

CHAPTER - VII

FINDINGS AND SUGGESTIONS

7.1 SCHEME OF REPORTING

The present study has been reported through eight chapters:

The first chapter is devoted to '*Introduction and Design of the Study*'. This chapter also includes importance of the study, advent of cell phone, working of cell phone, statement of the problem, review of literature, objectives of the study, hypotheses of the study, scope of the study, period of study, special concepts used, sampling techniques, area profile, study area, pilot study, tools used for collection of data, tools used for analysis and interpretation, limitations of the study and scheme of reporting.

The second chapter discusses the '*Origin and Growth of Cell phone Services*' in India as well as in Tamil Nadu. This chapter also discusses about the top 15 cell phone selling countries, world wide market share of mobile phones, and history of cell phones in India, growth of subscribers in Tamil Nadu and BSNL's mobile subscriber additions.

The third chapter, '*Service Providers of Cell phones in Kanyakumari District*' deals with the different types of prepaid and postpaid services provided by various service providers and the economics of cell phone industry in Kanyakumari District of south Tamil Nadu.

The fourth chapter, '*Intermediaries in the Cell phone Services*' deals with the market structure, channels involved and occupational details of the intermediaries involved in cell phone services.

The fifth chapter, '*Customer Attitude towards the Cell phones*' describes the social and occupational background of the cell phone users as well as the customers' perceptions regarding various cell phones.

The sixth chapter, '*Problems and Prospects of Cell phone Services*' deals with the specific problems faced in the marketing as well as using of cell phones. It also suggests possible remedial measures to overcome difficulties and challenges in the field of cell phone services.

The seventh chapter '*Findings and Suggestions*', being the concluding chapter, is devoted to summarise the major findings of the study. Suggestions have been offered to solve the problems faced by the cell phone industry. In the final chapter, certain areas have been identified and recommended for future study.

7.2 FINDINGS OF THE STUDY

The present study on the cell phone customers and dealers in Kanyakumari District provides the following irrefutable derivations and conclusions. They are summed up as under.

I CELL PHONE DEALERS

1. Out of 120 shop owners covered by the study, 72 per cent are males and the rest females. The study reveals that the industry is male dominated. It could be inferred that in the male dominated society, it is quite natural that men dominate all industries. The cell phone industry is no exception to this and shows males constituting a greater proportion in setting up cell phone dealership.
2. As with the age group of cell phone dealers 17 per cent belong to the age group of 18 to 25, one out of every two traders contacted belongs to the age group of 26 to 40 and one out of every three traders belongs to the upper age category of 40 - 60. It is derived that nearly half of mobile handset dealers are middle aged and the rest belong to the youth and upper age group.
3. Majority of the traders belong to the married category; only 10 per cent remain unmarried at the time of the survey. They are therefore able to keep pace with the rapid proliferation of the new trade in Kanyakumari District.
4. When an enquiry was made on the educational qualification of the cell phone dealers, it is found that 77 per cent of dealers are undergraduates, 18 per cent of them are diploma holders and 6 per cent of them have studied up to higher secondary level. The survey revealed that all dealers are educated to do simple arithmetic and accounting and have an agreeable level of communication talent. This is evident from the qualification they possess.

5. It is inferred that 14 per cent of the dealers' parents are teachers, 19 per cent are from business background, and 28 per cent of the parents are agriculturists and only 10 per cent of parents are government employees. Kanyakumari district is well known for its climate and fertility of soil which enable high level agricultural productivity. This explains why majority of the parents are agriculturists.
6. Of the income earned by 120 mobile handset shop owners contacted for the survey, five per cent of the respondents earn a monthly income of less than Rs.5000. Nearly two-third of the dealers earn a monthly income exceeding Rs.10,000 and reach up to Rs.20,000; only seven per cent alone cross Rs.20,001 per month up to Rs.25,000. The expenditure apart, what is left with the shop owners help them to augment the sales of handsets and sim cards and continue to sustain them in the trade at the time of survey.
7. The cell phone dealers' experience in running the business has been analysed and it reveals the fact that 65 per cent of dealers have three year experience, when the sales promotion of mobile handset was at its highest. 95 percent of the dealers have gained agreeable level of experience and they remained in the business for more than three years and the trade sustains them. However, in recent years, as competition is stiff, only 15 per cent of the traders have entered the business with experience limited to two years and below. The future is still open for new traders who would have their shops established in hitherto unexplored areas as demand for mobile handsets is increasing ever.

8. Among the total capital employed, the cost of land and building constitutes the greatest portion and it accounts for 44.58 per cent of the capital employed. In the other fixed assets, namely, furniture constitutes 2.23 per cent; other specific assets, namely, air conditioner, electrical appliances and display frames account for 17.83 per cent.

The proportion of total current assets constitutes 59.21 per cent of the total capital employed. Current liabilities are worked out to be 23.85 per cent of the total capital employed. It is derived that the cell phone dealers run their business by borrowing from banks and other creditors. This indicates that the cell phone dealers are suffering from lack of finance on a long-term basis.

9. Nokia mobiles were sold on an average of one to ten per month. Similarly the other brands were also sold 12, 15, 13, 8, 7, and 10 respectively for the Sony Ericson, Samsung, Siemens, LG, Motorola, Reliance and Tata Indicom. On an average, Nokia mobile phones has the largest sales per month due to its brand familiarity and due to all other attractive features, it has reached the customers successfully. Motorola was initially successful among the customers but later the other brands entered and it could not withstand the competition and lost its market.

10. Agasteeswaram, being town area, has a sales percentage of about 23 per cent for Nokia, Sony Ericson has around 40 per cent. Following Agasteeswaram, Kalkulam stands second in mobile sales and services; Thovalai stands third and Vilavancode stands last in the district in the mobile sales. Being small in area

and less developed and having towns few in number, Vilavancode stands last in the mobile sales.

