

Chapter - 1

INTRODUCTION

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1.1 INTRODUCTION

Consumer behavior is the study of how people buy, what they buy, when they buy and why they buy. It is a subcategory of marketing that blends elements from psychology, sociology, sociopsychology, anthropology and economics. It attempts to understand the buyer decision-making process, both individually and in groups. It studies characteristics of individual consumers such as demographics, psychographics, and behavioral variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups and society.

In the domain of evolutionary economics, consumers are seen as active agents following rules of behavior, easy to follow and implement, because they require only a limited amount of information and capability of elaboration. As a consumer, being aware of a certain need and believing a certain good category satisfies it. Consumer can afford a maximum price and search for the best goods available under such a constraint.

Consumer behavior that might be useful tools for brand management in markets for fast-moving consumer goods. It is a model that into account various psychological and sociological factors that describe respectively, what is on sale and who else influence consumers is already buying. The outputs of the models should be predictions for the division of market share between competing products. There are so many products on the market, many of them similar to each other, that the decision to make a first time purchase can be a difficult process. If the consumer doesn't know about the product already, take advice from people who do or read the magazine reports about it. Consumers rely on advertising and the product's packaging and it helps them to make a buying decision without personal recommendation.

1.2 BRAND LOYALTY

In a highly competitive market, the marketing department tries to make their products stand out against the rest. A supermarket is a good example of this, with shelves full of almost identical products to choose from them. The challenge facing the package designer is how to grab consumer attention to make an **impulse buy**.

The success of a product through branding can lead to brand loyalty. A positive buying experience results in repeat sales. Consumers tend to stick to that product and it leads to a trust in other products under the same brand name.

The independent ability of brand switching behaviour depends upon the psychology behind human behavior as it pertains to brand selection can be both rudimentary and complicated at the same time. Investigating insight into the realm of brand preference, a convergence of ideologies will advocate techniques in order to deepen current and potential relationships. Methods will be introduced which evoke the use of our five senses to evaluate, develop, and drive a deeply rooted brand preference.

The brand loyalty constitutes, according to **Bloemer and Kasper (1995)**¹, brand loyalty implies that consumers bind themselves to products or services because of a deep-seated commitment. They rendered a distinction between repeat purchases and actual brand switching behaviour. A repeat purchase behavior "is the actual re-buying of a brand" whereas switching behaviour includes "antecedents" or a reason/fact occurring before the behavior. "A strong brand position means the brand has a unique, credible, sustainable, and valued place in the customer's mind. It revolves around a benefit that helps the product or service stand apart from the competition. Organizations seek to develop and project brand perceptions based on internally driven needs and goals. In Jack Trout's book "**Differentiate or Die**," presents evidence that supports the theories on consumer behavior and interpretation.

¹ *Bloemer and Kasper (1995)*, the complex relationship between consumer satisfaction and brand switching behaviour, *Journal of Economic Psychology*, Volume 16, Issue 2, 1 July 1995, Pages 311-329.

Although these concepts seem self-evident on the surface, organizations tend to ignore these immutable laws in their daily branding activities.

In order to understand the psychology of brand preference, a basic communications model and the process of receiving/filtering messages to be examined. The essence of brands is connected through our five senses. The culmination of this information may help any organization facing brand loyalty issues with their constituents and provide resources to uncover core issues. The purchase decision process is the stages; a buyer passes through in making choices about which products and services to buy. The five stages of consumer behavior is problem recognition, information search, alternative evaluation, purchase decision and post purchase behavior.

1.3 BRAND SWITCHING BEHAVIOUR

Brand switching process is a opposite phenomenon to brand loyalty. The disloyal consumers possess the behaviour of brand switching significantly. Businesses succeed when processes and technologies are well aligned and integrated. Many benefits have been achieved by recent efforts to streamline the supply side of the business. Now, demand is emerging as the next area of focus for improvement. Considering that, a mere one percent increase in customer switching behaviour can translate to the loss of lifetime revenue in the billions of dollars. Business wisdom suggests that it costs more to win a customer than it does to keep a customer. Regardless of size or industry, the business that is best at retaining customers, will benefit from lower marketing costs, greater brand value, reduced customer sensitivity to price, and improved financial results. Consumers are better informed than ever before and in a much more powerful negotiating position. Industries are accustomed to addressing customer expectations with a response that calls for meeting average rather than specific customer demand to fill the gap between what customers want and what has actually been produced.

