CHAPTER - I

INTRODUCTION
Mobiles are now every one's first choice gadget, either an elderly person or a younger one. It has become a status symbol now. Every person's hand is equipped with latest mobile model and everyone has his own reason to have this magic gadget in his hands. Every day new models of mobiles arrive into market replacing the older ones to lure the users. The interested users are especially young generation. They are very fond of the latest features provided in new handsets. People like the new ring tones, “hello” tunes and wallpapers. With this, mp3 and video recording facilities, MMS and Internet facilities are attracting the users to mobile world. Mobile users cannot even imagine their world without their handset in their hands. The importance of mobiles can be imagined by the reaction of people if they are asked to leave their handset separate from them for a day, they feel that they are like fish out of water.

Mobile phones proved to be a big help in emergencies. They are lifesavers as helping people in times of dire need. If you get stuck up in the middle of unknown place and find no one for help, you can just use a mobile phone and call for help. Along with the obvious convenience and quick access to help in emergencies big and small, mobile phones can be both economical and essential for travellers trying to stay connected. Like every coin has two sides, mobile phones providing a lot of advantages and a few disadvantages. Mobile-phone use while driving is common. It is generally agreed that using a hand-held mobile phone while driving is a distraction and risk leading to road traffic accidents. So, we need to use hand free sets carefully to avoid such unforeseen hazards.

There is no doubt that the mobile phones have made our life more easy and more comfortable. Everyone is in touch with their family members, friends and other familiars. If we want to talk with anyone, there is no need for us to write a letter and have to wait for days to send the message to receiver, just we have to pick up the phone and press a number and start to talking. Mobile phones are easy way of communication over a long distance. Life becomes easy through mobile phones.  

STATEMENT OF THE PROBLEM

To understand consumer and his behaviour is not simple but very complex. Often consumer behaviour is unstable, quite varied attributes that arouse interest;
desire and finally action are sometimes entirely different among customers buyer behaviour who live in different parts the same country.

It is important for marketers to recognize how and why individuals make their consumption decision, so that we can make better strategic marketing decision. Understanding buyers behaviour of the target market is an essential task of marketing managers under the marketing concept. If marketers understand consumer’s behaviour, they are able to predict how consumers are likely to react to various informational and environmental cues, and are able to shape their marketing strategies accordingly. Without doubt, marketers who understand consumer behaviour have great competitive advantage in market and this study may help them greatly.

Apart from marketers it also helps customers as they benefit from insights into their own consumption-related decisions what they buy, why they buy, how they buy and the promotional influences that persuade them to buy. The study of consumer behaviour enables them become wiser. Hence, the researcher has chosen to study “Buying Behaviour of Mobile Phone Buyers in A.P-A Case Study of Kadapa District”.

REVIEW OF LITERATURE

William B Doods (1991) investigated the effects of the extrinsic cues of price, brand and store information on consumer perception of product quality. They found that price had a positive effect on perceived quality but a negative effect on perceived value and respondent’s willingness to buy.

Kotler and Armstrong (1993) stated consumer/customer satisfaction is determined by the relationship between the consumer’s expectations and product’s perceived performance.

Consumer satisfaction is important because a company earns sales from new consumers and retained consumers. Satisfied consumers buy a product again, talk favourably to others about the product, pay less attention to competing brands and advertising and buy other products from the company.
Barbara Khan and Alice M Sen (1993) \(^4\) with three different experiments carried on personal computers opined that the positive effect induction would not increase the preferability of any brand but rather would increase the perceived distinctiveness of each item wise viz the other item. If each of the item of the choice set was perceived to be more differentiated than positive effect consumers would be more likely to exhibit movement of interchange the brands-more variety seeking.

Vicki G. Morwitz, Eric Johnson & David Schmittlein (1993) \(^5\) explores the impact of merely measuring intent behaviour & specific questions concerns the impact of measuring intent to subsequent purchase behaviour; two product classes considered are cars and personal computers. More than 40,000 households were used for analyzing each of the 2 product categories. The results reveal that the effect of merely asking intent to buy once is an increase in the subsequent purchase rate. The effect of repeatedly asking intent for those with low levels of intent is a decreased propensity to buy with repeated measurements. These two effects are reducing given prior experience with the product.