11. Nokia mobiles are mostly preferred by customers. Compared to other company products, Nokia mobile claims patronage from larger number of mobile handset users. The descending order of preference as revealed by the table indicates that Samsung claims the second place followed by Sony in the third place. The fourth place goes to LG mobiles, and in the run up of clientele's preference, Siemens has the fifth place and Motorola gets a distant sixth place. Easy availability, varieties, brand names and continued publicity have captured the minds of the customers and it is reflected in their preference for mobiles. Nokia has all attractive features in full measure and no doubt, it claims the first place.
12. Captivating models are those which are sleek, handy compact and have all features required in a cell phone by every consumer. As possessing a mobile handset gives an illusory eminence to youngsters, they prefer popular models to unpopular ones even though the latter do the function much better than the former. This study has brought to light the above facts. Popularity of the cell phone finds acceptance as a secondary preference. Thirdly, the customers rely on the quality of the handsets on sales. They are inclined to own any cell phone when their earlier choices have gone wrong. They have no other way except resorting to what is available in the market at the time of their purchase.

13. Thirty five per cent of the customers go for handsets with camera, 40 percent with video camera attachment. Youngsters do not bother about the cost. They want to display their possession of a prestigious cell phone during this stage of their life.
14. Most of the customers switch over to new fashionable handsets within two to three years they come to possess a handset. Thirty per cent are inclined to effect change of handsets within six months to one year. Only six per cent of the users prefer to make changes after about three year waiting. A number of reasons could be adduced for such switch over. The most plausible reason is that being dissatisfied with the one they hold, they go in for another one with latest technology and priced at affordable rate.
15. Thirty five percent of ladies prefer Nokia handsets, 28 per cent of them are convinced to go in for LG mobiles while only seven per cent think it fit to have Siemens handset. Most of the ladies are fantasized to select Nokia as it offers different models at cheaper rates compared with other brands in the market.
16. There are various features considered by ladies in selecting the cell phones. It is evident that 21 per cent of ladies select compact handsets. Eleven per cent considers warranty; 10 percent of the ladies are particular about the ready availability of after sales service. Twelve per cent, however, lay stress on the attractiveness of handsets. As ladies are cost conscious, they do not want to spend on costly handsets. After all, according to them, any handset at

whichever price available in the market is capable of meeting the basic need of contact and quick communication with others.

17. For purchasing a cell phone, 54 per cent of ladies spend Rs.4000 and below, 27 per cent of the ladies spend between Rs.4000 and Rs.6000, Eleven per cent of ladies spend above Rs.6000 and up to Rs.8000 and only eight per cent of the ladies spend above Rs.8000 for the purchase of cell phones. The study reveals that ladies are, no doubt, highly cost conscious. They do not want to spend more money on items like handsets. They are aware that any mobile handset irrespective of the price difference meets their requirement of easy contact and quick communication with the dear and near and others.
18. The number of promotional schemes introduced by the manufacturing companies has an impact on piling up of the stock of handsets. Handsets that command highest demand are kept in bulk by the traders. The quantum of stock has a bearing on the stock held by the traders. The quality of the handsets encourages the traders to increase the stock of these handsets. Sales promotional schemes enable the dealers to stock handsets at an advantage. The customers' choice has also influenced the stock to a greater extent.

II SIM CARD DEALERS

1. Among the sim card dealers, males constitute the major proportion of 77 per cent and the females constitute only 23 per cent. It is clear from the study that the males are highly interested in cell phone service providing business.

2. Majority of the respondents are married. 61 respondents who constitute the 51 per cent are married and 59 respondents who constitute 49 percentages are single.
3. Larger proportion of sim card dealers' literacy level is limited to graduation (57 per cent). About 13 per cent are post graduates and twenty per cent of them have reached higher secondary level. 33 per cent of the dealers earn below Rs. 5000, 57 per cent earns between Rs. 5,000 and 10,000, 10 per cent between Rs.11,000 and 20,000, the majority of income earned by the dealers is between Rs.5,000 and 10,000
4. Twenty eight per cent of dealers have experience in running the cell phone shop for three years. Cell phone dealers with one year experience account for 08 per cent of total dealers. It is obvious that mobile service providing business attracts new entrants while at the same time the existing dealers also.
5. Twenty eight per cent dealers do their cell phone business with below Rs.1 lakh investment, 57 per cent of dealers invest one lakh to 3 lakh rupees and only 5 per cent of dealers do business with above Rs.5 lakhs.
6. Majority of the customers constituting eighty per cent prefer prepaid service and only twenty per cent of the customers prefer post paid connection. This shows that prepaid connections contain some facilities which are absent in postpaid connection.

7. Majority of the dealers are available in Agasteeswaram taluk and also Airtel has more number of dealers in the district,
8. BSNL secures only second place and Airtel ranks third in dealership in the district as BSNL has diversified itself into the mobile phone industry at the later stage. It takes time for BSNL to rank first in the district in the dealership.
9. Most of the customers prefer the recharge coupons ranging from Rs.250 and 500; only 10 per cent of the customers prefer the recharge coupons above Rs.1000, as per dealer perspective.
10. Seventy four per cent of the subscribers are using life card service and 26 per cent of subscribers are not using the life card service. Since the majority of customers are using the life card, it indicates that users are aware of the benefits available from the use of life cards.
11. Most of the customers prefer the top up coupons ranging from Rs.301 to 500; only 10 per cent of the customers prefer the top up coupons between Rs.501 and 1000 as indicated by the dealers.
12. Majority of the dealers provide 'easy charge' facility. Only a meagre quantity of dealers does not provide easy charge facility. As majority of dealers provide 'easy charge' facility, it depicts a good relationship existing between the customers and the dealers.
13. Most of the customers are regular in their payment without causing any undue delay. This encourages the dealers to adapt to the mode of payment which

benefits them as well as the retailers. Thus, easy charge method is found to be a favour to the prospective customers and dealers.

