CHAPTER -2

Chapter 2: LITERATURE REVIEW

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2.1. INTRODUCTION TO CONSUMER BEHAVIOUR

The behaviour of consumer is considered to be the study of why, when, where and how people prefer or prefer not to buy a particular product. It takes into consideration and mix together the basics of their economic status, their psychology, the society and the social anthropology. It in short tries to recognize the decision of the buyer either individually or collectively. It examines uniqueness of individual customers such as their behavioural variables and demographics in an effort to identify state of people’s requirements.

Aaker, David and George (1971)\textsuperscript{22}in the book ‘Consumerism: Search for the consumer Interest’ makes an effort to evaluate influence on the buyer from their close group such as friends, reference groups, family as well as in general the society. The general definition of consumer behaviour is that one of the studies a marketer uses to understand a consumer better and forecast on how their behaviours change when coming to buying decisions.

According to Schiffmann (1993)\textsuperscript{23}consumer behaviour is the sum of learned values, customs and beliefs that serve to direct the members of a specific society. According to Brian Mullen (2001)\textsuperscript{24}from the book ‘The Psychology of Consumer Behaviour’ consumer behaviour is the decision maker or behaviour of the consumer in the market place of the services and goods. From the application of psychology, sociology, and demographics, the marketers can begin to understand why the
consumers form attitudes and make decisions to purchase the product. Consumer behaviour is based on the consumer playing three different roles of buyer, payer and user.

Consumer behaviour reflects totality on decision of consumers with respect to the consumption, disposition and acquisition of services, products, experiences, activities, ideas and people by units of decision making. Consumer behaviour entails all activities of consumers linked with the use, buying and disposal of services and products including the mental, behavioural and emotional responses of consumers that determine, follow or precede these activities (Loudon and Della, 1988).

According to Peter and Olsen et.al (2005) from the book ‘consumer behaviour and marketing strategy’ consumer behaviour can also be referred as the physical activity and decision engaged in obtaining, evaluating, disposing or using of services and goods. Consumer behaviour is often goal oriented and purposeful. Each consumer is free to make an option with regard to the buying she or he is going to make. Consumer behaviour is the method which starts with the stimuli a consumer gains from his surroundings and ends with buying transaction.

Walter and Paul (1970) in the book ‘Consumer Behaviour: An Integrated Framework’ has emphasized consumer behaviour as ‘the process whereby individuals decide whether what, when, where, how and from whom to purchase goods or services.’ Behaviour at large is a sign of
precise mannerism as well as technique. Consequently consumer behaviour connotes consumer’s expression or say attitude whilst purchasing the products. In further terminology consumer behaviour is the outcome of such purchase, at the same time as a consumer does on behalf of the contentment of his requirements.

According to the Webster (1975) in his article “Determining the Characteristics of the Socially Conscious Consumer” expressed that the behaviour of buyer is all psychological, physical and social of potential customers as they become aware of evaluate purchase consume and tell other people about products and services.” Kurtz and Boone (2007), in the book “Contemporary marketing’ describes that consumer behaviour consists of the acts of individuals obtaining and using goods and services, including the decision processes that proceed and determine these acts”.

According to Hoyer and Macllnis (2008) Consumer behaviour reflects the totality of customer’s decision with respect to consumption, acquisition and disposition of products, services, tasks, people, ideas and experiences by units of decision making. Consumer behaviour includes why they purchase, what they purchase, when they purchase, how often they purchase, where they purchase, influence of such evaluation on future, how they calculate it after the purchase and how they regulate it. Consumer behaviour means more than just how an individual purchases products. Therefore the efforts of marketing focus on the ideas, tasks and services of customers. The manner in which the customers purchase is
extremely important to marketers. It is essential to know how a customer reacts towards varied product features, advertisements and costs in order to assure powerful competitive benefit.

According to Hawkins, Mothersbaugh and Best, (2007) in the book ‘Consumer Behaviour, Building Marketing Strategy’ states that consumer behaviour is also the study of processes and consumers used to select, dispose and consume services and products. All decisions of marketing are concerned on consumer behaviour’s knowledge and assumptions. Researching consumer behaviour is a critical process, but understanding consumer behaviour is difficult to marketers and the marketers can use it to: 1) target customers effectively; 2) offers customer satisfaction and value; 3) expand base of the knowledge in the marketing field; 4) create competitive benefit; 5) develop services and products; 6) develops company’s value; 7) applies strategies of marketing towards positive effect on society i.e. motivate people to support charities, lower down usage of drugs, enhance healthy habits, etc.; and 8) understand how customers look their rivalries products versus their products.

Consumer behaviour is the study of organizations, individuals or groups and the processes they use to choose, use, dispose and protect services, products, ideas or experiences to satisfy the influences and requirements that these processes have on the society and customers. This view of consumer behaviour is wider than the traditional one which focused much more on the purchaser and the immediate consequences and antecedents of the buying process (Hawkins, 2008) this view will
lead to investigate indirect impact on consumption consequences as well as determinations that involves more than the seller and purchaser.

Lake (2009)\textsuperscript{33} in his paper ‘Consumer Behaviour for Dummies’ noted that consumer behaviour describes the study of individuals and the tasks that exists to satisfy their identified requirements. That satisfaction exists from the processes used in choosing, protecting and using services or products when the advantages acquired from those processes meet or exceed customer’s expectations. In other words when an individual identifies that he has a requirement the psychological process initiates the decision process of customers. Through this process the individual sets out to predict ways to fulfill the requirement he has recognized. That process consists of the individual’s feelings, behaviour and thoughts. When the process is finished the customer is faced with the activity of analyzing and digesting entire information which decides the actions he will take to fulfill the requirement.

Haley (1968)\textsuperscript{34} is of the view that customer satisfaction reflects their perception of benefit, and hence segmentation based on benefit is ideal. Therefore, we can segment customers by their degree of satisfaction.

Engel et al. (1982)\textsuperscript{35} projected that, customers with different lifestyles show variation in their consuming attitudes. Because the lifestyle of people is influenced by culture, social status, reference group
and family, people with different lifestyles have distinct values, personalities and perceptions.

The mobile phone is the ‘epitome of mobility in media’ as it ‘allows both reception (like the book) and production (like the Kodak camera), instantaneously, over long distances, and interactively. Consequently, our lives have been greatly affected in both positive and negative ways. Mobile phones are viewed with scorn as an intrusion in society, yet these devices offer us security, safety, accessibility and other benefits (Ling, 2004)."36

Chakraborty (2006)37, is of the view that mobile phones today go beyond just voice communication and provide a multitude of other features and services including text messaging (SMS), Multimedia Messaging (MMS), photo display and video playback recording, calendaring, etc.

Sinha (2002)38 discussed the growing competition among the cellular service providers in Delhi and Mumbai cities as well as defensive strategies taken by the operators to retain the customers. It was concluded that due to price war among the cellular operators, the ultimate beneficiary was the cellular customer.

Kathuria (2004)39 reviewed the Indian telecom industry's market structure from 1991 with special focus on the Asia-Pacific region. It was discussed that the Indian telecom sector had grown rapidly over the last ten years but still lagged behind China and other Asian countries in the
context of investment and tariff rates. The author had further discussed the impact of WTO negotiations on the Indian telecom industry and suggested the scope of future growth in this sector without changing the existing regime.

