

**CUSTOMERS' REPURCHASE INTENTIONS OF AIRTEL'S DATA SERVICES AND
DEVICES IN PONDICHERRY TOWN**

Dr.R.Amudha*

S.Swarnalakshimi**

**Faculty, School of Management, SASTRA University, Thanjavur*

***Student, School of Management, SASTRA University, Thanjavur*

ABSTRACT

India is currently the world's second-largest telecommunications market and has registered strong growth in the past decade and half. Airtel is one of the leading telecom firms in the country. The company is famous for its world presence, excellent service and brand image managed by experts. The company is now targeting on the value added services like Data Devices and Services to increase its profit. The main objective of this study is to determine the level of customers' repurchase intentions and willingness to recommend the Airtel's product to others. The study is based on primary data collected from 200 respondents by way of administering the questionnaire. The respondents were selected based on simple random sampling method from the customers of Airtel's Data services and Dongles situated in and around Pondicherry town. The data were analyzed using percentage analysis and ANOVA single factor with the help of SPSS package. The result revealed that the Airtel's existing customers' intention to repurchase is high. It has been found that the factors like offers, speed, customers' perceived value, positive word of mouth and brand recognition drives the growth of repurchase intentions of existing customers. The company should reduce the tariff rates to enhance the repurchase intentions of customers and to attract new customers towards its products and services. If the repurchase intention increases, the customer base will expand resulting in augmented profit for the company.

Key words: Perceived Value, Repurchase, Loyalty and Data Providers

1. Introduction

Airtel the biggest telecom player and a market leader in Indian market in terms of subscribers and revenue. From the days of initiation Airtel maintained an image of better networking, better consumer service in terms of customer relationship management and a brand of high image which in other words can be said as Airtel's unique selling preposition.

In modern market "customers are considered as kings". The only way for making profit in

today's market is to make loyal customers. Airtel has a good brand name, the rebranding campaign airtel made recently is also very impressive. However, competition is severe in a growing market like India. So it is necessary to create repurchase intentions among the existing customers.

This study is done in order to find out the repurchase intentions prevailing among the existing customers in terms of customer's perceived value. Only when there is continuous repurchase the company will be able to earn more profit. As the quote says "The cost of bringing in new customer is higher than that of maintaining the existing customer" so the companies tend to prefer to maintain the existing customer.

2. Review of literature

Delivering high quality service and a credible corporate image results in high customer satisfaction, which in turn leads to high repurchase intention and less switching behavior. (Kavita Srivastava & Narendra K. Sharma 2013). As the market reaches its saturation point, the effectiveness of customer acquisition through the traditional subsidy decreases and offering differentiated services for existing customer retention is critical. (Chunghun Lee et al. 2015). Repurchases intention is positively affected by customer satisfaction, loyalty and perceived value. In conclusion, customer satisfaction is the key factor to be considered if telecom companies are willing to survive in today's harsh competition. (Abbas Al-Refaie, Issam S. Jalham, Ming-Hsien Caleb Li 2012). Satisfaction, switching costs, and attractiveness of alternatives are the most commonly used predictor variables to explain switching intentions. Customer switching behavior in mobile telecommunication services has received a lot of attention. (Yi-Fei Chuang, Yang-Fei Tai 2016). The Indian mobile telecommunications services market has experienced a tremendous growth over the last few years. This has been bolstered by the influx of the foreign direct investment in this sector. Competition among existing players has also intensified as companies are increasingly focusing both on retaining their existing customers as well as attracting new ones. (Eshghi, Abdolrezaei 2008). Customer retention is studied by bringing in switching costs as a part of the network of relationship involving perceived value, perceived service quality, and customer satisfaction. (Manoj Edward, Sunil Sahadev, 2011). Cellular mobile industry has undergone rapid changes as a result of liberalization and globalization. As a result of increased competition, customer loyalty and retention have become important goals for mobile service operators (Seth, Anita; Momaya, Kiran; Gupta, 2005). Perceived quality is an important predictor