14. For selling a sim card the dealer yields Rs. 85 for Aircel; Rs.40 for Airtel and only Rs.30 for BSNL. In terms of percentage, the commission from Airtel is 5.5 percent, 5 per cent for Aircel and 6.5 per cent for BSNL and 6 per cent for Vodafone. BSNL offers minimum commission for sale of its sim cards whereas its recharge percentage is the maximum compared to other companies.
15. BSNL dealers are inclined to give top priority to the contests conducted by the companies; commission, though equally important, is subordinated to the second place; special trade terms claim the third place where as advertisement and displays of wares are found in the fourth place. Sales meetings serving as an important feed back for the promoters, gains the fifth place. The other activities like price offs or buying allowances could only get the sixth position. Credit facilities are relegated to the seventh place.
16. Airtel dealers give first rank to special trade terms. Second rank to commission, third rank to credit facilities, fourth rank to sales meetings, fifth rank to price offs or buying allowances, sixth rank to advertisements and display aids, and seventh rank to contests.
17. Aircel dealers give first rank to special trade terms. second rank to price offs or buying allowances, third rank to contests, fourth rank to advertising and display aids, fifth rank to sales meetings, sixth rank to credit facilities and seventh rank to commission.

18. Vodafone dealers give first rank to special trade terms. Second rank to advertising and display aids, third rank to commission, fourth rank to price offs or buying allowances, fifth rank to sales meetings, sixth rank to contests, and seventh rank to credit facilities.
19. While comparing the sales promotional activities provided by various service providers BSNL is placed first for contests, for price off allowances Aircel is placed first and regarding Airtel credit facilities stands first while compared to other prepaid cards.
20. While studying the association of satisfaction levels of dealers in different taluks, the study reveals that significant difference exists between the satisfaction levels of dealers in different taluks, as the dealers in the densely populated taluk earn more money through their business.

III SIM CARD RETAILERS

1. Among the sim card retailers, males constitute the major proportion of 74 per cent and the females constitute only 26 per cent. This is but natural. The study reveals that the males are highly interested in cell phone service providing retail business compared to females.
2. The highest number of retailers belongs to the age group of 26 to 40 and it constitutes 62 per cent. Thirty five per cent of the retailers belong to the age group of 41 to 60. The age group of 25 to 40 is treated as the adult stage and

those belonging to this age can work hard displaying more energy and enthusiasm.

3. Majority of the respondents are married. 102 respondents are married and their percentage is 85 and 18 are single, and it is quite evident that they are responsible business owners with an eye on sales promotion, profit, continuity and expansion of business.
4. Larger proportion of sim card retailers' literacy level is Plus-Two at 46 per cent; 23 per cent of them have completed SSLC level. Even persons who have studied up to 8th standard have entered the business with gusto and they constitute a 31 per cent.
5. The study highlights that 45 per cent of retailers have three year experience in running the sim card retailing business. Cell phone retailers with one year experience account for 12 per cent of the total retailers. Sim card business attracts new entrants while maintaining the existing retailers.
6. The study reveals that 22 per cent retailers invest Rs.1000 to Rs.2000, 51 per cent of retailers invest Rs.2000 to Rs.3000 and only 7 per cent of retailers invest Rs.4000 to 5000 for their business.
7. From the study, it is known that 45 per cent of the retailers own grocery shops as their main business, where sim card sales outlet is attached. 11 per cent have it in fancy stores, 12 per cent have sim card service with the stationary shops they own; only 3 per cent has sim card business attached to their medical

shops. This shows that people running various other businesses such as Xerox shop, STD booth, fancy store, medical store, grocery shop, petty shop and others are also interested in mobile services as an adjunct so that they can look after the two businesses without sacrificing the main business.

8. The study reveals that 30 per cent of customers prefer BSNL, 16 per cent of customers prefer Aircel, 43 per cent of customers Airtel, and only 11 per cent of customers Vodafone. Airtel has many special features like reduced cost per call, internet charges, and other down load charges are very low for Airtel when compared with other mobile services. Customers feel that by using Airtel, their expenditure on mobile services has considerably come down.
9. The study shows that fifty three per cent of the retailers feel that Airtel provides services at lower rates, twenty two per cent of the dealers deal in Aircel which provides high talk time at reduced rates, and only seven per cent feel that Vodafone is providing high talk time at lower rates. Bharti Airtel has provided various offers and price cut offs to attract new customers and also to retain existing customers.
10. Most of the customers prefer recharge coupons ranging from Rs. 250 to 500. Only 10 per cent of the customers prefer the recharge coupons above Rs.1000 as per the opinion of retailers. Recharge coupons between Rs.250 and 500 are found to be very reasonable, and they give high talk time value and the validity period is extended to longer time interval.

11. Most of the customers prefer the top up coupon ranging from Rs.101 to 200, according to retailers; only 12 per cent of the customers prefer top up coupons between Rs.201 and 300.
12. Majority of the retailers provide 'easy charge' facility. As the maximum number of retailers provides 'easy charge' facility, this indicates that a good relationship exists between the customers and the dealers. On the other side, the dealers want to expand their business targeting more number of customers and also more investment is involved in the provision of this facility.
13. Most of the customers effect payment without much delay for 'easy charge' service, so that the dealers and retailers can encourage this type of charging to benefit the customers and also the dealers who get the due replenishment within a short period. Easy charge method is a successful method of recharging to both the prospective customers and retailers.
14. By selling a sim card the retailer gets Rs. 75 as commission for Airtel, for Aircel the rate is Rs. 30, and for BSNL only Rs. 25. And also the commission for recharge will be 4 per cent for Airtel and 4.5 per cent for Aircel, 5 per cent for BSNL and 4.5 per cent for Vodafone. BSNL is considered the least provider of commission for one sim card and the recharge percentage given is high for BSNL.

