

Service Delivery and Customer Satisfaction in the Telecom Sector of Kathmandu

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Abstract

Background: In the competitive telecom sector of Kathmandu Metropolitan City, service delivery quality is a critical determinant of customer satisfaction and loyalty. Factors such as network quality, pricing, and customer support significantly influence user perceptions, yet the specific nature of these relationships requires empirical investigation in this context.

Objectives: This study aims to assess telecommunication service delivery and examine its relationship with customer satisfaction, focusing on the key factors of product/service quality, pricing strategies, and customer service.

Methods: Adopting a positivist philosophy and a quantitative methodology, this study employed a descriptive research design. Data was collected via a structured questionnaire from 209 telecom users in Kathmandu Metropolitan City. Descriptive statistics and Pearson correlation analysis were used to analyze the data.

Findings: The results indicate significant positive correlations between customer satisfaction and all three independent variables: pricing ($r = 0.573$, $p < 0.01$), product/service quality ($r = 0.677$, $p < 0.01$), and customer service ($r = 0.521$, $p < 0.01$). Product and service quality demonstrated the strongest relationship with customer satisfaction.

Conclusion: The study concludes that effective pricing strategies, high-quality products and services, and responsive customer service are all significantly associated with higher levels of customer satisfaction in the telecom industry of Kathmandu.

Implication: Telecom service providers should prioritize enhancing network reliability and service quality as a primary strategy. Concurrently, implementing fair pricing models and

improving customer support systems are essential to boost satisfaction, reduce churn, and strengthen competitive advantage.

Keywords: Customer Satisfaction, Service Delivery, Telecom Sector, SERVQUAL, Pricing, Kathmandu.

Introduction

In the contemporary digital era, telecommunication services play a vital role in facilitating communication, connection, and information accessibility. As mobile and internet technologies become increasingly integrated into daily life, the quality of telecom service delivery has emerged as a key factor influencing customer satisfaction and loyalty (Hussain et al., 2025). In highly competitive markets, customer satisfaction not only serves as a performance indicator but also directly impacts retention, brand reputation, and long-term profitability.

Customer satisfaction in the telecom industry is shaped by several factors such as network quality, pricing, customer support, service reliability, and responsiveness (Thapa & Yogi, 2024). When service delivery meets or exceeds customer expectations, satisfaction levels rise leading to stronger customer loyalty and reduced churn rates. Conversely, issues like dropped calls, poor connectivity, billing errors, or inadequate support contribute to dissatisfaction, regardless of pricing or product features (Duy, 2021).

The SERVQUAL model developed by Parasuraman (1988) highlights dimensions like reliability, assurance, empathy, responsiveness, and tangibles as essential in measuring service quality. These dimensions remain highly relevant to telecom service providers, especially in densely populated and digitally active regions like Kathmandu Metropolitan City. As the demand for faster and more reliable telecom services grows in Kathmandu, providers face increased pressure to meet rising customer expectations despite infrastructure and regulatory challenges (Pokhrel, 2022).

Moreover, technological advancements such as mobile apps, AI chatbots, and online platforms have transformed how telecom services are delivered (Singh, 2025). While these innovations improve convenience, they also raise customer expectations for immediate support and seamless experiences. As such, customer satisfaction now hinges not only on service performance but also on how users feel during their interactions with service providers (Yum & Kim, 2024).

In this context, this study aims to assess telecommunication service delivery and examine its relationship with customer satisfaction in Kathmandu Metropolitan City. It focuses on key factors such as service quality, pricing, and customer support to provide insights that may guide telecom companies toward improved service strategies and enhanced customer experiences.

Research Methodology

The present study adopted a positivist research philosophy and employed a quantitative research methodology to examine the relationship between service delivery and customer satisfaction among telecom subscribers in Kathmandu Metropolitan City. This approach was suitable to objectively measure perceptions and attitudes using numerical data. A descriptive

research design was chosen to profile respondents and systematically describe their views on various aspects of telecom service delivery. Descriptive design is appropriate for studying naturally occurring variables without manipulation, allowing for analysis of existing correlations. The study collected data from a sample of 209 telecom users residing in Kathmandu Metropolitan City. A structured questionnaire was used, incorporating a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree) to measure respondents' perceptions. Both descriptive statistics (such as frequencies, percentages, means, and standard deviations) and inferential statistics (such as correlation and regression analysis) were used to analyze the data and draw conclusions regarding the relationship between service delivery and customer satisfaction.

