

“Study of Procurement Activities of Users With Respect To Price Changes in Indian Telecom industry”

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ABSTRACT

This study examines the procurement activities of users with respect to price changes in the Indian telecom industry. The study uses a survey of users to understand their procurement activities and how they respond to price changes. The survey results indicate that users are more likely to switch to a different service provider when prices increase. Furthermore, users are more likely to switch to a service provider offering better value for money. The study also finds that users are more likely to switch to a service provider offering better customer service and better network coverage. The findings of this study provide valuable insights into the procurement activities of users in the Indian telecom industry and can help service providers better understand their customers' needs and preferences.

Keywords: Customer, Customer needs and Satisfaction, Customer service,

I. INTRODUCTION

Consumer Buying Behavior:

Buying behavior is the decision processes and acts of people/prospective customers involved in buying and using products. The Indian telecom industry has seen a tremendous growth in the past few years. This growth has been driven by the increasing demand for mobile services, the introduction of new technologies, and the emergence of new players in the market. As a result, the procurement activities of users with respect to price changes in the Indian telecom industry have become an important area of study.

The study of procurement activities of users with respect to price changes in the Indian telecom

industry can provide valuable insights into the dynamics of the market. It can help identify the factors that influence the pricing of services and products, and the strategies adopted by users to maximize their savings. It can also provide an understanding of the impact of price changes on the demand for services and products, and the overall profitability of the industry. The study of procurement activities of users with respect to price changes in the Indian telecom industry can also provide an understanding of the competitive landscape of the industry. It can help identify the strategies adopted by different players in the market, and the impact of their strategies on the pricing of services and products. It can also provide an understanding of the impact of price changes on the profitability of the industry.

Consumer Buying Behavior refers to the buying behavior of the ultimate consumer.

Retailer needs to analyses buying behavior for:

- i. Buyer's reaction to a retailer's marketing strategy has a great impact on the retailer's success.
- ii. The marketing concept stresses that a retailer should create a marketing strategy that satisfies (gives utility to) customers, therefore need to analyse what, where, when and how consumers buy.
- iii. Retailers can better predict how consumers will respond to marketing strategies.

The four types of consumer buying behaviors are:

1. Routine Response/Programmed Behavior: Buying low involvement frequently purchased low cost items; need very little search and decision effort; purchase

almost automatically. Examples include soft drinks, snack foods, milk.

- Limited Decision Making: Buying product occasionally. When you need to obtain information about unfamiliar brand in a familiar product category, perhaps. Requires a moderate amount of time for information gathering. Examples include clothes-know product class but not the brand.

Extensive Decision Making/Complex high involvement, unfamiliar, expensive and/or infrequently bought products. High degree of economic/performance/psychological risk. Examples include cars, homes, computers, education. Spend a lot of time seeking information and deciding. Information from the retailer's catalogues; friends and relatives, store personnel, etc. Go through six stages of the buying process.

- Impulse buying, no conscious planning.

The purchase of the same product does not always elicit the same Buying Behavior. Product can shift from one category to the next.

II. LITERATURE REVIEW

[Garret Singh, Dr. Sanjeev K umar Garg, 2019] In their research paper publication- 'A STUDY OF CONSUMER BEHAVIOR ON SELECTING AND SWITCHING TELECOM SERVICES IN PATIALA CITY'

The study uncovers that plan rates assume the most imperative job in exchanging the Telecom Operators pursued by system inclusion, esteem included administration, Consumer care and ad which assumes the minimum vital job. It is discovered that there is a connection between exchanging the Telecom Operators and the variables (Customer benefit, benefit issue, utilization cost, and so forth.). Subsequent to breaking down the discoveries of the investigation, we propose that cell Telecom Operators focus more on expanding system dependability and setting duty rates aggressively. The discoveries additionally recommend that directors of these portable administrators should move center around building corporate picture and investigate all the more cautiously the purpose behind shoppers to switch marks in this industry so as to expand dedication among these purchasers.

