

INTRODUCTION

The Indian cellular industry has been instrumental in bringing to the Indian consumer, a world-class telecom infrastructure. Approximately six or more years old the cellular industry has truly revolutionized the way of life in India. There are presently 42 networks operating in the country covering over 1350 cities and towns and directly servicing over 6.7 million subscribers' nation-wide. In addition the cellular radio waves cover over 28000 villages, where connectivity can be provided at a very short notice at a nominal incremental cost.

Subsequently the cellular industry is the largest recipient of Foreign Direct Investment of around Rs. 2200 Crores.

Further, the Government of India recognizes that the provision of a world-class telecommunications infrastructure and information is the key to rapid economic and social development of the country. It is critical not only for the development of the information technology industry, but also has wide spread ramifications on the entire economy of the country. It is also anticipated that going forward, a major part of the GDP of the country would be contributed by this sector. Accordingly, it is of vital importance to the country that there be a comprehensive and forward looking telecommunications policy which creates an enabling framework for development of this industry.

Advertising

Advertising is an exciting, dynamic and truly challenging enterprise – often misunderstood, but essential to business and industry as we know them today.

Advertising is a powerful communications force and a vital marketing tool – helping to sell goods, services, images and ideas (or ideals) through channels of information and persuasion.

The function of advertising can be viewed in two basic ways:

1. As a marketing tool
2. As a means of communication

The marketing point of view:

The American Marketing Association (AMA) recommends this definition:-

‘Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor.’

Advertising Research

Advertising plays an important role within the broad picture of Marketing in India. Advertising costs represent a substantial part of all marketing costs. Those costs are increasing at a spectacular rate. Marketing management executives are responsible for the effective expenditure of crores of rupees spent on advertising. Many questions must be asked and answered before an executive can approve a proposed advertising program or appropriation with confidence that will achieve maximum effectiveness. Marketing research has long been used to contribute all or part of the answer to many key questions concerning advertising. The importance of advertising research is likely to increase, as larger expenditure increase the cost of mistake in judgement.

The most important and primary factor is the advertiser, the advertiser supplies the money spent for advertising. In most cases the advertiser is a manufacturer. The second important factor present in the national advertising picture is the advertising agency. An advertising agency is a specialized service organization, appointed by an advertiser, to prepare or help prepare the advertiser's advertising.

There are two major reasons why advertising is today an increasingly important part of marketing research practice. The first has already been identified. It is the great magnitude and uptrend in scale of advertising expenditures. The second reason for increasing attention to advertising

research lies in the now widely recognized fact that there are big differences in the effectiveness of different advertisements.

Advertising objectives can be classified according to whether their aim is to inform, persuade, remind or reinforce. They aim at different stages in the *hierarchy of effects*.

- ✚ Informative advertising aims to create awareness and knowledge of new products or new features of existing products. When Subaru first introduced its cars in the United States, its advertising simply repeated the name Subaru.
- ✚ Persuasive advertising aims to create liking, preference, conviction and purchase of a product or service. Thus Chivas Regal attempts to persuade consumers that it delivers more taste and status than other brands of Scotch Whisky. Some persuasive uses comparative advertising, which makes an explicit comparison of the attributes of two or more brands. The burger king corporation used comparative advertising for its attack on McDonald's (Burger King Burgers are flame broiled, whereas McDonald's are fried.)
- ✚ Reminder advertising aims to stimulate repeat purchase of products and services. Expensive, four Coca Cola ads in magazines are intended to remind people to purchase Coca Cola.

- ✚ Reinforcement advertising aims to convince current purchasers that they made the right choice. Automobile ads often depict satisfied customers enjoying special features of their new car.

Marketing Research

Business activity today may be divided on a functional basis into 3 major phases- production, finance and marketing. *Marketing* includes all business activities required to move goods or services from the hands of manufacturers or producers into the hands of the final consumer. *Research* connotes critical and searching study and investigation, whether of a problem, a proposed course of action, a hypothesis or a theory.

Thus, *marketing Research* is the systematic, objective and exhaustive search for and study of the facts relevant to any problem in the field of marketing.

Marketing research is the inclusive term which embraces all research activities carried on in connection with the management of marketing work. It includes various subsidiary types of research such as *Market Analysis*. *Sales Research* which is largely an analysis of the sales records of a company. *Consumer Research* which is concerned chiefly with the discovery and analysis of consumer attitudes, reactions and preferences and *Advertising Research* which is carried on chiefly as an aid to the management of advertising work.

