

“A Comprehensive Study on Consumers Switching Behavior towards Mobile Number Portability in India”

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ABSTRACT

India is the third largest mobile network in the world after China and USA. Indian mobile market is one of the fastest growing markets. India has seen rapid increase in the number of players which caused the tariff rates to hit an all time low. This allowed the players to target the low income population thereby increasing the market share. The availability of a number of subscriber options for consumers and varied tariff rates of each player, lead the consumers to switch between service providers. Mobile number portability permits to a mobile subscriber to switch operators without changing his/her telephone number. This study focuses on the mobile number portability among the mobile users in Pune city. Mobile number portability is now a crucial issue for mobile service providers. The most challenging job for the present day is that retain existing mobile customers. The mobile operator's ability to retain its Customer has a direct impact on its profitability and effectiveness. Losing a customer will affect the mobile operators in terms of cost. Percentage analysis, T-test Analysis is used for this research. The results revealed that promotional offers, family orientation and service affordability is the most important factor influencing the mobile subscriber intention to switch service provider. From this study most of the respondents were satisfied with the Mobile Number portability.

BUSINESS ENVIRONMENT

The telecom industry is one of the fastest growing industries in India. India has about 200 million telephone lines making it the third largest network in the world after China and USA. With a growth rate of 45 per cent, Indian telecom industry has the highest growth rate in the world. The mobile communication plays a major role in telecommunication industry. Indian telecommunication sector is prosperous as Indian economies are considerably good. Mobile network comes under the service sector, which is experiencing a rapid development which in turn is supporting the growth in Indian economy, provides ample chances employment and self employment generation. As mobile number portability has been introduced in India, retaining existing customers is now a very tough job for network providers. After the introduction of mobile number portability in India, the mobile user's switching turnover is more. This paper brings to light the reasons behind that Mobile Number Portability on Switching Behavior-Indian Mobile Market. Mobile Number Portability is the process by which, one can move to another operator of one's choice, but one can retain the old number. The advantage is that one need not have to go through the problem of informing all your friends & family that your number has changed - it stays the same. Subscriber can keep with the same technology, GSM/CDMA. Also shift to CDMA or vice versa. Both post-paid & prepaid subscribers can use it. Globally, the introduction of MNP across markets has witnessed a mixed response from customers. The push for MNP implementation has always been led by market regulators in an effort to provide mobile customers with the freedom to move between service providers and drive healthier competition. Globally, among the major countries, Singapore was the first to implement MNP in 1997, followed by Hong Kong, Australia, Germany, US and France etc., MNP has been introduced in India, in two phases. It has been introduced first in Indian metro city and group A telecom zones, on December 31, 2009, and afterward in the remaining part of the country, by March 20, 2010. Subscribers have to pay up all due bills before making an application for MNP. The mobile porting fee is to be paid to the latest operator. No fee payment is necessary to be given to the operator for porting. TRAI said that porting between mobile operators be supposed to be accomplished within four days. Prepaid users must keep in mind that their balance talk time and SMS will disappear if they switch to a different operator. According to the Indian telecom regulator TRAI, nearly 8.54 million subscribers were issued porting requests in the month of April 2011, an increase of 32.98% month on month. (www.mnp-india.com).

LITERATURE REVIEW

Richard Lee, Jamie Murphy, (2005), their study investigates determinants that cause mobile phone Customers to transit from being loyal to switching. He done his research in Australia and after research he can concluded that there are some different factors which affect the Customers switching intentions such as price, technical service quality, Functional service quality, switching costs, etc. But, the rating was given that price is the most important factor which affects the Customers to switch loyalties to another provider.

Mohammed Sohel Islam (2008), in his study examined the relationship between switching cost, corporate image, trust and Customer loyalty. The research finds that although all the independent variables, switching cost, corporate image, and trust have certain degree of relationship with the dependent variable, Customer loyalty, only trust has the strongest relationship with Customer loyalty.

