A Study on Factors Influencing Brand Switching in Telecom Industry in India

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Abstract: **Brand switching also known as brand jumping refers to the process in which a customer changes from buying one brand of a product to buying another brand. In telecommunication sector, the brand switching cost is relatively low, so consumers easily switch to another network, which offers competitive prices and quality. The factor behind consumer brand switching includes negative experience of consumer due to poor product quality or service. The intention of this paper is to scrutinize the factors that influencing consumers switching the service provider in telecom industry. The Indian telecommunications industry is one of the fastest growing in the world. Government policies and regulatory framework implemented by Telecom Regulatory Authority of India (TRAI) have provided a conductive environment for service providers. This has made the sector more competitive, while enhancing the accessibility of telecommunication services at affordable tariffs to the consumers.**

Keywords: **Brand, Customers, India, Switching, Telecommunication Industry**

I. INTRODUCTION

Brand is name, design or logo of the company that offers product and service which distinct from competitors. Brand switching is a situation where customers purchase product or services from other brand than previously or usually purchased brand. This brand switching called MNP in telecom industry that is switching from one network to another with the same number is called mobile number portability (MNP). "In February 2017, 5.67 million subscribers submitted their requests for mobile number portability (MNP)," Trai said. Brand switching also known as brand jumping refers to the process in which a customer changes from buying one brand of a product to buying another brand. In telecommunication sector, the brand switching cost is relatively low, so consumers easily switch to another network, which offers competitive prices and quality.

1.1 Current Scenario

In Indian telecom sector the number of telephone subscribers in India increased from 1185.88 million at the end of November 2017 to 1190.67 million at the end of December 2017, thereby showing a monthly growth rate of 0.40%. The urban subscription increased from 684.89 million at the end of November, 2017 to 688.25 million at the end of December, 2017 and the rural subscription increased from 500.99 million to 502.42 million during the same period. The monthly growth rates of urban and rural subscription were 0.49% and 0.28% respectively. The overall Tele-density in India increased from 91.61 at the end of November, 2017 to 91.90 at the end of December, 2017. The Urban Tele-density increased from 167.72 to 168.29 and Rural Tele-density increased from 56.54 to 56.66 in the month of November 2017. The shares of urban subscribers and rural subscribers at the end of December, 2017 were 57.80% and 42.20% respectively. Total wireless subscriber (GSM, CDMA & LTE) base increased from 1162.47 million at the end of November, 2017 to 1167.44 million at the end of December, 2017, thereby registering a monthly growth rate of 0.43%. Wireless subscription in urban areas increased from 664.94 million at the end of November, 2017 to 668.44 million at the end of December, 2017. The wireless subscription in rural areas increased from 497.53 million to 499.00 million during the same period. The monthly growth rates of urban and rural wireless subscription were 0.53% and 0.29% respectively. The Wireless Tele-density in India increased from 89.81 at the end of November, 2017 to 89.81 at the end of December, 2017. The Urban Wireless Tele-density increased from 162.84 to 163.44 and Rural Wireless Tele-density increased from 56.15 to 56.28 in the month of December, 2017. The shares of urban and rural wireless subscribers were 57.26% and 42.74% respectively at the end of December, 2017.

II. NEED FOR THE STUDY

- It helps the company to know the customers and their preferences; it helps the company to know their potential consumers, and competitors.
- It also helps the company to retain the customers and satisfy them, it helps the company to increase its market share.

- It helps the researcher to know about the company's market share.

III. OBJECTIVES OF THE STUDY

- To know the factors that influencing consumers switching the service provider in telecom area.
- To study factors responsible for satisfactory and dissatisfactory performance of a telecom service provider.

IV. RESEARCH DESIGN

To research design using in this study is descriptive research design.

Data Collection: In this survey the primary data was obtained by administering structured questionnaire. The Secondary data was collected through various literatures reviews and articles.

