Wayamba Journal of Management
Volume II Issue 02 December 2023

Impact of Marketing Mix on Customer Satisfaction on Internet Service Providers of Sri Lanka under Post Covid-19 Pandemic Situation

Y.A.S.D. Yapa & D.M.T.D. Dissanayake
Department of Business Management, Faculty of Business Studies and Finance, Wayamba University of Sri Lanka Kuliyapitiya, Sri Lanka.

Abstract

Marketing mix strategies remain a critical driver of customer satisfaction. The primary objective of this research was to assess how Marketing Mix strategies impact customer satisfaction among Internet Service Providers (ISPs) in Sri Lanka following the global COVID-19 pandemic. The target population was internet users in the Western province of the country. Due to time constrains and accessibility issues, a sample of 206 participants was drawn using convenience sampling technique for the survey. Primary data were collected through questionnaires, and the SPSS statistical software package was used for the analysis of the statistical data. The results revealed that all dimensions (Product, Price, Place, Promotion, People, Process, Physical evidence) of Marketing Mix strategies positively contributed to customer satisfaction, implying that Marketing Mix strategies initiatives increase levels of customer satisfaction. The study recommends that ISPs to maintain a well-balanced blend of Marketing Mix strategy components to achieve high customer satisfaction.

Keywords: *Marketing Mix, Customer Satisfaction, Internet Service Providers (ISPs)*

Received: 14th August 2023

Accepted: 30th January 2024

Published: 4th March 2024

Corresponding author:
Yapa Y.A.S.D

E-mail address:
seuwandiyapa@gmail.com

https://orcid.org/0000-0002-6360-1482

DOI:
hhttps://doi.org/10.4038/wjm.v14i2.7607

pp.: 57- 67

ISSN: 2012-6182

Wayamba Journal of Management
Department of Business Management
Wayamba University of Sri Lanka

Journal Home Page:
https://fbsf.wyb.ac.lk/wayamba-journal-of-management

Introduction

The COVID-19 epidemic will undoubtedly have a significant impact on businesses. Companies have been compelled to rethink their marketing strategies and come up with innovative ways to operate and deliver services during a crisis due to the pandemic's impact on customer behaviors, the establishment of new social norms, and the enforcement of new government restrictions. Thus, it is critical to reevaluate how marketing mix methods affect customer loyalty and satisfaction in the context of Sri Lanka's ISPs. This research aims to test established concepts to determine if they may lead to conflicting outcomes in various settings and unforeseen disaster and crisis situations, such as the COVID-19 pandemic.

Businesses rely on the marketing mix to ensure their continued success by providing superior customer service. As per Kotler (2012) 7p's including product, price, place, promotion, people, process, and physical evidence of the marketing mix, have the potential to maximize customer satisfaction while also helping businesses achieve their goals.

Internet is part of our lives in the modern world. It is an empowering tool that enables us to connect with the world in terms of learning, earning, and being entertained. Its inherent borderless, decentralized, and all-inclusive design principles encourage the provision of meaningful access to citizens without any discrimination (Internet Society blog post, 2020). When the COVID-19 pandemic hit at the beginning of 2020, it challenged the foundations of social and economic norms around the world. One after the other, countries initiated lockdown protocols and social distancing procedures for public safety, shifting daily routines to telecommuting, online education, video calls, teleworking, online services, and digital banking (Internet Society blog post, 2020).

The primary objective of this study was to investigate and evaluate how marketing mix techniques impact customer satisfaction. The subject area selected is the Internet service sector of Sri Lanka. The study conducted a systematic analysis of Marketing Mix variables and their impact on Customer Satisfaction using a deductive approach. The study focused on the ground-level realities created by the global COVID-19 pandemic. Research on the similar subject area and subject matter is found to be relatively limited. Therefore, it is expected that this research would add new knowledge and contribute to the enhancement of existing knowledge.

The Internet penetration rate in Sri Lanka in 2019 was approximately 34.11 percent, indicating that a significant portion of the population had access to the Internet (Statista, 2021). This marks an increase from 2010 when approximately 12 percent of the population in Sri Lanka were using the Internet (Statista, 2020). The COVID-19 global pandemic has had a significant impact on businesses and marketing strategies worldwide, including the telecommunications sector. The telecommunications sector has witnessed significant technological advancements over the past few decades, with mobility, broadband, and Internet services expanding in capability and global reach. However, despite progress in access to the Internet and mobile services, many people and

businesses remain disconnected. Globally, 3 billion citizens remain unconnected (Veligura & Karl, 2020).