Conor Twomey (2008), Department of Statistics, University College Cork, Ireland, they try to identify hysteresis in the switching patterns of Customers in the Irish mobile phone industry. It was not until the introduction by the Communication Regulator of full-number portability that Customers began to take advantage of the savings that switching mobile phone operator could produce. Through the use of experimental economics and by modeling switching behavior using the Preisach model, along with observed and market data suggests that the average Customer is misguided and misinformed in his/her decision to switch to bill pay. More realistically though, one can attribute this unexpected result to the enhanced services and mobile phone subsidies that a Customer receives as a bill-pay Customer.

Mitja Pirc, Universitat Pompeu Fabra (2006), Spain, the Mobile telecommunications service sector, in spite of providing high service quality and striving for Customer satisfaction, is characterized by dynamic Customer activities and provider switching. By using the consumption system perspective on mobile services and mobile phone, he provides the explanation on the factors of Customer switching. It is found that the mobile services usage effect on switching intentions is curvilinear (positive linear and negative quadratic) and that only the budgetary constraint regarding the service matters and not the one related to the mobile phone. Past mobile service providers switching experience also contributes to the intention to switch. Mobile phone ego involvement has positive impact on Customer retention; however purchase involvement (both mobile phone and mobile services) increases Customer risk.

Oyeniya, Omotayo* and Abiodun Abolaji Joachim (2008), He attempts to find the relationship between Customer services on Customer retention in telecommunication industry in Nigeria. If retention is not managed, Customer's loyalty may be lost. He examines the potential constructs in Customer retention

by investigating the chain of effects of retention from Customer service, satisfaction, value and behavioral intention. The hypotheses are supported except that a higher level of Customer satisfaction does not lead to Customer loyalty. Customer satisfaction does not necessarily lead to Customers' loyalty. It is assumed that when the Customer is satisfied, then loyalty towards the telecom company is strengthened. Their results, further show that the respondents in their study have a positive impression towards their telecom company's ability to meet their changing needs.

Juan Pablo Maicas Lopez, Yolanda Polo Redondo and Fco, Javier Sese Olivan ,University of Zaragoza, Zaragoza, Spain,(2006) their research shows how relationship marketing has recognized the importance of building long-term relationships in increasing firms' profitability and guaranteeing their future viability. The results obtained show that the length, depth and breadth of relationships help to determine Customers' propensity to switch fixed-telephone suppliers. Customers who maintain a long-lasting relationship with the firm, use the service more (depth), invest in complementary services will be less predisposed to switch. They conclude that Service usage reduces the probability of switching and strengthens the relationship between the two or more parties, encouraging them to seek a long-term orientation.

OBJECTIVES OF THE STUDY

Problem Focus

The present study seeks to examine the impact of Mobile Number Portability on mobile users switching behavior-Indian mobile market. It aims to analyze the magnitude of mobile number portability.

An attempt is also made to identify the major factors influencing the switching behavior of mobile number portability. With greater choice and increasing awareness, Indian consumers are increasingly demanding better quality of service or else switchover over to other better service. The main aim of this research is use to determine the effect of Mobile Number Portability (MNP) among the mobile users of Pune city.

Problem Identification

- ☐ Consumers have every chance of switching the mobile service provider due to industry expansion.
- ☐ Mobile industry is growing technically and becoming economical due to competitor's innovative and attractive services.

- ☐ Number of players in this sector is increasing, so each one of them wants to overplay others to attract the consumers.
- ☐ Mobile industry has become economic with the end result that consumers have less switching cost.

Objectives

- ☐ To identify the factors that affects the consumers into switching the service provider.
- ☐ To find the most preferred service provider in Pune.
- ☐ To find the major influences that goes into the decision of purchasing a SIM card.
- ☐ To find the customers likeliness of switching.

