

A Study Of Preference Of Telecom Operators Amongst College Students In Mumbai

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Abstract: Branding is regarded as one of the key functions of marketing. Without brand name, it is difficult to differentiate your product in the market. Branding has a lasting impact on the minds of the customers. Brand preference can thus be said as the extent to which customers or users give priority to one brand over the other. Brand preference is the result of company's dedication, hard work and quality goods and services. The goal of very organization is to improve customer loyalty as loyal customers assist the company in achieving its long term objectives of profitability and growth. In our country, the telecom industry is advancing at a great pace. The total number of telephone subscribers in India reached around 1189.28 million as on 31 July 2019(Press Release on Telecom Subscription Data as on 31/7/2019).There are several telecom providers in the market. The advent of Reliance JIO in the market has made a significant impact on the customer base of other providers. The research paper aims to study the brand preference of telecom operators amongst college students in Mumbai. It also endeavors to find out the key challenges faced by the users with reference to telecom services. Analysis is also done to know if the users are happy with the services provided by their existing telecom service provider.

Keywords: Differentiate Dedication, Key Challenges, Customer Base, and Telecom Service Provider.

1. INTRODUCTION

Telecommunication can be said as transmission of messages/information. Today, technology has made it possible to transmit large amount of data over long distances. Telecommunication is considered to be extremely important for world economy. Amongst the several gifts that science and technology have provided to mankind, telecommunication is the most important and priceless gift. The way telecommunication has changed our lives is beyond imagination. It has become an integral part of our life. Teens and even senior citizens cannot stay away from their smartphones even for an hour. Indian market has many players providing such services. Airtel, Reliance Jio, Vodafone Idea are some of the popular examples. Customer is regarded as king of the market. Customer retention and brand loyalty is the main focus of every company. In order to retain existing customers and enhance customer satisfaction, companies are forced to offer more discounts, after-sales services, quality goods and services at reasonable price. TRAI was set up in 1997 to regulate and control telecom services and tariffs in India. The main objective of TRAI is to create an ambience that promotes healthy competition and avoids exploitation of customers. Reliance Jio, Bharti Airtel and Vodafone Idea are the key telecom service providers. Reliance Jio is a wholly owned subsidiary of Reliance Industries. The success of Jio requires no introduction. Jio adopted impressive marketing strategies to capture the market share. It provided free services to users for some period of time. Customers were able to use the services for almost free. Customers also provided their feedback to the company, which helped in ameliorating their services. Jio offered 4G Services. 4G services provided the customers to use Internet at a very fast speed. It also introduced reasonable data plans. Thus, unique strategies adopted by Jio contributed to its success. Bharti Airtel or Airtel

is one of the prominent providers of telecommunication services. It enjoys customer support and has a good market share. It faces stiff competition from Jio and Vodafone Idea. The company has been spending gargantuan amount of funds for promotion, advertising and enhancing corporate image. It is operating even in the remotest regions of our country. It also has operations in over 10 countries across Asia and Africa. It is one of the leading service providers globally in terms of subscribers. Vodafone Idea is one of the leading telecom service providers, having headquarters in Mumbai. The company aims at providing delightful customer experience. It is listed on NSE and BSE.

2 LITERATURE REVIEW

According to Dimple Turka, et al, (2018), telecom sector is progressing at a good pace. Reliance Jio was launched in September 2016 and provides calling facility free of cost. Due to its attractive offers and discounts, other providers have lost a lot of subscribers. An important reason for success of Jio is 4G internet service. Internet is very popular and it has customers ranging from teens to senior citizens. The profit margin of other providers has seen a decreasing trend since the arrival of Jio. The impact is more evident in case of Airtel. According to Mahesh Bhalakrishnan, et al, (2019), telecom industry is affected by churn rate. Improvement in perceived service quality and overall customer satisfaction is the only way to achieve the goal of customer loyalty. In case of telecom sector, service quality has got various facets. It covers quality of service in terms of network coverage and quality of service in terms of customer service. Customer complaint resolution process should be simple and quick. Customers prefer the telecom provider that can resolve their complaints with ease in a limited period of time. According to Jyoti, (2019), Jio and Airtel are considered arch rivals. Both the companies are well-established in the market. Jio is comparatively more popular than Airtel. Jio is popular amongst all age groups. India is country where majority of population is the youth. Jio has been successful in attracting the young customers because of its schemes and services. According to Siddharth Kalra, et al, (2018), marketing strategies of Jio have impacted the customers of the Indian telecom industry. Aggressive pricing policy by Jio has implicitly forced other providers to drop their prices and offer more discounts. With free and unlimited calling services, Jio endeavored to capture a lion's share in the

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market and it was successful up to a great extent. Companies like Vodafone Idea and Airtel were greatly affected by such moves. According to Economic Times Article (August 22, 2019), Reliance Jio has added over 44 million active subscribers over the past six months. Bharti Airtel and Vodafone Idea have lost 20 million and 68 million clients, respectively. According to the CLSA report, over the past year Jio gained 10 ppt active subscriber market share to 28 per cent. While Vodafone Idea lost 8 ppt to 33 per cent, Bharti has lost a mere 2 ppt to 32 per cent. Ashima Pahwa (2018) stated that subscribers become churned in two ways. They become churned when don't renew their subscription and secondly when they cancel their subscription. Thus, churn rate means the proportion of customers leaving the product or service of the company over a period of time. Some important causes of high churn rate include high subscription fees and poor quality of service.

