

Impact of Value Added Services by Mobile Network Companies On Customer Retention

A. Govind*

CET School of Management, Thiruvananthapuram, India

Abstract: Mobile value-added services (MVAS) are non-core services provided by the telecommunications industry. Short message service (SMS), Interactive Voice and Video Response (IVVR), Wireless Application Protocol (WAP), Unstructured Supplementary Service Data (USSD), utility VAS, social networking, infotainment, and m-education are all examples of this. These additional services are provided by the operator for a fee and are regarded as an effective source of additional revenue. Apart from that, these services help to improve the overall consumer experience, the pricing proposition, and the operator's return on investment (ROI). The research looks into the potential of MVAS to improve the quality of life and standard of living for large segments of the Indian population, including effective and efficient service delivery.

Keywords: mobile value-added services, entertainment services, cloud services, customer satisfaction.

1. Introduction

Mobile value added services (MVAS) are mobile services provided by mobile service providers in addition to voice communication services. Short message service (SMS), multimedia messaging service (MMS), mobile email & instant messaging (IM), mobile money, location-based services, mobile advertising, and mobile infotainment are some of the MVAS that allow mobile subscribers to use smart phones and tablets for non-voice purposes.

Rapid technological advancements have resulted in the evolution of MVAS beyond voice communication services. It enables mobile service providers to generate and sustain new revenue streams while increasing ARPU. Some of the factors driving the mobile value added services market include rising mobile phone sales, increased network penetration, and increased return on marketing spend. Vendors can take advantage of new opportunities thanks to social media. Privacy concerns, on the other hand, are the primary challenge that marketers in the MVAS ecosystem face.

The mobile phone is maturing as an integral part of our lives, with applications ranging from basic voice calling to instant messaging, calculator, mini camera, music player, and an internet-ready, application-driven computing system. While the mobile phone's reach is formidable and its potential for service delivery is enormous, the range of services currently available in the Indian market is unquestionably limited.

However, the number of needs it can serve, ranging from health, entertainment, and education to financial inclusion and governance, is limitless. In this context, the purpose of this research is to better understand the current and future state of Mobile Value Added Services (MVAS) in India, as well as some of the key drivers, challenges, and solutions that can help the ecosystem grow. The study delves deeper into the potential of MVAS to improve the quality of life and standard of living for large segments of the Indian population, including effective and efficient service delivery.

2. Mobile Telecom Sector in India

To help us narrow our options, there are two types of SIM cards in India. In India, we can purchase a prepaid SIM card, which allows us to prepay for services such as calling, data, and texting. However, there is a disadvantage to getting a prepaid SIM card, such as the need for a constant top-up. The other option is a postpaid SIM card, which charges you after you use services such as calling, data, and texting. They are, however, more expensive than prepaid plans. Airtel, VI, Jio, and BSNL, the only government-run telecom service, are the most widely used service providers in India. Jio, Airtel, and VI have the best 4G coverage in the country.

3. Scope of the Study

In the telecommunications industry, value-added services (VAS) are non-core services that are added to core or basic services. Initially, it was free SMS, dialer tones, and so on. However, companies are now offering more services in the form of Apps. The mobile value added services market in India is currently dominated by entertainment, music, and sports. The younger generation of consumers is more likely to take advantage of such Value Added Services. This study is being conducted to determine how these services increase customer loyalty, particularly among young people.

4. Problem Statement

This study is being conducted to determine which value-added services are being used by customers. Analyze customer satisfaction with value-added services and determine whether value-added services have an impact on customer retention.

*Corresponding author: govind1077@gmail.com

5. Objectives of the Study

- Gain an understanding of the current state and future prospects of the MVAS industry.
- Identify the most using value added services by customers.
- Determine the level of customer satisfaction with value-added services.
- Determine how value-added services keep customers loyal.

6. Limitations of the Study

Different network operators offer different types of services, and different customers want different types of services as well. As a result, we are unable to conduct a study on the fundamentals of any specific company or service. As a result, the study will provide an overall assessment of the impact of VAS on customer retention.

7. Literature Review

Rekha Jain (1993) reviewed policy changes affecting the Indian telecom sector during the early stages of post-liberalization. According to the author, in response to various modes of forces, the telecommunications sector has experienced vibrant technological and structural changes in order to meet business needs at lower costs and rates.

Islam (2015) conducted a study in Bangladesh to better understand the various factors that influence user intentions toward mobile value added services. The major factors found to be perceived usefulness, perceived ease of use, social influence, perceived risk, and perceived enjoyment, with use intentions scoring highest and speed of use scoring lowest.

Bhukya and Singh (2013) discussed the characteristics Network Coverage, Tariff Plans, and Customer Services that were deemed important and critical for the selection of service provider by both male and female students when selecting a specific cellular service Provider.

Wang (2012) investigated the effects of perceived playfulness and information system quality on the intentions of mobile phone subscribers to use MVASs. It was discovered that information quality, system quality, and service quality all play a role in perceived ease of use and usefulness. Inexperienced users were drawn to value-added services that met their need for information and entertainment, whereas experienced users were more quality conscious.

Rengarajan and Kavipriya (2011), their study identified that majority of people in Tripur used value-added services. SMS, ringtones and picture download, video clips, information services, Internet/GPRS, and third-party conference were the most popular services among consumers. Customers were pleased with the cost of the value-added service.

Satyanarayana, Rao, and Naidu (2017) proposed that the introduction of Reliance Jio's free service changed consumer behaviour and competitors' strategies in a racially and unexpected way. Other mobile networks are experiencing difficulties as a result of the services provided. To compete with Jio, companies must devise strategies and strengthen their positions in the industry.

