

# A Study of Customer Defection in Cellular Services in India

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## Abstract:

As on November 2018 the total number of subscribers in India was 1171.76 million. Since implementation of Mobile Number Portability, MNP requests at the end of November 2018 were 407.22 million. MNP permit subscribers to change service providers while retaining their mobile numbers. In the month of November 2018 itself 3.24 million subscribers submitted their requests for Mobile Number Portability (MNP). The Telecom Regulatory Authority of India (TRAI) said in a statement, Karnataka was the first state to receive highest number of requests for number portability as on November 2018 about 38.56 million followed by Tamil Nadu about 34.69 million. So it is necessary to understand the reasons of customers who opted for number portability. This paper examines consumer awareness and impact of MNP on customer defection. Result suggested that respondents were not only aware about the MNP but they also know the procedure of MNP and it will leads to customer defection in cellular services.

**Keywords:** Mobile Number Portability, Cellular Services, Demographic, Customer Defection

## Introduction:

Today India is one of the richest telecom markets in the world, with an addition of 1.74 million subscribers every month. Telecom sector has played an important role as the major source of economic growth and it is majorly contributing to the Indian GDP. Indian telecommunication sector has undergone a major transformation through important policy reforms, particularly under New Telecom Policy (NTP) 1999. During the last few years the Indian telecom sector has made a remarkable development because of so many policies were under taken and it is assured to take a big leap in the future.

Firstly the telephone was invented by Alexander Graham Bell. In the year 1882 the telephone services in India came into existence in Kolkata. Today India has the world's second-highest mobile phone subscribers. In now a day, the Telecom sector has been delivering good returns on investments and supporting subscriber additions. This growth has been built on wireless revolution.

Now the India's telecom operators come up with the 4G services with supportive government policies which will helpful to the customers to have new technologies and it will leads to the changing consumer behaviour.

Telecom Regulatory Authority of India (TRAI) has released that the India's mobile subscriber rate has increased from 1170.02 million at the end of October 2018 to 1171.76 million at the end of November 2018, thereby showing a monthly growth rate of 0.15%. The urban subscription reduced from 648.25 million at the end of October 2018 to 645.71 million at the end of November 2018; even though, the rural subscription increased from 521.77 million to 526.05 million during the same period. The monthly growth rates of urban and rural subscription were -2.54% and 4.28% respectively during the month of November 2018. The overall Tele-density in India increased from 91.17% at the end of October 2018 to 91.21% at the end of November 2018.

## Literature Review:

**Andres Kuusik (2007)** used LOGIT method for testing level of loyalty of 1000 customers of the biggest telecommunication company in Estonia. He analyzed Satisfaction, trustworthiness; image and importance of relationship are the four factors which are affecting the customer loyalty

**Dr. V. Kumaravel (2009)** Mobile Number Portability permits to a mobile subscriber to retain the same mobile number while change over to the other service providers . This paper describes that impact of Mobile Number Portability on Mobile Users Switch over behaviour in Indian Mobile Market.

**Xuan Zhang (2009)** investigated the effect of relationship marketing strategies on customer satisfaction and trust, which is increase customer loyalty, by focusing on Swedish mobile telecommunication sector. To test the relationships between relationship marketing strategies, relationship quality (trust and satisfaction) and customer loyalty he has developed an analytical model as a guideline.

**M. Satish, K.J Naveen, V. Jeevananthan (2011)** identified the factors which are influence the customers to change the service providers. They concluded that there is a relationship between changing the service provider and the factors like poor network coverage, frequent network Problem, High call rates, influence from family and friends.

**Partiksinh Sureshsinh Vagehela (2012)** tested the consumer awareness and preference on Mobile Number Portability and tries to find out what are the factors that influence to use of MNP. Finally concluded and suggested that respondents were not only aware about the MNP but they also know the procedure of using MNP and network coverage, customer care, quality of service are the main factors to switch over to another service Provider.

**G.K.Deshmukh and S.K.Indurkar (2014)** highlighted the mobile number portability allows mobile subscriber to switch operators without changing his/her phone number in a given licensed area and further it was also attempted to present the concept of MNP and stages of introduction of MNP in India.

## Objectives of the Study:

- . To know the demographic trends of the mobile users
- . To Study the customer awareness about the Number Portability
- . To study the impact of MNP on Customer Defection

## Methodology of the Study:

### Research Design:

Descriptive method is used for the purpose of conducting research. Data is gathered from customers of selected telecom companies of BSNL, Airtel, Vodafone, Reliance/Jio, Idea and Tata Docomo. On the basis of convenience sampling method 100 customers were selected from the various places of Hassan. The primary data is collected from the respondents through the structured questionnaire and the secondary data was collected from different published sources such as TRAI manuals and reports, magazines, research articles, books and selected websites. For analysis of data percentage method and frequencies tables have been used with the help of Microsoft Excel.