3 OBJECTIVE OF STUDY

- To understand the brand preference of telecom operators amongst college students in Mumbai
- To understand key challenges faced by users with reference to telecom services.
- To provide suggestions for improving services of telecom operators
- To ascertain if the users are content with the services provided by the existing service provider.

4 RESEARCH METHODOLOGY

Research Design: Descriptive research design is done. Survey method is used. Source of Data: Data required for the study is obtained from both primary and secondary sources. Questionnaire was used to collect data from the respondents. Description of Sample / Sample Size: The sampling unit is 90 students. Total 90 respondents are selected on convenience sampling basis. The study was based on students pursuing higher education (Graduation / Degree College) who are using telecom services in Mumbai city. Statistical Tools used: One sample Chi Square Test, Kolmogorov-Smirnov One Sample Test and Percentage Analysis.

Level of Significance: Alpha = 0.05

Limitation of the study: The study is limited to the age group of 18-20 years. Data was collected amongst the students of Mumbai city. Hence, generalization of results cannot be done.

5 DATA ANALYSIS & INTERPRETATION

5.1) Chi Square Test

Students were asked to give their preference for telecom service provider. Table 1.1 below exhibits the results:

Table 1
Preference for Telecom Service Provider

Service Providers				
Bharti Airtel	Reliance Jio	Vodafone Idea	MTNL-Dolphin	Total
36	35	19	0	90

Hypothesis:

H_0 : There is no difference in the proportion of users preferring different telecom service providers

H_1 : There is significant difference in the proportion of users preferring different telecom service providers.

Calculations and Workings

Here 'N' = 90 and k (the number of categories) = 4. E or Expected Frequency is calculated by dividing 'N' by 'k' (22.5).

Table 2

Calculations & Workings related to Chi Square Test

Service Provider	O	E	O-E	(O-E) ²	(O-E) ² / E
Bharti Airtel	36	22.5	13.5	182.25	8.1
Reliance Jio	35	22.5	12.5	156.25	6.944444
Vodafone Idea	19	22.5	-3.5	12.25	0.544444
MTNL-Dolphin	0	22.5	-22.5	506.25	22.5
Total					38.0888889

Interpretation

The critical value at 0.05 level of significance is 7.815. We observe that the calculated chi square value of 38.0888889 is far greater than the critical chi square value of 7.815. Hence, the null hypothesis is rejected. Thus, we can conclude that the preference for telecom providers is different for the users. We can also see that preference for Airtel provider is greatest and least for MTNL-Dolphin provider.

5.2) Kolmogorov-Smirnov One Sample Test

Students were asked about their opinion on the service quality provided by their existing telecom service provider, to know if they are happy with their services or not. The response is indicated on a 4 point scale ranging from Extremely Poor (=1) to Extremely Good (=4). Survey conducted provided the following results:

Table 3

Response of Users to the question pertaining to Service Quality

Question : Service Quality provided by my existing telecom service provider is				
Poor	Extremely Poor	Good	Extremely Good	Total
18	4	559	9	90

Hypothesis:

The null hypothesis here is 'There is no difference in the proportion of the user's perception about the quality of service provider.' Alternate hypothesis is 'There is a significant difference in the perception about the quality of service provided.'

Table 4

Calculations & Workings regarding Kolmogorov-Smirnov One Sample Test

	Extremely Poor	Poor	Good	Extremely Good
F = No. of users selecting particular category	4	18	59	9
Observed Frequency Proportion	0.044444	0.2	0.655556	0.1
Observed Cumulative Frequency Proportion	0.044444	0.244444	0.9	1.00
Expected Frequency Proportion	0.25	0.25	0.25	0.25

Expected Cumulative Frequency Proportion	0.25	0.50	0.75	1.00
D	-0.20556	-0.00556	0.65	0.75

Interpretation The critical D value at 0.05 level of significance is $1.36 / \sqrt{90} = 0.14335658$. Since the calculated D value of 0.75 is larger than the critical D value of 0.143356587, we can reject the null hypothesis. From the above table, we can therefore say that majority of respondents opine that the service quality provided by their existing provider is good.

5.3) Understanding the main challenge faced by the users

The Question: "The main problem that I face with my existing telecom service provider is" was answered by students as follows:

Network Issue	:	41
Call Drop Issue	:	14
Low Internet Speed	:	35

Interpretation 45.6% of the students stated that they face network issues. Around 15.6% of the respondents stated that their main problem is call drop. Nearly 39% of the users had issues with internet speed.

6 CONCLUSION

The research pointed out that the students prefer Airtel as their telecom provider. It is interesting to note that Airtel is facing very stiff competition from Jio as 36 out of 90 students voted for Airtel, while 35 out of 90 voted for Jio. No user selected 'MTNL-Dolphin' as preferred telecom service provider. It goes without saying that MTNL-Dolphin is least popular amongst the college students. The analysis also revealed that most of the users are satisfied with the service quality of their existing service provider. Today's world revolves around Internet. If nearly 39% of the users are not getting Internet speed as per their expectations, telecom service providers need to work on this issue to retain clients and enhance customer service. There is always scope for improving network services and this was opined by majority of the users (45.6%).

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