



A COMPARATIVE STUDY ON CUSTOMER PREFERENCE OF VODAFONE AND RELIANCE SERVICE PROVIDER IN ARUPPUKOTTAI TOWN.

Dr.K.Uma* R.Ganesh Kumar**

**Assistant Professor & Research Supervisor, Madurai Kamaraj University, Madurai.*

***Research Scholar, S.B.K College, Aruppukottai.*

Abstract

The telecommunication is the life blood for every business activity. In this competitive business scenario each and every activity starts and ends with the customer. Even in this industry there prevails a stiff competition between the service providers. The objective of the study is to study the customer preference of Vodafone and Reliance service provider. So it is very essential for the mobile service provider to understand the customer preference and the influence of various Demographic variables behind that influence.

The major purpose of descriptive research is description of state of affairs as it exists at present. Simple random sampling method is used to collect data. The size of the sample is 150 Vodafone customers and 150 Reliance customers were chosen for the study. The respondents of the study are part of population of Aruppukottai Town. Both primary and secondary data is used.

Keywords: *Telecommunication, Demographic, Service Provider, Customer Preference.*

Introduction

Indian Telecom Industry started in 1851 when the first operational land lines were laid by the government near Calcutta (seat of British power). In 1881 the Telephone services were introduced in India and telephone services were merged with the postal system in 1883. In 1923 the Indian Radio Telegraph Company (IRT) was formed. In 1947 after the independence, all the foreign telecommunication companies were nationalized to form the Posts, Telephone and Telegraph (PTT), a monopoly run by the government's Ministry of Communications. The Indian Telecom Industry was considered as a strategic service and best to bring under state's control. In 1980 when the private sector was allowed in telecommunications equipment manufacturing the first wind of reforms in telecommunications sector began to flow.

Indian Telecom Industry is the fastest growing and 5th largest in the world at 210.01 million connections. The subscriber base has grown by 40% in 2012 and has reached the expectations of 250 million in 2014. Over the years, two out of every three new telephone connections are wireless. Consequently, wireless now accounts for 54.6% of the total telephone subscriber base, as compared to only 40% in 2010. Wireless subscriber has grown to 2.5 million new subscribers every month from 2014.

'Telecommunication ' in ITU parlance covers a very wide variety of services such as sound & television broadcasting, space communications, aeronautical and maritime mobile communication, radio-location and radio-navigation systems, radio astronomy, meteorological aids and service, radio amateurs, etc, besides the public telecommunication services. There are large telecommunication networks belonging to railways, defence and para-military organizations, law and order services, public utility organization like electricity grids transport organizations, municipal services, national and International telecommunications service providers – both government and private, civil aviation department and airlines, shipping & port authorities, sound and TV broadcasting organizations, meteorological department, oil exploration, processing and distribution companies, large private companies, etc.,

Scope of the Study

In the present scenario, the telecommunication is lifeblood for every business activities. Even in this industry there prevails a stiff competition between the service providers. In spite of a well established network and infrastructure supporting in certain service provides weren't able to root their footsteps in the market. Further their promotional initiatives haven't yielded fruitful results.

So it is very essential for the mobile service provider to understand the customer preferences and the influence of various Demographic variables behind that influence, the subscribers pre purchase search and post purchase behavior to win the hearts of the customers. This study could aid the service providers with respect to their enhancement.

Statement of the Problem

Mobile Communication a service sector is escalating drastically in Aruppukottai Town. This is a sector where the customers



switch their service providers very often depending upon their convenience. So it's very essential for the service providers to make their moves by knowing the customer preferences. The customer preferences changes which is influenced by several factors. Thus a study information base on the customer preference and the factors influencing that preference is very essential for the Mobile Service Provides.

Objective of the Study

1. To study the customer preference with respect to the Mobile Service Providers
2. To compare the performance of Vodafone and Reliance in mobile communication Market.

Review of Literature

Satisfaction plays a particularly important in competitive environments such as mobile services because of its impact on customer loyalty.¹

Customer Satisfaction refers to the "Customer's evaluation of a product or service in term of whether that product or service has met their needs and expectations (Zeithaml and Bitner 2003).²

Service Quality is important factor to motive customer. In service quality customer makes comparison (MianUsmanSattar 2012).³

Customer Service and fairness also have an impact on customer satisfaction. Customer service consists of complaints processing, speed of dealing and solving customers problems and price fairness is charging fair prices would increase the customers Satisfaction. But on the other hand people are willing to pay price if the Service quality is better (MuzammilHanif, SehrishHafeez, Adnan Riaz, 2010).⁴

Research Design

The research design adopted for this study has been a descriptive research design. Since the pre purchase and post purchase behaviour of the Vodafone and Reliance users. The information are collected from the individual and analyzed with the help of different statistical tools, to find satisfaction level of customers.