IV CUSTOMERS' ATTITUDE TOWARDS CELL PHONES

1. Among the cell phone customers, males constitute the major proportion of 62 per cent and the females constitute only 38 per cent. From this study it is well known that the males have the highest awareness and interest in using the mobile phones and services.
2. Customers of age group of 40 to 60 form 37 per cent. Twenty four per cent of the customers belong to the age group of 25 to 40. Though the age difference does not play a vital role in mobile phone usage, from the study it is inferred that majority of the customers surveyed are under the age group of forty to sixty.
3. Majority of the respondents are married. The 177 married respondents constitute 59 per cent. 123 are single, and they constitute 41. It is, no doubt, single individuals are lesser in number than the percentage of married respondents. Irrespective of the marital status, all the customers are highly oriented towards cell phone usage. In the present study, majority are found to be married.
4. For using mobile phones, no basic qualification is required. Both literate and illiterate have realized the necessity of possessing the mobile phone. Majority of cell phone users' literacy level is up to under graduation which accounts for 31 per cent, 12 per cent of the customers are diploma holders and 18 per cent of them have reached upto higher secondary level

5. Nowadays, daily wage earners, auto drivers, masons and home makers are using mobile phones due to their indispensable benefits. Mobile phones have become part and parcel of life. In the study, 27 per cent of the customers own business, 12 per cent of them are employees, 14 per cent are professionals, 13 per cent are agriculturists, 18 per cent are students and 16 per cent are teachers.
6. Eleven per cent of the customers earn below Rs.5000, 31 per cent earn between Rs.5,000 and 10,000, 32 per cent between Rs.11,000 and 20,000, 18 per cent between Rs.21,000 and 25,000. The majority income earned by the dealers is between Rs.11,000 and 20,000 and it is 32 per cent. High amount is not consumed or needed to use the mobile phone. Nowadays, mobile phones are available even for less than Rs.1000 and low rate recharge cards are also available which can be affordable to any income group.
7. The study highlights the fact that as high as 41 per cent of customers have two year experience. Cell phone customers with 1 year experience account for 21 per cent. It could be stated that cell phone market attracts new entrants and it maintains existing customers also. High number of years of experience shows the awareness about mobile phones and usage for a long period.
8. While enquiring the cell phone customers' family size, 24 per cent of the customers belong to small size, 41 per cent to medium size and 35 per cent to large size family. Today, even small children are using mobile phones in schools and colleges. If the family size is big, there is high possibility of usage of more number of cell phones.

9. Most of the customers prefer mobile phones to establish contact with others while travelling. Eleven per cent of the customers prefer mobile phones for easy contact, 14 per cent of the customers prefer cell phone for regular contact with others and 12 per cent of the customers prefer mobile phones for realizing cost economy. Depending upon the above factors, it is found that use of mobile phone varies from customer to customer.
10. Most of the customers are using the mobile phone instead of landline. Since the mobile phones are handy and they can be carried to any place, such advantages are used in full, for mobility and all time contact; 26 per cent of the customers feel that the mobile phones are providing any time contact.
11. The majority 51 per cent of the customers feel that the mobile phones have higher utility value than the land phones; four per cent of the customers feel the advantages of the two types and none of the customers feels that the mobile phones give low utility value compared to land phones. Cell phones, no doubt, have a very high utility value and are mostly preferred by all the customers.
12. Fourteen per cent of the customers have got the mobile through their employers, 70 per cent of them got through their own fund, and only 16 per cent got them as gifts from their friends and relatives. Gifts act as an endearing sign of love; mobile phones are presented to the users as a sign of love from others. The important use of mobile phone motivates customers to buy cell phone from their own money.

13. Television has influenced 24 per cent of customers in their purchase of mobile phones, the majority 43 per cent of the respondents was influenced through the display aids, 14 per cent through newspaper, 19 per cent through different magazines and none of them ever got influenced through radio. Displays and posters attract every one and they play a major role in taking decision on the purchase of mobile phones.
14. The ranking given for various benefits is presented. Decrease in communication expenses because of owning the cell phone holds the first rank, quick and accurate communication ranks fourth, and tenth rank goes to product diversification.
15. Most of the customers recall Nokia, 15 per cent recall Reliance India Mobile, 13 per cent recall LG, and nine per cent recall Samsung.
16. Individuals own more number of cell phones for various purposes. Eighty five per cent of the customers own only a single mobile, 11 percent of them possess two mobiles, and only four per cent of the customers possess the luxury of three mobiles. Nowadays, all the employers are providing mobile phones to their employees. These mobile phones are used only for official purposes. Other phones are used for personal purposes. The personal number is normally made known to the persons who have intimacy with the cell phone users.
17. Most of the customers possess Nokia, 15 per cent of them possess Reliance India Mobile, and 13 per cent have LG, while nine per cent possess Samsung.

Nokia has its own brand image and is highly preferred by most of the customers.

18. Most of the customers use colour mobiles, thirty four per cent use ordinary mobiles, twenty four per cent use camera mobiles, and only three per cent of the customers use video camera cell phones. Ordinary phones are available at cheaper rates. Colour phones, camera and video camera phones are a little costlier compared to ordinary phones.
19. Twenty four per cent of the customers like the quality in their mobiles, 14 per cent on the price of their mobiles, 31 per cent on brand image and only three per cent of customers like the special features found in their mobiles. Various aspects found in the mobiles attract the customers to prefer a particular brand.
20. Forty nine per cent of the existing customers are willing to change their mobiles and 51 per cent are not willing to change their present mobile brands. When the customers are not satisfied with the cell phone brand currently used, they are willing to switch over to some other brand that gives longevity in all aspects. Not just that, when new brands emerge in the market with new styles, innovations and technology, customers would like to prefer a new one.
21. Twenty nine per cent of customers prefer Nokia, 10 per cent prefer Sony Ericson, 02 per cent prefer Samsung and five per cent prefer LG for their next purchase. For the new purchase, the selection of brand is determined by past experience with the mobile phones and getting added information from friends and relatives who use some other mobile brands.