Sampling: For this study, I have taken Tirupati Urban. The respondents will be randomly drawn. So sampling method is used for data collection. The sampling size as 200

Tools Used for Analysis:

Simple percentage analysis: The percentage method is used for comparing certain feature. The collected data represented in the form of tables and graphs in order to give effective visualization of comparison made.

$$\text{Sample Percentage} = \frac{\text{Actual population}}{\text{Sample size}} \times 100$$

V. DATA ANALYSIS AND INTERPRETATION

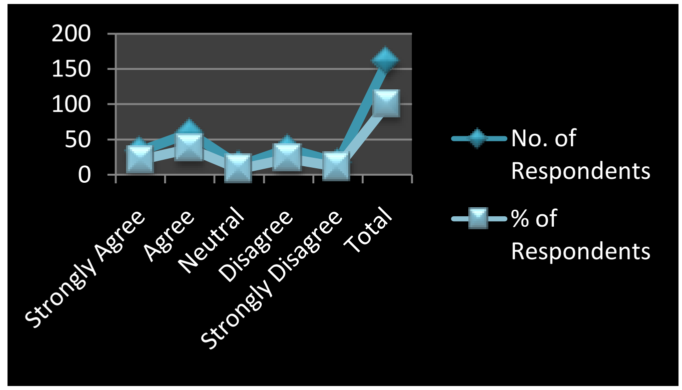
5.1 Frequency Distribution of Age of Sample:

Five age ranges were given in the questionnaire. Frequency distribution of age of respondents is shown in the following table.

Table 1: Frequency distribution of Age

Age	No. of Respondents	% of Respondents
Less than 20 Years	26	13
21 - 30 Years	70	35
31 - 40 Years	62	31
41 - 50 Years	26	13
Above 50 Years	16	8
Total	200	100

Graph 1



Frequency distribution of sample shows that 13% respondents were less than 20 years old, 35% respondents were between 21 – 30 years of age. 31 % respondents were in the age category of 31 – 40 years of age, 13 % respondents were in the age category of 41 – 50 years. Only 8% respondents were above 50 years of age. The data shows that most of the respondents were in the middle age category.

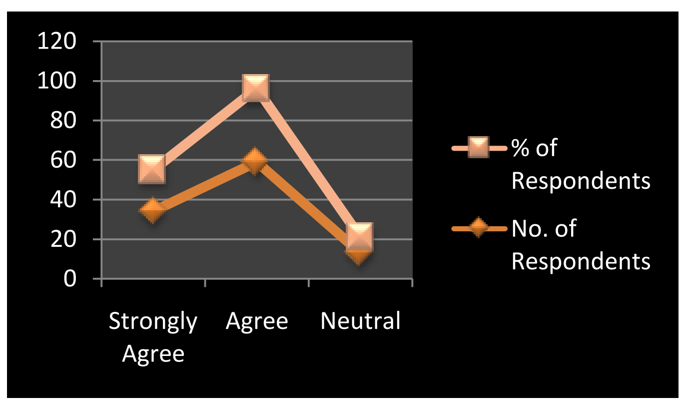
5.2 Frequency Distribution of Gender of Sample:

Respondents were asked to mention their gender in the questionnaire. By analyzing needs and wants of males and females mobile service providers can design specific packages for males and females.

Table 2: Frequency distribution of Gender of sample

Gender	No. of Respondents	% of Respondents
Male	104	52
Female	96	48
Total	200	100

Graph 2



The results show that there were 52 % males and 48 % females in the sample. Two deductions can be made from results. The first is that more males use Telecom services and the second is that more males have shown their intentions to fill the questionnaire.