Venkataraman. V (2016) investigated the behaviour of

mobile phone users in the Tiruchirappalli District. It has examined the user's expectations from their service provider. Recharge and network coverage are critical factors in deciding on a service provider.

8. Research Gap

Several studies are being conducted to assess the impact of value-added services. However, no studies have been conducted to examine how each segment of value-added service affects customers. As a result, this study is being conducted on the basis of various types of value added services, particularly recharge plans, entertainment services, e-commerce services, and cloud services.

9. Research Design

The study's aim is to learn about customers' attitudes toward mobile value added services. To achieve this goal, a questionnaire is distributed to a select group of people to determine their percentage of positive and negative reactions to various mobile value added services. Non-Probability Convenience sampling was used in this study. One of the most common types of non-probability sampling methods is the convenience sample. A convenience sample consists of people who are easily accessible. This study's sample size is 100. The primary data in this study were collected directly from the sample respondents using a structured questionnaire. Secondary information is important in this research because it was gathered from various sources such as journals, articles, e-resources, published books, and other published sources.

10. Data Analysis

In this survey 80 percentage of them are belongs to 20-35 age.76 percentage of respondents are married and 55 percentage of respondents belongs to urban area.74 percentage of respondents are students and 20 percentage are employed.

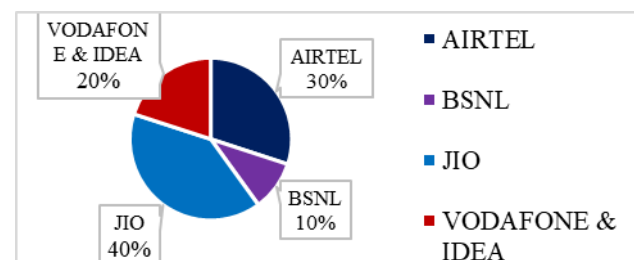


Fig. 1. SIM card service using by respondents

11. Result Analysis

A. *Relationship between service provider and their recharge plans on customer retention*

H1: There is no relationship between Service provider and their recharge plans on customer retention

Ha: There is relationship between Service provider and their recharge plans on customer retention.

Table 1
ANOVA test result of recharge plans

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.458	3	2.153	3.118	.030
Within Groups	66.292	96	.691		
Total	72.750	99			

Inference: As the P value is less than 0.05 the null hypothesis is rejected and the alternate hypothesis is accepted.

B. Relationship between service provider and their entertainment services on customer retention

H2: There is no relationship between Service provider and their Entertainment services on customer retention.

Ha: There is relationship between Service provider and their Entertainment services on customer retention.

Table 2
ANOVA test result of entertainment service

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.298	3	2.099	3.458	.019
Within Groups	58.292	96	.607		
Total	64.590	99			

Inference: As the P value is less than 0.05 the null hypothesis is rejected and the alternate hypothesis is accepted.

C. Relationship Between Service Provider and Their E-Commercial Services On Customer Retention

H3: There is no relationship between Service provider and their E-Commercial services on customer retention.

Ha: There is relationship between Service provider and their E-Commercial services on customer retention.

Table 3
ANOVA test result of e-commercial services

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.243	3	2.081	2.874	.040
Within Groups	69.517	96	.724		
Total	75.760	99			

Inference: As the P value is less than 0.05 the null hypothesis is rejected and the alternate hypothesis is accepted.

D. Relationship between service provider and their cloud services on customer retention

H4: There is no relationship between Service provider and their Cloud services on customer retention

Ha: There is relationship between Service provider and their Cloud services on customer retention.

Table 4
ANOVA test result of entertainment service

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.673	3	.558	.748	.526
Within Groups	71.567	96	.745		
Total	73.240	99			

Inference: As the P value is greater than 0.05 the null hypothesis is accepted and the alternate hypothesis is rejected.

E. Correlation Test

H5: There is no relationship between Customer satisfaction and Willingness of customers to continue on current network

Ha: There is relationship between Customer satisfaction and Willingness of customers to continue on current network.

Table 5
Correlation test result

		Customer satisfaction	Willingness to continue the service
Customer satisfaction	Pearson Correlation	1	.444**
	Sig. (1-tailed)		.000
	N	100	100
willingness to continue the service	Pearson Correlation	.444**	1
	Sig. (1-tailed)	.000	
	N	100	100

Inference: As the P value is less than 0.05 the null hypothesis is rejected and the alternate hypothesis is accepted.

12. Findings

- 80 percentage of respondents are from age group 20-35. so the survey is almost based on youth.
- Maximum number of respondents was found to be students followed by workers and unemployed.
- 40 percentage of respondents are using Jio service, 30 percentage using Airtel, 20 percentage using VI and 10 percentage using BSNL. So we can see a trend towards Jio and Airtel.
- 66 percentage of respondents change/port their number previously due to Poor network coverage followed by poor services, unattractive plans, higher tariffs and higher network congestion.
- From the data analysis we can see that most of the customers give higher preference to Recharge plans, entertainment services and e-commercial services and give less preference to cloud services and other services.
- From the study it shows that respondents have average satisfaction towards all four service providers and their value added services.

13. Suggestions

- Network companies should maintain their recharge plans and try to avoid unattractive plans.
- Entertainment Services should be increased to create positive impact on customers so try to reduce the extra cost for some value added services.
- Promoting E-Commercial services will also make positive impact on customer retention.
- Network companies also try to avoid higher network congestion and higher tariffs.
- Try to promote other services like cloud, e-books etc.

14. Conclusion

Mobile value-added services play an important role in retaining customers. In order to accomplish this, MVAS must

have a positive impact on customers. We concluded from this study that customers are more likely to stick with a service provider that offers better Recharge plans and entertainment services. In addition, the majority of customers are enthusiastic about e-commerce services. Other than network coverage, these three factors have an impact on customer retention.

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