

A STUDY OF USER PREFERENCES TOWARDS THE CELL PHONE SERVICE PROVIDERS OF PUNE CITY

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ABSTRACT

The present study is conducted with a principal objective of understanding the preference of cell phone users towards different Service Providers with reference to Pune city. The cell phone users have different demographic profiles and so is there choice for the service providers. The profiles also affect their choice for the prepaid and post paid services.

A well structured schedule was prepared for conducting this study. The present study is conducted in Pune city with a sample size of 400 users from different parts of Pune city. The data collected through a structured questionnaire was analyzed using SPSS and the statistical tool used for the same is Chi Square test of independence. The study is based on two hypotheses framed to understand the user preference based on the category of the cell phone users of Pune city.

Keywords: Cell phone service provider, Chi Square test, User preference

INTRODUCTION:

Cellular phones today are no more restricted to voice communication. There is a big list of cell phone services being used. Mobile devices are growing in popularity with reduction in prices and improved functionality. Consumers prefer the flexibility and versatility of mobile phone. Mobile phone facilitates easy and faster means of communication and one can communicate with family, friends and transact the business anywhere, anytime at a reasonable cost.

In recent times, there have been tremendous changes in the life styles, living standards, behavioural patterns and level of awareness among the customers. Technological Innovations and Information Technology have brought vast changes in the Cell Phone Industry and further brought changes in the mindset of the customers. The rapid growth of Middleclass section is the primary reason for the growth of Cell Phone Industry. Cellular Phone service industry is one of the fastest growing industries in India. This growth can be attributed to the Growing Indian Economy, Favourable Government Policies and Advanced Cell Phone Technology.

Pune city is one of the fastest developing cities in India. It has achieved the reputation of Education Hub, Auto cluster and an IT hub. It is also an important city as far as the defence services are concerned. Thus the city has attracted the students and professionals from all over the country. It has also a vast population of industrial workers from auto industry and software industry. So also the people from all over the country have set up their enterprises in the city.

People with different demographics use the cell phone differently. The information needs of these segments are also different. With an array of services being offered at very competitive rates the customers have become very demanding and rigid. Hence it is worthwhile to study the preference of such multicoloured population for the cell phone service providers.

OBJECTIVE OF THE STUDY:

1. The main objective of the present paper is to study the user preference for cell phone service providers of Pune city.
2. The secondary objective of the study is to understand the user preference towards the pre-paid and post-paid services.

HYPOTHESIS OF THE STUDY:

1. User category and choice of service provider are independent.
2. User category and choice of connection (prepaid or postpaid) are independent.

REVIEW OF LITERATURE:

1. Dr. K. Maruthamuthu, K. Krishnakumar and M. Vasan (2006) have studied the Consumer Behaviour and Brand Preference of Britannia Biscuits with reference to Salem Tamil Nadu with the objective of understanding Brand Preference of Britannia Biscuits. Chi-square test was used to test the hypothesis. They have also studied the association of influencers and purchase decision.
2. Girish Taneja and Niraj Kaushik (2007) studied the Customer's Perception towards mobile service providers in Bhivani and Hisar districts of Haryana. They have tried to identify the factors responsible for the perception of the customers. These factors according to their hierarchy of importance are Customer Care, Service factor, Call Rates and Promotion. Factor Analysis technique was used for naming the factors. Further the hypothesis testing was done using ANOVA between the factors stated above and the demography of the customers.

SOURCES OF DATA:

The present study was carried out in the Pune city of Maharashtra State. The present research depends upon the Primary and Secondary data sources. They are as follows:-

1) PRIMARY DATA:

A structured Questionnaire was prepared for carrying out the present research. Further, a systematic survey of the Pune city was conducted.

2) SECONDARY DATA:

The present research is also depends upon the secondary data from different journals, magazines, company websites etc.

SAMPLE SIZE: - 400

SAMPLING TECHNIQUE: - Stratified Random Sampling.

USER (RESPONDENT) CATEGORIES:

1. Servicemen: 126
2. Students: 112
3. Business men :88
4. Home makers: 74

SCOPE & LIMITATIONS OF THE STUDY:

This study is not universal study. This is sample study. This study is only limited to Pune city of Maharashtra State. This study is limited to the student users of different mobile service providers. Further this study possesses all the limitations of the biased customer respondents.

TOOLS USED FOR ANALYSIS OF DATA:

Chi square test of independence.

