



International Journal of Intellectual Advancements and Research in Engineering Computations

A study on factors behind customer brand switching in the telecom industry with special reference to Erode

Mrs.D.Shanthi, MBA, S. Nandhini

Assistant Professor, Department of Management Studies, Nandha Engineering College, Erode
II MBA, Nandha Engineering College, Erode

ABSTRACT

Brand switching is a common problem for all the companies. India has emerged as the fastest growing mobile phone market in the world. Mobile phone was hyped as a revolutionary gadget in the twentieth century. With the advent of advanced technologies like GSM, CDMA, WLL and 3G technology and growing number of service providers, the competition has increased substantially. Day by day, both the public players and the private players are putting in their resources and efforts to improve their services so as to give the maximum to their customers. Hyper competition in the telecommunication industry, availability of number of subscriber options for consumers, diverse tariff rates offered by each player influence consumers to switch the services providers. This study focuses on identifying factors influencing consumer switching behavior in telecommunication industry. On the basis of questionnaires administered to consumers in telecommunication industry, the study reveals that by providing value added services and effective pricing strategies; telecom service providers can control consumer brand switching behavior and can retain the customers.

INTRODUCTION

The Indian Telecommunications industry one of the fastest growing in the world. Today, the Indian telecom network is the second largest in the world after china. The growth and development in information technology and mobile devices have made the Indian mobile phone service market highly competitive. Hyper competition, availability of number of subscriber option for consumer, diverse tariff rates offered by each player, led consumer to switch the service providers. Over the past 20 years, the telecommunications industry has experienced significant growth spurred by the highly competitive mobile telecommunications revolution.

This study addresses a gap in our existing knowledge of what causes brand switching behavior in the fast growing mobile telecommunications industry. We provide practical guidance to managerial decision makers in the

industry by identifying and modeling the variables that cause consumers to switch mobile telecommunications brands. Further, we expand our theoretical understanding of the causes brand switching behavior by demonstrating the interrelationships among the variables that cause switching behavior and provide suggested guidelines for further research in this area. [1-5]

STATEMENT OF THE PROBLEM

There are 895.51 million telecom connections with 864.72 million wireless telecom subscribes. Five companies (Airtel, Vodafone, Idea, Bsnl, Jio) are aggressive in their marketing strategies focusing on market expansion to increase their market share. The issue of brand switching becomes intense after introducing number probability by the telecom regulatory authority. Thus, and the study on brand switching behavior of

Author for correspondence:

Department of Management Studies, Nandha Engineering College, Perundurai – 638052

the consumers assumes greater significance for all the wireless telecom service providing companies.

OBJECTIVES OF THE STUDY

- ❖ To identify the demographic profile of respondents.
- ❖ To measure the problems faced by them with their telecom network.

SCOPE OF THE STUDY

- ❖ The study of this topic holds much importance for the telecom service providers to determine the major factors influencing switching in this hyper-competitive era, to retain the customer by providing value offers to keep them satisfied and to make them loyal.
- ❖ This study can be extended to understand the switching behavior of a particular cellular service provider.

LIMITATIONS OF THE STUDY

- ❖ The consumers were reluctant to answer the question and the response may be biased.
- ❖ Due to limited time span it was tedious to take the survey from the respondents.

LITERATURE REVIEW

1. According to Fornell & Wernerfelt (1987) and Zeithaml (2000), a decrease in customer switching creates benefits on both sides of the income statement in the form of higher revenues and lower costs and has been shown to be effective from both defensive and offensive strategic marketing perspectives.
2. Keaveney, S. M. (1995) identified seven factors which affect customer's service switching behavior in his model of customer's service switching behavior. Among those seven factors he gave priority upon price, inconvenience, and core service failure factor.
3. Porter M (1998) in his book *Competitive Strategy: Techniques for Analyzing Industries and Competitors* defines switching cost, which is also known as switching barrier as the cost that

incurs when a consumer changes one service provider to another service provider.

4. Jackson (1985) defines it as the sum of economic, psychological and physical costs.
5. Kollmann (2000) concludes that price is an important factor in the mobile telecommunication service industry. Price includes purchasing price, call rate, SMS rate, etc.

RESEARCH METHODOLOGY

The methods section describes actions to be taken to investigate a research problem and the rationale for the application of specific procedures or techniques used to identify, select, process, and analyze information applied to understanding the problem, thereby, allowing the reader to critically evaluate a study's overall validity and reliability. The methodology section of a research paper answers two main questions: How was the data collected or generated? And, how was it analyzed? The writing should be direct and precise and always written in the past tense.

