

Factors behind Brand Switching in Telecom Industry

Dr.M. Siva Koti Reddy

Associate Professor, Department of Management studies, Vignan's Foundation for Science, Technology and Research, Guntur

N. Chandra Sekhar

Student, Department of Management Studies Vignan's Foundation for Science, Technology and Research, Guntur

Abstract: *The purpose of the study is to check the factors behind brand switching in Telecom service providers in Guntur city of A.P. The study was conducted in May 2019 by 120 respondents were selected on the basis of convenient sampling. By conducting survey I have gathered responses. After the analysis I found that from all the factors (problems) Inconvenience, services failure and price of Call, SMS, GPRS are the reasons behind brand switching but service failure did not that much affect brand switching. Mobile service providers can control these factors to make mobile subscribers loyal and to retain them on their network.*

Keywords: *Brand switching, price, inconvenience, service failure*

1. INTRODUCTION

Telecommunication industry in India is growing extra ordinarily, and it stand world's second-largest telecommunications market, with over 1.053 billion subscribers as on 31 August 2016.. The wireless segment is 97.36 per cent of total telephone subscriptions which dominates the market. It has also been growing at a brisk pace. And it has the world's second-largest Internet user-base. There were 342.65 million internet subscribers as on 31 March 2016.

From compare to past telecom industry has grown up highly and rate of penetration also increased, the customer base also increasing. In case of mature market, stealing the customer/ users of competitors and retaining its own customers has become most important and necessary strategy for the service firms.

In this competitive environment organizations must consider other factors to maintain their customers to get distinctive competitive edge. Efficient retention management encountered these other factors that are caused customer dissonance and intrigue customer to switch from one product / service to other. Telecom Industry relating to mobile service providers have also many factors impacted on customer's behavior due to competitive environment. That Results switching behavior of customer in case of dissonance and sustainability in scenario of customer satisfaction. Brand switching is known word that we may define as "A process in which consumers shift or switch from one product/ service to another regarding usage but with similar/homogenous category." In mobile service providers these switching behavior are increasing gradually due to factors like price, service failure, inconviency and customer satisfaction etc.

2. CELLULAR NETWORKS OF INDIAN TELECOM INDUSTRY

There are five major telecommunication service companies that are currently functioning in India including Airtel, Idea, Jio, Vodafone, BSNL. They are very stiff competition between the firms. The competition between networks based on offers like 4G LTE, value added services International roaming, SMS bundle, late night offers and customer service such as Jio come up with the free services (for six months) like 4G LTE (without 2G and 3G based services), free calling and SMS across India and which change the whole scenario of Indian telecommunication and high competition started which led to price war.

Changing from one network service to other has become common now a days. We have chance to switch from one service to another without changing our mobile number with the help of 'PORT'.

3. SCOPE OF THE STUDY

The study of this topic hold much importance for the Telecom Service Providers to determine the major factors influencing for switching in this hyper competitive era, to retain the customer by providing value offer to keep them satisfy and to make them loyal. The researcher has studied only three factors in the study, research can be done further by studying the other factors. The study can be done in metro city and in national level to find the maximum accuracy and exact influencing factor.

4. OBJECTIVES OF THE STUDY

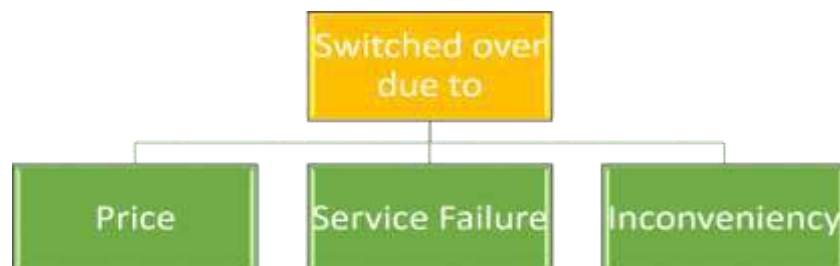
1. To analyze determinants that impact brand switching in mobile service providers.
2. To study the satisfaction level of customers towards service providers in context of brand switching.

5. LITERATURE REVIEW

Abdul, Awan, Nassir Nadeem et al.(2016) have conducted research to find the Determinants of Brand Switching in Mobile Service Providers in Southern Punjab-Pakistan using structured questionnaire and found that the determinants like, customer satisfaction, customer services, price, service failure, and inconvenience have significant impact on brand switching.

Rashid Saeed, et al.(2013) have conducted research study in Sahiwal District of Pakistan to find the Factors Affecting Brand Switching in Telecommunication. The outcome of their results shows that inconvenience and price of Call, SMS, GPRs were the reason behind brand switching but service failure was not that much affect brand switching.