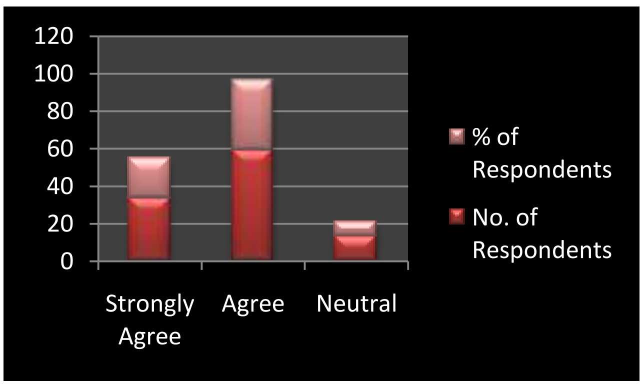
5.3 Brand Switching Experience of Respondents:

Respondents were asked about switching mobile service providers. This question was asked for the further direction of questionnaire and also to analyze the trend of switching mobile service providers in respondents. The responses about switching mobile service providers are given in the following table.

Table 3: Brand switching of mobile service provider

Suggestions	No. of Respondents	% of Respondents
Yes	160	80
No	40	20
Total	200	100

Graph 3



Above table presents clear picture about results of switching behavior of respondents. There were 20% respondents who have never switched mobile service provider. 80 % respondents have switched mobile service providers. The results suggest that 80% respondents have experienced switching mobile service providers.

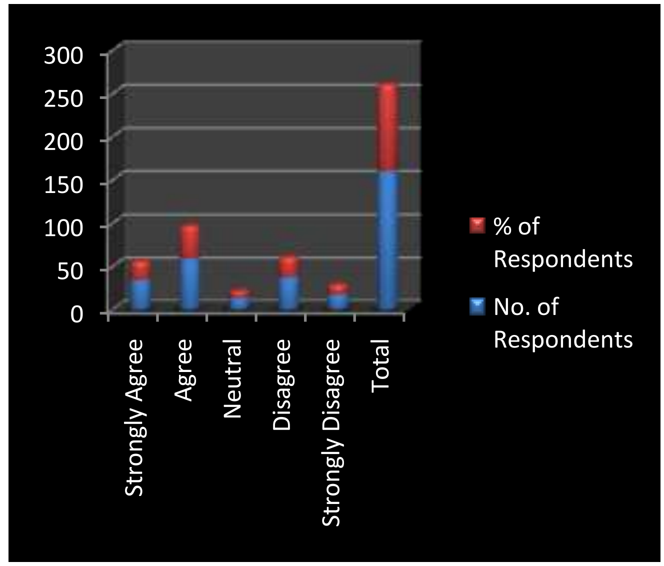
5.4 Number of Times Switching the Brand

Respondents were asked about switching mobile service providers. This question was asked for the further direction of questionnaire and also to analyze the trend of switching mobile service providers in respondents. The responses about switching mobile service providers are given in the following table.

Table 4: Number of times switching the brand by respondents

Suggestions	No. of Respondents	% of Respondents
Not at all	40	20
Once	60	30
Twice	50	25
Thrice	32	16
More than thrice	18	9
Total	200	100

Graph 4



Above table presents clear picture about results of switching behavior of respondents. There were 20% respondents who have never switched mobile service provider. 30% respondents have switched mobile service providers once in the life. There were 25% respondents who have changed mobile service provider twice in their life. 16% respondents have switched mobile service provider thrice in their life. There were only 9% respondents who have switched mobile service providers for more than thrice. The results suggest that 80% respondents have experienced switching mobile service providers. Majority has done this only for one time.