Dhruv Grewal & Howard Marmorstein (1994) \(^6\) proposes and test two possible explanations for why consumers' willingness to engage in price search does not increase concomitantly with the price variation of durable goods; as previous studies have consistently found that most consumers undertake relatively little pre-purchase search for durable goods and do even less price-comparison shopping despite the reported importance of price to consumer's purchase decisions. The first potential explanation, that consumers simply underestimate the market price variation, was not supported. The second possible explanation, which builds upon Weber's law of psychophysics and Thaler's transaction utility theory, was supported. The data indicate that the psychological utility that a consumer derives from saving a fixed amount of money is inversely related to the price of the item. In this case, even if consumers believe that the price variation of more expensive items tends to be greater, their motivation to spend time in price comparison shopping for these items may not increase as much as expected.

Consumer buying behaviour is important to be studied by the cellular mobile service providers because consumer satisfaction determines the market share for the
organization. Oliver (1997) has given a famous comment stating, “Every one knows what satisfaction is, until asked to give a definition. Then, it seems, nobody knows”

Sridhar Moorthy, Brain T. T. Tatchford & Debabrata Taludar (1997) attempts through a model to identify factors that affect consumer search behaviour and how these factors interact with each other. The model emphasizes the effect to prior brand perceptions on the search process. The theory is tested for new automobiles (cars) using data collected contemporaneously with consumer’s actual decision process from 260 respondents.

Prahlad and Ramaswamy (2000) have rightly stated that consumers are changing the dynamics of the market place. The market has become a forum in which consumers play an active role in creating and competing for value. Consumers are becoming a new source of competence for the corporation. The competence that consumers bring is a function of knowledge, skills and their willingness to learn and experiment and ability to engage in an active dialogue.

For the above literature review, it is seen that telecommunications have grown faster than the economy as a whole during the period. The previous studies presented an analytical framework for analyzing the market dynamics of telecom industry including mobile telephony. It has helped researcher to understand the importance of operating environment (Technological changes, digitalization, convergence, standardization of process, R&D intensity and regulatory reform process) and various external forces that govern the growth of industry.

Kennedy & Schneider (2000) states, that in the changing economy, knowledge is an important as product/service which is becoming globally standardized. Companies gain competitive advantage through constant innovation; better targeting consumers and additional services. Consumer satisfaction has been an important aspect for every organization due to constant innovation in components or services.

Giese & Cote (2000) studied various literatures and indicated that consumer satisfaction is a response (emotional or cognitive), the response pertains to a particular focus (expectations, product, consumption experience, etc) and the response occurs at a particular time (after consumption, after choice, based on accumulated experience,
etc). Firms must appropriately modify these components of consumer satisfaction to develop a context-specific definition that should give to measure satisfaction. This measurement process will lead to understand consumer more closely and to make better managerial decision.

Consumer satisfaction and consumer service have been critical factors of the cellular industry (Assaari & Karia, 2000). Cellular service providers need to ensure about the technology that provides consumer service best in the industry. It is stated that investment in people and in technology helps in providing best consumer service for today and for the future. One common ground that most carriers and consumers agree on is that good consumer service can have a key impact on how a consumer views firm's services and company.

Pothas et al (2001) proposed an unconventional way of monitoring consumer satisfaction based upon promoting the expressing of consumer perceptions from the frame of reference of the consumers, not from the frame of reference of the investigator.

Dubrovski (2001) has concluded from the satisfaction model that the consumer satisfaction directs the scope of finding success/failure of certain products/companies in the market. This is very much important in strategic marketing analysis. It has also stated that only relying of producer's own views could cause great damage to the company in long run. The company could achieve a better place if they were aware of differences between the consumers' opinion about the product and their own. Consumer satisfaction is the most efficient and also least expensive source of communication, as a satisfied consumer will spread the word of satisfaction to the other people and recommend the product to potential consumers.

