

**A STUDY ON VALUE ADDED SERVICES PROVIDED BY CELL PHONE
OPERATORS IN SALEM DISTRICT.**

By

MOHANA. R

Roll No. 1109MBA0993

Reg. No. 68211100174

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BONAFIDE CERTIFICATE

Certified that the Project report titled “**A STUDY ON VALUE ADDED SERVICES PROVIDED BY CELL PHONE OPERATORS IN SALEM DISTRICT.**” is the bonafide work of **Mrs. MOHANA.R** who carried out the work under my supervision. Certified further that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.



Name: MOHANA.R

Roll No: 1109MBA0993

Reg. No: 68211100174


Signature of Guide

Name: Mr.KAARTHIEKHEYAN A V M.Com.

MBA, PGDCA, (PH.D)

Designation: Assistant Professor.,

Address: KCT Business School,

Kumaraguru College of Technology,

Coimbatore-641049


Signature of Project-in-charge

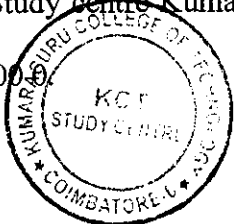
Dr. V. R. VEDUNCHEZHIAN
Name: **A.SENTHILKUMAR, B.COM., MBA, PGDCA, M.PHIL., (PH.D);**

Professor
Designation: **Asst. Prof (Sr Grade) in Management,**

KCT Business School, Coimbatore-641049.

Certificate of Viva-voce-Examination

This is to certify that **Mrs.MOHANA .R** (Roll No: 1109 MBA 0993; Register No: 68211100174) has been subjected to Viva-voce-Examination 16/03/2013(Date) at 11am (Time) at the Study centre **Kumaraguru College of Technology, Anna University, Chrompet, Chennai – 600 09**



[Signature]
16/03/2013

Internal Examiner

Name: **Mr. A. Senthil Kumar**
Designation: **Asst. Prof. (Senior Grade)**
Address: **KCT Business School,
Kumaraguru College of
Technology,
Coimbatore - 641 049.**

Coordinator for

[Signature]

Study Centre : **Kumaraguru College of Technology, Coimbatore**

Name: **~~A. Senthil Kumar, B.COM., MBA, PGDCA, M.PHIL., (PH.D.)~~**
Dr. Vidya Kennedy

Designation: **Asst. Prof (Sr Grade) in Management,**

Address: **KCT Business School, Coimbatore-641049.**

[Signature]
16/03/13

External Examiner

Name: **Dr. K. Ramamorthi**
Designation: **Professor & Principal**
Address: **Coimbatore Institute of
Management & Technology,
Vellimalaipattinam,
Narasimapuram (Post),
Coimbatore - 641 108.**

Date: 16/03/2013

ABSTRACT

The purpose of the study is to identify and to evaluate the customers' perceptions towards different types of value added services offered by the cell phone service providers in Salem city. The study shall be immensely useful for the service providers to know the dimensions of customer's choice of utilizing the value added services. Primary data was collected from 100 respondents, through a structured questionnaire. The sampling adopted is area random sampling at Salem city. This study uses descriptive study with appropriate statistical tools applied with. The finding reveals the pattern of growth and usage of different value added services by the customers and recommends threshold factors to capture and compete in the markets by the service providers.

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CHAPTER-I
INTRODUCTION

Chapter 1- INTRODUCTION

1.1 Research Background – General scenario of industry

The mobile phone is coming of age as it becomes an integral part of our life, and its application extends from basic voice calling to instant messaging, calculator, mini camera, music player to an internet ready, application driven computing system. While the reach of the mobile phone is a force to be reckoned with and its potential to deliver services is immense, the range of services currently being offered in the Indian market is certainly limited. However, the plethora of needs, from health and education to financial inclusion and governance, that its services are unlimited. In this context, this study seeks to understand the current and future state of Mobile Value Added Services (MVAS) in India along with some of the key drivers, challenges, and solutions which can spur the growth of the ecosystem.

India has 771 million or 77.1 crore mobile subscribers as of January 2011. Thus, roughly two thirds of Indian population now owns a mobile phone. The face of the Indian telecom industry is changing very rapidly and with the market the competition is also increasing at the same speed. The service providers are looking for the new innovations so that they can lead the competition. The value added services is also a new feature, which the service providers are offering to their retained and new customers. A value-added service (VAS) is popular as a telecommunications industry term for non-core services, or in short, all services beyond standard voice calls and fax transmissions. However, it can be used in any service industry, for services available at little or no cost, to promote their primary business. In the telecommunication industry, on a conceptual level, value-added services add value to the standard service offering, spurring the subscriber to use their phone more and allowing the operator to drive up their Average Revenue Per Unit (ARPU). For mobile phones, while technologies like SMS, MMS and GPRS are usually considered value-added services; a

distinction may also be made between standard (near to near) content and premium-charged

content. These are called mobile value added services (MVAS), which are often simply referred, as VAS.

All the telecom operators are competing with each other in different way. Providing value added services is one of the ways for telecom operators to competing with each other for increase the number of subscribers. Since mobile phone has become very important for the users for day to day communication, mobile phone operators are providing so many other facilities to their customers apart from only talking over phone. The given facilities by the different operators are known as VAS (Value Added Services). There are various VAS available, some of them are very general VAS among the different operators and a number of VAS is unique from each other. By providing unique VAS operators are competing along with each other. The burgeoning influx of competition in the telecom industry has made Value added services (VAS) as a key service differentiator for the telecom service provider. Enabling innovative, easily deployable and technologically advanced mobile Value Added Services (VAS) at competitive rates to both - individuals and enterprises is impetus for profitability for the Telecom service providers.

1.2 Indian Telecom Industry

The Indian Telecommunications network with 110.01 million connections is the fifth largest in the world and the second largest among the emerging economies of Asia. Today, it is the fastest growing market in the world and represents unique opportunities for U.S. companies in the stagnant global scenario. The total subscriber base, which has grown by 40% in 2005, is expected to reach 250 million in 2007. According to Broadband Policy 2004, Government of India aims at 9 million broadband connections and 18 million internet connections by 2007. The wireless subscriber base has jumped from 33.69 million in 2004 to 62.57 million in

FX2004-2005. In the last 2 years, two out of every three new telephone subscribers were

wireless subscribers. Consequently, wireless now accounts for 54.6% of the total telephone subscriber base, as compared to only 40% in 2003. Wireless subscriber growth is expected to bypass 2.5 million new subscribers per month by 2007. The wireless technologies currently in use are Global System for Mobile Communications (GSM) and Code Division Multiple Access (CDMA). There are primarily 9 GSM and 5 CDMA operators providing mobile services in 19 telecom circles and 4 metro cities, covering 2000 towns across the country.

1.3 Global and Indian Telecom Industry

- **Earnings visibility**

Earnings growth is being driven by improving pricing conditions, stabilizing operating trends, aggressive cost cutting initiatives, a positive regulatory environment, strong wireless growth, and new market opportunities. This has translated into greater visibility of forward earnings as evidenced by recent increased analyst upgrades within the sector.

- **Merger synergies**

Given the substantial amount of excess capital available in the sector and in private equity we expect to see additional merger and acquisition activity, albeit at a slower pace than recently witnessed. Global telecom M&A deals over the past two years have reflected market expansion but have also had a positive effect on the buyers' balance sheets. Partnering companies have begun realizing their synergies through cost reductions and economies of scale. In the US, the largest three companies now account for over 70% of the sector market cap; this compares to 34% in 1990. Trends in bundled services are also paving the way for additional M&A activity. Sector consolidation will further increase the importance of stock selection.