Some consumers, known as loyal, always buy a particular brand. Other consumes are called switchers, chose which brand they buy in a given shopping trip depending on relative prices of the products. Stores try to induce these consumers to

switch to a given brand by putting it on .Switching behavior is extremely common and brand switching behaviour is relatively uncommon. Brand switching behaviour is defined by the purchase pattern of a decision-making unit, which may be an individual, a household or a firm. Important to notice is that the decision unit does not have to be the actual purchaser. One of the parents often makes the purchases of a household but other members of the household may also be involved in the decision process. This issue becomes important when the members of a household have different product needs and use goods for different purposes. In that case, it should be observed switching behavior on the household level, which represents different needs or usage, purposes by different family members rather than an absence of brand switching behaviour. The consumers may actually be loyal to more than one brand, a phenomenon observed by many researchers **Leary**,²especially for low involvement goods, the consumer often does not evaluate brands on a continuous scale, but classifies them discretely as acceptable or unacceptable. If more than one brand is acceptable, an individual might be indifferent between them and exhibit switching behaviour to a group of brands rather than to a single brand.

There are many conditions that the influence factors, which are crucial in stimulating brand switching behaviour successfully. These are Include the market share, competition, price, brand switching costs, number of substitutes, and so on. Evaluating this, the task of a marketing department is to have many manifested satisfied consumers, because they are the ones that are brand loyal. In order to have a high number of such consumers, marketing tools should be adequately implemented to increase the motivation and the capacity of the consumers to evaluate brand choice. This can be achieved by accentuating the differences between different brands and stressing the important characteristics of the brand, by providing clear and understandable information about the brand, or by building a permanent relationship with the customer. . They hope to achieve an increased motivation to evaluate different brands. It tries to obtain a caring relationship with their customers. The increased motivation should result in higher degrees of manifest satisfaction and therefore into more brand switching behaviour. In order to get these potential consumers, stresses the unique system and characteristics the product.

2 O'Leary. N.,1993 *Brands on Trial* , *AcWeek* 34, 21, 24-31.

This can be concluded by saying, as well as many professionals in this field, brand switching behaviour is a very important aspect of a firm's intangible assets and marketing strategy. Satisfaction is very important to consumers and by stimulating and manipulating this as well as other factors like price, number of substitutes and switching costs. The satisfaction-brand switching behaviour relationship is positively influenced by companies and aware of the importance. The implications of this knowledge, customers should be stimulated to evaluate their choice between products by either stressing the differences between brands and focus on the important characteristics of the brand, by providing clear and understandable information about the brand.

As evidenced in previous studies, awareness about the name rather the brand makes the consumer go with a positive nod towards the particular product. A consumer who goes for repeated purchase for a reasonable period of time establishes loyalty towards a particular brand of the product, having been emphasised by brand recall and memory. Thus, brand loyalty is an extension of brand awareness as a source of brand equity. The first major study of brand loyalty was published by George Brown in 1952 and 1953.

1.4 MOBILE NETWORK SERVICES

The Indian telecom industry is the world's fastest growing telecom industry. It is also the second largest telecommunication network in the world. In terms of number of wireless connection after China. Cellular service can be divided into two categories. They are the Global System for Mobile communication (GSM) and the Code Division Multiple Access (CDMA). The GSM sector is dominated by Airtel and some other networks. The ITU (International Telecommunication Union) demands quality of service as a set of quality requirement on the collective behavior of one or more objects. It is basically the level of guaranteed service to the customer's satisfaction that prefers the brand.

In India stiff competition, advanced technology and reduced tariff have propelled the growth of mobile service in India. In the last five years, the industry had registered the mark able growth in terms of subscriber base. Today, mobile phones

have become indispensable for people to whom these electronic gadgets are a major source for gaming, getting information, shopping, banking, entertainment and much more. This is the main reason why the Indian Mobile Service Provider (MSP) market is overcrowded.

A mobile phone is also known as cellular phone. Cell phone or simply a phone is a phone that can make and receive telephone calls over a radio link, while moving a wide geographic area. It does so by connecting to a cellular network provided by mobile phone operator, by allowing access to the public telephone network. In addition to the telephone mode mobile phone also supports a wide variety of other services, such as text messaging, mms, email, internet access, short range, wireless communication, infrared Bluetooth, business application and many more.

1.5 STATEMENT OF THE PROBLEM

This is an age of invention and innovation. The customer whose beliefs and attitude are dynamic should be satisfied with the product of their choice. It is needless to say that marketing is a new way of thinking about how consequences and their organization can change with target customer, who is always inclined in seeking to satisfy his needs or the wants.

In utilizing the vast telecom market available in Kancheepuram District services providers venture in to promotional activities, rather than focusing on specific services targeted at a particular segment of customers. In order to justify a service provision strategy, it is imperative to ascertain that the services that are provided are preferred and desirable by the customer. It is known that the customers brand switching behaviour would be the most important factor in determining business success. Therefore, the market strategies and policies for promoting mobile service are to be mapped out, based on customer needs and preferences. This study has been conducted to identify the reason for customer dissatisfaction leading to brand switching of mobile network services in Kancheepuram District. Further, the researcher tries to identify the reasons for brand switching among the different brands available in Kancheepuram District.

