3.1 Introduction

The Telecom industry is one of the leading and fastest growing in the world as communication plays a vital role in the world and especially in India. It acts as a major catalyst for the economic growth.

"The Indian telecom sector, seen as providing the most affordable services in the world, has grown by leaps and bounds in the last decade. This remarkable journey to 850 million consumers today is a testament to the vision and commitment of various Telecom service providers setting benchmarks with the best in the world," (Times of India, May 2011).

Behaviour of the customers differs based on the satisfactory level of the customers with the service providers or companies. Even if a consumer is loyal to a particular brand, if the brand does not satisfy his/her needs, the consumers switch to a competitor brand. There are different factors and determinants which affect the consumers in switching their service from one service to another. The cost which is incurred during the switching process is called switching cost. Consumer loyalty is defined as “the degree to which a Consumer exhibits repeat purchasing behaviour from a service provider, possesses a positive attitudinal disposition toward the provider, and considers using only this provider when a need for this service arises” (Gremler and Brown, 1996, p. 173). Losing a consumer is a serious setback for the firm in terms of its present and future earnings. In addition to losing the benefits discussed above, the firm needs to invest resources in attracting new consumers to replace the ones it has lost (advertising, promotion, initial discounts). Peters (1987) shows that it can cost five times more to acquire a new consumer than to retain an old one. Consequently, retaining the current consumer base is much more attractive and viable than searching for new consumers.
3.2 Objective of the study

To ascertain the Customer preferences to Pre-paid and Post-paid Cellular Phone Services
To ascertain the Customers Satisfaction level for Pre-paid and Post-paid Cellular Phone services
To analyse Perceived Satisfaction Levels of Pre-paid and Post-paid Cellular Phone Customers with specific reference to Pune west, Shivajinagar, Karve road – Kothrud area, Aundh and adjoining area.
To suggest some guidelines to Mobile Service providers in Pune, in order to provide better focused services.
To learn about gender preferences on various service attributes

3.3 Scope of the Study:

The purpose of this study was to understand the growth of cellular service in India and to determine customer satisfaction towards the cellular service providers. Cellular phones today, not only play an important role in people’s life but also have changed the way of life of most of the people in the society.

The market for cellular service is enormous though many players have entered the field of cellular industry. GSM and CDMA services are classified into two different aspects of cellular mobile technology in mobile service industry, but a strict difference between the two technologies "exists. Therefore, a comprehensive study will be required to analyse the difference of quality of service in GSM and CDMA.

Pre-paid customers constitute a major share in the cellular subscriber base as compared to post-paid customers. The difference between these two services exists in the market. In spite of the difference, the study conducted integrated analysis regardless of the difference.
Therefore, further study will be required to analyse the difference in use of services by the customers and gender preferences in Usage Pattern of functionalities and Value Added Services.

This study would serve as the basis for understanding customer satisfaction towards cellular service providers. It will provide much needed data to survey several thousands of Cellular phone users in Pune by asking the questions pertaining to the satisfaction scale towards the individual services (customer care, call drop, etc) that will yield a more accurate measurement of customer satisfaction. It will be interesting to investigate the youth and their usage of cellular services. The age of the cellular technology is getting younger making more high school, college students and other Pune youngsters an interesting demographic group to study regarding their cellular telephone use. Their preferences need to be considered carefully by service providers.

This research study is also to objectively understand the behaviour of Cellular phone users in Pune and further capture their satisfaction level that is influenced by various technical, non technical and psychological factors.

Finally, this research study may be useful to Cellular Service Providers in Pune to understand their Customer’s Satisfaction Levels, to focus on their customer’s today’s expectations and future aspirations, and also to plan better service models for tomorrow.

### 3.4 Specific aspects to be studied:

- Usage pattern in terms of “purpose” of Cellular phones for various categories of customers
- Level of the satisfaction of users
- Reasons for dissatisfaction
- Level of satisfaction with value added services provided
- Gender preferences in Usage Pattern of functionalities and Value Added Services provided
3.5 Data Collection

3.5.1 Primary Data:

Seeing to the uniqueness of the study, the researcher required to collect primary data. To collect primary data, the researcher has used questionnaire survey method. The plan for collecting primary data was prepared as per purpose of the study and research objective.

The questionnaire was the most effective method for the present study to collect Primary Data.

1. A structured and standardised questionnaire was used to record the answers from the respondents.
2. The questions were prepared assuming that the respondents would cooperate to answer the questions.
3. The questionnaire was prepared in such was to motivate the respondents to answer some difficult questions.
4. The study focussed in preparing a Questionnaire with both open and close ended questions to elicit responses for the following areas.
5. Respondent’s anonymity could also be maintained.
6. The study could elicit responses from 476 respondents from Pre-paid segment and 121 respondents from Post-paid segment. The total Data collected for the study was from 597 respondents.
7. Mailing of the questionnaire to respondents was considered, but found to be time consuming and expensive to be feasible for the study.
8. Use of internet was also considered for the study.
9. Personal visit to colleges and offices were also made.
3.5.2 Secondary Data:

Research problem of general nature can be solved to a great extent with the use of secondary data.