It is understood from the previous study that consumer satisfaction is influenced by various external and personal factors. The factors like quality, price, employee who deliver service, self knowledge and various demographic factors can be analysed to ensured consumer satisfaction.

The world is rapidly moving towards an economic system based on the continuous and ubiquitous availability of information. Recent development in
telecommunications technology has been an important vehicle in permitting information exchange to develop as a valuable commodity. With the use of telephone, productivity has increased in all industries. As compared to other infrastructure investment, investments in telecommunication have increased the demand for the goods and services used in production and increased in national output. Such investment has increased employment through both direct and indirect effects stated by Alleman et al (2002).

Bhave (2002) studied the link between consumer satisfaction and consumer retention. Consumer's perception towards service and quality of a product determines the success of the product or service in market. With better understanding of consumers' perceptions, firm can determine the suitable actions to meet the needs of consumers. Firms can identify their own strengths and weaknesses in comparison to their competitors. Major attributes that influence consumer satisfaction are product quality, packaging, delivery commitments, price, responsiveness and ability to resolve complaints and overall communication, accessibility and attitude failing short creates dissatisfaction.

Molesworth M & Smartti J.P (2002) explores the adoption of the Web throughout the buying process within high-involvement product categories (car sector). The research is exploratory, based on eight qualitative, semi-structured individual interviews with potential car buyers. Findings indicate that there is resistance to adopting online car purchase overall, but relative advantage is recognized at the early, information seeking stages. Consumers use the Web to improve the balance of power between themselves and car salespeople. Innovation resistance during later stages, result from the need for personal experience of the product prior to purchase, as well as the uncertainty regarding after-sales support. Further resistance comes from a reluctance to give up the social aspects of car buying and a perceived inability to negotiate with websites.

D.P.S Verma and Sheetal Kapoor (2003) in their article have argued that knowledge about buyer behaviour is necessary for the development of effective marketing strategies. The members of the family influence the decision making process in the purchase of different products. Therefore the real target for the marketer is not an individual member but the family as a whole. The authors maintain
that market has to compete not only with other brands in their product category but also with different product category. This becomes even more significant when the family is considered as a unit where the needs of several members have to be met with from limited funds. It is important for the marketer to understand the intra-family dynamics and inter personal relationships at play in the purchase of consumer durable products in order to decide the optimal marketing mix.

Pavleen Soni and Raghbir Singh (2003)\(^9\) in their article have perceived that the family as a reference group has one of the strongest, most immediate and pervasive effects on consumer's personality motivation and attitudes. The authors have affirmed that from the marketing point of view investigating the family as a consumption unit becomes crucial since attitudes towards savings and spending, and even towards brands and products, are often moulded by the family.

Pakola et.al (2003)\(^9\) surveyed and results indicated that price and properties were the major influential factors affecting the purchase of a new mobile phone, where as audibility, price and friends were regarded as the most important in choice of the mobile phone operators.

Ching-chow Yang (2003)\(^1\) stated that consumer satisfaction measurement highlights the strength and the area of improvement in the quality of product. Continuous improvement is considered one of the important quality activities for a firm to pursue the best quality for its products. Through the continuous improvement actions, the enterprise can increase consumer satisfaction and raise profits.

Fink et.al (2003)\(^2\) analyse the impact of policy reform in telecommunication for 86 developing countries over the period from 1985 to 1999. The study concludes that both privatization and competition leads to significant improvements in performance. Because of the reform process, the level of productivity has increased compared to years of partial and no reform. Telecommunication can create market through information dissemination to local people and improve the standard of living leading to growth has stated by Eggleston et.al. (2002).

Richard F. Beltrarini & Partica S. Chapman (2003)\(^3\) in their large-scale, national study investigates the influences of monthly payment incentives (rebates and low
interest rates) on the decision process of both car and truck owners and lessees. Results suggest that incentives were found rated significantly more important among lessees than among buyers. While evidence suggests that incentives obviously should not be used on a wholesale basis, there appears to be a niche among which incentives may be successful. Authors suggest that lessees should be more open to choosing a vehicle that has an attractive monthly payment via rebates and other incentives.

