Peoples attitude towards purchasing new SIM card: A Study with reference to Cuddalore Town

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ABSTRACT
Indian mobile market is one of the fastest growing markets and is forecasted to reach 887.47 million users by 2013. The objectives of the study are to find the factors that influence the consumers in purchasing new service provider and to explore into finding out likeliness of purchasing the service provider. The type of research used for this study is the descriptive research design. The area covered under this study was Cuddalore due to availability of well mixed population base in Tamilnadu. The variables considered for the study are Consumer demographics, Consumer satisfaction with existing service provider. The results from the study reveal that call rates plays the most important role in purchasing the service provider followed by network coverage, value added service and customer care while advertisement plays the least important role. It is found that there is a relation between switching and purchasing new service provider and the factors (customer service, service problem, usage cost, etc.). The mobile providers concentrate on increasing network stability and setting tariff rates competitively.

Key words: Mobile service provider, network stability

Paper Type: Research Paper

INTRODUCTION
The Indian Mobile Market Dynamics and Forecast(2008-2013) report analyses the latest developments in the fast growing mobile market of India by the main players and provides a market forecast until 2013. ROA Holdings and Optimus forecast that India's mobile market is to reach as high as 868.47 million users by 2013, with an estimated compound annual growth rate (CAGR) of 20.45%. During 2008, more than 112 million subscribers were added increasing the penetration from 20.31% to 29.76% in 2008. However, the subscriber base in the rural areas is quite low in India, about 13% as of May 2009. The government has put regulatory mechanisms in place to encourage rural telephony and the service providers are eyeing rural India as the next area of growth. The rural mobile tele density is expected to reach about 36.25% by 2013. The Indian telecom sector, seen as providing the most affordable services in the world, has grown by leaps and
bounds in the last decade. Switching and Purchasing behaviour is a consumer behavior where the behaviour of the consumers differs based on the satisfactory level of the consumers with the providers or companies. Switching Purchasing behaviour can be enunciated as the process of being loyal to one service and switching to another service, due to dissatisfaction or any other problems. Even if a consumer is loyal to a particular brand, if the brand does not satisfy his/her needs, the consumers switch to a competitor brand. There are different factors and determinants which affect the consumers in switching their service from one service to another. The cost which is incurred during the switching process is called switching cost. Consequently, retaining the current consumer base is much more attractive and viable than searching for new consumers.

LITERATURE REVIEW
An Empirical analysis of consumers & switching decisions in the mobile service industry By Jiyoung Kim

Richard Lee, Jamie Murphy, (2005), their study investigates determinants that cause mobile phone Customers to transit from being loyal to switching. Mohammed Sohel Islam (2008), in his study examined the relationship between switching cost, corporate image, trust and Customer loyalty. Conor Twomey (2008), Department of statistics, they try to identify hysteresis in the switching patterns of Customers in the Irish mobile phone industry. Mitja Pirc (2006), the Mobile telecommunications service sector, in spite of providing high service quality and striving for Customer satisfaction, is characterized by dynamic customer activities and provider switching.

Problem identification
Consumers have every chance of purchasing & switching the mobile service provider due to industry expansion. Mobile industry is growing technically and becoming economical due to competitor’s innovative and attractive services. Number of companies in this sector is increasing, so each one of them wants to overplay others to attract the consumers. Mobile industry has become economic it result that consumers have less switching cost.

Objectives

- To find the major factors that influences the decision of purchasing a SIM card.
- To find the most preferred service provider in Cuddalore town.
- To identify the factors that affects the consumers to switching over the various service the service provider.
- To find the likeliness of switching the service provider.

Research methodology
Research Design
The research design used in this study is Descriptive research design.

Data Collection
In this survey, the primary data was obtained by administering structured questionnaires. The secondary data was collected through various literature reviews and articles.
Sampling

For this study, Cuddalore is geographically divided into four broad regions: Old town, Nellikuppam, Manjakupplam and Koothappakkam. The respondents are randomly drawn from each region.

Table 1 : Mean rank

<table>
<thead>
<tr>
<th>Region</th>
<th>No. of samples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old Town</td>
<td>30</td>
</tr>
<tr>
<td>Nellikuppam</td>
<td>30</td>
</tr>
<tr>
<td>Manjakuppam</td>
<td>30</td>
</tr>
<tr>
<td>Koothappakam</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
</tr>
</tbody>
</table>

Source : Primary Data

So, cluster sampling method is used for data collection. The sample size was 120, in which 116 were validated and remaining 4 were not included due to incompleteness.

