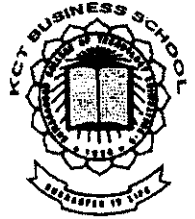


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A STUDY ON CUSTOMER PATRONAGE FOR MOBILE SERVICES WITH REFERENCE TO COIMBATORE DISTRICT

A SUMMER PROJECT REPORT (MBA703)

Submitted by

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Under the Guidance of

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in partial fulfillment for the award of the degree

of

MASTER OF BUSINESS ADMINISTRATION

in

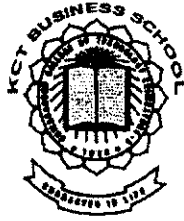
Department of Management Studies

KUMARAGURU COLLEGE OF TECHNOLOGY

(An Autonomous Institution Affiliated to Anna University of Technology, Coimbatore)

COIMBATORE – 641 049

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**KUMARAGURU COLLEGE OF TECHNOLOGY
COIMBATORE -641 049**

Department of Management Studies

**A SUMMER PROJECT WORK (MBA703)
OCTOBER 2010**

This is to certify that the project entitled

**A STUDY ON CUSTOMER PATRONAGE FOR
MOBILE SERVICES WITH REFERENCE TO
COIMBATORE DISTRICT**

is the bonafide record of project work done by

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Project Guide

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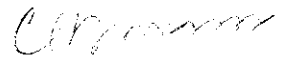
DECLARATION

I affirm that the project work titled '**A STUDY ON CUSTOMER PATRONAGE FOR MOBILE SERVICES WITH REFERENCE TO COIMBATORE DISTRICT**' being submitted in partial fulfillment for the award of Master of Business Administration is the original work carried out by me. It has not formed the part of any other project work submitted for award of any degree or diploma, either in this or any other University.


PRAVVIN KUMAR.A.N

0920400037

I certify that the declaration made above by the candidate is true



Mr.K.R.Ayyasamy
Professor

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I express my sincere gratitude to our beloved chairman **Arutchelvar Dr. N.Mahalingam and Management** for the prime guiding spirit of Kumaraguru College of Technology.

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ABSTRACT

The mobile subscriber base is growing at a scorching pace in India, India is now the 5th country in the world to have crossed the 100 million mark in subscriber base and has in the last two months become the fastest growing mobile market in the world.

As average revenue per user decrease from voice drops, and voice becomes commoditized, Telcos are increasingly looking at data as an additional revenue stream. The end users have also embraced VAS and it contributes between 5-10% of the revenues of different Telcos. Thus Mobile VAS has become an important element in the growth of mobile telephony in India.

Yet it is also equally true that there is little clarity on business issues and growth seems to be driven by more by inherent market momentum than a concentrated effort on the part of the stakeholders; differences exist even on basic issues like definition for Mobile VAS.

Thus an understanding into the VAS space is needed to help stakeholders give a direction to this wave of growth.

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

INTRODUCTION

Patronage is the support, encouragement, privilege, or financial aid that an organization or individual bestows to another. In the history of art, arts patronage refers to the support that kings or popes have provided to musicians, painters, and sculptors. It can also refer to the right of bestowing offices or church benefices, the business given to a store by a regular customer, and the guardianship of saints. The term derives from the Latin patrons, the formal relationship between a Patrons and his Clients.

In some countries the term is used to describe political patronage, which is the use of state resources to reward individuals for their electoral support. Some patronage systems are legal, as in the Canadian tradition of allowing the Prime Minister to appoint the heads of a number of commissions and agencies; in many cases, these appointments go to people who have supported the political party of the Prime Minister. As well, the term may refer to a type of corruption or favoritism in which a party in power rewards groups, families, ethnicities for their electoral support using illegal gifts or fraudulently-awarded appointments or government contracts.

Arts

From the ancient world onward patronage of the arts was important in art history. It is known in greatest detail in reference to pre-modern medieval and Renaissance Europe, though patronage can also be traced in feudal Japan, the traditional Southeast Asian kingdoms, and elsewhere—art patronage tended to arise wherever a royal or imperial system and an aristocracy dominated a society and controlled a significant share of resources. Samuel Johnson defined a patron as "one who looks with unconcern on a man struggling for life in the water, and, when he has reached ground, encumbers him with help".

Rulers, and very wealthy used patronage of the arts to endorse their political ambitions, social positions, and prestige. That is, patrons operated as sponsors. Some languages still use the term mecenate, derived from the name of Gaius Maecenas, generous friend and adviser to the Roman Emperor Augustus. Some patrons, such as the Medici of Florence, used artistic patronage to

"cleanse" wealth that was perceived as ill-gotten through usury. Art patronage was especially important in the creation of religious art. The Roman Catholic Church and later Protestant groups sponsored art and architecture, as seen in churches, cathedrals, painting, sculpture, and handicrafts.

While sponsorship of artists and the commissioning of artwork is the best-known aspect of the patronage system, other disciplines also benefitted from patronage including those who studied natural philosophy (pre-modern science), musicians, writers, philosophers, alchemists, astrologers, and other scholars. Artists as diverse and important as Chrétien de Troyes, Leonardo da Vinci and Michelangelo, William Shakespeare, and Ben Jonson all sought and enjoyed the support of noble or ecclesiastical patrons.

This kind of system continues across many fields of the arts. Though the nature of the sponsors has changed—from churches to charitable foundations, and from aristocrats to plutocrats—the term patronage has a more neutral connotation than in politics. It may simply refer to direct support (often financial) of an artist, for example by grants. In the later part of the 20th century the academic sub-discipline of patronage studies began to evolve, in recognition of the important and often neglected role that the phenomenon of patronage had played in the cultural life of previous centuries.

Politics

Political leaders often have at their disposal a great deal of patronage, in the sense that they make decisions on the appointment of officials inside and outside government (for example on quangos). Patronage is therefore a recognized power of the executive branch. In most countries the executive has the right to make many appointments, some of which may be lucrative (see also sinecures). In some democracies, high-level appointments are reviewed or approved by the legislature (as in the advice and consent of the United States Senate); in other countries, such as those using the Westminster system, this is not the case. Other types of political patronage may violate the laws or ethics codes, such as when political leaders engage in nepotism (hiring family members) and cronyism such as fraudulently awarding non-competitive

government contracts to friends or relatives or pressuring the public service to hire an unqualified family member or friend.