Brain T. Ratchford, Myung-Soo Lee & Debabrata Talukdar (2003)14 using data from surveys of automobile buyers collected in 1990 and 2000 in a natural experiment setting, studies the determinants of use of internet as a source of information on automobiles, its impact on the use of other sources, and its impact on total search effort. The results indicate that the internet draws attention in approximately the same proportion from other sources. The results also show that those who use the Internet to search for automobiles are younger and more educated and search more in general. However, the analysis also indicates that they would have searched even more if the internet has not been present.

Chenting SU, Edward F. Fern, and Keying Y.E (2003)15 examine family purchase-decision dynamics to shed light on enhancing marketing communication effectiveness. In particular, the authors are interested in understanding the temporal nature of spousal behavioural interaction in family decision making to help marketers target communication messages, shape brand choice, and guide personal selling activities. The authors calibrate a dynamic simultaneous equations model to investigate spousal family purchase-decision behaviour, what are spousal behaviour interactions in a discrete purchase decision, and what are the temporal aspects of spousal decision behaviour across decisions. The results indicate that spouses tend both not to reciprocate coercion in a discrete decision and to adjust influence strategies over time. The authors also investigate the effectiveness of influence strategies and spousal satisfaction with decisions and their impacts on spousal subsequent decisions behaviour from a post decision perspective as a mechanism to explain why spouses revise decision behaviours across purchase decisions. The authors discuss marketing implications of their finding and present ideas about how to use these findings creatively to target advertising and sales messages to influential spouses in specific decision contexts.
Rajdeep Grewal, Raj Metha and Frank R. Kardes (2004) in an attempt to bring consumer psychology theories into research on the timing of repurchase of consumer durable, suggest that attitude functions (knowledge, value expressive, social adjective and utilitarian) can help explain and predict inter-purchase intervals. Adopting an interactionist perspective, the authors propose that the effect of the attitude functions is contingent on contextual factors, which the theories as the nature of the product (along public-private and luxury-necessity dimensions) and the nature of the decision (forced or unforced purchase decision). Hypothesis testing is facilitated by survey data on actual purchase decisions and hazard models that incorporate individual heterogeneity. The researchers say that the inter-purchase interval decreases as the importance of the knowledge function or the social objective function increases, and it increases as the importance of the value-expressive functions increases. 774 responses were received by researchers from 3600 mailers. The product category selected were cameras, cars, vacuum cleaners, wrist watches, DVD players, TVs refrigerators.

Fe and Ikova (2004) added that the perception of the word “satisfaction” influences the activities, which a consumer conduct to achieve it. Researchers have also identified consumer satisfaction as a multi-dimensional in nature and viewed overall satisfaction as a function of satisfaction with multiple experiences with the service providers.

Noh et al (2004) has suggested that telecommunication service exists to fulfill the needs of users. Therefore, it is important to specify and measure the quantity of services that accurately, concisely and consistently express user’s satisfaction.

Turel and Serenko (2004) studied validation of American Customer Satisfaction Model in mobile telecommunication sector and found that there is a positive association between perceived consumer expectations, perceived quality, value and satisfaction and a negative link between satisfaction and consumer complaints.

Shridhar & Sridhar (2004) observed that telecommunication infrastructure development and economic growth proceed together taking 68 countries data in the study for analysis. It was found that a significant impact of cellular services on national out-put. The impact of telecom penetration on total output is significantly lower for developing countries.
Consumer satisfaction is a multidimensional nature and viewed overall satisfaction as a function of satisfaction with multiple experiences with the service provider. Munnukka (2005) discovered that price sensitivity is one of the key factors affecting to company pricing choices. Yet in mobile services sector business, practitioners are facing problems in pricing decisions as they are short of knowledge on their consumer price sensitivity levels and dynamics. Mobile service consumers differ significantly in their price sensitivity levels. Consumers with moderate usage of mobile services are least price sensitive, while intensive and low-end users are most sensitive to price changes. Important was also the notion that consumer price perceptions and innovativeness levels were accurate indicators of their price sensitivity.

