

CHAPTER 3

METHODOLOGY OF PRESENT STUDY

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CHAPTER: 3

METHODOLOGY OF PRESENT STUDY

3.1 INTRODUCTION:

For carrying out the study of marketing organization structure and strategies, it is imperative that an appropriate procedure is followed. For this study involving data on different aspects, appropriate methods of collection of data had be devised. This chapter attempts to provide an overall design of the study with procedural details of the research undertaken. The statement of the problem, objective of the study, limitation of the study population of the study sample of the study, Methods of Analysis and statistical techniques used in the present study, sources of data and their collection. The last section of the chapter deals with the terms used in the present study. Thus, this chapter will be chiefly concerned with showing how the cardinal objectives of the study has been fulfilled.

3.2 STATEMENT OF THE PROBLEM :

“A study of marketing organization structure and strategies of cellular operators in Gujarat”.

3.3 OBJECTIVES OF THE STUDY :

- 1) To study the role of government in framing rules and objectives for cellular operators with reference to the liberty of business
- 2) To study market organization and strategy used by various cellular operators
- 3) To study product life cycle of cellular phone vis-à-vis wire line telecommunication

- 4) To study the parallel market for cellular instruments
- 5) To study whether marketing strategy and frequent changes in it has an impact on unstable market share of cellular operators
- 6) To study the impact of differences in rates for call from when it was introduced and now
- 7) To study the awareness of negative externalities if at all
- 8) To study the effects on present users and market if additional operators enter the market

3.4 HYPOTHESIS:

- H1 Removal of monopoly in telecommunication sector and entry of private players has led to change in the market situation.
- H2 The changing marketing situation has led to changes in the strategies adopted by cellular operators.
- H3 Changes in the strategies adopted have led to changes in the marketing organization structure.
- H4 The strategies adopted by cellular operators are influenced by initial resource position of each operator.
- H5 Adoption of the new telecom policy has improved India's competitiveness in the global market enabling Indian telecom companies to become truly global players and also has wide spread ramifications on the entire economy of the country.

- H6 The new telecom policy has led to emergence of keen competition and lowering of tariffs, leading to consumer satisfaction, better services and sound infrastructure.
- H7 The social cost of the advancements in technology has increased.

3.5 LIMITATIONS OF THE STUDY :

The present study has been limited with respect to the following points.

- 1) The present study is limited to the study of marketing organization structure and strategies of cellular operators of Gujarat.
- 2) The present study is limited to period of one decade from 1994 to 2004, as only one decade is completed since privatization in 1994.
- 3) Limitation is with regard to the size of the sample.
- 4) Due to constraints of time, the study could not be broad based and was confined to major cities of Gujarat namely Baroda, Ahmedabad and Surat.
- 5) Study of only cellular operators is taken which is not enough to have overview of telecommunication sector (Basic, Services, WLL, Cellular Services).
- 6) The limitations of threat of the secondary data sources employed to the research project do prevail.
- 7) Responses given by the respondents are subject to their personal bias.

3.6 POPULATION OF THE STUDY :

The population of study is Gujarat and all the four cellular operators of Gujarat are also giving their services in other parts of India and more or less same marketing organization structure and strategies are adopted in each circle. Taking into consideration various aspects like adequacy, feasibility and availability of data Gujarat was selected for population of study.

3.7 SAMPLE OF STUDY :

i) **Sample of Organization :**

For the purpose of an in depth analysis of marketing organization structure and strategies adopted by cellular operators all the four cellular operators have been selected which are functioning in the state of Gujarat:

- 1) BSNL
- 2) Hutchison
- 3) Bharti Cellular
- 4) Idea Cellular

This investigator has selected only cellular operators and not WLL (Wireless in Local Loops) operators which are also giving almost the same services as cellular operators, after the amendment of TRAI Act and unified license came into existence, by which even WLL operators can give the same kind of services to its customers. For accurate results of analysis as well as due to the availability of adequate and reliable information of data, investigators have taken only four cellular operators for the purpose of the present study.

ii) **Number of Users :**

Total numbers of users are 477. Due to the time and cost constraints only 477 questionnaires were filled up.