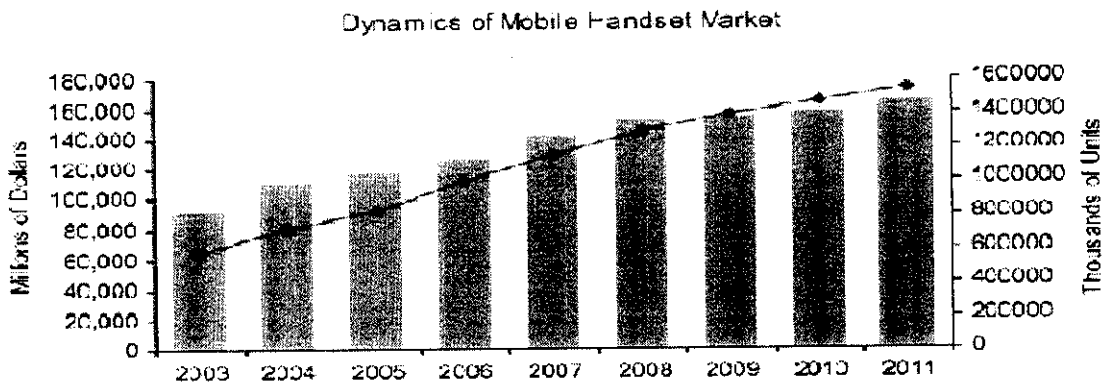
- **Growth**

While cost-cutting has been a major source of earnings growth, we have seen top-line pressures decreasing which will help revenues become a larger driver of earnings growth again. We see growth within the sector coming from a number of areas including: broadband, 3G (third generation) technology, expansion in emerging markets. Broadband penetration has been accelerating as internet customers are seeking faster downloads for audio and video files. 3G services, which facilitate the simultaneous transfer of both voice and non-voice (i.e. video, downloads, SMS, etc.) data are providing mobile users with a much more robust communication platform and should finally begin to realize their growth potential in 2007. Emerging market companies benefit from low penetration rates and also tend to have lower leverage, higher margins and higher growth than most developed markets telecom companies.

- **Global opportunities**

It has become less difficult to find attractive telecom investment opportunities globally than it was a year ago. As the fog has lifted from the sector, there are increased opportunities within both the growth and value spaces. The global mobile phone industry is based on many different manufacturers and operators. The industry is based on advanced technology and many of the manufacturers are operating in different industries, where they use their technological skills, distribution network, market knowledge and brand name. Four large manufacturers of mobile phones are today dominating the global mobile phone industry & networks; Nokia, Sony Ericson, Samsung and Motorola. Airtel, BSNL, TATA INDICOM, Vodafone, reliance, others. In addition to these companies there are many manufacturers that operate globally and locally.

Fig No. 1.1



Telecom Industry in India

- The telecom industry is one of the fastest growing industries in India. India has nearly 200 million telephone lines making it the third largest network in the world after China and USA.
- With a growth rate of 45%, Indian telecom industry has the highest growth rate in the world.
- Much of the growth in Asia Pacific Wireless Telecommunication Market is spurred by the growth in demand in countries like India and China.
- India's mobile phone subscriber base is growing at a rate of 82.2%.
- China is the biggest market in Asia Pacific with a subscriber base of 48% of the total subscribers in Asia Pacific.
- Compared to that India's share in Asia Pacific Mobile Phone market is 6.4%.
- Considering the fact that India and China have almost comparable populations, India's slow mobile penetration offers huge scope for growth.

1.4 Statement of the Problem

Numerous studies have been done on the different aspects of the cellular industries and on the core services, but not many studies concentrated on the consumer perception about the value

added services. The objective of the present studies is to find out the customers perception about the value added services provided by different cell phone providers in Salem city.

1.5 Need for Study:

There has been a number of different value added services provided by different operators in the telecom industry. Different operators are providing individually more than 25 types of value added services for their customers. Different operators are coming up with the different type of new value added services day by day. For a subscriber the main purpose behind using a mobile phone is to remain connected with the world through mobile connectivity. Our purpose of the study is to find out how much importance of the value added services is given by the customer for using a telecom operator and which is the most significance different “Value Added Services” for the mobile phone users.

1.6 Objective & Scope:

Primary Objective

To study users opinion and perception about the Value added services provided by the various brands of mobile cell phone operators in Salem District.

Secondary Objectives

- To study the user profile of cell phones in Salem District.
- To identify the facilities and services that are been used by the customers in the present scenario.
- To explore the expectations of the current users towards different value added services provided by the cell phone service operators.
- To suggest measures on an improvised scheme for cell phone operators to attract customers

Scope:

Value added services provide advantages for both the customers and the service providers. Customers have the opportunity to receive something above and beyond their basic needs. Providers benefit from an increased rapport with the client, which could translate into more revenue. These additional custom services often cost the company little extra but have the potential to significantly enhance the growth and the reputation of the company. This study focuses to study the user perception towards the value added services offered by the mobile phone operators in Salem. A respondent base of 100 were taken for the study and respective primary and secondary objectives are studied thereof.

CHAPTER-II
LITERATURE SURVEY

Chapter 2

LITERATURE SURVEY

2.1 Review of Literature

A number of researchers studied about the cellular industry and covered different aspects of it. Susan Keaveney (1995), Madden I (2003), Ahn, Hyungtaik, Jongwha Lee and Vongkyu Kim (2004), Lee, Richard and Murphy, Jamie (2005), Pavlo (2005), Ureta (2005), Milne (2006), Christopher (2007) and Chabossou et al (2008) evaluates the different aspects of cellular phone industry. Researchers study the different aspects of the cellular services industries. Susan Keaveney (1995) evaluates unique factors that pertain specifically to this market in context of service industries ingeneral to the cellular industry. Madden I (2003) examined the substitution effect between fixed and mobile telephony while controlling for the consumption externality associated with telephone networks. They used a global telecommunications panel consisting 56 countries and annual data for the period 1995-2000 to estimate a dynamic demand model. Ahn, Hyungtaik, Jongwha Lee and Vongkyu Kim (2004) analyzed a fixed-mobile voice traffic substitution by model of Korean telephony markets using monthly data from 1996-2000.

Lee, Richard and Murphy, Jamie (2005) investigates determinants that cause mobile phone Customers to transit from being loyal to switching. Pavlo (2005) evaluate that weather mobile and fixed line telephone is substitute or complements in transition countries. He used fixed effect estimation for his model. The estimation of his model was done for the panel available from 1999 to 2001 and for the panel from 1993 to 2001. Ureta (2005) evaluates households' telecommunications expenditure in four countries (Albania, Mexico, Nepal and South Africa), considering the share of family income dedicated to these services and monthly expenditure deciles. Milne (2006) studies empirical regularities in telecommunications

... Christopher (2007) investigates "Demand for Telecommunication

service in developing Countries". In their paper they estimate telecommunication demand model for residential mainline and mobile telephone service for developing countries for the period 1996-2003. Chabossou et al (2008) analysis the mobile telephony access and usage, mobile expenditure

Studies revealed a number of facts about the cellular industries. Susan Keaveney (1995) concludes the paper by indicating the limitations of the primary research and charting out avenues of future research for TELUS Mobility. This research is meant to act as a stepping-stone for TELUS Mobility in initiating a better understanding of its clients and possibly become a base for future research in this direction. Madden 1 (2003) find that growth of mobile subscription is associated with the mobile network and also with the reduction in mobile service prices. They also found a substantial substitution effect that the growth in mobile services induced by the increase in the prices of fixed landlines.

