Chapter I

Introduction
CHAPTER - I

INTRODUCTION

1.1 INTRODUCTION

Increase in broadband connectivity is being seen as an integral driver of improved socio economic performance. Broadband services empower masses and makes individual accessing new career and educational chances, assist businesses reach new markets and better efficiency and enhance the Government’s capacity to save critical services like health, banking and commerce to all of its citizens. There were 60.87 million broadband subscribers in the country as of March 2014.

Broadband is one of the best ways to serve the high speed internet connectivity to users. It makes a considerable growth in electronic commerce and information technology initiatives and that in turn enhancing the economic development of the nation. So companies inject heavy resources and time to study the behavioural and sociological factors, in order to expand much imminent and identifying the purchasing patterns of subscribers’ in broadband & wireless telecom service (Rindell, 2008).

1.2 CONSUMERS AS SUBSCRIBERS TO BROADBAND & WIRELESS TELECOM SERVICES

The contributor is the term employed to refer a person who has an explanation with a mobile carrier. He is called so, because he pledges the carriers of broadband & wireless telecom services. This term includes individuals, actions, organizations, etc. The term subscriber does not include communication systems’ operating personnel except for their personal terminal but it refers to the end users.
Subscribers are usually subjected to duty, those use end instruments, such as telephones, modems, facsimile machines, computers, and remote terminals, which are linked to a central government agency.

1.3 CONSUMER BEHAVIOUR RESEARCH

The field of consumer behaviour has become predominant in recent times as it enables vendors to understand and predict consumer behaviour in the market; it is concerned with what consumers purchase, but it also includes certain factors like why, where and how often purchases are made. The study of consumer behaviour involves three behavioural processes which are:

- Pre-purchase behaviour,
- Purchase behaviour, and
- Post-purchase behaviour.

Organizations are shifting them from a product or a market point of perspective to the consumer or subscribers focus, which reflect the evolution of merchandising. As an implication of this paradigm shift, companies are relentlessly injecting huge resources into understanding their consumers in relation to the 4 P’s (Product, Price, Place And Promotion) and the extra 3 P’s (People, Process And Physical Evidence) (Kotler, 1999).

1.4 CONCEPT OF BROADBAND & WIRELESS SERVICES

SUBSCRIBERS’ BEHAVIOUR

Rivalry in the Indian telecommunication industry has called for telecommunication firms to improve their corporate performance not simply in terms of their tile density (number of subscribers, out of every 100 people), but as
well as to engage them in intensive marketing activities such as branding, promotion and advertisements. The field of consumer behaviour focuses on how people take decisions to expend their resources on goods and service. It includes what they buy, why they purchase it, where they buy it, and how frequently they buy it. Consumer researchers needs to experience the sort of consumers who purchase it, what sort of features they would be looking for, what benefits they would be expecting and how likely they subscribe broadband & wireless telecom services with added features and made available to users. As a solution, the challenges in managing behavioural concept of broadband & wireless telecom services and its benefits, the inquiry will focus on critical valuation and its purpose or impact in the purchase decision making process of subscribers. The work also deals with the interrogation of the overall perception of subscribers towards broadband and consumer preference towards various high tech features of the broadband industry.

1.5 NEED & PURPOSE FOR THE STUDY

Broadband and wireless telecom services were regarded as a requirement in day-to-day lives of all participants and were highly integrated with participants’ work and personal lives. Understanding consumer decision-making in telecommunications can help us to see what leads to facilitate better outcomes for subscribers. Acknowledging the complexity of decision-making, the research comprises several elements woven together with the layers of data to provide a deeper understanding of consumer decision-making by the means of behavioural aspects. The theme is more or less an evaluation of subscriber satisfaction of purchase attributes towards broadband services’ players in the marketplace. Consequently, in this research it is rattling significant to identify the subscribers’ satisfaction level or feedback on the usage and adoption of broadband services in Chennai city, Tamil Nadu.
1.6 GAPS IN LITERATURE

An extensive body of literature, in a scope of different disciplines exists on consumption, consumer behaviour, and consumer decision-making process. Most of consumer research focused on adopter categories, habits, attitudes and intentions rather than actually measuring the satisfaction level with overhaul. Different research disciplines diverge in their presuppositions about the human nature such as factors influencing consumer behaviour, market response, etc. The seemingly insurmountable abyss between subject areas, where many research themes and methods overlap, and that there is no distinct demarcation between different areas of consumer inquiry. Many consumers-related publications are being increasingly addressed from interdisciplinary or multidisciplinary perspectives. This thesis intends to meet the gap about understanding and examining the key elements that influence the purchase attributes of the subscribers’ satisfaction in broadband & wireless telecom services in Chennai city by using Porter’s Five Force's performance attributes.