Kim et. al. (2004) concluded that service providers must focus on service quality and offer customer-oriented services to increase the level of customer satisfaction. The authors had also traced certain other factors such as low cost, and interpersonal relationships affecting the switching barrier. It was suggested that service providers must increase the switching cost in order to increase the customer life time value and customer retention.

Sudhakar and Raman(2004) discussed the importance of mobile and wireless solutions in today’s business world as they enable the sales force to maintain closer contact with the customers. The authors focused on certain core benefits such as customer information, product information and product availability, which could be availed with the help of mobile and wireless solutions. They concluded that mobile and wireless solution as a sales force automation tool represented a two-way flow of information between the salesman and the database.

Kumar et.al (2006) measured the level of satisfaction derived by the Airtel subscribes in Coimbatore city. A sample of 200 subscribers, using both pre-paid and post-paid schemes of Airtel network had been taken for the purpose of the study. Chi-square test had been applied to
determine the factors influencing the satisfaction level of respondents. The study revealed that clarity of signals, availability of plan options, call charges and activation formalities were the factors influencing the satisfaction level of Airtel subscribers in Coimbatore. The researcher had also given some constructive suggestions for improving the satisfaction level of customers using Airtel network.

The parameters of customer behaviour with respect to cellular phones, based on the annual report from J.D. Power and Associates, it had been observed that call performance and reliability, customer service, service plan options, brand image, cost of services and billing procedures were the important factors affecting customer’s behaviour. It was further stated that overall customer satisfaction in the American cell phone market had been increasing significantly since 2005 as most of the customers were reacting positively to the new services offered by cellular companies.

### 2.2. THE CONCEPT OF CONSUMER BEHAVIOUR

Consumers consume things of daily use and also buy and consume the products according to their needs, preferences and buying capacities. Those products may be consumable goods, specialty goods, durable goods or industrial goods (Mellott, 1993). What the people are buying, how they are buying, where and when they are buying, how much quantity they prefer to buy are all depends on their self-concept, perception, social and cultural background and also on their age,
attitudes, family cycle, motivation, beliefs values, social class, personality and many other factors. Those factors may be classified as internal and external factors according to persons. While buying, people use to think that they can buy the product or not and they also use to think where to buy the product. Lot of richness will be there in some societies and people from these types of societies are able to afford in large quantities and also in shorter intervals. In the poor societies, the consumer can barely meet their basic needs. Therefore the marketers’ needs in-depth study of the internal and external environment and they try to identify the different customers’ needs and by understanding their different behaviours they will formulate plans for marketing their products (Mowen, 1987). Consumer behaviour consists of feelings, ideas, actions and experiences of consumers. In addition to that, the consumer behaviour has additional environmental factors like advertisements, prices and commend. Consumer behaviour is a complex pattern and sophisticated understanding for marketing researches (Solomen, 2006).

Consumer behaviour is simply defined as the study of psychological, social and physical actions when people buy, use and dispose products, ideas, services and practices (Peter and Oslon, 2008). Consumer behaviour is defined as the process which involves the physical activity and decision making in obtaining, evaluation, using and disposing of the goods and services.

For different types of marketing strategies, the consumers’ response is the major feedback and this question is to be answered.
Stimulus respond model is often used by the marketers to explain this query. Buyer’s black box which includes buyers’ characteristics and buyers’ decision process is the vital point that companies and marketers have to discover from various researches (Armstrong and Kotler, 2007)

According to Blackwell et al.(2006), the basic idea behind the consumer research was questioning of buying reasons, moreover the researchers has to go in depth and also they should ask people how and in which circumstances purchase and consume.

Consumer behaviour consists of ideas, feelings, experiences with additional environmental factors like prices, commends and ads. Also, because of the continuous changes in ideas, perceptions and activities of consumers as an individual or as a group, the consumer behaviour is considered as a dynamic process.

There are various explanations for consumer behaviour. Due to this Peter and Olson (2008), defined the term as ‘overt consumer behaviour’ which means the term consumer behaviour or activities can be analyzed by both qualitative and quantitative methods.

It is clearly understood from the definitions, that is not just the buying of goods or services that receives attention in consumer behaviour but, the progression of consumer behaviour begins much before the acquisition or buying of the goods or services (Zanoli et al.2004). The process of buying the goods or services starts first in the minds of the consumer and then this will lead to the finding of the
correct product among the available alternatives and that searched product has been bought or acquired with their relative and pros and cons. This leads to the internal and external research. Then the process is followed by the process of decision making for the purchase and using of the purchased goods. After that, the most important thing is the post purchase behaviour. This post purchase behaviour is considered to be important by the marketers because this gives a clue that whether their product has been a success or not (Tuson and Lampkin, 2004)51. Consumer behaviour is a dynamic, complex and multidimensional process and all marketing decision are taken based on the assumptions about the consumer behaviour. While buying a product, the consumers get benefits for the cost paid by them. The difference between the total benefit and the total cost constitutes the consumer value. The requirement for the formulation of the marketing strategy is to provide superior customer value and that is the basic idea of the marketers (Radmann, 2005)52. The entire process starts with the analysis of the market, and this analysis will be done about the consumers, company, competition and condition which lead to the target market selection. The second step in the process is the marketing segmentation, which is done in order to identify the product related needs, group customers with similar need sets, to describe each group and to select the target market. And then to the formulation of the strategy is done by organizing the product, price, place, promotion, communication and distribution, so that a total product is offered. This total process creates an image about the product in the minds of the consumers, and then they will undergo a
decision process which in terms of satisfaction or dissatisfaction directs to the outcome. The customer satisfaction or dissatisfaction results will reflect in the sales of the product and in the image of the product or brand (Michelsen et al., eds. 1999). Marketers take efforts and in turn the consumers are influenced by those efforts. All these lead to the formation of the outlook and requirements of the consumer (Padel and Foster, 2005). The process of the consumer decision includes the problem recognition, information search both in internal and external, alternative evaluation, purchase of the product, using of the product, and then evaluation of that product. After all this process, the outcomes will be customer satisfaction, sales and product or brand images (McEachern and Willock, 2004).

To better comprehend the selection of brand from the consumers’ outlook it is crucial to know about the consumers’ conduct and their outlook of brands. Dmitrovic, T and Vida.I (2010), describe two varied kinds of consumer conduct: cognitive and experience directed. The consumers who have cognitive conduct are sensible and reasonable consumers while the experience directed consumers have more emotive reasons for purchasing a commodity. In contrast, Heslop et al., (2008) have classified four kinds of consumer conduct: logical, ignorant, erudite and societal conduct. The various conducts are regarded as by the sequence of four steps: familiarity, outlook and deed.

1. Logical conduct: If consumers have a logical conduct, they begin to become familiar with the commodity and what the market may
suggest. By assessing the data they get an outlook related to the commodity and ultimately they do something – either purchasing the commodity or not. Their conduct is more usual when consumers are purchasing costly articles – cars for instance. (Familiarity→Outlook→Deed)

2. Ignorant conduct: When consumers indulge in ignorant conduct they begin with the outlook related to the commodity which emanated from sentiments and sensations. From the outlook the consumer seek data related to the commodity thus becoming familiar about the product. Finally, they perform the deed, their selection. This kind of conduct is usually when we consider voting for politics. (Outlook→Familiarity→Deed)

3. Erudite conduct: Impulses are the reasons for selecting a commodity. When the consumers select a commodity they do not prepare for their selection; they do it out of routine. This conduct is witnessed when consumers purchase broadsheets. (Deed→Familiarity→Outlook)

4. Societal conduct: When consumers have a societal conduct they select commodities based on what communal surroundings they habitat. Their way of living, standing and impact from other consumers determine what commodity they will purchase. (Deed→Outlook→Familiarity)

Obviously consumer conduct is extremely impacted by the ethos in which the consumers have been brought up. As per (Liefeld, 2004)58,
there are more than mere cultural aspects which impact consumer conduct. Other aspects include: societal individual and psychosomatic aspects.

