unique features can provide a competitive edge. Accessibility and

convenience in service management further impact customer satisfaction, with user-friendly processes improving overall experiences. High levels of customer loyalty and retention are often indicators of satisfaction.

Therefore, mobile service providers in Chitwan should focus on improving these key areas to enhance customer satisfaction, ensuring they address service quality, support effectiveness, pricing fairness, brand reputation, product

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