United States

In the United States during the Gilded Age, patronage became a controversial issue. Democrat William Magear Tweed (April 3, 1823 – April 12, 1878), sometimes erroneously referred to as William Marcy Tweed^[4] and known as "Boss Tweed," was an American politician who ran what is considered to be one of the most corrupt political machines in the country's history. Tweed and his Tammany Hall cronies ruled with absolute power over the city and state of New York and they played a major role in the politics of 19th century New York. At the height of his influence, Tweed was the third-largest landowner in New York City, a director of the Erie Railway, the Tenth National Bank, and the New-York Printing Company, as well as proprietor of the Metropolitan Hotel.

Tweed was elected to the United States House of Representatives in 1852, and the New York City Board of Advisors in 1856. In 1858, Tweed became the "Grand Sachem" of Tammany Hall. He was elected to the New York State Senate in 1867.

Tweed was convicted for stealing between \$40 million and \$200 million^[6] (based on the inflation or devaluation rate of the dollar since 1870 of 2.7%, this is between 1.5 and 8 billion 2009 dollars) from New York City taxpayers through political corruption. He died in the Ludlow Street Jail.

When James Garfield became president, he appointed corrupt men to several offices (despite the appointment of the clean 'stalwart' Chester A. Arthur to the role of Vice President, which represented a compromise within the Republican Party). This provoked the ire of the Stalwarts. Charles J. Guiteau, a Stalwart, assassinated Garfield in 1881, six months after he became President. To prevent further political violence and to assuage public outrage, Congress passed the Pendleton Act in 1883, which set up the Civil Service Commission. Henceforth, applicants for most federal government jobs would have to pass an examination. Federal politicians'

influence over bureaucratic appointments waned, and patronage declined as a national political issue.

Political patronage — on a low-level and when not entangled in financial means — is not inherently unseemly. In the United States, the U.S. Constitution provides the president with the power to appoint individuals to government positions. He also may appoint personal advisers without congressional approval. Not surprisingly, these individuals tend to be supporters of the president. Similarly, at the state and local levels, governors and mayors retain appointments powers. Some scholars have argued that patronage may be used for laudable purposes, such as the "recognition" of minority communities through the appointment of their members to a high profile positions. Bearfield has argued that patronage be used for four general purposes: create or strengthen a political organization; achieve democratic or egalitarian goals; bridge political divisions and create coalitions; and to alter the existing patronage system.

Russia

Perhaps the largest use of patronage was in the struggle for power in Russia between 1924 and 1929. Joseph Stalin used patronage to appoint many Stalinist delegates to his Politburo and Sovnarkom in order to sway the votes in his favour. Although there were other causations for his rise to power (including the roles of Zinoviev, Kamenev, Bukharin and Trotsky), patronage no doubt helped him become leader of the USSR in 1929.

Philippines

Political patronage, also known as "Padrino System", in the Philippines, has been the source of many controversies and corruption. It has been an open secret that one cannot join the political arena of the Philippines without mastery of the Padrino System.

From the lowest Barangay official, to the President of the Republic, it is expected that one gains political debts and dispenses political favor to advance one's career or gain influence, if not wealth.

Charity

Charitable and other non-profit making organisations often seek an influential figurehead to act as patron. The relationship often does not involve money. As well as conferring credibility, these people can use their contacts and charisma to assist the organisation to raise funds or to affect government policy. The British Royal Family are especially prolific in this respect, devoting a large proportion of their time to a wide range of causes.

Commercial

Sometimes consumers support smaller or local businesses or corporations out of loyalty even if less expensive options exist. Their regular custom is referred to as 'patronage'. Patronage may entitle members of a consumers' cooperative to a share of the surplus or profit generated by the coop, called a patronage refund. This refund is a form of dividend.

Science

There are historical examples where the noble classes financed scientific pursuits. Many Barmakids were patrons of the sciences, which greatly helped the propagation of Indian science and scholarship from the neighboring Academy of Gundishapur into the Arabic world. They patronized scholars such as Gebir and Jabril ibn Bukhtishu. They are also credited with the establishment of the first paper mill in Baghdad. The power of the Barmakids in those times is reflected in The Book of One Thousand and One Nights; the vizier Ja'far appears in several stories, as well as a tale that gave rise to the expression "Barmecide feast".

We know of Yahya b Khalid al Barmaki (805) as a patron of physicians and, specifically, of the translation of Hindu medical works into both Arabic and Persian. In all likelihood however, his activity took place in the orbit of the caliphal court in Iraq, where at the behest of Harun al Rashid (786 -809), such books were translated into Arabic. Thus Khurasan and Transoxania were effectively bypassed in this transfer of learning from India to Islam, even though, undeniably the Barmakis cultural outlook owed something to their land of origin, northern Afghanistan, and Yahya al Barmaki's interest in medicine may have derived from no longer identifiable family tradition.

Sports

In the same manner as commercial patronage, those who attend a sporting event may be referred to as patrons, though the usage in much of the world is now considered archaic — with some notable exceptions. Those who attend the Masters Tournament, one of the four major championships of professional golf, are still traditionally referred to as "patrons," largely at the insistence of the Augusta National Golf Club. This insistence is occasionally made fun of by sportswriters and other media.[9] More famously, CBS, which broadcasts the tournament, ran afoul of Augusta National management when Jack Whitaker referred to the patrons as a "mob" during a playoff between Billy Casper and Gene Littler. Augusta co-founder Clifford Roberts had Whitaker banned from commentary duties in following years, though he was restored to work years later to replace another commentator who had fallen ill.[10] In polo, a "patron" is a person who puts together a team by hiring one or more professionals. The rest of the team may be amateurs, often including the patron himself (or, increasingly, herself).

Also, people who attend hurling or Gaelic football games organized by the Gaelic Athletic Association are referred to as patrons.

MOBILE SERVICES

Mobile phones today have moved beyond their fundamental role of communications and have graduated to become an extension of the persona of the user. We are witnessing an era when users buy mobile phones not just to be in touch, but to express themselves, their attitude, feelings & interests.

Customers continuously want more from their phone. They use their cellular phones to play games, read news headlines, surf the Internet, keep a tab on astrology, and listen to music, make others listen to their music, or check their bank balance.

Thus, there exists a vast world beyond voice that needs to be explored and tapped and the entire cellular industry is heading towards it to provide innovative options to their customers. Spoilt by choice, the mobile phone subscribers are beginning to choose their operators on the basis of the

value added services they offer. The increased importance of VAS has also made content developers burn the midnight oil to come up with better and newer concepts and services.