- The Cultural aspects are what ethos, subculture and upbringing the consumers categorize themselves to.
- The Societal aspects are the reference facets of the consumers, the consumers’ kin and the consumers’ function and standing.
- The Individual aspects include the age and lifecycle status of the consumers, to explain the profession, financial conditions, way of living, individuality and identity notion that the consumers have.
- The Psychosomatic aspects are the impetus, insight, erudition, the convictions and the outlooks of the consumers.

The pattern of the consumer behaviour is proof of the consumers’ entire choosing procedure in the context of owning, using and their perspective on items, service, use value and ideas (Hoyer, Macinnis and Pinaki Das Gupta, 2008). The utility pattern is a reference to not simply the manner in consumers buy items such as soap bars, music devices and automobiles—it also refers to the consumers’ using of products, features and ideas such as consulting a doctor, visiting an entertainment court etc.

Fitzerald (2004) has highlighted the criteria lifestyle in establishing how consumers will behave. The era of publicity has brought about the need for forging a variety of consumer profiles. As per Sammie,
Shimp and Sharma. (2005)\textsuperscript{61}, population traits could significantly establish the behaviour of the consumer. The prospect of reducing number of housewives and rising number of married working women is evident in Ad week’s publicity programmes.

Howard and Sheth (1968)\textsuperscript{62} have explained the manner in which the consumers’ buying patterns are influenced by criteria from within and outside. They said the consumer’s brains were a black box that could internalize stimulating aspects. These aspects can create notions in the brain that could be productive or non-productive. Thus customer could agree or reject. This formulation forms the premise for the stimuli reaction mechanism.

2.3. History of consumer behaviour

The history of consumer behaviour seems to be highly twisted with the history of thought of marketing. The purpose of the history is to trace the historical allegiance and dependence of the consumer behaviour on the practice and discipline of marketing. Then the consumer behaviour attempts to estimate the evolving trends in the research and theory of consumer behaviour as a consequence of new and evolving schools of thought of marketing (Foxall 2005)\textsuperscript{63}.

Over the years, the marketing has shifted its dependence on other disciplines as well as in its focus of understanding. For example, the schools of classical of thought of marketing are depended on the social science such as anthropology, sociology and economics and focused the
aggregated behaviour of market (Evans, 2003). This gives the way for the managerial schools of marketing to think in which focused on the understanding and attention shifted to the individual customers while the disciplines of social science continued to dominate the thinking of marketing. Even though the marketing kept its focus on the individual customers but started to borrow more from the behavioral sciences. More recently, marketing has started to shift its attention away from the individual customers and concentrate in the markets. In the growth process, the consumer behaviour is also depending less on the behavioral sciences and more on the traditional social sciences. So the evolving trend is known as the adaptive schools of marketing thought (Shankar & Mahesh, 2006).

It appears that each era of marketing motivated the particular types of research of consumer behaviour and thereby it shapes its history with respect to the research methodology, consistent body of knowledge as well as developmental theory. The below figure summarizes the parallel relationship between consumer behaviour and marketing.
MARKET AND CONSUMER BEHAVIOUR RELIANCE ON

**Social Sciences**

1) Classical Marketing
   a) Demand theory
   b) Economic Geography
   c) Economic Anthropology

2) Adaptive Marketing
   a) Global markets
   b) Environmental analysis
   c) Competitive structures

3) Managerial Marketing
   a) Theory of the firm
   b) Diffusion of Innovations
   c) Social class

4) Classical Marketing
   a) Behavioural theory of the firm
   b) Social Psychology
   c) Clinical Psychology

**Parallel Consumer Behaviour**

a) Consumption Economics
b) Retail Patronage
c) Self Service

**Parallel Consumer Behaviour**

a) Global Consumer Behaviour
b) Consumer as stakeholder
   c) Comparative consumer Behaviour

a) Organizational buying behaviour
b) Attitude research
c) Motivation research

**Customer Behaviour**

a) Brand loyalty
b) Opinion leadership
c) Demographics

**Fig. 2.1: Relationship between consumer behaviour and marketing**

2.3.1 Consumer Buying Behaviour

Purchasing attitudes are a manifestation of the procedure by which a consumer makes a choice and is a reference to the acts of people who are engaged in purchasing and marketing items. Customer purchasing conduct when undertaking an investigation related to the selection of a brand. As per (Lantz and Loeb, 1998)\textsuperscript{66}, the consumer purchasing attitudes can be described as purchasing attitude of the final customer.
It is crucial to be aware with the hypotheses related to consumer purchasing conduct is based on which the meanings, outlook, penchants, attempt to interact and method of recognizing what the consumers have.

Fig. 2.2: Buyer decision process

Source: Kotler et al., 2009, p 254

As observed in the 'buying decision process-prototype' previously, consumers experience five phases in their purchasing decision procedure. Consumers do not experience every phase every time they buy something. In regular acquisitions consumers often bypass some phases. In a minor acquisition, like daily goods, data search and evaluation are usually bypassed. On the other hand, the diagram displays all the reflections consumers take when planning to make a novel intricate acquisition.

Need recognition is the initial phase in the prototype. Here the consumers identify a conundrum or a requirement they need to fulfill. A requirement could be set off by either an intrinsic or extrinsic incentive. An intrinsic motivation for instance when you are famished enough to require something to consume. An extrinsic motivation is when consumers witness an advert on television and after that they assume
that the commodity/brand is required. This is why it is so crucial for marketers to find what motivation most frequently triggers curiosity in the brand.

Information search is the phase when the consumers begin to explore for data. The data can be collected from various sources: individual sources, industrial sources and empirical sources. As more data is attained, the consumers’ understanding and experience of the accessible brands augment.

The procedure of the buyer deciding to make a purchase (particularly if it is a tough decision) involves six phases though the real purchase is just one phase of the procedure (Vida, and Reardon, 2008). Even if a buy is not the outcome of the choice making procedure, most buyer choice making procedures could end in a purchase. Every buyer choice does not have to encompass each of the six phases and is usually shaped by the toughness of the choice (Kapferer and Laurent, 1993).

2.3.2 Buying Decision Process

2.3.2.1. Problem Recognition- May be described as the distinction between the anticipated condition and real situation—for instance a lack in the variety of items. If one is starving, a meal is needed as hunger brings about the desire to consume. Similarly the trader can work on the sentiment or requirements by giving details of the item—this rouses the consciousness of a lack. For example, if one spots a new pair
of footwear, there is acknowledgement of the requirement of a new pair of footwear.

**2.3.2.2. Data quest**- If one conducts an inner rummaging, the past is rummaged. In case extra data is required, an outside rummaging is performed via acquaintances and family, verbally or trade linked resources for instance, contrast models, public material etc. A positive data search facilitates the consumer with a lot of choices which can be used as a reference point.

**2.3.2.3. Examining of choices**- There is a requirement to decide parameters for analysis which the consumer applies to make up his mind regarding an item. The consumer may mull over choices or continue looking.