6. CONCEPTUAL FRAMEWORK



Price

A price is the amount paid on exchange of goods and services. price plays a crucial role in the area of marketing. The charge of product or service straightly depends on sale. In the sector of telecommunication members mostly choose small pricing in internet (for 4G LTE,3G services) packages, message packages and in value added services etc. Difference in call or message packages at different times regarding tariff gives a clear distinctive edge for cellular companies. It's not mandatory for customers that price is a essential factor for switching it may be caused by other reason like service

Inconvenience

Inconvenience is the expression of discomfort .In other words Inconvenience means feel dissonance or un-prompt respond regarding associated services or facilitations. These are Unethical issues with various conditions like , Subscription of your SMS, MMS and call packages are not on time, Packages are activated automatically without intimation or intentions to customer, charged an extra amount against subscription of packages, balance is usually happen etc. It's different with customer services as customer services are supporting to customer but systematic issues resist.

Service Failure

Service failure factor related to many symptoms like network busy, less coverage, call drop, Signal strength, service coverage, voice quality mean distortion in voice or interruption during calls and customer density impacted a lot in

that sense. Here Customer density means that you have low slot for subscribers but customer traffic is greater than your capacity, which results connection errors, disconnections (Call drop) of calls message failures etc. Due to that issues subscriber explore for better option and that intrigue switching behavior of customer.service failure was very common in olden days because of very less telecom services

7. RESEARCH DESIGN

Sources of the data

This research is based on the primary data. The data is collected from the respondents with the help of well-structured questionnaires.

Sample Size

The information was collected with the help of structured questionnaire containing 14 questions. Total 128 responses were taken. who were switched over telecom service. This study was conducted in the GUNTUR CITY only.

8. ANALYSIS AND INTERPRETATION

AGE OF RESPONDENTS					
		Frequency	Percent	Valid Percent	Cumulative Percent
	20 to 30	117	91.4	91.4	91.4
	30 to 40	1	.8	.8	92.2
	above 40	2	1.6	1.6	93.8
	Less than 20	8	6.3	6.3	100.0
	Total	128	100.0	100.0	

The above table shows from the 128 respondents, 91.4% were between the 20 to 30 years. 6.3% respondents were between below 20 years. Remaining respondents were above 30 years.

GENDER DISTRIBUTION OF SAMPLE					
		Frequency	Percent	Valid Percent	Cumulative Percent
	FEMALE	64	50.0	50.0	50.0
	MALE	64	50.0	50.0	100.0
	Total	128	100.0	100.0	

The above table indicates that out of total 128 respondents, 50% were male and 50% were female respondents.

1. which type of phone currently using					
		Frequency	Percent	Valid Percent	Cumulative Percent
	Land line	0	0	0	0
	both A and B	3	2.3	2.3	2.3
	mobile phone	125	97.7	97.7	100.0
	Total	128	100.0	100.0	

The above table shows that mobile phone users are more with highest percentage of 97.7%. while second users using both land line and mobile phone with 2.3%.

2. which mobile phone operator currently using					
		Frequency	Percent	Valid Percent	Cumulative Percent
	Airtel	28	21.9	21.9	21.9
	Bsnl	7	5.5	5.5	27.3
	Idea	14	10.9	10.9	38.3
	Jio	73	57.0	57.0	95.3
	Vodafone	6	4.7	4.7	100.0
	Total	128	100.0	100.0	

As the table shows that jio users are more with 57.0%, while the second user is airtel with 21.9%, and idea with 10.9%, and bsnl users 5.5%, and least users Vodafone.

3. which was your previous telecom service					
		Frequency	Percent	Valid Percent	Cumulative Percent
	aircel	7	5.5	5.5	5.5
	airtel	42	32.8	32.8	38.3
	bsnl	19	14.8	14.8	53.1
	idea	35	27.3	27.3	80.5
	vodafone	25	19.5	19.5	100.0
	Total	128	100.0	100.0	

As the table shows that mostly airtel is the previous telecom service users are 32.8%, & 2nd most users are idea with 27.3%, and 3rd users are Vodafone with 19.5% , and bsnl users are 14.8%, and the least using network is aircel.

4. Have you faced Price problem in your previous telecom service provider					
		Frequency	Percent	Valid Percent	Cumulative Percent
	No	42	32.8	32.8	32.8
	Yes	86	67.2	67.2	100.0
	Total	128	100.0	100.0	

The above table shows that 67.2% are faced many problems in previous telecom service and 32.8% people are satisfied with their previous network.