Companies have been compelled to rethink their marketing strategies and develop innovative ways to manage their operations and services during a crisis due to the pandemic's influence on customer behaviors, the establishment of new social norms, and the enforcement of new government restrictions (Internet Society blog post, 2020). Therefore, it is important to reassess the impact of Marketing Mix strategies on customer satisfaction with reference to the ISPs of Sri Lanka. This research aimed to test established concepts to determine if they could lead to conflicting outcomes in various settings and unforeseen disaster and crisis situations, such as the COVID-19 pandemic.

Research findings from other nations cannot be generalized to the Sri Lankan context due to the lack of empirical evidence regarding the relationship between the marketing mix and customer satisfaction of Internet service providers in Sri Lanka. This research will be based on recent data collected from internet users who will share and reflect on their experiences with internet services usage during the pandemic situation. There is potential for researching the effects of the Marketing Mix to assess customer satisfaction. Above explanation justifies the need for acquiring new knowledge by focusing on ISPs in Sri Lanka to address the empirical and practical research gap. Therefore, this research focused on addressing the research statement "Assessing the Impact of Marketing Mix on Customer Satisfaction of ISPs in Sri Lanka." The purpose of the proposed correlational study is to determine the most influential factors that determine customer satisfaction.

Methods

Based on published works, the researcher created a model, depicted in Figure 1, to conceptualize the theoretical framework of the investigation. This research is quantitative in nature. In this research, the sampling frame consists of internet users/customers who visited any customer care center after the COVID-19 period. The total population consists of customers aged between 18 and 55 years old. The study was conducted from June 12, 2022, to June 18, 2022, by distributing the questionnaire to more than 384 Internet users. The sample size is 384 respondents. Data was collected using a questionnaire, and the sampling technique employed was convenience sampling. Four leading service providers were contacted to obtain details of users who visited customer care centers to acquire internet services, and users were randomly selected from the four data lists received. The sample size for a 95% confidence interval for a proportion is 384 (Cochran, 1977).

Results

The descriptive statistics generated from the obtained dataset are used to understand the distribution of results and the characteristics of the variables in the data. One of the three main elements indicated in the descriptive statistics is the mean value, which represents the average response in relation to the Likert scale values (Table 1: Operationalization of Variables). Furthermore, skewness illustrates the distribution curve of the data set.

Values between +1 and -1 indicate a symmetric data distribution, while values > +1 indicate data skewed to the left and values < -1 indicate data skewed to the right. Kurtosis highlights the peak of the data distribution curve. Values between +3 and -3 indicate a flatter distribution of the curve, while values above this range indicate a peaked distribution curve (Ott & Longnecker, 2015).

During the study to examine the relationship between elements of the Marketing Mix model and customer satisfaction, correlation analysis was utilized. By using correlation analysis, we can measure the efficiency of the service and customer satisfaction, which is essential for achieving the research objectives. Pearson correlations extracted from the data are presented in Table 2. The correlation analysis highlights the comparison of each independent variable to the dependent variable. According to the results obtained, the correlation between customer satisfaction and product, place, process, and physical evidence is greater than 0.861, indicating a strong relationship among them. However, when considering the price, promotion, and people, the value is somewhat lower. This indicates that a considerable number of customers are not satisfied with the service provided in terms of those variables. A test for multicollinearity using tolerance and variance inflation factors (VIF) was conducted, and the results indicated that there were no issues of multicollinearity among the constructs. The tolerance values of the constructs were above the minimum threshold of 0.20, and the VIF values were below 5 as recommended by Hair, Hult, Ringle, and Sarstedt (2013). Therefore, there are no significant issues of high correlation among the constructs.

