

# **A STUDY ON CUSTOMER PREFERENCE AND SATISFACTION TOWARDS CELL PHONES SERVICE PROVIDERS IN TAMIL NADU**

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## **I. PREAMBLE**

In India, the telephony services were introduced in the year 1881 and the first telephone exchange was opened in Kolkata, Chennai and Mumbai. Further, in 1947, all foreign telecommunication companies got nationalized. The Department of Telecommunications (DoT) separated from the postal system was established in 1975. The Government of India felt the need of a framework to regulate growing telecom sector and the National Telecom Policy was announced in 1994 to create a modern and efficient telecommunication infrastructure taking into account the convergence of information technology, media, telecom and consumer electronics and enabling the Indian telecom companies to become truly global players. In 1995, the cellular mobile services were launched in India on commercial basis. Initially the government of India offered two types of licenses viz. CMTS (Cellular Mobile Technology Services) and UAS (Universal Access Service Provider). CMTS was introduced first, as primarily a GSM (Global System for Mobile Communications) based service. Later on in 2002-03, CDMA (Code Division Multiple Access) technology under UAS license enables the mobile service providers to offer a new standard for multiple mobile services to their customers. In order to regulate cellular services in the country, the Telecom Regulatory Authority of India (TRAI) was established in 1997. With the constant efforts of TRAI, the New Telecom Policy (1999) was drafted in the year 1999.

## **II. OBJECTIVES OF THE STUDY**

Primary objective of the study is to analyse consumer preference and measure the customer satisfaction on cell phones in Tiruchirappalli city. In order to attain the objective, the following secondary objectives are framed:

1. To study the preference of the customers over the different service providers of cell phones in Tiruchirappalli city.
2. To measure the awareness of the customers towards various service providers in Tiruchirappalli city.
3. To measure the satisfaction level of the customers towards various service providers in Tiruchirappalli city.
4. To examine the attitude of the customers on the possession of their cell phone connections.

### III. IMPORTANCE OF STUDY

This is the era of mobile phones. The cell phones have opened a new way to human life. They have created an attractive business opportunity in all fields. The mobile phones have created a sort of demand among the lower level entrepreneurial groups, such as plumbers, carpenters, masons, conductors, painters, cooks, auto repair mechanics, welders, waiters, suppliers, vegetable, venders, auto drivers, astrologists and so on. In this way cell phone sector has emerged a separate business field, in which huge amount has been invested. Now a day, market research is important to every cell phone company. The consumer is the king in market, so that all firms have to study the consumers' taste, preference, likes and dislikes carefully. Retaining the existing consumers and creating new customers are the two important tasks to the business firms in these days. Hence, consumer research takes a vital part in market survey. Utility of consumer research is felt strongly in these days.

### IV. NEED FOR THE STUDY

Mobile phones have become part and parcel of human life and have made their own unique place. Once considered as a luxury, is now almost become a necessity for a common man. Besides, being a mode of interpersonal communications, mobile phones serve the purpose of wristwatches, personal diaries, calculators, alarm clocks, cameras, music players and games etc. Telecom sector is one of the fastest growing sectors in India. Government of India has taken several initiatives to increase Tele density. Now, Indian cell phone industry is under a heavy competition.

### V. SIGNIFICANCE OF THE STUDY

This study is greatly significant in various ways. Findings of the study provide a more reliable scientific measure and perspective to the management for the customers' satisfaction or dissatisfaction. It also serves as invaluable sources of information that brings to limelight the customers. It shows the customers' satisfaction/dissatisfaction regarding the telecom services. So from the findings of the research, the service providing companies will get an idea to give their best service to the customers. From the study, the important factors regarding the selection of cell phone service providers will be derived. And, on the bases of these factors, companies will get an idea to focus on such most important factors to attract the customers.

### VI. STATEMENT OF THE PROBLEM

In earlier period, companies were not responsive about the customers because of less competition in the market. But as the time has passed out, the marketing scenario has been changed. Now new products, bundle of package, schemes etc. have been offered to the customers. So the decision has become more complicated for the customers to select the best one. It has also become tricky to select the companies because due to the growing demand for cell phone services. So the question of customer satisfaction is very important and crucial in current scenario. (Sarma, S. J. 2010). Company should be aware of customer satisfaction as well as his/her perception to make marketing strategies. More and more cell phone companies are now up-and-coming in the Indian Telecommunication Sector with opening up of the economy. Several international leaders have been trying to venture into the Indian Telecommunication Industry. The idea is that to understand the needs of customers as

well as the changes in their needs over the time allows cell phone companies to become more customer focused and hence remain profitable over the time.

