

EXECUTIVE SUMMARY

The objectives of this exploratory quantitative study are to provide an overview of service quality level in Macau's mobile phone industry as perceived by customers of three existing service providers, CTM, Hutchison Telecom and SmarTone Mobile. In addition to the perceived service quality measuring result, discussion will be extended to the dimensions in measuring customers' behavioral intentions and consequent churn or switching of providers. The size of targeted samples is defined according to the proportionate market shares of each service provider. Respondents are drawn through convenience sampling and all are instructed to complete the structured questionnaire for data collection. Their responses on the SERVQUAL questionnaire and their Behavioral Intentions including their likelihood to switch providers will give a composite picture of their evaluation of the three providers' service quality. Such results will give an indication of the relative competitiveness of the three providers in retaining their exiting customers. Research results indicated that out of the four dimensions of Perceived Service Quality, *empathy* explained an acceptable proportion of variance in the three dimensions of Customers' Behavioral Intentions (*word-of-mouth, purchase intentions and price sensitivity*), from which it also showed that *price sensitivity* is significantly correlated with Churn Intention in a negative direction. From the rating comparison of the three companies, Hutchison won the highest rating generally while CTM and SmarTone came

afterwards. However, CTM owned the largest proportion of loyal customers than the other two companies. These findings contributed to the theoretical implications in terms of defining the framework of customer's perceived service quality as well as the practical implications for designing effective customer retention strategies.