Ahn, Hyungtaik, Jongwha Lee and Vongkyu Kim (2004) reveal that the share of call minutes originating from fixed line was negatively related with the relative price of calls originating from fixed phone vis-à-vis calls originating from mobile phone. In estimating the model his paper specified that fixed and mobile call demands, the subscription demands and the prices consist of a simultaneous equation system. Lee, Richard and Murphy, Jamie (2005) concludes that there are different factors, which affect the Customers to switch from loyalty to switching intentions such as price, technical service quality, Functional service quality, switching costs, etc. But, the rating was given that price is the most important factor which affects the Customers to switch loyalties to another provider. Pavlo (2005) results that the penetration rate of fixed line was statistically significant and have a negative sign, which showed that mobile and fixed line, are substitute. Ureta (2005) reveal that in the case of telecommunications pattern is found that higher expenditure means greater relative

importance of communications, so it falls in the category of a luxury service. Milne (2006) summarizes some empirical regularity in telecommunications expenditure patterns. Among them it is mentioned that in industrialized countries, communications have the characteristics of a necessity (income elasticity less than 1), while on the other hand, communications in developing countries are considered as luxury goods. Furthermore, it is stated that with rapid industry development, it is expected that developing countries will follow the trend of industrialized countries, and that there is anecdotal evidence of middle-income people in the former struggling to pay for using their mobile phones, which have become “an essential luxury” or “an expensive necessity”.

Christopher (2007) found that price elasticity's for mobile telephone were very large. Chabossou et al (2008) reveal that in the context of the analysis of mobile telephony access and usage, mobile expenditure is found to be inelastic with respect to income, i.e. the proportion of mobile expenditure to individual income increases less than one percent for each one percent increase in income.

Bharadwaj *et al.* (1993), Nayyar (1990) and Zeithaml (1988) suggest that extrinsic cues such as image and reputation may be particularly important in adding value in cases where consumer understanding of service offerings is limited. This is likely to be the case, in particular, where service offerings are complex and, as a result, highly “mentally intangible” to the average consumer.

The process of adding value and gaining competitive advantage becomes central to a firm's competitive marketing strategy. Indeed, as has been illustrated by, among others, (Brownlie (1989), Cook (1983) and Day (1984).

Devlin, and Ennew (1997) showed that the particular factors emphasized in the value adding mix in attempts to add value and achieve competitive advantage may be contingent on

the nature of the service offering, as well as the perceived knowledge and

sophistication of the target market. In essence, this value adding element covers how the service is provided (Gronroos, 1988; Lewis, 1989; Parasuraman *et al.*, 1991).

The use of "added value" has been widely advocated as a strategy for achieving competitive advantage in an increasingly hostile commercial environment and advice has been provided on the organizational processes involved in creating customer value (Band, 1991; Gale, 1994; Naumann, 1995). Added value is a multidimensional construct, interpreted differently by different people. There are diverse roles that added values play and the more sustainable added values are the emotional values.

Jones (1986) claimed that added value formed the most important part of a brand's definition and was the primary basis for distinguishing a brand from a product. McCracken (1993) defined added value as brands' meanings for consumers in describing their actual and aspirational selves.

Gronroos (1997) observed that added value could be negative if it subtracted from the basic core value. Not all customers perceive an added value, either because some cannot use the extra services. Farquhar (1994) described "adding value" as surrounding the tangible features with distinctive benefits perceived by customers as adding value.

From a strategic perspective, Brandenburger and Stuart (1996, p. 6) defined the added value of a player as "the value created by all the players in the Added value vertical chain minus the value created by all the players except the one in question".

Normann and Ramirez (1994) suggested "added value" be replaced by "the co-production of value", whereby customers and suppliers jointly create value through complementing each other's activities.

Added value thus moved from being a means for differentiating an offer to a basis for choice, by means of cues that enable customers to recognize superior value and be more

select in their choice (Bloom and Rowe, 1990; Hansen, 1972; Schmitt and Simonson

1997). McCracken (1993) suggested a product's attributes may change over time, but the brand and the value it adds endure.

According to David Walters, Michael Hallida, and Stan Glaser Kay (1939) suggested that adding value is a measure of the loss that would result to national income and to the international economy if the organization ceased to exist: adding value in this sense, is the central purpose of business activity. A commercial organization which added no value-whose output is worth no more than the value of its inputs in alternative uses-has no longer-term rationale for its existence.

Kay (1993) introduces the concept of added value as “the key measure of corporate success” and defines it as: Added value is the difference between the (comprehensively accounted) costs of the firm’s inputs. In this specific sense, adding value is both proper motivation of corporate activity and the measurement of its achievement. Added value in this context includes depreciation of capital assets and also provides for a “reasonable” return on investment capital (David Walters, Michael Hallida, and Stan Glaser).

The core value of a quoted company has three components:

- (a) Tangible Value reflects the bedrock of the real and tangible assets which will sustain the company’s value in times of crisis.
- (b) Premium value represents the value in excess of book value at which the company trades in the open market. This element is the source a company’s competitive advantage.
- (c) Latent value represents the potential value within a company. Sources of hidden value might include operating efficiencies yet to be realized (Knight and Pretty’s 2000).

According to (David Walters, Michael Hallida, and Stan Glaser), Marketing by maintaining an ongoing “dialogue” with customers, is in a position to identify the costs and benefit of outsourcing or in-sourcing the item and the impact on added value. Beech (1998)

argues that the departmental silos built into the traditional functional business organization structure only serve to inhibit customer satisfaction and therefore, added value.

Any value-adding strategy should take the objectives of relationship marketing, establishing, maintaining and enhancing relationships with customer at a profit, so that the objectives of the parties are met into account (Gronroos, 1994).

Human perception of quality is dependent on the visual image (Hetherington and MacDougall, 1992). Consumers have strong preference for products with appealing appearances (Clydesdale, 1975).

Zeithaml (1988) calls higher level abstraction. When customers are purchasing offerings where search qualities are important in the customers' perception of value and, hence, intrinsic attributes have a high predictive value, then customers will tend to rely upon those intrinsic attributes.

Kelley et al. (1990) observed that there is a link between service consumption and the presence of other consumers. The absence (or presence) of other consumers can therefore adversely (or positively) affect the service outcome and the consumers' perception of what has been delivered.

Consumer perception of product quality as a purchase decision has been previously supported empirically (Barnard, 1990; Hoyer and Brown, 1990). Consumers' perception of price was also correlated with their purchase decision (Corfman, 1991).

The better informed the consumer, presumably the more intelligent the purchase decision (Hoyer and Brown, 1990). Consumers' perception of price was also correlated with their purchase decision (Corfman, 1991).

Past, present and future of mobile payments research:

Tomi Dahlberg a, Niina Mallat a, Jan Ondrus b,* , Agnieszka Zmijewska c

Helsinki School of Economics, P.O. Box 1210, 00101 Helsinki, Finland

b Ecole des HEC, University of Lausanne, Internef, 1015 Dorigny, Switzerland

c University of Technology, Sydney, 235 Jones Street, Broadway NSW 2007, Australia

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The mobile payment services markets are currently under transition with a history of numerous tried and failed solutions, and a future of promising but yet uncertain possibilities with potential new technology innovations. At this point of the development, they take a look at the current state of the mobile payment services market from a literature review perspective. They review prior literature on mobile payments, analyze the various factors that impact mobile payment services markets, and suggest directions for future research in this still emerging field. To facilitate the analysis of literature, they propose a framework of four contingency and five competitive force factors, and organize the mobile payment research under the proposed framework. Consumer perspective of mobile payments as well as technical

security and trust are best covered by contemporary research. The impacts of social and cultural factors on mobile payments, as well as comparisons between mobile and traditional payment services are entirely uninvestigated issues. Most of the factors outlined by the framework have been addressed by exploratory and early phase studies.

Role of Value Added Services in Shaping Indian Telecom Industry

Sanjeet Singh BBSB Engineering College

Gagan Deep Sharma Baba Banda Singh Bahadur (BBSB) Engineering College

Mandeep Mahendru Gian Jyoti Institute of Management & Technology August 5, 2011

The present study evaluates the impact of value added services on the consumer while selecting particular cellular services. The primary data has been used for the purpose of study, which has been collected with the help of questionnaire. The past researches have evaluated

the consumer perception about telecom industry and the voice services. The present research will study the effect of the VAS on the consumer. There is a need of study for this subject. The tools used for the analysis are descriptive statistics, correlation, regression, t test. The findings of the research shows that the VAS is a very important factor which affects the customers which they opting for a particular cellular service and the factors like usage in roaming, time of usage, GPS and satisfaction level of customer are important.

