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Consumer Behaviour towards Mobile Tele Services: A Case Study

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Abstract

Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. An attempt is made here to elicit the views of the respondents on the consumer behavior towards mobile Tele services in Visakhapatnam city under the study. On the basis of results, it is suggested that product quality from the marketer's perspective is associated with communication, price, feature, function, or performance of a product.

Keywords: Consumer Behaviour, Mobile Tele Services, Opinions of Respondents

Introduction

Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the decision-making processes of buyers, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioral variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general. Consumer behavior refers to the act of consuming goods or services. In the words of Glenn Wilters, "Human behavior refers to the total process by which individuals interact with their

environment". Consumer behavior is the process by which individuals decide whether, what, when, where, how and from whom to purchase goods and services. A knowledge of consumer behavior would render immense help for planning and implementing marketing strategies. It is the consumer who determines what a business is... Peter F. Drucker. Consumer behavior is the act of consuming a goods or service.

Indian Telecom Industry

The Indian telecommunications industry is one of the world's fastest growing industries, with 653.92 million telephone (landlines and mobile) subscribers and 617.53 million mobile phone connections as of May 2010. It is also the second largest telecommunication network in the world in terms of number of wireless connections after China. The Indian Mobile subscriber base has increased in size by a factor of more than one-hundred since 2001 when the number of subscribers in the country was approximately 5 million to 617.53 million in May 2010. As the fastest growing telecommunications industry in the world, it is projected that India will have 1.159 billion mobile subscribers by 2013. Furthermore, projections by several leading global consultancies indicate that the total number of subscribers in India will exceed the total subscriber count in the China by 2013.

Cellular Industry in Gorakhpur

The Urban Agglomeration (U.A) of Gorakhpur includes municipal area as well as Air force areas. The U.A. is spread across 142.13 sq am, is comprised if 95,130 households and hosts a population of 632,293, which amounts to almost 16.7% of the total district population. The City (Municipal Corporation) consists of a population of 622,701 and is comprised of 93,356 households. Among the total population, males constitute 53% and females constitute 47%. Gorakhpur has an average literacy rate of 78%, which is more than the National state average (at 64.8%). About 13% of the population is under six years of age. The sex ratio of the city is an alarming 888 females per 1,000 males. The work participation rate is low at 23%, with a very high percentage of non-workers (77 %).

The current district of Gorakhpur covers a total region of 3,483.8sq.km. Apart from Gorakhpur Municipal Corporation area.

Gorakhpur and Mobile Service Providers

There are 19 service areas in TRAI including; Andhra Pradesh, Assam, Bihar, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Mumbai, North East, Orissa, Punjab, Rajasthan, Tamil Nadu (incl. Chennai), UP(E) ,UP(W), Kolkata, West Bengal. Gorakhpur district comes under Uttar Pradesh (east).

Scope of the Study

In the recent year, adoption of mobile phone has been exceptionally rapid in many parts of the world and especially in India; mobile phones have become as common as wrist watch. The Indian telecommunication market is characterized by a small number of large players and a much more sizeable number of small companies. The mobile industry has

become more competitive. It is necessary to identify the consumer attitude and behavior towards product, their want and need. The study will be focused on the consumer attitude and behavior towards cellular services. The findings of the research will be helpful in identifying the factors which affect consumer while selecting and preferring network service provider over others in Gorakhpur district and at similar places. This will be vital to identify the gap between consumer attitude and company practicing. The result of the study will be important to make a marketing strategy for the future customers to fulfill the company objective.

The present study will try to explore the factors that affect the consumer behavior in telecom industry. Consumer is the most important factor so it is important to know the customer. Frequent switching of the cell phone providers has become the truth of the market. The study thus shall attempt to find out the factors that make the customer a switcher or a loyal customer. The study shall also try to identify the gap between consumer behavior, attitude and company practice. The findings of this study will be important to understand the consumer attitude, habits, opinion and their beliefs towards the product, and the attitude towards the company marketing efforts. Understanding consumer behavior and knowing customers is never simple.

Customers may say one thing but do another. They may not be in touch with their deeper motivations. Consumers have more power than ever before. Consumers have access more information than ever before. There are a number of reasons for researching of consumer behavior like segmentation, target market selection positioning, and product/service decision, pricing decision, distribution and promotion decision. The main significance and need of the study be to identify the consumers' attitude & behavior towards Cellular services and analysis. According to the consumer's attitude and their behavior companies can make marketing strategy for attracting the larger customers for future.

Objectives of the Study

The following are the specific objectives of the present study:

To study the choice of brands by the consumers and the reasons for the same

To know the problems faced by the customers with their mobile services in the select city

To evaluate the respondents perception on cellular services

Methodology and Sampling

The study is based on both primary and secondary data sources. A questionnaire has been prepared with different questions to examine the socio-economic status and consumer perception on cellular services. A sample of 200 respondents has been selected based on convenience sampling method. The sampling includes male and female users from different occupations, age, and religion and income background. The secondary data has been collected from the books, journals, periodicals and magazines. For analyzing the data, statistical tables, percentages and chi-square test were used.