Marketing research encompasses a wide range of activities. Those activities are sometimes divided for convenience into research on products or services, research on markets and research on sales methods or policies.

Consumer behavior

The term consumer behavior refers to behavior that consumers display and search for purchasing, using, evaluating and disposing of products, services and ideas that they expect will satisfy their needs. It is the study of what consumers buy, when they buy it, how often they buy it, why they buy it, and how often they use it.

An understanding of buyer behavior is essential in marketing planning and programs. In the final analysis, the buyer behavior is one of the most important keys to successful marketing. **Customer satisfaction:**

It is a person's feeling of pleasure or disappointment resulting from comparing a product to a perceived performance in relation to his or her expectations.

Satisfaction is the function of perceived performance and expectations. If the performance falls short of expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted.

Customer satisfaction has been an area of key concern for marketers and the importance of this concept are also highly valued by

the stream of research decided to understand this concept. Customer satisfaction leads to repurchase intentions, easier acceptance of products in the product line, and also generates favorable reference through word of mouth communication .all these factors makes customer satisfaction crucial for the success of the firm.

Consumer research

It is the methodology used to study consumer behaviour. Consumer research offers a set of diverse to identify consumer needs .it is used to identify both felt and unfelt needs, to learn how consumers perceive product and services and brands and stores, what the attitudes are , before and after promotional campaigns and how and why they make their consumption decision.

Service

Service is an act of performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything its production may or may not be tight to a physical product.

A service is an activity or a series of activities or more or less intangible nature that normally but not necessarily takes place in the interaction between the customer and the service employees and the physical resources or goods and system of the services provided a solution to customer problems.

The definition clearly highlights the intangible nature of the service act the intangibility and association and distinctive characteristics of services leads to some problems, which are somewhat unique to service marketing. Services are differentiated from physical goods in four major aspects.

1. **Intangibility:** a service is a deed, a performance, an effort unlike a physical good which is a n object and services are intangible in what they do not have a physical shape and hence services cannot be seen, touched, tasted, heard, smelt but before they are bought they can only be felt. The intangibility poses problems of storage, patent protection, communication, display and price setting for the marketer
2. **Perishability:** services are still born. A service once produced is difficult to be replicated. They are consumed as soon as produced and have to be produced every time differently. The services cannot be stored or inventoried and this makes it difficult to have a centralized production to further distribution. Perishability also creates the problems of synchronizing demand and supply.
3. **Instantaneity or simultaneous production and consumption:** services are first sold, then produced and consumed and require the presence of the consumer and thus leading to a greater customer interaction as well as increases changes customer interference. In the service delivery process. This has an implication for human research management. For training of the contact personnel, an area not normally classified as the function of marketing.

4. **Heterogeneity:** this means that there is a greater scope for variability in the performance of service that can vary from producer to producer, from customer to customer, and from day to day. So the management task becomes one of providing a standardized high quality service.

Service quality

Service quality is characterized by the customer perception of service. In service what counts is the quality as it is perceived by the customers, i.e., the customer are the soul judge of quality.

The earliest attempts in defining and measuring quality have largely come from goods sector where it was defined as conformance to requirements. It required a company to establish the required specifications, and once they are established, the aim of then various functions of the firms is to comply with these specifications. The most commonly used for the following eight dimensions:

Performance

Features

Reliability

Conformance

Durability

Serviceability

Aesthetics

Perceived

Quality as can be observed from the list, all dimensions except the last two, can be objectively measured which is not the case in the service quality.

INDUSTRY PROFILE

History of the telecom industry

Telecommunications in India underwent periodically structural changes after separation of the postal wing from it in 1973-74. Indian-telecom network is the twelfth largest in the world and the third largest amongst emerging economies. Department of telecom (D.O.T), which was created in 1984 as a monopoly in the telecom sector. NTP 94 gave a new direction to telecom activities allowing privatization of some of its services.

1862: The Indo-European telegraph department was formed to join India to the telegraph network

1882: Telephones arrive in India as a 50 line manual exchange was installed in Calcutta.

1885: Indian telegraph act was introduced (which is continuing till today).

1895: J.C Bose said to have transmitted through wireless but not recognized.

