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A Study on People Awareness towards Roaming Tariff Plans

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Abstract:

Today, India is the world's fastest growing mobile market after China. With over more than 90 crore mobile connections, India stood for the second largest position in the telecommunication market. India being a developing country wants to reach still millions of customers in the near coming future. The reason for the growing of mobile market is the technology innovation. Due to the drastic change in the scenario of mobile market and the competition between the various mobile service providers has come into existence. The important reason for the growth of mobile market is that it provides the facility to the customers like connectivity among the people locating on the various geographical locations. Innovation creates marketing opportunities and challenges, the innovation in the mobile communication leads to the competition. The another reason for the growth of mobile market is the support from the government, following the release of the National Telecom Policy of 2012. Further TRAI (Telecom regulatory authority of India) have made effort to support competition market by reducing the cost. The competition between various mobile service providers is based upon acquiring the largest share by focusing on the low income population. Due to the availability of various service providers, consumer has more number of options to select the best service provider based upon less tariff rates. The important aspect upon which the mobile service providers are working is to attract the new customers and also to retain their own customers. The research study is to analyze the buying behavior roaming recharge patterns of the customers. The objective of the research is to find the factors that attract the customers for having free roaming or low cost roaming charges facility. The type of research for the study of customer's behavior on the buying patterns of roaming recharges is the descriptive research design. The tools used for the research is the questionnaire, personal or face to face interview. The area covered under this study is the city of Hyderabad, Andhra Pradesh. The research showed appropriate results due to well mixed population in Hyderabad. The concentrated aspects of the research were the good service connection, low roaming packs, availability and awareness about the roaming recharges facility.

1. Introduction

Indian mobile market scenario, research and its forecasts analysis report states and depict the phenomenal development in the mobile market of India. Due to drastic change in the scenario of Indian mobile market the competition between various mobile service providers has come into existence. The research study forecasted the Indian mobile and service provider will reach 110 crore market until 2015. Today India is the world fastest growing mobile market after china. The reason for the development of the mobile market is the technology innovation. The vision of Indian mobile market is to still reach millions of covering more than 110 crores of population. During research it was found and estimated the Indian mobile market has experienced a compound annual growth of about 25%. The research also describes that during the year 2012 and 2013 it was found that more than 15 crore million subscribers were added. Due to this figures the Indian mobile market has experienced an increase in penetration rate from 23% to 32%, and forecasted to reach 36% by the year 2014. Due to the increased growth in the mobile market, various mobile service providers are trying to grab the market share of the Indian mobile market. The competitors are trying to acquire the largest share by concentrating more on low income population, also taking both rural and urban market into the consideration. Due to the availability of various service providers, consumer has more number of options to select the best service provider based upon less tariff rates. The various mobile service providers are offering services to the customer at the affordable rates. The competition has increased because there is significant difference in buying behavior patterns of the customers. The research also states that the mobile service providers find difficult to retain the customers, even if the customer is loyal to a particular brand, if the brand does not satisfy his/her needs, the customers switch to a competitor brand. There are several factors which identifies the buying behavior of customers such as cost, availability,

good service connection and many more. Therefore to retain the customers and to attract the new customers it is the responsibility of the mobile service providers to provide all the facilities which the customers want that too at the affordable rates. The mobile service providers have to invest on resources and should bring new schemes and packages to retain the customers. The research focuses more on customer's satisfaction because of its repetitive buying behavior as it is the key aspect for the profitability of the business.

2. Roaming

Roaming is the ability of a wireless device particularly mobile to connect the network without breaking the connection. Roaming ensures the customer to travel freely wherever he/she wants. Roaming service enables the customer to connect with a network at any place and at any instant of time. Roaming is the challenging task for any service provider.

3. Types of Roaming

National or General Roaming, which is nothing but ability of mobile or wireless device to connect with a network within the country limits.

International Roaming, which is nothing but ability of a mobile or wireless device to connect with a network outside the country limits (roam internationally).