22. While changing their present mobiles for a new one, the customers will concentrate more on quality, 29 per cent concentrate on sound, 18 per cent look in to the price of the mobile and 14 per cent of customers consider the various models provided by the different brands.
23. The budget allotted for the new purchase of cell phone is Rs.5000 to 10,000 by 77 per cent of the customers, seven per cent of the customers willing to spend Rs.10,000 to 15,000 to the new ones, only two per cent willing to spend above Rs. 15,000 for their next purchase. Based on the customers' income and preference, budget of the new cell phone is decided.
24. While customers view the schemes offered by the cell phone companies, finance schemes are given high rank, the second rank is given to the complementary gifts and the last rank is given to discount schemes. Different types of customers prefer different schemes offered by cell phone companies. In general, all the cell phone companies offer various schemes to attract the customers.
25. While studying the satisfaction levels of customers, 232 customers are highly satisfied about the appearance of the handset which they possess, 46 customers are satisfied with the audio and video functions present in the mobile. Two hundred and fifty four customers are satisfied with price of the mobile; 139 customers are highly dissatisfied with the audio and video functions of the mobile. An attribute which is found to be satisfactory to one customer will not

be applicable to other. There are differences in the opinions and satisfaction levels of the customers.

26. Among the cell connections, majority of the customers use Airtel, twenty eight per cent uses BSNL, nine per cent uses reliance, only four per cent uses Vodafone. There are various players available in the market. Each one of them has its own merits and demerits. Brand preference by customers is made on the awareness and information sought from their friends and relatives.
27. Customers prefer to have more number of cell connections for various reasons. Eighty five per cent of the customers have single mobile connection, 11 percent of them have two mobile connections, and only four per cent of the customers obtain three mobile connections. Based on the usage and purpose, more number of connections are availed. Since various brands are offering different offers and schemes, customers use more than one brand to avail themselves of the facilities provided by different brands.
28. Majority of the customers, i.e., 84 per cent of the customers prefer prepaid service and 16 percent of the customers prefer postpaid connection. This shows that prepaid connections offer a lot of facilities and therefore are sought after by most of the customers. Prepaid and postpaid connections have their own merits and demerits. To serve different purposes, people prefer different types of connections. Type of connections is selected based on the requirements and the preferences of the customers.

29. Two types of connections are available. Some like prepaid and some like postpaid connections. It is realized that 21 per cent of customers prefer the prepaid cards, as the recharge cards are available at various rates, 48 per cent of the customers say that they have prepaid connection because they can do their recharge at their convenience. Monthly rental need not be paid in prepaid cards which is an advantage in this connection. Top up/recharge cards may be used only at the time of necessity.
30. Out of the sample respondents, 41 per cent of the customers prefer the postpaid cards as they are free to talk as desired without fear of balance, 21 per cent of the customers prefer post paid cards as they can make the cell phone bill payment through online.
31. The study highlights the fact that 41 per cent of customers have four year experience in using cell phones. Customers with one year experience account for 12 per cent. Only five per cent of customers are using the cell connection above five years. It could be stated that various cell phone connections attract new entrants and they maintains existing customers also.
32. Seventy six per cent of the existing customers are willing to change their mobile connections and 24 per cent are not willing to change their present mobile connection brands.
33. Nineteen per cent of the customers prefer BSNL, 29 per cent prefer Aircel, 30 per cent prefer Airtel and 10 per cent prefer Vodafone for their next purchase. For the new purchase, selection of sim card will be decided on the past

experience and getting information from friends and relatives who use some other sim cards.

34. There are different rental plans available for the postpaid users. Thirty eight per cent of the customers have Rs. 140 rental plan, 33 per cent customers have Rs.350 rental plan, 25 per cent customers have Rs.500 rental plan, and only four per cent customers have Rs.1000 rental plan.
35. Recharge coupons for Rs.331 is always used by 113 customers, 22 customers use this card sometimes, 83 customers use this value rarely and sixty four customers use this card only during special offer. Similarly eighty six customers use Rs.551 recharge card always. One thirty customers use the card sometimes and twenty six customers use this card rarely.
36. The volume of 192 customers receive below 20 calls per week, 24 customers receive 20 -50 local calls per week and 50 outstation calls, 50-100 local calls per week are received by 112 customers and 56 customers make 50 to 100 outstation calls per week.
37. The volume of outgoing STD calls made by the customers was enquired and 12 customers make below 20 STD calls and 164 customers make below 20 ISD calls, 20-50 local calls, 10 customers make 20-50 local calls, 194 customers make 20-50 STD calls, 42 customers make 20-50 ISD calls approximately per week. This brings to light the fact that customers feel happy by conveying information to others abroad and at distant places.

38. It is inferred from the study that 126 customers receive upto five wrong calls per week and 74 customers send upto 5 wrong calls per week, 96 customers say that 5 to 10 wrong calls have been received and 12 wrong calls sent, and 12 customers say that they have never received any wrong call in their mobile and 06 of them say that they have never sent any wrong calls to anyone.
39. Customers give first rank to the statement 'it is easy to get prepaid', 'delay in getting postpaid connection' ranks second, 'frequent changes in tariff rate are high' is considered at the third place by the customers. Fourth rank is given to the 'high connectivity problem between BSNL and other connections'.
40. The BSNL customers give first rank to offers', second rank to 'bonus packs', third rank to 'special sales on reduced price', fourth rank to 'gifts', fifth rank to 'contests', sixth rank to 'point of purchase displays and demonstrations', seventh rank to 'prizes' for the sales promotional activities offered by BSNL.
41. The Airtel customers give first rank to 'offers', second rank to 'special sales on reduced price', third rank to 'gifts', fourth rank to 'contests', fifth rank to 'bonus packs', sixth rank to 'point of purchase displays and demonstrations', and seventh rank to 'prizes' for the sales promotional activities offered by Airtel.
42. The Aircel customers assign first rank to 'offers' provided by the company, second rank to 'special sales on reduced price', third rank to 'bonus packs', fourth rank to 'prizes', fifth rank to 'gifts', sixth rank to 'contests', and

seventh rank to 'point of purchase displays and demonstrations' for the sales promotional activities offered by Aircel.