1923: A group of Indian entrepreneurs-Sir Rahimtoola Chinoly, Sir Cursow Wadia, Sir Ness Wadia, Sir Ibrahim Rahimtoola and Sir Purushottamdas Thakdas - established the Indian radiotelegraph company.

1927: On July 23rd 1927, Lord Irwin sends the first wireless telegraph from India to King George-V in London.

1948: Indian Telephone industries (ITI) was set up at Bangalore as India's independent first public sector telecom unit

1960: The first STD call was introduced between Kanpur and Lucknow.

1985: Department of telecom (DOT) and department of post (DOP) separated in India C-DOT, established by government of India to be a research organization develops rural automatic exchange (RAX) which revolutionized the Indian telecom speed

1986: Mahanagar telephone nigram limited was setup.

1994: First national telecom policy was announced commercial radio paging was introduced in India.

1995: Internet services were launched. Modi Telstra launched first cellular service in India at Calcutta.

1997: Telecom regulatory authority of India (TRAI) was setup for regulation of commercial communication services in India

1999: second national telecom policy (NTP-1999) was announced.

Telecommunications landmarks of the 20th century

1876: Telephone invented by Alexander Graham Bell.

1889: First automatic telephone exchange developed by Almon brown Strowger.

1901: First transatlantic transmission of radio signal by Marconi.

1904: facsimile transmission invented by Arthur Korn for transmission of photographs.

1926: First crossbar exchange installed in Sweden.

1928: First regular transatlantic wireless telephone service started

1933: the first microwave transmission made possible.

1945: British engineer and science writer puts forth the idea of global telecommunications via satellite.

1956: First undersea telephone cable (TAT-1) laid under the Atlantic.

1957: First artificial satellite (sputnik-1) launched by erstwhile Soviet Union.

1960: Laser invented by T H maiman.

1960: Electronic telephone exchange introduced.

1962: First transatlantic telephone calls transmitted via satellite (telstar-1).

1964: INTELSAT, the international telecommunication satellite organization formed.

1975: optical fibre used for the first time for transmitting telephone calls.

1975: telephones linked to a computer network in Britain to provide information service to users.

1977: cellular phones demonstrated in Chicago, USA.

1988: first undersea fibre-optic telephone cable (TAT-8) laid under the Atlantic.

1990: Internet comes into being connecting more than 1000 active computer networks.

1998: mobilke satellite-based telephone service started by Iridium.

History of Cellular Phones in India

Cellular telephones -the technology that gives a person the power to communicate anytime, anywhere has spawned an entire industry in mobile telecommunication. Mobile telephones have the integral part of the growth, success and efficiency of any business/economy. The most prevalent wireless technology in the world today is GSM. The GSM association (global system for mobile communications) was instituted in 1987 to promote and expedite the adoption, the development and deployment and evolution of the GSM standard for digital wireless communications. The association was formed as a result of a European standard, the Groupe Speciale Mobile as it was then called, soon came to represent the Global Speciale for mobile communication as it achieved the status of a world-wide standard. The GSM association addresses issues of concern facing the operator, the administrator, the regular around the globe. The GSM membership has grown exponentially since 1992. The membership now extends to 501 members from over 161 countries the 373 GSM networks worldwide now service over 396.9 million customers the world's satellite operators have also joined the GSM community, which further adds to its strength and impact on world markets. GSM is today the world's leading digital standard accounting for 68.5% of the global digital wireless market. The Indian government when considering the introduction of cellular services into the country made a landmark

decision to introduce the GSM standard, leapfrogging obsolete technologies. Although cellular licenses were made technology neutral in September 1999, all the private operators are presently offering only GSM services.

Cellular Industry in India

The government of India organizes that the provision of a world-class infrastructure and information is the key to rapid economic and social development of the country. It is critical not only for the development of the Information Technology (IT) but also has wide spread ramification on the entire economy of the country. It is also anticipated that going forward, a major part of GDP of the country would be contributed by the sector accordingly, it is a vital importance to the country that there be a comprehensive and forward looking telecommunication policy which creates an enabling frame work for development of this industry.

Telecom regulator authority of India (TRAI)

The TRAI (Telecom regulator authority of India) act allows the body to set telecom tariffs and fixed terms and conditions under which operators can interconnect with others. It also requires the government to seek recommendations from TRAI before issuing a license. A new appellate authority separate from TRAI- has been set to decide the disputes between the government and the private operators. Broadly, the new act enhances TRAI's recommendatory power, strengthens those powers relating to tariffs and interconnections but reduce the body's

judicial powers. The new act continues to allow the TRAI to set the tariffs.