4. Purpose and Objective of the Research

The objective of research is to determine the roaming recharge facility provided by various service providers of India. The research is based on the national roaming concept.

The reason to conduct this research study is to determine the buying behavior of customers towards the roaming recharges provided by the different mobile service providers. The objective of the research is to find the factors that attract the customers for having free roaming or low cost roaming charges facility. The another objective is to determine whether the customers are aware of roaming recharge facility, need of the roaming recharges, and also to analyze the purchasing and buying behavior of the customers. The buying behavior of the customer is analyzed based upon the attractive roaming packages offered by the service provider.

5. Type of Research

- The type of research for the study of customers' behaviour on the buying patterns of roaming recharges is the descriptive research design.
- The tools used for the research is the questionnaire, personal or face to face interview. The area covered under this study is the city of Hyderabad, Andhra Pradesh.
- The research showed appropriate results due to well mixed population in Hyderabad. A well structured questionnaire was designed and managed to collect samples across the city Hyderabad.
- Due to huge population and need for variety of respondents, the method of cluster sampling was used. The normal sample size was taken as 180.
- The critical factors or the variable considered for this study are customers demographic (age, income, gender), customers satisfaction with existing mobile service provider.

6. Literature Review

The cellular telephony in India has started long back in 1990s. In 1994 government had issued licenses for cellular mobile services only for metropolitan cities: Delhi, Mumbai, and Kolkata & Chennai. India has shown tremendous growth in past few years in telecommunication sector. The change in technology has change the consumer mind. From fixed lines to wireless lines the number of subscribers has shown remarkable growth.

With the awareness of quality, today's customer is more demanding and so the industrial growth has been forced to listen to the voice of customer. The change in technology has brought the quality awareness among customers.

The dictionary meaning of Quality is getting Excellency.

In general Quality means

- Fitness for use
- Conformance to standards
- Conformance to requirements
- Works as per our requirement

Mohammed Sohel Islam (2008), in his study examined the relationship between switching cost, corporate image, trust and Customer loyalty. The research finds that although all the independent variables, switching cost, corporate image, and trust have certain degree of relationship with the dependent variable, Customer loyalty, only trust has the strongest relationship with Customer loyalty.

Richard Lee, Jamie Murphy, University of Western Australia (2005), their study investigates determinants that cause mobile phone Customers to transit from being loyal to switching. It concluded that there are different factors which affect the Customers to switch from loyalty to switching intentions such as price, technical service quality, Functional service quality, switching costs, etc. But, the rating was given that price is the most important factor which affects the Customers to switch loyalties to another provider.

7. Problem Identification

- The problems which were identified during the research were that most of the customers are unaware of the facility of roaming recharges.
- Mobile service providers did not made aware to the customers regarding the roaming facility and their recharge packs.
- Due to the less marketing strategy the service providers has fail to acquire the market share in terms of offering roaming free or roaming recharge facility to the customers.
- Mobile service providers who are offering the roaming recharge facility are offering at higher rates that too with inappropriate service connection.
- The service providers have failed to provide easy access to the customers with the roaming recharges.
- Recharge packages are available at very low price packs because of which the customers has to move for recharges again and again.
- There is no more availability of SMS roaming packs for various service connections.

8. Scope

- The present study can be extended to other geographical areas.
- It can be extended to study the usage of mobile services of different age groups and accordingly new plans can be formulated.
- This study can be extended to understand the switching behavior of a particular cellular service provider.
- This study can be extended to improve the innovation in the mobile services offering low tariff rates for long days in the case of roaming.
- This study can help the various service providers to compete with existing service technology and to bring the necessary changes.
- This study has the scope to identify the gaps in providing roaming free facility to the customers.
- This study also helps the service providers to grab the opportunity to acquire the largest share in the mobile telecommunication market.

