Cambodian Service Quality Research 2017

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ABSTRACT

3581 customers from 66 Cambodian companies in 6 industries surveyed with a questionnaire based on ServQual model of Parasuraman et al. (1988) with 22 items. Five popular customer satisfaction & loyalty variables were added in the questionnaire to gauge overall satisfaction, customer effort, recommendation, loyalty and repurchase intentions. Averages of the ServQual questions and customer satisfaction & loyalty variables formed the matrixes that are used for analyses. Overall Cambodian Service Quality levels in six industries, differences in gender, age, education and income levels are analyzed. Six industries are further examined with similar matrixes highlighting the differences among selected companies.

*Keywords*: Cambodia, Service Quality, ServQual, Customer Satisfaction and Loyalty.

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CAMBODIAN SERVICE QUALITY 2017

Cambodian economy, as the last tiger in Asia (AEC News, 2016), is developing and growing rapidly since two decades over seven percent in average (World Bank, 2016 & 2017). This growth is also accompanied by rapid development in Cambodian society. Internet users for instance are increased to 7.1 million in 2017, representing roughly the half total population (Geeks in Cambodia, 2017).

The services sector, as the second largest contributor to Cambodia GDP, and service quality provided in these sectors have also gained more importance during the economic growth process. Nevertheless, despite this importance, existing research on service quality and customer satisfaction seem to have been very limited in recent years.[1] Therefore, in order to provide a recent research input and a discussion-starter document, CamEd Business School 4th year Business Strategy students surveyed 3581 customers from 66 Cambodian companies in 6 industries in September 2017. Survey questionnaire[2] is based on ServQual model (Parasuraman et al., 1988) in five dimensions and 22 questions on a scale of 1 to 7.
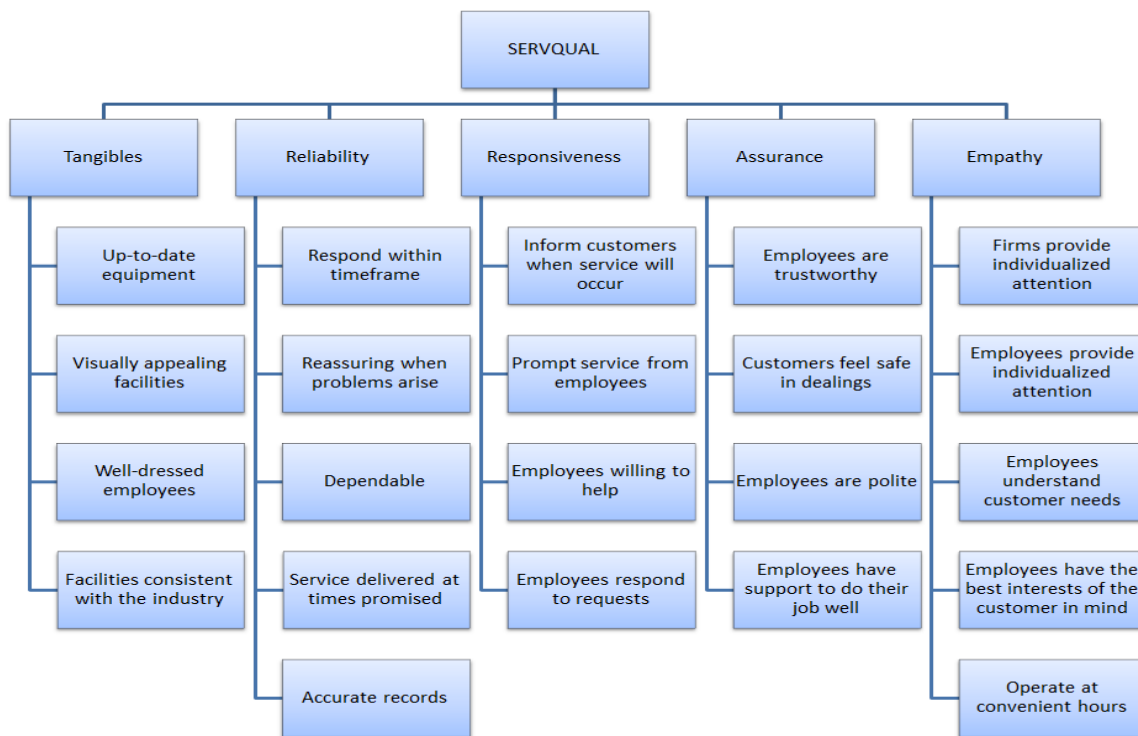
Five popular customer satisfaction & loyalty variables are also added to the questionnaire to gauge overall satisfaction, customer effort, recommendation, loyalty and repurchase intention of customers on a scale of 1 to 10 (Kotler et al., 2017; Wiesel et al., 2012; Keiningham et al., 2007).

Matrix charts are created with the averages of the ServQual questions and customer satisfaction & loyalty variables, and a general overview of six industries, differences in gender, age, education and income levels are investigated. Six industries are further analyzed with similar matrixes displaying the differences among companies (see appendix).

[1] Based on Google and Google Scholar research, accessed on October 6, 2017.

[2] The questionnaire in English can be seen in the appendix; Khmer version is also available.

