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A Study on People Preference for Selecting Full Talk Time Offers

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Abstract:

Indian cell phone is one of the fastest growing markets after china and projected to reach 120 crore users by 2016. India has fast increase in number of mobile service provider companies which caused tariff rates success all-time low. Mobile market has made an effort to livelihood competition market by making reasonable full talk time rates. This allow mobile service provider to target high income as well as low income population for increasing the market share. The availability of number of subscriber's options for customer and varied tariff rates of each mobile service provider. It is more important for the mobile service provider companies to mesmerize customers from competitors and maintain their own subscribers also. The purpose of the study are to find the factors that influence or attract customers to give profitable talk time at low price and explore into finding out the likeliness of purchasing attractive talk time from the service provider and knowing the behaviour of a customer while opting for full talktime. The category of research for this study is descriptive research format. The area covered under the study was Hyderabad due to accessibility of well mixed population based in Hyderabad or well-structured questionnaire was designed and managed to collect samples across Hyderabad due to huge population and need for variety of respondent, group sampling method was chosen, the sample size was 200. The variables considered for this study are customer demographics, customer satisfaction with existing mobile service provider. Factors influencing recharging attitude for full talk time packages and factors that affect recharging behaviour of customers and this were grouped into categories, Customers survive, low tariff plan with full talk time recharge packs, high talk time recharge packs and service problems. The results from this study have found that lowest full talk time plays very important role for recharging. It is found that there is relation between switching and purchasing a new service provider and the factors (customer service problem, usage problem) etc. After analysing and finding of study we proposed the mobile service provider concentrate on increasing attractive low full talk time and network stability competitively.

Key words: Network service provider, preferences over full talk time recharges, new tariff rates

1. Research Type

The type of research for the study of customer's behaviour on the buying patterns of full talktime 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.

2. Introduction

The Indian cell phone market demand and forecast (2008-2013) report analyses the latest development among the fast growing cell phone market and customer preferences about talktime recharges in telecom market. Full talk time and extra talk time offers has tremendously attracted customers attention and service providers started gaining customers trust as well as loyalty towards their brand. The subscriber base in the rural areas is quite low in India, about 13% as of May 2009. The government has put regulatory mechanisms in place to encourage rural telephony and the service providers are eyeing rural India as the next area of growth. The talk time are progressively becoming cheaper and affordable for people in the country with the increase in disposable income that improves the quality of life in India .because of the competition among the service providers customers are enjoying better benefits of full talk time offers. People are showing more interest in full talktime and extra talk time. Besides mobile service providers are also

adding new schemes, offers in their services. This has resulted in more and more consumer's attraction towards full talktime recharge packages consumer is loyal to a particular brand, if the brand does not satisfy his/her needs, the consumers switch to a competitor brand. There are different factors and determinants which affect the consumers in switching their service from one service to another and the major factor is their perception towards full talk time they are getting on recharge. Due to the schemes of full talk time customers are getting full satisfaction of the recharge. Nowadays service providers are offering full talktime on small recharges which helps to do full talktime recharge even for low income peoples. Losing a consumer is a serious setback for the firm in terms of its present and future earnings in order to avoid this setback service providers are providing better talktime offers which gives full satisfaction to the customers and consumers. Consumer loyalty is defined as "the degree to which a Consumer exhibits repeat purchasing behavior from a service provider, possesses a positive attitudinal disposition toward the provider, and considers using only this provider when a need for this service arises." Losing a customer is a serious slow down for the service provider in terms of its present and future profits.

In addition to losing the profits, the firm requires to endow funds in attracting new customers to put back the ones it has lost (advertising, promotion, initial discounts). Peters (1987) shows that it can cost five times more to get hold of a new consumer than to keep hold of an old one. Accordingly, retaining the existing customer support is much more striking and feasible than searching for new customers. The race between several network service providers is based upon obtaining the largest share by focusing on attracting both low and high income population to switch their service. 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 and best offers and schemes.

3. Literature Review

A pragmatic study of customers and switching decisions in tele network industry.

By Jiyoung Kim

Richard Lee, Jamie Murphy, University of Western Australia (2005), their study investigates determinants that cause telecom Customers to transit from being loyal for a particular service provider to switching onto the another network service provider because of the better offers provided. It concluded that there are different factors which affect the customers to switch from constancy to switching intentions such as amount of talk time, service quality, duration of the talk time, switching costs, validation of the recharge offers etc. But, the rating was given that the amount is the most important factor which affects the customers to switch loyalties to another service provider.