Current Growth & Future Potential for Different VAS

To understand the reasons behind the current popularity and predict the future potential for these services, we have grouped Mobile VAS into three broad heads, based on the nature of the service offering.

Entertainment VAS- Entertainment VAS is designed for mass appeal and extensive usage. These provide entertainment for leisure time usage. An example of these kind of services are Jokes, Bollywood Ringtones & games. These services are currently very popular and are driving the revenues for the Indian mobile VAS market.

Info VAS- These are the services which provide useful information to the end user. The user interest comes in from the personal component of the content. E.g. Information on movie tickets, news, banking account etc. These also include productivity services like missed call information which brings back lost business opportunity for the operators. They also include user request for information on other product categories like real-estate, education etc.

Commerce VAS (Transactional services)- Commerce VAS allow the user to conduct a transaction using the mobile phone. These services are in a very nascent phase and are not really available to most users. An example of these kind of service are buying railway tickets or movie tickets through the mobile phone.

The revenue generation and popularity of these three types of VAS revolves around 2 factors:

Perceived Value

Perceived value of a VAS depends on perceived rather than the actual utility

to the end user. When the immediate benefit may not be clear to the subscriber, the value that a subscriber derives from it largely depends on the marketing efforts and persona related to the service. The value is gauged more from the intangible benefits derived from the service like emotional benefits. A good example of a VAS with high perceived value is CRBT (Caller Ring Back Tone).

Practical Value

Practical value is completely based on tangible benefits derived from the service. The benefits considered could be based on convenience & saving of time and money. E.g. Service availed to get the cheapest air fares available

Perceived & Practical value of Entertainment VAS

Currently entertainment based VAS applications are driving the market both in value and volume terms. These have a very high perceived value as apart from basic entertainment, these can also be a means of self expression by the end user.

This explains the success of Entertainment VAS despite the fact that its practical value is minimal. Entertainment content is dynamic and changes very frequently which keeps the subscriber's tastes alive but we feel that unless it is supplemented by innovative applications like CRBT, the drive will be difficult to sustain. In India, entertainment VAS is there to stay though we predict a fall in its contribution to the overall VAS revenue pie in the next 3-4 years. This would happen as other type of services become more popular and user engagement with entertainment VAS reaches saturation.

1.2 REVIEW OF LITERATURE

Balancing Requirements For Customer Value Of Mobile Services

Harry Bouwman, Edward Faber, Timber Haaker

Designing business models for mobile services is a complex undertaking because it requires multiple actors to balance different design requirements. A business model can be seen as a blueprint of four interrelated components or domains: service, technology, organization and finance domain. Little attention has been paid to how these different domains are related to each other. This knowledge is needed to enhance our understanding of what constitutes a viable business model. In this paper the connections between two of these domains, namely service and technology domain, are explored by analyzing critical design issues in business models for mobile services, i.e. targeting, creating value, branding and customer retention in the service domain, and security, quality of service, management of service profiles, system integration and accessibility in the technology domain. A causal framework is developed, which link these critical design issues to expected customer value and business model viability.

Service quality to service loyalty: A relationship which goes beyond customer services

JAY KANDAMPULLY

The premise of 'quality of service' as the competitive edge in gaining market leadership has been well recognized both in academic research and by leading service organizations. However, it has become increasingly important for organizations to find ways, not only to reach the top, but to maintain that leadership in an ever increasing competitive market-place. In order to protect their

long-term interest, service organizations are seeking ways to forge and to maintain an on-going relationship with their customers. This paper presents the changing focus of service quality from a mere competing instrument to that of the basic core of the service concept in meeting and exceeding customer expectations. It is argued that long-term superiority of a service firm is dictated by the organization's ability to maintain their relationship with the customer by offering 'service loyalty': a demonstration of the organization's commitment to maintain the service promise. The thesis here argues that service loyalty precedes customer loyalty. This paper outlines how a firm's service employees develop the emotional connection with customers which leads to exceptional service and the ability to exceed customer expectations. It is proposed that offering loyal service gives an organization the advantage, not only to be able to fulfil customers' present needs, but also the ability to anticipate their future needs. This ability to anticipate presents the firm with the opportunity to surprise and delight customers on a consistent basis thereby reinforcing to the customer, the firm's service loyalty and subsequently effecting a responsive and sustained patronage.

Measuring the post-adoption customer perception of mobile banking services.

Tai-Kuei Yu, Kwoting Fang

With liberalization and internalization in the financial market and progress in information technology, banks face dual competitive pressures to provide service quality and administrative efficiency. That these recent developments are fueled by technology might misleadingly suggest that the adoption of mobile banking is largely based on technological criteria. The purpose of this study is to establish a better measurement model for postadoption user perception of mobile banking services. Based on 458 valid responses of mobile banking users, the results show that the instrument, consisting of 21 items and 6 factors, is a reliable, valid, and useful measurement for assessing the post adoption perception of mobile banking.



Customers' purchase intentions as a reflection of price perception

-Juha Munnukka

The purpose of this paper is to investigate customers' intentions to purchase mobile communications services and how these intentions are affected by the customers' price perceptions in two customer segments - a mobile segment and a combined segment. A further aim was to gain insight into the formation of price perceptions, and customer characteristics that underlie the differences between purchase intentions and price perceptions.

Design/methodology/approach - The study was conducted in the Finnish mobile services market. The sample data were collected through a postal survey (n = 3,000) sent to customers of a Finnish teleoperator. In analyzing empirical data the explanatory factor analyses, linear regression analyses, and analysis of variance were applied.

Findings - The results indicated that a significant and positive relationship exists between customers' price perceptions and their purchase intentions, and that the formation of price perceptions is significantly influenced by satisfaction with pricing and services. Price transparency was found to be negatively associated with customers' price perceptions. Gender, age, and experience of service use were found to explain the differences in customers' perceptions.

Practical implications - By segmenting customers according to the research results and targeting pricing schemes specific to these segments would potentially improve customers' price perceptions and their intentions to purchase mobile services. The study also supported the use of multi-dimensional pricing schemes as it was found to positively influence customers' price perceptions.

Mobile Service Bundles: The Example of Navigation Services

-Harry Bouwman, Timber Haaker, Henny De Vos

Originality/value - This paper provides new practical and theoretical insights into the relationship between purchase intentions and price perception, and into the formation of the price perceptions of mobile services customers.

