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Consumer preference on mobile connections and buyer behaviour towards reliance mobile in Salem city

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ABSTRACT

The Study entitled “As Study on the consumer preference on various mobile connections and buyer behaviour” was conducted in Salem with special reference to RELIANCE INFOCOMM. The study was undertaken to know the preference level of consumers towards various mobile connections. Both primary and secondary data was collected by interview method and referring the company manual and website of the company. The statistical tool used in the study was percentage analysis, weighted average Method, chi square test, one sample run test. The limitation of the study was that the data provided by the respondents may be false at times and it is confined to 200 consumers only and conducted in Salem only.

Introduction

Communication is the life blood of modern businesses and a part in life style. Telecommunications industry grown from earth to sky in a short span of time. In the earlier days there was no or less competition because the demand was more than supply. After globalization the scenario has changed entirely, many players entered in to the business and privatiozation came into existence. What ever the business may be there is one in common Consumer preference.

Now-a-days even they try to delight the customers. This plays a very vital role because one satisfied customer will bring many other customers. In the present media world one can take up many promotional methods. For any brand a satisfied customer is the best ambassador because of the trust factor. Customers will tend to believe in those words of people whom they know than that of third person in the name of brand ambassador.

This project deals with the service industry. Servicing in India is found to have a continuous growth in the past. That also divided as organized and unorganized, in the past market was filled with the unorganized services. But now the emergence of organized services benefits the customer than ever before. To have a better understanding a detailed description is given.

Statement of the Problem

Service industry is found to have continuous growth in the past Due to the growing competition. A service company needs to undertake many steps to remain in the industry and being profitable. One of such measures is that conducting a survey to understand the consumer preference. It helps the service to identify the strengths and weaknesses of the oulet from the customer’s perspective. This study aims to reveal the consumer preference towards the service offered by various mobile connections and also the buyer behavior. This study is to mainly focus on different attributes that Constibute to the consumer preference and to provide suggestions to improve the quality of service been rendered and to focus one building market share.

Objectives of the Study

1. To identify the attributes of various telecom service that influence on an individual’s choice among alternatives.
2. To identify the primary use of a mobile connection.
3. To find out the offers expected by the customers in the future and also understand their need.
4. To identify the brand preference over the competing brands and their services.
5. To identify the frequency level of occurrence of problems faced by the consumers generally.

Scope of the Study

It helps the organization to understand the consumer psychology on choosing the services so that easily the easily the services can be positioned. It assesses the preference of choosing the Reliance India Mobile by the consumer perception towards Reliance India Mobile and other competing brands. It also helps to asses the real opinion and mindset of consumers and aids to meet out their expectation in future in turn that will increase the volume of sales. It helps the company to understand the efficiency of existing service providers to the consumers, so that it can create the root for further improvement. It identifies the usage level of the consumer so that it helps the company to educate the customes towards the services availability. So that it really creates an impact on consumer preference towards the services.

Sources of Data

The task of collecting data begins after a research problem has defined and the plan has been chalked out. This study pertains to collection of data through primary and secondary sources.

Instruments Design

Questionnaire Design

Designing and implementing the question is one of the most interesting and challenging tasks of conducting research and

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analysis. This questionnaire has revealed the importance of the above.

The researcher has used questionnaire for the following purposes:

1. For analyzing the consumer preference towards RIM and other competitors brand services.
2. To study the interest and awareness level towards the Reliance India Mobile.
3. To know the opinion of different set of consumers towards a particular brand and identifying the reaon for choosing a particular brand over the other brands.

Limitations of the study

- The survey was limited salem city only.
- The survey covers five variants of competing brands that includes
- Aircel, BSNL, Airtel, Hutch, and Tata Indicom.
- The number of respondents was limited to 200 only.
- Some of the respondents were not openin giving their opinions. This is normal in any field Study.