Research design

A Master plan that specifies the method and procedures for collecting and analyzing needed information. A research design is a framework or blueprint for conducting the population research project.

Descriptive research

Descriptive research design is used for the study, it is a fact-finding investigation with adequate interpretation.

Sample design

Sampling is the process of selecting a sufficient number of elements from the population. A Sample Design is a definite plan for obtaining a sample from the sampling frame. It refers to the technique or the procedure the researcher would adopt in selecting some sampling units from which inferences about the population are drawn.

Non – probability sampling

Non-Probability sampling is a sampling technique where the samples are gathered in a

process that does not give all the individuals in the population equal chances of being selected.

Convenience sampling

Convenience sampling (also known as Availability Sampling) is a specific type of non-probability sampling method that relies on data collection from population members who are conveniently available to participate in study.

Sample size

The size of the sample is 100.

Data collection method

Primary data

These are data which are collected for the first time directly by the Researcher for the Specific study undertaken by him. In this research primary data are collected directly from the Respondent by using Questionnaire.

Secondary data

These are data which are already collected and used by someone preciously. In this research review of Literature, Details of the industry are collected from the Internet.

Statistical tools used

To analyze and interpret collected data the following simple percentage and ranking were used.

Simple percentage analysis

To analyze and interpret collected data the following simple percentage and ranking were used.

Formula

$$\text{Percentage analysis} = \left(\frac{\text{No. of respondents}}{\text{Total no. of respondents}} \right) \times 100$$

Henry garrett ranking

Garrett's ranking technique to find out the most significant factor which influences the respondent; Garrett's ranking technique was used. As per this method, respondents have been asked to assign the rank for all factors and the outcomes of such ranking have been converted into score value with the help of the following formula:

$$\text{Percent position} = 100 (R_{ij} - 0.5) N_j$$

Where R_{ij} = Rank given for the i^{th} variable by j^{th} respondents

N_j = Number of variable ranked by j^{th} respondents.

DATA ANALYSIS

The Respondents are participated in the research are from diversified background with Age, Gender, Education qualification, Income level and Occupation

Table 1: Demographic profile of the respondents

Details of the respondent		No. of Respondents	Percentage
Gender	Male	51	51
	Female	49	49
	Total	100	100
Age Group (in Years)	10 – 20	25	25
	20 – 30	40	40
	30 – 40	18	18
	40 – 50	12	12
	50 – 60	05	05
	Total	100	100

Education Qualification	SSLC	17	17
	DIPLOMA	12	12
	HSC	13	13
	UG	20	20
	PG	31	31
	None	07	07
	Total	100	100
Income level	Below 10,000	03	03
	10,000 – 20,000	35	35
	20,000 – 30,000	20	20
	30,000 – 40,000	10	10
	Above 40,000	09	09
	None	23	23
	Total	100	100
Occupation	Business	22	22
	Professional	38	38
	Non- professional	14	14
	Others	26	26
	Total	100	100

Interpretation

From this study it is evident that 51% of the respondents fall under the gender of Male, 40% of the respondents fall under the age group of 20 – 30 years, 31% of the respondents educational qualification is post graduate, 35% of the

respondents fall under the category of others, the average monthly income of 34 respondents fall under the category of 10,000 – 20,000, 38% of the respondents are fall under the category of professional.

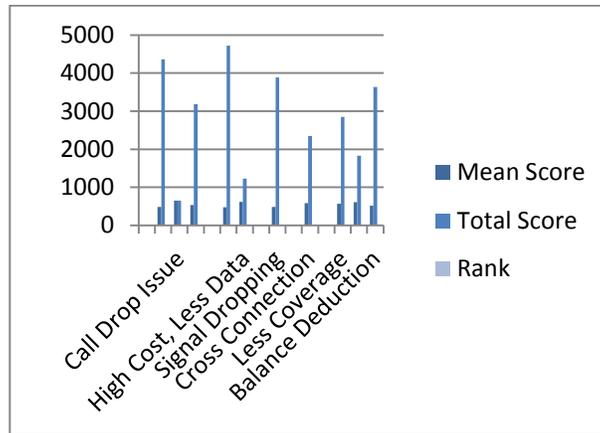
Table no: 2 Rank the problems faced by respondents while using their telecom services