Overall results for six Cambodian Industries

In this research, six popular industries are selected for their wide customer coverage across the country: banks, insurance, telecom, airlines, café & food chains, and retail & supermarkets.[3] 3581 completed surveys provided a good basis for analysis and discussion.[4] When taking overall averages into consideration, we can conclude that Cambodians are reasonably satisfied with the service quality provided in the six service industries we investigated. On average they rated 22 service quality related questions as 5,01 on a scale from 1 to 7 (percent equivalence 72%). Their average rating derived from five customer satisfaction & loyalty questions was 6,76 on a scale from 1-10 (percent equivalence 68%). These are relatively common scores when compared with other international customer satisfaction and experience research (Temkin Research, 2017).

Cambodian ServQual Index (2017)	Number of Respondents	ServQual Scale 1-7	Overall Rating Scale 1-10
	3581	5,01	6,76
	% equivalence score	72%	68%

In terms of ServQual dimensions, Cambodians consistently scored low in the empathy dimension in all industries; and in terms of satisfaction and loyalty dimensions, their loyalty intentions were lower than their overall satisfaction and repurchase intentions.

ServQual Dimensions in Cambodia, 2017

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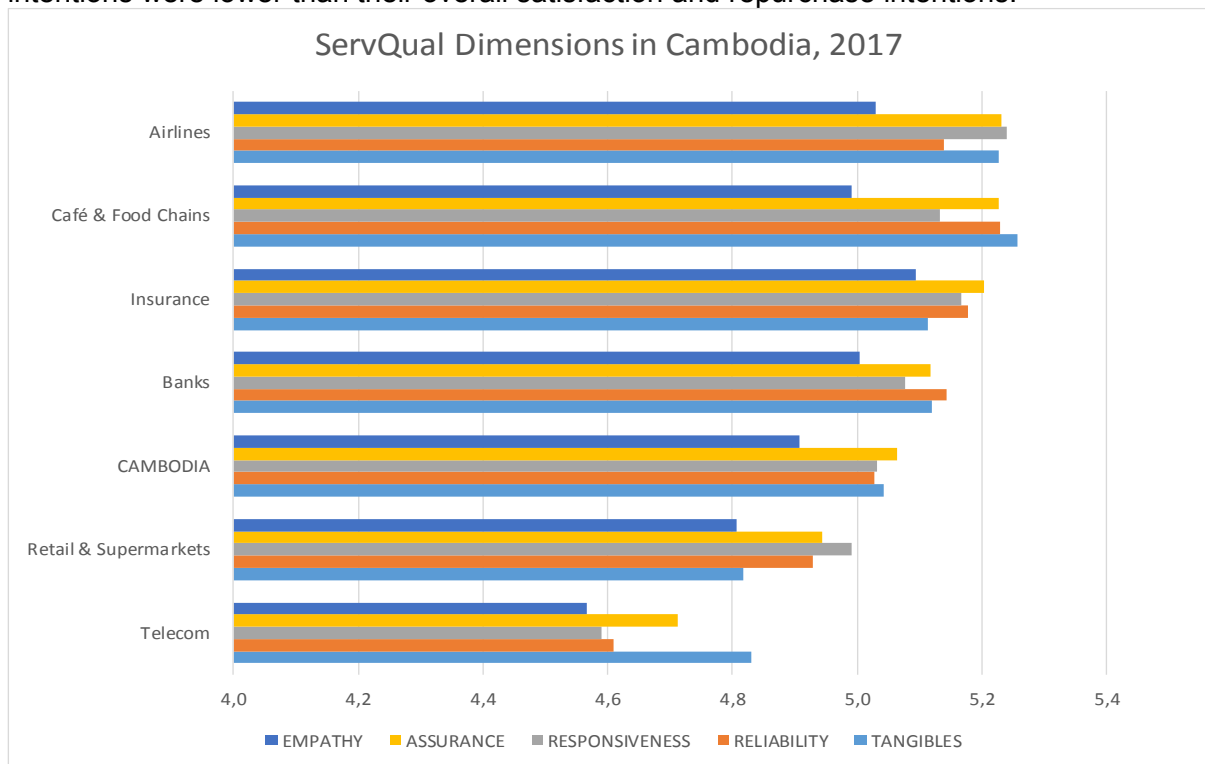
[3] Travel & transportation, e-commerce, utilities (electricity and water) are also identified but not included in the research due to survey resource limitations.
[4] Number of respondents: Banks (472), Insurance (538), Telecom (557), Airlines (656), Café & Food (527), Retail & Supermarkets (831); Number of respondents per company is around 50.