43. The Vodafone customers give first rank to 'offers', second rank to 'bonus packs', third rank to 'gifts', fourth rank to 'contests', fifth rank to 'special sales on reduced prices', sixth rank to 'point of purchase displays and demonstrations', and seventh rank to 'prizes' for the sales promotional activities offered by Vodafone.
44. While comparing the sales promotional activities provided by the various service providers, 'offers', 'special sales on reduced prices' and 'gifts' stand first among the entire service providers.
45. The study reveals that there is significant relationship between the age of the customers and the satisfaction levels in using the mobile and also there is significant relationship between the gender of the customer and satisfaction levels in using the mobile phone.
46. From the study it is found that there is significant relationship between cell phone brands and satisfaction levels in using the mobile and there exists significant relation between the service providers and satisfaction levels of customers.
47. The study infers that there is significant relationship between the use of cell phone and age. The analysis of the data reveals that respondents between the

age group of 40 to 60 are the consumer group putting their mobiles to highest use.

48. The study reveals that correlation exists between the type of handset used and marital status. Married persons have a lot of responsibilities and they could not spent lavishly on high cost mobiles. The basic purpose of mobile is its anytime usage, and that facility is available in all sorts of mobiles. Single individuals, who earn, can change their mobiles then and there to meet the latest trend and fashion.
49. Positive correlation exists between gender and the media of advertisement. Tastes and media attractions are viewed differently by men and women. Females are very easily lured to advertisements whereas the males will try to analyse the facts before taking any decisions and they will not therefore easily get caught in the advertisement tangle.
50. Most of the customers prefer mobile phone to establish contact with others while travelling. Eleven per cent of the customers prefer mobile phones for easy contact, fourteen per cent of the customers prefer cell phone for regular contact with others and twelve per cent of the customers prefer mobile phones for realizing cost economy. Depending upon the above factors it is found that use of mobile phone varies from customer to customer.
51. From the study, it is identified that most of the customers are using mobile phones instead of landline. Since the mobile phones are handy and they could be carried to any place, such advantages are used in full, for mobility and all

time contact; fourteen per cent of the customers feel that the mobile phones provide any time contact. The majority 51 per cent of the customers feel that the mobile phones have higher utility value than the land phones; four per cent of the customers feel the advantages of the two types and none of the customers feels that the mobile phone give low utility value compared to land phones. Cell phones, no doubt, have a very high utility value and are mostly preferred by all the customers. From the analysis, the ranking given to various benefits is obtained. Decrease in communication expenses because of owning the cell phone holds the first rank, quick and accurate communication ranks fourth, and tenth rank goes to product diversification.

52. Television has influenced 24 per cent customers in their purchase of cell phones, the majority of the respondents have been influenced through the display aids, 14 per cent through newspaper, 19 per cent through different magazines and none of them ever got influenced through radio. Displays and posters attract every one and they play a major role in making a decision on the purchase of mobile phones.
53. The features liked by the customers in the cell phones is analysed and in that 24 per cent of the customers like the quality of their mobile, fourteen per cent the price of their mobile, thirty one per cent brand image and only three per cent of customers like the special features found in their mobile phones. Various features found in the mobile phones attract the customers to prefer a particular brand.

54. The cell phone brands used by the customers is reviewed and found that 29 per cent of customers prefer Nokia, 10 per cent prefer Sony Ericson, 02 per cent prefer Samsung and five per cent prefer LG for their next purchase. For the new purchase, the selection of brand is determined by past experience with the mobile phones and getting added information from friends and relatives who use other mobile phone brands. While changing their present mobile phones they will concentrate more on quality, twenty nine per cent concentrate on sound, eighteen per cent look into the price of the mobile and fourteen per cent of customers consider the various models provided by different brand manufacturers.
55. From the survey, it becomes clear that finance schemes are given the highest rank by the customers, the second rank is given to complementary gifts provided by the cell phone companies and the last rank is given to the discount schemes provided by the cell phone companies. Different types of customers prefer different schemes offered by cell phone companies. In general, all the cell phone companies offer various schemes to attract the customers.
56. The study reveals that 232 customers are highly satisfied with the appearance of the handsets they possess, 46 customers are satisfied with the audio and video functions present in the mobile. Two hundred and fifty four customers are satisfied with the price of the mobile phones; 139 customers are highly dissatisfied with the audio and video functions of the mobile. An attribute which is found to be satisfactory to one customer is not applicable to the other. There are differences in the opinions and satisfaction levels of customers.

V PROBLEMS OF DEALERS AND CUSTOMERS

1. The study brings to light that competition is the major factor that affects the marketing process of the dealers. Day by day new competitors emerge with so many models and multifunction facility in cell phones. Most of the previous models do not possess multifunction facility. Audio and video quality also differs from one brand to another brand. Brand name is also another factor that affects twenty per cent as per dealers' view.
2. The major problem faced by the dealers while purchasing the cell phones or topup cards is the fluctuation in rates. Variation in rates occurs very frequently and the price of cell phones decreases irrationally during a short period. Financial problem is also another factor encountered by most of the dealers in purchasing the cell phones or top up cards.
3. Motorola gets the maximum battery problems. Nokia is placed second following Siemens, LG gets the fourth rank in battery problems and Samsung is considered the one which gets minimum battery problems.
4. Sony Ericson gets the maximum audio problems, Samsung is placed second following Nokia, LG gets the fourth rank in getting audio problems and Siemens is considered the one which gets minimum audio problem.
5. Samsung gets the maximum picture clarity, Sony Ericson is placed second following Nokia, LG gets the fourth rank in picture clarity and Siemens is considered the one which gives minimum picture clarity.