Reddy (2005) states that it is not enough if the product meets the functional requirements of the consumer; it should meet certain other consumer expectations like behavior/attitude of the person who provides service. Consumer satisfaction is the combination of both technical features and human behavioral aspects.

Marketing scholars emphasize the influence of consumer satisfaction on retention. Gustafsson et al. (2005) conducted the research from the sample of consumer of a large Swedish telecommunications company about the effect of consumer satisfaction on retention and found that consumer satisfaction has a consistent positive effect on retention.

Goode et al. (2005) found that consumer satisfaction for mobile phones determined by experience with a mobile phones product quality, the level of call charges, the level of service provider. One could argue in the case of mobile phones that the consumer satisfaction is likely to be dependent of attribute importance related to physical product as well as on attribute related to the service offered by the service provider.

Andrea C. Morales (2005) argues that consumers reward firms for extra effort. When firms exert extra effort in making or displaying their products, consumers reward them by increasing their willingness to pay, store choice, and overall evaluations, even if the actual quality of the products is not improved. This rewarding process is defined broadly as general reciprocity. Consistent with attribution theory,
the rewarding of generally directed effort is mediated by feelings of gratitude. When consumers infer that effort is motivated by persuasion, however, they no longer feel gratitude and do not reward high-effort firms.

Ranganathan (2005) in his article has studied buyer behaviour of cars covering a sample of 135 respondents' car owners in Chennai based on their finding the author has suggested to build rapport with the customers by creating good will and satisfying them. The study has convinced the author that car is considered as a necessity rather than a symbol of status. Car manufacturers should give greater attention to fuel efficiency as the respondents have been found to focus on this aspect. The authors have suggested to increase brand image by advertisements.

Alice M. Tybout, Brain Sternthal, Prashant malviya, Georgios A. Bakamitsos & Se-Bum Park (2005) hypothesize that the accessibility of task-relevant knowledge determines whether judgments reflect the substance of the information that is brought to mind or the ease of generating and retrieving such information. Owners of BMW, Hyundai & Saab cars were used for the study. Their research indicates that when relevant knowledge is highly accessible or not at all accessible, judgments are based on the content of the information considered. Between these extremes in knowledge accessibility, judgments are based on the perceived ease with which information can be retrieved. This perceived ease is a function of both the number of reasons requested and the wording of the retrieval request.

Andrew D. Gershoff & Gita Venkataramani Johar (2006) observe that a consumer's decisions to rely on a friend to act as an agent depends, in part, on beliefs about the friend's knowledge. When the role of motivational and cognitive biases in estimating friends' personalized knowledge is examined, results show that estimates of close friends' knowledge are less accurate than those of less close friends for personalized but not for impersonal knowledge. Specifically, the studies show more overestimation of personalized knowledge and more bias in integrating new information for close as opposed to less close friends, supporting a motivational explanation for miscalibration of personalized knowledge.

Davy Lerouge & Luk Warlop (2006) in their article proposes that many buying decisions require predictions of another person's product attitudes. Yet,
consumers are often inaccurate predictors, even for familiar others. The authors provide strong evidence that target familiarity can even hurt accuracy in the presence of attitude feedback. Although over projection and lack of product-specific attitude information have been identified as possible reasons for prediction inaccuracy the results suggest retrieval explanation. When presented with product-specific attitude feedback, predictors adapted their level of projection and encoded the attitude information, but they did not use this information. Instead, they retrieved less diagnostic, pre-stored information about familiar targets to predict their product attitudes.

Kotler has explained the concept of value and satisfaction as stated by Gita Parimal (2006). It has been stated that consumer, when faced with a variety of products makes their choice based on perceived value to themselves, not to the marketing company. Value thus depends on how well the offering be it a product or service or other good will satisfy a need, want or demand, regardless of what the selling party perceived value to be. Satisfaction, then, is the extent to which actual value realized by the purchase or acquisition of the product matches the pre-purchases assessment of value. If actual value is equal to or greater than perceived value, satisfaction will result, if not, then dissatisfaction will result.