Satisfaction & Loyalty Dimensions in Cambodia, 2017
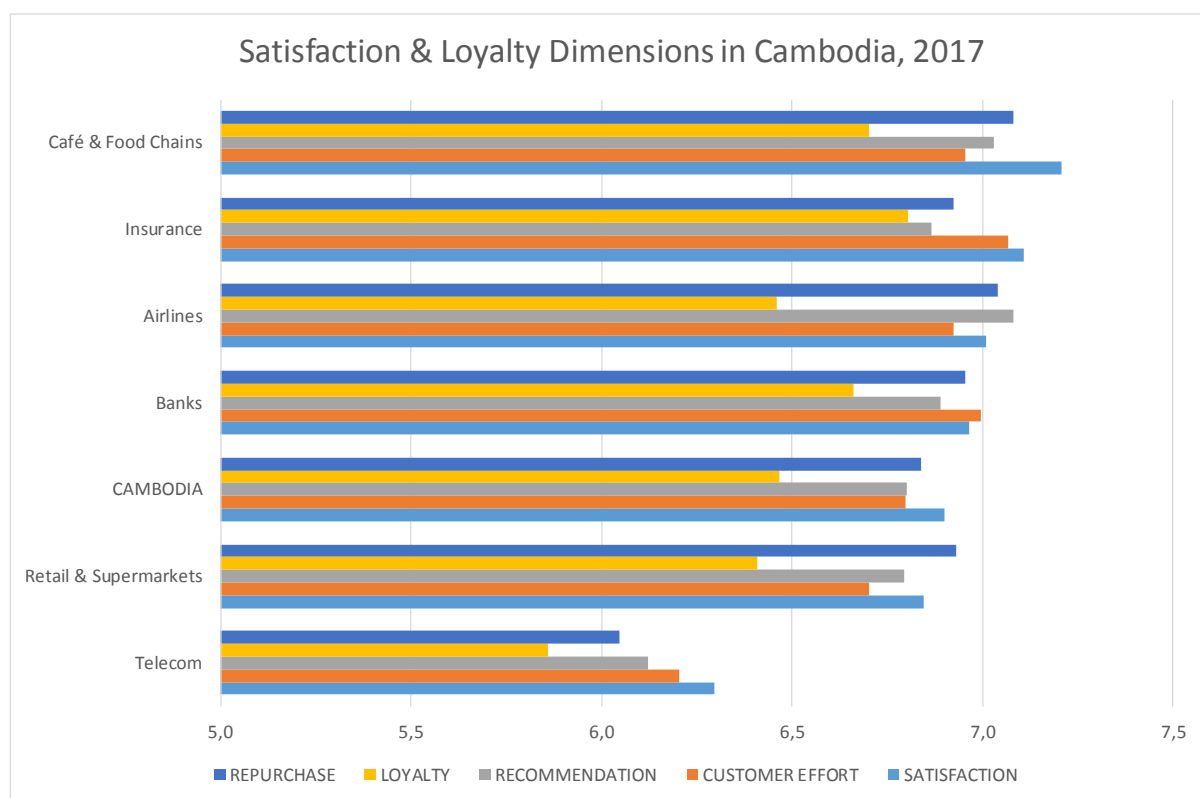
Based on aggregated averages[5], there are some differences observed among industries where telecom industry is scoring lower, retail & supermarkets and banks in the average region, and café & food chains on the higher side together with insurance firms and airlines.

Cambodia, 2017	Number of Respondents	ServQual (Scale 1-7)	Overall Rating (Scale 1-10)
Telecom	557	4,66	6,11
Retail & Supermarkets	831	4,89	6,74
Banks	472	5,09	6,89
Insurance	538	5,15	6,96
Airlines	656	5,17	6,90
Café & Food Chains	527	5,16	7,00
Grand Total	**3581**	**5,01**	**6,76**

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[5] Overall rating: average of 5 satisfaction & loyalty related questions; ServQual: average of 22 ServQual related questions.

CAMBODIAN SERVICE QUALITY 2017
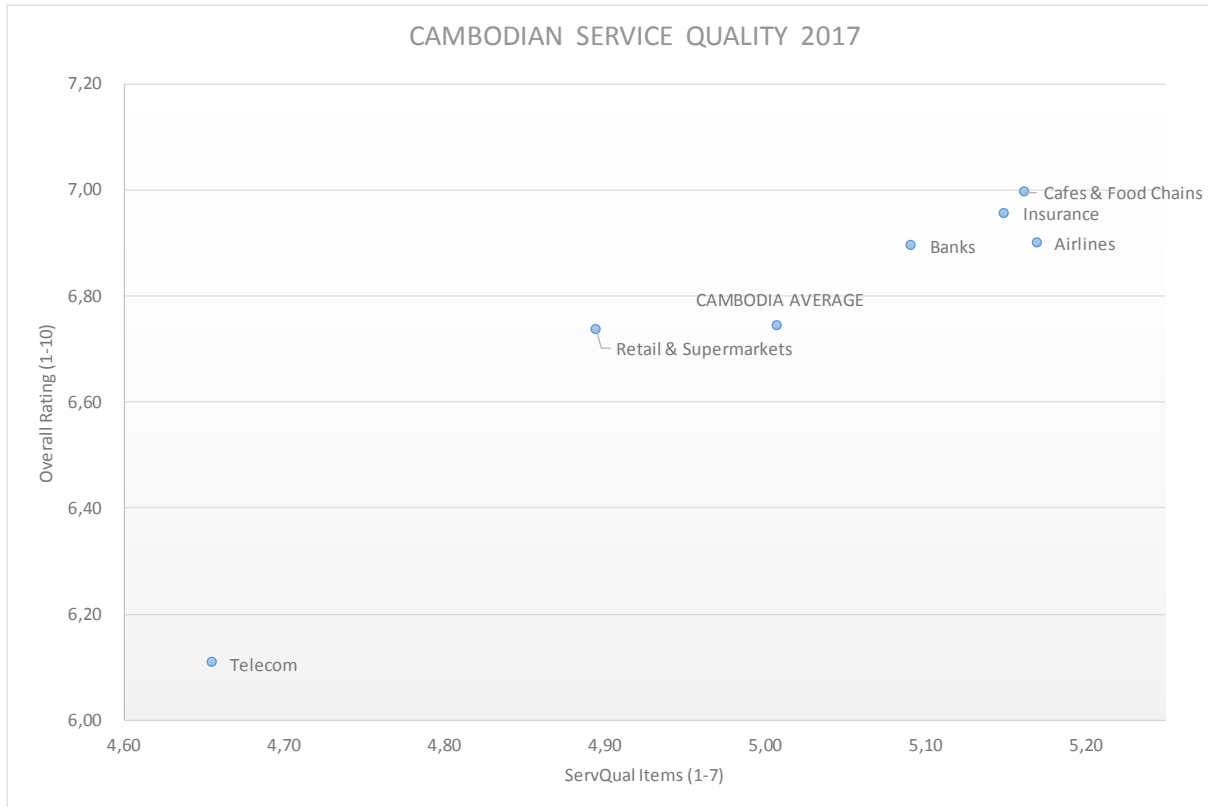
Since a detailed industry or company analyses are not the main purpose, not all companies are included in the research[6]; and only overall results are displayed for descriptive and informative purposes.