5. Define Price/rate of calls and SMS of previous telecom service					
		Frequency	Percent	Valid Percent	Cumulative Percent
	high	38	29.7	29.7	29.7
	low	9	7.0	7.0	36.7
	medium	81	63.3	63.3	100.0
	Total	128	100.0	100.0	

The above table that the prices of calls are medium with 63.3% and high price with 29.7% and low with 7.0%

6. Define Price/rate INTERNET of previous telecom service					
		Frequency	Percent	Valid Percent	Cumulative Percent
	high	46	35.9	35.9	35.9
	low	15	11.7	11.7	47.7
	medium	67	52.3	52.3	100.0
	Total	128	100.0	100.0	

As the table shows that the price rate internet of previous networks are providing medium rate with 52.3% and high rate with 35.9% and low rate with 11.7%.

7. Have you faced inconvenience problem in your previous telecom service provider?					
		Frequency	Percent	Valid Percent	Cumulative Percent
	no	30	23.4	23.4	23.4
	yes	98	76.6	76.6	100.0
	Total	128	100.0	100.0	

The above table shows that 76.6% are faced inconvenience problem with their previous network and 23.4% people are didn't face any problems with their network.

8. what inconvenience faced by you					
		Frequency	Percent	Valid Percent	Cumulative Percent
	Balance lost automatically	38	29.7	29.7	29.7
	Delay in activation of packages	45	35.2	35.2	64.8
	Packages activated automatically	45	35.2	35.2	100.0
	Total	128	100.0	100.0	

The above table shows that 35.2% of people are facing delay in activation packages and packages activated automatically, and 29.7% people are facing with balance problems.

9. Have you faced service failure problem in your previous telecom service provider					
		Frequency	Percent	Valid Percent	Cumulative Percent
	No	36	28.1	28.1	28.1
	yes	92	71.9	71.9	100.0
	Total	128	100.0	100.0	

The above table shows that 71.9% of people are faced service failure problem in previous telecom service and 28.1% of people are satisfied with their previous telecom network.

10. What type of major service failure problem faced by you in previous telecom					
		Frequency	Percent	Valid Percent	Cumulative Percent
	call drops	35	27.3	27.3	27.3
	less coverage	54	42.2	42.2	69.5
	network busy	39	30.5	30.5	100.0
	Total	128	100.0	100.0	

The above table shows that people are facing the problem is less coverage with 42.2% and network busy with 30.5% and call drops with 27.3%

11. Are you satisfied with switch over to telecom operator					
		Frequency	Percent	Valid Percent	Cumulative Percent
	no	28	21.9	21.9	21.9
	yes	100	78.1	78.1	100.0
	Total	128	100.0	100.0	

The above table shows that after switching the network many people are satisfied with their present network with 78.1% and 21.9% are not satisfied after switching the network.

9. FINDINGS AND RESULTS

After analyzing the data it reveals that Price is the most influencing the reason for switching the telecom service and the study reveals those 67.2% users has switched over due to price. Price of internet services like 4G LTE, 3G is major influencing reason for the switching behavior. As per the study 11.7% stated that price of internet is high and 52.3% are stated that prices are medium. The JIO become successful to switch the 57% respondents from others service provider, by offering free of 4G LTE (without 3G/2G service), free national calling, free national roaming and free SMS. Service failure also one of the major influencing factor for switching and study reveals that 71.9% respondents has switched over due to service failure. The service inconvenience has less influence on the switching behavior of customer and others have switched over due to other reasons.

10. CONCLUSION

It is revealed that factors such as price, inconveniency and service failure plays significant role in influencing consumers brand switching behavior in telecommunication industry. Price and service failure is the major reason for the switching over the Telecommunication service while the inconveniency has less significant influence on switching attitude of customer. Majority of switched users (i.e. 80%) are satisfied after the switching over. The service providers should focus on reducing the price rate and inconveniency. Now a day's switching the brand is quite common and easy. All the networks providing same services with small changes to their customer's Finally people are switching their brand according to their need and want.

REFERENCES

- [1] Afzal, S., Aamir, K., Sania, S., Muskan, B., Bais, A., & Anum, K. (2013). Factors Behind Brand Switching In Cellular Networks. *International Journal of Asian Social Science*, 3(2),299-307.
- [2] Awan, A. G., & Nadeem, N. (2016). 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),21-35.

- [3] Gautam, P., & Anil, C. (2011). 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. (2012). Factors Influencing the Customer's Satisfaction and Switching Behavior in Cellular Services of Pakistan. Interdisciplinary Journal of Research in Business, 2(1),15-25.
- [5] Saeed, R., Lodhi, R. N., & Saeed, M. S. (2013). Factors Affecting Brand Switching in Telecommunication A Case Study of Sahiwal District, Pakistan. World Applied Sciences Journal, 26(5), 667-671.doi:10.5829/idosi.wasj.2013.26.05.1566