to customer satisfaction, which ultimately results in trust, price tolerance and customer loyalty (Balaji, Makam, 2009). Customer satisfaction, perceived switching costs, service quality, and perceived value have positive and significant relationships with customer loyalty. Among the demographic variables, only income and area of residence moderate the relationships between customer loyalty and the antecedents (Abdul Qayyum et al 2013). Retaining the existing customers by enhancing customer loyalty and customer value has become a core marketing strategy of the service providers. (Rashmi, Krishnakumar, 2015). A positive relationship between service quality, perceived value, satisfaction and loyalty (Chen and Cheng 2012). Generic requirements, price, and flexibility are major drivers of customer satisfaction of mobile network providers and brand wise relevance of these key determinants (Shibashish Chakraborty, Kalyan Sengupta, 2013).

3. Objectives and scope of the study

A telecom company is said to be the market leader only based on its strong customer base. Now a day's many people use a different sim every month, this will lead to huge fluctuation in the customer base. In order to maintain a huge customer base, the customer will have to repurchase the same product frequently. This study is focused on customer repurchase behavior of existing customer towards Airtel's Dongles. The major objectives of the study are to analyses the perceived value of customer using Airtel's services and to find the existing repurchase intention of existing customers. The study is carried out at BHARATHI AIRTEL to determine the repurchasing behaviour of AIRTEL customers residing in Pondicherry. Primary data were collected from 200 respondents who are selected by random sampling method by administering the questionnaire.

4. Analysis and discussion

The primary data were collected from the investors through questionnaire and the same were analyzed using the statistical tools like percentage analysis and Chi-square which were interpreted in the following tables.

Table No.1
Socio-economic profile of respondents

Age (years)	No of Respondents	Percentage to total	Monthly Income (Rs)	No of Respondents	Percentage to total
< 25	76	38.0	< 10000	76	38
25 – 35	51	25.5	10000 – 30000	76	38
35 – 45	39	19.5	30000 – 50000	38	19
Above 45	34	17.0	> 50000	10	5
Total	200	100	Total	200	100
Gender	No of Respondents	Percentage to total	Location	No of Respondents	Percentage to total
Female	116	58	Urban	194	97
Male	84	42	Rural	6	3
Total	200	100	Total	200	100
Current Status	No of Respondents	Percentage to total	Wifi operators used	No of Respondents	Percentage to total
Student	58	29.0	BSNL	77	38.5
Business	48	24.0	Airtel	72	36.0
Private Employee	61	30.5	MTS	45	22.5
Government Employee	33	16.5	Idea	6	3.0
Total	200	100	Total	200	100

Source: Primary data

According to above table, it is observed that majority 58% of the respondents are female and 42% of respondents are male. 38 % of the respondents are less than 25 years 26% of respondents belong to the age group of 25-35 years,19.5% of respondents belong to age group of 35-45years and 17% are above 45 years. Students constitute 29% of respondents; private employee constitute 30.5 %; Government employee constitute 16.5% and respondents doing business constitute 24%. 38 % of the respondents receive monthly income of less than Rs.10,000, 38 % of

the respondents are earning between Rs.10,000- 30,000, 19 % are earning between Rs.30,000- 50,000 and the remaining 5% of respondents earning more than Rs. 50,000. It is also clear that 97% of the respondents live in urban area and 3 % live in rural area. It is clear that among WIFI service providers, BSNL is the most preferred network (38.5%), Airtel is preferred by 36% of respondents, MTS is preferred by 22.5% of respondents and Idea by 3% of respondents.