ANALYSIS & RESULTS:

**TABLE-1: PROVIDER WISE AND USER CATEGORY WISE
DISTRIBUTION OF THE CELL PHONE USERS**

| Service Provider | No of Student Users | No of Businessmen Users | No of Servicemen Users | No of Homemaker Users |
|------------------|---------------------|-------------------------|------------------------|-----------------------|
| Idea | 18 | 23 | 42 | 32 |
| Airtel | 27 | 21 | 24 | 16 |
| Vodafone | 10 | 15 | 24 | 10 |
| Reliance | 15 | 12 | 10 | 8 |
| DOCOMO | 15 | 4 | 7 | 3 |
| BSNL | 7 | 6 | 9 | 5 |
| Aircel | 6 | 2 | 0 | 0 |
| Virgin | 4 | 2 | 0 | 0 |
| Tata Indicom | 5 | 0 | 7 | 0 |
| MTS | 2 | 0 | 2 | 0 |
| Uninor | 3 | 3 | 0 | 0 |

(Source: Primary Data)

The contingency table shows the Major players being Idea, Airtel, Vodafone, Reliance, Docomo and Virgin. Other providers are not significant with no of users in single digit.

TABLE-2: USER CATEGORY WISE CHOICE OF CARD

| Card Type | Student Users | Businessmen Users | Servicemen Users | Homemaker Users | Total |
|--------------|---------------|-------------------|------------------|-----------------|------------|
| Pre-paid | 100 | 56 | 91 | 54 | 301 |
| Post-paid | 12 | 32 | 35 | 20 | 99 |
| Total | 112 | 88 | 126 | 74 | 400 |

(Source: Primary Data)

The table2 shows the number of users from different categories for the pre paid and post paid services. Business men use the post paid services more as compared to other categories. Whereas students are the lowest users of post paid services.

PROVIDER WISE ANALYSIS:

IDEA:

It is the leading service provider with total 115 users from all categories. Highest number of users that is 42 is from servicemen category followed by home makers, businessmen and students. Lowest number of users that is

18 belongs to students category.

AIRTEL:

It is the second highest service provider with a total of 88 users from all categories. Highest number of users that is 27 is from students category followed by servicemen, businessmen and home makers. Lowest number of users that is 16 belongs to home maker category.

VODAFONE:

It is the third important service provider with 59 users from all the categories. Highest number of users that is 24 is from servicemen category followed by businessmen. Students and home makers have the same number of users that is 10.

RELIANCE:

It is the fourth number of service provider as far as the number of users is considered. It has a total of 46 users from all categories of users. Highest number of users that is 15 is from the students category followed by businessmen and servicemen. Home makers have as much as 8 users and it is the least number of users.

DOCOMO:

It is the fifth service provider with the user base of 29 consisting of all the categories of users. Highest number of users that is 15 is from the students category followed by servicemen and businessmen. Home makers have as much as 3 users and it is the least number of users.

BSNL:

It is the last significant service provider with 27 users from all the categories of users. Highest number of users that is 9 are from servicemen category followed by Students and businessmen. Home makers have the same number of users that is 5.

OTHER PROVIDERS (NON-SIGNIFICANT):

All other service providers are insignificant. They have no presence in one or more number of categories of users. Except for the students who use the services of all these providers. Tata Indicom is the important provider in this category of providers because it has maximum number of users that is 12.

USER WISE ANALYSIS:

SERVICEMEN:

It is the most significant category with a total of 126 users. They are the prominent users of Idea (42 users), Vodafone (24 users), BSNL (9 users) and Tata Indicom (7 users). The servicemen are not using the services of Aircel, Virgin and Uninor all together.

STUDENTS:

It is the second significant category with a total of 112 users. They are the prominent users of Airtel (27 users), Reliance (15 users). This category has unique distinction of having their share with all the service providers. It is therefore clear that they are very quick to respond new changes in the market.

BUSINESSMEN:

This category of users has 88 users and it is the third important category of users. Except for Tata Indicom and MTS they also have their share with all other providers but they are not prominent with any of the providers.

HOME MAKERS:

This is the fourth important category with total no of 74 users. They are not using many of the newly launched services and also they are not prominent users of any provider. That way they are slow to respond to the new services in the market.

HYPOTHESIS TESTING:

HYPOTHESIS 1:

H_0 = User category and choice of service provider are independent.