In case the consumer wishes to consume spicy fare, Indian cuisine ranks at the top. In case the available choices are not enough, the hunt continues. Perhaps another eatery is chosen or the yellow pages may be referred to. Data from various resources is used in different ways. Traders should attempt to create an impact by offering options.

**2.3.2.4. Choice of buying** – This would entail selecting options based on item, offering, department and mode of buying.

**2.3.2.5. The actual act of buying** – The real moment of buying could vary from the original choice on the basis of the duration that has
passed from the moment of choice and real time of buying and if the item is available.

**2.3.2.6. After-buying testing** - The result may be either happiness or disapproval. There may be confusion about the choice; this can be limited through guarantees, interaction following the selling of the item. After consuming Indian cuisine one may think that Chinese food could have been more satisfying.

Substitute assessment is the phase where the consumers employ the data to assess and grade the substitute brands. Here it is significant for sellers to identify the substitute assessment. The consumers are attempting to fulfill some requirements while purchasing an elite brand. Additionally, the consumers search for commodity features which may be cost and quality. Consumers also search for prominent aspects, which are the ideas that the consumer considers while assessing the brand.

Purchase decision is the phase in which the consumer really buys the commodity. The consumers’ selection of the brand may be impacted by two aspects, outlook of others and unforeseen circumstantial aspects. Post-purchase behaviour is the phase in which the consumers contrast their aspirations with the apparent performance. Consumers are contented if the aspirations are similar to the commodity’s performance (Balabanis, and Diamantopoulos. 2008)\(^{69}\).

Consumer purchasing conduct varies a lot based on what type of commodity the consumer will buy. There is a major variation in
participation when purchasing a car in contrast to purchasing toothpaste. A purchasing conduct prototype including four various purchaser conducts was developed by Balabanis, and Diamantopoulos.

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**Fig. 2.3: Four types of buyer behaviour**

Source: Kotler et al., Marketing Management, Prentice Hall of India, 2009, p 251

In addition, consumers vary personally in readiness to test new commodities and brands. This has resulted in a categorization of consumers into various facets. Innovators are classified as the initial consumers adjusting to a new commodity. The early adopters are the ones which follow. The late majority adjust to the new commodity only after a majority of individuals have tested it. Ultimately, the laggards are the final ones that adjust to the new commodity. They are ties to custom and adjust to new commodities only after it has become a custom itself. The innovators or pioneers are risky. They like to test new items and are keener to tolerate perils. They are usually young and well erudite. Additionally, they are inclined to take more benefit of unusual endorsements – concessions and samples for instance.
2.4. Consumer Buying Behaviour Model

Consumer’s conduct in communication with the aspects that impacted it can be accredited succinctly with the subsequent diagram:

**Fig. 2.4: Model of Buyer Behaviour**

Source: Kotler et al., Marketing Management, Prentice Hall of India, 1993, p 164

Balabanis, et al (2001) in a few words described the 'black box' prototype; The essence of the model is that it suggests clients will respond in a particular way to different stimulations after they have handled with those stimulations in their opinion.

**Fig. 2.5: Black box model of consumer buying behaviour**

To be more precise, the model recommends those facets which are external to the client end up being a stimulator for the behaviour; however the personal mannerisms and the decision-making process of the client will interact with the stimulation before a particular behavioural response is generated.

This is known as the ‘black box’ model since very less is known about how the human mind functions. It is not possible to see what occurs in the mind and nobody actually knows what transpires there, hence the comparison to a ‘black box’. As far as client behaviour is related, it is adequate to be able to identify the main internal influences and the primary stages in the decision-taking process which are used by the clients, but there is no real information related to how clients will process this data, jointly with the stimulation to generate a particular response.

2.4.1. Factors that influence consumer behaviour

Consumer behaviour is based on purchaser buying mannerism, in the midst of the consumer taking up the three dissimilar parts such as of a user, payer and buyer. Investigation has revealed that customer behaviour is complicated to forecast, still for skilled in the required field (Armstrong, 1991). The factors that influence consumers could be classified into two types as shown in figure below:
2.4.1.1. External influences

Consumer behaviour is influenced by: royalty, ethnicity, family, social class, culture, sub-culture, locality, reference groups, lifestyle, and market mix factors.

2.4.1.2 Internal influences

Consumer behaviour is influenced by: attitudes, beliefs, feelings, personality, motivation, knowledge etc. Consumer behaviour concerns with consumer needs in the direction of satisfying the need that leads to behaviour of every individual depending upon thinking process.

The marketing related to relationship is a high - ranking positive feature for the behaviour of the consumers, investigation as it has an enthusiastic curiosity in the re – finding of the factual significance of marketing in the course of the re – affirmation of the significance of the consumer or purchaser. A superior significance is as well to be found on customer withholding, personalization, customer relationship
management, customization marketing. The categorization of social functions can be done into welfare functions and social choice (Adler, Lee and Irving 1966)\textsuperscript{72}.

Every technique for counting the vote is implicit as communal purpose however if Arrow’s theorem of possibility is utilized for a communal role, social benefit purpose is attained. A number of specifications of the social purpose are certainty, anonymity, neutrality, monotonicity, homogeneity, unanimity and weak as well as physically powerful Pareto optimality (Andreasen, 1966)\textsuperscript{73}. None of the social preference function gets together these necessities in an ordinal level at the same time. The most significant trait of a social function is recognition of the interactive consequence of substitutes as well as generating a rational relation by way of the position. Advertising makes available services in sequence to please consumers. With that in mind, the productive system is considered from its beginning at the production level, to the end of the cycle, and the consumer (Kioumarsi et al., 2011)\textsuperscript{74}

As per Blackwell, Miniard and Engel (2006)\textsuperscript{75} Consumer or buyer’s behaviour is such a process in which efforts are made to explain how consumers make decisions to select special goods or brands in special conditions of the market, in special ways. Consumer behaviour is a rapidly growing application-oriented discipline of study. The recent advancement in the technological and digital communication is also influencing consumer behaviour. The Consumer behaviour mainly spotlight on how persons formulate resolution to pay out their existing
assets such as money, effort and time on using up associated things. That take account of what they purchase, why they purchase, where they purchase, how repeatedly they buy, how frequently they utilize, how they assess it following the purchase, the impact of such assessment on upcoming purchases in addition to that how they set out of it (Sandhusen, Richard, 2000)\textsuperscript{76}. Hence customer behaviour is dealt with not merely what is the behaviour of the customer is when he is to take away or buy it prior to the utilization, at some point in the period of utilization as well as following the utilization.

In the short run, the consequences of such a theory – based, widened customer behaviour regulation may possibly materialize to be unsuccessful the instant accomplishment requirements of marketers. In the long run, on the other hand, it is probable that the insights increased by additional elemental hypothesis may well revolve out to be yet additional actionable than in progress narrower replica or representations (Singh, 2009)\textsuperscript{77}.

The manner in which and the reason for consumers purchasing items is something which buyers and marketing individuals wish to comprehend. It is not the easiest tasks to comprehend customer attitudes. Any choice that is made may be affected by the diverse elements that play a role while purchasing an item. Currently the choice procedure has become increasingly intricate and more important for consumers as opposed to earlier times. Consumers are bombarded and
are in the midst of advertisements, news stories, emails which carry a lot of data-most of which implies different things.

Also improvement in the volume and type of items, stores, malls, vast presence of multi-speciality shops and electronic items has further expanded the scope for the consumer to choose. These factors have made the choice procedure even more complicated (Devellis, 1991)

Consumer Decision Making (CDM) method can said to be the viewpoint which separates consumers with regard to the choices they make- this has been stated by Sproles and Kendall. Largely speaking, three kings of methods exist while evaluating consumer choice procedures.