Table No.2
Respondents' intentions and preferences towards internet

Duration of usage of dongles	No. of respondents	Percentage to total	No of times/day	No of respondents	Percentage to total
< 3 Months	95	47.5	Once	62	31.0
3-6 Months	30	15.0	Twice	46	23.0
1 Year	18	9.0	More than twice	91	45.5
> 1 Year	57	28.5	Not Even Once	1	0.5
Total	200	100	Total	200	100
Data providers	No. of respondents	Percentage to total	Price sensible operators	No of respondents	Percentage to total
Airtel	115	57.5	Airtel	54	27.0
Idea	51	25.5	Idea	32	16.0
Vodafone	20	10.0	Vodafone	66	33.0
Docomo	9	4.5	Docomo	33	16.5
Others	5	2.5	Aircel	15	7.5
Total	200	100	Total	200	100

Source: Primary data

The above table shows that 46 % of respondent's login to net many times a day, while only 0.5% login not even once a day. While 31% login once a day and 23% login twice a day. It also shows that new customers for dongle are high as nearly 47.5% of respondents use just for 3 months at the same time 28.5% is contributed by customer who use it for more than a year. From the above

table it is clear that in data card service Idea is the direct competitor for Airtel. Airtel constitutes 57.5% of internet provided, idea contributes to 25.5 %, Vodafone 10% and the remaining 4.5%. Airtel is preferred as price sensible network by only 27 % of the respondents while 33 % prefer Vodafone and 16.5% prefer docomo while only 1% prefer Aircel and Idea is preferred by 16% of respondents.

An attempt is made to study the relationship between socio-economic factors and internet usage by using Chi-square test.

Null Hypothesis (Ho) – The monthly Income do not influence the maximum monthly recharge for themselves.

Table No 3
Income and maximum recharge – Chi square

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	53.051 ^a	15	0.000
Likelihood Ratio	58.515	15	0.000
Linear-by-Linear Association	1.275	1	0.259
N of Valid Cases	200		

Source: primary data (Significance@ 5%)

From the above table it is inferred that the Pearson Chi-Square value is significantly low, which is less than 0.05, hence null hypothesis is rejected. Hence, it is clear that monthly income influences the maximum recharge for themselves.

Null Hypothesis (Ho) – Age do not influence the night internet users due to airtel's night offer

Table No 4
Age and night internet users– Chi square

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	54.901 ^a	16	.000
Likelihood Ratio	60.035	16	.000
Linear-by-Linear Association	.023	1	.878
N of Valid Cases	200		

Source: primary data (Significance@ 5%)

From the above table it is inferred that the Pearson Chi-Square value is significantly low, which is low than 0.05, hence null hypothesis is rejected. Hence, it is clear that age influences the night internet user due to airtel's night offer. This is because the people who use internet during night are only young people as aged people prefer to sleep early and wake up early.

Null Hypothesis (Ho) – The area of living does not influence the availability of products

Table No 5
Area of living and product availability –chi square

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.511 ^a	2	.139
Likelihood Ratio	8.825	2	.012
Linear-by-Linear Association	5.169	1	.023
N of Valid Cases	197		

Source: primary data (Significance@ 5%)

From the above table it is inferred that the Pearson Chi-Square value is significantly low, which is less than 0.05, hence null hypothesis is rejected. Hence, it is clear that area of living influences the product availability but availability is influenced by the demand of the product.

Null Hypothesis (Ho) –The customers repurchase intention is not influenced by Product profile

Table no: 6

Repurchase intentions and product profile- ANOVA Single factor

Factors	P value	RESULT
Product Availability	0.067	Accepted
Product Awareness	0.918	Accepted
Promotion	0.733	Accepted
Retailer's Support	0.836	Accepted

Source: Primary Data (Significance@ 5%)

From the above table, it is inferred that the significance level is observed to be higher than .05 for all product profile factors. Hence, the null hypothesis is accepted and therefore, these factors do not influence the repurchase intention of customers. The proper product profile does not affect repurchase intention. The retailers support and promotion helps to get new customers whereas not to retain the existing customers.