1.6 RESEARCH GAP

After reviewing the literature pertaining to brand switching behaviour, researcher identified three predominant lacunae regarding the relation among the factors of brand switching. The first lacunae focuses on identifying the direct factors influencing brand preference of customers and the second issue so far not addressed at the International, National, State and District level is to measure the reasons for brand shift empirically. The third research gap is to establish the nature of relationships among the factors of brand switching behavior.

1.7 NEED AND IMPORTANCE OF THE STUDY

In the present competitive world the customer is almost the king in the market. And therefore, it is very essential to satisfy him to retain him as a loyal customer. From this point of view, business should rise up to the level of customer satisfaction and qualitative of service. It is the main aim of mobile network services to take special care of a avoiding brand switching. The customer retention became the order of the day for all the marketers. The liberalization and globalization of Indian economy opened the fascinating vistas for private players in the mobile network industry, which give all possible conducive atmospheres for customers to to brand switching. Therefore it becomes vital to study the brand switching behavior of customers to study the present trend, growth and service quality of mobile network consumers. The rationale for the existence of community service Organizations is to meet the needs of the customers because the customers have the right to tap the mobile network. Brand switching are the vital rungs in the ladder of customer Preferences and satisfaction.

- Organizations that strive beyond minimum standards and exceed the expectations of their customers are likely to be leaders in their sector.
- Customers are recognized as key partners in shaping service development and assessing quality of service delivery.

The process for measuring brand switching behavior of customers is a valuable tool for quality and continuous service improvement.

1.8 SCOPE OF THE STUDY

The study enables to understand the perception of the market segment in a better way. It would help the mobile network services to recognize in popularity and also to identify various features that influence the buying process. In short, the study drives home the consumer behavior, the attitude and perception of mobile phone users.

This study is undertaken to measure the brand switching behaviour of mobile network services and to study the quality of the service providers in Kancheepuram District and as such, there is a lot of scope for the study. The study can be viewed in qualitative nature rather than in quantitative measures. Maximum efforts have been taken to produce a reliable result regarding the customer satisfaction and their expectations as the votaries of mobile network services.

1.9 OBJECTIVES OF THE STUDY

- To study the profile of mobile network services operated in Kancheepuram district.
- To analyse the socio economic profile of mobile network customers in Kancheepuram District.
- To ascertain the connection details and technological provisions of mobile network services in the study area.
- To identify the factors responsible for brand switching behavior of mobile network users in Kancheepuram district.
- To analyse the influence of demographic factors and connection detail of mobile network customers on the factors of brand switching behavior

- To construct an empirical model of brand switching behavior pertaining mobile network services.

1.10 HYPOTHESES

The following null hypotheses (Ho) were developed and tested with appropriate statistical tools.

- There is no significant difference among the factors of brand switching Behaviour.
- There is no significant influence of demographic variables on the factors of brand switching Behaviour.
- There is no significant influence of demographic variables on the factors of brand switching Behaviour

1.11 RESEARCH METHODOLOGY

The methodology of the study is based on the primary as well as secondary data. The study depends mainly on the primary data collected through a well-framed and structured questionnaire to elicit the well-considered opinions of the respondents. Convenient sampling method is adopted to obtain the responses from the consumers using different mobile network in Kancheepuram District. This study employs both analytical and descriptive type of methodology. The study is conducted in two stages format, with a preliminary pilot study followed by the main study. The secondary data are collected from journals, magazines, publications, reports, books, dailies, periodicals, articles, research papers, websites, company publications, manuals and booklets.

1.11.1 Study Area

The study area taken up by the researcher is Kancheepuram District. It consists of 12 Taluks only. They are:

1	Kancheepuram
2	Walaja bad
3	Uthiramerur
4	Sriperumbudur
5	Chengalpattu
6	Thirukazhukundram
7	Thiruporur
8	Maduranthakam
9	Cheyyur
10	Tambaram
11	Alandur
12	Shozhinganallur

1.11.2 Pilot Study

A pilot study was conducted to validate the questionnaire and to confirm the feasibility of the study. The pilot study was conducted with a sample of 60 questionnaires covering all the 12 taluks of Kancheepuram District. The statements included in the questionnaire were subjected to the test of reliability using Cronbach's Alpha Criterion. The value obtained is, 0.853, which shows that the instrument is highly reliable. In the light of experience gained, the questionnaire was modified suitably to elicit the responses from the sample group.