Mobile service providers can use service bundling to offer attractive services to customers. Customers may find bundles convenient compared to single services and there may be a price discount involved. This paper examines what kind of service bundle may be attractive to users in the car navigation system market. We hypothesize that customers are more likely to acquire enhanced services than supplementary services and that bundle price has a positive effect on the intent to purchase. We used a conjoint analysis to assess which combination of services and price level is the most attractive to users. It turned out that enhanced services, i.e. services that reinforce the functionality of the core navigation service, are more relevant than supplementary services. However, the relative importance of price discounts is almost similar to the importance of bundle composition, implying that a customer may appreciate a careful composition of a bundle above a simple price discount

Mobile push personalization and user experience

Joon Yeon Choeh, Hong Joo Lee

With the advances in and popularity of mobile devices, mobile service providers have a direct channel for transferring information to their subscribers, i.e., short messaging service (SMS) and multimedia messaging service (MMS). Mobile service operators can recommend new content and information to users who opt in to receive such information directly through push messages at any time or place. However, as mobile push messages sent to users can cause interruptions, such as alarms, users who receive irrelevant push messages may become dissatisfied with their mobile Web service and even their service provider. In this paper, we propose a mobile content recommender system for sending personalized mobile push messages with content that users are likely to find relevant. This system learns users' preferences from contents and keywords in their usage logs and recommends items that match these preferences or those of similar users. We analyzed (a) customer feedback on personalized content dissemination, and (b) the relationship between customer feedback and mobile Web usage of customers subscribing to a Korean mobile service provider. Push messages with personalized recommendations resulted in more positive feedback from customers, and the mobile Web usage of these customers increased.

The Regulatory Implications of Mobile and Financial Services Convergence

The long awaited integration of mobile telephone and retail financial services is beginning to emerge in developing markets. To enhance the potential benefits from innovations in this domain, governments need to make complementary adjustments to domestic banking regulation and strengthen frameworks for international cooperation. In particular, as a highly regulated activity, deposit taking is insufficiently contestable for mobile operators to break into the market with enough independence from incumbent banks to stimulate valuable competition and innovation in payment networks. The success of mobile banking will also depend on the willingness and capacity of regulators to accommodate increasing international trade in retail financial services, new forms of distribution and customer due diligence rules that are more appropriate to less traditional markets. The paper provides an analysis of the relation between existing regulatory frameworks and the rise of mobile banking. And it outlines policy changes that governments should pursue in order to foster this form of innovation and target the benefits that it can bring, especially to consumers on the margins or excluded from modern financial services.

A New Framework on Measuring Customer Perceived Value in Service Interface Design

Chang Cho, Minjoo Jung, Chai-Woo Lee, Sangwoo Bahn, Myung Yun

This paper explored the possible ways to apply various principles of NPD, NSP and UCD, and combined them appropriately in context of mobile internet service development in order to provide a high customer value via useful and usable service design. We investigated the characteristics of mobile internet and usability problems, and identified the benefits and limitations of previous UCD principles applied to mobile internet service development. Then applicability of CPV in mobile service design has been investigated in phases of divergent and convergent thinking. During the scenario-based ideation, potential customer values can be used as ideation stimuli in the process of structured brainstorming. In divergent thinking, CPV can be applied as evaluation criteria in comparing new ideas with alternative services. For the efficient implementation, work templates for accelerated front-end UCD are developed in co-operation with mobile service staffs in Korean mobile operator. This paper could be helpful for mobile

industry and practitioners to develop and evaluate new mobile internet service which reflects users implicit needs and CPV concept in the efficient and effective way.

Demand and innovation in services: The case of mobile communications

Nicoletta Corrocher, Lorenzo Zirulia

This paper aims to analyse the pricing strategies of mobile communications operators and examine the role of demand characteristics in the development of new tariff plans. In so doing, we depart from a traditional industrial organization approach to price discrimination and interpret new tariff plans as innovations. In the spirit of Schumpeter, we look at competition in this sector as depending upon this form of innovation, and we argue that, given the specific features of the industry, the development of new tariff plans is strongly related to the users characteristics and behaviour. Our main point is that in a context of uncertainty, demand affects firms innovative strategies in two ways: first, by providing information on user behaviour and by increasing the capability of market segmentation; and second, by providing the incentives to innovate. This argument is supported by an empirical analysis carried out on the basis of an original dataset which includes all the tariff plans on offer in the history of the Italian market between 1992 and 2005. We find that both a firm's installed customer base and the level of market saturation play a role in shaping firms innovative pricing strategies, in terms of the number and characteristics of the new tariff plans.

Cordless technology in a mobile environment

R P Merrett, S Buttery

Despite the continued increase in demand for mobile cellular services there is a significant market opportunity for the second generation cordless systems, e.g. DECT and CT2. When the DTI allows UK operators to deploy wireless access systems based on cordless technology (not before at least 1998), BT may be given the opportunity to use such systems to replace final drops which are costly to install or maintain. Meanwhile there are significant opportunities for access cost reduction and service enhancement by deploying cordless installations as items of customer

premises equipment. Cordless services in the home and office can be enhanced by using the fixed network to provide roaming between the home and office domains. The network would register the presence of the users at their homes or offices and use this information to direct their incoming calls to their present location. DECT roaming could be extended to a 'One Phone service', based on DECT/GSM dual-mode handsets, which will provide a GSM service when the customer is out of range of DECT installations. One Phone complements a GSM service and, for the fixed network operator, it minimizes the traffic which is lost to mobile networks because of their attractions of contactability and a single number. This paper outlines the possible architecture and service options, reviews the status of the DECT standard and summarizes the present product range.

1.3 STATEMENT OF THE PROBLEM

Most of the mobile operators concentrate on providing talk time services for the customers. They give comparatively less attention for the value added services. This study classifies the customers according to their income and also provides information about how much amount the customers pay for the value added services so that it would be easy for the company to concentrate on the particular income groups and they can give them a good chance of enhancing their services.

