



“Customer Perception towards usage of telecom services- with special reference to Uttarakhand Region”

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ABSTRACT

Mobile communication is one of the most important developments in the recent times. The cellular services industry in India has grown at a scorching pace in the last ten years, to become one of the fastest growing mobile services market in the world. Increasing competition has benefited customers immensely with increased choice for service providers. Cellular service providers in India keep coming out with new schemes and plans to attract and retain customers. In addressing market competitions, mobile service providers typically offer two forms of services: 1) prepaid, where customers pre-pay an amount that reduces on actual usage and 2) post-paid, where customers agree to a minimum fixed monthly spend and pay at month's end.

The purpose of this paper is to study satisfaction and attitude of prepaid and post-paid customers of mobile telecommunication services and to identify the factors influencing customer choices on the use of mobile services. The research study was descriptive and survey method was employed using structured questionnaires as sampling instrument. Sample size was 600 and Uttarakhand, one of the states of India was selected as the sampling framework. Chi-square and t-test were taken as statistical tools for data analysis.

Keywords: *Telecommunication Industry, Customer satisfaction, Prepaid and Postpaid Services.*



Introduction

Indian telecom industry underwent a high pace of market liberalization and growth since the 1990s and now has become the world's most competitive and one of the fastest growing telecom markets. The Industry has grown over twenty times in just ten years, from under 37 million subscribers in the year 2001 to over 846 million subscribers in the year 2011. Telecommunication has supported the socioeconomic development of India and has played a significant role to narrow down the rural-urban digital divide to some extent. It also has helped to increase the transparency of governance with the introduction of e-governance in India. The government has pragmatically used modern telecommunication facilities to deliver mass education programmes for the rural folk of India. India has the world's second- largest mobile phone user base with over 975.78 million users as of May 2009. It has one of the lowest call tariffs in the world enabled by the mega telephone networks and hyper-competition among them. The mobile phone has become a most visible device with people all around in cities.

The mobile industry provides two distinct types of service:

- low commitment relationship (prepaid)
- high commitment relationship (postpaid)

Prepaid Services: This is the most popular of the services provided by mobile operators. In the case of a prepaid mobile connection a person first pays by card and then uses the phone for general utility.

Postpaid Services: This is the most conventional service offered by mobile operators. A mobile connection in which one uses a mobile connection with a SIM card and pays the monthly bill at the end of the month is a postpaid mobile connection. In this mobile connection credit facility is given for services used for some period of time, usually between 1- 6 months. Most of the consumers prefer prepaid card due to better control of mobile usages. In the case of postpaid plans, users have fixed monthly bills; allow users limited services depending on plan. The risk for postpaid plan is, if you unintentionally exceed the limit then there is a

probability to pay more than expected. If you are unsatisfied with your present service operators, then you can easily switch to other network anytime in the case of prepaid connection, but it's not possible for postpaid users.

India is divided into 22 telecom circles. Uttarakhand the 28th State of the Indian Union consists of two administrative divisions, viz. Garhwal, which includes seven districts of Pauri, Tehri, Dehradun, Uttarkashi, Rudraprayag, Chamoli and Haridwar, and Kumaon which consists of six districts Almora, Nainital, Bageshwar, Pithoragarh, Champawat and Udham Singh Nagar (Dehradun as its working capital). Uttarakhand Telecom Circle consists of 13 Revenue Districts of Uttarakhand State. Most of the Uttarakhand Telecom Circle consists of hilly region. Since its creation as a new Telecom Circle with effect from 17th January 2001, new services like Internet, ISDN and Cellular Mobile Telephone Services etc. In Uttar Pradesh (West) & Uttarakhand 0.79 Wireline subscriber base in million (May 2012) and 55.12 Wireless subscriber base in million (May 2012). There are five major service operators (BSNL, Airtel, Vodafone, Tata, Idea) in each area, and an incumbent state operator. Almost 80% of the cellular subscriber base belongs to the pre-paid segment.



Review of Literature

Lim and Kumar (2008) investigated gender differences in the process of loyalty decisions in the context of mobile services. They found that women to be influenced by service quality more strongly than men, while men focus on perceived economic value in loyalty decisions. Hsu and Lin (2008) indicated that enterprises approach in CRM can be used to increase customer satisfaction by utilizing the mobile medium effectively. Kumar and Ruthra (2006) revealed that improvement in the quality of the services would attract more new subscribers and would help to retain the existing subscriber's in the future competitive market. Bennett and Rundle- Thiele (2004) demonstrated in their research that customer satisfaction is an important issue for marketing managers, particularly in services industries. Sureshchandar *et al.*(2002) suggested that there is a strong correlation between service quality and customer satisfaction. Lee and Feick (2001) suggested that satisfaction plays a particularly important role in competitive environments such as mobile services because of its impact on customer loyalty. Woo and Fock (1999) measured satisfaction with three different constructs such as transmission quality, pricing policy and staff competence. Their study revealed that transmission quality played a significant role in improving customer satisfaction, indicating that antecedents on satisfaction depend on the nature of services. Bolton and Drew, 1991; Cronin Jr. and Taylor, 1992; Parasuraman *et al.* 1988; Shepherd, 1999) suggested that Service quality as a form of attitude, related but not equivalent to satisfaction that results from the comparison of expectations with performance. Munnukka, 2005; Sinha and Wagh (2008) identified that price sensitivity according to this study was one of the influencing factors for mobile subscribers.