Recommendations and conclusion:

The price can be made little sensible as it is found to one major reason for not repurchasing the product. The price of the products is affecting the sales of the product if the price is reduced the number of products sold can be increased. The signal coverage should be made higher so that the signal problems will not arise. The direct competitor for the products are idea and BSNL. The company has to make a keen watch on its competitors because a little change left unwatched will lead to losing the customers. In market every day every small thing makes huge differences. The major customer support is students; the company should ensure to make them as their permanent customers. Students tend to move towards those operators who are price sensible. So Airtel has to

make sure that it retains the customers as these customers will remain for a longer period of time if retained properly.

Any organization finds it profitable in retaining the existing customer base rather than acquiring new customer base. The positive word of mouth and repurchase intentions of existing customers will also attract new customers to the organization. Repurchase intention of customers can be taken as a positive sign of satisfaction among them, this will also result in loyalty of the customers towards the organization. With the developments in technology there may be a scope for updated products and services in the tele communication industry. The customers will also be aggressive in using the updated products and services. This may also cause a small degree of shift in demand from one network provider to another network provider who is offering with the recent technology. This small and invisible change in the mind-set of the customer may result in tremendous sales of the network provider. It is to be accepted that no network provider will be free from this kind of threat in the market. It is obvious that Airtel will also be in a position to face the same situation. Thus, Airtel has to be vigilant and vibrant enough in the market to attain a sustainable competitive advantage.

REFERENCES

1. Abbas Al-Refaie, Issam S. Jalham, Ming-Hsien Caleb Li, Factors influencing the repurchase intention and customer satisfaction: a case of Jordanian telecom companies, *International Journal of Productivity and Quality Management*, 2012; 10(3): 374–387.
2. Abdul Qayyum, Do Ba Khang, Donyaprueth Krairit, An analysis of the antecedents of loyalty and the moderating role of customer demographics in an emerging mobile phone industry, *International Journal of Emerging Markets*, 2013; 8 (4): 373 – 391.
3. Balaji, Makam S, Customer Satisfaction with Indian Mobile Services, *IUP Journal of Management Research*, 2009; 8(10): 52-62.
4. Chen, C.F., & Cheng, L.T., A study on mobile phone service loyalty in Taiwan, *Total Quality Management*, 2012; 23(7): 807-819.
5. Chunghun Lee, Yonsei, Nayeon Kwak, Yonsei & Choong Lee, Yonsei, Understanding Consumer Churning Behaviors in Mobile Telecommunication Service Industry: Cross-

national Comparison between Korea and China, Association for Information Systems Electronic Library, 2015

6. Eshghi, Abdolreza; Roy, Sanjit Kumar; Ganguli, Shirshendu, Service quality and customer satisfaction: an empirical investigation in Indian mobile telecommunications services, Marketing Management Journal, Fall2008;18(2):119-144.
7. Kavita Srivastava & Narendra K. Sharma, Service Quality, Corporate Brand Image, and Switching Behavior: The Mediating Role of Customer Satisfaction and Repurchase Intention, Services Marketing Quarterly, 2013; 34(4):274-291.
8. Manoj Edward, Sunil Sahadev, "Role of switching costs in the service quality, perceived value, customer satisfaction and customer retention linkage", Asia Pacific Journal of Marketing and Logistics, 2011; 23(3):327 – 345.
9. Rashmi K.R. Krishnakumar P, Determinants of customer loyalty in Indian mobile telecom sector - a conceptual analysis, Asia Pacific Journal of Research, 2015; 1(32)157-168.
10. Seth, Anita; Momaya, Kiran; Gupta, H. M, An exploratory investigation of customer loyalty and retention in cellular mobile communication, Journal of Services Research, 2005; Special Issue, 173-185.
11. Shibashish Chakraborty, Kalyan Sengupta, An exploratory study on determinants of customer satisfaction of leading mobile network providers – case of Kolkata, India", Journal of Advances in Management Research, 2013; 10(2):279 – 298.
12. Yi-Fei Chuang, Yang-Fei Tai, Research on Customer Switching Behavior in the Service Industry, Management Research Review, 2016;39(8).