Jain & Hundal (2006) revealed in their study that the choice of service provider was affected by facilitating factor followed by coverage, quality of services, and easy availability of connection ad bill payment. It was stated that neighbors choice had affected the respondent’s choice to a great extent.

Consumer satisfaction is a concern for any business throughout the world. Raja, Sharma and Shashikala (2006) discussed consumer/customer satisfaction in the context of perceived values of the mobile commerce, service attributes, product quality, service support, product distribution, service personnel, information about the services and corporate brand equity are the underlying factors of consumer satisfaction.

The economic conditions, market structure, policies regarding tariffs and interconnect agreements and consumer/customer characteristics are significant forces affecting the growth of cellular services. R.C Natarajan (2006) stated that the
regulated monopoly enjoyed by the department of telecommunications has entered the stage of deregulated market competition. Cellular service providers are attracted towards Indian market due to low tele-density demand from middle class and the rapid change in consumer behaviour towards this sector.

Bhanumathy and Kalaivani (2006) in this paper titled “Customers’ Attitude towards cell phone services in Communication system”. In this study, they are selected 300 sample at random, 277 are male remaining 23 are female respondents.

In this study, majority of the respondents have given a favourable opinion towards the services and it indicates the some problems exist that deserve the attention of the service providers. Finally they concluded that, overall customers attitude towards cell phone services is that they are satisfied with the existing services and BSNL must improve the quality of services to compete with the private service providers.

Consumer attitude measure the credibility of services provided by any service provider. According to Karimpal (2006) retaining consumer loyalty in the most important is at the growing stage of the Indian mobile industry. The company has to took in to the changing expectations of the evolving cellular users to maintain consumer loyalty in mobile telephony.

Firms have to differentiate their offer that of competitor by providing something unique that is valuable to the buyer to influence them to choose the product over others. Krishna and Shylajan (2007) stated that brand awareness and brand visibility plays an important role along with product features. It is concluded that for most of the products, brand awareness is a significant determinant for buying behavior.

Consumer loyalty is an important strategic objective for all organization. Bruce cooli et.al. (2007) investigated the relationships between consumer satisfaction and loyalty in various contexts taking Canadian banking industry into consideration. They found that consumer satisfaction changes on changes in the share of benefits provided to consumers and effect of consumer age, income, education, expertise and length of relationship.
There is significant evidence in the study of Luo and Homburg (2007)\textsuperscript{48} that consumer/customer satisfaction is an important driver of firm profitability. It has also been explained that consumer satisfaction generates free word-of-mouth advertising and saves marketing costs.

Zainurin Bin Dahari, Sabbbir Ramen & Ferdous Azam (2011)\textsuperscript{49}, they are found in this paper, the Malaysia customers are very much conscious of brand image, service quality and price of the operators and also very careful about these factors and the kind of services they are offering. Finally they suggested that there is a need for mobile phone operators to develop and maintain better service quality, minimize price and increase brand image to the increased level of customer satisfaction.

Amulya and Anand (2011)\textsuperscript{50} conclude in this paper the mobile phone has become more inclusive in terms of enabling greater participation of the poorer sections of society. Small businessmen and small traders are able to do their business over telephone and it is a very important contribution to the growth of the Indian economy. Finally, they suggest that BSNL is the largest network owner across the country and it can do miracles only if it takes unbiased decisions at the right time and this is the right time to introspect and take action before it leads to bankruptcy.

Sandhya Joshi (2011)\textsuperscript{51} in her paper titled “A study of service quality and customer satisfaction across various services providers in telecom sector”. She selected 154 Airtel, 116 BSNL, 91 Tata Indicom, 132 Spice, 86 Reliance and 141 are Hutch customers respectively. He found in this study majority of the respondents were less than 25 years old, 39.7 per cent of the respondents had maintained a relationship with the service providers for less than 2 years, 28.1 per cent had used the same connection for a period of 2 to less than 3 years, 15.3 per cent and 7.9 per cent used the same connection for a period of 3 to less than 4 years and 4 to less than 5 years respectively.