1.11.3 Sampling Size and Design

The study area comprises 12 taluks in Kancheepuram District and they are classified by the researcher to justify the sampling procedure adopted in the research.

Table – 1.1

Sampling Methodology

Sl. No.	Taluks in Kancheepuram District	No. of Questionnaire circulated	No. of Questionnaire collected	No. of Questionnaires used for study
1	Kancheepuram	60	51	48
2	Walaja bad	60	49	45
3	Uthiramerur	60	55	50
4	Sriperumbudur	60	52	51
5	Chengalpattu	60	47	42
6	Thirukazhukundram	60	57	54
7	Thiruporur	60	45	42
8	Maduranthakam	60	48	46
9	Cheyyur	60	42	40
10	Tambaram	60	40	36
11	Alandur	60	44	38
12	Shozhinganallur	60	46	42
TOTAL		720	576	534

After identifying the towns, the questionnaires were circulated among the consumers conveniently in Kancheepuram District. This justifies the convenient sampling selection of consumers in the sampling stage. A total of 720 questionnaires were distributed, only 576 questionnaires were returned by the consumers and 42 questionnaires were not completed properly. So, only 534 responses were considered for the research. Hence the exact sample size of the study is 534.

1.11.4 Questionnaire Design

After completing the pilot study, the questionnaire is slightly revamped and circulated among the mobile network consumers. The questionnaire consists of 3 sections. Section 1 is designed to obtain the demographic details of the customers. Section 2 is aimed at deriving the information about the mobile networks from the

customers. Section 3 is dedicated to get the opinion of consumers about the brand their brand switching behaviour.

The questionnaire consists of questions in optional type as well as in Likerts 5-point scale. The Likerts scale for brand switching ranges from 5 strongly agree to 1 strongly disagree. The questionnaire with a covering letter is handed over personally to each and every respondent and the respondents are requested to return the filled-in questionnaire. The respondents took a period of 15 days to 60 days to return the completed filled-in questionnaire.

1.11.5 Statistical Tools

The primary data collected from the consumers is analyzed by using SPSS V-20 (Statistical Package for Social Sciences) to obtain the results concerning the objectives of the study. T-test, Factor analysis, Cluster analysis, Associations, One Way Analysis of Variance and regression is applied for analyzing the responses of the customers on brand switching behaviour in using mobile network services in Kancheepuram District.

1.11.6 Data Analysis

The Primary data collected are analyzed statistically with the help of following statistical tools.

1. T-test is applied to ascertain the nature of responses towards the Variables pertaining to brand switching behaviour.
2. Factor Analysis by Principal Component Method is used to identify the predominant factors influencing brand switching behaviour.
3. K-means Cluster Analysis is exploited to classify the customer's perceptual difference over brand switching behavior of mobile net work services.

4. Non-Parametric chi-square analysis is brought to find the nature of associations between three clusters of brand switching behaviour with demographic details and mobile network details.
5. One way Analysis of Variance (ANOVA) is applied to ascertain the significant influence of demographic details on the factors of brand switching behaviour.
6. The linear multiple regression analysis is found more significant in sharply estimating the relationship among the factors of brand switching behaviour of mobile network services.

1.12 LIMITATIONS OF THE STUDY

The study is limited to Kancheepuram District only. Due to time constraint and the cost, the study is restricted to only one district. The study covers only 12 taluks located in Kancheepuram District. The study has been conducted based on the responses of the selected respondents of Kancheepuram District. Hence the inferences and findings of the analysis need not hold good totally for the entire areas of the country. The study is limited to the 534 responses of consumers in Kancheepuram District. More responses would have thrown adequate light on the entire study. The study covers only the consumers of mobile network users and service provider in Kancheepuram District. No attempt has been made to study similar products of similar nature as it involves wider areas of the study. The period of the study is confined to 2012-2015.

1.13 CHAPTERISATION

The thesis is arranged in seven chapters.

Chapter I

Introduction deals with the concept of brand switching behaviour, importance of the study, statement of the problem, objectives of the study, research gap,

methodology, and statistical tools used, and it also highlights the limitations of the study.

Chapter II

Sketches the review of literature relevant to the present study.

Chapter III

Industry Profile of Mobile Network Services in Kancheepuram District.

Chapter IV

Deals with the conceptual frame work of Brand switching Behaviour and consumer Loyalty.

Chapter V

Factors of Brand switching reasons of customers – An analysis

Chapter VI

Consumer satisfaction and loyalty of mobile net work services -An analysis

Chapter VII

Deals with summary, findings, conclusions and offers scope for further study and summaries all the results obtained through statistical analysis to arrive at conclusions and to offer suggestions.