Reason for selecting Vodafone and Reliance Service provider for very popular services and separate Show room available in Aruppukottai Town.

Sample Size

Since the population of Aruppukottai Town is large in number, researcher was unable to collect information from all individuals due to limitation of time. So part of the population is taken for analyzing and generating the findings, which is applicable for total population. The sample size has to be fixed 150 Vodafone customers and 150 Reliance Customers were chosen for the study.

Sampling Technique

Simple random sampling method is used to collect data from the customers enrolled with the Service Providers.

Primary Date

Under this study primary data was collected by using structured questionnaire. The primary data has been collected through the questionnaire by means of personal interview.

Secondary Data

The Secondary data are sourced from various telecommunication websites, Magazines, Books and Periodical Survey etc.,

Statistical Tools used for This Study: The data has been mainly analyzed by using the following methods and tests.

¹ Oliver, R.L.(1999)"when consumer loyalty", *The Journal of Marketing Fundamental Issues and Direction for Marketing*, Vol.63, pp 33-44.

² V.A.zethanu, L.L. Berry and A Parasuraman, "The Behavioral Conswquences of Service Quality, *Journal of Marketing*, 1996, 60, April: 31-46.

³ Kuo.Y.F,Wu, C.M and Deng.W.J (2009) *com[uters in Human bahaviour*, Volume 25, Issue 4 page 887- 896.

⁴ Hanif.MHafeez,S, Riaz.A (2010) *Factors Affecting Customers Satisfaction International Research Journal of Finance and Economics*,45 - 58



Percentage Analysis, Chi-Square Test, TWO way ANOVA and Five Point Scale.

Data Analysis and Findings

I) Analysis of Demographic factors

Age wise Classification

Table 1, Age wise Classification

Sl.No	Age	No. of Respondents		% age of	
		Vodafone	Reliance	Vodafone	Reliance
1	Below 20	38	31	25	21
2	21 – 40	47	49	31	33
3	Above 40	65	70	43	40
	Total	150	150	100.0	100.0

Source: Primary Data

For the purpose of above table age has been classified into three categories. The sample consists of 25% respondents to prefer Vodafone Services and 21% respondents to prefer Reliance Services belonging to 25 years category, 33% respondents falling in the age group of 21 – 40 years to choose Reliance Service and 43% respondents to prefer Vodafone Services for above 40 years category.

Gender wise Classification

Table – 2, Gender wise Classification

Sl.No	Gender	No. of Respondents		% age	
		Vodafone	Reliance	Vodafone	Reliance
1	Male	109	112	72.6	74.6
2	Female	41	38	27.4	25.4
	Total	150	150	100.00	100.00

Source: Primary Data.

The above table shows that most of the Male Subscribers used Vodafone (72.6%) and Reliance (74.6%) Services. Female subscribers limited usage of Vodafone (27.4%) and Reliance (25.4%) Services. Male prefer Reliance services for using GPRS purpose.

Purpose of usage

Table – 3, Purpose of usage

S.No	Purpose	No. of Respondents		% age	
		Vodafone	Reliance	Vodafone	Reliance
1	Personal only	53	41	35.3	27.3
2	Office Only	8	11	5.3	7.3
3	Both	89	98	59.3	65.4
	Total	150	150	100.00	100.00

Source: Primary Data

From the above table clearly that most of the respondents to use Vodafone (59.3%) and Reliance (65.4%) services for Both (Personal and Office) purpose. Next 35.3% Vodafone subscribers and 27.3% Reliance subscribers to use personal purpose only because of this group of subscribers mostly student and retiring people.

Duration of Usage

Table – 4, Duration of Usage

S.No	Using period	No. of respondents		% age	
		Vodafone	Reliance	Vodafone	Reliance
1	Less than 1 year	65	72	43.3	48.0
2	1 to 3 years	77	72	51.3	48.0
3	Above 3 years	8	6	5.4	4.0
	Total	150	150	100.00	100.00

Source : Primary Data



From the table shows that most of the respondent (51.3%) to using the Vodafone Services 1 to 2 years and the 48% Reliance subscriber use this Services Less than 1 year and 1 to 3 years. Very few Vodafone (5.4%) and Reliance (4%) Subscribers to use this service above 3 years.