Users : 178 from Baroda
 191 from Ahmedabad
 108 from Surat

Baroda, Ahmedabad and Surat are more developed districts of Gujarat with a wider subscriber base. Considering feasibility aspects; these districts are selected for the purpose of the study.

iii) Sampling Techniques:

The technique used for the selection of the sample is random sampling. The main reason for selecting this technique is feasibility in terms of time and cost.

iv) Time period of study:

The time when sample was drawn is November, 2004 – May, 2005. The study attempts to cover a period of one decade from 1994 to 2005. The reason behind selection this period is it is long enough to analyse the changes in business environment. Moreover, this time period has witnessed are major changes in the telecommunication sector. In 1994 India's telecom sector was liberalized and licenses for providing cellular mobile services was given to private operators. This happened with the introduction of New Telecom policy in 1994, then later on amendment was made and Telecom Policy 1999 came into existence. Operators in each circle were increased from two to four.

And so to study the effect of liberalization of telecom sector on its development and also to study changes which are occurred due to entry to private players on is efficiency to provide telecommunication services, this time frame is undertaken.

During this period private operators in each circle increased from two to four, so to study the steps undertaken to cope up with these changes, this period was chosen for the study.

3.8 METHODS OF ANALYSIS AND STATISTICAL TECHNIQUES USED IN THE PRESENT STUDY :

The present study is an attempt to analyse marketing organization structure and strategies adopted by cellular operators of Gujarat. The approach adopted is analytical and interpretative in nature.

On the basis of the review and the objectives of this study, it was decided to employ quantitative descriptive methods of analysis and investigation of empirical data. The analytical and descriptive approach is followed because of the fact that it seeks to analyse and interpret the data collected by way of questionnaire.

For better understanding of the functioning of each operator inter operator comparison of cellular services is also taken into consideration.

To study various variables the following tests were conducted. Univariate tables were generated for each variable (quest). We have 6 independent variables : City, Age, Sex, Income, Education, Occupation.

With those questions variables we have generated bivariate tables and using chi-square have checked significant level. Also we have found out average and standard deviation for those variables which are continuous, like cost.

Average and Standard Deviation (Descriptive Strategies) were used to see the trends of relationship. We have applied co-relation with independent variables and in between the variables (Questionnaire)

To analyse this questionnaire have used SPSS 10.0 (Statistical Package for Social Science).

As this is a perception based study, a questionnaire was developed and tests were carried out to test the hypothesis.

3.9 SOURCES OF DATA AND THEIR COLLECTION :

The research is primarily based on questionnaire analysis collected from respondents of Gujarat circle. Datas are also collected from various government websites.

The data is collected by both the methods :

- i) Primary data
- ii) Secondary data

i) Primary Data :

The primary data was collected through questionnaires and personal interviews. The questionnaire was framed in view of the main objectives of the study. It also helped gather information which is not available from published sources.

The questionnaire was divided into five sections. Section one included questions related to personal profile of respondents. Section two related to general information. Section three contained questions on cellular services and section four contained questions on overall customer satisfaction. The last section had questions on Government policy, ethics, health, etc.,

Section I : Personal Profile

Questions 1 to 8 were related to personal profile of the respondent such as name, address, sex, income, age, education and occupation.

Section II : General Information

Questions 9 to 27 were related to general information such as cellular services used, brands of handsets used, choice of

prepaid or post paid services so as to obtain an overview of the respondents mode of communication.

Section III : Cellular Services

Questions 28 to 50 were related to various cellular services used by the respondents, such as sales / presales network availability, performance and reliability, customer care, billing, value added services and short message services.

Section IV : Over all customer satisfaction

Questions 51 to 57 were related to overall satisfaction of the respondent while using various services of the cellular operators.

Section V : Government Policy, Ethics & Health

Questions 58 to 64 were related to government policy, the level of awareness about the to side effects of using cellular phones and suggestions for improving existing services and various comments on best and worst features of the services of existing cellular operators.

The questionnaire included both open ended and close ended items. Close ended items were of Yes / No type as well as multiple choice type. In the case of open ended items, space was provided in the questionnaire for the respondents to provide relevant information.