Objectives of the study

The objectives of the present study are:

- To identify the factors influencing customer choices on the use of mobile services
- To measure the customers' satisfaction level towards pre paid and post paid mobile services
- To determine the attitude of customers towards pre paid and post paid mobile services

Hypotheses

On the basis of above objectives following hypotheses haven been made:

- H1: There is no significant attitudinal difference between service opted by the respondents and their level of satisfaction.
- H2: There is no significant attitudinal difference between Personal factor vs service (pre-paid & post-paid).

Research Methodology

The present study is exploratory in nature based on both primary and secondary data. For the primary information the required data was collected through the self-developed structured questionnaire whereas secondary information is collected from different published materials viz. magazines, journals, websites etc. The study is confined up to four main towns (Srinagar, Dehradun, Rishikesh and Haridwar) of Garhwal region. 600 subscribers (150 from each city) using both pre paid and post paid service of different cellular services (BSNL, Airtel, Vodafone, Idea and Tata) in the Garhwal region of Utrakhnad were selected on the basis of simple random sampling. The data was analysed with the help of statistical tools (SPSS) and hypothesis testing with chi-square and t-test.

Data analyses and Findings



Pre-Paid and Post Paid schemes opted by the Respondents

Pre-Paid Service					
time	211	38.5	usage	20	38.5
	22	4.0		10	19.2
	185	33.8			9.6
	130	23.7	Avoid	17	32.7
Total	548	100.0	Total	52	100.0

The table reveals that out of 600 respondents a great majority (91%) of the respondents had chosen the Prepaid service whereas the remaining (09%) chosen the Postpaid service. The main reason for choosing the prepaid service is its cost effectiveness and switching freedom, whereas for post paid uninterrupted usage, avoid regular recharging and getting bill details were the main considerations of the respondents.

Scheme opted by the respondents and level of satisfaction

Ho: There is no significant attitudinal difference between schemes opted by the respondents and their level of satisfaction.

Figure given in the brackets represent the Expected Frequency

The table value of χ^2 for 1 degree of freedom at 5 percent level of significance is (3.841). Since the calculated value of chi-square (0.157) is less than the table value of chi-square, the difference is insignificant. So we accept null hypothesis and concluded that there is no significant difference between the scheme opted by the respondents and their level of satisfaction.

Attitude towards Pre and Post paid Service of mobile services

To study the attitude of customers towards Pre and Post paid service of mobile services t-test analysis based on customers' demographic characteristics has been carried out and the following observations have been made:

Demographics vs Pre and Postpaid Service



	Mean Score			
Male	3.163		0.528	
	3.225			
Age				
	2.672		0.005	
Adult	3.007			
	2.671		0.385	
	2.761			
other	2.566		0.010	
	2.843			

Ho: There is no significant attitudinal difference between Personal factor vs service (pre-paid & post-paid).

Scheme	Satisfaction with Service		
	Yes	No	Total
Pre-Paid			548
Post-Paid			52
	410	190	600



It is observed from the above table that the null hypothesis has been rejected (significant relationship) for the age and income. Whereas, in the case of gender and education, the difference is insignificant. Therefore, the null hypothesis is accepted and gender and education wise there is no difference in the opinion regarding service used by the mobile customers.

Conclusion

Communication is the basic need of human being and Mobile communication is one of the most important developments in the recent time. The major service providers of mobile communication offered different types of services in the area i.e. prepaid, postpaid, GPRS, MMS, WAP, SMS, 3G etc. The present study reveals that the most of the mobile service users are using prepaid service due to its economic factor, freedom, flexibility and monitoring and control whereas for post paid uninterrupted usage, avoid regular recharging and getting bill details were the main considerations of the respondents. Basically in the study most of the mobile users having very tight budget or having unstable income (especially students they are dependent on others) they prefer prepaid connections. Prepaid vendors are offering simple and flexible recharging method to users as per the users' requirement and what they want most. In addition to these, there are lots of different ways to recharge prepaid services via net banking or online portals. The study also found that the customers of prepaid and postpaid services are satisfied with their service. The study investigated the customer attitude towards scheme opted by them. The study has concluded that there is insignificant relationship between demographics and service (pre & post paid) opted by them. However, for age and income, the test statistics is significant.



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