Analysis of the Study

The distribution of the sample respondents on the basis of their sex, age, literacy level, occupational status and monthly family income is presented in the following tables.

Sex of the Respondents

The sex of the respondents is given in Table 1. Among the 200 respondents, 130 respondents are male and the rest of 70 are female. Though both male and female are aware of the cell phone usage, female have some problems in using the cell phone.

| Gender | No. of Respondents | Percentage |
|--------|--------------------|------------|
| Male | 130 | 70 |
| Female | 65.00 | 35 |
| Total | 200 | 100 |

Age Composition

The age of the sample respondents is given Table 2. The highest number of employees (58 percent) belongs to up to 30 year age group. 31 percent were found in between 31 – 45 years category and the remaining 11 percent of the respondents belong to above 45 years.

| Literacy Level | No. of Respondents | Percentage |
|----------------------|--------------------|------------|
| School Level | 26 | 13.00 |
| Under Graduation | 66 | 33.00 |
| Post-Graduation | 60 | 30.00 |
| Professional Degrees | 24 | 12.00 |
| Others | 24 | 12.00 |
| Total | 200 | 100.00 |

Occupational Status

The occupation of the sample respondents is given in Table 4 and it reveals that out of 200 respondents 24 percent are engaged in business, 23 percent of the respondents belongs to professional category, 22 percent of the respondents belongs to employed category. 20 percent of the respondents fall under other category and 11 percent of the respondents are students

| Occupation | No. of Respondents | Percentage |
|------------|--------------------|------------|
| Employed | 44 | 22.00 |
| Business | 48 | 24.00 |
| Profession | 46 | 23.00 |
| Student | 22 | 11.00 |
| Others | 40 | 20.00 |
| Total | 200 | 100.00 |

Monthly Income

The status and standard of living of a person is determined by the income he/she gets. Generally, the main source of income of respondents is salary. The distribution of the respondents on the basis of their monthly income is given in Table 5 and it reveals out of 200 respondents 47.00 percent of the respondents have monthly income rated between Rs. 7501 to 12,500. 38.00 percent of the respondents have monthly income up to Rs. 7500. 15 percent of the respondents fall under monthly income is more than Rs. 12500.

| Income (Rs) | No. of Respondents | Percentage |
|--------------|--------------------|------------|
| Up to 7500 | 76 | 38.00 |
| 7501 - 12500 | 94 | 47.00 |
| Above12500 | 30 | 15.00 |
| Total | 200 | 100.00 |

Consumer Behaviour towards Cell Phone Users

Consumer behavior towards cell phone users on the basis of their satisfaction, billing pattern, motivation, mobile service, advertisement and attitude of the respondents is presented in the following tables.

Motivation

Motivation is the driving force within individuals that impels them to action. Motivation is the activation or energization of goal-oriented behavior. Motivation may be intrinsic or extrinsic.

| Induced By | No. of Respondents | Percentage |
|-------------|--------------------|------------|
| Friends | 120 | 60.00 |
| Relatives | 48 | 24.00 |
| Colleagues | 15 | 7.50 |
| Self-Desire | 17 | 8.50 |
| Total | 200 | 100.00 |

Majority of the respondents are motivated by their friends to buy cell phones and 24 percent of the respondents are motive by their relatives to buy cell phones. 8.5 percent of the respondents having self-desired to buy cell phones followed by 7.50 percent of colleagues.

Attitude

Consumer attitudes consist of a combination of cognitive information and beliefs, emotions and behavioral intention regarding a consumer product or service. Attitude is the most important factor for deciding the communication.

| Opinion | No. of Respondents | Percentage |
|---------|--------------------|------------|
|---------|--------------------|------------|

| | | |
|-------------------|-----|--------|
| Strongly Agree | 73 | 36.50 |
| Agree | 96 | 48.00 |
| Neutral | 12 | 6.00 |
| Disagree | 14 | 7.00 |
| Strongly Disagree | 05 | 2.50 |
| Total | 200 | 100.00 |

48 percent of the respondents agree with the statement that cell phone is cheaper mode of communication. 36.5 percent of the respondents strongly agree with the statement that cell phone is a cheaper mode of communication. 7 percent only disagree with the above statement. 6 percent of the respondents' opinion is neutral. Only 2.5 percent of the respondents opinion is strongly disagree with the above statement.

Satisfaction

Satisfaction or dissatisfaction is the result of various attitudes the person holds towards his job, related factors and towards life in general. It is an important element to create demand for the product. If the consumers are satisfied with their purchase of cell phone, then they themselves act as advertisers.

| Level of Satisfaction | Number of Respondents | | Total |
|-----------------------|-----------------------|--------|-------|
| | Male | Female | |
| Satisfied | 105 | 60 | 165 |
| Dissatisfied | 25 | 10 | 35 |
| Total | 130 | 70 | 200 |

Majority of the respondents are satisfied with the mobile services. 82.5 percent of both the male and female respondents are satisfied with their mobile services and only 17.5 percent of the respondents are dissatisfied with mobile services.