Gender Differences in Assessing Service Quality

Male and female participants are reasonably distributed with 53% female and 47% male respondents. Female respondents were slightly[7] but consistently more critical when evaluating service quality as well as when evaluating overall satisfaction and loyalty questions in all industries.

GENDER	Number of Respondents	ServQual Scale 1-7	Overall Rating Scale 1-10
Female	1890 (53%)	4,97	6,70
Male	1691 (47%)	5,05	6,83

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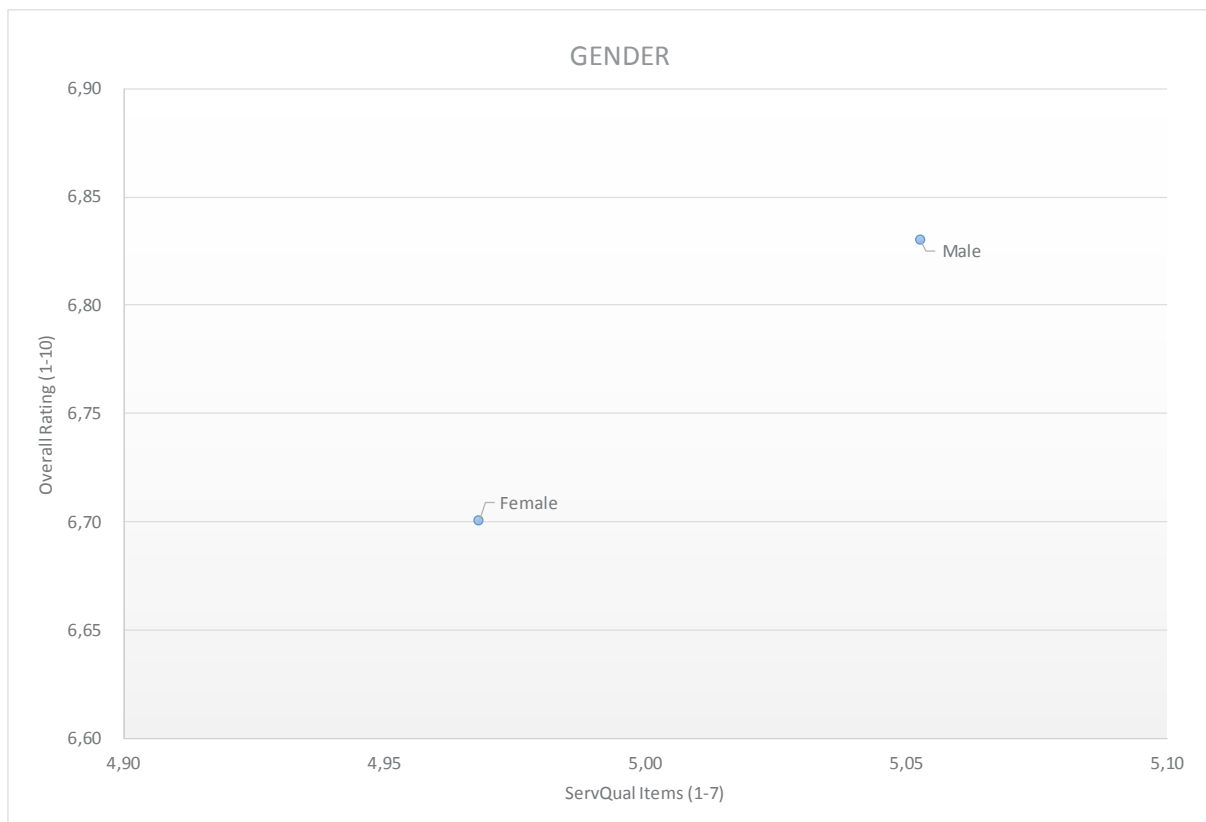
[7] ANOVA test is significant at the p<0.05 level.

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Age Differences in Assessing Service Quality

Although there is no linear relationship observed in the survey data, the younger population below 30 years old seem to be less easily satisfied than people between 30 and 60. The most satisfied group in the survey appears to be elderly people over 60, which is a relatively small group with only 21 respondents.[8]