## VII. SCOPE OF THE STUDY

Scope of this research is limited to Triuchirappalli City of Tamil Nadu state. The research confines to the study of cell phone services from customer's preferences and customer satisfaction among subscribers covering all cell phone service providers in Triuchirappalli City. The six Broad Dimensions of customer's preference and satisfaction covered under study are; Level of satisfaction, level of awareness, attitude of the customers, attractive factors, discouraging factors and expectation factors. The customer satisfaction items include; Network Coverage, Net work quality, Customer support, Complaint management, Availability customer service centers, Billing Services, Value Added Services and Promotional offers. The study is helpful in improving customer's preference and customer satisfaction with telecom services. This study will also be helpful to draw up further policy on related fields and act as a secondary data for further research.

## VIII. LIMITATIONS OF THE STUDY

The following limitations are applicable to the present study:

1. The present study is based on the perception of the customers and it is based on their own experience; the perception is subject to change in future.
2. The research is based on the strength of the opinions of the sample consumers and there are some possibilities for changing their opinions in due course. So, the findings of the study may vary in passage of time.
3. The survey has been undertaken in the metropolitan city so that the findings may not be appropriate to semi urban and rural areas.

### Highlights on Telecom Subscription Data as on 31st January 2014

Particulars	Wireless	Wire line	Total Wireless +Wire line
Total Subscribers (Millions)	862.62	30.52	893.14
Total Net Monthly Addition (Millions)	-2.10	-0.27	-2.37
Monthly Growth (%)	-0.24%	-0.86%	-0.011
Urban Subscribers (Millions)	528.88	23.66	552.54
Urban Subscribers Net Monthly Addition (Millions)	-4.24	-0.17	-4.41
Monthly Growth (%)	-0.80%	-0.73%	-0.0153
Rural Subscribers (Millions)	333.74	6.86	340.6
Rural Subscribers Net Monthly Addition (Millions)	2.14	-0.09	2.05
Monthly Growth (%)	0.65%	-1.33%	-0.0068
Overall Tele density*	70.57	2.50	73.07

Urban Tele density*	142.10	6.36	148.46
Rural Tele density*	39.26	0.81	40.07
Share of Urban Subscribers	61.31%	77.54%	61.87%
Share of Rural Subscribers	38.69%	22.46%	38.13%

**Source: Telephone Regulatory Authority of India – Reports, 2014**

## XI. RELIABILITY AND VALIDITY OF DATA

As the Cronbach’s alpha of seven parameters (level of awareness, attractive factors, discouraging factors, expectations factors, attitude statements and overall satisfaction of the customers) reveal .700 and more than .700 as alpha. So, it is confirmed that the data are highly reliable and valid for analysis. The following table shows that, the Cronbach’s alpha value for every dimension towards cell phone service providers..

**Reliability and validity of data**

Parameters	Cronbach's alpha	Number of Items
Level of satisfaction	.909	18
Awareness	.837	11
Attitudes of the customers	.787	9
Attractive factors	.871	8
Discouraging factors	.788	7
Expectations of the customers	.861	7

**Source: Output generated from SPSS 21**

## X. FINDINGS OF THE STUDY

### Personal information of the customers

Personal Information	Details	Frequency	Valid Percent
<b>Gender</b>	Male	273	54.6
	Female	227	45.4
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Age</b>	Below 20	99	19.8
	21 – 40	159	31.8
	41 – 60	148	29.6
	61 and above	94	18.8
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Marital Status</b>	Married	342	68.4
	Single	148	29.6

	Spinster	2	.4
	Divorced	8	1.6
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Educational Qualification</b>	Upto H.S.C / P.U.C	145	29.0
	Degree/Diploma	192	38.4
	PG Degree	109	21.8
	Professional Degree	54	10.8
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Occupation</b>	Employee	100	20.0
	Business	117	23.4
	Profession	94	18.8
	Agriculture	65	13.0
	Household	117	23.4
	Others	7	1.4
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Annual Income (in Rs.)</b>	Upto 1.00.000	87	17.4
	1,00,001 – 2,00,000	183	36.6
	2,00,001 – 3,00,000	156	31.2
	Above 3,00,000	74	14.8
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Area of Residence</b>	Rural	147	29.4
	Semi urban	199	39.8
	Urban	154	30.8
	<b>Total</b>	<b>500</b>	<b>100.0</b>

Source: Primary data (Output generated from SPSS 20)

## A. Findings Related To Demographic Factors About The Customers

- Male customers are in majority (54.6 percent) in the total sample size. Gender is a major deciding criterion in buying some consumer goods/services. The telecom service is common requirement for males and females. But, the males are in dominating position in Indian families so that they decide the service providers. But, the females are of 45.4 percent and it is near to half of the customers. So, the analysis confirms that the two divisions of the gender take considerable share in the telecom market.