A study of consumer value-added services in mobile commerce: focusing on domestic cellular phone companies in Taiwan, China

Authors: Szu-Yuan Sun Kaohsiung First University of Science and Technology

Chao-Fan Su Teresa Ju

Mobile commerce, or e-commerce over mobile devices, has become a major topic of interest for the IS research community and a key priority for many business organizations as it is becoming increasingly evident that PC-based e-commerce has not lived up to the expectations and achieved true mass adoption. However, mobile commerce includes a large range of various services, especially with regard to numerous value-added services. Before we discuss the customers' level of demand for extra services, it is essential to understand and study the existing added services available in the market. This awareness can also assist further research. Moreover, this research mainly focuses on Taiwan's current mobile commerce value-added services, while separating them into categories and characteristics. They surveyed the three largest cell phone service providers in Taiwan: Chunghwa Telecom, Taiwan Cellular Corp, TransAsia Telecommunications. The purpose is to better understand the characteristics and current situations of service providers in Taiwan, as well as what areas need improvement. They also provide companies with a clear view of their deficiencies; moreover, cell phone service providers can have an accurate goal for developing future

services. Moreover, we provide sufficient suggestions, thereby giving providers a clear direction for further promotions and marketing.

Detection of power user plans patterns among high school students in a mobile communication network

Sung joo bae,MIT Sloan,Cambridge MA

Peter gloor,MIT CCS,Cambridge MA

Sebastian schnorf,Swisscom innovations,Zurich.

Diffusion of innovation has recently received much attention from both practitioners and scholars from different disciplines.In this study they report initial results studying a mobile communicatiin network.They have analysed communication data gathered from 15 high school students using different mobile phone services applying methods of social network

2.2 Research Gap

As the research highlights, a lot of work has been done to establish the industry related factors which drive usage and adoption of VAS. However the importance of different consumer related attributes affecting usage and adoption of mobile value added service in the academic world is not correctly known and not adequately researched. Also till date no attempt has been made to segment the Indian consumers based on their VAS Consumption. This Literature review suggests that there is a need to identify the different types of VAS consumers and the factors which affect their adoption of VAS services for each of these different consumer segments in Salem city.

CHAPTER-III
METHODOLOGY

Chapter 3

METHODOLOGY

3.1 Research Purpose:

The word research is derived from the Latin word meaning to know. It is a systematic and a replicable process, which identifies and defines problems, within specified boundaries. It employs well-designed method to collect the data and analyses the results. It disseminates the findings to contribute to generalize able knowledge. The purpose of this research is to perform customer analysis for identifying the operational factors that are influencing customer buying behavior, level of satisfaction and loyalty with regard to Value added Services provided by Cell phone service providers in Salem

3.2 Type of the Project

As the growth of the mobile market decreases and the market competition intensifies, mobile carriers have been trying to find new business models to retain their profits and expand their business boundaries. Development of value-added services increases the chances of keeping the growth with mobile carriers. This research has adopted survey based techniques and it combines both exploratory and descriptive type of research designs.

3.3. Target respondents and Data Collection

The target respondents chosen for the study are the mobile phone users in Salem city. The data is collected randomly irrespective of the category of the people in the form of questionnaire and the sample size is 100 respondents

3.4 Sampling Design and Techniques

The sampling design adopted for the study includes Probabilistic Random sampling. The data was collected through area random sampling technique.

3.5 Sources of data

The study undertaken there to be mainly based on the primary data i.e. structured questionnaire is designed. The study also contains secondary data i.e. data from authenticated websites and journals for the latest updates just to gain an insight for the views of various experts.

3.6 Methodology & Presentation of Data

The data collected is then coded in the tables to make the things presentable and more effective. The results are shown by tables which will help me out in easy and effective presentation and hence results are being obtained.

3.7. Limitations of the Study

- Carrying the survey was a general learning experience for us but we also faced some problems, which are listed here:
- The market of Telecommunication is too vast and it is not possible to cover each and every dealer, manufacturer and seller in the available short span of time.
- Generally the respondents were busy in their work and were not interested in responding rightly. Respondents were reluctant to discover complete and correct information about themselves and their organization.

CHAPTER-IV

ANALYSIS AND INTERPRETATION

Chapter 4

Analysis and Interpretation

Data analysis was performed on the structured questionnaires that was used for respondents during interviews using a mix of qualitative and quantitative methods. Data Collection was done through appropriate methods and this section deals with the analysis of data with suitable illustration.

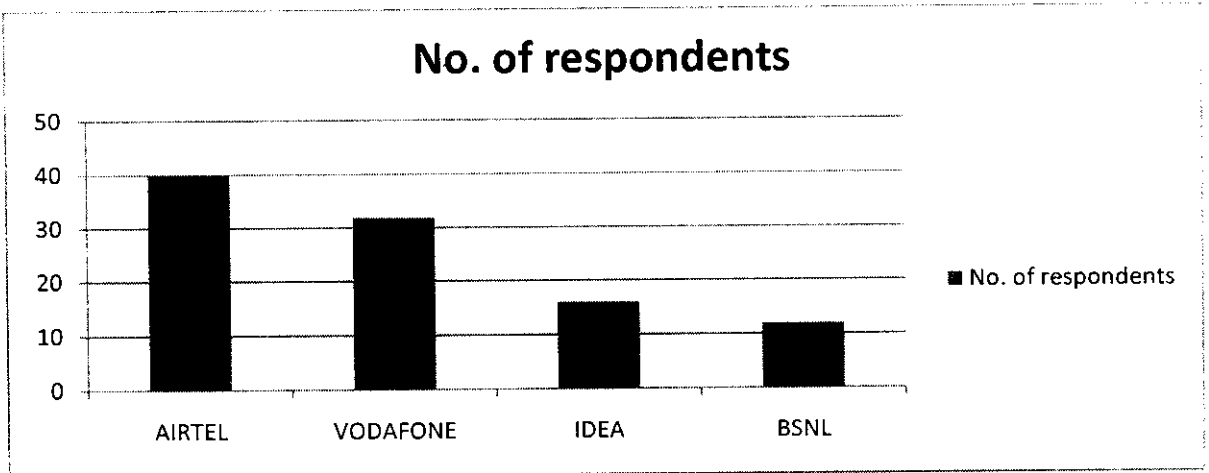
Table No 4.1

Possession of different brands of mobile phone services

Particular	No. of respondents	Percentage
AIRTEL	40	40
VODAFONE	32	32
IDEA	16	16
BSNL	12	12
Total	100	100

Fig. No. 4.1

Possession of different brands of mobile phone services



Interpretation

The above table shows the number of respondents towards the usage of different brands of mobile phones. According to the table, 40 respondents utilize the services of Airtel to a major extent. 32 respondents use Vodafone, Idea mobile services are used by 16 respondents and 12 respondents use BSNL respectively.