6. LG gets the maximum board problems, Samsung placed second following Motorola, Nokia gets the fourth rank in getting board problems and Sony Ericson is considered the one which gets minimum board problems.
7. Siemens gets the maximum display problems, Samsung is placed second following LG, RIM gets the fourth rank in getting display problems and Tata Indicom is considered the one which gets minimum board problems. The circuits related to display inside the cell phones are the reasons for maximum display problems. The companies should identify the reasons and avoid such problems occurring in mobile phones so that they can retain their customers and also enhance sales.
8. Forty four per cent of dealers feel it as a problem that some offers are made only to 'easy charge' not to paper coupons. Fifty two per cent of dealer suffer from the problem that the shut down of LAPU server and four per cent of the dealers feel that there is no fixed activation commission. Maximum 62 dealers face problem due to the shut down of LAPU server. 'Easy charge' is a facility provided by most of the dealers and retailers to the customers to facilitate immediate recharge. The customers can recharge their mobile wherever and whenever they like. When they make a call or send a message to the dealer or retailer, the requested amount will be added to their mobile account immediately.

LAPU server plays a main role in the 'Easy charge' process. When more number of customers' access 'easy charge' at the same time, LAPU server will get hanged and shut down automatically and could be released only after few minutes. This should be rectified by the sim connection providing companies.

9. While viewing the number of faults occurring in the cell connection per month, 46 per cent of customers get more than 10 faults in their mobile connection, twenty eight per cent of the customers get 5 to 10 faults in their mobile connection per month, but none of the customers says that they never get any problem in the present functioning of mobile connection. This shows that all the customers face some sort of problems in the functioning of their cell phone connection.
10. Twenty five per cent of the customers feel that the signal interruption is the major problem faced. Seventeen per cent of the customers feel that poor clarity of signal exists in their present mobile connection. Ten per cent of the customers have lack of coverage problem.
11. The network problem is rated high by 252 customers, cross talk problem is rated medium by 256 customers, delayed connectivity is considered low by 193 customers, poor clarity of signal is rated high by 143 customers and the disconnection while talking is considered to be medium by 122 customers.
12. Vodafone has the highest connectivity problem following Aircel. The third place goes to Tata Indicom. BSNL is the one which has less connectivity problem. BSNL has a wide connectivity and the module used for connecting is highly powerful and it helps its customers from connectivity problems. Easy connectivity to the entire network is made easy by BSNL.
13. Tata Indicom has the highest tower coverage problems following Airtel. The third place goes to Vodafone. BSNL is the one which has less tower coverage problem. BSNL has wide tower coverage and the module used for launching tower is highly powerful and it saves customers from coverage problem.

14. Vodafone has the highest disconnectivity problem while talking following Aircel. The third place goes to Tata Indicom. BSNL is the one which has less disconnectivity problem while talking. BSNL has a wide connectivity and the module used for connecting is highly powerful and it helps its customers be free from disconnection while talking.
15. Tata Indicom ranks first in poor clarity of signal while talking following Aircel. The third place goes to RIM. BSNL is the one which has high clarity of signal while traveling. BSNL has a wide connectivity and the module used for connecting is highly powerful and saves its customers from signal problem while travelling.
16. Nine per cent of the customers feel that the faults are not rectified for a longer time, 59 per cent of the customers feel that the faults are rectified immediately, and 32 per cent of the customers feel that their complaints are accessed and rectified in a day.
17. Eighty four per cent of the customers lodge complaints with the Customer Care centres for wrong billing, 16 customers say they will pay the amount within the due date as per rules and later they seek clarification related to that, and none of the customers are ready to pay the amount without any clarification.
18. The shop which has high investment and high number of sales persons giving reasonable pay do not undergo a bunch of turnover of sales men at the same time. If one sales man leaves the enterprise, the other existing staff will manage the situation in his absence. To safeguard the enterprise without getting affected in sales, the dealers should withhold the sales men with high caliber to improve and retain their business.

19. The shop which has high investment and high number of sales persons send their personnel for training to gain more knowledge about the products for sale. The companies are frequently conducting meetings and training camps to create awareness about their products among the customers. To safeguard the enterprise against drop in sales, the dealers should send their sales men to attend the training camps to make the sales effective. Travelling allowance and dearness allowances should be provided to such sales personnel.

7.3 SUGGESTIONS

- ❖ Sample respondents interviewed prefer to have cell phone connections at lower service charges than the service charges offered by Department of Telecommunications. Therefore, it is suggested that cell phone service providers should try to reduce their service charges in order to retain the existing market share as well as to sustain growth.
- ❖ There is close relationship between gender of users and choice of cell phone service providers. Majority of cell phone service users under this study are males. Therefore, the cell phone service providers should follow sales promotion techniques to attract more females.
- ❖ There is a close relationship between educational qualification of users and the choice of cellular service providers. Majority of cell phone service users are graduates under this study. Hence, the benefits offered by the cell phone service providers should clearly be communicated to illiterates also through mass media in the form of slogans or informative and descriptive advertisement.

- ❖ Majority of males are involved in cell phone business; the cell phone companies should also motivate the females to take an active part in the cell phone business by giving them extra benefits and allowances, and all the more the ingredient 'encouragement'.
- ❖ Majority of the dealers are in the age group of 25 to 40. People above 40 should also involve themselves in this type of business. People above 40 will have knowledge encumbered with experience, tolerance and patience. Such type of people can produce higher returns. Therefore, the cell phone service providers can devise plans to engage the senior people above 40 years of age also in their business.
- ❖ Most of the dealers doing this business are married. More bachelors should come forward to involve themselves in such type of business. Bachelors are free from family responsibilities; they can work with full-fledged energy to achieve the targets of the cell phone companies. Hence, cell phone companies should promote schemes that would attract more number of bachelors also into the business
- ❖ Most of the people involved in cell phone business are graduates. The cell phone companies should also provide training to the under graduates and college students to do this business as part time.
- ❖ People who are working in some other job can also do this business as part time. Only 32 per cent of the people are doing this business as part time. The proportion should be increased.