1.4 OBJECTIVES

- The main objective of this project is to determine how much amount the customer spends for availing the services other than talktime
- It also tries to establish the relationship between the customer's monthly revenue and the amount the customer spends for availing the mobile phone services
- To find out the most preferred mobile operator for the people of coimbatore city
- To find out the most preferred brand of the mobile phone for the people of coimbatore
- The most preferred mobile service for the people of coimbatore

1.5 SCOPE OF THE STUDY

- This study helps to identify the relationship between the income of the customers and the amount they spend for availing the value added services
- The study also provides how much amount a customer spends on an average per month for availing the value added services
- This study will provide the services that are frequently used by the customers which will help the organizations to concentrate better on the particular services

1.6 LIMITATIONS

- The study is purely pertaining to the Coimbatore city and may not be applicable to the other cities
- The number of sample is limited to 300

RESEARCH METHODOLOGY

CHAPTER 2

RESEARCH METHODOLOGY

Research in commonly refers to the search for knowledge. In fact Research is an art of scientific investigation for pertinent information in any branch of knowledge. The Research method refers to the steps taken by the Researcher to solve the Research problems. Research to be efficient as possible yielding maximum information. In other words its function is to provide for the collection of evidence with expenditure of efforts timing and money

2.1 RESEARCH DESIGN

Research methodology is considered as the nerve of the project. Without a proper well-organized research plan, it is impossible to complete the project and reach to any conclusion. The project was based on the survey plan. The main objective of survey was to collect appropriate data, which work as a base for drawing conclusion and getting result. Therefore, research methodology is the way to systematically solve their search problem. Research methodology not only talks of the methods but also logic behind the methods used in the context of a research study and it explains why a particular method has been used in the preference of the other methods.

2.1.1 TYPE OF STUDY:

The study adheres to descriptive research design to determine the amount spent by the customers for availing the mobile services.

The type of research adopted for study is descriptive. Descriptive studies are undertaken in many circumstances when the researcher is interested to know the characteristic of certain group such as age, sex, education level, occupation or income.

2.2 SAMPLING FRAMEWORK

1)The Sample size taken is 300

2)The sampling design that was adopted for the study is STRATIFIED RANDOM sampling

2.3 METHOD OF DATA COLLECTION

❖ Primary data:

The primary data is collected by structured questionnaire method

❖ Secondary data:

The secondary data was collected from the websites, books and the project work done by research scholars.

2.4 STATISTICAL TOOLS & TEST USED

2.4.1 Statistical Tool:

The statistical tools that were used for this project are

- MS excel
- SPSS

2.4.2 Statistical tests

After collecting the data, tables were prepared To extract meaningful information from data collected, analysis of data and interpretation was carried out by using **simple percentage analysis and correlation method**

DATA ANALYSIS AND INTERPRETATION

CHAPTER 3

DATA ANALYSIS AND INTERPRETATION

PERCENTAGE ANALYSIS

Table 3.1 Gender of the respondents

The following table shows the distribution of the respondents with respect to their gender

Gender	No of respondents	Percentage
MALE	179	59.7
FEMALE	121	40.3
TOTAL	300	100

The above table shows that about 60% of the respondents are male and about 40% of the respondents are female

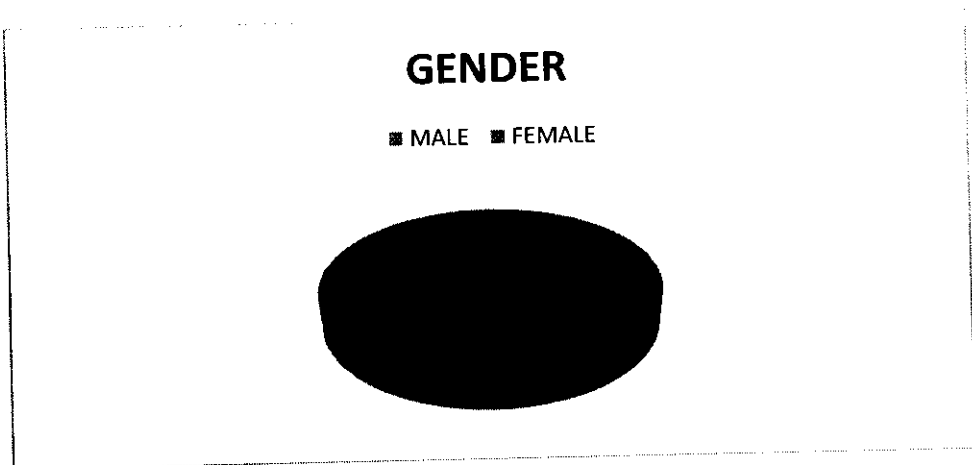


Table 3.2 Age of the respondents

The following table shows the distribution of the respondents with respect to their age

Age	No of respondents	Percentage
<20	42	14
21-40	135	45
41-60	117	39
>60	6	2
TOTAL	300	100

The above table shows that there are 42 respondents who are below 20 years, 135 respondents are in the age between 21-40, 117 respondents are in the age between 41-60 and 6 respondents are in the age above 60 years

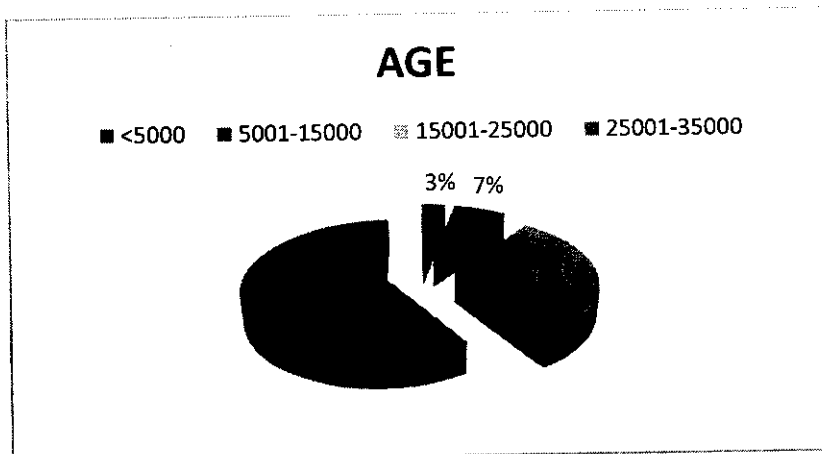


Table 3.3 Occupation of the respondents

The following table shows the distribution of the respondents with respect to their occupation

Occupation	No of respondents	Percentage
Business	101	33.7
Salaried	151	50.3
Retired	6	2
Student	42	14
TOTAL	300	100

The above table shows that 101 respondents are doing business, 151 respondents are salaried persons, 6 respondents are retired persons and 42 respondents are students