Mohammed Sohel Islam (2008), in his study\ examined the connection between amount that can be charged for switching, corporate image, expectation and customer loyalty. The research finds that even though all the independent variables, switching price, corporate image, and trust and expectation have certain degree of correlation with the dependent variable, customer loyalty, only trust and expectations of the customers has the strongest bond with customer loyalty.

Conor Twomey (2008), Department of Statistics, University College Cork, Ireland, they try to spot hysteresis in the switching patterns of customers in the Irish network service industry. It was not until the introduction by the Communication Regulator of full-number portability that Customers began to take advantage of the savings that switching mobile phone operator could produce. Through the use of experimental economics and by modelling switching behavior using the Preisach model, along with observed and market data suggests that the average Customer is misguided and misinformed in his/her decision to switch to bill pay. More realistically though, one can attribute this unexpected result to the enhanced services and mobile phone subsidies that a Customer receives as a bill-pay Customer.

Mitja Pirc, Universitat Pompeu Fabra (2006), Spain, the Mobile telecommunications service sector, in spite of providing high service quality and striving for Customer satisfaction, is characterized by dynamic Customer activities and provider switching. By using the consumption system perspective on mobile services and mobile phone, he provides the explanation on the factors of Customer switching. It is found that the mobile services usage effect on switching intentions is curvilinear (positive linear and negative quadratic) and that only the budgetary constraint regarding the service matters and not the one related to the mobile phone. Past mobile service providers switching experience also contributes to the intention to switch. Mobile phone ego involvement has positive impact on Customer retention; however purchase involvement (both mobile phone and mobile services) increases customer risk.

4. Problem Identification

- The problem documented under the research is Customers are not being brand loyal as there are various network service providers continuously putting an effort to attract customers to switch to their brand
- Lack of availability of full talktime packages in certain areas especially in rural areas.
- Lack of awareness among people about full talk time recharge schemes
- Number of establishments in this sector is increasing, so each one of them is centering to overplay others to seek the consumer's attention and attraction.
- Customers are confused about selecting the best service with low cost high talk time benefits as the competition among the service providers are promptly increasing.

5. Intentions and Objectives

- To find out the factors effecting that the decision of purchasing full talktime recharge packages.
- To discover the most desired talk time used by customers in Hyderabad.

- To identify the factors that affects the consumer's perceptions into switching the service provider.
- To find the likeliness of transferring the service Provider based upon the full tariff rates offered by the various service providers.
- To determine the buying behavior pattern of the customers towards the full talktime Recharge packages.
- To recognize the mind set about problems and preferences of customers towards full talktime

6. Scope

- The present research can be extended to other geographical areas.
- It can be extended to study the usage of better service provider with best offers and schemes by different demographic factors and based on that consequently new strategies can be framed.
- This research can be extended to understand the purchasing behavior of a particular customer towards full talktime offers.

7. Research Methodology

7.1. Research Design

The research design used in this study is Descriptive research design.

7.2. Data Collection

Under this inspection, the primary data was obtained by administering structured questionnaire. The secondary data was collected through various literature reviews and articles.

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.

REGIONS	NO. OF SAMPLES DISTRIBUTED IN THE FORM OF QUESTIONNAIRE
SOUTH	65
NORTH	45
EAST	50
WEST	40

Table 1

Due to the huge mix population present at the city of Hyderabad, the method which was used to collect the samples was cluster sampling, and approximately 200 samples were distributed across the city of Hyderabad.

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, etc.

8. Most Preferred Service Provider in Hyderabad

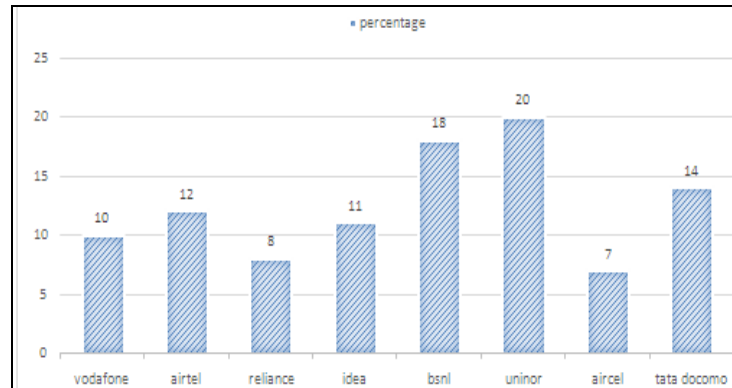


Figure 1

From the above chart, it is clear that majority of the consumers who undertook the survey use Uninor (20%) in Hyderabad. So, it is found out that the most preferred service provider for full talk time is Uninor. BSNL occupies the second place with Consumer preference of 18%, followed by Tata Docomo (14%), Airtel (12%), Idea (11%), Vodafone (10%), Reliance (8%), and Aircel (7%).