Department of telecom (DOT):

The department of telecom (DOT) is a government of India department under the aegis of ministry of communication. It has its role in policy making, licensing and co-ordination in matters relating to telegraphs, telephones, wireless, data and facsimile and telematic services and other like forms of communication. In addition, DOT is responsible for frequency management in the field of radio communication. In close co-ordination with international bodies. It also enforces wireless regulatory measures for wireless transmission by users in the country. DOT aims to provide the latest in telecommunications technology and the best of services to its customers.

Bharat sanchar nigam ltd (BSNL):

Bharat sanchar nigam ltd (BSNL) is a government of India department under the aegis of the ministry of communications and is the premier telecom service provider of India. The main functions of BSNL include planning, engineering, installation, maintenance, management and operation of voice and non-voice telecommunications services all over the country. BSNL is permitted to provide the latest in telecommunications technology and the best of service to its customers.

Association of Basic telecom operators (ABTO):

The association of basic telecom operators (ABTO) is a nodal representative body for all the licensed basic telecom operators.

Cellular operators association of India (SOAI):

Cellular operators association of India (SOAI) was instituted in 1995 as a registered non-profit, non-governmental society dedicated to the advancement of communication-in particular of modern communication through cellular mobile telephone services. It seeks to establish and sustain a world-class cellular infrastructure and deliver the benefits of affordable mobile communication services to the people of India.

The main objective of the COAI is to protect, promote and upgrade mobile cellular operations in Indian and also to look after the common and collective interests of its members. COAI has emerged as the official voice for the Indian cellular industry and interacts directly with concerned ministries, department of telecommunications (DOT), department of telecom services (DTS), telecom regulatory authority of India (TRAI), financial institutions (ICICI, IDBI, etc.), bureau of industrial costs and prices (BICP), Wireless planning and coordination wing (WPC), Indian chambers of commerce, international telecommunication union (ITU), CTIA, etc.

Telecommunications in India and the world:

In India:

Despite one of the lowest of the lowest penetration levels. India ranks among the top fifteen-telecom networks in the world. By 2006, telephone density is tipped to grow by a 4.5% making Indian telecom network the sixth largest in the world. The Indian telecom equipment industry, at about \$2 billion, is a small part of the \$ 250 billion global industry. Manufacture of switching equipment, by value, constitutes 45% of the Indian telecom equipment industry. Actual direct Internet access to the handsets will become available to over 100 million wireless users during 2000. By 2005, there will be over 240 million data users. Currently there are about 26 million data users. The Asia pacific region will account for one-third of data users in 2000 and one-fourth by 2004. Western Europe is expected to account for one-tenth of the data market in 2000 and close to one third in 2004 today America accounts nearly 40% of the global data market MNC's dominate the largest switching equipment market. Indian players cater to the smaller switches the ninth 5-year plan estimates a Rs. 8,325 crore investments in equipments to meet the network requirements. Installation of around twenty five million direct exchange lines (del) by 2001 required an investment of \$ 22 billion. Cumulative investment till 2001 in the cellular and radio paging industry is estimated at \$ 8 billion and \$ 1 billion respectively. Investment in equipment supporting the introduction of value added services by 2001 was \$3.5 billion.

Communications, links, data transfer, TV broadcasting, whether forecasting, navigation, surveillance and the Internet. It is the only means of communications, which can provide communications anytime and anywhere.

In world

In 2005, there are over 240 million data users. The Americans account for 40% of the global data market making it the largest constituent.

Satellite communication:

The satellites are used for a variety of applications-providing communications, links, data transfer, TV Broadcasting, weather broadcasting, navigation, surveillance and the Internet. It is the only means of communications, which can provide communications anytime and anywhere.

History of satellite communications:

1945: Arthur C Clark proposed a geo-synchronous satellite at a particular hovering over the same spot on earth because it revolves at the same speed as earth's rotation.

The geostationary orbit has been named after him as Clark orbit.

1957: Soviet Union launched the first artificial satellite. SPUTNIK-1, ON OCTOBER

1957. It was about 58 centimeters in diameter and weighed about 84 kgs. The second SPUTNIK satellite series, SPUTNIK -2, was launched on November 3. The unique thing about this satellite was that it was carrying LAIKA, the dog into space.