Organisational Overview- Reliance Group

The Reliance group founded by Dhirubhai. H. Ambani (1932-2002) is India's larget business house with total revenues of over Rs.99,000 Crores (US $ 22.6 Billion), Cash Profit of Rs. 12,500 Crores (US $ 2.8 Billion), net profit of Rs 6,200 Crores (US $ 1.4 Billion) and Exports of Rs. 15,900 Crores (US $ 3.6 Billion)

The groups's activites span exploration and production (E & P) of oil and gas, Refining and marketing, petrochemical (Polyester, Polymers, and Intermediates), textiles, Financial services and Insurance, Power, Telecom and Infocom iniatives. The group exports its products to more than 100 countries world over. Reliance Emerged as India's most admired business house, for third successive year in the TNS Mode survey for 2003. Reliance group revenue us eqyuvakebt ti aviyt 3.5 % of India's GDF. The group contributes nearly 10 % of country's indirect tax revenues and over 6 % of India's exports. Reliance is trusted by an investor family of over 3.1million Indias Largest.

Rural Communication in India

- India's largest mobile operator takes the lead to reach out to 65 crores Indians.
- Two out of three villages to be covered with voice and data access.
- Massive network to roll out to benefit 90 % of India's habitats- covering 91% of national highways.

In one of the largest and faster and fastest ever network roll out operations in the world, Reliance Infocomm has embarked on an ambitious expansion plan to reach out to 4.5 Lakh villages by the end of 2006, The company's 80,000 Km of terabic optic fiber cable network forms the backbone of the country wide expansion, which will facilitate unlimited and uninterrupted voice data and video applications.

Rural Community Phone

Rural community phones (RCP's) provided in the villages where population exceeds 2000, after achieving the target of one VPT in every village.

These RCP's may be provided in public places such as shops schools, primary Health Centers etc with STD Facility generally available on them. Reliance Infocomm is committed to install about 22,000 RCP's covering 61 districts in 11 states. They are planning to install about 15,000 RCP's before end of 2005 and rest by 2006.

Rural Household DELs in other Telecom

Rural Houosehold DELs (RDELs) are the one provided in the talukas which are declared as rual taluka. Fixed Wireless phone/Terminal (FWP/T) of CDMA Technology is planned as RDELs. Reliance Infocomm committed to provide RDELs in 61 Districts covering 203 talukas in India. They are planning to roll out 6,100 by September 2007.

Survey Result

Table 1.1 Showing the Distribution of Respondents on the Basis of Age

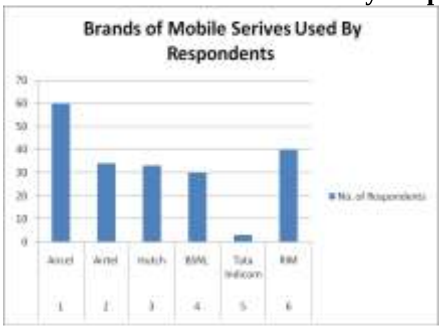
S.No	Age Level	No. of Respondents	Percentage (%)
1	15-25	76	38
2	25-35	65	32.5
3	Above 35	59	29.5
	Total	200	100

The Respondents are high Level of the age group between 15-25 years. The age level above 35 years has the least number of respondents.

Table 1.2 Showing the Distribution of Respondents on the Basis of Age

S.No	Brand Name	No. of Respondents	Percentage (%)
1	Aircel	60	30
2	Airtel	34	17
3	Hutch	33	16.5
4	BSNL	30	15
5	Tata Indicom	3	1.5
6	RIM	40	20
	Total	200	100

Fig 1.2 Brands of Mobile Servces used by Respondents

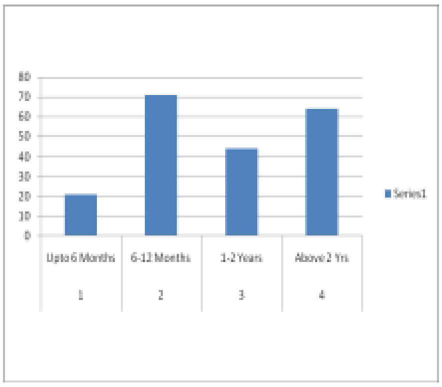


In 200 respondents 40 (20%) of the respondents are satisfied with RIM and are using It. 30% of the respondents use Aircel.

Table 1.3 Showing Tennure of Using Mobile from a Same Brand

S.No	Using Months	No. of Respondents	Percentage (%)
1	Upto 6 Months	21	10.5
2	6-12 Months	71	35.5
3	1-2 Years	44	22
4	Above 2 Yrs	64	32
	Total	200	100

Fig 1.3 Tennure of using the same mobile service form a same brand



35.5% of the Respondents are using the same mobile service for 6-12 Months and 32% of the respondents use it for more than 2 years.