9. Data Collection

The data was collected with the help of a questionnaire, articles and also with the help of literature review. As the research was subjected to the city limits of Hyderabad the samples was collected from different regions or blocks around the city. At the initial stage of research the city Hyderabad was divided into four regions as north, south, east and west respectively, and the random samples was collected. The distribution of questionnaire region wise is as follows,

REGIONS	NO. OF SAMPLES DISTRIBUTE IN THE FORM OF QUESTIONNAIRE
SOUTH	53
NORTH	48
EAST	56
WEST	32

Table 1

Due to the huge mix population present at the city Hyderabad the method of cluster sampling was used from which approximately 180 samples were distributed and significant results were collected/gathered.

The availability of various service providers present at the city Hyderabad is as follows,

- BSNL (Bharat Sanchar Nigam Limited)
- Airtel
- Idea
- Vodafone
- Reliance
- Aircel
- Tata Docomo
- Uninor,
- MTS

Each service provider has its own specifications and its own characteristics. Each service players are competing with each other based on offering low costs roaming recharges with good service connection to the customers. All the service providers are trying to compete with each other and also to retain the customers as well as to attract new customers.

The characteristics to which a customer prefers while selecting a service connection is as follows,

SPECIFICATION	PERCENTAGE
Call rates	75
Network coverage	65
Brand name and popularity	30
Value added services	15
Customer Care Services	25
Advertisements	60
Advice from friends and family	10

Table 2

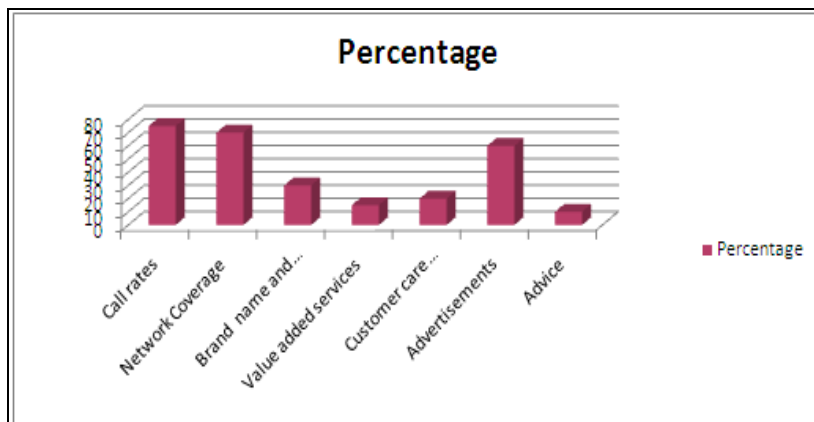


Figure 1

From the above figure the research clearly states that customer prefers to select the service provider based upon the call rates then followed by network coverage and advertisements respectively.

The relation between various variables can be better understood by the help of hypothesis testing.

10. Hypothesis

- H0: The factors are random and are independent of each other.
- H1: The factors are related to one another.

So, the factors are in fact related to one another. The 5 factors are interrelated and from their mean ranking, it is found that Call rates is the most important factor for switching behavior followed by network coverage, value added service, Customer care and finally advertisement which plays the least important role.

11. K Test

- H0: There is no relation between the switching of service providers by consumers and the factors* that affect it.
- H1: There is a relation between the switching of service providers by consumers and the factors* that affect it.

(*Factors – Improper Consumer Service, Unknowledgeable Employees and agents, Long Wait Times for Consumer Service, Error in Billing, Poor Network Coverage, Frequent Network Problems, No new Schemes, Unsuitable plans for different age groups, Costly Value Added Services, High Call Rates, Hidden Charges, High SMS Charges, Unavailability of Recharge Facilities, Better Features offered by Competitors, Influence from Families and Friends, Fancy Number, High Service Charges for recharges).