1958: the US launched its first satellite -explorer-1 on Jan 31, 1958 which resulted in the discovery of the Van Allen radiation belt that surrounds the earth.

1960: ECHO, John Robinson Pierce, who believed that the future of communications was dependant on satellite, launched the first passive communication satellite on August 12, 1960 as a result of efforts. TIROS-1 (Television Infrared Observation Satellite), launched on April 1, 1960 was the first series of meteorological satellites to carry TV cameras to photograph the earth's cloud cover.

1961: Yuri Gagarin of the erstwhile Soviet Union made the first orbital flight in a spacecraft in Vostok-I on April 12th 1961 making a single orbit in a flight of one hour forty-eight minutes.

1962: TELSTAR, the first active communications satellite was launched on July 10th, 1962. It relayed the first transatlantic (Europe and America) TV pictures and phone calls. TELSTAR was an active satellite with a microwave receiver and transmitter. Each transmission lasted for only

twenty minutes. TELSTAR was capable of handling 600 telephone channels or one television channel.

1963: Valentina Tereshkova, the first woman cosmonaut was launched on 48-orbit soviet space mission VOSTOK-6 on June 16th, 1963, a dual launch with VOSTOK-5. TELSTAR-2 was also launched which established the first direct link between Japan and Europe.

1964:INTELSAT (International telecommunications satellite organization) was set up by the US and eleven other countries to develop a global commercial telecommunications satellite system. Soviet cosmonauts, Vladimir Komarov, Konstantin Feoktistov and Boris Yegorov, the first multiperson crew in space, were launched on the 16orbit VOSKHOD-I mission on October 12,1964.

1965:EARLY BIRD (INTELSAT-1) was the first commercial telecommunications satellite placed on a geostationary orbit by INTELSAT. It could relay 240 telephone conversations simultaneously. The Soviet Union launched its first domestic satellite -MOLNIYA.

1970:the US Apollo 13 mission started off on April 11,1970.the first Chinese and Japanese artificial satellites were also launched.

1973: Scientific Atlanta introduced the FIRST MOBILE earth station for communications satellite. On march 6,1973, the US launched pioneer 11,the FIRST SPACE probe to reach the vicinity of Saturn .On May 25,1973,the first US space station SKYLAB 2,was launched. On

November 3, 1973, the US launched MARINER 10 the FIRST SPACE probe to observe VENUS and MERCURY.

1979: The first European space agency's ARIANE rockets successfully lifted off on December 24 from the Guiana space centre in Kourou, French Guiana.

1987: Telephone became available on Japanese airliners, calls were relayed by satellite. Soviet cosmonaut Yuri V. Romanenko returned to earth from the Mir space after 326 days in space.

1998: in May 1998, Iridium, a constellation of 66 satellites, completed the successful launch of all its satellites in space. In November 1998, IRIDIUM launched its commercial service globally to provide voice communication to people irrespective of time and place. The IRIDIUM system tends to imply a combination of FDMA and TDMA multiplexing techniques.

1999: In October 1999, GLOBALSTAR, a constellation of 48 satellites launched its service in ITU' 99 and became the second GMPCS operator to start the services after IRIDIUM in countries like the US, CANADA, BRAZIL, ARGENTINA, CHINA, KOREA, SOUTH AFRICA, and parts of EUROPE. Situated at a height of 1,400 kms, GLOBAL STAR is presently providing voice, and will provide data and fax capabilities starting 2000.

COMPANY PROFILE

Spice has been operational in the two states of Karnataka and Punjab for the past 6 years.

Spice was born in April 1997 and has a combined subscriber base of more than 7 lakh people.

The head quarters of spice telecom-karnataka is located in Bangalore, a city renowned for its large base of software developers and IT expertise. With over 1100 kms of optical fiber cable laid across the state, spice brings you quality cellular services at attractive prices. These include a varied choice in terms of tariff.

Spice telecom is a joint venture between two major players in the telecom industry- distacom of hong kong (49%) and the modi group (51%). It is the flag ship company of the modi group. It is one of the leading cellular providers in India.

Where is it today?

Spice telecom has offered many innovative services and opportunities to the people of Karnataka. It is present in 56 towns across Karnataka with

an optical fibre backbone of 1000 kms. Spice today has a subscriber base of 2 lakh in Karnataka.