Table 1.4 Showing type of Connection taken by the Respondents

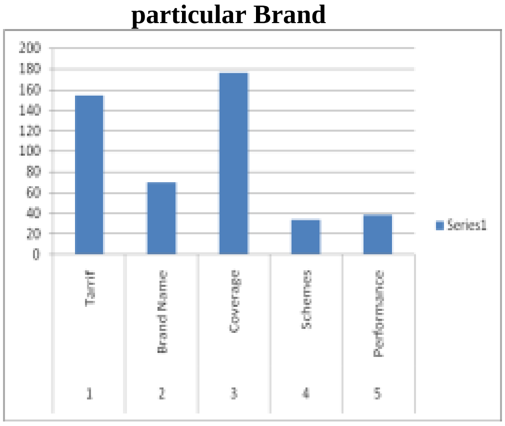
S.No	Type of Connection	No. of Respondents	Percentage (%)
1	Prepaid	116	58
2	Postpaid	84	42
	Total	200	100

Most of the Respondents prefer Prepaid Connection for their mobile. 58 % of the respondents has preferred prepaid connection.

Table 1.5 Showing Fluencing Factors while purchasing a Particular brand

S.No	Influencing Factors	No. of Respondents	Percentage (%)
1	Tarrif	154	31
2	Brand Name	70	14.1
3	Coverage	176	35.4
4	Schemes	33	6.5
5	Performance	38	7
6	Others	25	6
	Total	200	100

Fig 1.5 Influencing Factors while purchasing a particular Brand



Major factors influenced respondents while using the particular mobile service are Coverage (35.4%), Tarrif (31%), Schemes (6.5%), Brand Name (14.1%), performance (7%) and others (6%).

Table 1.6 Showing Primary Usage of a Mobile Connection

S. No.	Primary Usage	No. of Respondents	Percentage (%)
1	Voice	80	40
2	SMS	68	34
3	VAS	43	21.5
4	Internet/GPRS	6	3
5	MMS	3	1.5
	Total	200	100

Out of the 200 respondents 40% of them's Primary usage of mobile connection is voice (Speaking), 34% of the respondent's primary usage is sending SMS, 21.5% have a mobile connection for the Value Added Service that the service provider.

Table 1.7 Showing future changes Expected by the Respondents

S. No.	Offers Expected In	No. of Respondents	Percentage (%)
1	Outgoing Rates	116	58
2	SMS Tarrif	47	23.5
3	Internet/GPRS	28	14
4	Others	9	4.5
	Total	200	100

58% of the Respondents expect changes in the outgoing rates and 23.5% of the respondents expect changes in the SMS Tarrif.

Table 1.8 Showing consumers Response about Service of their brand

S. No.	Level of Satisfaction	No. of Respondents	Percentage (%)
1	Excellent	41	20.5
2	Good	116	58
3	Moderate	42	21
4	Poor	1	0.5
	Total	200	100

58% of the respondents feel that the service of their brand is good. 21% of the respondents feel that the service is Moderate.

Analysis and Interpretation on RIM

Table 1.9 Showing Age Level RIM Respondents

S. No.	Age Level	No. of Respondents	Percentage (%)
1	15-25	5	13
2	25-35	15	37
3	Above 35	20	50
	Total	40	100

The Respondents are high Level of the age group Above 35 years that is 20 Respondents. The Age level between 15-25 have the least number of respondents.

Table 1.10 Month of Using Mobile Services from RIM by the Respondents

S. No.	Using Months	No. of Respondents	Percentage (%)
1	Upto 6 Months	2	5
2	6-12 Months	5	12
3	1-2 Yrs	12	30
4	Above 2 Yrs	21	53
	Total	40	100

Table 1.11 Showing type of Connection Given by RIM Respondents

S. No.	Using Months	No. of Respondents	Percentage (%)
1	Prepaid	29	72
2	Postpaid	11	28
	Total	40	100

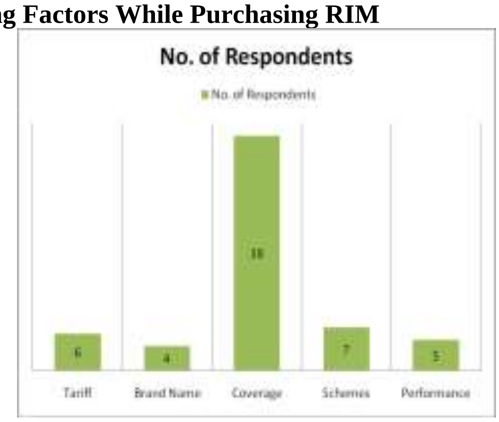
Most of the Respondents feel that Prepaid is cheaper than Postpaid and 72% of the respondents prefer Prepaid to Postpaid.