Scope

- ☐ The present study can be extended to other geographical areas.
- ☐ It can be extended to study the usage of mobile services of different age groups and accordingly new plans can be formulated.
- ☐ This study can be extended to understand the switching behavior of a particular provider

RESEARCH METHODOLOGY

Research Approach

There are two major approaches exist in research literature i.e. qualitative and quantitative. For this project the approach used is quantitative approach.

Quantitative Research Approach: - It uses a standard format, with a few minor interdisciplinary differences of generating a hypothesis to be proved or disproved.

Research Design

Research design selected for this project is Descriptive.

Descriptive Research Design:-

As their name implies, are designed to describe something for example the characteristics of users of a given product. Under descriptive I use single cross sectional design.

Single Cross Sectional Design:- In single cross sectional designs, only one sample of respondents is drawn from the target population and information is obtained from this sample only once. These designs are also called sample survey research design.

Data collection Method:

1. Primary Data:

Primary sources are original sources from which the researcher directly collects data that has not been previously collected. Primary sources enable the researcher to get as close as possible to what actually happened and is hands on.

1. Primary Data Collection Method:

- Survey method is used for primary data collection.
- Used structured questionnaire as an instrument for survey method.

2. Secondary Data:

These are sources containing data which have been collected and compiled for another purpose. The secondary sources consist of readily compendia and already compiled statistical statements and reports whose data may be used by researchers for their studies.

Secondary Data Collection method:

- Internet

Sampling Detail

1. Target Respondents: From PUNE city.
2. Sampling unit: Sampling unit are random peoples.
3. Sample size: 40 samples.
4. Sampling method: The sample is selected by Simple Random sampling.

Statistical Tools Used:

Graphs, pie chart and bar diagrams have been used for statistical analysis due to their benefit of being easily understandable by the analyzers.

Research Requirements:

Research methodology: one to one interview is the best research method for this objective. One to one interviews help to get most of the information possible from students which may miss through questionnaire or online survey. Through this method we could able to know the student's personal views on our product as well as his experiences with training while learning our product (training). This information regarding our product and service helps us to understand our lagging points and allow us to work on them. As industrial customer interacts with different kinds of customers during their day to day business they know the customers preference and choice better. So, industrial customers are the best source of information regarding the pattern of customers buying behavior and the factors which influence their buying decision. One to one interview research method is the best to collect the information in its totality.

DATA ANALYSIS AND INTERPRETATION

Q1. What is your age?

Age group	Respondent	Percentage
18-20	8	20%
21-25	12	30%
26-30	10	25%
31-35	6	15%
35 and above	4	10%
Total	40	100%

Table No. 1

The above analysis and shows that the maximum samples are from age group below 35 years.

Q2. Which company's SIM card you are using currently?

Company Name	Respondent	Percentage
Airtel	10	25%
Vodafone	8	20%
Idea	8	20%
Tata Docomo	4	10%
Reliance	4	10%
BSNL	4	10%
Other	2	5%
Total	40	100%

Table No. 2

In this graph, it is observed that the maximum of the customers are using Airtel services

Q3. Which type of service you are using prepaid or postpaid?

Response	Respondent	Percentage
Prepaid	30	75%
Postpaid	10	25%
Total	40	100%

Table No. 3

From the above graph we can see that maximum customers are using prepaid services.

Q4. Are you switched from any other provider or planning to switch?

Response	Respondent	Percentage
Yes	30	75%
No	10	25%
Total	40	100%

Table No. 4

From the above graph we can see that maximum customers are switched from one provider to another or plan to switch.

If Yes,

Q5. Name the service providers you switch from?

From	No. of cust.	Percentage
Airtel-Other	2	5%
Vodafone to Other	4	10%
Idea to Other	6	15%
Docomo to Other	6	15%
Reliance to Other	4	10%
BSNL to Other	8	20%
Other	10	25%
Total	40	100%

Table No. 5

From the above graph we can see that minimum rate of switching is for Airtel.

Q6. How do you come to know about the new plans of various service providers?