- Majority customers (31.8 percent) come under the age category of „21-40“ . The cell phone is the attractive magnet to the younger generation and it is used by the youngsters with all the facilities of the cell phone. The age category of 21-40 is the group that uses the cell phones to a greater extent.
- 41-60 is the next group that has 29.6 percent customers and they are in the next place. The least group of customers are of „61 years of age and above“ . This means that the old age people do not get active place in the cell phone market.

### Frequency analysis of experiences in the usage of cell phone

Experiences in the usage of cell phone	Particulars	Frequency	Valid Percent
<b>Type of technical problem face by the customer</b>	Line fault	32	6.4
	Cross talk	53	10.6
	No clear voice	72	14.4
	Engaged line	83	16.6
	Repairs of the instrument	88	17.6
	Network Congestion	94	18.8
	Incoming voice	78	15.6
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Receiving clear voice</b>	Yes	93	18.6
	No	407	81.4
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Mode of Communicating complaint</b>	Through Written	42	8.4
	Through Voice	107	21.4
	Through E.Mail	196	39.2
	Through SMS	155	31.0
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Time taken to discharge the complaints</b>	Immediately	128	25.6
	In reasonable time	218	43.6
	Very slowly	120	24.0
	Not Addressed at all	34	6.8
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Major source to know the offers/schemes of the service provider</b>	Through the local office/dealer	186	37.2
	Through the Advertisements	220	44.0

	Through my Friends/ Relatives	94	18.8
	<b>Total</b>	<b>500</b>	<b>100.0</b>

**Source: Primary data (Output generated from SPSS 20)**

## B. Findings related to cell phone connection of the customers

- The majority customers (37.2 percent) use the cell phone for 6-8 years. So, it is clear that the customers use the cell phone when the cell phone connection has been widely popularized.
- Post paid customers (46.6 percent) from the majority. The post paid connection is very much used by the high income group people and they usually pay the cell phone bill by online payment. In their mechanical life, the post paid is more convenient to them

### Preferences of the Customers

Preference of the customer	Particulars	Frequency	Valid Percent
Name of the service provider	BSNL	65	13.0
	Reliance	66	13.2
	Vodafone	83	16.6
	Airtel	78	15.6
	Aircel	81	16.2
	MTS	76	15.2
	Tata Docomo	51	10.2
	<b>Total</b>	<b>500</b>	<b>100.0</b>
Major reasons to have the connection from the present service provider	Cheaper of Call rates	74	14.8
	Free SMS	89	17.8
	Variety of schemes/offers	102	20.4
	Rate cutter options/ booster options	83	16.6
	Easily Recharge	88	17.6
	Free/Top-ups	64	12.8
	<b>Total</b>	<b>500</b>	<b>100.0</b>
Influenced to get the particular connection from the service provider	Advertisements	102	20.4
	Friends/ relatives	150	30.0
	Self	153	30.6

	Company / Dealer representative	95	19.0
	<b>Total</b>	<b>500</b>	<b>100.0</b>
Next choice	BSNL	63	12.6
	Reliance	71	14.2
	Vodafone	85	17.0
	Airtel	67	13.4
	Aircel	77	15.4
	MTS	72	14.4
	Tata Docomo	65	13.0
	<b>Total</b>	<b>500</b>	<b>100.0</b>

**Source: Primary data (Output generated from SPSS 20)**

### C. Findings related to level of awareness of the customers towards cell phone service providers:

- In respect of the awareness towards the call rate, maximum number of customers (39.6 percent) has moderate awareness. Next, the 23 percent customers have extreme awareness. Somewhat aware prevails among 25.4 percent customers.
- Towards the different schemes, somewhat aware is the level that has 20.4 percent customers; 41 percent customers are of moderately aware people; extreme awareness exists among 28.2 percent customers.
- Online balance enquiry is another awareness sub dimension. Moderate level of awareness prevails among the 45 percent customers and they form the majority. It has 36.8 percent customers have extremely awareness. Somewhat aware is the level that has 10.6 percent customers.

### Frequency analysis for level of awareness of the customers towards cell phone service providers

Awareness factors	Options	Frequency	percentage
<b>Call Rate</b>	Not at all aware	13	2.6
	Slightly aware	47	9.4
	Somewhat aware	127	25.4
	Moderately aware	198	39.6
	Extremely aware	115	23.0
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Different schemes</b>	Not at all aware	20	4.0
	Slightly aware	32	6.4
	Somewhat aware	102	20.4
	Moderately aware	205	41.0
	Extremely aware	141	28.2