Table 1.12 Showing Influencing Factors While Purchasing RIM

S. No.	Primary Usage	No. of Respondents	Percentage (%)
1	Tariff	6	10
2	Brand Name	4	6.7
3	Coverage	38	63.3
4	Schemes	7	11.7
5	Performance	5	8.3
	Total	60	100

Fig 1.12 Influencing Factors While Purchasing RIM

Influencing Factors While Purchasing RIM



Influencing Factors

Major factors influenced respondents while using the particular mobile service are Coverage (63.3%), Schemes (11.7), Tarrif (10%) and Brand Name (6.7%) and Performance (8.3%)

Table 1.13 Showing future offers Expected by the RIM Respondents

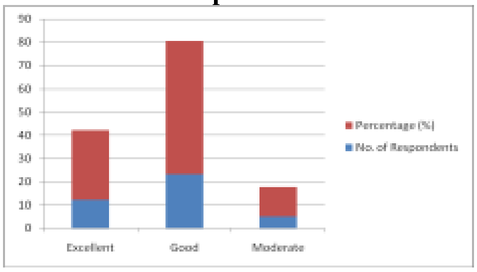
S. No.	Offers Expected In	No. of Respondents	Percentage (%)
1	Outgoing Rates	12	30
2	SMS Tarrif	19	48
3	Internet/GPRS	7	17
4	Others	2	5
	Total	60	100

48% of the respondents expect changes in the SMS Tarrif and 30% of the respondents expect changes in Outgoing Rates.

Table 1.14 Showing customer Responses on RIM Service

S. No.	Level of Satisfaction	No. of Respondents	Percentage (%)
1	Excellent	12	30
2	Good	23	57.5
3	Moderate	5	12.5
4	Poor	0	0
	Total	40	100

Fig 1.14 Customer Responses on RIM Service



53.3% of the Respondents feel that the Service of RIM is good and 33.3% of the respondents feel that the service of RIM is Excellent.

Chi-Square Analysis

Table No 15. Age Group and Brands of Mobile Connections Used by Respondents

Brand/Age Group	Aircell	Airtel	Hutch	BSNL	RIM	Tata Indicomm	Total
15-25	9	16	22	3	24	2	76
25-35	24	13	5	13	10	0	65
Above 35	27	5	6	14	6	1	59
Total	60	34	33	30	40	3	200

Null Hypothesis (Ho) – There is No significant Relationship Between Age and Brands of mobile Connections used by Respondents.

Alternative Hupothesis (H1) – There is No significant Relationship Between Age and Brands of mobile Connections used by Respondents.

Chi – Square Analysis Calculation

Calculated Chi-Square - 3.05
Degrees of Freedom - 3
Table Value - 7.185
Significant Result - Significant at 5% Level

It is found from the above analysis that calculated Chi-Square value is lesser than the table value at 2 degrees of freedom and null Hyupothesis accepted. There is no close significant relationship between the age group and Brands of mobile connections Used by Respondents.

Findings

Findings of Mobile Using Segment:

1. 38 % of the Respondents using Mobile Services being surveyed are among the age group of 15-25 and 32.5% of the respondents are coming under the age group of 25-35 years.
2. The respondents who belong to Male Gender constitute 89.5%
3. 38.5 % of the mobile users is working in an Private organization. 29.5% of rthe respondents are doing Business and 15.5% of the respondents are students.
4. In 200 respondents 40 (20%) of the respondents are satisfied with RIM and are Using it. 30% of the respondents use Aircel.
5. 35.5 % of the respondents use the same brand from 1-2 Years and 32% of the Respondents use the same brand for more than 2 Years.
6. 58% of the respondents prefer prepaid to Postpaid
7. Major factors influenced respondents while using the particular mobile service Are Coverage (34.1%), Tarrif (31%) Schemes (6.5%) Brand Name (14.1%), Performance (7%) and Others (6%).
8. 40.5% of the Respondents prefer the mobile Service by their Friends. 30% of the Respondents prefer the service Recommended by Sales Executives This shows. That Word of Mouth is the most powerful Media.
9. Out of the 200 respondents 40% of them are primary usage of mobile Connection is voice (Speaking), 34% of the respondents primary Usage is sending SMS,21.5% have a mobile connection for the Value Added Service that the service provider gives.
10. 58% of the Respondents expect change in the outgoing rates and 23.5% of the respondents expect changes in the SMS Tarrif.
11. 58% of the respondents feel that the service of their brand is Good 21% of the respondents feel that the services is Moderate.
12. 36% of the respondents have strongly recommended not switching over to Competitor's Mobile Connection. 49% of the respondents think Vice Versa.