AGE	Number of respondents	ServQual	OVERALL RATING
Below 20	369	4,97	6,68
20-29	2263	4,97	6,68
30-39	570	5,11	6,91
40-49	268	5,10	6,90
50-59	90	5,05	6,89
Above 60	21	5,11	7,14
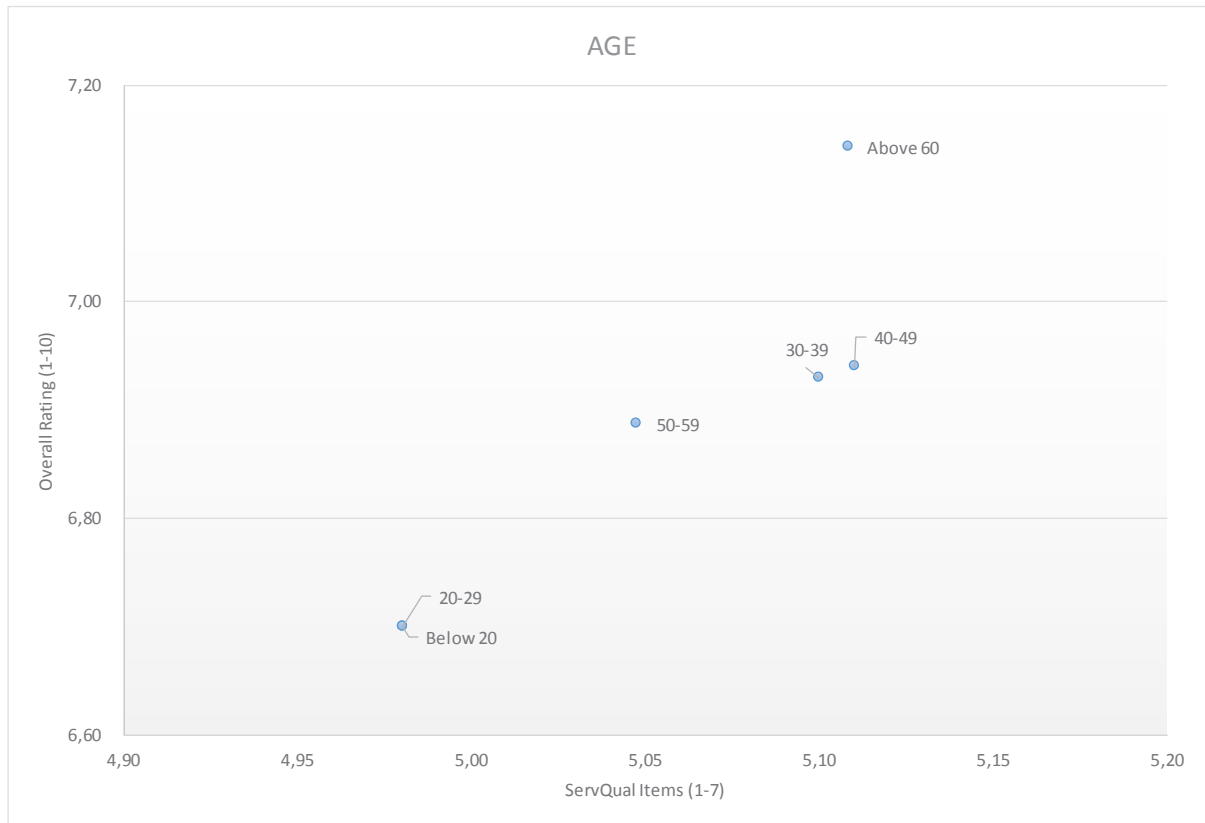
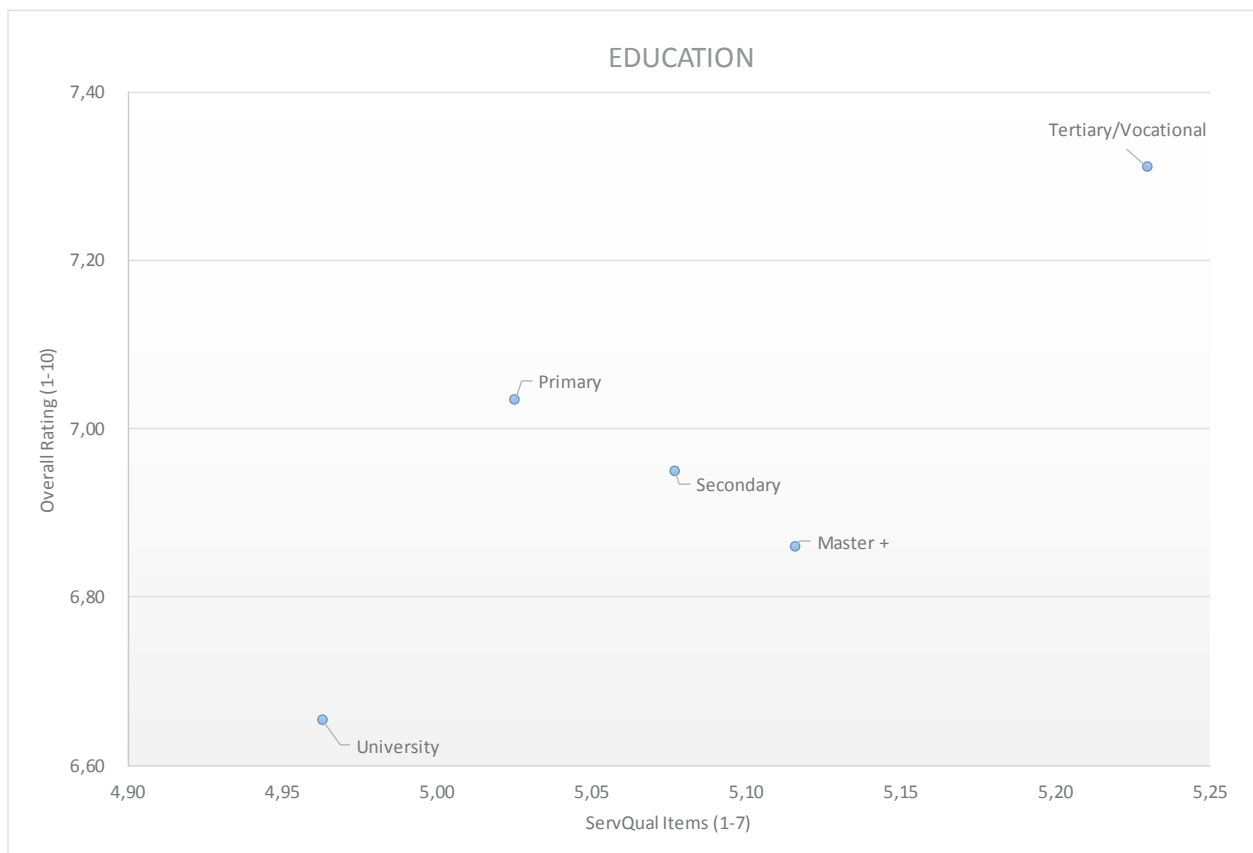[8] ANOVA test is significant at the $p < 0.05$ level.