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Awareness factors	Options	Frequency	percentage
<b>Call Rate</b>	Not at all aware	13	2.6
	Slightly aware	47	9.4
	Somewhat aware	127	25.4
	Moderately aware	198	39.6
	Extremely aware	115	23.0
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Online Balance Enquiry</b>	Not at all aware	13	2.6
	Slightly aware	25	5.0
	Somewhat aware	53	10.6
	Moderately aware	225	45.0
	Extremely aware	184	36.8
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Grace Period</b>	Not at all aware	13	2.6
	Slightly aware	27	5.4
	Somewhat aware	47	9.4
	Moderately aware	231	46.2
	Extremely aware	182	36.4
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Customer Care Facilities</b>	Not at all aware	17	3.4
	Slightly aware	23	4.6
	Somewhat aware	51	10.2
	Moderately aware	227	45.4
	Extremely aware	182	36.4
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Information Service</b>	Not at all aware	19	3.8
	Slightly aware	32	6.4
	Somewhat aware	52	10.4
	Moderately aware	221	44.2
	Extremely aware	176	35.2
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Advertisements</b>	Not at all aware	11	2.2

	Slightly aware	37	7.4
	Somewhat aware	41	8.2
	Moderately aware	212	42.4
	Extremely aware	199	39.8
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Rate cutter</b>	Not at all aware	10	2.0
	Slightly aware	31	6.2
	Somewhat aware	45	9.0
	Moderately aware	227	45.4
	Extremely aware	187	37.4
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Value Added Service</b>	Not at all aware	14	2.8
	Slightly aware	32	6.4
	Somewhat aware	50	10.0
	Moderately aware	221	44.2
	Extremely aware	183	36.6
	<b>Total</b>	<b>500</b>	<b>100.0</b>
<b>Hidden Charges</b>	Not at all aware	13	2.6
	Slightly aware	22	4.4
	Somewhat aware	52	10.4
	Moderately aware	221	44.2
	Extremely aware	192	38.4
	<b>Total</b>	<b>500</b>	<b>100.0</b>

**Source: Output generated from SPSS 20**

### **Findings related to attitude of the customers towards cell phone service providers**

- In respect of the attitude towards “Economy” (Usage of cell phone is always economy.) majority customers (26.8 percent) agreed with slightly. They are followed by the agreed group (24.6 percent customers).
- In respect of the attitude towards “Convenience” (Usage of cell phone is always more convenient than other communication media) maximum number of customers (33.6 percent) agree with the statement.
- In respect of the attitude towards “Full talk time”(Offer of full talk time is not a real concession.), 25 percent customers agree with the statement and they form the majority.
- In respect of the attitude towards “Hidden charges” (All service providers Charge hidden charges on the customers.), 32.8 percent customers agree with the statement and they are of the majority.

- In respect of the attitude towards „Shifting intention“ (I have no intention to shift to other service provider.), „agree“ has the maximum number of customers (29.4 percent) and they are followed by the „slightly agreed“ group (27.8 percent customers).
- In respect of the attitude towards „Customer care“ (The service providers do not care about the customers“ grievances.), 31.6 percent customers are of “slightly agreed“ group. 31.2 percent customers agree with eh statement.

## **Finding related to discouraging factors of the customers towards cell phone service providers:**

In the case of delayed connectivity, majority customers (39.8 percent) agree with this aspect and 32 percent customers agree with it. So, it is clear that the connectivity is delayed sometimes and it discourages the customers

## **XI. SUGGESTIONS**

- In the highly competitive market of mobile telephony services, companies need to pay attention to understand the customers“ requirements empathetically. Further, they should give the utmost attention to ensure good Network Quality and Efficiency because these are the main factor influencing customers“ decision to purchase a particular mobile connection in case of the customers of different occupational groups and gender.
- Thus, mobile service providers should pay due attention to functional as well as technical quality of telecom services to stay ahead of competitors. The service providers should target young customer group of upto 25 year of age by offering various free benefits along with Connection and Value Added Services.
- Further, for the female customers the same benefits should be used to target them .While communicating and promoting their products to the male customers, the mobile companies should highlight their Network Quality and Efficiency, Charges for basic services and Efficient Roaming Services. Therefore, the companies should formulate customized marketing strategies as per the preferences of male and female customer group in order to influence their decision to choose a particular mobile service provider.

## **XII. CONCLUSION**

This study concludes that the mobile companies have introduced various advanced Services like – voice mail, video calling, call forwarding etc. However, these services are rarely used by the customers of different age, income, occupation and gender. Also, these services are rarely used by the customers having mobile connection of different service providers and using pre-paid and post-paid mobile connection. The companies need to find out the reasons for this phenomenon and thereafter devise appropriate pricing and promotional strategies to increase their usage rate. The present study brings out that the usage pattern has an important role with the income of the mobile telephony customers. The study indicated that among the various service quality dimensions, efficient network connectivity are the most important factors contributing to the customers“ perception of overall satisfaction and preference in mobile telephony. Therefore, the mobile service providers have to take measures to improve the efficiency in their network connectivity.