Customer Choice in Mobile Service Providers in Saudi Arabia

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Abstract

The general population in Saudi Arabia has only been able to access mobile services and the Internet since 2004, when the sector was first opened to private industry. Since then, the use of mobile services has increased exponentially, as Saudis swiftly adopted the new technology. However, the use of mobile and internet services is affected by local cultural conservatism, on the one hand, and an increasingly global culture and continued technological advancements on the other. This quantitative study investigates the demographic factors (location and gender) that influence young Saudi Arabian customers' choice, satisfaction and usage of mobile phone services.

Keywords: mobile phone services, customer satisfaction, Saudi Arabia, gender, location.

1. Introduction

Saudi Arabia lacks an extensive landline network, as it did not experience the evolution of telephony common in other more mature economies. Thus the Internet was historically relatively rare in homes, slow and expensive. Information and communications technology (ICT) has long been a priority as part of Saudi Arabia's economic Five Year Plan, thus considerable public, and now private, sector resources have been employed to build telecommunications infrastructure in an effort to maintain a competitive position in the global economy [1]. Until 2004, the Saudi Telecom Company (STC), previously a government-owned corporation, was the sole provider of Saudi telecommunications, and the company still controls all landlines in the country. Privatization of mobile services brought in new providers: Mobily in 2004, Zain in 2007 and GO Telecom in 2009 [2, 3, 4]. However, GO Telecom has not reached the status of a national provider and is therefore not considered in this study.

1.1 Significance of Research and Contribution to Knowledge

The significance of this research is that more than two-thirds of Saudi Arabia's population of young people, considered the main clients of telecommunications companies,is distributedamongthree mainareas:Riyadh, Jeddah and Dammam. This population differs intheir usageand methods ofselectionof new technology.In addition,these young people, as clients, expect companiesto maintain certain levels of satisfaction to retaintheir loyalty. Social networking influences this group's choices, as they trade information via social networking and are affected by style leaders, equipment availability (such as Apple) and entertainment services. For new national mobile service providers, the formation of preferences among young adults will arguably set lifetime attitudes regarding the desirability of certain brands and their services.

The contribution to knowledge covers several fields relating to ICT: relationship marketing, customer satisfaction, service quality, brand image, emotional benefits, price and functional benefits. As the relationships between these factors are of continuing interest to researchers, the unique environment of Saudi Arabia should serve to confirm or, in some instances, provide further argumentsprevious relationship findings.

1.2 Research Questions

How do gender and location influence young Saudi Arabian customers' choice, satisfaction and usage of mobile phone services?

There are two sub-questions:

- How does gender influence young Saudi Arabian customers' choice, satisfaction and usage of mobile phone services?
- How does location influence young Saudi Arabian customers' choice, satisfaction and usage of mobile phone services?

2. Literature Review

Saudi Arabia's mobile penetration ranks third globally; on average, the population has 1.88 subscriptions each. This large number is partly due to the annual influx of two to three million pilgrims on *hajj*, a Muslim rite, as they buy temporary mobile services for use during their stays, and also reflects nationals' preferences for pre-paid services. Thus they are not locked into long-term contracts and may access all national services. The following table illustrates the growth of services over a five year period, from 2005-2010.

Table 1: Growth of Mobile Services in Saudi Arabia, 2005-2010

Subscription population 28m.	2005	2010
Fixed telephone	3.8m	4.2m
Fixed internet	1.3m	>1.9m
Mobile phone	14.1m	51.5m
Mobile internet	0	>1.4m
Internet users	3m	11.4m

In an assessment of the United Kingdom's mobile phone market, Alshurideh [3] found that purchasers of mobile voice and data packages remained with a provider if they received expected functional and emotional benefits and had a positive experience with both am article and a provider's services. This literature overview therefore considers the following factors as relationship marketing based on customer satisfaction: service quality, image, emotional benefits, price and functional benefits.

Relationship marketing was developed by Berry [6] in 1983 as a means of securing customer loyalty and repeat sales. In retrospect, the author has stated that it was incongruous that market thought and practice in 1980 focused entirely on new sales. However, relationship marketing proved a useful concept for service providers. Berry now advocates for an integrated concept of relationship marketing based on 'the right service performed well' [6, p. 73). Morgan and Hunt [7] postulate that successful relationship marketing requires relationship commitment and trust, and successfully model these variables. Relationship commitment has received widespread support from scholars such as Gustafsson, Johnson and Roos [8], who studied telecommunications services. These authors examined the impact of customer satisfaction, affective commitment and calculative commitment on customer retention, finding support for 'consistent effects of customer satisfaction, calculative commitment, and prior churn on retention.' Trasorras [9] found that return customers tend to advocate for a firm and are less price sensitive to a firm's offerings.

3. Methodology

A quantitative methodology is selected for this research on the relationships between variables to be identified and quantified. Due to the recent introduction of mobile services in the Kingdom, data will be collected online from samples drawn from university students in the governorates of Jeddah and Riyadh. The choice of male and female students for this sample is three-fold; the first aim is to maximise the probability of a largely Saudi population, as tertiary education is free to Saudi citizens. The next aim is to capture responses from the cohort of young Saudi citizens that are emerging as consumers, forming opinions of service providers, and who would be expected to discuss their choices within their groups. Finally, and perhaps most importantly, this is the cohort that could be expected to utilise available services to the maximum, and perhaps use the downloadable content in novel ways which may affect their choice of service provider. An example of this would be that a new service provider was not a commercial partner to a popular international ICT firm.

The targeted population sample for the study will be drawn from university students in Saudi Arabia, specifically Jeddah, Dammam, and Riyadh.as shown in table

Table 2: Sources of student participants

Tertiary Institution	Gender	Faculty
King Fahd University of Petroleum and Minerals, Dammam	Predominantly male	College of Computer Science and Engineering
Princess Nora bint Abdul Rahman University, Dammam	Female	Colleges of Computer and Information Sciences, and Education
King Saud University, Riyadh	Male and female	Colleges of Computer and Information Sciences, and Education
Alfaisal University	Male and female	College of Science and General Studies
King Abdulaziz University, Jeddah	Male and female	English Language Institute
King Abdullah University of Science and Technology, Jeddah	Mixed	New university, first co-educational. Mathematical and Computer Sciences and Engineering Division

The administrations of the colleges will be approached for permission to gain access to their students, and the students will be asked to fill out the questionnaire. Approximately 400 responses are required. Students will be contacted by advertising in multimedia, using printed material, the internet, and mobile devices. Data collected will be primary and secondary. Primary quantitative data will be collected online through a questionnaire designed in English and delivered by Survey Monkey or Saudi equivalent survey software. Data collected and downloaded from the online survey instrument will be analysed through SPSS Predictive Analytics Software or equivalent. To answer the research questions, analysis will include validation, descriptive and inferential statistics

4. Conclusions

Conclusions are difficult to forecast at this early stage; however, this study investigates the impact of cultural factors, i.e. gender and customer location, on customer satisfaction in the telecommunications industry. Of particular interest are university students, as these individuals represent more than half of society in the Kingdom of Saudi Arabia.

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