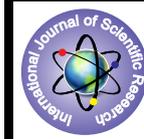


## Indian Consumer Market Scaling New Height Telecommunication



### Marketing

**KEYWORDS :** Telecommunication Service quality, customer satisfaction, customer preferences of service provider

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### ABSTRACT

A research study was conducted with an objective of providing an overview of consumer satisfaction and discuss about Indian consumers' perception is widely varied in accordance with service network communication, Technology adoption, customer care services, fringe benefit services, service quality, brand switching attitude. A structured questionnaire was developed to collect the required primary data from the consumers. Data are analyzed with suitable statistical tools for interpretation. The outcome of this research shows a comprehensively integrated framework to understand the relationship among several dimensions, service quality and availability has a significant impact on consumer perception choice in selecting cellular mobile service provider.

### Introduction

Now we are living in the era of communication. New heights are fixed by the Indian consumer market. Economic growth has been supporting India as more it leads faster growing consumer market in the world. Demographics, urbanization, and rising education levels are the fundamental forces of long term Economic growth. it increases the spendthrift level of the consumers and it leads to growing household consumption. According to a study by McKinsey Global Institute on the rise of India's Consumer Market in May 2007, India will climb from its position as the twelfth largest consumer market today to become the world's fifth largest consumer market by 2025. Aligning with the Growing potential of consumer market in India, the Indian telecom sector has experienced a tremendous growth in the last few years. India has become the fourth largest telecom market in the world after China, Japan and South Korea and has surpassed the United States to become the Second largest market in mobile telephony in terms of subscribers (260 million at the end of March) after China.

### Indian Telecom – A Growing Consumer Need

The Indian telecom industry has experienced significant growth in the recent years and constitutes about 3 percent of the national GDP. The Indian telecom Market is vibrant, price-sensitive and with high-growth potential. According to a recent study by Gartner, the total cellular services revenue in India is projected to grow at a Compound Annual Growth Rate (CAGR) of 18 percent from 2008-2012 to exceed USD 37 billion, with more than 737 million mobile Connections by 2012, growing at a CAGR of 21 percent in the same period. India Along with other BRIC (Brazil, Russia, India and China) countries is likely to become home for over 1.7 billion mobile users by 2012. As per a recent study by Gartner4, in the next 4 years, cellular market penetration in India would increase to 60.7 percent from 19.8 percent last year.

### Service Quality in Telecom Sector

The Indian Telecom sector is passing through a dynamic transitional phase, as it is clearly

undergoing the operation of market forces of demand and supply. The sovereignty of consumers is quite evident through their revealed preference in favor of economically rational decisions. Therefore, the important task of the managers in telecom sector focusing the activities which are having the result in meeting or exceeding customer expectations. Moreover, the concepts of liberalization and globalization in telecommunication market have stimulated the companies to maintain their market share by the way of retaining their current customer. So they attract their subscribers by providing high quality of services. The cost of acquisition of new customers, has been increasing now a days so

the cellular mobile companies seek new ways to acquire, retain and increase their subscriber base. In this industry the ability to retain the existing customers are increasingly crucial. It can be possible by providing quality of services to the customers. So in this article an attempt has been made to study the service quality in the selected regions.

### Objectives of the study:

1. To find out the theoretical framework related to the concepts of Service quality in Telecom Sector.
2. To ascertain which aspect of service quality have significant impact on customer Satisfaction.
3. To find results and suggest remedial measures to the service provider under study.

### Research Methodology

As the major purpose of the study is to understand the consumer's perceptions in the selection of cellular mobile telecommunication service provider in India. A structured questionnaire was developed to collect required primary data from the consumers. The survey questionnaire consists of seven distinct dimensions, each of which contains relevant questions pertaining different parts of the study. Questionnaires were systematically distributed utilizing a non probability convenience sampling from various educational institutions and customers at common place. The questionnaire was framed in the format of Likert scale to be distributed into the selected sample, and no specific characteristics were defined for the respondents except being a cellular mobile user. A total of 700 questionnaires were distributed and 607 out of them have been completed, questionnaire includes seven dimensions i.e. service network communication, technology Adoption, customer care services, Fringe Benefit services, service quality. Systematic random sampling was used to select approximately equal no of customers from each type of telecom provider.