Sources of awareness about Mobile Services Provider

Table – 5, Sources of awareness about Mobile Services Provider

S.No	Resources	Vodafone		Reliance	
		No. of Respondents	% age	No. of Respondents	% age
1	News Paper	24	16.0	8	5.0
2	Television	23	15.0	32	21.0
3	Dealers	23	15.0	27	18.0
4	Outdoor Advertisement	29	19.0	15	10.0
5	Friends and Relatives	51	35.0	68	46.0
	Total	150	100.00	150	100.00

Source : Primary Data

It is found from the above table that 16% of Vodafone and 5% of Reliance subscribers customers know about their service provider through News Paper. 15% of Vodafone and 21% of Reliance Respondents know about their service provider through television advertisements. Through dealers 15% of Vodafone and 18% of Reliance subscribers came to know about their service providers. Through outdoor Advertisement 19% of Vodafone and 10% of Reliance customers came to know about their service providers. Friends and relatives is the dominating means through which most of the respondents know about their providers. 35% of Vodafone respondents and 46% of Reliance subscribers know about their service provide through their friends, relatives colleagues and so on.

Mobile Service used Previously

Table – 6, Mobile Service used Previously

S.NO	Opinion	Vodafone		Reliance	
		No. of Respondents	%age	No. of Respondents	%age
1	Yes	68	45.0	49	33.0
2	NO	82	55.0	101	67.0
	Total	150	100.00	150	100.00

Source: Primary Data

It is found from the above table that respondents 45% of the Vodafone and 33% of the Reliance subscribers have availed the service of other Mobile Service providers before using the one at present. 55% of Vodafone customers and 67% of Reliance customers are using the service of same service provider right from their beginning.

Table – 7, Brand of mobile Service Previously Used

S.No	Service	Vodafone		Reliance	
		No. of Respondents	%age	No. of Respondents	%age
1	Airtel	9	13.2	7	14.3
2	BSNL	17	25.0	5	10.2
3	Vodafone	0	0.0	5	10.2
4	Aircel	10	14.7	6	12.2
5	Reliance (GSM)	13	19.2	0	0.0
6	Tata Docomo (GSM)	7	10.3	12	24.5
7	Reliance (CDMA)	0	0.0	0	0.0
8	Tata Docomo (CDMA)	0	0.0	9	18.4
9	IDEA	12	17.6	4	8.2
10	MTS	0	0.0	1	2.0
	Total	68	100.00	49	100.00

Source : Primary Data

GSM - Global system for mobile communication.

CDMA - Code Division Multiple Access.



The above table clear that the most of the respondents who have switched to Vodafone 25% were using BSNL previously. 13.2% using Airtel, 14.7% using Aircel, 19.2 using Reliance (GSM) ,10.3% using Tata Docomo (GSM), 17.6 using IDEA and no Reliance (CDMA) and Tata Docomo (CDMA) subscribers have switched over. In case of the respondents who have switched to Reliance14.3% were using Airtel previously. 10.2% using BSNL, 10.2% using Vodafone, 12.2% using Aircel, 24.5% using Tata Docomo (GSM), 18.4 using Tata Docomo (CDMA), 8.2 using IDEA, 2% using MTS. Thus there is a major switching from the subscribers of other services to Vodafone Service.

Reasons for switching over to Present Services

Table – 8,Reasons for switching over to Present Services

S.No	Reasons	Vodafone		Reliance	
		No. of Respondents	% age	No. of Respondents	%age
1	Better Coverage	19	27.9	11	22.4
2	Low Value added Service cost	5	7.4	3	6.1
3	Full talk time offer	3	4.4	12	24.5
4	Free SMS	13	19.1	3	6.1
5	Better Customer Care Service	0	0.0	0	0.00
6	3G Services speed	15	22.1	0	0.00
7	Lowest call cost	6	8.8	18	36.8
8	Lowest roaming cost	7	10.3	2	4.1
	Total	68	100.00	49	100.00

Source: Primary Data.

It is found from the above table that 22.4% of the respondents have switched to Reliance and 27.9% of the respondents have switched to Vodafone because of its better coverage. 36.8% of the respondents have switched to Reliance and 8.8% of the respondents have switched to Vodafone of lowest call cost. 22.1% of the respondents have switched to Vodafone services at 3G services but none in case of Reliance.

From the above statistics it could be landed that Vodafone have relatively a better coverage and better 3G service when compared with Reliance.