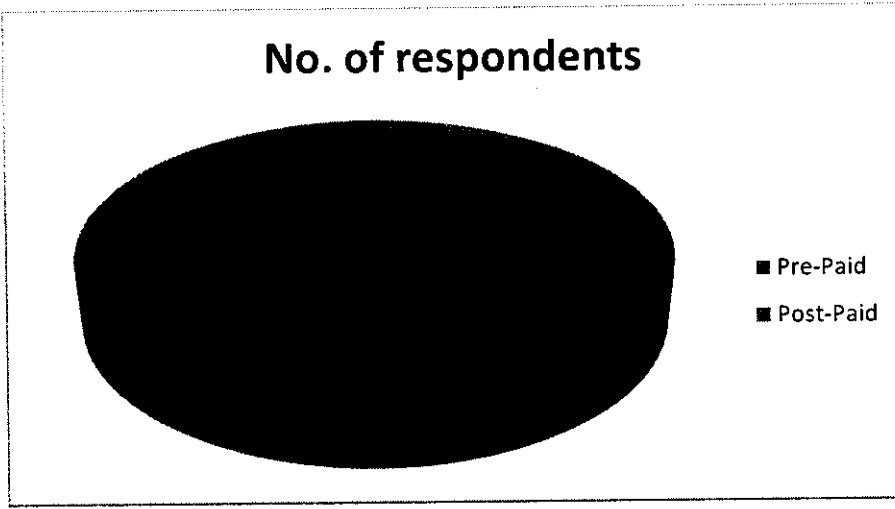
Table No 4.2

Nature of services used by the respondents

Particulars	No. of respondents	Percentage
Pre-Paid	84	84
Post-Paid	16	16

Fig. No. 4.2

Nature of services used by the respondents



Interpretation: -

Among the respondents taken for the study, 84 respondents have opted for prepaid plans and 16 respondents have opted for post paid plans.

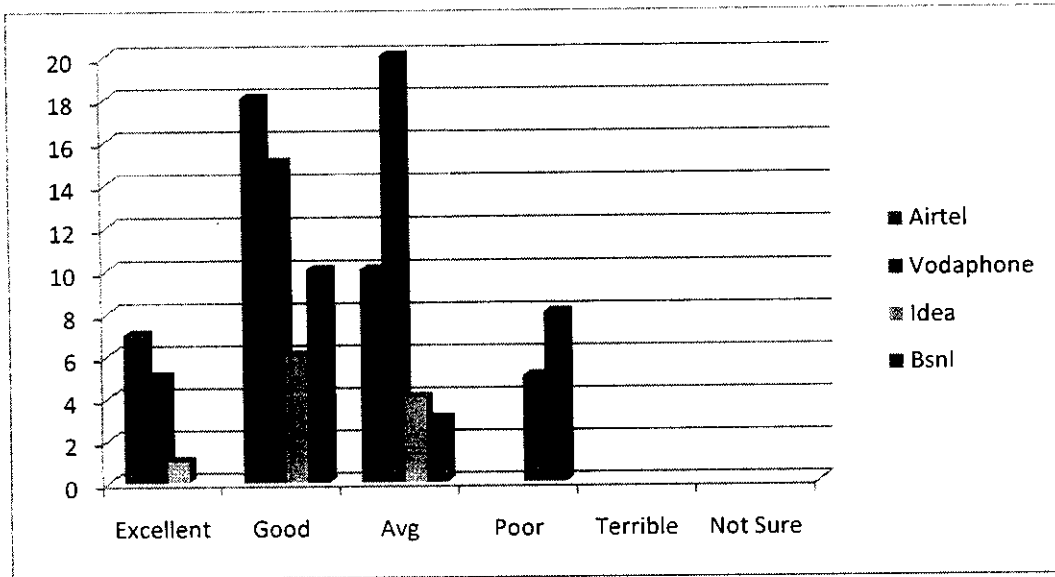
Table No 4.3

Overall rating of the Value added services of brands

Brands	Excellent	Good	Avg	Poor	Terrible	Not sure	Percentage
Airtel	7	18	10	0	0	0	40
Vodafone	5	15	12	0	0	0	32
Idea	1	06	04	05	0	0	16
BSNL	0	07	02	03	0	0	12

Fig No. 4.3

Overall rating of the Value added services of brands



Interpretation: - From the table and graphics it is understood that Airtel offers most excellent services according to 7 respondents. Excellent services (5 respondents) are also provided by Vodaphone. Majority of the BSNL and Idea customers have poorly rated the VAS offered by the respective companies. BSNL is found to be worst service provider

Table No 4.4

Factors that influenced to buy the service with reference to Value added Service

H1: -VAS factor is not the most influencing factor for the purchase of Telecom service.

H0: - VAS factor is the most influencing factor for the purchase of Telecom service.

Brands	VAS	Network Service	Brand Image	Price	Expected values
Airtel	22	16	4		25
Vodafone	17	6	3	6	25
Idea	3	3	0	6	25
BSNL	0	2		10	25

Chi square value: 6.035

Table value: 5.991

Interpretation of Chi: - As the 95% level of confidence Chi square value 6.035 is more than the table value 5.991, so the null hypothesis is rejected, it means Value added service is the most influencing factor for the purchase of Telecom service.

Interpretation: - Above data analysis shows that Airtel and Vodafone is being preferred because of its best VAS and network service . Network services are rated best for Airtel and Vodaphone. Brand Image does not seem to have much popularity and BSNL is preferred for their best pricing strategy.

Table No 4.5

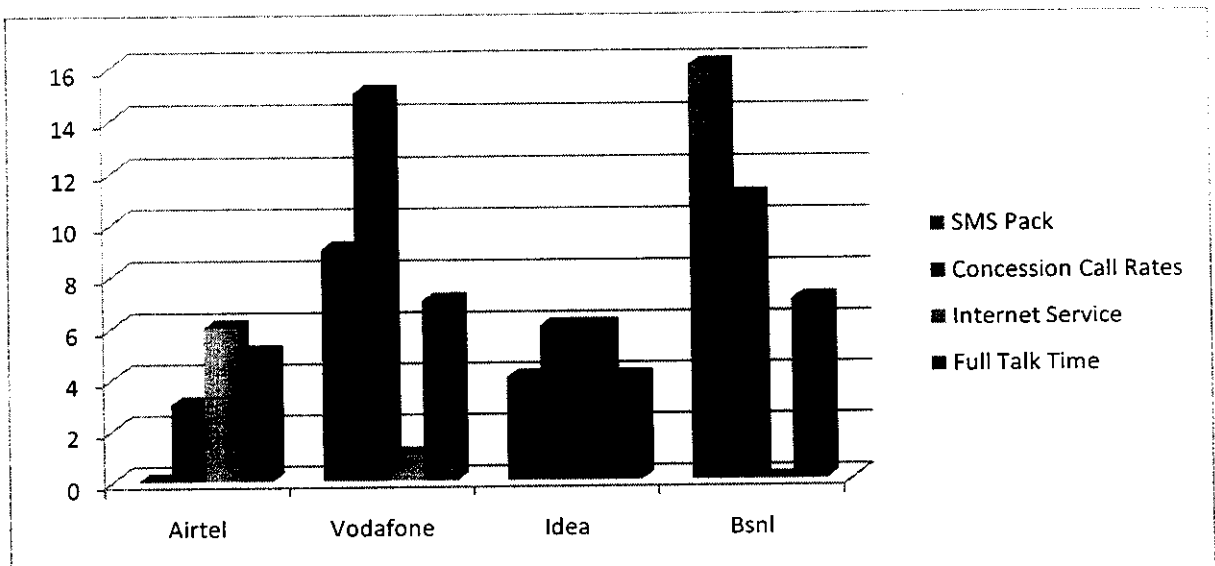
Ranking of the Value Added Services

(Multiple response)

Particular	Airtel	Vodafone	Idea	Bsnl
SMS Pack	0	9	4	12
Concession Call Rates	3	15	6	11
Internet Service	6	1	6	0
Full Talk Time	5	7	4	7

Fig No. 4.4

Ranking of the Value Added Services



Interpretation: - The above data analysis shows that Airtel is being preferred because of its internet service. Vodafone offers a preferable concession call rates and full talk time and Value added services. Where Idea is most preferred for its Concession Call Rates and SMS pack followed by mainly for SMS pack mainly and concession rates.