Education Differences in Assessing Service Quality

72% of the respondents in this research were university students and graduates (n: 2596); and they seem to be most critical for their service quality evaluations and consequently the least satisfied. With a relatively small sample size (n:199, 6%) tertiary and vocational education group seems to be more positive towards the services they receive.[9]

| EDUCATION	Number of respondents	ServQual	OVERALL RATING
Primary	36	5,03	7,03
Secondary	227	5,08	6,95
Tertiary/Vocational	199	5,23	7,31
University	2589	4,96	6,65
Master +	523	5,12	6,86

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[9] ANOVA test is significant at the $p < 0.01$ level.

Income Differences in Assessing Service Quality

In Cambodia the average monthly income is considered between $200 and $400 since it is a common starting salary level for university graduates. For the same context a high income is considered above $1000 per month (World Bank, 2016). It is interesting to observe that there is a slight positive correlation[10] between income levels and service quality evaluations, where higher income leads to more positive service quality evaluations.[11]

INCOME	Number of respondents	ServQual	OVERALL RATING
Low or No regular income	589	4,91	6,63
Under Average	379	4,98	6,69
Average ($200-$400 range)	1508	4,99	6,73
Above Average	765	5,04	6,79
High (More than $1000/m)	340	5,19	6,93

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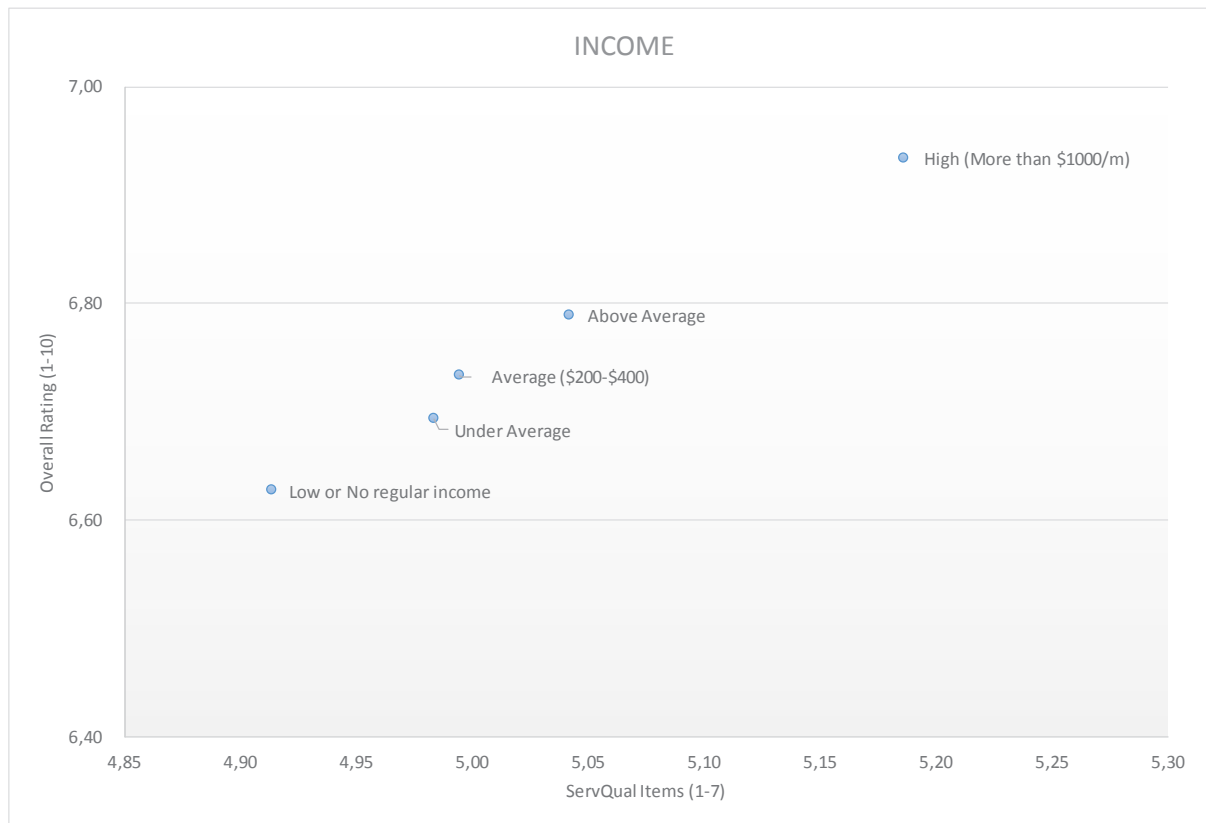
[10] R= 0,05 and 0,07 significant at the $p<0.01$ level.
[11] ANOVA test is significant at the $p<0.01$ level.