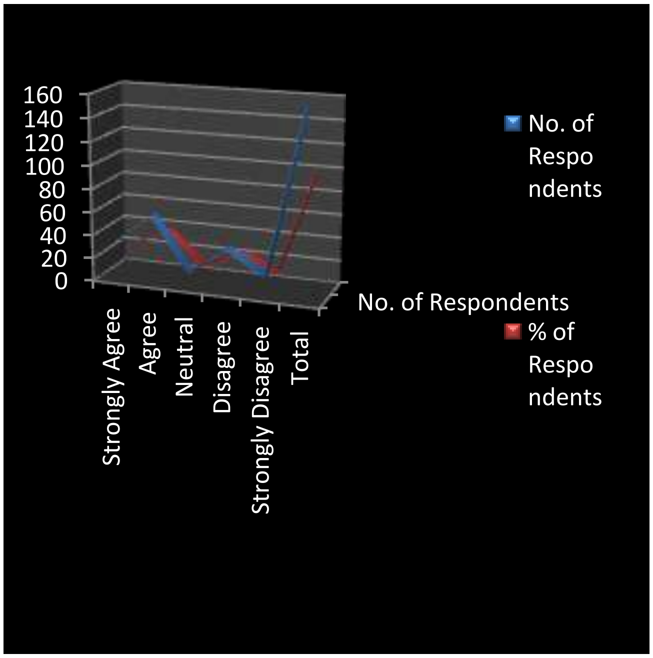
5.5 Factors influencing Brand Switching:

Influence of Call Rates among brand switchers: The first question was asked that for did the call rates has influenced you to switch the brand. Literature review has discussed that call rates is the most important factor that influence brand switching behavior.

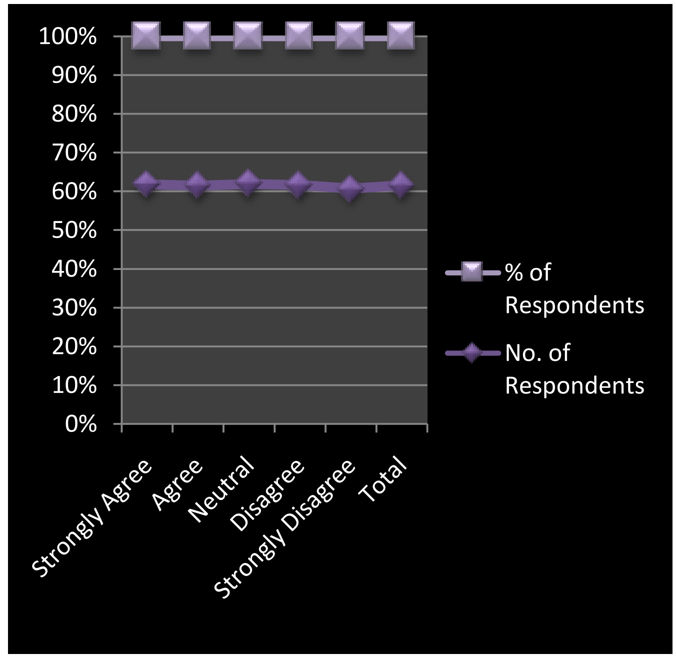
Table 5: Influence of Call Rates among brand switchers

Suggestions	No. of Respondents	% of Respondents
Strongly Agree	14	9%
Agree	50	31%
Neutral	58	36%
Disagree	24	15%
Strongly Disagree	14	9%
Total	160	100

Graph 5



Graph 6



There were 9 % respondents who strongly agreed that call rates are influenced to brand switching. 31 % respondents are agreed brand switching has influenced because of call rates. 36% respondents remained neutral in their opinion. 15 % respondents disagreed to the fact that call rates are influenced to brand switching. 9% of respondents strongly disagreed with this opinion.

5.6 Trust on service provider is the factor influence brand switching:

Respondents were asked about the trust on previous service providers. Trust is very important for maintaining or discarding relationship with the service providers. The results of this question are summarized in the following table:

Table 6: Influence of Trust on service provider among brand switchers

Suggestions	No. of Respondents	% of Respondents
Strongly Agree	27	17
Agree	46	29
Neutral	24	15
Disagree	40	25
Strongly Disagree	23	14
Total	160	100

The above table suggests that 17% respondents strongly agreed to the fact that they cannot trust previous mobile service providers. 29% respondents agreed to the fact that they cannot trust previous service providers. 15% respondents remained neutral in their opinion. 25% respondents disagreed that they cannot trust previous mobile service providers. 14% respondents strongly disagreed with this opinion.