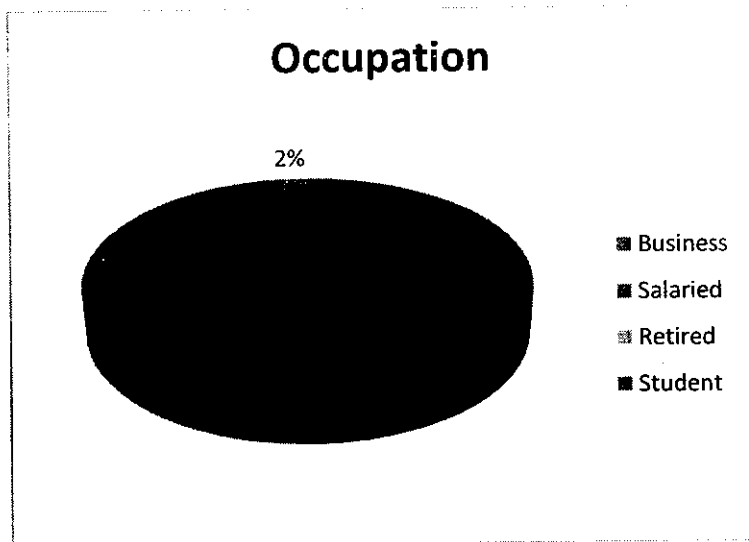


Table 3.4 Monthly income of the respondents

The following table shows the distribution of the respondents with respect to their monthly income

Monthly income	No of respondents	Percentage
<5000	5	1.7
5001-15000	11	3.7
15001-25000	48	16
25001-35000	91	30.3
35001-45000	108	36
>45000	37	12.3
TOTAL	300	100

The above table shows that 36% respondents belong to the income group of 35001-45000

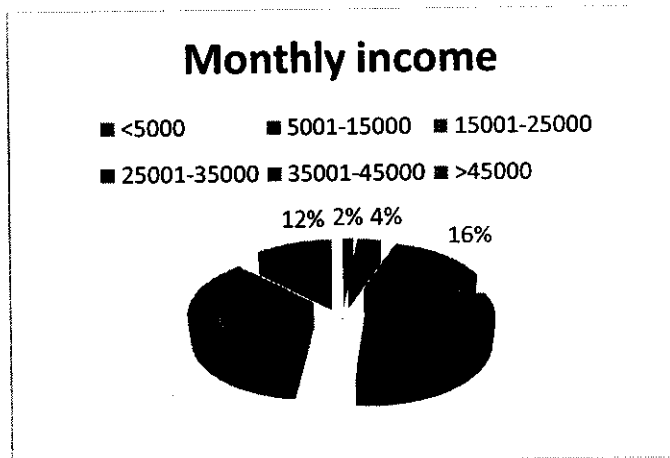


Table 3.5 Mobile operators

The following table shows the distribution of the respondents with respect to the mobile operators they have chosen for

Mobile operator	No of respondents	Percentage
AIRTEL	127	42.3
VODAFONE	89	29.7
BSNL	32	10.7
TATA DOCOMO	52	17.3
TOTAL	300	100

The above table shows that most of the respondents have chosen AIRTEL as their mobile operator followed by VODAFONE, TATA DOCOMO and BSNL

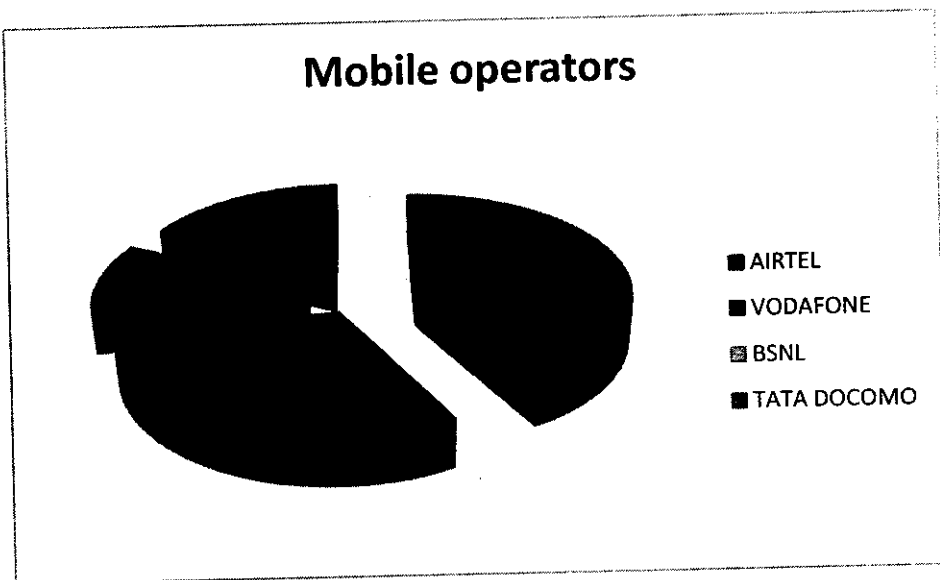


Table 3.6 Brand of the mobile phones used by the respondents

The following table shows the distribution of the respondents with respect to the mobile brand they are using

Brand	No of respondents	Percentage
NOKIA	135	45
SONY ERICSSON	122	40.7
MOTOROLA	17	5.7
SAMSUNG	24	8
OTHERS	2	0.7
TOTAL	300	100

The above table shows that many respondents prefer the brand NOKIA and followed by Sony ericsson, Samsung, Motorola and others contribute to 0.7%

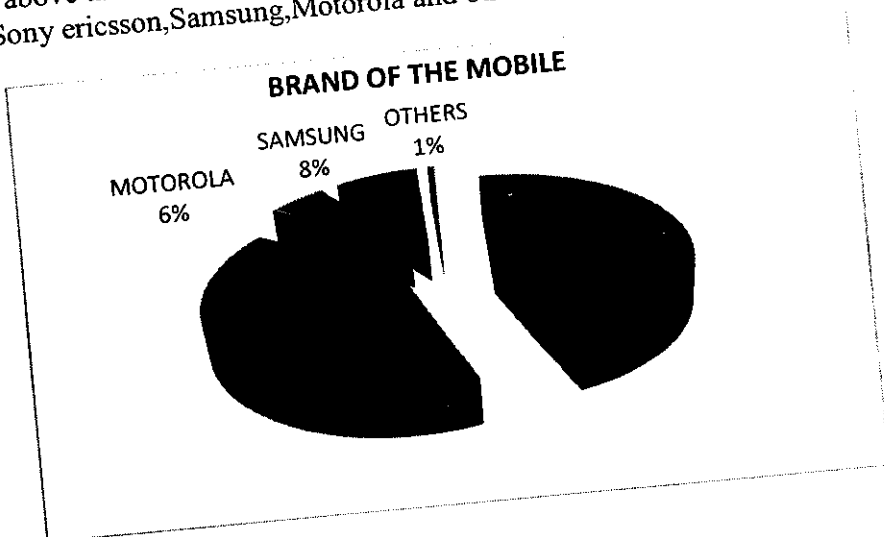


Table 3.7 Cost of the mobile phones used by the respondents

The following table shows the cost of mobile used by the customers

Cost of mobile	No of respondents	Percentage
<5000	21	7
5001-10000	83	27.7
10001-15000	125	41.7
15001-20000	57	19
>20000	14	4.6
Total	300	100