According to the Service Marketing Mix strategies, there are 7 independent variables that need to be examined to determine their influence on the dependent variable. Thus, it provides a better understanding of the relationship between independent variables and dependent variables. Table 3 presents the regression model summary, which includes the R, R-squared, and adjusted R-squared values for the model, as well as the standard error of the estimate. In this study, regression analysis was used with seven factors as independent variables to test the model for customer satisfaction. The full model was found to be significant, as indicated by the regression model summary highlighted in Table 3. It shows an R-squared value of 0.964, indicating a good fit model since the value is greater than 0.70. According to the results obtained from the study, it shows that all independent variables have a good relationship with each other and have a direct impact on the dependent variable. Since the model fits, the research objectives can be achieved through the study. It shows that all the elements of the Marketing Mix model are aligned with the customer satisfaction of ISPs.

Further, R is the multiple correlation coefficient, which represents all the variables together (R = .982). R-squared is a measure of how much of the variation in the dependent variable is accounted for by the model. According to Table 3, the R-squared value is 0.964 (R^2 = 0.964), which explains approximately 96% of the variance in customer satisfaction. This variance is predicted by the combination of the seven independent variables. Adjusted R-squared attempts

to account for the complexity of the model. More complex models will explain more variance than simpler models. Table 3 shows that the adjusted R-squared value is 0.962. The adjusted R-squared value indicates that 96% of the variance in Customer Satisfaction has been significantly explained by a 1% change in the seven independent variables.

The ANOVA results highlighted in Table 4 show a larger F value greater than 1. Furthermore, the significance value is < 0.05. These results combined indicate that the null hypothesis of this study should be rejected.

The coefficient values in the regression analysis highlighted in Table 5 show that the variables of product, price, place, and people have a strong impact on the dependent variable. When considering the coefficient value of Promotion, it indicates a positive, yet moderate relationship between customer satisfaction and promotion. Moreover, considering the physical evidence and customer satisfaction, the coefficient value is less than 0.3, indicating a minor relationship between the two variables. However, the significance value of these variables is less than 0.05, indicating that the null hypothesis would be rejected.

Discussion

Based on the findings of this research, all elements of the marketing mix: product, price, place, promotion, people, process, and physical evidence have positive effects on customer satisfaction.

According to the results, the Pearson correlation between the variables "product" and "customer satisfaction" is greater than 0.5. This indicates a positive and significant relationship between the two. Further, the results of the correlation indicate that a correlation value greater than 0.5 means that the product has a positive and significant impact on customer satisfaction. When considering the significant value of the variables, it is evident that the significance value is less than 0.05, indicating that the null hypothesis would be rejected. The results pertain to the relationship between the variables: Price, Place, People, and Process with customer satisfaction.

However, the Pearson correlation between promotion and customer satisfaction is greater than 0.5, indicating a positive relationship between promotion and customer satisfaction. Further, the results of the coefficient show that the correlation value is less than 0.5 (0.320), which means that promotion does have an impact on customer satisfaction, yet it cannot be considered a strong impact. When considering the significant value of the variables it is evident that significant value < 0.05, which indicate that the null hypothesis would be rejected.

According to the results, the Pearson correlation between Physical Evidence and customer satisfaction is greater than 0.5, indicating a positive relationship between physical evidence and customer satisfaction. However, the results of the correlation analysis indicate that the coefficient value is 0.090. This suggests that physical evidence has a positive impact on customer satisfaction, but it is not statistically significant. When considering the significant value of the variables, it is evident that the

significance value is less than 0.05, indicating that the null hypothesis would be rejected.

Conclusion

According to the research findings, it was concluded that Marketing Mix strategies have a strong and significant influence on customer satisfaction. It was also observed that the research findings are consistent with previous studies, and theoretical and empirical research findings support the validation of these results. The results further showed that variables of the Service Marketing Mix: Price, Place, People, and Process have a strong significant effect on customer satisfaction, while Promotion and Physical evidence have a positive yet moderate effect on customer satisfaction. Based on the research findings and conclusions, the recommendations to enhance customer satisfaction with ISPs in Sri Lanka are as follows: Increase promotional efforts through strategies that can increase consumer interest, such as advertising, sales promotions, and personal selling. By providing service guarantees, meeting customer requirements, enhancing the brand name, and offering a variety of services to ensure customer satisfaction are essential steps to enhance the product. It can suggest increasing customer satisfaction by providing convenience in the process of delivering internet services. It is also important for the service provider to respond to customer inquiries promptly, ensuring uninterrupted service. Providing services that are more innovative or different from others, improving the facilities provided in the service process, enhancing the service quality, tailoring information to meet customer needs, offering services promptly, expanding service delivery, and streamlining procedures are key aspects that ISPs should prioritize in their Marketing Mix strategies.