**Table 1**  
**Age Profile of the Respondents**

Age	Frequency	Valid Percentage	Cumulative percentage
Less than 25 years	375	61.77	61.77
25-34 years	138	22.73	84.50
35-44 years	43	7.08	91.58
45-54 years	39	6.42	98.00
Above 55 years	12	1.97	99.97
Total	607	100	100

The above table shows that 61.77% of the respondents are less than 25 years, while 22.73% of the respondents are between

the age group of 25 to 34 years. 7.08% of the customers are between the age group of 35-44 years while the 6.42. % of the customers lie in the 45-54 years range. 1.97% of the customers are above 55 years of age. These results indicate that customers who are in the above 45 age category may be using less number of mobile as compared to those who are in less age category.

**Table 2**  
**Gender Profile of the Respondents**

Gender	Frequency	Valid %	Cumulative %
Male	240	39.53	39.53
Female	367	60.46	99.99
Total	607	100	100

Above table 2 shows that male comprises of 39.53 % of the total sample taken. It shows that female uses high mobile as compared to male in India.

**Table 3**  
**Educational Profile of the Respondents**

Education	Frequency	Valid %	Cumulative %
Below Secondary level	12	1.97	1.97
Secondary level	42	6.91	8.88
Diploma	27	4.44	13.32
University Degree/ Bachelor degree	430	70.84	84.16
Master Degree (PG)	108	17.79	99.98
Total	607	100	100

Above table shows that the sample which is taken for study is having either graduation degree or post graduation degree. It shows that the sample which is taken is well educated and they have given their views independently.

**Table 4**  
**Service Provider Profile of the Respondents**

Service provider	Frequency	Valid %	Cumulative %
BSNL	99	16.30	16.30
AIRTEL	166	27.34	43.64
AIRCEL	137	22.67	66.31
VODAFONE	160	26.35	92.66
TATA	17	2.80	95.46
IDEA	19	3.13	98.59
UNINOR	4	0.65	99.24
RELIANCE	2	0.32	99.56
VIDEOCON	3	0.49	100
TOTAL	607	100	100

Above table shows the no of respondent who have been taken for the study. As in the sample 27.34% of the respondents have using the service provider Airtel.22.67% of the customers are preferring the service provider Aircel.26.35% of the customers have preferring the service provider Vodafone. Other service

providers are having less number of customer preferences they need to take steps to attract the customers in future.

**Implications for Managers**

This study was undertaken to examine and understand the consumer's perception choice in selecting cellular mobile telecommunication service providers. Consumers' perception is widely varied in accordance with communication quality, call service, Technology Adoption, customer Care Service, Fringe Benefit, Service quality and Network Facility. Hence from the result of our study we can deliberately conclude that fringe benefit has significant positive impact on consumer perception choice in selecting telecommunication service provider. Fringe benefit plays a significant role in purchase decision of the telecommunication sector. Fringe benefits includes, Rate cutter schemes, Free SMS, Free MMS, Inter pocket facility, Festival offer, Offer Schemes etc., so fringe benefit is a mediating factor of service quality.

These results have several managerial implications, in that they support the findings of previous research which indicates that fringe benefit services play an important role for the customer perception of service loyalty (Bitner, 1990; Bitnel et al, 1994; Gronroos, 1984; Hartline and Ferrell, 1996).

The outcome of this research shows a comprehensively integrated frame work to understand the vibrant relationships among several dimension of service loyalty, service network communication, technology adoption, customer care service, fringe benefit services, service quality, brand switching attitude & Mobile Number portability which promotes to have handful ideas on consumer perception. However we still predict that further research efforts are being needed to examine these factors with additional samples before generalization can be made.

Following are some of the suggestions which telecom companies should take into account to enhance service quality so as to induce greater service quality and to attain higher level of favorable outcome and to alleviate negative outcomes.

1. It provides the managers with the comprehensive model of the factors which influence the perception of service quality and consequently with the specific priorities so as to increase customer satisfaction.
2. Network quality, Responsiveness and technology adoption, Fringe benefit services, customer care services, Brand switching attitude and other factors seem to be most important dimensions influencing customer satisfaction with the telecom providers.
3. Network quality has been found to be very important factor in determining service quality. So every telecom provider should give emphasis on improving the Network coverage so that more and more customers can be retained. So emphasis should be on strong Network Coverage.
4. As per the study, strong differences were found regarding service quality perception and different age groups, gender, education and service provider. Thus the telecom Mangers can embark upon a strategy of targeting specific customers with specific educational and income levels. They can also make special packages for different age group, for different income group, etc.so fringe benefit is the major differentiating factor among the service providers

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