Spice is very well networked with 10 branch offices and a dealer network comprising 90 dealers. The employee strength in Karnataka is 288.

It is the first and only operator in the state to be associated with Karnataka's heritage through colloquial advertisements (never miss an opportunity). Spice telecom always takes the lead in introducing innovative and cost effective services to the satisfaction of its customers.

Spice

SpiceCorp is a New Economy enterprise, focusing on businesses that create value through knowledge and global connectivity. Tele communications, Information Technology and Internet form the strategic thrust areas of SpiceCorp. It is part of Dr. Bhupendra Kumar Modi's group of companies and is discrete from the other Modi Groups in India.

A Focused Organization

SpiceCorp believes in creating maximum value for its businesses through proactive corporate governance and value-added services not only for its investors, but also its customers and all other stakeholders. Pursuing its mission, SpiceCorp has evolved as a highly dynamic, yet focused

organization, active in the creation and development of new businesses and effective governance of existing ones, all in knowledge-led technologies.

Business Areas

SpiceCorp was the first private sector organization to make a strategic shift into the telecommunication arena in 1995 as it launched India's first cellular service network in the metro of Kolkata.

Spicecorp operates its cellular services under its subsidiary – Spice Communications in the states of Punjab & Karnataka. It was the first cellular telephone company in India to set up two circles simultaneously. Over the years SpiceCorp has nurtured the Spice Telecom brand to its predominant market position today. In territories considered to be the most highly valued in the Indian cellular scenario. This is evident in the fact that SpiceCorp has made an investment of more than Rs. 1500 crores in Spice Communication.

Spice is already considered as a benchmark in cellular network quality and network service. Over the years, it has made pioneering efforts at growing the markets, extending mobile phone usage across a wide spectrum of users. Today, the Spice business is being managed as one cohesive operation that gives it a formidable competitive advantage across the country. Corporate governance is in place, a proactive customer care teams offer 'customized' service facilities to reach a large customer base. The billing system is flexible, extremely user friendly and stable.

Spice Communication is on a rapid growth trajectory. Both Spice Punjab and Spice Karnataka network have the highest ARPUs (Average Revenue per user) in the country as well as a dominant market shares. The combined subscriber base of Spice is about 7 lakh. Over the next one –two years, Spice base is expected to cross 10 lakh mark.

Being the fastest growing cellular operation the company remains committed to further developing the telecom network in all the states, and has taken the lead in offering cutting edge value-added services.

Founder Chairman of Spice Corporation

Dr. Bhupendra Kumar Modi, founder SpiceCorp, is a visionary and an inspiring leader who has pioneered and seeded many new technological breakthroughs and management concepts in this country in the areas of IT, Document Processing, Telecom, Cellular Telephonic, Internet service sector, etc.

Dr. Modi's professional career has been a model of zeal, initiative and vision, resulting in several noteworthy firsts in Indian business, earning him a sobriquet of a "devout futurist". These simple yet profound beliefs involve, in the words of Dr. Modi himself, a focus on "customer delight" and an unshakeable "faith in human potential".

Dr. Modi created new paradigms and revolutionized the Indian office scenario, when he ushered the Xerox technology to the country with Modi Xerox.

Under his leadership SpiceCorp became the first to launch cellular services in India at Kolkata. Today the Spice Telecom brand is the leading cellular service provider in the country.

A true citizen of the world

A Chairman of various industrial association and international business corporations, Dr. Modi has actively furthered the cause of private sector enterprise. Today, Dr. Modi presence on the advisory board of the conference board, U.S.A, a global business membership organization promoting good corporate governance, is making a valuable contribution to hastening the process of adapting to the fast changing the paradigms of global business. Dr. Modi is also on the board of various councils set up by the Indian Governments and premier institutes of the country.

Functional department of Spice

Following are the various departments of Spice:

- Finance/revenue assurance
- Engineering, IT and Enhanced Services
- Human Resource
- Marketing

- Sales and distribution
- Customer Care

Of all the present departments, this project focuses on the Marketing Department as Marketing research and Advertising fall under this category and consists of the core of the project.

Functions of the Marketing Department

The marketing department consists of:

- Product
- Roaming
- Communication
- Upcountry
- Direct Marketing
- Market Research

Product

This department works on the various tariff plans, schemes, promotions and seasonal offers.

Roaming team

The roaming team interacts with the finance, n/w planning, customer care, sales, legal, IT, billing and credit control department.