Summary Conclusions and Managerial Implications

In this service quality research, six industries were investigated in Cambodia: Banks, insurance, telecom, airlines, café & food chains, and retail & supermarkets. 3581 completed surveys covering 66 companies provided a good basis for analysis and discussion.

Based on survey results, we can conclude that Cambodians are reasonably satisfied with the service quality they experience in general. In terms of ServQual dimensions, Cambodians consistently scored low in the empathy dimension in all industries; and in terms of satisfaction and loyalty dimensions, their loyalty intentions were lower than their overall satisfaction and repurchase intentions. So, customer empathy and consequently customer loyalty should take some more space in managerial agendas.

In terms of differences in industries, telecom industry was clearly scoring lower, retail & supermarkets and banks in the average region, and café & food chains on the higher side together with insurance firms and airlines.

Female respondents were slightly, but consistently more critical when evaluating service quality as well as when evaluating overall satisfaction and loyalty questions. This might be a hint for customer experience and service design professionals.

Young population below 30 years old and with a university education seem to be less easily satisfied than others. As this segment is increasingly becoming a substantial part of the service economy, perhaps it is time for service providers to revisit their value propositions and adjust them for this young and dynamic segment of customers.

In Cambodia average monthly income is considered between $200 and $400 and survey results indicated that higher incomes lead to more positive service quality evaluations. Two important implications for the service industry seem to be "how to fit value propositions for the average income group?" and "how to adjust value propositions for higher income customers?"

Limitations and Further Research

This research provided an overall overview on service quality levels in Cambodian service industry with 10-15 selected companies from six different industries. Full industry analyses covering more companies would reveal a more in-depth overview about specific industries. Also other industries such as utilities, e-commerce, travel and hospitality might be included in further research.

Although results displayed a good indication about service quality levels about specific companies, it is difficult to draw detailed conclusions with only +/- 50 respondents, who are primarily in the network of university students in Phnom Penh. For company specific analyses a more in-depth research with more (diverse) respondents might be conducted.

This research is intended to be a discussion starter for Cambodian service quality, therefore focused mainly on descriptive statistics and general outcomes from selected industries and companies. Further research might investigate associative nature of the data collected and predictive value of different ServQual dimensions as well as satisfaction and loyalty questions.

Appendix

Survey companies

Survey companies with +/- 50 respondents

Airlines	Banks	Café & Food Chains	Insurance	Retail & Supermarkets	Telecom
Air Asia	ABA Bank	Amazon	AIA	AEON	Cellcard
ANA	ACLEDA	BreadTalk	Asia Insurance	Bayon	CoolTel
Angkor Air	ANZ Royal	Brown	CAMINCO	CEDAC	Digi
Bangkok Air	ASB	Burger King	Forte	Daiso	Ezecom
Emirates	CIMB	Costa Coffee	Infinity	Giant	Metfone
JC Airlines	FTB Bank	Gloria Jeans Coffee	Manulife	Jiffy Mart	Opennet
Jetstar	Maybank	KFC	People & Partners	Lucky Supermarket	PPCTV
Korean Air	Phillip Bank	Pizza Company	Prevoir Kampuchea	Nature Republic	Seatel
Malaysia Airlines	PPC Bank	Starbucks	Sovannaphum	Shiseido	Sing Meng
Qatar Airways		Tous Les Jours		Smile	Smart
Singapore Airlines				Star Mart	
Thai Airways				Super Store	
VietJet				Tela Mart	
				Thai Hout	
				Toys&me	

Satisfaction & Loyalty Dimensions Table

	SATISFACTION	CUSTOMER EFFORT	RECOMMENDATION	LOYALTY	REPURCHASE
Telecom	6,3	6,2	6,1	5,9	6,0
Retail & Supermarkets	6,8	6,7	6,8	6,4	6,9
CAMBODIA	**6,9**	**6,8**	**6,8**	**6,5**	**6,8**
Banks	7,0	7,0	6,9	6,7	7,0
Airlines	7,0	6,9	7,1	6,5	7,0
Insurance	7,1	7,1	6,9	6,8	6,9
Café & Food Chains	7,2	7,0	7,0	6,7	7,1

ServQual Dimensions Table

	TANGIBLES	RELIABILITY	RESPONSIVENESS	ASSURANCE	EMPATHY
Telecom	4,8	4,6	4,6	4,7	4,6
Retail & Supermarkets	4,8	4,9	5,0	4,9	4,8
CAMBODIA	**5,0**	**5,0**	**5,0**	**5,1**	**4,9**
Banks	5,1	5,1	5,1	5,1	5,0
Insurance	5,1	5,2	5,2	5,2	5,1
Café & Food Chains	5,3	5,2	5,1	5,2	5,0
Airlines	5,2	5,1	5,2	5,2	5,0

Telecom companies

TELECOM

Overall Rating (1-10) vs ServQual Items (1-7)

- Ezecom
- Seatel
- PPCTV
- Cellcard
- Smart
- Telecoms Average
- Sing Meng
- CoolTel
- Opennet
- Metfone
- Digi

Retail & Supermarkets

RETAIL & SUPERMARKETS

Overall Rating (1-10) vs ServQual Items (1-7)

- Super Store
- Daiso
- Shiseido
- CEDAC
- Toys&me
- Lucky
- Nature Republic
- Giant
- Jiffy Mart
- Thai Hout
- AEON
- Retail AVERAGE
- Bayon
- Smile
- Star Mart
- Tela Mart

Banks

BANKS

Overall Rating (1-10) vs ServQual Items (1-7)