- ❖ Only a meagre number of dealers are doing this business as a main business. Most of the dealers are doing along with the fancy store, stationary shop and the like. If much concentration is given to this business, high possibility of promotion of this business could be done. Cell phone companies can provide infrastructure so that people come forward to do this business as their main vocation.
- ❖ Majority of the dealers are earning only between Rs.5,000 to 10,000. The dealers should follow new strategies and tactics to earn more returns and income.
- ❖ Only few shops are running with an investment of above Rs. 5 lakhs. Most of the shops which sell mobile phones are not concentrating on mobile connections. The dealers should take steps to extend their business by involving both in cell phone as well as cell connection business.
- ❖ Nokia has got its own brand image, but as the video and audio is concerned there are lots of complaints from the customers regarding every brand. The cell phone companies should take special efforts to overcome these complaints in future.
- ❖ Cell phones in the major towns are being sold 50 to 100 in number per month. In the village areas cell phone sales can be made comparatively high. Steps should be taken to increase the mobile sales in villages and country side.

- ❖ More number of new models should be introduced to attract more mobile phone sales.
- ❖ Various promotional schemes should be introduced by cell phone companies to increase mobile phone sales; company should give more support to stock more mobile phones and develop the cell phone business.
- ❖ Youngsters are those who prefer new models and change their mobile frequently in order to cope with the fashion. Therefore new models should frequently be introduced to meet the requirements of the youngsters.
- ❖ Since ladies are beauty conscious, mobile phones of aesthetic appeal should be introduced by manufacturers. Such type of phones should be handy, precise, cheap and beautiful.
- ❖ Prepaid cards are highly preferred by the customers. When the customers use prepaid cards they will limit their talk. When they are induced to use postpaid cards, limitless talk could be possible without fear of empty balance. Hence, the companies and dealers should concentrate more on postpaid business and create awareness about the usage of postpaid service and expand the postpaid business to the level of prepaid business.
- ❖ Recharge coupons above Rs.1000 are preferred only by less number of customers. To increase the sales of recharge coupons above Rs.1000, they should be sold with special offers and gifts to boost up sales.

- ❖ Like 'Easy charge' facility, some other similar facilities should be introduced by the cell phone companies to encourage the existing customers.
- ❖ Like Airtel, the other service providers should also increase the charge for sim card activation. Like BSNL recharging, other service providers should also provide good commission on recharge.
- ❖ BSNL should improve the special trade terms and the contest efficiency to get the satisfaction of the dealers and retailers.
- ❖ Airtel should improve the allowances for bulk purchases and more contests prizes should be given to motivate the dealers
- ❖ Aircel should improve on contests and conduct sales meetings to attract the dealers.
- ❖ Vodafone should concentrate on the special trade terms with the dealers and the sales meetings should be conducted often to motivate the dealers.
- ❖ Shut down of LAPU server creates dissatisfaction in most of the dealers. The companies should concentrate on measures to avoid such problems or to find out an alternative to benefit the customers, dealers and the retailers.
- ❖ All the dealers are not satisfied with the sales promotion activities followed by the cell phone companies

- ❖ Motorola mobiles do not have market as compared with other mobile phones. The Motorola Company should take initiative to find the reason for the dislike of the mobile and have to take steps to improve the sales.
- ❖ Net work problems can be rectified using the Wide Area Network (WAN).
- ❖ Coverage problems can be overcome by establishing new towers at various places by different cell phone service providers.
- ❖ Poor connectivity can be avoided by using latest technology in the cell phone connection process.
- ❖ Disconnection while talking is another problem encountered by most of the customers. This can be overcome with high technology back ups.
- ❖ Over billing can be avoided with proper measurement tools used for registering the calls made by customers.
- ❖ Maintenance of the server and processor should be done then and there to avoid most of the problems encountered by customers.
- ❖ Mobile phones of different models with multi function facility should be introduced to target the middle class people.
- ❖ To face the tough competition from most of the cell phone companies, service providers should follow better marketing strategies and tactics.
- ❖ Sales promotional aids should also be improved to cope with the customer expectations and desires.

- ❖ Sales executives should be paid well to improve the sales of the mobile phones and connections.
- ❖ The commission provided by the cell phone companies and service providers is not upto the expectation of the dealers and retailers. Commission should reasonably be raised.
- ❖ The companies can follow bonus schemes to their distributors and retailers based on the target they achieve per year.
- ❖ Finance and credit facilities should be provided by the cell phone and service providing companies to help the dealers in establishing business.
- ❖ Dealer grievances with the companies should also be given focus and redressed effectively for better business.
- ❖ As customers are more important to dealers and retailers, the dealers are the most important ones to the cell phone companies. So, the cell phone companies should always give proper care in handling the grievances and meeting the expectations of the dealers.

7.4 STRENGTHS AND WEAKNESSES OF CELL PHONE SERVICES

While observing the conditions of the market and analyzing the consumers of cell phones, the researcher found the following strengths and weaknesses of cell phone services.

STRENGTHS

1. There has been explosive growth of the industry in the recent years.
2. Modest ways and habits of majority of the Indian customers.
3. Cell phone consuming population is on the raise irrespective of income, literacy and occupation.
4. Internet, SMS, fax messages pass through cell phones
5. Cell phones minimize the work of postal and telegraph departments.
6. Mobility, cheap rates and also the utility of the cell phones is high.
7. 'Easy charge' facility is another advantage at hand.
8. Nokia cell phone alone has the dealership in Kanyakumari District of Tamil Nadu.
9. Selling and buying of cell phones with easy credit facility.
10. Providing valuable consultancy services to the customers.
11. Selling quality cell phones directly to customers at cheap rates.
12. Wholesale and retail business of the industry.
13. Computer facility for storing data and market intelligence.
14. Provisions to find out the lost mobile phones.
15. Security numbers for the mobiles to safeguard them from usage by others.

WEAKNESSES

1. Low efficiency of the cell phone towers.