Mani sunil (2004)\textsuperscript{52} on “coping with globalisation”. This study defines innovation capability in telecom equipment in terms of ability to conceptualize, design and manufacture stated art telecommunications equipment coupled with the ability to keep pace with important technological changes. A survey of the various contributory
factors identifies public procurement as the investment that has stimulated the activity.

Manoj K. Agarwal (2002) attempted a study on “Asymmetric price effects in the Telecommunications services Markets”. The study investigates the asymmetric effects for a number of telecommunication services. Discrete methods are used to collect the data. Asymmetric in the price effects are observed between a national and local brand in the case of local, inter states, long distance and cellular markets.

Vipin Saxena and Manuj Darbari (2005) has focused on the study of “Essar for designing mobile switching system in the GSM Telecommunication field”. The paper focuses on telecommunication system and challenging system regarding size, complexity and realtime constraints. The main constructs used at Essar which display a robust frame work for building real time systems and shows the mapping of the UML realtime system.

An another study by D. Chennappa (2005) on Emerging scenario and future convergence of telecommunication sector in India. Some Deflections”. The paper based on secondary data which have been collected from the records of the department of telecommunications, economic surveys of GOT, research journals etc. Hence to study the penetration of telecom services annual growth rates are calculated and presented by bar, pie charts and tables have been used.

C. Lee (2004) studied on “Telecommunication reforms in Malaysia”. He reviews the recent history and development of telecommunication sector in Malaysia. The text provides a brief historical account of the sector and its current structure. This is followed by a discussion on regulatory reforms and then an examination of the import of reforms in the telecommunication sector.

Finally he suggested that the telecom operators should provide mobile handsets at a lower rate itself, managers should take into consideration this thing and should lay emphasis on developing good customer care customers, and should provide proper training to the staff, that they can handle the problems of the customers in a better manner.
NEED FOR THE STUDY

Consumer behaviour is of crucial interest to both researchers and practitioners. The question of why, when, where & how consumers buy has been debated without number of times. At times consumers vary in age, income, educational level, mobility pattern and taste, marketers find it useful to know more about the consumer decision making process, which in turn helps them to distinguish different consumer groups or segments to develop products and services tailored to their need. Global competition, pressure on market share, shrinking profit margins, increasing customer demand towards product and service quality, have augmented the importance of consumer behaviour in the recent times.

India becomes the third largest mobile population in the world by 2007 as middle classes ‘went mobile’. Data from Wireless World Forum’s Indian Mobile Market 2006’ Statistical Hand Book reveal that mobile ownership had crossed 100 million in 2007 as the largest middle class in the world took up ownership. With 124.6 million mobile owners in 2007, India ranked third in the world behind China and USA. The number of cell phone subscribers has been growing from year to year and it is marketing explosive growth. At present there is unhealthy competition among the producers of Mobile Phone sets. Each producer is trying to capture a higher share of the total market. To maintain at least the present share and increase the share in future, Mobile Phone producers should be in a position to know the buying behaviour of Mobile Phone buyers. An attempt is made to study ‘Buying Behaviour of Mobile Phone Buyers in the Kadapa District of Andhra Pradesh’.

OBJECTIVES OF THE STUDY

1. to study the theoretical framework of buying behaviour,
2. to study the growth and development of mobile industry in India,
3. to analyse the relationship between socio-economic factors and buying behaviour of mobile phone buyers and
4. to find out the external and internal influences on the buying behaviour relating to the purchase of mobile phone sets.
HYPOTHESES

a. “There is no significant difference between income and savings while purchasing a mobile phone set”,

b. “The respondent’s level of education influences the decision to purchase a particular mobile phone set”,

c. “There is no significant impact of advertisement on the purchase of mobile phone sets in Kadapa district in Andhra Pradesh” and

d. “There is no significant difference between rural and urban buyers relating to brand, quality while purchasing of mobile phone set”.