- Maybank (≈5.48, 7.89)
- PPC Bank (≈5.50, 7.86)
- FTB Bank (≈5.45, 7.72)
- ABA Bank (≈5.34, 7.42)
- ANZ Royal (≈5.14, 7.03)
- Banks AVERAGE (≈5.08, 6.89)
- ASB (≈4.91, 6.72)
- ACLEDA (≈4.73, 6.10)
- CIMB (≈4.66, 5.97)
- Phillip Bank (≈4.70, 5.63)

Insurance companies

INSURANCE

Overall Rating (1-10) vs ServQual Items (1-7)

- Prevoir Kampuchea (≈5.34, 7.44)
- CAMINCO (≈5.38, 7.38)
- Asia Insurance (≈5.19, 7.31)
- AIA (≈5.55, 7.32)
- People & Partners (≈5.38, 7.24)
- Manulife (≈5.46, 7.14)
- Insurance AVERAGE (≈5.14, 6.96)
- Forte (≈4.93, 6.66)
- Sovannaphum (≈5.10, 6.44)
- Infinity (≈4.67, 6.33)

Airlines

AIRLINES

Overall Rating (1-10)

Emirates
Qatar Airways
Korean Air
ANA
Air Asia
Jetstar
JC Airlines
Airlines AVERAGE
Thai Airways
Malaysia Airlines
Singapore Airlines
Bangkok Air
Angkor Air
VietJet

ServQual Items (1-7)

Café & Food Chains

CAFE & FOOD CHAINS

Overall Rating (1-10)

Tous Les Jours
Brown
BreadTalk
Burger King
Starbucks
KFC
Gloria Jeans Coffee
Cafes & Food AVERAGE
Pizza Company
Amazon
Costa Coffee

ServQual Items (1-7)

Survey questionnaire

DIRECTIONS: This Survey deals with your opinions of ----- services. Please Show the extent to which you think firm offering ----- services should possess the features described by each statement. If you strongly agree that these firms should possess a feature, circle 7 If you strongly disagree, circle 1. If your feelings are not strong, circle one of the numbers in the middle. There are no right or wrong answers---all we are interested in is a number that best shows your expectations about firms offering ----- services.

➢ **About the Student**

Class: ……………………… **Team #**: ………………… **ID**: ……………………

Industry: ………………….. **Company**: ……………… **Location**: ……………….

➢ **About the Respondent**

Gender: Male / Female   **Age group**: <20 / 20-29 / 30-39 / 40-49 / 50-59 / 60+

Education: Primary / Secondary / Tertiary or Vocational / University / Master+

Monthly Income: Low / Under avr. / Average ($200-400) / Above avr. / High $1000+

➢ **Tangibles**

11. XYZ has up-to-date equipment. 1 2 3 4 5 6 7

12. XYZ's physical facilities are visually appealing. 1 2 3 4 5 6 7

13. XYZ's employees are well dressed and appear neat. 1 2 3 4 5 6 7

14. Appearance of physical facilities of XYZ is suitable for services provided. 1 2 3 4 5 6 7

➢ **Reliability**

15. When XYZ promises to do something by a certain time, it does so. 1 2 3 4 5 6 7

16. When you have problem, XYZ is sympathetic and reassuring. 1 2 3 4 5 6 7

17. XYZ is dependable. 1 2 3 4 5 6 7

18. XYZ provides its services at the time it promises to do so. 1 2 3 4 5 6 7

19. XYZ keeps its records, receipts, invoices accurately. 1 2 3 4 5 6 7

➢ **Responsiveness**

20. XYZ does tell customers exactly when services will be performed. 1 2 3 4 5 6 7

21. You do receive prompt service from XYZ's employees. 1 2 3 4 5 6 7

22. Employees of XYZ are always willing to help customers. 1 2 3 4 5 6 7

23. Employees of XYZ respond to customer requests promptly. 1 2 3 4 5 6 7

➢ **Assurance**

24. You can trust employees of XYZ. 1 2 3 4 5 6 7

25. You feel easy and comfortable in your transactions with XYZ's employees. 1 2 3 456 7

26. Employees of XYZ are polite. 1 2 3 4 5 6 7

27. Employees get adequate support from XYZ to do their job well. 1 2 3 4 5 6 7

➢ **Empathy**

28. XYZ does give you individual attention. 1   2   3   4   5   6   7

29. Employees of XYZ do give your personal attention. 1   2   3   4   5   6   7

30. Employees of XYZ do know what your needs are. 1   2   3   4   5   6   7

31. XYZ does have your best interests at heart. 1   2   3   4   5   6   7

32. XYZ does have operating hours convenient to all their customers. 1   2   3   4   5   6   7

➢ **Overall Satisfaction & Loyalty (on a scale of 1-10)**

33. Overall I am satisfied with product & services of XYZ. 1   2   3   4   5   6   7   8   9   10

34. It is easy and effortless to do business with XYZ. 1   2   3   4   5   6   7   8   9   10

35. I would recommend XYZ to friends and colleagues. 1   2   3   4   5   6   7   8   9   10

36. I am a loyal Customer of XYZ and always prefer its products. 1 2 3 4 5 6 7 8 9 10

37. I will buy again XYZ product & services in the future. 1   2   3   4   5   6   7   8   9   10

Verification statement by the student: *As a student of CamEd, with the above mentioned ID, I confirm that this survey is completed with genuine and unique respondent who have been using the products or services of my project company. And I will keep this form for further reference and verification purposes.*

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