**Table No.1: Demographic profile of the Respondents:**

Particular	Sub-category	frequency	%
Gender	Male	60	60
	Female	40	40
	<b>Total</b>	<b>100</b>	<b>100</b>
Age	17-25	30	30
	26-35	35	35
	36-55	15	15
	Above 56	20	20
	<b>Total</b>	<b>100</b>	<b>100</b>
Domicile Area	Rural	30	30
	Sub-urban	50	50
	Urban	20	20
	<b>Total</b>	<b>100</b>	<b>100</b>
Marital Status	Single	60	60
	Married	40	40
	<b>Total</b>	<b>100</b>	<b>100</b>
Qualification	Matriculation	10	10
	Pre-university	20	20
	Graduation	40	40
	Post Graduation	30	30
	<b>Total</b>	<b>100</b>	<b>100</b>
Occupation	Student	40	40
	Business Men	15	15
	Government Employee	25	25
	Private Employee	10	10
	Self Employee	8	8
	Others	2	2
	<b>Total</b>	<b>100</b>	<b>100</b>
Monthly Income	Below Rs.5000	40	40
	Rs.5000-Rs.15000	20	20
	Rs.16000-Rs.35000	30	30
	Rs.36000 and above	10	10
	<b>Total</b>	<b>100</b>	<b>100</b>

The above table showed that out of 100 customers who have responded for the questionnaire there were 60 male and 40 female respondents, 65% were between the age of 17-35 (17-25 years 30% and 26-35 years 35%), 50% who were coming from sub-urban, rest of them were coming from rural and urban, 60%

were single and 40% were married, 40% of the respondents were graduates, 40% of the respondents were students and 40% of the respondents had monthly income of Rs.5,000 or lower.

The respondents for the study are also grouped into the users of mobile phone. The following table provides details of mobile phone services of different telecom companies used by the respondents for the study.

**Table No.2: Respondents using Mobile Phone services:**

Particular	Sub-Category	Frequency	%
Current Mobile	BSNL	26	26
	Airtel	39	39
	Tata Docomo	11	11
	Vodafone	11	11
	Idea	6	6
	Reliance/Jio	7	7
	<b>Total</b>	<b>100</b>	<b>100</b>

From the above table it can be interpreted that 26 respondents were currently using BSNL, 39 using Airtel, 11 using Tata Docomo, 11 using Vodafone, 06 using Idea and other 7 were using Reliance Jio.

**Table No.3 Number of Mobile Service Provider Connection Customer has**

No. of Mobile connections	Respondents	%
One	20	20
Two	75	75
More than Two	05	05
<b>Total</b>	<b>100</b>	<b>100</b>

From the above table it can be interpreted that 20 respondents were using single service provider, 75 respondents were using dual service providers and only 05 respondents were using more than two service provider.

**Table No. 4 Mobile connections of pre-paid or post-paid**

Mobile Connections	Frequency	%
Pre-paid	95	95
Post-paid	05	05
<b>Total</b>	<b>100</b>	<b>100</b>

Above table indicate that 95 respondents have pre paid connections and 05 respondents were post paid connections.

**Table No.5: Duration of Services using by the Respondents:**

Time Duration	Frequency	%
< 6Months	25	25
6 To 10 Months	40	40
>10 Months	35	35
<b>Total</b>	<b>100</b>	<b>100</b>

From the table it can be interpreted that 25 respondents were using services less than 6 months, 40 respondents were using services from 6 to 10 months and 35 respondents were using services more than 10 months.

**Table No.6: Monthly expenses towards subscriptions**

Monthly Expenses	Frequency	%
Up to 100	20	20
100 To 300	50	50
300 To 600	20	20
600 To 900	8	8
Above 900	02	02
<b>Total</b>	<b>100</b>	<b>100</b>

From the above table it was found that 20 respondents monthly expenses was up to Rs.100, 50 respondents monthly expenses was up to Rs.100 to Rs. 300, 20 respondents monthly expenses was up to Rs.300 to Rs.600, 8 respondents monthly expenses was up to Rs. 600 to Rs.900 and 02 respondents more than Rs.900.

**Table No.7: Satisfaction Level towards Current Subscriber:**

Satisfaction Level	Frequency	%
Extremely Satisfy	20	20
Good Satisfy	55	55
Average Satisfy	20	20
Bad Satisfy	05	05
<b>Total</b>	<b>100</b>	<b>100</b>

From the above table it can be interpreted that 20 respondents were extremely satisfied with the current subscriber, 55 respondents were good satisfied with the current subscriber, 20 were average satisfied and 05 were badly satisfied with the current subscriber.

**Table No.8: Customer awareness about shift from one service provider to another:**

Know How to Shift	Frequency	%
Yes	80	80
No	05	05
Some What	15	15
<b>Total</b>	<b>100</b>	<b>100</b>

The above table indicated that 80 respondents were know how to shift from one services provider to another service provider, 05 respondents were not known how to shift from service provider to another service provider and 15 respondents were somewhat know how to shift from one service provider to the other services provider.

**Table No.9: Awareness about Number Portability**

Awareness about MNP	Frequency	%
Yes	80	80
No	20	20
<b>Total</b>	<b>100</b>	<b>100</b>

From the above table it was found that 80 respondents were aware of Mobile Number Portability and 20 were unaware.

**Table No.10: Switched Over their Service providers:**

Switched Over	Frequency	%
Yes	90	90
No	10	10
<b>Total</b>	<b>100</b>	<b>100</b>

According to the above chart out of the 100 respondents, 90 respondents were switched over from one service provider to the another service provider because of so many factors like value added service problem, quality problem, network problem, extra bill problem, service care problem, tariff problem.

### Conclusion:

Therefore, after all the above important discussions it can be conclusive that it is important to know customers opinion towards mobile number portability and the impact of Mobile Number Portability on Customer Defection. From the survey found that some of respondents are average satisfied and maximum percentage of respondents is good satisfied with current service provider. Maximum percentage of respondents are switched over to the another service provider. This is indicating that, Number Portability will impact on customer defection in cellular services. But there is a huge competition in this industry, so that, this threat can be converted into an opportunity by the way of providing excellent services to their customers, so that, they can avoid the existing customers to switch over.

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