ANALYSIS AND DISCUSSION

Factors affecting the consumers in switching and Purchasing the Mobile service provider.

Test Table 2: Friedman Mean rank

<table>
<thead>
<tr>
<th>Region</th>
<th>Mean Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call Rates</td>
<td>1.55</td>
</tr>
<tr>
<td>Network Coverage</td>
<td>1.6</td>
</tr>
<tr>
<td>Value Added Services</td>
<td>3.7</td>
</tr>
<tr>
<td>Consumer care services</td>
<td>3.75</td>
</tr>
<tr>
<td>Advertisement</td>
<td>4.4</td>
</tr>
</tbody>
</table>

Source : Primary Data

Hypothesis:

H0: The factors are random and are independent of each other.
H1: The factors are related to one another.

So, the factors are in fact related to one another. The 5 factors are interrelated and from their mean ranking, it is found that Call rates is the most important factor for switching behavior followed by network coverage, value added service, Customer care and finally advertisement which plays the least important role. Relation between the switching and Purchasing of Mobile service providers and the factors.*

K TEST

H0: There is no relation between the switching of service providers by consumers and the factors* that affect it.
H1: There is a relation between the switching of service providers by consumers and the factors* that affect it.

Most preferred service provider in Cuddalore
Chart 1 – Current Mobile service Provider

From the chart 1, it is clear that majority of the consumers who undertook the survey use Airtel (25%) in Cuddalore. So, it is found out that the most preferred service provider is Airtel. Idea occupies the second place with Consumer preference of 20%, followed by Vodafone (18%), BSNL (10%), Reliance (08%), Aircel (07%), MTS (6%), and the least preferred service provider is Tata docomo (5%).

Likeliness of switching the service provider
Chart 2 – Switching your service provider

From the chart 2, it is obvious that 50% of consumers are likely to switch to a competing service provider. About 40% of consumers do not prefer switching their service provider. And 10% of consumers have a neutral when it comes to switching their service provider.

Major influences that swing the decision to purchase a new SIM card
Chart 3 – Influencing factor

From the chart 3, it is found that majority & nearly 60% of the consumers are influenced by their Friends to select their service provider and around 30% of the consumers are influenced by their Family.
Only 3% of the consumers are influenced by Television Advertisement.

FINDINGS:

- Call rates play the pivotal role in purchasing and switching the service provider followed by network coverage, value added service, consumer care and advertisement which plays the least important role.
- It is found that there is a relation between purchasing and switching the service provider and the factors (customer service, service problem, usage cost, SMS package etc.).
- Poor network coverage, frequent network problems, high call rates, influence from family and friends are the most important factors which affect the switching behavior and for buying new service provider.
- According to the study, the most preferred service provider is Airtel (25%). Idea occupies the second place with consumer preference of 20%, followed by Vodafone (18%), BSNL (10%), Reliance (8%), Aircel (7%), MTS (6%) and the least preferred operator is Tata Docomo (5%)
- 50% of consumers are likely to switch to other service provider. About 40% of consumers do not prefer switching their service provider. And 10% of consumers have a neutral stance on switching their service provider.
- It is found that majority of the consumers are influenced by the friends to select their service provider and a sizeable number of the consumers are influenced by their family.

SUGGESTIONS:

- From the study, it is abundantly clear that call rates lead the consumers to switch the service provider. So, mobile service providers need to satisfy the consumer with minimum call rates.
- Mobile service providers should invest more on improving their network coverage in order to retain their consumers.
- Mobile service providers have to provide more offers for family and friends. Enticing offers still hold a major sway.
- Mobile service provider should satisfy their current consumers by providing them innovative offers.
- Mobile service provider should accept valid feedbacks from consumers regularly and make sure that they satisfy the consumers.

CONCLUSION

The study reveals that call rates play the most important role in purchasing new SIM cards followed by network coverage, value added service, customer care service and TV- important role. From the findings of the study, we advertise which plays the least suggest that mobile service providers concentrate more on increasing network stability and setting tariff rates competitively. The findings also suggest that managers of these mobile operators should shift focus on building corporate image and analyze more carefully the reason for consumers to switch brands in this industry in order to increase loyalty among these consumers.
REFERENCES