- **Psychological or lifestyle method**– This method explains a host of attributes regarding consumer behaviour.

- **Customer typology approach** – This approach categorizes customers in various classes.

- **Type of consumer technique**– According to this method, the focus is on more practical aspects of consumer choice procedure.

As per available consumer attitude research, a number of analysts assume that each consumer makes purchases in a particular way which can be generalised to describe the consumers’ choice procedures.

In order to establish the fundamental aspects of the choice procedure of customers, scholars and analysts have been pre-occupied
with classifying consumers as financial consumers, individualistic customers, moral shoppers, indifferent consumers, loyal shoppers, buyers for leisure, shoppers looking for easy methods of selection, those conscious of brand, expense, make, conflict resolving consumers, style conscious customers and those who purchase on a random basis. (Cannon and Yaprak, 2002)\textsuperscript{79}.

Sproles developed a list of 50 aspects that determine the basis on which consumers buy goods; he did this by applying the consumer characteristics technique. Kapferer and Laurent, outlined six consumers choosing procedures by applying data collected by interacting with 111 college women students in two groups at the Arizona University and used a criteria examining mechanism. Sproles labelled and thus elaborated on their attributes (Cleveland et al, 2009)\textsuperscript{80}.

- Meticulousness
- Worth recognition
- Knowledge of various makes.
- Unique style consciousness
- Disliking shopping, wanting to save on time and shopping for leisure.
- Confused, needs help to make choices.

According to Sproles and Kendall, the acknowledgement of these attributes of consumers can assist in understanding a buyer's choosing
procedure, can help the buyers in identifying the kind of consumers they are and can also assist the family in organizing their finances better.

Many scholars have used Consumer Style Inventory (CSI) suggested by Sproles and Kendall to evaluate buyer choice procedures. CSI was applied by Hafstrom etc. to establish the manner in which Korean students make their choices. Of the eight criteria, seven were determined by applying Sproles and Kendall’s evaluative methods and formulation-based technique (Gardner, 1995).

Consciousness about new style was the only criteria that could not be corroborated. This was attributed to links between knowledge of makes and style consciousness among the youthful consumers in Korea.

Five of the eight criteria could be relied on and used with reference to the Chinese example - this was evident when Hiuetc used CSI on 387 grown up Chinese consumers. These five criteria comprised of meticulousness, knowledgeable about styles and makes, leisure based, cost conscious and bewildered because of choice (Zajonc and Markus, 1982).

A customised type of CSI was applied for Chinese students by Fan & Xiao. Knowledge about various makes, awareness about duration, cost savvy, standards stressing and data availability were five attributes of the consumer choice that they identified (Young and Faber, 2000). With regard to German consumers, seven attributes of the consumer choice procedure such as awareness of the make, meticulousness, variation
available, leisure and luxury, randomness and being on the lookout for unique styles were identified.

Meticulous, item savvy, unique style seeking, entertainment pursuing, cost consciousness, randomness, confused over choices and item loyal perfectionist, brand awareness, novelty fashion consciousness, recreational purchasing consciousness, price value awareness, impulsiveness, puzzled by over options and habitual or brand faithfulness. (Verplanken and Herabadi(2001)\textsuperscript{84}.

By making use of CSI, Canabal M.E. applied CSI to study the choice making consumers in the southern part of India. He determined five choice making methods of consumers in the southern part of the country by studying data collected from 173 college students belonging two undergraduate colleges in Coimbatore in South India.

These methods were (Craig, and Douglas 2000)

- Consciousness of item and fashion.
- Emphasis on good quality, wanted meticulous goods.
- Confused by the multitude of choices.
- Random or not concerned by make of item.
- Shopping for leisure.
2.5. REASONS FOR CONSUMERS’ PREFERENCE TOWARDS A PARTICULAR PRODUCT/ SERVICE

The preferences of consumer are used mainly to refer to choose a choice that has the largest expected value among many choices by consumer to fulfill her or his desires or requirements. Preferences represent options among more valued or neutral choices available. Consumer preference is the outcome of their behaviour they indicate during buying, searching and destroying the products.

A consumer is an individual who has the ability to pay for services and goods offered for sale by the institutions of market to satisfy the household or personal needs, desires and wants. A consumer is the important visitor on the premises. Consumer is not dependent on anybody. The sellers are only dependent on consumer. Consumer is not an outsider to business. Consumer is like the blood of business. Therefore, consumer is very important in business cycle. Most of the customers are obsessed with names of brand products. The companies are offering quality products which customer’s values the most. The customers are satisfied when they get quality products worth the money they have spent (Zhang et al, 2007).

2.5.1. Factors influencing purchase decision of a consumer

According to ArensWeigold & Arens (2008) success of the marketing strategies pass through not only changing the behaviour of the consumers but also affect and cognition. Although a person likes a
product she/he may not buy it. All consumers are exposed to social pressure, family, personal influence, culture, situation effects (Armstrong and Kotler, 2007).87

Consumers should be analyzed by looking into all the three objects; their behaviour, affect and cognition and environment and their relations between each other. Every single element can affect the other elements or it can be a reason to realize. So while determining the marketing strategy, all elements should be considered (Ahuvia, 2005).88

According to Akhter (2010), cultural factors denotes the deepest and widest impact on behaviour of consumers. It denotes beliefs and, in several customers learns to act by observing or inter-acting with other society members. Aksoy, Bloom, Lurie &Cooil (2006) described that cultural factors consist of values and culture, social class and subculture represents a wide impact over the decision making of consumer. Similarly Alba and Hutchinson (2000), explained that cultural factors also consist of thought process and behavioural patterns in a distinct way.

According to Albert et al (2008), the social factors represents customers' family, social roles, small groups, status and reference group which causes the responses of customers and impact their purchasing behaviour. Similarly according to Alba Hutchinson (2000), social factors sum up the social interaction between the influential groups of people.
and customers such as opinion leaders, reference groups and family members.

Algesheimer, Dholakia and Herrmann 2005 described that the personal factors’ consists of lifecycle stage, age, economic situation, occupation and education. Similarly to Allen et al (2008), describes that personal factors such as the customer tastes and preferences undergo considerable alterations with age. Then the consumption is molded by the family life cycle and the age, gender and number of people in household at any point of time. The economic condition and occupation influence the product choice and consumption patterns.

Andreassen, (2001) described that the psychological factors’ consist of learning, attitudes, motivation, beliefs, personality and perception plays major roles in the process of consumer decision making. Similarly Anton (2000), described the psychological factors such as motivation is the strong urge, feeling or desire that a goal oriented individual seeks to satisfy, whereas perception is the five senses of human body which offers basic input to human brain to develop an understanding. Then learning is the process by which people gains experience and knowledge and belief is the descriptive thought that a person handles about something and an attitude is the opinion of consumers towards something. Thus it can be concluded that these 4 factors influence consumer’s purchasing behaviour towards any brand. The below figure shows the consumer behaviour is influenced by values, perception, attitude, beliefs and personality:
2.5.1.1. Values:

Values are the consumer’s standards set about conduct that arise from learned culture. An instrumental value is a negotiable and flexible action that is exercised daily, such as when a consumer decides to purchase either nonorganic or organic products. A terminal value is a role model or a long-term goal as when a consumer struggles for a specific lifestyle, such as exercise and healthful diet” (Bagozzi & Dholakia 2006)96.