Results

The data was collected by floating questionnaire among customers (male and female) of telecommunication users in Kathmandu metropolitan. This section covers the respondents' demographic profile and how it was analyzed and interpreted on the basis of the primary information gathered through questionnaires. This will make it easier to understand the demographic traits of the respondents. The profile of the respondents comprises the respondent's gender, marital status, age, and Network used.

Table 1: Sample Distribution of Gender

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
	Male	134	64.12	64.12	64.12
	Female	75	35.88	35.88	100.00
	Total	209	100.0	100.0	

The result of the study shows that, respondents were inquired as gender male and female. Out of 209 respondents, 134(64.12%) were males and remaining 75 (35.88%) were females.

Table 2: Sample Distribution of Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
	Single	180	86.12	86.12	86.12
	Married	29	13.88	13.88	100.0
	Total	209	100.0	100.0	

In relation to marital status of respondents it was discovered that majority of the sampled respondents were married representing 25(62.5%), and unmarried respondents representing 15(37.5%).

Table 3: Sample Distribution of Age

		Frequency	Percent	Valid Percent	Cumulative Percent
	Below 18	15	7.18	7.18	7.18
	18 to 25 years	160	76.56	76.56	83.74
	26 to 35years	23	11	11	94.74
	36 above years	11	5.26	5.26	100.0
	Total	209	100.0	100.0	

The result in table 3 indicates that out of 209 respondents, 15(7.18%) were within Below 18, 160(76.56%) age 18-25, 23(11%) age 26-35 and 11(5.26%) within age category of 36 above. The results of the study indicate that, there is economically user within the age between 26 to 35 age. Implicitly, these user are actively using the telecommunication service. On the other hand, user within the age 18 below and 36 above are insignificant as in percentage terms.

Table 4: Sample Distribution of network used

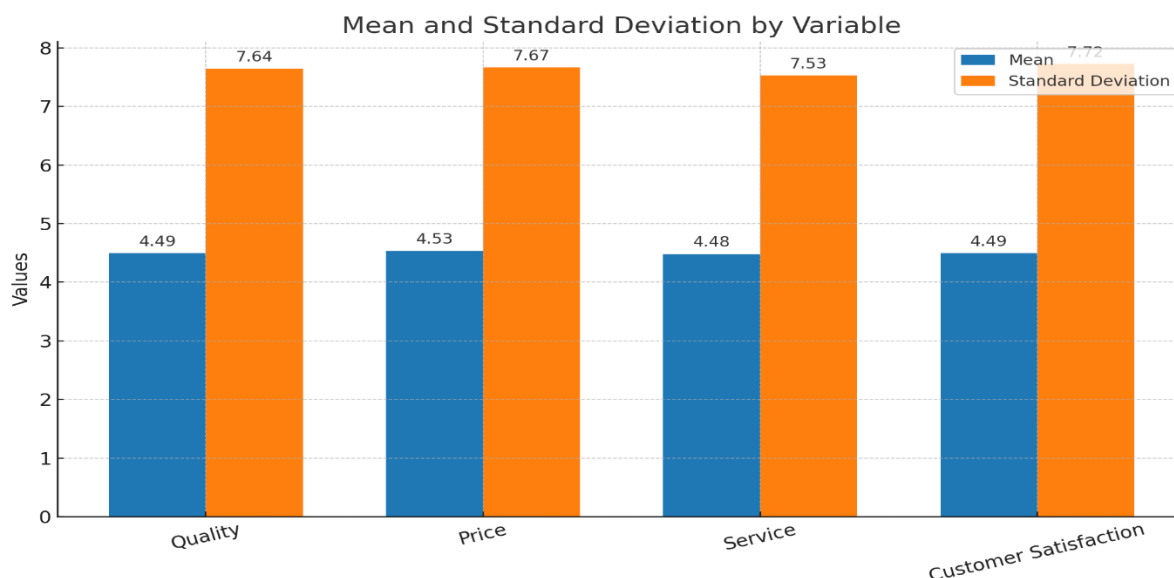
		Frequency	Percent	Valid Percent	Cumulative Percent
	Ncell	78	37.32	37.32	37.32
	NTC	121	57.89	57.89	95.21
	Both	10	4.79	4.79	100
	Total	209	100	100	

The result of the survey indicates that, based on Network used of respondents. The results show that 78(37.32%) of the respondents used Ncell network, 121(57.89%) used Namaste network, and 10(4.79%) use both the networks.