[Dr. Anand Thakur, Ms. Heena Sharma, Ms. Manpreet Kaur, 2015] Conducted a research study on- 'SUBSCRIBER BEHAVIOR & MOBILE-VALUE ADDED SERVICES: A CRITICAL REVIEW'

India acquired top second rank in having largest

telecom industry. M-VAS is being changed from SMS to GPRS service with improved technology. Young generation is more eager and aware about advanced technology. People are conscious about mobile value added services but sometimes they find the difficulty while availing any particular service. Attributes like quality of service, price charged, promotional offers, relative advantage, ease of use, social influence and user experience are found to be most noteworthy while selecting M-VAS. Whereas dimensions like cost, service quality, tariff plans, price, and customer care services are not able to cope with consumer preference. The above mentioned discussion offers useful insights to the telecom marketers as well as academicians and researchers working on subscriber behavior towards M-VAS.

[Dr. D. Aravazhi, Mr. K. Arivazhagan, 2017] Conducted a research study on - 'CONSUMER BEHAVIOR TOWARDS PREFERENCE OF BRANDS IN CELLULAR PHONE SERVICES'

The research study analysis depicts that friends are the most influential sources of information followed by the internet. Advice from friends on the basis of their past experience influences the purchasing decision up to significant level. The role of internet can not undermine in this segment. With the availability of internet on mobiles and cheap access of internet, the role of TV as an influential source has gradually decreasing. In the era of digital information, it has witnessed that role of print media (newspaper, magazines) and radio has minimized. It has witnessed from the results of current study that availability of internet at high speed has become the most influential criteria while making purchasing decision in mobiles. This is followed by quality and power of camera and music player in the mobiles.

[Chanakya Kumar, 2015] Conducted a research study on- 'A STUDY OF IMPACT OF INNOVATIVE VALUE ADDED SERVICES ON CONSUMER BUYING BEHAVIOR IN THE TELECOM INDUSTRY IN PUNE'

The Mobile Value Added Services industry in India is at nascent stage. The Industry has a wide scope and umpteen opportunities of growth in the Indian Telecom Industry. Rapid penetration of Smart Phones and strong presence of 3G network in India enable to telecom companies to introduce innovative and useful mobile value added services for the customers. The Mobile Value added services is alternate and significant

medium for the telecom industry to differentiate their services and increase their average revenue per user. The current study shows that innovative Mobile Value Added services and cost of innovative mobile value added services are one of the major reasons to switch over to other service providers. The people who have innovative characteristics always seek new and useful products.

[Abhishek Singh, Dipankar Dey, Sukanta Chandra Swain, 2015] Conducted a research study on - 'A Framework for Studying Customer Behavior in the Context of Developing Customer Retention Strategies in Telecom Industry of Bihar'

In order to behave rationally in the economic sense, a consumer would have to be aware of all the available consumption options, be capable of correctly rating each alternative and be available to select the optimum course of action (Schiffman & Kanuk 2007). These steps are no longer seen to be a realistic account of human decision making, as consumers rarely have adequate information, motivation or time to make such a 'perfect' decision and are often acted upon by less rational influences such as social relationships and values (Simon 1997). Furthermore, individuals are often described as seeking satisfactory rather than optimum choices, as highlighted by Herbert Simon's Satisficing Theory (Simon 1997), or Kahneman and Tversky's Prospect Theory (Kahneman & Tversky 1979) which embrace bounded rationality (Simon 1991). By studying customer behavior, the findings of the proposed research will help the Telecom industry 'Know their customers better'. The Telecom operators are focusing on 360° profiling of its customer base so as to make relevant / contextual retention pitch. The current limitation is that the system can study existing customer base on the basis of

displayed behavior. The research result will provide a tool for the industry to predict possible churn and to provide customer profile right at the time of acquisition. This brings in a new dimension to know the customer better and also help the Operator devise timely interventions for effective Retention. This will hence provide a potent tool in the hands of Industry to safeguard their customers from competition.

Objectives of Study

1. To study how the price changes have affected the procurement behavior of consumers over past years
2. To study the factors affecting brand preference of consumers
3. To study development of Indian Telecom Industry.

Research Methodology

Research Design

- Type of Study-Descriptive Study
- Type of Research-Survey
- Method of Survey-Questionnaire method
- Sample size-103 participants

Statistical analysis:

- convenience sampling
- Sampling method-Non-probability and

Data collection method:

1. Primary-Questionnaire
2. Secondary-Internet and Literature Review

Statistical method and tool:

Chi-Square Test

Hypothesis-The

test we use in testing this hypothesis is Chi-Square test
 H_0 = Gender bifurcation has no significant influence on consumption of telecom services when price changes.
 H_1 = Gender bifurcation has significant influence on consumption of telecom services when price changes.