SOURCE OF DATA


SCOPE OF THE STUDY

The scope of the study is restricted to Kadapa district of Andhra Pradesh primarily for a few reasons. Firstly, it offers a great deal of convenience to the researcher being a native of Kadapa in making the study a success. Secondly, it is restricted to this Kadapa district alone because of financial and other constraints. Further, it covers the owners of Mobile Phone sets at the end of the year 2011.

SAMPLE DESIGN

Preliminary survey based on information given by mobile phone dealers and users has been revealed that 72.5 per cent of the people in Kadapa district have mobile phone sets. In present research study, the sample size (n) has been determined by using the following formula.
\[ n = \frac{(Z^2 \cdot p \cdot q + (ME)^2)}{(ME)^2} \]

where \( Z \) = Critical value of Z test statistic for large sample size at 95% level of significant

\[ P = \text{Preliminary sample proportion of Mobile phone users} = 72.5 \]
\[ n = 1 - p = 27.5 \]
\[ M.E = \text{Marginal Error} = 4\% = 0.04 \]

It has been determined the sample size for the present research study is 480. From the population of people in Kadapa district, 480 sample owners who have mobile sets, have been selected by using simple random sampling (without replacement) from three revenue divisions namely Kadapa, Rajampeta and Jammalamadugu. Further, each division has been divided into two parts towns and mandals. In each of these places, four towns and four mandals have been at random chosen, from which the sample of respondents has been selected in the ratio of 100:60. The sample design is presented in the following page.
SAMPLE DESIGN
KADAPA DISTRICT

RAJAMPET REVENUE DIVISION

KADAPA REVENUE DIVISION

JAMMALAMADUGU REVENUE DIVISION

Towns
(sample)

Rajampet mandals
(sample)

Towns
(sample)

Kadapa mandals
(sample)

Towns
(sample)

Jammalamadugu
Mandal (sample)

1. Rajampet (25) 1. Penagalur (15)
2. Badvel (25) 2. Vontimitta (15)


Total 100 60 100 60 100 60

Town 300
Mandals 180
Total 480

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LIMITATIONS OF THE STUDY

The main drawback of the study is the non-cooperation of heads of sample respondents in providing reliable data relating to some of the questions incorporated in the schedule. Because of this some of the aspects relating to buying behaviour of mobile phone buyers are not covered as planned.

Although sincere efforts were made by the researcher to collect the maximum, most, authentic and relevant information even then this study may have the following limitations:

- The results of this study cannot be generalized and taken as representing the general behavior of all the consumer of mobile phone since it is unique and the research limited to Kadapa district;
- Time was another limiting factor and
- Cost was too another limiting factor.

TOOL OF ANALYSIS

Data collected form primary and secondary sources are processed systematically applying methods of classification, tabulation and analysis, Spearman’s rank correlation, chi-square and ‘t’ test are used appropriate places as well.

CHAPTERISATION

The Present Research Study Consists of Seven Chapters:

The First chapter, Introduction, includes Introduction to the study deals with the research methodology, need for the study, objectives of the study, hypotheses, scope of the study, source of data, sample design, tools of analysis, limitations, etc.

The Second chapter, Buyer Behaviour-Theoretical Framework covers meaning of Buying behaviour, purchase decision process, models of buying behaviour and factors influencing buying behaviour.

The Third chapter, Origin, Growth and Development of Mobile Industry in India includes origin and development of mobile industry, growth of mobile industry in India, trend and market share of different brands of mobile industry and tax burden etc.
The Fourth chapter deals with Profile of Kadapa District, Dealers and (respondents) Buyers Mobile Phone Sets in Kadapa district.

The Fifth chapter, Factors Influencing Buyer Behaviour includes interpretation of data collected from sample households and factors influencing buying behaviour in different areas in Kadapa District.

The Sixth chapter, Buying Decision Process, deals with decisions of respondents in Kadapa district. It includes interpretation of data collected from sample respondents.

The Seventh Chapter titled, Summary of Main Findings and Suggestions includes the major findings drawn from analysis, suggestions developed on the basis of findings and conclusions.
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