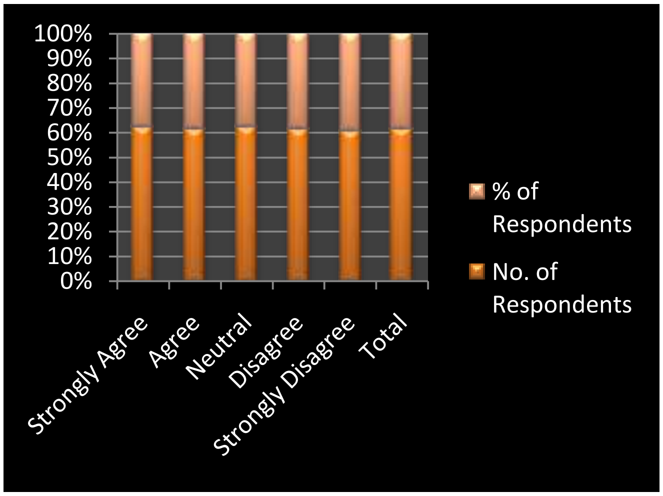
5.7 Customer care services is the factor influence brand switching

Respondents were asked that whether the customer service of previous mobile service operator was poor or not. Customer service has taken an important place in the decision making process of customers. It has considered equally important as a product. The results of this question are summarized in the following table:

Table 7: Influence of Customer care services among brand switchers

Suggestions	No. of Respondents	% of Respondents
Strongly Agree	34	21
Agree	56	35
Neutral	14	9
Disagree	32	20
Strongly Disagree	24	15
Total	160	100

Graph 7



There were 21% respondents who strongly agreed that customer service of previous operator was poor. 35% respondents agreed to the fact that customer service of previous operator was poor. 9% respondents remained neutral in their opinion. 20% respondents disagreed to the fact that customer service of previous operator was poor. 15 % respondents strongly disagreed with this opinion.

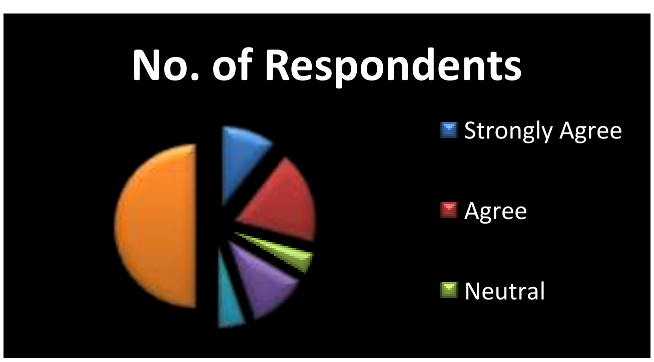
5.8 Network Coverage is An Influence factor

Respondents were asked that whether Network coverage of previous mobile service provider was poor comparing other service providers.

Table 8: Influence of Network Coverage among brand switchers

Suggestions	No. of Respondents	% of Respondents
Strongly Agree	18	11
Agree	46	29
Neutral	27	17
Disagree	45	28
Strongly Disagree	24	15
Total	160	100

Graph 8



Results suggest that 11% respondents strongly agreed that poor network coverage of previous service provider comparing to current operator that can influenced to switch. 29% respondents agreed, 17% remained neutral, 28% disagreed and 15% respondents strongly disagreed to the fact that they are influenced by network coverage service of previous operator.

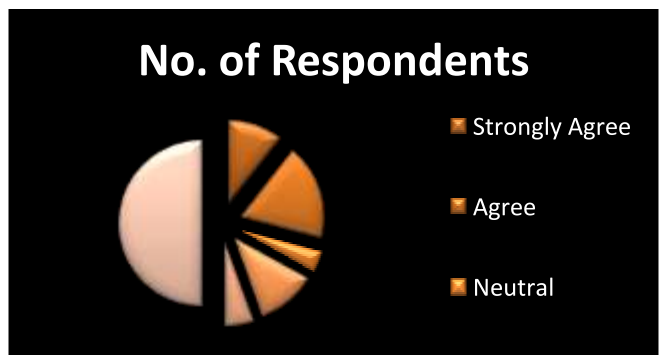
5.9 Value Added Services is the factor influence Brand Switching

Respondents were asked that whether value added services have encouraged them for brand switching or not.