H_1 = User category and choice of service provider are dependent.

| Service Provider | Student Users | | | Businessmen Users | | | Servicemen Users | | | Homemaker Users | | | Total |
|--|---------------|------------|-----------|-------------------|------------|----------|------------------|------------|-------------|-----------------|------------|--------------|------------|
| | Obs. Freq. | Exp. Freq. | χ^2 | Obs. Freq. | Exp. Freq. | χ^2 | Obs. Freq. | Exp. Freq. | χ^2 | Obs. Freq. | Exp. Freq. | χ^2 | |
| Idea | 18 | 32.2 | 6.26 | 23 | 25.3 | 0.2 | 42 | 36.2 | 0.92 | 32 | 21.3 | 5.41 | 115 |
| Airtel | 27 | 24.6 | 0.23 | 21 | 19.4 | 0.1 | 24 | 27.7 | 0.50 | 16 | 16.3 | 0.00 | 88 |
| Vodafone | 10 | 16.5 | 2.57 | 15 | 13 | 0.3 | 24 | 18.6 | 1.58 | 10 | 10.9 | 0.08 | 59 |
| Reliance | 15 | 12.9 | 0.35 | 12 | 10.1 | 0.3 | 10 | 14.5 | 1.39 | 8 | 8.51 | 0.03 | 46 |
| DOCOMO | 15 | 8.1 | 5.83 | 4 | 6.38 | 0.9 | 8 | 9.14 | 0.14 | 3 | 5.37 | 1.04 | 29 |
| BSNL | 7 | 7.6 | 0.04 | 6 | 5.94 | 0 | 9 | 8.51 | 0.03 | 5 | 5 | 0.00 | 27 |
| Others (Aircel, Virgin, Tata Indicom, MTS, Uninor) | 20 | 10.1 | 9.76 | 7 | 7.92 | 0.1 | 9 | 11.3 | 0.48 | 0 | 6.66 | 6.66 | 36 |
| Total | 112 | | 25 | 88 | | 2 | 126 | | 5.04 | 74 | | 13.22 | 400 |

For Degree of freedom 18 and Probability (level of significance α) =5%=0.05 the calculated value of χ^2 is 45.26 which is more than the tabled value of 28.8693 and lies in the critical region therefore the null hypothesis is rejected. Alternative hypothesis is accepted which is "User category and choice of service provider are dependent" is accepted.

HYPOTHESIS 2:

H_0 = User category and choice of connection (prepaid or postpaid) are independent.

H_1 = User category and choice of connection (prepaid or postpaid) are dependent.

| Card Type | Student Users | | | Businessmen Users | | | Servicemen Users | | | Homemaker Users | | | Total |
|--------------|---------------|------------|--------------|-------------------|------------|-------------|------------------|------------|-------------|-----------------|------------|-------------|------------|
| | Obs. Freq. | Exp. Freq. | χ^2 | Obs. Freq. | Exp. Freq. | χ^2 | Obs. Freq. | Exp. Freq. | χ^2 | Obs. Freq. | Exp. Freq. | χ^2 | |
| Pre-paid | 100 | 84.28 | 2.93 | 56 | 66.22 | 1.58 | 91 | 94.82 | 0.15 | 54 | 55.69 | 0.05 | 301 |
| Post-paid | 12 | 27.72 | 8.91 | 32 | 21.78 | 4.80 | 35 | 31.19 | 0.47 | 20 | 18.32 | 0.15 | 99 |
| Total | 112 | | 11.85 | 88 | | 6.37 | 126 | | 0.62 | 74 | | 0.21 | 400 |

For the Degree of freedom 3 and Probability=0.05 the calculated value of χ^2 is 19.05, which is more than the tabled value 7.814728 and lies in the critical region the null hypothesis is rejected. Alternative hypothesis is accepted which is "User category and choice of card (prepaid or postpaid) are dependent" is accepted.

CONCLUSION:

The choice of service provider as well as connection (Pre-paid or post-paid) depends upon the profession. It means that the people of different user categories opt for different service providers and connection which are more suitable for specific requirements of the user categories and obviously the convenience.

Home makers are not using many of the newly launched services and also they are not prominent users of any provider. That way they are slow to respond to the new services in the market.

Servicemen are not using the services of Aircel, Virgin and Uninor all together. But students category has unique distinction of having their share with all the service providers. It is therefore clear that they are very quick to respond new changes in the market.

Airtel has highest number of student users. It may be because of various packages like Campus connect, Airtel friends etc. meant for students. Except for Tata Indicom and MTS, the businessmen have their share with all other providers but they are not prominent with any of the providers.

SUGGESTIONS:

1. Idea is a leading cell phone service provider but its student's base is least. Pune city is Education Hub with large number of Universities and Institutes. Foreign universities are having tie ups with the home universities and institutes. Also these universities will start their own campuses very soon. Therefore the number of students is going to be more and more. Hence Idea should come forward with more and more special offers for students of Pune city. Same is true for Vodafone also.
2. Home makers are the least number of users of any cell phone service. They are not prominent with any of the service providers and hence all the service providers should try to focus on this category of users.
3. As per the hypothesis 1, choice of service provider is dependent on the user category. Hence all the service providers should focus primarily on the prominent category of users and try to retain them.
4. Similarly as per the hypothesis 2, choice of prepaid or post paid service is dependent on the user category. The service providers should try to retain the existing pre paid customers by converting them in to post paid.

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