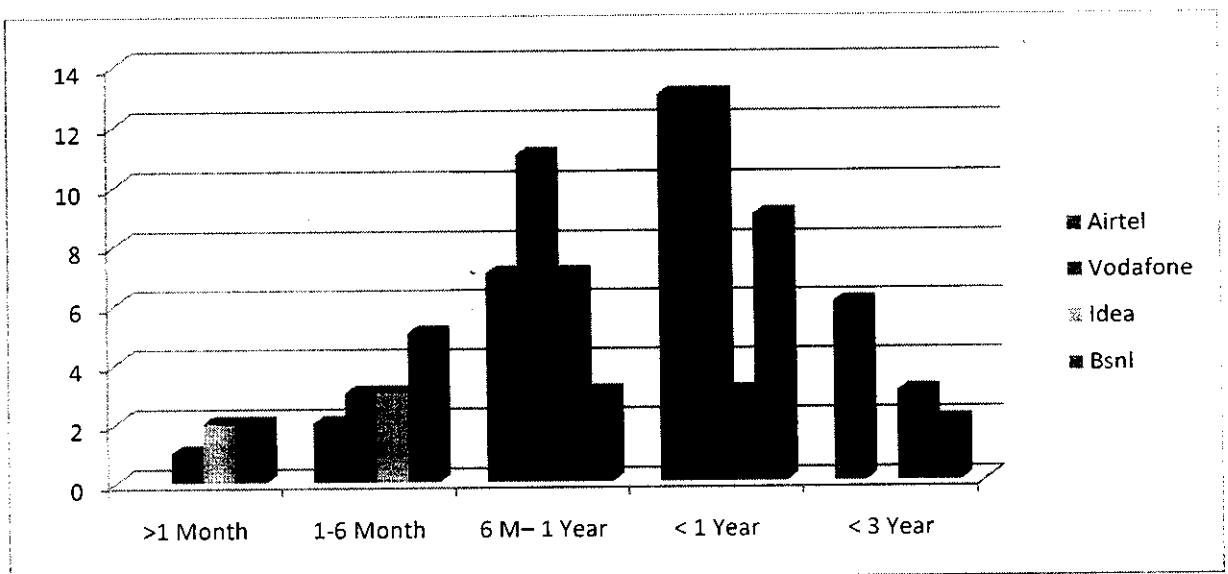
Table No 4.6

**Usage Tenure for Mobile phone service
(Multiple response)**

Brands	>1 Month	1-6 Month	6 M- 1 Year	< 1 Year	< 3 Year
Airtel		2	7	13	6
Vodafone	1	3	11	13	
Idea	2	3	7	3	3
BSNL	2	5	3	9	2

Fig No. 4.5

Usage Tenure for Mobile phone services



Interpretation:- Above table analysis depicts that most of the users are using their telecom service from last one year. Some of the users are also using it from last 3 year, where majority of the users are BSNL connection holders. Most of the users of the Vodafone are using it from last 6 months. Many respondents are new users of their services

Table No 4.7

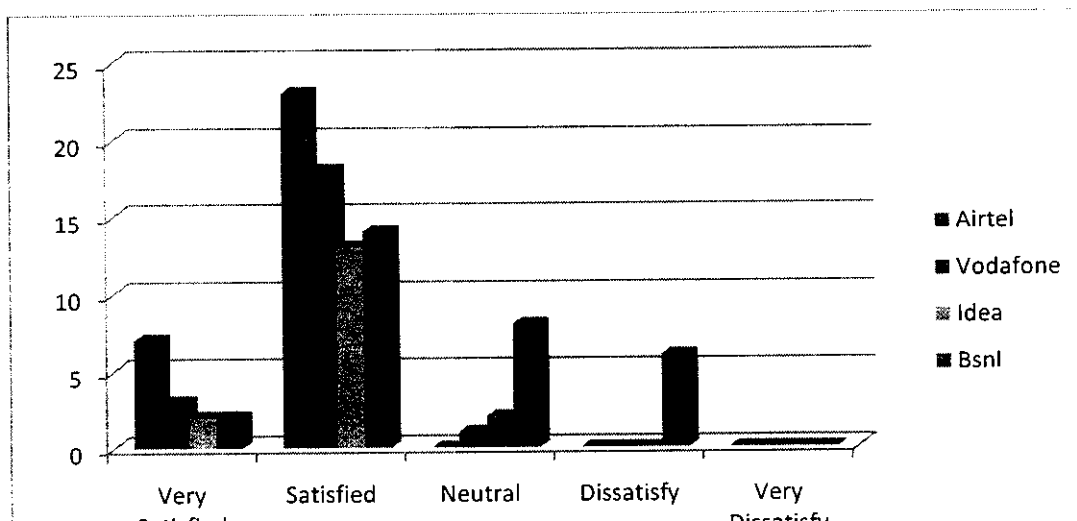
Overall satisfaction on usage of Value added services

(Multiple response)

Brands	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied
Airtel	7	23	0	0	0
Vodafone	3	18	1	0	0
Idea	2	13	2	0	0
Bsnl	2	14	8	6	0

Fig No. 4.6

Overall satisfaction on usage of Value added services



Interpretation: - Above table data analysis shows that the satisfaction rate of network service is headed by Airtel.. Vodaphone network service satisfaction rate is also good. And it can be also found that BSNL network service is not good as compare to others competitors as 14 respondents are found to be not satisfied with the company network service.

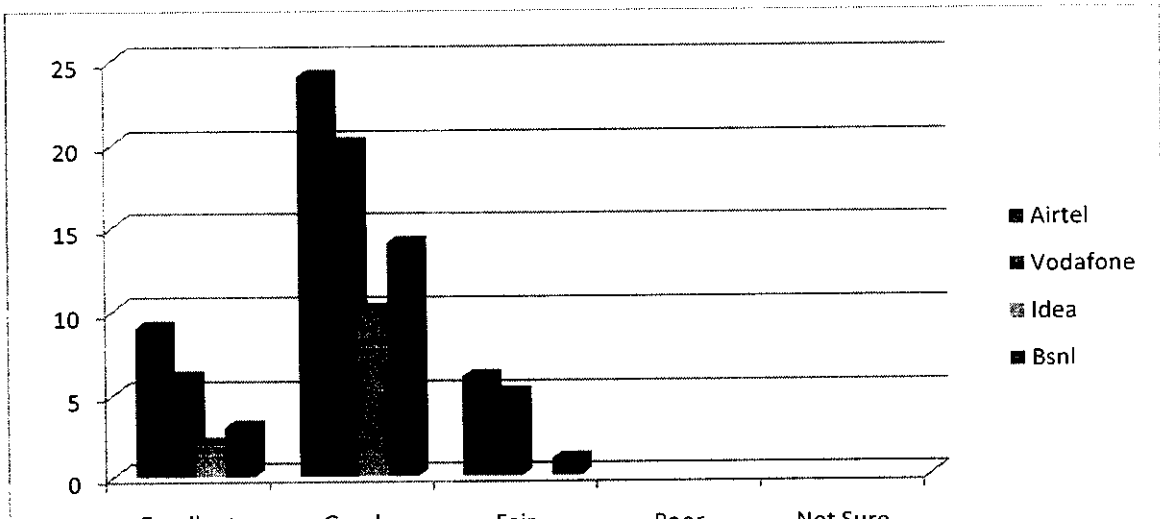
Table No 4.8

**Rating the services – Value for money
(Multiple Response)**

Brands	Excellent	Good	Fair	Poor	Not Sure
Airtel	9	24	6	--	--
Vodafone	6	20	5	--	--
Idea	2	10		--	--
Bsnl	3	14	1	--	--

Fig No. 4.7

Rating the services – Value for money



Interpretation: - Above data and chart analysis depicts that BSNL has the highest rating of Value for /money as 33 persons out 34 has rated it as a excellent and good service provider. Idea follows BSNL as a best service provider for value for money in value added services. Other two players Airtel and Vodaphone have similar performance tentatively. In addition both these companies are rated good and excellent in one aspect or the other

Table No 4.9

Rating the services – Nature of Problems

(Multiple Response)

H0: - People do not contact customer care mostly for activation and deactivation of the service

H1: - People contact customer care mostly for activation and deactivation of the service

Brands	Billing Related	Activation/ Deactivation	Informatio n of VAS's	Network Problem	Expected values
Airtel	1	8	10		25
Vodafone		18	7		25
Idea	6	12	5	3	25
Bsnl		6	11	13	25

Chi square value: 9.351

Table value: 7.815

Interpretation of Chi: - As the 95% level of confidence Chi square value 9.351 is more than the table value 7.815, so the null hypothesis is rejected, it means People contact customer

Interpretation: - From the above data analysis it has been found that most of the users of telecommunication contact to their customers care for activation and deactivation of various services. Then they also contact for information about various value added services provider by companies like validity, call rates, sms pack, caller tones etc. Network service has been found a problem of mainly BSNL users and to some extent of Idea users as well.

