



A Study on Brand Switching Intentions of Customers in the Indore Tele communication Market

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Introduction

Conceptual Framework

This research tried to find out the underlying factors that made the customer to switchover to another service provider in telecom industry. The telecommunication industry is one of the most important industries of the world. To gain competitive advantage as competition is getting more and more intense, the companies are compelled to innovate and do their best for the customer satisfaction. As in the telecom industry the customers have multiple choices to select among service providers and actively seek their rights of switching from one telecom service provider to another. In this ferocious competition customers requires better services at reasonable prices, while service providers concentrating on retention of the most profitable customers instead of acquisition. The technology in telecommunication industry is booming with fast pace thus bringing the changes in the sizes and types of network services. Multiple tariffs plans are usually offered by the network service providers to compete in their menu plans and to provide the quality of service. In the telecom industry, the service providers try to attract the large number of customers to exploit the consumer's preference heterogeneity. The need to understand that why customers switch to another service providers have usually become a key area of study. It's entirely apparent that when a customer decides to switch over to another network they try to figure out that which service provider offers them best. The switching costs also affect the portability. The customers switch when they find that their potential savings relatively exceeds switching cost.

This study helps us to analyse the factors that cause the switching behaviour. As the telecom industry, has been growing rapidly and the rate of penetration also increased, the number of new customers subscribing to thus can't be reduced. Where as in the mature market with a base of shrinking potential subscribers, stealing the customers of competitors and retaining its own customers has become the most important strategy for the service firms. Therefore, the service firms have got more interested in knowing and understanding the underlying factors leading to switching behaviour of customers, as customers are totally heterogeneous in nature and can repeat switching from time to time.

Portability

Mobile Number Portability (MNP) came into force in all telecom service areas in the country on 20th January 2011 (TRAI, 2012). Mobile number portability (MNP) refers to the ability of mobile phone users to retain their mobile numbers when changing from one network operator to another in the same circle. Mobile Number Portability (MNP) was introduced in Haryana in December 2010 and thereafter introduced across India in January 2011. With the implementation of MNP, subscribers get a larger choice and are being able to switch between service providers easily.

The Indian Cellular Industry

India is currently the world's second-largest telecommunications market and has registered strong growth in the past decade and half. The Indian mobile economy is growing rapidly and



will contribute substantially to India's Gross Domestic Product (GDP), according to report prepared by GSM Association (GSMA) in collaboration with the Boston Consulting Group (BCG).

The liberal and reformist policies of the Government of India have been instrumental along with strong consumer demand in the rapid growth in the Indian telecom sector. The government has enabled easy market access to telecom equipment and a fair and proactive regulatory framework that has ensured availability of telecom services to consumer at affordable prices. The deregulation of Foreign Direct Investment (FDI) norms has made the sector one of the fastest growing and a top five employment opportunity generator in the country.

The Indian telecom sector is expected to generate four million direct and indirect jobs over the next five years according to estimates by Randstad India. The employment opportunities are expected to be created due to combination of government's efforts to increase penetration in rural areas and the rapid increase in smartphone sales and rising internet usage.

International Data Corporation (IDC) predicts India to overtake US as the second-largest smartphone market globally by 2017 and to maintain high growth rate over the next few years as people switch to smartphones and gradually upgrade to 4G.

Market Size

Driven by strong adoption of data consumption on handheld devices, the total mobile services market revenue in India is expected to touch US\$ 37 billion in 2017, registering a Compound Annual Growth Rate (CAGR) of 5.2 per cent between 2014 and 2017, according to research firm IDC.

According to a report by leading research firm Market Research Store, the Indian telecommunication services market will likely grow by 10.3 per cent year-on-year to reach US\$ 103.9 billion by 2020.

1.2 Review of literature

(Hensel & Dubinsky, 1986) felt that customers tend to leave the operators who they believe to be unethical or engaging in questionable behaviour. Marketers' visibility and promotional efforts often gets perceived by society as unethical or questionable behaviours. This perceived behaviour impacts the customer likelihood of churn

(Buehler & Haucap, 2004) examined the consequences of introducing mobile number portability (MNP). They found that MNP leads to abolishment of switching costs, and hence is good thing for customers. As telephone numbers no longer identify networks MNP may result in consumer ignorance. They also discussed role of termination charges on customer bills.

(Kisioglu & Topcu, 2011) Telephone numbers, specifically which are ported do not identify the network it belongs to, though the difference is small in terms of call pricing i.e. the calls terminating within same network are lower priced as compared to calls terminating in different network. This has a negative net effect on the surplus of mobile customers.

Objectives of the study

To determine the factors that influenced the customers to port from their service providers to others.

To observed the consumer perception on the factors behind the portability in telecom industry.

The Methodology

The fundamental problem in predicting the customer choices exist in the fact that brand switching decisions of the customers are solely made on the bases of several different criteria simultaneously which includes factors like brand image, features, network quality, prices, etc. Thus, the frequent switching behaviour of customers has compelled to review such factors that affect the telecom industry. Thus, the problem has been more confounded in telecom industry where customers get attracted towards the competitor's offers & features and analyses the expectations of the customers regarding the telecom industry services.



Hypothesis

Ho1: There is no significant difference between the factors behind the portability in telecom industry with respect to age group.