Fig. 2.7: Influence of Consumer Behaviour

Source: Evans, 2007
2.5.1.2. Perception:

Perception is how the information is classified and collected. Perception is affected by the large amount of exposure to a stimulus and by interpretation of an individual.

2.5.1.3. Attitude:

Attitude of a consumer is a combination of values, beliefs and perceptions. The consumer must be first aware of the product and then view the beliefs and values onto the product and make a decision to purchase or not to purchase the product. Beliefs are more assailable to marketing than values because beliefs are subjected to emotion and knowledge.

2.5.1.4. Beliefs:

Beliefs of a consumer are the particular beliefs about the products in the marketplace. Belief of a consumer is a combination of emotions, knowledge and actual decision to purchase or not purchase the product.

2.5.1.5. Personality:

Consumer's personality is a weak component of consumer behaviour. Personality means a behaviour pattern found in an individual's internal traits and outlooks. Traits mean the usual manner of a consumer responding to the environment and outlook means point-of-view. Example of outlook is the effect of a recessionary economy on
consumer confidence. Examples of traits are extroversion or introversion, complacency or ambition, pragmatism or compulsiveness, timidity or aggressiveness. According to Baker (1987), Consumer behaviour is the actions undertaken by people that involve the satisfaction of needs and wants. Such actions involve the acquisition of services and goods through markets. He explains some of the concepts based on consumer behaviour.

2.6. CUSTOMER PREFERENCES TOWARDS TELECOM SERVICES

Consumer preferences is used primarily to select an option that has the greatest anticipated value among a number of options by the consumer in order to satisfy his/her needs or desires. Preferences indicate choices among neutral or more valued options available. The preference of the consumer is the result of their behaviour they show during searching, purchasing and disposing the products.

The preferences of consumers are primarily used in order to decide on an choice that has the utmost predictable worth in the midst of a number of choices by means of the customer in order to convince his/her requirements or needs (Bamfield, 2006). Preferences are a sign of options in the midst of unbiased or further esteemed choices on hand. The first choice of the customer is the consequence of his/her behaviour they let somebody see at some point in searching, purchasing and disposing the products states Deaton, Muellbauer (1980).
In an aggressive and viable field the service providers are expected to compete on both price and quality of services and also it is necessary for the service providers to meet the consumers’ requirements and expectations in price and service quality (Melody, 2001). In a similar way furthermore that consequently put together as well as activates a largely associated worldwide atmosphere attaching and linking nations, caste, national identities, creeds, businesses and culture. Worth to make a note is that the industry of telecommunication in India has also been a best ever on the increase zone keeping suitable speed in the company of universal innovation, particularly the mobile telecom market. Such an improvement has happened to be a channel for the expansion of the nation’s industrial and commercial division (Cox, 1967).

This sector of telecommunication has put in to a great extent to the nation’s financially viable development as well as growth which is reliable with the National Vision of 2020. The expansion tempo in the utilization of telecommunication has enhanced significantly, in particular in the grade of growing figure of telephone subscribers. The number of telephones for every 100 persons increased from 6.5 in 1985 to 12 in 1993 (Bansal, Voyer 2000). As per Lee (2001), “The fixed line penetration ratio had risen to 16.6 per 100 population and 21.0 per 100 populations respectively by 1995 and 2000”.

Examining the milieu of the Indian telecommunication sector, competition can be seen as main feature by the service providers of telecommunication companies. Companies like BSNL, MTNL, Airtel,
Aircel, Vodafone, Idea, Tata, Reliance and many more have gone in the course of a market assessment stating that they have two options either to take over the one or it should be merged and be a part of a magnificent or giant and more aggressive companies or to be gone through probable bankruptcies. This clearly puts light on the fact that how the market is being flooded and penetrated by the challengers and competitors (Loudon, 1988)\textsuperscript{104}.

In the present day, at hand are countless private players operate mostly and basically in two areas such as: Fixed line service and cellular Services. In fixed line MTNL and BSNL have captured most important component of the market. While, Cellular services can be additionally divided into two different parts: Code division Multiple Access (CDMA) and Global system for Mobile communications (GSM) (McNair, 1958)\textsuperscript{105}.

None other than Bharat Sanchar Limited (BSNL), with its BSNL Touch services has administered to sustain its believable occurrence in the business. BSNL has been ranked as one of the most important telecommunication service providers in the entire Asia with noteworthy funds in overseas. Adjacent to BSNL, three other major companies have been operating in India namely Airtel, Aircel and Vodafone. These three service providers usually cover the following segments of the Indian telecommunication market traditional telecommunications, IP services, wireless and mobile markets and technologies, broadband markets and technologies. They also provide most sophisticated mobile services with an expanding number of value added services such as Short Message
Service (SMS), Wireless Application Protocol (WAP), Subscription Services (SS), General Packet Radio Services (GPRS), and Third Generation Services (TGS).

2.7. FACTORS INFLUENCING CONSUMER PERCEPTION TOWARDS TELECOM SERVICES:

According to Melody (2001) the telecom services purchasing behaviours can be found through factors impacting the process of marketing. The factors which influence the perception of consumers towards telecom services are: 1) Promotion; 2) Quality of Service; 3) User friendly; 4) Relative Advantage; and 5) Enjoyment. Each of the above mentioned factors are described in detail below:

![Diagram of factors influencing consumer perception towards telecom services]

**Fig. 2.8: Factors influencing consumer perception towards telecom services**

2.7.1. Promotion

Bansal Taylor And James (2005)\textsuperscript{107} has mentioned that through advertisement/promotion product offering can be communicated best and regarded to be a one of the most essential medium. Promotion has been used by all firms for new product introduction in a market. In order to force essential consumers to buy new services or product, promotion is regarded to be a good communication medium. This is providing awareness about the company and new services or products as well. Baron, Harris, Harris (2003)\textsuperscript{108}, has mentioned that promotional activities has major target to set a new service or product in the market to aim consumer, develop sales to enhance share market, create requirement for essential customer and devise strategy to rival other products.

According to Bell, and Luddington (2006)\textsuperscript{109}, Promotional activities and advertisement are regarded to be stimuli to gain responses of essential consumers in the form of sales development. The promotion comprises of discounts, distribute samples among people, product display at market, premiums, contests, etc. The activities of promotion bring much developments if these are supplied from time to time and outcomes in better influence of sales. If they are well organized and scheduled systematically according to best practices the activities become more efficient. Well scheduled promotional is also helpful for supplying those services and products whose customers are not wishing to agree it.
2.7.2. Service Quality

According to Berry (1995)\textsuperscript{110}, Service quality has been demonstrated successful to create rivalry benefit to develop the sales of services and products. By developing service quality, telecommunication has been successful to win loyal and profitable consumers. By getting feedback and developing service quality from fulfilled consumers is helpful for service providers of telecommunication to develop the sales of firm through better system of service delivery. Berry & Seiders (2008)\textsuperscript{111}, has mentioned that the attributes of product plays a considerable role for marketing and economics particularly in telecommunication field which is regarded to be very essential pillars in management of operation. Consumer will not prefer less service or price product at the cost of service quality. The expectations consumer must exceed or meet the measure of telecom service quality.