Secondary Data were collected from the following sources:

a. Library
b. Periodicals
c. Journals
d. Internet
e. Company websites
f. News Papers
g. Electronic Media

3.6 Sampling

For this study, universe is defined as "all the customers who are having a Cellular phone within the limit of “Pune west, Shivajinagar, Karve road – Kothrud area, Aundh and adjoining area in Pune city". Present users of cell phone are only considered as respondents. Persons who used and might be using cellular services were not considered as target respondents. Five hundred and ninety seven respondents were interviewed, since it was thought that the selected customers would represent responses of all the customers of the universe. It was nearly impossible to try and get responses from every customer, which could have been, as huge a number. The cost involved would be too high and the stipulated time for the study was also limited.

3.6.1 Sampling Unit

The area for the survey was chosen randomly. Students, Employees from Private, Public and Government sector, Businessmen or women, Housewives, and other youngsters were interviewed.
The respondents were distributed among college students, employees, businessman and housewives belonging to different income groups residing in the city were taken as the respondents for the study. Respondents were personally interviewed.

### 3.6.2 Sampling Techniques

Random Sample technique was used in geographically specified areas which is “Pune west, Shivajinagar, Karve road – Kothrud area, Aundh and adjoining area in Pune city”.

### 3.6.3 Sample Size and Area

The sample size was determined as 597.

- Prepaid Customers 476
- Postpaid Customers 121

*Study is conducted only in Pune west, Shivajinagar, Karve road - Kothrud area, Aundh and adjoining area.*

### 3.7 Data Analysis

Data Analysis is a significant function of the study. After collection of data, the focus was on data analysis and interpretation. The analysis of data involves processing of data and statistical analysis.

#### 3.7.1 Processing of Data

After the collection of data, data were processed with the help of computer. Data were processed with MS Excel, which is essentially Spreadsheet, wherein Frequency Tabulation, Percentage Calculation and Averaging methods were used. SPSS (17.0) package was used to summarize and analyse the responses. A Mann Whitney U Test was conducted for Question No.5 and Question No.20 data.
Methodology

The methodology to conduct the study was composed of different tasks as follows:

- A review of literature on customer satisfaction in telecom industry was undertaken in order to define the comprehensive scope of the study and ensuring its objectivity.
- Empirical research was based on a stratified random sample survey, a series of structured interviews and a couple of focus group discussions.
- The sample size of 597 for the survey was drawn from various categories of customers and thus appropriate representation of all market segments was ensured.
- The length of survey questionnaire was kept optimum to avoid the psychological burden of responding for the sampled customers.
- The information collected through survey was supplemented by conducting a few Focus Group Discussions with customers in the all market segments.
- Eight service providers offering cell phone services in pune were considered for the study viz.

- IDEA
- AIRTEL
- VODAFONE
- AIRCEL
- CELLONE
- TATA DOCOMO
- RELIANCE
- UNINOR

. This research survey was conducted from July 2010 – October 2010.
3.8 Hypothesis – 1

“Customer Satisfaction Levels of Post-paid Cellular Phone Customers has decreased due to various influencing factors, resulting into decrease in Market Share, where as Customer satisfaction level of Prepaid Cellular Phone users is increasing, resulting in their increase in Market Share in western parts of Pune, viz. Pune west, Shivajinagar, Karve road - Kothrud area, Aundh and adjoining area.

Hypothesis – 2

“Perceived Satisfaction Levels of Pre-paid Cellular Phone Customers is more than that of Post-paid Cellular Phone Customers in western parts of Pune, viz. Pune west, Shivajinagar, Karve road - Kothrud area, Aundh and adjoining area.

3.9 Hypothesis Testing Method

To test the Hypothesis-1, Mann Whitney U Test for Question No.5 which is a ‘Customer Satisfaction Model’ developed by the researcher is conducted.

To test the Hypothesis-2, Mann Whitney U Test for Question No.20 which is a ‘Scale of Perceived Satisfaction Level’ is also conducted by the researcher.

Test for Q. No. 5

Based on your ‘Satisfaction Levels’, pl. rank the following ‘Four specific factors’ of your present service provider

In this study, eight service providers offering cellular phone services in pune were considered as listed above. Based on the usage plan selected, the customers/respondents were divided into two groups – Pre-paid and Post-paid. Respondents were asked to rate their ‘Satisfaction Levels’ for their present service provider on the basis of the following ‘Four specific factors’
1. Network coverage
2. Call Charges
3. Value Added Services
4. Instinct & Impulse

The ratings for individual service provider were further combined into a single satisfaction score matrix separately for Pre-paid and Post-paid.

In order to test the difference between the average satisfactions score by Pre-paid customer based on the ‘factors’ listed above as a whole; Mann Whitney U Test was conducted at 5% level of significance.

Test for Q. No. Q20.

*On a scale of Satisfaction (1 to 10) where do you rate your "Service Provider"?*

Respondents were asked to give a satisfaction score (*perceived satisfaction score*) to their service provider based on an overall satisfaction level they enjoyed, on a scale of 1 to 10. The entire group of respondents were divided into two groups of Pre-paid and Post-paid, according to the service plan used by them.