Scheme of Mobile Service

Table – 9, Scheme of Mobile Service

S.No	Scheme	Vodafone		Reliance	
		No. of Respondents	%age	No. of Respondents	%age
1	Prepaid	97	64.67	127	84.67
2	Post Paid	53	35.33	23	15.33
	Total	150	100.00	150	100.00

Source: Primary data

The above table clearly show that 84.67% of the Reliance customers are prepaid subscribers. 64.67% of the Vodafone Customers are prepaid subscribers. 35.33% of Vodafone Customers are postpaid subscribers and 15.33% of Reliance customers are postpaid subscribers. Thus there are more prepaid subscribers in Reliance and Postpaid subscribers in Vodafone because of more hidden charges charged and Bill amount paid later automatic disconnect the Incoming and Outgoing calls by postpaid services and prepaid services is money convenient recharge is available

II) Analysis of Demographic factors and satisfaction Level

Age and Level of Satisfaction

To determine the degree of association between Age and the level of satisfaction by the respondents with 3respect to their mobile service providers a two-way table was prepared.



Table – 10, Age and Level of Satisfaction

S.N	Age	Level of Satisfaction (Vodafone)			Level Of Satisfaction (Reliance)		
		Low	Medium	High	Low	Medium	High
1	Below 20	8 (23%)	22 (38%)	8 (14%)	7 (19%)	4 (12%)	23 (29%)
2	21 – 40	12 (34%)	9 (15%)	26 (46%)	10 (28%)	18 (53%)	24 (30%)
3	Above 40	15 (43%)	27 (47%)	23 (40%)	19 (53%)	12 (35%)	33 (41%)
	Total	35	58	57	36	34	80

Sources : Primary Data

The above table reveals that the level of satisfaction is high in the age group of 21 – 40 years (46%). Most of the respondents in the age group above 40 years have a medium level of Satisfaction (43%). Further the level of satisfaction is medium among the respondents belonging to the age group of Below 20 years (38%). From this analysis it could be concluded that most of the satisfied customers for Vodafone belong to the age group of 21 -40 years. Whereas level of satisfaction is high in the age group of Above 40 years (41%). Most of the respondents in the age group 21 – 40 years have a medium level of satisfaction (53%). The level of satisfaction is relatively low in the age group Above 40 years (53%). Further the level of satisfaction is high among the respondents belonging to the age group of Below 20 years (29%)

From this analysis it could be concluded that most of the satisfied customers for Reliance belong to the age group of Above 40 years.

Gender and Level of Satisfaction

Table – 11, Gender and Level of Satisfaction

S.N	Gender	Level of Satisfaction (Vodafone)			Level of Satisfaction (Reliance)		
		Low	Medium	High	Low	Medium	High
1	Male	19 (53%)	45 (76%)	45 (82%)	29 (81%)	27 (79%)	56 (70%)
2	Female	17 (47%)	14 (24%)	10 (18%)	7 (19%)	7 (21%)	24 (30%)
	Total	36	59	55	36	34	80

Source: Primary Data

The above tables reveals that the level of satisfaction of male respondents is high (82%). With respect to the female respondents the satisfaction level is low (47%) in Vodafone. On the other hand the major contribution for low (53%), Medium (76%) and high (82%) level of satisfaction from the male respondents. In case of others the level of satisfaction of male respondents is low (81%), Medium (79%) and High (70%) level of satisfaction is from the male respondents.

Duration of Usage and Level of Significance

Table – 12, Duration of Usage and Level of Significance

S.NO	Using period	Level of Satisfaction (Vodafone)			Level of Satisfaction (Reliance)		
		Low	Medium	High	Low	Medium	High
1	Less than 1 year	9 (25%)	29 (49%)	27 (49%)	12 (33%)	20 (59%)	41 (51%)
2	1 to 3 years	27 (75%)	29 (49%)	21 (38%)	24 (67%)	10 (29%)	38 (48%)
3	Above 3 years	0	1 (2%)	7 (13%)	0	4 (12%)	1 (1%)
	Total	36	59	55	36	34	80

Source: Primary Data

The above table reveals that the level of significant is high (49%) in case of the respondents who are using their mobile for less than a year. The level of significant is medium (49%) in case of the respondents who are using their mobile for a period of less than a year and 1 to 3 years. The level of satisfaction is high (13%) in case of respondents using their mobile above 3 years. In the case of other users level of satisfaction is high (51%) as well as medium (59%) in case of the respondents who are using the mobile for a period of less than 1 year. The respondents who are using their mobile for a period of 1 to 3 years have the lowest (67%) level of satisfaction. On the other hand the level of satisfaction is medium (12%) in case of the respondents using their mobile more than 3 years.



III) Relationship between Age, Gender and Satisfaction Level

Chi – Square Test

In order to determine the relationship between the age of the respondents and the level of satisfaction yielded by them with respect to their mobile service providers, Chi – Square test was calculated.

Null Hypothesis : There is no association between the age of the respondents and the overall level of satisfaction.

Alternative Hypothesis : There is an association between the age of the respondents and overall level of satisfaction.