Before a questionnaire is circulated in the field, it needs to be pre-tested and revised if necessary. This is required in order to find areas for improvement.

Pre-testing of the questionnaire was done in the field itself. Twenty respondents were chosen at random and the questionnaire was administered to them. The feed back received

was used to prepare the final draft. The questionnaire was ready for field operations.

The investigator prepared the questionnaire on the lines suggested by experts in research methodology. Its contents, validity and objectives have been duly considered. The questionnaire focused on the following areas:

After preparing the first draft, it was given to some teachers, who are experts in the field, to assess its content validity and language clarity as well as to determine its adequacy and appropriateness. The final version was personally distributed by the investigator. (See Appendix)

For area about which information was not available from the questionnaire, unstructured interviews were conducted. The interview did not follow a fixed format as the interaction pattern changed from one person to another.

ii) Secondary Data :

The secondary data is collected from reliable and authentic sources. The other data used for the purpose of the study are taken from various journals, periodicals, government publications and electronic media.

3.10 OPERATIONAL DEFINITIONS OF TERMS USED IN THE STUDY :

Marketing is an exchange process that occurs between individuals, between an organization and an individual or between organizations as they seek to satisfy their needs and wants.¹

Marketing text books have not kept track of how the changing corporate superstructures have affected the organization of marketing.

The new structures have diffused and curtailed marketing management's autonomy.

Piercy and Evens have argued that analysis of the marketing information function is inseparable from organizational issues. This means that structure defines various dimensions like the capacity for information handling, the channel of communication and the barriers to information and to information system development.³

Organization structure is the link between decision makers, and marketing strategies developed to relate to the environment.³

Organization : A consciously coordinated social unit, composed of two or more people that functions on a relatively continuous basis to achieve a common goal or set of goals.⁵

Organization Structure :

How job tasks are formally divided, grouped and coordinated.⁵

Organizational structure is the formal or quasi formal network of reporting or controlling relationships in an organization and the powers and duties associated with each role in the network.²

Structure follows strategy and the most complex type of structure is the result of a connected list of several basic strategies adopted. This means that strategies are determinants of the structure.³

To know organization structure it is important to know marketing strategies.³

Marketing strategies : A set of guidelines and policies used for effectively matching marketing programs with target market opportunities in order to achieve organizational objectives.⁴

Strategy is the determination of basic long term goals and objectives of an enterprise and adoption of course of action and allocation of resources necessary to accomplish these goals.⁴

Strategies indicate the way marketing plans to achieve its objectives.

An organization strategy includes where it wants to go and how it intends to get there. This definition applies both to overall strategy of an organization and to the strategies of its major subjects. The latter are commonly called business strategies to differentiate them from strategies of the total organization.⁴

All marketing strategies require major change :

- Product Strategies
- Promotion Strategies
- Distribution Strategies
- Price Strategies

Marketing Mix was introduced by Prof. Neil H. Borden of the Harvard Business School.

Marketing Mix : The firm's task is to find the best setting for its marketing decision variables. The setting constitutes its marketing mix.⁴

Product : The most basic marketing mix tool is the product, which stands for the firm's tangible offer to the market, including the product quality, design, features, branding, and packaging. The firm also provides various services, such as delivery, repair, and training, as well as running a financial leasing business.

A critical marketing mix tool is price; the amount of money that customers have to pay for the product has to be decided on wholesale and retail prices, discounts, allowances, and credit terms. Its price should be commensurate with the perceived value of the offer, or else buyers will turn to competitors in choosing their products.

Place, another key marketing mix tool, stands for the various activities the company undertakes to make the product easily accessible and available to target customers. It must identify, recruit, and link various middle men and marketing facilitators so that its products and services are efficiently supplied to the target market. It must understand the various types of retailers, wholesalers, and physical distribution firms and how they make their decisions.

Promotion, the fourth marketing mix tool, stands for the various activities the company undertakes to communicate its products merits and to persuade target customers to buy them. It hires, trains and motivates salespeople to promote its products to middlemen and other buyers. It has to set up communication and promotion programs consisting of advertising, direct marketing, sales promotion and public relations.

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