The above table shows that 41% of the respondents are using mobiles ranging from 10001 to 15000

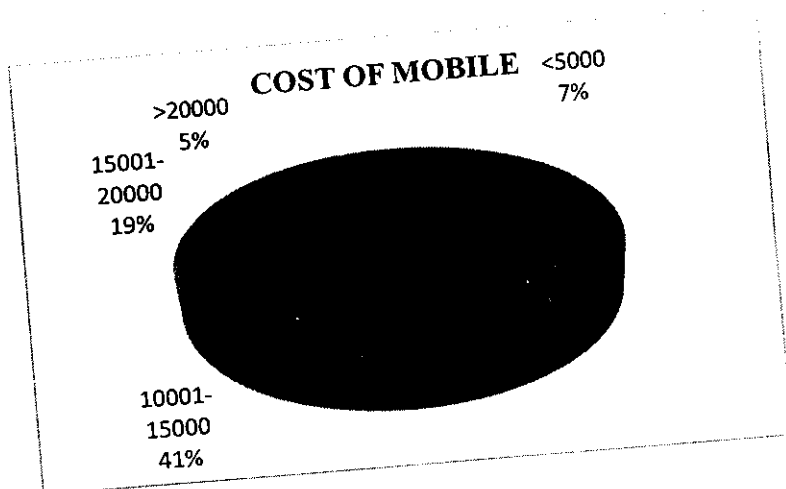


Table 3.8 Duration of using the services

The following table shows the number of years the customers use the mobile services

DURATION OF USING THE SERVICES (in years)	No of respondents	Percentage
<1	10	3.3
1-2	79	26.3
2-3	150	50
>3	61	20.4
TOTAL	300	100

The above table shows that 50% of the respondents are using the services for 2 to 3 years

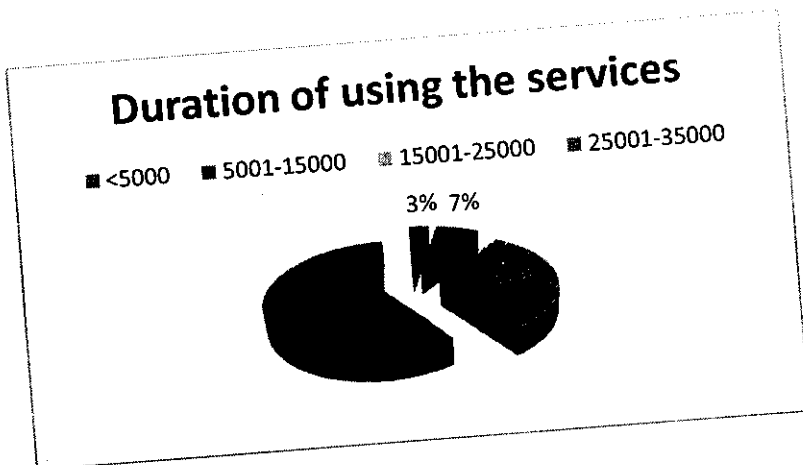


Table 3.9 Amount spent for services

The following

table shows the distribution of the respondents with respect to the amount they spent for availing the services for a month

Amount spent for services	No of respondents	Percentage
0-100	38	12.7
101-200	92	30.7
201-300	113	37.7
301-400	53	17.7
>400	4	1.3
TOTAL	300	100

The above table shows that about 38% of the respondents spend at an average of 250 rupees per month

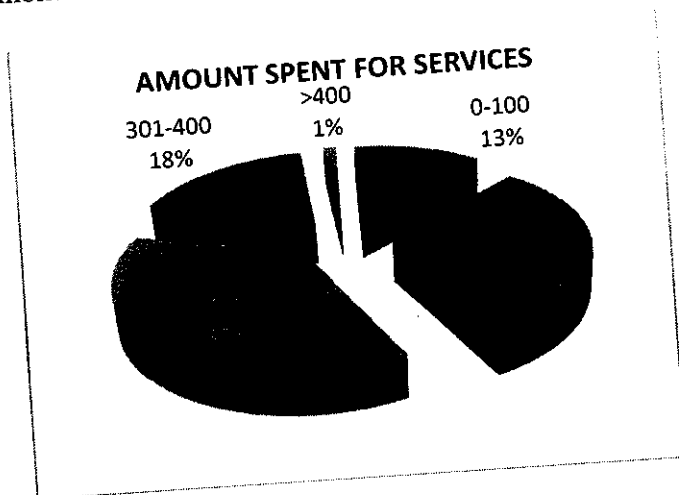
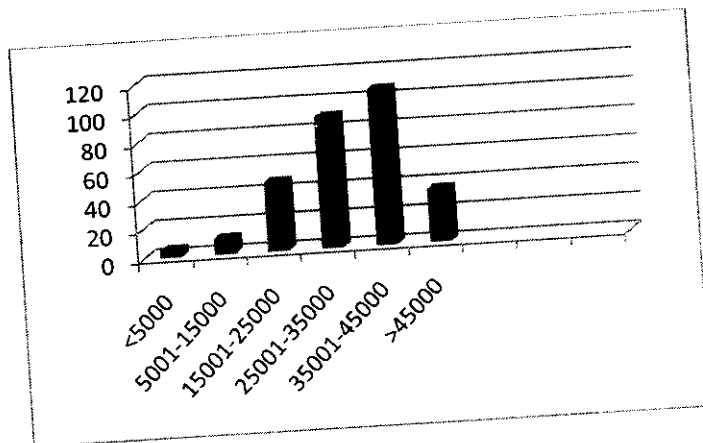


Table 3.10 Frequently used services

The following table shows the distribution of the respondents with respect to the frequently used services

Frequently used services	No of respondents	Percentage
Caller tunes	44	14.7
GPRS	92	30.7
SMS	130	43.3
MMS	12	4
Missed call alerts	14	4.7
Astrology	1	0.3
Health tips	1	0.3
Beauty tips	1	0.3
Jokes	5	1.7
Total	300	100

The above table shows that most of the respondents prefer to use SMS services



Correlation coefficient

Correlation is a single number that describes the degree of relationship between two variables.

$$r = \frac{N\sum xy - (\sum x)(\sum y)}{\sqrt{[N\sum x^2 - (\sum x)^2][N\sum y^2 - (\sum y)^2]}}$$

Where:

- N = number of pairs of scores
- $\sum xy$ = sum of the products of paired scores
- $\sum x$ = sum of x scores
- $\sum y$ = sum of y scores
- $\sum x^2$ = sum of squared x scores
- $\sum y^2$ = sum of squared y scores

We use the symbol r to stand for the correlation. Through the magic of mathematics it turns out that r will always be between -1.0 and $+1.0$. If the correlation is negative, we have a negative relationship; if it's positive, the relationship is positive.