Table – 13, Age and Level of Satisfaction

Factore	Calculated Chi-Square Value		Table Value		D.F	Remarks
	Vodafone	Reliance	Vodafone	Reliance		
Age	13.26	6.56	9.488	9.488	4	Significant at 5% level

Source: Primary Data

It is noted from the above table shows that the calculated value is greater than the table value at 5% level of Significance of Vodafone users. So the alternative hypothesis is accepted “Age, a demographic variable have a significant association in the respondents level of satisfaction.

Chi – Square Test

Null Hypothesis : There is no association between the gender of the respondents and the overall level of satisfaction.

Alternative Hypothesis : There is an association between the gender of the respondents and overall level of satisfaction.

Table – 14, Age and Level of Satisfaction

Factor	Calculated Chi-Square Value		Table Value		D.F	Remarks
	Vodafone	Reliance	Vodafone	Reliance		
Gender	10.48	6.66	5.991	5.991	2	Significant at 5% level

Source : Primary Data

It is noted from the above table of both service users that the calculated value greater than the table value. So the alternative hypothesis is accepted “Gender have a significant impact in the level of Satisfaction”.

IV) Comparative Analysis of Vodafone and Reliance on their satisfaction level.

Table – 15, Satisfaction Level of Vodafone Services

S.No	Facilities	Vodafone					Total Weight	Weighted Average	Rank
		HS	S	N	DS	HDS			
1.	Better Network coverage	68	59	23	0	0	645	43.00	1
2	Better Customer Service	32	81	29	4	4	585	38.87	3
3	Lowest STD/ISD Call tariff	37	67	34	8	4	575	38.33	4
4	Lowest Tariff Plan & Rate	58	58	28	6	0	618	41.20	2
5	Lowest Call Cost	36	65	31	11	7	562	37.47	7
6	LowestSMS Cost	31	53	49	13	4	544	36.27	8
7	3G service speed	25	50	60	11	4	531	35.40	9
8	MMS Cost	33	61	46	10	0	567	37.80	6
9	Low Value Added Service Cost	21	94	23	12	0	574	38.27	5

Source : Primary Data

The above table shows that relating to satisfaction of Vodafone the Better Network Coverage is ranked first, it is also found that Vodafone subscribers have ranked 2,3,4,5,6,7,8 and 9 for lowest Tariff plan & Rate, Better Customer care Service, lowest STD/ISD Call tariff , lowest value added service, Lowest MMS cost, lowest Call Cost, lowest SMS cost and 3G speed



Table – 16, Satisfaction Level of Vodafone Services

S.No	Facilities	Reliance					Total Weighted	Weighted Average	Rank
		HS	S	N	DS	HDS			
1.	Better Network coverage	53	72	10	15	0	613	40.87	2
2	Better Customer Service	29	90	24	7	0	591	39.40	4
3	Lowest STD/ISD Call tariff	24	70	42	14	0	554	36.93	8
4	Lowest Tariff Plan & Rate	49	50	40	7	4	583	38.87	5
5	Lowest Call Cost	64	51	23	12	0	617	41.13	1
6	Lowest SMS Cost	46	67	29	4	4	597	39.80	3
7	3G service speed	0	0	0	0	0	0	0	0
8	Low MMS Cost	39	67	21	15	8	564	37.60	7
9	Low Value Added Service Cost	27	87	21	11	4	572	38.13	6

Source: Primary Data

From the above table shows the satisfaction of the services rendered by Reliance the lowest call cost tariff is ranked first, it is also found that Reliance subscribers have ranked 2,3,4,5,6,7,8 and 9 for Better network coverage, lowest SMS cost, Better Customer Service, Lowest tariff plan & Rate, Lowest Value Added Service, Low MMS Cost, Lowest STD/ISD Call tariff and No 3G services available in study area.

From the overall opinion of respondents it is observed that the Vodafone providers Network Coverage, Customer Care and 3G Services are better than Reliance. And also the respondents opinion that the Reliance Providers lowest call cost and lowest SMS cost than Vodafone.

Conclusion

The influence of Demographic variables in the level of satisfaction yielded by the mobile user as well as Behavioural pattern of the mobile user is analyzed in this study. It's landed that Demographic variables do influence the level of satisfaction as well as the variable in which the Vodafone and Reliance service should focus for their enhancement is suggested. Further the customer expectation are comprehended from their usage pattern. On the basis of this comprehension it's suggested that Reliance service provider should enhance it's coverage. Vodafone should focus on the service at customer care service and promotional measures. However, customers expect more facilities and signal coverage. So to say service providers should concentrate on this aspect so that they will be in a position to give their best.

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