Response	Respondent	Percentage
Retailers	20	50%
Internet	10	25%
Advertising	10	25%
Total	40	100%

Table No. 6

It was found that the 50% of customers getting an information from the retailers.

Q7. Likelihood of switching the service provider?

Responses	Respondent	Percentage
Very Unlikely	6	15%
Unlikely	6	15%
Neutral	8	20%
Likely	12	30%
Very Likely	8	20%
Total	40	100%

Table No. 7

The above chart and analysis shows the maximum customers are like to switch but that not mean those who unlike switching are not switch may be due to no availability of an options.

Q8 What is the main reason for your switching behavior?

Reasons	Resp.	Perc.
Network coverage /strength	12	30%
Call Rates/ Message Rate	5	12.5%
Subscription plan price	5	12.5%
Better offers/ Promotion	6	15%
Better customer service	2	5%
3G technology	10	25%
Total	40	100%

Table No. 8

From the above graph we can see that maximum customers are switching due to 3G technology and network coverage and strength.

Q9. What Major influences those swing the decision to purchase a SIM card?

Influences	No. Of resp.	Perc.
Self	32	53%
Family and Friends	16	27%
Unsatisfied from provider	8	13%
Advertising	4	7%
Total	60	100%

Table No. 9

In this graph it is cleared that majority of customers prescribed to purchase new SIM card from influencing family and friends.

Q10. Are you satisfied with Promotional offers of your service provider?

Rank	No. Of resp.	Percentage
Excellent	6	15%
Good	12	30%
Average	18	45%
Poor	4	10%
Total	40	100%

Table No. 10

The above analysis shows that maximum customers are not satisfied with their service providers.

Q11. What do you most prefer about the service provider?

Response	Respondent	Percentage
Call Rate	12	30%
Network & Services	18	45%
Offers	10	25%
Total	40	100%

Table No. 11

The above graph shows that most of the Customers prefer network and services of the provider should be good.

Q12. In your opinion mobile number portability option is more useful for customer or service provider?

Response	No. of Resp.	Percentage
Customer	30	75%
Service Provider	10	25%
Total	40	100%

Table. No. 12

From the above graph it is clear that maximum customers think that portability is more beneficial for customers.

FINDING AND RECOMMENDATIONS

- From the above analysis more than 50% of customers are of age between 21 to 30 years
- From the graph, it is observed that the majority of the Customers are using Airtel, Vodafone and Idea SIM card.
- The above analysis and chart shows that the main 75% customers are switched or plan to switch.
- The above chart and analysis shows that the customer switching rate from Airtel, Reliance and Vodafone is low.
- From the analysis it is cleared that major source of information for new plans for customer is retailers.
- The above analysis shows that the 50% customers like switching the service provider.
- The above graph shows that most of the Customers influence from self or influence from family and friends.
- From the above analysis the most customers are not satisfied with
- Promotional offers of their service provider.
- From the above analysis the chart shows most of the customers prefer network and services.
- From the above analysis and chart it shows that the more customers think that mobile portability is useful for customers.

CONCLUSION

The present paper identifies factors affecting the consumer brand switching behavior in telecommunication industry and also explores whether these factors vary among males and females. On the basis of questionnaires administered to consumers in telecommunication industry, the study reveals that Value added services and Pricing strategies are the two important factors that influence the consumer behavior while switching the brands in telecom sector. So by providing best value, establishing good relationship with customers through efficient customer services, enhancing brand loyalty and simply by keeping the price fairness of services compatible a telecom service providers can control consumer brand switching behavior and can retain the customers while establishing long term profitable relationship with customers.

In short we can conclude from the data analysis is Indian Telecom market:-

1. Considerable share of the respondents were aware of MNP through Advertisement, friends and relatives, so the case firm should provide promotions like offers and discounts for the persons who motivate their relatives and friends to avail MNP.
2. Major share of the respondents stated that poor coverage and no promotion and offers as their major problem in their past service. The case firm should concentrate more on sufficient coverage.

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