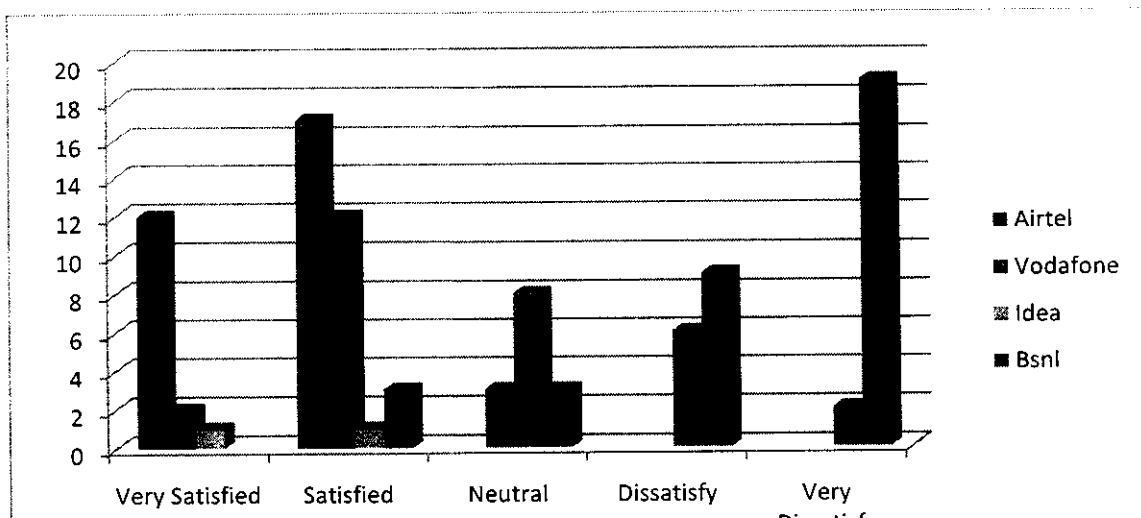
Table No 4.10

Rating the services – Satisfaction about Process of getting the queries resolved

Brands	Very Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied
Airtel	12	17			
Vodafone	2	12	3		
Idea	1	1	8	6	2
Bsnl		3	3	9	19

Fig No. 4.8

Rating the services – Satisfaction about Process of getting the queries resolved



Interpretation: - From above data analysis we can say that most of the users, who are satisfied with their customer care service, are also satisfied with the process of getting their queries resolved. Airtel again has been rated as the best service provider for getting queries resolved..

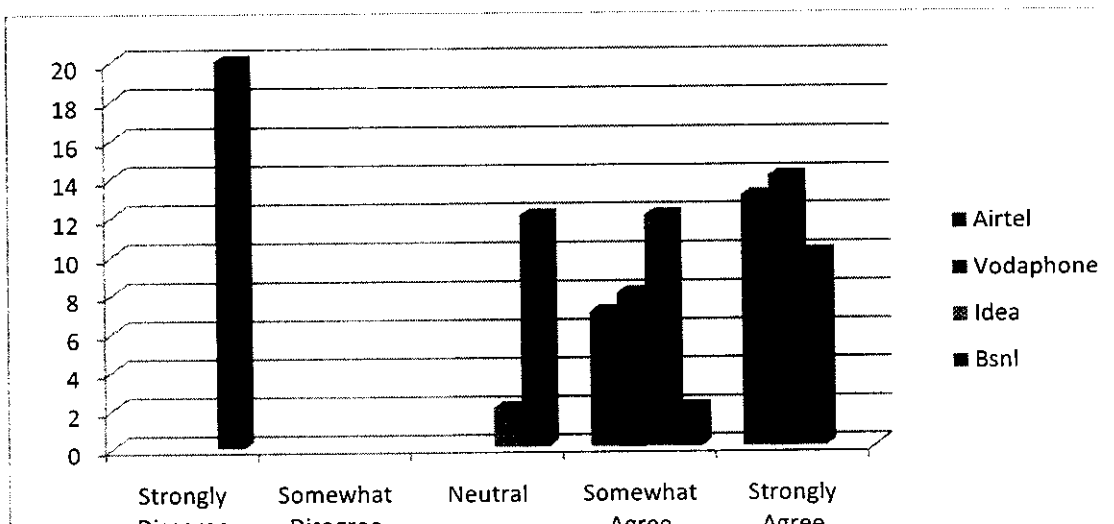
Table No 4.11

**Rating the services – Satisfaction about timely services of VAS
(Multiple response)**

Brands	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
Airtel				7	13
Vodaphone				8	14
Idea			2	12	10
Bsnl	20		12	2	

Fig No. 4.9

**Rating the services – Satisfaction about timely services of VAS
(Multiple response)**



Interpretation: - Above data analysis shows that most of the users of all companies found their VAS customer service provider courteous. But the result of BSNL is not good as the users say that they have not talk to their customer care service provider again and again. The performance of Airtel and Vodaphone are considered to be more proactive in this area.

Table No 4.12

Rating the services – Positive Savvy Technical support services of VAS

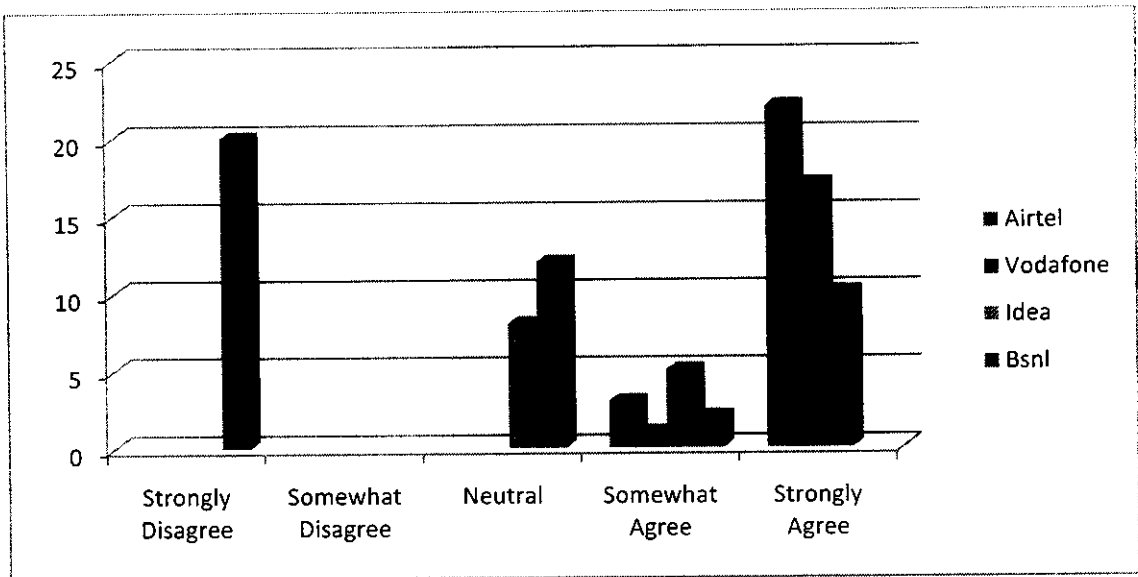
(Multiple response)

Brands	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
Airtel				3	22
Vodaphone				1	17
Idea			8	5	10
Bsnl	20		12	2	

Fig No. 4.10

Rating the services – Positive Savvy Technical support services of VAS

(Multiple response)



Interpretation: - The above data analysis shows that most of the users of all companies found their customer service provider knowledgeable and tech savvy. But the result of BSNL is again not good as the users say that they are not responsive. Hence BSNL and IDEA representatives are not found to be tech savvy in providing an effective Value Added Services for their customers.