1.7 OBJECTIVES OF THE STUDY

Today’s customers require a lot from the company’s end and they expect them to fork up the services at their doorsteps; they expect quick response on subscription of service in a quality driven service. They can compensate more for getting better features from broadband services and sometimes their expectation exceeds what is actually provided. This study will helps us to identify certain objectives such as:

1. To describe the socio economic profile of subscribers of broadband & wireless telecom services.

2. To study the sources of obtaining information about broadband & wireless telecom service providers.
3. To identify the purchase attributes of broadband & wireless telecom services.
4. To probe into motives behind subscribing to broadband & wireless telecom services.
5. To assess the purchase utility and satisfaction of broadband & wireless telecom services in terms of fulfillment.

1.8 HYPOTHESES

This study involves an inductive technique where hypotheses are developed and tested based on the research question and there are four main hypotheses as follows:

H1: The subscribers do not differ in the perception towards an information search of broadband & wireless telecom services in Chennai City.

H2: The factors of purchase attributes of broadband & wireless telecom services do not differ significantly in Chennai City.

H3: The factors of purchase motives of broadband & wireless telecom services do not differ significantly in Chennai City.

H4: The factors of purchase utility & satisfaction of broadband & wireless telecom services do not differ significantly in Chennai City.

1.9 SCOPE OF THE STUDY

The paramount goal of marketing is to understand the subscriber and to influence their purchasing behaviour. One of the main perspectives of the subscriber behaviour research is analysing purchasing behaviour from the so-called
“information processing perspective” (Holbrook and Hirschman 1982). Realizing the difference between a desired situation and the current situation, this serves as a trigger for the entire consumption process which needs to be recognized.

- Search for information - search for data relevant to the purchasing decision
- Pre-purchase alternative evaluation - assessment of available choices
- Purchase accessibility - utilization of the procured option.
- Purchase decision - acquisition of the chosen option of product or service.
- Stability of purchase - product firmness & consistency.
- Post-purchase alternative re-evaluation - Assessment of whether or not and to what degree the consumption of the alternative produced satisfactory.

Besides the information processing perspective, marketing analyses consumer behaviour by employing a psychologically grounded concept of attitudes (Balderjahn 1988; Ronis, Yates 1989; Luzar and Cosset 1998).

1.10 RESEARCH METHODOLOGY

1.10.1 Sources of Data

The primary data are collected from the respondents on the basis of their perceptions towards different thought provoking insights relating to the concepts of purchase attributes, contained in the well-defined questionnaire. The sources of
secondary data comprise of books, journals, periodicals, reports, theses and websites.

1.10.2 Sample Selection

A stratified random sampling technique has been executed. All the 10 zones of Chennai Corporation are taken up for the study. From each zone 5 streets are identified and from each street 11 subscribers are selected. (10 Zones X 5 Streets X 11 Subscribers) = 550 Subscribers

1.10.3 Sample Size & Collection

An undisguised, structured and close ended questionnaire with dichotomous and multiple choice questions are prepared. 550 respondents were chosen out of which 34 were invalid. So finally the sample size is around 516.

1.10.4 Pilot Study

A pilot study has been conducted on 100 respondents. Ninety statements have been selectively formulated from the literature survey to facilitate the respondents in perceiving the concept of consumer behaviour relating to various fundamentals and the sources which points out with regards to broadband & wireless telecom services with five point scale. The reliability and validity tests are used to secure conformity of the statements given to the respondents. The reliability is obtained through Cronbach Alpha Model and validity by Hotel ling’s T-Square test. The following table exhibits the computed value relating to validity and reliability.
Table 1.1  PILOT STUDY FOR BROADBAND & WIRELESS TELECOM SERVICES

<table>
<thead>
<tr>
<th>Variable</th>
<th>No. of Statements</th>
<th>Cronbach Alpha Value</th>
<th>Hotelling’s T-square Value</th>
<th>Significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre purchase behaviour</td>
<td>12</td>
<td>0.920</td>
<td>31.560</td>
<td>0.000</td>
</tr>
<tr>
<td>Purchase decision</td>
<td>17</td>
<td>0.956</td>
<td>22.375</td>
<td>0.000</td>
</tr>
<tr>
<td>Purchase accessibility</td>
<td>6</td>
<td>0.895</td>
<td>34.558</td>
<td>0.000</td>
</tr>
<tr>
<td>Stability of purchase</td>
<td>10</td>
<td>0.918</td>
<td>47.002</td>
<td>0.000</td>
</tr>
<tr>
<td>Post purchase behaviour</td>
<td>13</td>
<td>0.809</td>
<td>39.446</td>
<td>0.000</td>
</tr>
</tbody>
</table>