Figures and Tables

Figure 1: Conceptual framework

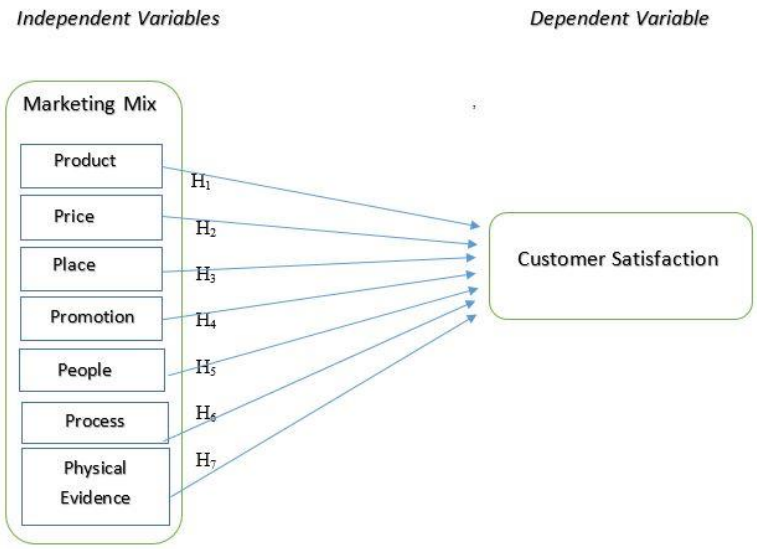

Table 1: Operationalization of variables

Independent variable	Factor	Measurement	Question Number
Product	Variety of services available	Likert Scale	C: 1
	Recognized brand	Likert Scale	C: 2
	Latest technology used	Likert Scale	C: 3
Price	Payment options	Likert Scale	C: 4
	Affordable prices	Likert Scale	C: 5
	Competitive prices	Likert Scale	C: 6
Place	Availability of branches	Likert Scale	C: 7
	Availability of outlets	Likert Scale	C: 8
	Online based accesses to services	Likert Scale	C: 9
Promotion	Creative advertising	Likert Scale	C: 10
	Credibility of the advertisements	Likert Scale	C: 11
	Advertisement and publicity via media	Likert Scale	C: 12
People	Provide immediate services	Likert Scale	C: 13
	Well trained staff to serve customers	Likert Scale	C: 14
	Personalized services offered	Likert Scale	C: 15
Physical Evidence	Availability of public facilities	Likert Scale	C: 16
	Overall atmosphere of service locations	Likert Scale	C: 17
	Appearance of staff members and attire	Likert Scale	C: 18
Process	User-friendliness of the service delivery	Likert Scale	C: 19
	Response to complaints	Likert Scale	C: 20

	Confidentiality and privacy protection	Likert Scale	C: 21

Source: Developed by Researcher

Table 2: Summary of Correlation Values

		Product	Price	Place	Promotion	People	Process	Physical Evidence
Customer Satisfaction	Pearson Correlation	.914	.954	.973	.964	.930	.943	.875
	Sig.(2-tailed)	.000	.000	.000	.000	.000	.000	.000
	N	206	206	206	206	206	206	206

Source: Analysis Results (2023)

Table 3: Regression analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.982[a]	.964	.962	.18827
a. Predictors: (Constant), Process, Physical Evidence, People, Product, Price, Place, Promotion				

Source: Analysis Results (2023)

Table 4: ANOVA table

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	186.622	7	26.660	752.141	.000[b]
	Residual	7.018	198	.035		
	Total	193.640	205			
a. Dependent Variable: Customer Satisfaction						
b. Predictors: (Constant), Process, Physical Evidence, People, Product, Price, Place, Promotion						

Source: Analysis Results (2023)