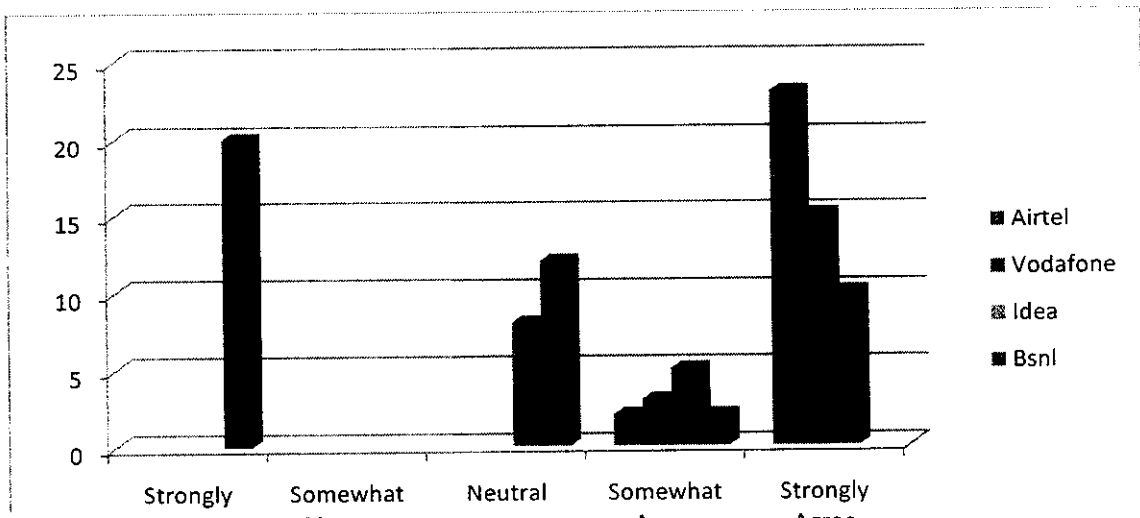
Table No 4.13

Rating the services – Minimal Waiting Time for VAS for activation/Deactivation
(Multiple response)

Brands	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
Airtel	--	--	--	2	23
Vodafone	--	---	---	3	15
Idea	--	--	8	5	10
Bsnl	20		12	2	--

Fig No. 4.11

Minimal Waiting Time for VAS for activation/Deactivation



Interpretation: - Above data analysis shows that most of the users of all companies are found satisfactory with the waiting time their queries resolved. But the result of BSNL is again not good as the users say that they have not talk to their customer care service provider even for a single time. Some of them have talk but after a lot of waiting time. So they are found not satisfied and rated this question also as dissatisfied and neutral. So after studying their views it can be interpreted that the customer care representatives of BSNL are not able to solve their customer queries in a satisfactory time.

CHAPTER-V
CONCLUSION

CHAPTER 5

CONCLUSION

5.1 Summary of findings

- Among the respondents, 40 respondents utilize the services of Airtel to a major extent. 32 respondents use Vodafone, Idea mobile services are used by 16 respondents and 12 respondents use BSNL respectively.
- Among the respondents taken for the study, 84 respondents have opted for prepaid plans and 16 respondents have opted for post paid plans.
- It is understood that Airtel offers most excellent services according to 7 respondents. Excellent services (5 respondents) are also provided by Vodaphone. Majority of the BSNL and Idea customers have poorly rated the VAS offered. BSNL is found to be least service provider
- Value added service is the most influencing factor for the purchase of Telecom service of recent days
- Airtel and Vodaphone is being preferred because of its best VAS and network service. Network services are rated best for Airtel and Vodaphone. Brand Image does not seem to have much popularity and BSNL is preferred for their best pricing strategy.
- Airtel is being preferred because of its internet service. Vodafone offers a preferable concession call rates and full talk time and Value added services. Where Idea is most preferred for its Concession Call Rates and SMS pack followed by mainly for SMS pack mainly and concession rates.
- Most of the users are using their telecom service from last one year. Some of the users are also using it from last 3 year, where majority of the users are BSNL connection holders. Most of the users of the Vodaphone are using it from last 6 months. Many respondents are new

- Data analysis shows that the satisfaction rate of network service is sphere headed by Airtel. Vodaphone network service satisfaction rate is also good. It can be also found that BSNL network service is not good as compared to others competitors
- The highest rating of Value for /money as 33 persons out 34 has rated it as a excellent and good service provider. Idea follows BSNL as a best service provider for value for money in value added services. Other two players Airtel and Vodaphone have similar performance tentatively. In addition both these companies are rated good and excellent in one aspect or the other
- People contact customer care mostly for activation and deactivation of the service regarding their VAS queries
- Most of the users of telecommunication contact to their customers care for activation and deactivation of various services. Then they also contact for information about various value added services provider by companies like validity, call rates, SMS pack, caller tones etc.
- Most of the users, who are satisfied with their customer care service, are also satisfied with the process of getting their queries resolved. Airtel again has been rated as the best service provider for getting queries resolved..
- Most of the users of all companies found their VAS customer service provider courteous. But the result of BSNL is not good as the users say that they have not talk to their customer care service provider again and again. The performance of Airtel and Vodaphone are considered to be more proactive in this area.
- Most of the users of all companies found their customer service provider knowledgeable and tech savvy. But the result of BSNL is again not good as the users say that they are not responsive. Hence BSNL and IDEA representatives are not found to be tech savvy in providing an effective Value Added Services for their customers.

Most of the users of all companies are found satisfactory with the waiting time their queries resolved except BSNL

5.2 Suggestions and recommendations:

- We have seen that the choice of mobile handset and services cannot be separated. Competition in telecom industry is heating up its time for Indian telecom players also to align up in the new dynamic business environment.
- Telcom majors should think to launch the product according to the needs of customers to satisfy them and make them brand loyal as very soon this blue ocean of Indian telecom scenario will convert into red ocean where the loss of is the gain of other .They should also think for searching new space or we can say either creating a new blue space to sustain their growth in long run.
- There is more room for data analysis but the rest of the part is beyond the scope of this project report. The results indicate that Value added services plays a major and indomitable role in making the customer to select his choice of service provider. There has to be a lot of effort to be put in the VAS marketing strategy.
- Quality of service and the ability to attract and retain customers dictate the success or failure of next-generation communications service providers. In today's competitive environment, customers are quick to abandon services that do not meet expectations. The ease with which customers can switch from their current service to another, demands that providers deliver the highest possible levels of service quality and performance. To be successful, communications service providers must deliver positive customer experiences with rich, value-added services supported by comprehensive service quality management. To this effect Mobile service has experienced the negative attributes of not being customer focused and realizes that quality is

an attribute that creates customer satisfaction profitably. Therefore quality must be fused with all resources channeled towards their customers

CHAPTER-VI
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CHAPTER 6

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