COMPANY	RATIO
BSNL	20
AIRTEL	35
IDEA	18
VODAFONE	25
RELIANCE	16
AIRCEL	20
TATA DOCOMO	13
UNINOR	18

Table 3: Network service providers most preferred by the city of Hyderabad, Andhra Pradesh

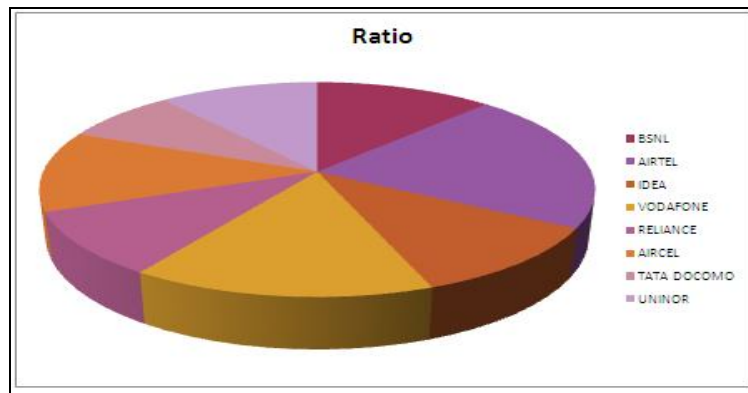


Figure 2

The above chart clearly describes the market share of various mobile service providers at the city Hyderabad. The diagrammatical representation clearly defines that airtel has the majority of the subscribers having the largest share in the mobile market followed by Vodafone, BSNL and Aircel respectively.

The buying behavior patterns of the customers as determined by differentiating the customers based upon their loyalty towards the service connection or switching to the other competitive network or being neutral in all the cases.

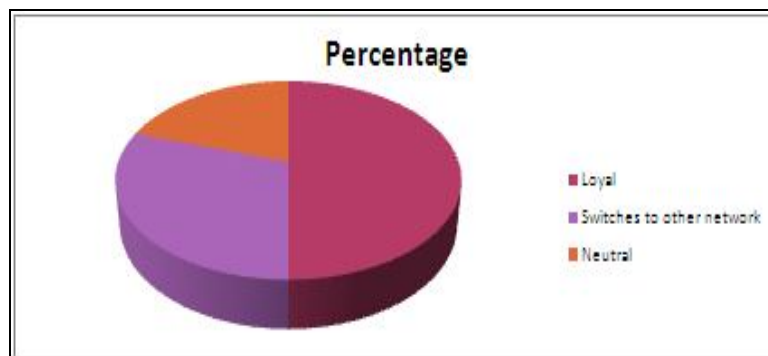


Figure 3

12. Factors That Influences the Customer to Select the Service Connection

- Family
- Friends
- Self Decision
- TV Advertisements

13. Results from the Research

- From the above research it was found that call rates plays an important role for a customer to select the service network.
- Most of the customers are unaware of the roaming recharges facility.
- Customers switch to the other competitive networks when the matter exists of roaming.
- Service providers fail to provide good network coverage.
- Service providers fail in the marketing strategy to promote roaming recharges facility.
- Service providers fail to provide the availability of roaming recharge facility at various points of the city.
- Service providers, offering the roaming recharges by taking more costs for the recharges.
- From the research Airtel, Vodafone, Aircel, Idea grabs the opportunity to acquire the largest share of the city Hyderabad in providing roaming recharges facility at low rates to the customers.
- Almost all the service providers had failed to provide the roaming free facility to the customers.

14. Suggestions

- To acquire the largest share the service providers has to provide roaming recharges of low costs rates.
- Service provider has to develop such an infrastructure to improve the network coverage.
- Service provider has to make arrangements for new roaming packages.
- Service provider has to make arrangements for the availability of roaming packs at various points of the city.
- Service provider has to develop good marketing strategy to promote roaming recharges packages.

- Service provider has to make special arrangements to develop rural markets, that too with good network connection and also at low cost.
- Service provider has to develop special offers to retain their own customers and also to attract the new customers.
- Service provider should accept feedback from the customers to enhance their level.

15. Conclusion

From the study we can conclude that roaming recharges at low call rates plays an important role in retaining the customers. To acquire the largest share among the various mobile service providers, good network coverage, availability, accessibility, awareness regarding the roaming recharges plays an important role. Mobile service providers has to advertise more about roaming tariff plans and concentrate more on customer service.

16. Reference

1. <http://warse.org/pdfs/2013/icacsesp93.pdf>