S. No	Problems	Mean Score	Total Score	Rank
1	Network Speed Variation	485	4365	2
2	Call Drop	648	648	10
3	Unable to receive incoming call at the time of zero balance	530	3180	5
4	Bankruptcy	472	4720	1
5	High Cost, Less Data	614	1228	9
6	Signal Dropping	486	3888	3
7	Cross Connection	587	2348	7
8	Less Coverage	570	2850	6
9	Irresponsive answer from customer care	609	1827	8
10	Balance Deduction	519	3633	4

Interpretation

From the above study it was found that from the table is evident that, Bankruptcy is ranked as no.1 with the total score of 4720, Network speed

variation is ranked as no.2 with the total score of 4365. Signal dropping is ranked as no.3 with the total score of 3888, Balance deduction is ranked as no.4 with the total score of 3633.



Bar chart 1: problems faced by respondents while using their telecom services

FINDINGS

1. Bankruptcy is ranked as no.1 with the total score of 4720.
2. Network Speed Variation is ranked as no.2 with the total score of 4365.
3. Signal dropping is ranked as no.3 with the total score of 3888.
4. Balance Deduction is ranked as no.4 with the total score of 3633.
5. Age group of the 40% of the respondents fall under the age group of 20 – 30 years.
6. 51% of the respondents fall under the age group of Male.
7. 31% of the respondents educational qualification is post graduate.
8. 35% of the respondents fall under the category of others, the average monthly income of 34 respondents fall under the category of 10,000 – 20,000.
9. 38% of the respondents are fall under the category of professional.

SUGGESTIONS

1. The mobile service provider files for bankruptcy, because a troubles after entry of a new player. So, they should be aware in updation of

providing competitive offers by maintaining financial issues.

2. The company should upgrade their network quality & coverage because in network industry, the consumer core concern is towards the quality. Therefore in order to value the money spend by customer, the companies need to provide better quality services. So, that customer will stay loyal towards the network.
3. Mobile service providers should not activate the unnecessary services and the balance deduction without customer knowledge.
4. Mobile service provider should accept valid feedback from customer regularly and make sure that they satisfy the consumers.
5. Low income consumers will be affected mostly by these new tariff plans. TRAI, the regulatory body to take necessary strong steps against the operators
6. Call drops can typically be avoided if service providers take some measures such as optimal balancing of tariff among the different frequency layers, maximizing the service area.

CONCLUSION

Managers can derive precise code of conduct from the relational norm concept in order to tighten the relationship between the brand and the

customer. Satisfying the customer expectations with regard to relational norms will enhance the customers brand relationship quality and in turn may prevent the consumers from switching to other brands. The JIO has come up with free of national calling, SMS and 4G LTE internet services for 6 months that change the scenario of telecommunication industry. The service providers should focus on reducing the price rate and network quality. It is revealed that when the consumer is paying money on services/product

then the expects equal or greater value in return and if his current brand is unable to fulfill his exceptions than he is more like to switch brand. In this way, those companies not only bear financial loss but I also results in negative words of mouth for their company. It was further emphasized by the respondents that in networking industry the customer loyalty are at low level because of more competitive strategies applied by counter companies in telecommunication industry.

REFERENCES

- [1]. Afzal, S., Aamir, K., Sania, S., Muskan, B., Bais, A., & Anum, K. Factors Behind Brand Switching In Cellular Networks. *International Journal of Asian Social Science*, 3(2), 2013, 299-307.
- [2]. Awan, A. G., & Nadeem, N. Determinants of Brand Switching in Mobile Service Providers: A Case Study of Mobile Phone Industry in Southern Punjab-Pakistan. *European Journal of Business and Management*, 8(1), 2016, 21-35.
- [3]. Gautam, P., & Anil, C. Switching Behaviour Of Subscribers In Indian Telecom Sector. *International Journal of Research in Finance & Marketing*, 1(3), .
- [4]. Kouser, R., Saifullah, Q., Farasat, A., & Hassan, H. Factors Influencing the Customer's Satisfaction and Switching Behavior in Cellular Services of Pakistan. *Interdisciplinary Journal of Research in Business*, 2(1), 2012, 15-25.
- [5]. Saeed, R., Lodhi, R. N., & Saeed, M. S. Factors Affecting Brand Switching in Telecommunication A Case Study of Sahiwal District, Pakistan. *World Applied Sciences Journal*, 26(5), 2013, 667-671. doi:10.5829/idosi.wasj.2013.26.05.1566