Byrne (2005)\textsuperscript{112} have described that service quality is the degree which repeats the purchasing behaviour of loyal customers and is acquired during the consumption of that service and product. To understand the quality perception extensive studies have been conducted. This must not be regarded as the 1\textsuperscript{st} impression fact. Service quality is not expressed and understood easily by consumer. To determine quality clarification is problematic for researchers, the issue towards service quality becomes much difficult if the concept is avoided and one dimension is taken to seize the idea. There is huge number of research studies to determine Return on investment and market shares
which may support to reduce the cost of services and products. Customers are always asked for quality services and products which in turn develops awareness among customers.

### 2.7.3. User Friendly

Carroll and Ahuvia (2006)\(^{113}\), refers user friendly as a perception by itself to decide consumer trust about a system would be effort free. If customers set up an idea for ease of use they are more feasible to agree the product. It is a similar sense that people prefer that services which are useful and provides several benefits. The user friendly service and product does not need additional efforts/skills on consumer’s part which can be adopted and perceived so easily. According to Chandler and Vargo (2011)\(^{114}\) Creative critical services are understood less than user friendly services. Hence easy to use services will be obtained easily. The common phenomenon is examined and studied simple applications that are observed frequently by customers compared to critical one.

### 2.7.4. Relative benefit

There are several common services, such as telecom service provider provides its customers. Every day exists with 100s of new benefits of these services. Now it exists to customers why, which and whom services they must adopt and use. The phenomenon is referred as to adopt and understand new service better than the service it replaces (Coulter and Coulter, 2002)\(^{115}\). According to Coyle (2004)\(^{116}\), relative benefit is developed to good indicator of its approval among consumers.
and directly proportional to new services adoption. People often adopt that services which has more relative benefits as compared to services of competitors. Relative benefit has huge amount of impact over consumer’s attitude which shapes their perception towards telecom services adoption.

2.7.5. Enjoyment

Enjoyment is regarded as one of the essential factors which places higher influence to adopt creative services of telecommunication among users (Fournier (1994))\textsuperscript{117}. While using services of telecom develops intrinsic rewards that develop enjoyment further in and develop the opportunities to use and assume the service. Additionally the perceived enjoyment influences a lot for experimental services like there is an opportunity to be successful or miss a condition which offers relaxation and fun (Fournier (1998))\textsuperscript{118}. In less information services this phenomenon is true. Comparatively greater information services comprehended enjoyment impact negatively the perception of consumer towards services of telecommunication. Less information intensive services may also need enormous number of data to process and develop. Computer is an enjoyment source for essential consumers without taking any performance into consideration (Fournier, 1994)\textsuperscript{119}.

2.8. AN INTRODUCTION TO CONSUMER SATISFACTION

Consumer satisfaction is an extent of experiences of consumer’s that reveals behaviour of supplier on expectations of consumers. It also
relies on how it is handled efficiently and how services are offered promptly. This satisfaction could be similar to different aspects of business like quality of services and products, marketing, engineering, product manufacturing, services, answers to consumer’s queries and issues, finishing of project, complaint management, services of post-delivery, etc. (Gardial et al. (1994)). Each and every individual being a consumer of diverse products. The biggest and significant rule to be kept in mind is that if there is no consumer then there is no business. As a result, customer contentment is extremely significant to each and every big business individual. The customer contentment subsequent to the purchase relies on the item for consumption or manufactured goods show in respect to her / his expectations.

Goetzinger, Park and Widdows (2006) pragmatically acknowledged with the intention of fulfillment is a personnel sensation and feelings of disappointment or pressure consequential on or after product’s alleged show (result) in relation to her or his requirements and needs. Customer contentment is the height of personnel felt state resulting from measuring up to a product’s supposed show (result) in regards to the person’s requirements and needs. This contentment and fulfillment intensity is a purpose of dissimilarity and variation stuck between professed expectations and performance. If the performances of the product go beyond anticipation, the consumer is extremely delighted or satisfied. If the performance has a match with the expectations, the consumer is highly contented. If the performance of the product falls
short of the desired expectations, the customer is totally dissatisfied (Grandey, Dickter and Sin 2004). 

According to Grandey et al (2010) consumers satisfaction is the overall impression essence about the supplier by consumers. This impression which a consumer makes considering supplier is the sum of entire processes she or he goes through, right from interacting supplier before doing any marketing to services and choices of post-delivery and handling complaints or queries about post-delivery. Consumer satisfaction varied relying on the condition and the service or product. A customer may be fulfilled with a service or product, a salesperson, an experience, store, an attribute, a purchase decision or a service provider or any of these. Some researchers avoid satisfaction wholly as a measurement objective because it is “too vague a notion to perform as a meaningful benchmark.” Instead, they concentrate on the complete experience of consumers with a firm or service contact and the brief assessment of that experience.

Similarly, Gregoire and Fisher (2006) has mentioned that the perception of customer’ on supplier supports consumers to select among the supplier on money value basis and how well the rescued products match all the needs. The services of supplier’s never reduce after the delivery as customer searches greater values place services of marketing which could support them to customize and use the delivered product more effectively. If she or he is fulfilled with the services of post marketing then there are better opportunities for supplier to maintain
customers to develop repeated buying and make better profits of business.

Gregoire and Fisher (2008) have described that it is essentially needed for a firm to communicate and interact with consumers on a continuous basis to enhance satisfaction of consumers. In these interactions and communications it is needed to learn and determine all individual needs of customers and answer consequently. Even if the products are same in rival markets, satisfaction offers greater rates of retention. The below figure shows the factors influencing the satisfaction of consumers:

![Customer satisfaction model](image)

**Fig. 2.9: Customer satisfaction model**

There are several factors that affect the satisfaction of consumers. According to Gremler, Gwinner and Brown (2001), these factors consist of helpful employees, friendly employees, courteous employees, billing accuracy, knowledgeable employees, and timeliness of billing, service quality, competitive pricing, clarity billing, better value and rapid service. In order to acquire satisfaction of consumers, firms must be able to fulfill their wants and requirements of consumers. Whereas consumers’ needs according to Gronroos (1994) is the form taken by requirements of human as they are shaped by individual personality and culture.

The dissatisfaction or the satisfaction of a consumer is the reaction resulting by means of the customer as soon as he put side by side the product’s authentic performance in the company of the performance that he look forward to out of it. Customers formulate their anticipations as of the service delivery, service quality, past experiences, references and communications. All of these are to be correctly judged by the administration so that the intention of their observations go with customer outlook Arndt (1976). To experience the accomplishment, companies have to carry out in a sound condition incessantly as well as put together their customer’s gladness at all the time by means of appropriate CRM along with additional technique especially when mobile portability is their major threat. Gronroos (1998) states that apart from that, there are duo types of features for these companies: (1) shall have and (2) must have factors.
Success Factors

### Must Have Factors
- ✔️ 3 Minute Value
- ✔️ Simplicity (usability)
- ✔️ Additional benefit
- ✔️ Customer Friendly Tariff Structure

All Criteria must be met

### Shall Have Factors
- ✔️ Social Relationship
- ✔️ Power
- ✔️ EQM
- ✔️ Entertainment
- ✔️ Security

At least 1 Criteria must be met

User Acceptance

Successful Application

Source: Bernhard Goldberger – 19th Bled e-conference e-Values
2.9. SUCCESS FACTORS - The following are the success factors:

2.9.1 Shall Have Factors

- **Social Relationship**: Human beings are social animals. They interact continuously and frequently with each other in addition to social relationship being a very important part of life. The mobile phone is entirely suitable to persuade the requirement of keeping up collective relationships. Services that maintain and help in maintaining social relationships are likely to be doing well.