Table 9: Influence of Value Added Services among brand switchers

Suggestions	No. of Respondents	% of Respondents
Strongly Agree	29	18
Agree	49	31
Neutral	21	13
Disagree	37	23
Strongly Disagree	24	15
Total	160	100

Graph 9



The above table suggests that 18% respondents strongly agreed to the fact that value added services have encouraged them to switch over new service provider. 31% respondents agreed to the fact that value added services of new operator have encouraged them for brand switching. 13% respondents remained neutral in their opinion. 23% respondents disagreed to the fact that value added services of new service provider have encouraged brand switching. 15% respondents strongly disagreed with this opinion.

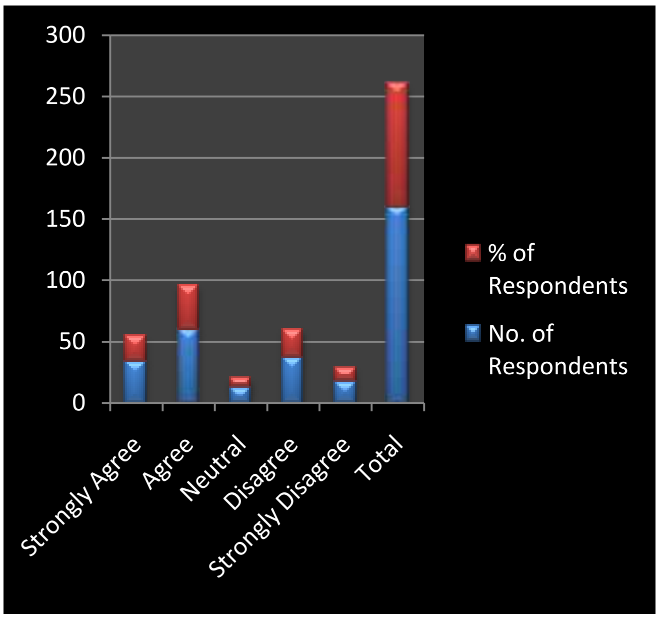
5.10 Switching Cost is Influence factor

Switching cost plays important role in influencing customers with their current service providers. Respondents were asked that whether switching cost is high for them or not. The results of this question are summarized in the following table:

Table10: Influence of Switching Cost among brand switchers

Suggestions	No. of Respondents	% of Respondents
Strongly Agree	42	19
Agree	70	11
Neutral	28	14
Disagree	22	35
Strongly Disagree	38	21
Total	160	100

Graph 10



Results show that there were 19 % respondents who strongly agreed, 11% respondents agreed, 14% remained neutral, 35% disagreed and 21% strongly disagreed with the opinion.

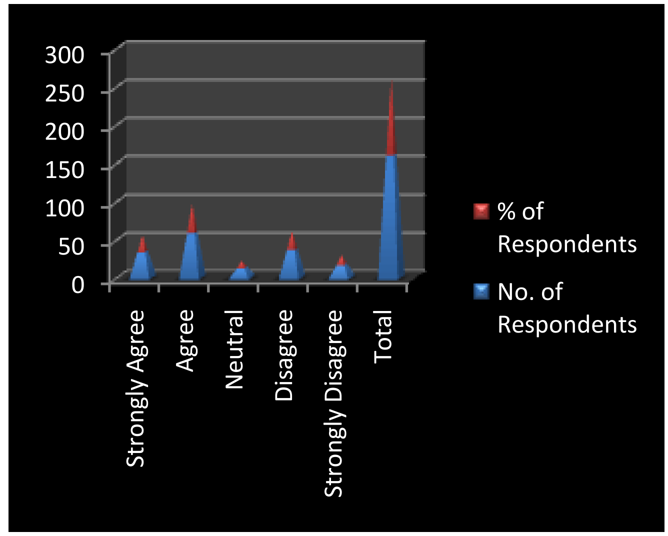
5.11 Advertisement is the factor influence brand switching

It has been discussed in the literature review that advertisement attracts new as well as existing customers. Companies advertise their services in order to attract new customers and also in order to retain existing ones.