9. Likelihood of Switching the Service Provider

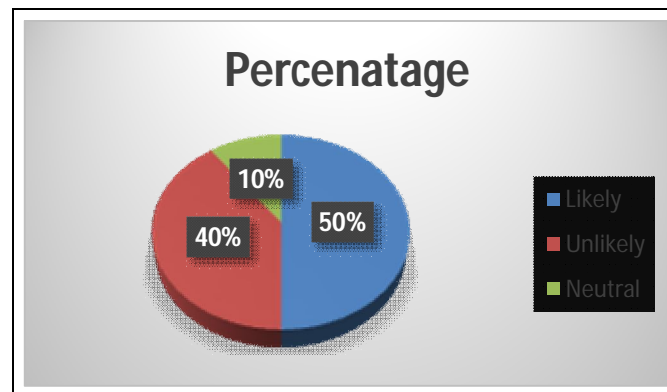


Figure 2

From the chart, it is obvious that 50% of consumers are likely to switch to a competing service provider. About 40% of consumers do not prefer switching their service provider. And 10% of consumers have a neutral stance when it comes to switching their service provider.

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 talktime is the most important factor for switching behaviour followed by network coverage, value added service, Customer care and finally advertisement which plays the least important role.

Relation between the switching and purchasing of Network service providers and the factors.

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, 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, High Internet Charges, Unavailability of Recharge Facilities, Better Features offered by Competitors, Influence from Families and Friends, Fancy Number, High Service Charges for recharges)

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

- Family
- Friends
- Self-Decision
- TV Advertisements

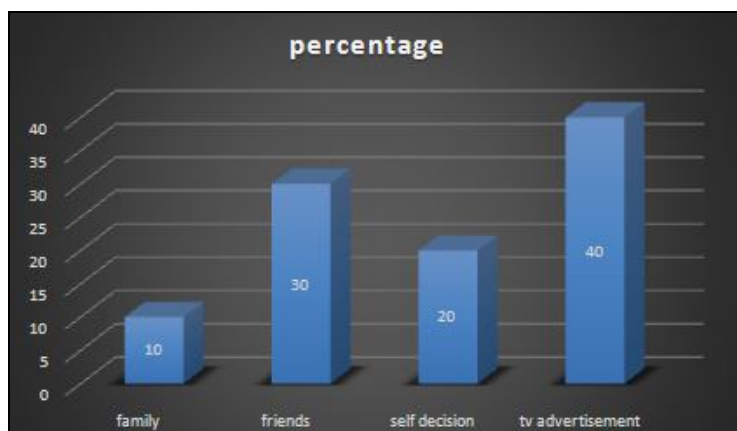


Figure 3

13. Results from the Research

- The outcome from the above research has found that Low tariff plans packages plays an important role for a customer to select the service network.
- Most of the customers have no awareness about small tariff plan packages which gives full talktime facility.
- A customer switches to the other competitive networks when the matter is about dissatisfaction about talktime they are getting.
- A Service providers is missing the mark in introducing innovative schemes for full talk time packs
- Service providers fail to provide the availability of small recharge facility which gives full talktime at various points of the city.
- Service providers offering the full talktime recharges by taking more costs for the recharges.

14. Suggestions

- To gain the brand loyal customers service providers has to introduce ground breaking schemes of talktime offers and extra talktime offers at low cost rates.
- Service provider has to develop such a setup to improve the network coverage.
- Service provider has to make new plans for recharge packages to grab customer's attention.
- Service provider should make sure for the availability of recharge packs at various points of the city.
- Service provider has to develop good marketing strategy to promote new tariff plan packages.
- Service provider has to make special actions to develop rural markets that too with good network connection and also better talktime offers with an affordable price.
- Service provider has to develop special offers at possible low rates to retain their own customers and also to attract the fresh customers.
- Service provider should keep in mind about customer's opinions and preferences to enhance their level.

15. Conclusion

The study of this research reveals that full talk time with lowest price plays a vital role for customers to choose the best network service provider followed by small recharges without full talk time and regular recharges plays least important role. After analyzing the study we suggest that the Mobile service providers concentrate more on low amount with full talk time offer, network stability and setting tariff rates competitively. This study reveals that customers are getting maximum benefit as there are all expected amount of full talk time recharge packages. The findings also suggest that managers of these mobile operators should shift focus on building corporate image and analyze more carefully the reason for consumers to switch brands in this industry in order to increase loyalty among these consumers. Service providers should advertise more on full talktime offers.

16. Reference

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