- **Power**: One vital characteristic of public relations is situation which is powerfully connected to authority. Two kinds of authority can be notable: power to way in as well as power to carry out. The initial category of power refers to the opportunity to get involved keen on other people's existence, at the same time as for example parents manipulate the life of their offspring. Other than as well the restriction of the power to access can be helpful. One well-known instance is SMS (Short Message service). They make available the prospect to exchange a few words devoid of giving the receiver the chance to answer back in a straight line. This means disagreeable information can be in touch.
• **EQM (Easier, Quicker, More):**

  **Easier** connotes that answers that are simpler and / or additional opportune are acknowledged by consumers. One good example for “easier” is the phonebook of cell phones (Compared to trying in the number when you call someone).

  **Quicker:** This refers to the chance to accomplish customers require quicker than long - established products.

  **More:** This is related to the particulars that individuals are liable to take full advantage of their profits. Thus they will greet innovative merchandise consenting to them to enhance their reimbursement (Gronroos et al (2000)\(^{130}\)).

• **Entertainment:** There are two types of entertainment: “Scheduled entertainment”, such as visiting a theatre and entertainment during niche times, for instance, when waiting for public transport. In such time slots a mobile phone can be the perfect entertainment or gaming console.

• **Security:** Security is one of the vital requirements of human being. For the reason that security make available by service providers, the information of user is reserved as top secret. Apart from that, there can’t be at all treatment done in any case of post – paid bills along with an assortment of services make available as consumer can have a suggestion in particular in case of pre – paid consumers where normal balance can be verified.
2.9.2 Must have Factors:

- **The 3 minute value:** The typical and average WAP application takes more or less 5 minutes. In Japan the popular i-mode applications last for less than one and half minutes on normal. The time a customer use an application may perhaps vary from country to country. However, it is moderately apparent, that mobile application has to take into living being an obvious, apparent worth intended for the consumer in a small period of instance. As a law of thumb the worth supposed to be brought in 3 minutes.

- **Simplicity:** To the customer the service provided evidently should be quite simple. It ought to be simple to comprehend as well as the consumer should be capable of utilizing the services like a toy for example services like caller tunes, GPRS etc. Hence the usability has to be met to the customer’s level.

- **Additional benefit:** For a booming service it is indispensables that the consumer make out a lucid supplementary worth. There are quite a few categories of supplementary principles. For instance enjoyable, time saving, location based additional value or cost saving.

- **Customer friendly tariff structure:** The readiness to recompense for novel technologies as well as new-fangled applications is to the fact that the consumer cannot evidently judge the additional profit a novel application give in. This is for all intents and purposes exact in particular for the normal consumer markets where the consumers are inclined to be extra cost perceptive. For this cause
a consumer friendly value formation, if at all possible in the midst of a cost model that relieve diffusion of a new application, is vital.

2.10. STEPS TAKEN BY TELECOMMUNICATION SERVICE PROVIDERS IN ORDER TO PROVIDE QUALITY SERVICES

Target of all marketing activities is to reach customers. The behaviour and likeness of customer is mostly unique and unpredictable therefore the marketers step in to the shoes of the buyers in order to identify customer’s choice in buying of their products. Every marketer feels that each and every customer is king to them.

The main aim of advertising is to draw attention and make aware of the existence of the products, service and motivating them to buy quality product in the competitive situation. Television is one of a powerful media for advertising products with women celebrity or actor to buy the garments has become more popular in India. By advertising a newly launched design, representing popular women personality for advertising has become a trend now in India for fast recognition of the new brand launched in the market.

According to Fishbein’s attitude theory, visual media advertisements of a specific brand, has an effect on customer’s belief system which develop specific attitude of customers towards the advertised brand. Advertisement not only promotes the supplier for profit-making but it is also an intermediate through which culture can be encouraged, reduced or redefined. Even though there are many media for
promoting, but electronic media especially television plays a major role. It reaches wide number of audiences. For healthy advertising fresh and innovative plans are being engaged, models are hired to capture the public minds and sponsor the product. Advertisements where images of women are sensibly constructed to reinforce and attain public sanction for certain value codes which will serve their interests and create more profit. Some of the marketing and promotional tools adopted by telecommunication operators in India at present to persuade consumers to buy their products are advertising, public relations, sales promotions, direct marketing and personal selling.

Grove and Fisk (1997) describes that there are 3 major reasons for advertising such as: 1) to offer marketers target audience with information; 2) to reinforce marketer’s existence; and 3) to persuade customers to purchase from marketers. Thus to be effective advertising requires to be conducted continuously in a recognizable and stable manner. Therefore the advertising media consists of television, magazine, newspapers, Yellow pages, radio, websites, exhibitions and trade journals. It is also critical through paid advertisement unless the marketers include some monitoring scheme within ads.

Public relation exists in an organization involves in a sustained attempt to enhance marketers reputation as a business by using media to help create the image which the marketers desire. The public relations consist of press releases or news and seminars and attendance at exhibitions can also support to enhance the image of business to a
selected target audience. Thus the public relations is a cost effective method to promote their business (Grove et al (2000)\textsuperscript{132}. Sales promotion is the small term promotion such as to move old stocks, merchandise new products, counteract competitor tasks, motivate their staffs and motivate repetitive purchasing. Thus sales promotion is a better way of attracting new customers.

William J. Glynn and James G. Barns (Eds) (2002)\textsuperscript{133} described that direct marketing is the most popular tool as it develops the marketers to aim particular groups of customers accurately. The overall success of a campaign can be measured directly in terms of several responses which are gained. Finally Personal selling is also one of the effective form of promotion because it permits the marketers approach to be tailored the requirements of an individual customer. The personal selling can build a relationship between the marketers and customers for understanding the customer’s requirements, feeding back this knowledge to the business to enhance customer service standards, competitive knowledge, develop products, etc Gupta, Lehmann And Stuart (2004)\textsuperscript{134}. Thus it can be inferred that the advertising, public relations, sales promotion, direct marketing and personal selling are the marketing promotional tools adopted to persuade consumers to buy their products.

Each and every mobile phone operators ought to provide further on the post-paid plans by creating consumer’s awareness regarding the distinctive features of the plan along with dropping down the rentals on monthly basis making it easily accessible and safer. Lessening the plans
of tariff by service providers would add to more competition and attract more business. In order to take in up gradation of technology, the policies offered by segment should have neutralization of technology and should not be specifically perceptive (Schwartz, 2004). The companies advertising on family and friends should be highly focused and by that they can draw in more and more new consumers amidst the circle of their friends and family members.

The providers have started to resolve the allocation of spectrum as well as create requirement based license of bandwidth spectrum in order to smooth the progress of unlimited novel contestants in fundamental services and introduction of new novel and more up gradation in the field of VAS for the betterment of the user. Besides, the network, both urban and rural areas are to be given high importance.

Increased speed on internet through phone can also be treated as a criterion. Usage of voice mail, internet and SMS in the midst of subscribers is exceptionally less and so, the use as well as features of these services ought to be encouraged along with subscribers through proper marketing skills and advertisements.

Tariff of calls is the mainly manipulating reason which brings on customers to pay money for a mobile phone operator. For that reason, call rates ought to be designed for more affordable and competitive crowd in order to take into custody further customers.
The mobile operators should launch more and more offers on periodical basis as per the choice and usage of the upcoming generation. According to research by Harris and Baron (2004) it is found that consumers are specific about telecom services quality and hence service providers are developing the quality services by offering attractive tools with new wiring links to consumers.