(Source: Computed data)

The computed Cronbach Alpha value of all elements of purchase attributes is greater than 0.8. Hence all the statements are highly reliable in fact finding approach. The significance of Hotelling’s T-Square value indicates that the statements are possessing high internal consistency which is suitable for applying multivariate tests in the study. They clearly reveal that research instruments are highly reliable & they validate the study.

1.10.5  Statistical Tools

The following statistical tools are used in the analysis:

- Parametric tests, one way analysis of variance, paired t-test are brought to bear upon the problem of identifying significant variance and means respectively.

- Factor analysis with various rotations and Kaiser Normalization is used to reduce the variables into major factors.
• K, which means cluster analysis, is used in identifying groups of individuals or objects that are similar to each other, but different from individuals in other groups.

• Non parametric Chi-square test is used to find the association between the variables.

• Multiple regression analysis is on the relationship between a dependent variable and one or more independent variables.

• Karl Pearson’s Correlation coefficient, to measure that determines the degree to which two variables’ movements are associated.

• One-way analysis of variance (ANOVA) is a collection of statistical models used to analyze the difference between group means and their associated procedures (such as “variation” among and between groups.)

1.11 RESEARCH METHOD

In order to investigate the objectives of the study and answers to these hypotheses, the descriptive research method was employed. The questionnaire survey technique was used to collect data and the questions were self-constructed.

1.12 SIGNIFICANCE OF THE STUDY

India is deemed as a fastest growing market, and economists claim that the country would continue to contribute more than half of the world's economic growth despite slow down during recent times (The Economic Times, 2012). In this thesis, by applying the theoretical framework of subscribers’ satisfaction and purchase attributes of telecom services’ subscribers aim at developing recommendations for improving competitive strategies for their industrial performances. The result of this study is expected to provide the benefit of marketers
and sellers of broadband services organizations in Chennai city, Tamil Nadu. Specially, this study aimed to determine the relative importance of pre purchase behaviour, purchase decision and post purchase behaviour of broadband & wireless telecom services from the perspective of the business customer group in Chennai city. In addition, this study also could provide suggestions and recommendations from the respondent, in order to understand the way of improving and developing broadband & wireless telecom service organizations in Chennai. Also, it can be used for a better understanding of what has to be done to subscribers to really satisfy their needs through the services offered by telecom service organizations in Chennai city. If the researcher could approach this research and takes the result of this analysis to prominent parties who are responsible for providing quality services in Chennai, Tamil Nadu; and motivate them to implement the development action to support the quality of broadband & wireless telecom services, it is convinced that the broadband services in this province will be advanced. Therefore, the findings of this thesis will be useful for researchers, academicians and practitioners.

1.13 LIMITATIONS OF THE STUDY

This research focuses on broadband services organizations in Chennai city. The scope of the research will provide the relationship between broadband service providers with demographic telecommunication services on information search, customer preference, purchase decision, purchase accessibility, stability of purchase and post purchase behaviour which can directly influence on the subscribers’ satisfaction level and intention to use in further. Moreover, the respondents for this research are selected randomly from a sample population group in Chennai city, who is normally using the Broadband Services or Internet for their needs. This is because the users of broadband & wireless telecom services will know well about telecommunication services on the above said attributes and behaviours’.
1.14 ARRANGEMENT OF CHAPTERS

The summaries of the chapters of this study are as follows:

Chapter 1 - In this chapter, introduction the study of subscribers’ behaviour process in broadband and wireless telecom services, statement of the problem, objectives of the study, hypotheses, methodology, sample design, scope and limitations of the study were discussed.

Chapter 2 – The second chapter deals with literature review. In this chapter, various researches are discussed based on the factors like pre purchase behaviour, purchase decision attributes and post purchase behaviour and subscribers’ satisfaction.

Chapter 3 – In this chapter, the conceptual framework of broadband and wireless telecom service was discussed.

Chapter 4 – This chapter deals with the analysis of subscribers’ profile and purchase attributes.

Chapter 5 – This chapter deals with the analysis of subscribers’ purchase motives, utility and satisfaction.

Chapter 6 - The final chapter deals with the findings, suggestions and conclusion.