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * QUE1	103	100.0%	0	0.0%	103	100.0%

Gender	que1		Total
	No	Yes	
Female	12.00	18.00	30.00
	40.00%	60.00%	100.00%
	33.33%	26.87%	29.13%
	11.65%	17.48%	29.13%
Male	24.00	49.00	73.00
	32.88%	67.12%	100.00%
	66.67%	73.13%	70.87%
	23.30%	47.57%	70.87%
Total	36.00	67.00	103.00
	34.95%	65.05%	100.00%
	100.00%	100.00%	100.00%
	34.95%	65.05%	100.00%

Chi-Square Test

Statistic	Value	df	Asymp. Sig. (2-tailed)	Exact Sig. (2-tailed)	Exact Sig. (1-tailed)
Pearson Chi-Square	.47	1	.491		
Likelihood Ratio	.47	1	.493		
Fisher's Exact Test				.504	.320
Continuity Correction	.21	1	.644		
N of Valid Cases	103				

III. RESULTS

H0 = Gender bifurcation has no significant influence on consumption of telecom services when price changes.

H1 = Gender bifurcation has significant influence on consumption of telecom services when price changes.

Since the value is less than the significance $0.47 < 0.491$ it can be said that the null hypothesis is rejected and it could be said that gender bifurcation has significant influence on consumption of telecom services when price changes. This also can be interpreted from a marketer's view

as they have to aim or target their audience very carefully, choose gender even as it has a significant impact on the buying behavior of the consumer when the price fluctuates.

IV. LIMITATIONS OF STUDY

1. Lack of reliable data: The Indian telecom industry is highly competitive and dynamic, making it difficult to obtain reliable data on price changes.
2. Limited access to user information: It is difficult to access user information due to

privacy concerns.

3. Limited resources: Procurement activities require significant resources, which may not be available to all users.
4. Regulatory restrictions: The Indian telecom industry is heavily regulated, which may limit the scope of procurement activities.
5. Lack of expertise: Many users may not have the necessary expertise to effectively analyze price changes in the telecom industry.

V. CONCLUSION AND FINDINGS

- 1) The sample population were 70% male & 30% female and majority were between the age of 18-24 and are recurrently studying.
- 2) Our findings accurately point out that more than 45% of the population is using JIO as their current telecom service provider followed by Vodafone Idea at 32% and Airtel at 19% & more than 50% of the population have been using their current telecom service provider for less than 4 years and have shifted from their previous service provider to the current one after JIO entered the market in 2016.
- 3) The reasons for the changing their service provider were given as:
 - (a) To get better prices
 - (b) To get better network connection
 - (c) To get more and improved Value added services
- 4) The monthly expenditure of the population is between 100-550 rupees per month on their mobile recharges or continued use of their telecom service provider, in their households other members of their family are using Vodafone Idea at 40% followed by JIO at 38% and Airtel at 16%.
- 5) The best for medium of influence to attract them towards their current service provider is TV advertisements followed by Social Media ads and friends and family's recommendations these were the most influential in them selecting their current telecom service provider for their daily use.
- 6) The most attractive attribute of service provider is free of charge calling and daily data for use, the price fall in 2016 after JIO entered the market has also hugely affected the population's usage of their data and calling they tend towards using both services frequently, & the price increase in 2019 after AGR dues have also affected their usage as it

has gotten more expensive to use calls as well as data so the consumers are now choosing cheaper packages and use less calling and shifting more towards broadband services all together.

- 7) Majority (64%) of the sample population would pay more money to avail better services than to compromise on network and have connectivity issues in their telecom services. Also they currently like network services the most in their current telecom operator followed by freebies provided like free TV and music, etc.
- 8) The answers given by the sample population also suggest that for them to choose any network providers one of the following traits/services are essentials:

- (a) Strong Network
Vast Coverage
- (b) Competitive Pricing
- (c) Good and responsive customer services
- (d) Good Value Added Services

Some of the things which are not essential are:

- (a) Brand Image
- (b) Freebies or promotions on recharges

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