Direct Marketing

It involves

- Direct contact with the market
- Develop new customers
- Retain existing customers through mailers and rewards

Upcountry

Manages marketing and sales in non Bangalore market which includes Bangalore rural, Mysore, Mangalore, Central and North and North east Karnataka.

Market Research

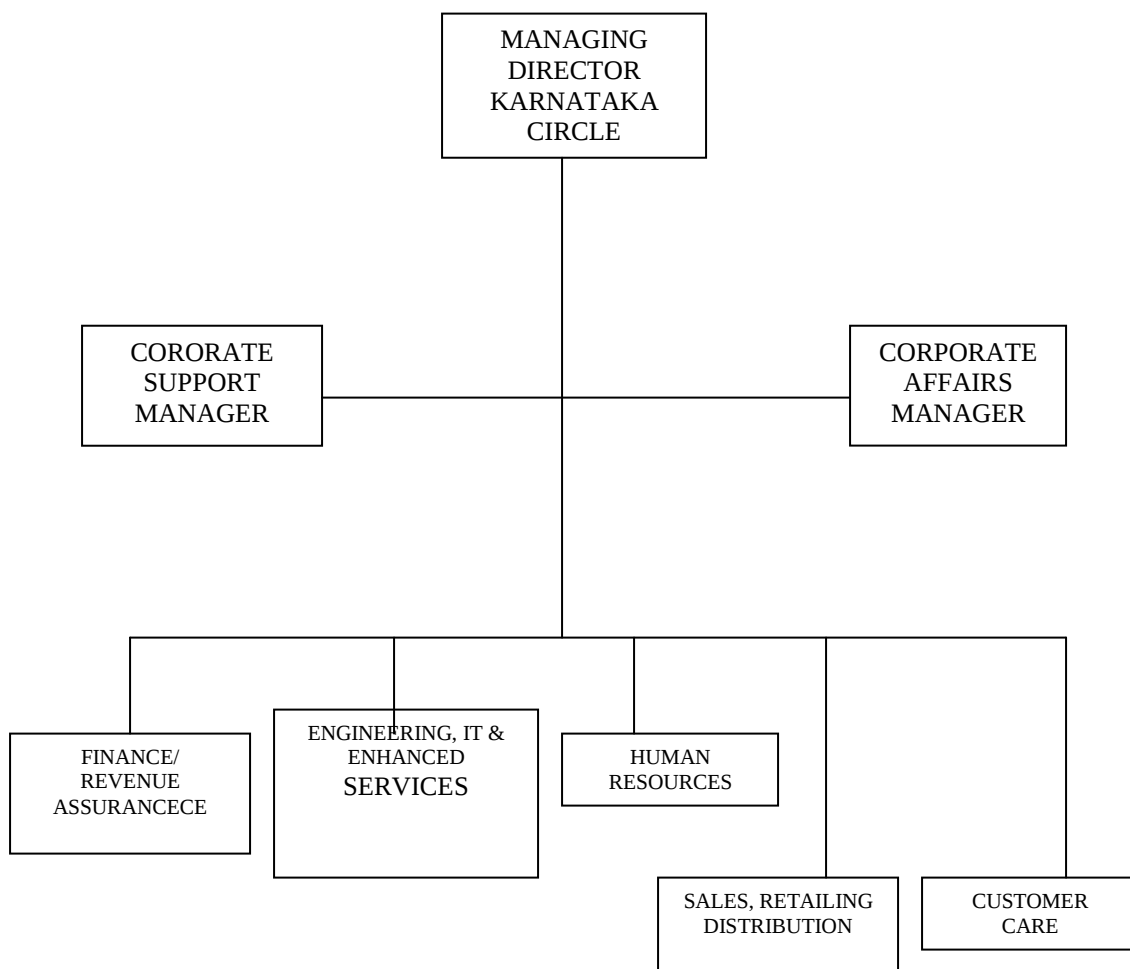
It involves collecting of regular information by using primary research (direct contact with customers) and secondary research (getting information from publication, etc). adhoc research is done as and when the situation demands.

Other Activities

- Internal service quality monitoring

- Student project work
- Internal research employee satisfaction
- Any department research activity

ORGANIZATION STRUCTURE



RESEARCH DESIGN

Title of the Project

The project was titled ‘Perception of Telecom Brands in Karnataka with special emphasis on Spice.’