Ho1.1: There is no significant difference between the factors behind the portability in telecom industry with respect to age group below 25 yrs.

Ho1.2: There is no significant difference between the factors behind the portability in telecom industry with respect to age group above 25 yrs.

Ho2: There is no significant difference between the factors behind the portability in telecom industry with respect to family income.

Ho2.1: There is no significant difference between the factors behind the portability in telecom industry with respect to family income under 25,000 p.m.

Ho2.2: There is no significant difference between the factors behind the portability in telecom industry with respect to family income between 25,000 p.m. – 50,000 p.m.

Ho2.3: There is no significant difference between the factors behind the portability in telecom industry with respect to family income above 50,000 p.m.

2.2 The Sample

The model is estimated using the data set on the number of switching behaviour. A total of 90 respondents will be surveyed to identify the factors that have a greater effect on the customer satisfaction.

Total Sample 90

Based on Age

45 samples Under 25 yrs.

45 samples – Above 25 yrs.

Based on Family Income

30 samples - < 25,000 per month

30 samples – 25,000 – 50,000 per month

30 samples - > 50,000 per month

2.3 The Tools for Data Collection

Basically, there are two types of data available for the research, Primary and Secondary. In this research, primary data will be used to collect the data through questionnaires based on qualitative and quantitative data. . A questionnaire survey consisting of one page was used to collect the data (Primary) from respondents from Jaipuria institute of management, Indore. And from some of the other students, employees, etc. The questionnaire was mailed and e-mailed to the students of Jaipuria institute of management and other students and employees. The sample size consists of 90 respondents. Out of the sample that collected the division of the sample size was on the subsequent parameters. Each participant was given out a questionnaire that consisted of a range of questions questioning them about the attributes which in their judgment plays a very critical role in mobile number portability.

2.4 The Tools for Data Analysis

Research technique used for analysis- The tool that was being used was SPSS.

Research Design- The methodology is based on Descriptive Research.

Results and Analysis

.T – Test

Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Total	Female	59	11.66	3.366	.438
	Male	31	10.55	3.009	.540

The above table reveals that there is less mean score difference between Female and Male which indicated that there is no such difference in the perception of Female and Male with respect to factors affecting portability of telecom brand.

Independent Samples Test											
		Levene's Test for Equality of Variances		t-test for Equality of Means						95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper	
Total	Equal variances assumed	1.645	.203	1.544	88	.126	1.113	.721	-.320	2.545	
	Equal variances not assumed			1.599	67.355	.115	1.113	.696	-.276	2.501	

The above table reveals that t value at 1.544 with the degree of freedom at 88 is not significant at 5% level which means that the null hypothesis “there is no significant difference between behaviour of customers based on the gender regarding the factors affecting portability” is not rejected.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.819
Bartlett's Test of Sphericity	Approx. Chi-Square	162.091
	df	10
	Sig.	.000

KMO Test is done to know whether the data is adequate for factor analysis or not. KMO value can be in between 0 to 1, where 0 represents very less adequacy and 1 represents higher adequacy.

Since, KMO value > 0.50, then we can say that the data is adequate for factor analysis.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.819
Bartlett's Test of Sphericity	Approx. Chi-Square	162.091
	df	10
	Sig.	.000

Bartlett's Test is done to confirm whether factor analysis is appropriate or not and it has null hypothesis (factor analysis is not appropriate) by default.

Since, P value < 0.50, then we can say that the null hypothesis is rejected.

The above table revealed that Chi – Square Value (Bartlett's Test of Sphericity) is 162.091 at degree of freedom (df) at 10 is significant at 5% level. It means null hypothesis namely “Factor Analysis is not appropriate” is rejected.

Further, it can be concluded that Factor analysis is appropriate.

Test of Homogeneity

Test of Homogeneity of Variances

Total

Levene Statistic	df1	df2	Sig.
.271	2	87	.763

There is no violation of homogeneity in variance. Since sig. > 0.05, Ho2 is not rejected.



ANOVA

The ANOVA table tests the model acceptability and how model fits the first row which shows regression. Displays information about the variation accounted for by your model and the second row of Residual shows information about the variation is not accounted by your model the significant value of P is .000. Which is less than 0.05 so it means than model is acceptable and the variation explained by the model is not due to chance.

ANOVA

Total

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.756	2	3.378	.310	.734
Within Groups	947.300	87	10.889		
Total	954.056	89			

The Anova table revealed that f 0.310 value is significant at 5% level that means null hypothesis is rejected. Further it can be explained that the 3-different family monthly income groups of consumers have significant difference means with respect to factors behind the portability in telecom industry.

Conclusion

The main aim of the present work was to study the customers' perceptions towards mobile number portability. Total 90 respondents were selected for the survey, and all of these belongs to the different age groups and different Income Groups. Random sampling method was used for data collection. A well-structured questionnaire was prepared to analyse the response from different users about mobile number portability process. Different statistical techniques were used during data analysis (Percentage, Mean, Mode, Standard deviation, Chi-square test). IBM SPSS software was used to compile all observations.

By all the observations, research and analysis we came to a conclusion that there is no mean difference with respect to factors affecting portability of telecom brands in the minds of Consumers.

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