- -1.0 to -0.7 strong negative association.
- -0.7 to -0.3 weak negative association.
- -0.3 to $+0.3$ little or no association.
- $+0.3$ to $+0.7$ weak positive association.
- $+0.7$ to $+1.0$ strong positive association.

3.11 Monthly income and amount spent for availing value added services

		Monthly income	Amountspentforservices
Monthly income	Pearson Correlation	1	.341**
	Sig. (2-tailed)		.000
	N	300	300
Amountspentforservices	Pearson Correlation	.341**	1
	Sig. (2-tailed)	.000	
	N	300	300

3.12 Mobile operator and amount spent for services

		Mobileoperator	Amountspentforservices
Mobileoperator	Pearson Correlation	1	.107
	Sig. (2-tailed)		.065
	N	300	300
Amountspentforservices	Pearson Correlation	.107	1
	Sig. (2-tailed)	.065	
	N	300	300

3.13 Cost of mobile and amount spent for services

		Correlations	
		Costofthemobile	Amountspentforservices
Costofthemobile	Pearson Correlation	1	.040
	Sig. (2-tailed)		.494
	N	300	300
Amountspentforservices	Pearson Correlation	.040	1
	Sig. (2-tailed)	.494	
	N	300	300

3.14 Duration of using the services and amount spent for services

		Correlations	
		Durationofusingtheservices	Amountspentforservices
Durationofusingtheservices	Pearson Correlation	1	.080
	Sig. (2-tailed)		.168
	N	300	300
Amountspentforservices	Pearson Correlation	.080	1
	Sig. (2-tailed)	.168	
	N	300	300

SUMMARY TABLE:

Variables	Correlation value
Income and amount spent for services	0.341
Mobile operator and amount spent for services	0.107
Cost of mobile and amount spent for services	0.40
Duration of using the services and amount spent for services	0.80

CONCLUSION

CONCLUSION

4.1 Findings

- In my study about 60% of the respondents were male
- 45% of the respondents were in the age between 21 and 40
- 50% of the respondents were salaried people
- 42% of people were using AIRTEL as their mobile operators
- 45% of the respondents preferred NOKIA as their brand of mobile
- About 42% of the respondents use mobile phones with cost between 10000 to 15000 rupees
- 50% of the respondents were using the services for 2 to 3 years
- 36% of the respondents belong to the income category between 35000 and 45000 rupees
- About 38% of the respondents were spending 200 to 300 rupees for availing services for a month
- SMS is the mostly used service among the respondents with 43%
- There is a weak positive correlation between the respondents monthly income and the amount they spend for availing talk time for a month

4.2 RECOMMENDATIONS

- SMS is the most frequently used service among the people of Coimbatore city. It is recommended to concentrate on the promotion and the pricing of the SMS packs in order to attain more number of customers and also to increase the revenue generated through value added services
- About 38% of the people were spending rupees 200 to 300 rupees on an average for availing the mobile services for a month. It shows that people are ready to spend more money for availing the value added services provided by the mobile operators. Hence by providing more innovative services, the mobile operators would be able to tap the mobile services market in the Coimbatore city
- About 42% of the respondents are using mobile phones between the range of 10000 and 15000 rupees which would enable the mobile operators to come out with high end services especially the services like video calling, GPRS etc..
- Most of the respondents were stated using the NOKIA mobile phones, so the mobile operators can have a strategic alliance with NOKIA and can distribute free sim cards with nokia mobile phones in order to enhance their services

4.3 CONCLUSION

The mobile subscriber base is growing at a scorching pace in India, India is now the 5th country in the world to have crossed the 100 million mark in subscriber base and has in the last two months become the fastest growing mobile market in the world. There are various competitors prevailing in terms of the mobile operators in the Coimbatore city such as AIRTEL, VODAFONE, AIRCEL, BSNL, TATA DOCOMO, IDEA, UNINOR, IDEA, VIDEOCON etc.. In order to overcome the competition as far as the mobile services are concerned, one has to provide a good quality of service.

This study clearly shows that there is only a weak correlation between the monthly income of the respondents and the amount spent by them for availing the value added services. It shows that people are ready to spend more money for availing the value added services irrespective of the monthly income earned by them. So the mobile operators can come out with more number of innovative services without any fear of failure.

APPENDIX

CUSTOMER PATRONAGE FOR MOBILE SERVICES

1) Name:

2) Gender:

Male Female

3) Age:

Below 20 21-40 41-60 Above 60

4) Occupation:

Business Salaried Retired Student

5) Who is your current mobile phone service provider?

Airtel Vodafone BSNL TATA DOCOMO Others

6) Brand of the mobile phone you are using

Nokia Sony Ericsson Motorola Samsung

Any other

7) Cost of the mobile (in Rupees)

Below 5000 5001-10000 10001-15000 15001-20000

Above 20000

8) How much stored contacts you have in your mobile?

below 50 51 to 100 101 to 150 151 to 200 above 200

9) How long you have been using the current mobile phone services? (in years)

below 1 1 to 2 2 to 3 above 3

10) How much amount you will spend for availing talktime for a month(in rupees)?

- 0 – 100 101 – 200 201 – 300 301 – 400 above 400

11) How much is your monthly income?

- NIL below 5000 5001 -10000 10001 -20000
 20001– 30000 above 30000

12)What are the services that you have opted for? Purpose of using the services

a) Caller tunes

b)GPRS

c)SMS

d)MMS

e)Missed call alerts

f)Astrology

g)Health tips

h)Beauty tips

i)Jokes

j)Any other(specify)

13) How much amount of money you are spending monthly for availing the mobile services?

- 0 – 100 101 – 200 201- 300 301- 400 above 400

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