Descriptive Statistics

Table 5: Assess towards Quality, Price, Service and Customer satisfaction

	N	Minimum	Maximum	Mean	Std. Deviation
Quality	209	1.00	5	4.4930	7.64358
Price	209	1.00	5	4.5327	7.66603
Service	209	1.00	5	4.4825	7.52660
Customer satisfaction	209	1.00	5	4.4930	7.72483



The descriptive statistics of the study reveal insights into respondents' perceptions regarding quality, price, service, and overall customer satisfaction in the telecom sector. Based on a sample size of 209 respondents, all four variables quality, price, service, and customer satisfaction were measured on a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The mean values for all variables are relatively high, indicating a generally positive perception among respondents. Specifically, price received the highest mean score of 4.53, followed closely by quality and customer satisfaction, both at 4.49, and service at 4.48. These figures suggest that respondents are largely satisfied with the telecom services in terms of affordability, quality, and service delivery. However, the standard deviations are notably high across all variables ranging from 7.52 to 7.72 which may indicate data entry errors or inconsistencies, as such large deviations are unusual for a Likert scale ranging from 1 to 5. This anomaly should be reviewed and corrected if necessary to ensure data accuracy.

Correlation Analysis

All hypothesis of the study are tested in this section, which measures the relationship between the independent variables (quality product and service, price and customer service), and the dependent variable Customer satisfaction (CS).

H1: There is a significant relationship between pricing strategies and customer satisfaction in the telecommunications sector.

Table 6: Correlation between Price and CS

Correlations			
		CS	Price
CS	Pearson Correlation	1	.573**
	Sig. (2-tailed)		0.000
	N	209	209

Price	Pearson Correlation	0.573**	1
	Sig. (2-tailed)	0.000	
	N	209	209

The table shows the findings of Pearson correlation with two variables namely CS and Price using a sample population of 209 federates. The Pearson correlation coefficient between CS and P is 0.573, and hence could be reported to be a moderate to strong positive dependence. This implies that when the values of CS are high, those of P would most likely as well and the vice versa. This accepts the alternative hypothesis 1 (H1: there is significant relationship between price and CS)

H2: There is a significant relationship between product and service quality and customer satisfaction among telecom subscribers.

Table 7: Correlation between QPS and CS

Correlations			
		CS	QPS
CS	Pearson Correlation	1	.677**
	Sig. (2-tailed)		0.000
	N	209	209
QPS	Pearson Correlation	0.677**	1
	Sig. (2-tailed)	0.000	
	N	209	209

The table shows a strong positive correlation ($r = 0.677$) between CS and QPS, which is statistically significant ($p = 0.000$). This indicates that as CS increases, QPS also tends to increase. The results are based on a sample size of 209 participants, and the correlation is unlikely due to chance. This accepts the alternative hypothesis 1 (H2: There is a significant relationship between product and service quality and customer satisfaction among telecom subscribers).

H3: There is a significant relationship between customer service and customer satisfaction in the telecom industry.

Table 8: Correlation between customer service and CUS

Correlations			
		CS	CUS
CS	Pearson Correlation	1	.521**
	Sig. (2-tailed)		0.000
	N	209	209
CUS	Pearson Correlation	.521**	1
	Sig. (2-tailed)	0.000	
	N	209	209

The table shows a moderate positive correlation ($r = 0.521$) between CS and CUS, which is statistically significant ($p = 0.000$). This means that as CS increases, CUS tends to increase as well. The results are based on a sample of 209 participants, indicating a meaningful relationship between the two variables. This accepts the alternative hypothesis 1 (H3: There is a significant relationship between customer service and customer satisfaction in the telecom industry).

Conclusion

The study reveals a generally positive perception among telecom subscribers regarding price, quality, service, and overall customer satisfaction. Correlation analysis further confirms significant positive relationships between customer satisfaction and key factors: price, product and service quality, and customer service, all statistically significant. These findings indicate that improvements in pricing strategies, quality of products and services, and customer service are strongly associated with higher customer satisfaction in the telecom sector. This highlights the importance for telecom providers in Kathmandu Metropolitan to focus on these factors to enhance customer loyalty and competitiveness in the market.

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Authors' Contributions: All authors contributed equally to the conception and design of the study. All authors have read and agreed to the published version of the manuscript.

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