Table 11-: Influence of Advertisement among brand switchers

Suggestions	No. of Respondents	% of Respondents
Strongly Agree	34	21
Agree	59	37
Neutral	13	8
Disagree	37	23
Strongly Disagree	17	11
Total	160	100

Graph 11



The results suggest that there were 21% respondents who strongly agreed that advertisement has attracted them towards new operator. 37% respondents just agreed that advertisement has attracted them towards new operator. 8% respondents remained neutral in their opinion. 23% respondents disagreed that advertisement has attracted them towards new operator. 11% respondents strongly disagreed with this opinion.

VI. FINDINGS

- In the sample most of the respondents belonged to middle age category. There was less percentage of respondents of more than 50 years of age. Needs of communication of individuals of different age categories vary. Individuals who are younger in age and have not started their career yet use mobile telecommunication for contacting their friends and relatives. They do not have any restrictions related to profession. These individuals also have limited budget so they used to switch their mobile service providers frequently in response to different offers of service providers.
- It has been found that majority of the respondents use Airtel following by Jio which is brand of Telecom service provider. Aircel has been recognized as an innovative telecommunication company in India. Most of the young and professional have been using “Aircel” because it provides them innovations that can provide them entertainment as well as solution of their problems. Idea has also been found as one of the major market share holder. There was very less percentage of respondents who have been using other mobile service providers.
- Respondents who were young have been found very frequent in switching mobile service providers. It has

been found that respondents who are older in age have never switching mobile service providers. It can be deduced that these respondents might have some personal or professional reason for changing mobile service providers. It has been found that respondents who are young have switched for more than 3 times since they are using mobile telecommunication.

- Questionnaire has been divided into two parts. One part relates to switchers and the other one is related to non switchers. There were 80% respondents who have experienced switching mobile service provider in their life whereas 20% respondents have never experienced brand switching of mobile service providers. It has been found that most of customers of Airtel have been found non switchers.

VII. SUGGESTIONS

On the basis of findings of primary and secondary research some suggestions have been proposed to the mobile service providers in order to stop their customers for brand switching. These suggestions are as follows:

- Raise switching cost associated with the services so that because of high cost customers avoid brand switching and remain loyal with existing service provider.
- Provide high quality services to customers that must be accompanied by quality customer care services and large coverage area so that customers do not get any reason for switching towards other service providers.
- Maintain strong and appealing brand image so that customers remain loyal with the brand.
- Assure customers that company will take stand in order to satisfy their needs so that trustworthy relationship can be maintained on long term basis which ultimately encourages customers to remain loyal with the company.
- Offer low charges accompanied by high quality services for stopping customers to go for low charges of other service providers.

VIII. CONCLUSION

Telecommunication services are globally recognized as one of the driving forces for overall economic development in a nation. They are also one of the prime support services needed for rapid growth and modernization of various sectors of the economy. The Government of India recognizes this fact and hence, has taken several major initiatives to provide a business friendly environment for companies in this sector. This particular research aimed at examining the factors influencing brand switching in telecommunication industry of India. In order to examine the factors triangulation methodology has been adopted. Questionnaire strategy has been used by the researcher for collecting primary data. There were 80% respondents who have experienced brand switching of service providers at any stage in their life. 20% respondents have never switched mobile service providers. The findings of research suggest that there price has been most influential factor in decisions of customers regarding brand switching. The results have shown that most of respondents switch mobile service providers in response to changes in prices. On the other hand service providers charging low call rates have been succeeded in stopping their customers to switch over other service providers. All customers do not value reduction in prices of calls but they value quality of services.

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