Table 5: Coefficients values

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.082	.106		.770	.000		
	Product	.627	.070	-.173	-3.263	.000	.776	1.289
	Price	.804	.090	.099	1.259	.000	.668	1.498
	Place	.506	.060	.578	8.484	.000	.620	1.613
	Promotion	.320	.081	.331	3.949	.000	.427	2.340
	People	.766	.047	-.077	-1.383	.000	.723	1.383
	Physical Evidence	.090	.041	.077	2.211	.000	.629	1.590
	Process	.877	.082	.157	2.060	.000	.807	1.239
a. Dependent Variable: Customer Satisfaction								

Source: Analysis Results (2023)

References

Ahmad, A. (2012). Macro-environment influences on health service strategies in Saudi private sector hospitals: An empirical investigation. International Business Research, 5(5). DOI: http://dx.doi.org/10.5539/ibr.v5n5p49

Animesh, A., Pinsonneault, A., Yang, S.-B. & Oh, W. (2011), An odyssey into virtual worlds: exploring the impacts of technological and spatial environments on intention to purchase virtual products, MIS Quarterly, 5 (3), 789-793

Booms, B., & Bitner, M. (1981). Marketing strategies and organization structures for services firms. In James D. & William G. (Eds.), Marketing of services: 1981 special educators' Conference Proceeding (pp. 46–51). Chicago: American Marketing Association.

Cochran, W. G. (1977). Sampling techniques (3rd ed.). New York: John Wiley & Sons.

Dharmadasa, S. A., & Gunawardane, N. (2018). Impact of service quality on customer satisfaction ; With special reference to mobile telecommunication industry of Sri Lanka. IQSR Journal of Business and Management, 3 (1), 55–62.

Department, Statista Research (2020, November). Internet penetration rate in Sri Lanka from 2010 to 2019. In Statista.com Retrieved from: https://www.statista.com/statistics/765516/internet-penetration-rate-sri-lanka/

Eroglu, S. A., Machleit K. A., & Davis L. M. (2001). Atmospherics qualities of online retailing: A conceptual model and implications. Journal of Business Research 54:177–184

Galpaya, Helani, (2011). Broadband in Sri Lanka: Glass Half Full or Half Empty?. In infodev.org. Retrieved from: http://www.infodev.org/publicationsbroadband-toolkit.org

Gronroos, C. (2012). Keynote paper From Marketing Mix to Relationship Marketing – Towards a Paradigm Shift in Marketing. Management Decision, 35 (4) 322 – 339

Gupta, S. and Zeithaml, V. (2006) Customer Metrics and their impact on financial performance. Marketing Science, 25, 718-739 DOI: https://doi.org/10.1287/mksc.1060.0221

Hansemark, O.C. & Albinsson, M. (2004), Customer satisfaction and retention: The experiences of individual employees, Managing Service Quality: An International Journal, 14 (1) 40-57. DOI https://doi.org/10.1108/09604520410513668

Internet society blogpost (2020, March): COVID-19 Impact on Internet Performance: Case Study of Afghanistan, Nepal, and Sri Lanka. In Internetsociety.org. Retrieved from: https://www.internetsociety.org/wp-content/uploads/2020/12/Asia-Covid-report-EN-March-2021.pdf

Jacoby, J. (2002), Stimulus-Organism-Response reconsidered: An evolutionary step in modelling (consumer) behaviors, Journal of Consumer Psychology, 12 (1), 51-57

Koo, D. M., & Ju, S. H. (2010). The interactional effects of atmospherics and perceptual curiosity on emotions and online shopping intention. Computers in Human Behaviour, 26, 377 – 388

Kotler, P. (2003). Marketing Management. Prentice .Hall Inc. 11th Edition

Kotler, P. & Keller, L.K. (2012). A framework for marketing management. Edinburg: Pearson, 5th Edition

Lovelock, C. (2001). Services Marketing People, Technology, Strategies. Prentice Hall. 4th Edition

Parboleah, D.V., Valacich, J.S., Wells, J.D. (2009), The influence of website characteristics on a consumer's urge to buy impulsively, Information Systems Research 20(1), 60-78.

Veligura, N., & Karl Ka-Ki Chan. (2020). COVID-19 impact on the global telecommunications industry. Telecommunications, Media and Technology Global Infrastructure Department at the International Finance Corporation (IFC), 7.

Zeithaml, V., & Bitner M. (2000). Services Marketing: Integrating Customer Focus Across the Firm. Irwin McGraw-Hill, 2nd Edition.