Null Hypothesis

The association between the mobile services opted by the respondents and their level of satisfaction towards the services of mobile network is not significant.

The calculated χ^2 value (0.769) is less than the table value (3.84) at 5 percent level of significance for 1 degree of freedom, the null hypothesis is accepted and it could be concluded that the association between the mobile services opted by the respondents and their level of satisfaction towards the services of mobile network is not significant.

Billing Pattern

Billing pattern is another dimension of consumer behavior

| Opinion | Number of Respondents | Total |
|---------|-----------------------|-------|
|---------|-----------------------|-------|

| | Male | Female | |
|-----------|------|--------|-----|
| Excellent | 24 | 16 | 40 |
| Good | 38 | 17 | 55 |
| Fair | 42 | 18 | 60 |
| Poor | 20 | 16 | 36 |
| Very Poor | 06 | 03 | 09 |
| Total | 130 | 70 | 200 |

Majority of the respondents (30 Percent) opinion that billing pattern of the mobile services is fair. 27.5 percent of the respondents opine that billing pattern offered by mobile service is good. 4.5 percent of the respondents felt that billing pattern offered by their mobile service is very poor.

Most of the respondents' opinion about billing pattern is fair, because it is complicated and not understandable to the respondents. Rates and tariffs are being changed by different mobile services often.

Null Hypothesis:

The association between the opinion of the respondents on billing pattern and their level of satisfaction derived by them is not significant. The calculated χ^2 value (2.88) is less than the table value (9.49) at 5 percent level of significance for 4 degree of freedom, the null hypothesis is accepted and it should be concluded that the association between the opinion of the respondents on billing pattern and their level of satisfaction derived by them is not significant. For easier billing pattern the dealers can arrange for any novel system, which may attract consumers.

Mobile Service Advertisement

Advertising is any paid form of non-personal presentation and promotion of a product, service, idea, company, person or anything that is offer to the consumers by an identified sponsor. 'Survival of the fittest' is the proverb which is practiced everywhere. Dealers and the company should choose different media for advertisement

| Description | Number of Respondents | | Total |
|--------------------|-----------------------|--------|-------|
| | Male | Female | |
| Satisfactory | 80 | 40 | 120 |
| Unsatisfactory | 28 | 16 | 44 |
| Should be improved | 22 | 14 | 36 |
| Total | 130 | 70 | 200 |

The above table reveals that majority of the respondents (60 percent) are satisfied with the advertisement, 40 percent of the respondents are not satisfied with the advertisement of mobile services and felt that the advertisements should be improved.

Null Hypothesis

The association between the opinion of the respondents about mobile service advertisement and their level of satisfaction derived by them is not significant.

The calculated χ^2 value (0.40) is less than the table value (5.99) at 5 percent level of significance for 2 degrees of freedom, the null hypothesis is accepted and it should be concluded that the association between the opinion of the respondents about mobile service advertisement and their level of satisfaction derived by them is not significant.

Findings

The following are the findings of the study:

65 percent of the respondents who use cell phone are male.

The highest number of employees (58 percent) belongs to up to 30 years age group.

33 percent of the respondents were under graduates and 30 percent were post-graduation degree holders.

24 percent are engaged in business, 23 percent of the respondents belong to professional category, 22 percent of the respondents belongs to employed category.

47.00 percent of the respondents have monthly income rated between Rs. 7501 to 12,500.

Three fifth of the respondents (60 percent) are motivated by their friends to avail the mobile services.

48 percent of the respondents agree with the statement that cell phone is cheaper mode of communication.

82.5 percent of both the male and female respondents are satisfied with their mobile services.

Majority of the respondents (30 Percent) had opinion that billing pattern offered by the mobile services is fair.

Majority of the respondents (60 percent) were satisfied with the advertisement given by mobile services.

Suggestions

- Price plays a significant role in the purchase decision of the telecommunications sector. Price has significant positive impact on consumer perception choice in selecting telecommunication service provider.
- Product quality from the marketer's perspective is associated with communication, price, feature, function, or performance of a product.

- Consumers regularly face the task of estimating product quality under conditions of imperfect knowledge about the underlying attributes of the various product offers with the aid of personal, self-perceived quality criteria.
- Enormous facilities can be included in the cell phones.
- New model hand set can be introduced exclusively for females.
- Various kinds of sales promotional activities can be introduced by the cellular companies.
- A company that offers lower charges would be able to attract more customers committing themselves to the telephone networks and significant number of “call minutes” might be achieved.

Conclusion

The telecommunication sector, especially the mobile phone sector, in India is one of the fastest growing business segments of the country which provide a lot of value addition to the society with its service and creation of employment opportunities. The success of telecommunication industry depends on prudent efforts and feasible investments. In a competitive market, service providers are expected to compete on both price and quality of services and also it is necessary for the service providers to meet the consumers' requirements and expectations in price and service quality. Visakhapatnam offers a big market and any service provider who offers good service at a reasonable cost will be able to capture the market. Though by offering concessions and by extensive advertisement, a provider may capture the market in the short run, the quality of service provided will only enable a player to service in the highly competitive market in the long run.

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