Findings on RIM Segment

- Out of the 40 Respondents 50% of the respondents are of the age group of above 37% of the respondents are of the age group between 25-35 and 13% of the respondents are of the age group between 15-25.
- 53% of the respondents are satisfied with the RIM and are using the same brand for above 2 Years and 30% of the respondents are using the same brand for 1-2 Years.
- 72% of the RIM customers have given prepaid connection for their Mobile and 28% of the Customers have preferred Postpaid.
- Influencing Factors while purchasing RIM are Coverage (63.3%), Schemes (11.7%) , Tarrif (10%) , performance (8.3%), Brand Name (6.7%).
- Future changes expected in RIM by their customers are in SMS Tarrif (48%), outgoing Rates (30%), Internet (17%), others (5%). 57.5% of the respondens fel that the service of RIM is good, 30% feel that it is Excellent and 12.5% of the respondents feel that the service is Moderate. None of them feel that the series of RIM is poor.
- 70% of the RIM strongly recommends not switching over to the competitiors Brand.

Suggestions:

Most of the respondents are not aware of the schemes of REliance India Mobile. BEcause of that they (Especially Student's level Customers) perceive RIM Schemes are not useful. Only 13% of the respondents use the RIM of the age group between 15-25, according to the survey. This reason cause major influences some customers to go for the competitor's brand. So proper communication can be given to the spublic and proper positioning (schemes) can be done in order to remove the constraint (Psychological Positioning).

Many of the respondent's opinion is that in all the mobile service's prepaid connection SMS are free but in RIM Whether it be prepaid or postpaid SMS is not Free. It is the running advantage for the competitor, that thjey have positioned their services. So the company can clearly differentiate the services, features particularly schems aspect in ths case (can be said as Unique Service Positioning) so that the competitors advantage can be broken tactically. (Opinion of the Customers)

RIM is the best for Coverage all over Tamilnadu but the Bill collection centers can be More, so that the RIM Service can be improved. (Opinion of the Customers).

The Company can open more service outlest at various places apart from dealers point by giving franchise to outsiders. So that the service network can be expanded rapidly this aids the company to improve market share quickly.

The company can go for providing plus 1 service to the customers in order to make the customers to the delighted customers. (E.g) Birthday wishes through SMS, Yearly Get together of consumers at dealership pint with entertainment and competitions, Free General check up camps for the service, small social ac tivities ETc.,), So that in the long run it can create more references and consumer Base. And it Enhances relationship Marketing.

Efforts can be taken to popularize the sercice, service differentitation through appropriate publicity measuresw.

Care should be taken to improve the service efficiency that aids to retain the existing customers.

Conclusion

In this competitive world, every company has to make valuiable decision for profit maximization through sales maximization. Every organization should strive to make consumer satisfaction its work culture. In order to ensure development who, by their thinking, direction, and action, should convey clear meassage down the line without any ambiguity. It should not happen that the organization keeps the loftly objective only for publicity and lip service and actual actions are oriented in some other directions. The management should ensure that the staffs are trained to service the customer in a way that leaves a lasting impression on him.

In the mobile service industry, service differentiation only highlights the company from the competitors. The Project is done for Reliance India Mobile (RIM) The project identifies the consumer preference of various mobile connect ions and Buyer Behavior in salem. It also provides some strategies to increase consumer preference on RIM and Make the consumer satisfied. The organization should ensure that its systems like Quality. performance, Service and Complaint and Designed to achieve Excellence and Consumer Delight. It is obvious that these suggestions are implemented; RIM can place a domiant position in the minds of the customers.

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