Statement of Problem

The Indian cellular industry, today, comprises of a number of key players. In order to remain in the industry, the service providers need to reach out to their consumers. Here, Advertising is used as a tool to accomplish this objective.

Every ad campaign adopted has to establish a relationship with its end users. The ads should convey the message clearly to the consumers. This way advertising plays a vital role in inducing the consumers to avail the services.

Adoption of mass media for advertising has become highly popular among the cellular service providers. This medium helps to reach out to a large segment of the market.

Spice has been advertising on a small scale and concentrating on the niche market, whereas, its competitors are targeting the public at large.

The problem stated is to assess the media and the scale of advertising that would have a greater impact on the consumers and would create better awareness of its sub-brands.

Objective of Study

-  To acquire knowledge on how well acquainted consumers were with cellular connections.
-  To find out consumers' thoughts and feelings on various aspects of advertisements based on cellular connections.
-  To find out the level of popularity of the available brands.
-  To study the impact of Spice Ad Campaigns in comparison with other service providers.
-  To find out the awareness and popularity of sub brands.

Research Design of the Study

The data was collected by administering a well prepared questionnaire, which contained open-ended as well as close-ended (quantitative questions). This was considered the primary data. Apart from the above mentioned, various other data to supplement the questionnaire was acquired from reference to books, the internet and from pre-existing reports of Spice Telecommunications. And this was considered as secondary data.

Sources of Data Collection

Primary Data

Administered a questionnaire to 100 people in total. The 100 people were categorized into:

1. Working women
2. Housewives
3. Businessmen
4. Executives
5. Youth

Each person was selected as the best representative (as far as possible) of the category.

Secondary Data

Secondary data was collected from department reports, documents, textbooks, journals and the internet.

Tools for Data Collection

The tool that was used for collecting primary data was a questionnaire which was designed in consultation with the head of Marketing Research Department.

Scope of the Study

The focus area has been restricted to select number of people from Bangalore. The intention was to deepen knowledge on consumers' Brand awareness of certain ads in the media and also to know their opinions regarding certain ads as well as brands.

Limitations

- ✚ The research carried on was restricted to consumers in Bangalore city.
- ✚ The sample was divided into only 5 categories, namely, housewives, working women, businessmen, executives and the youth.
- ✚ The research was targeted at a sample size of 100 only.
- ✚ It is possible that answers given were untruthful, biased, Biased in the case of a Brand loyalist.
- ✚ The questionnaire exposed the subjects to (merely) two particular ads- Hutch and Airtel. Limiting the questionnaire to only two Cellular Connection ads may not have been fair. And perhaps one might say that it was a setback.

QUESTIONNAIRE ANALYSIS

Table 1

The very first table called 'Brand Awareness' basically consists of three categories to which cellular brand names can be associated with. The categories are- TOM (top of mind). SPONT (spontaneous) and Aided. The first question asked to each subject was to name the brands of cellular connections which he/she has seen or heard being advertised in say approximately the last three months. The subject was also told that he/she might mention 'sub-brands' as well. The second question asked the subject to name any other cellular connection brands which they know of but have not seen/heard being advertised. And finally, if there were any brands of cellular connection that the subject didn't mention, then along with mentioning the name, the subject was asked if he/she has heard of the particular brand. The first question was relevant to TOM, the second to spontaneous and the third to Aided.

As mentioned before, the 100 selected subjects were categorized under 5 heads, namely- Businessmen, Executives (male), Working women, Housewives and Students (male & female). Hence, the researcher has conducted a response analysis for each category separately.

Response Analysis

Table 1

1) Businessmen

Here we see that Airtel, Spice, Hutch and Reliance have the highest 'top of mind' recollection and brand awareness, which is at 20. the businessman is next most familiar with BSNL, followed by Airtel- Magic and Tata Indicom, at the same level that is as regards TOM.

Under 'Spontaneous', where the businessman was asked to name those cellular connection brands which he has merely heard of and not seen/heard being advertised. We see that Excel is at the highest, followed by Cell One and Spice- Simple at the same level. Moving on to 'Aided' (where those brands that were not mentioned by the subject, were asked about) we see that Hutch- Hi is the highest here, followed by Spice- Uth and then Airtel- Magic, Cell One and Excel at the same level.

Close assessment

On close assessment we find that the businessmen seem to be most familiar with Airtel, Spice, Hutch and Reliance, all

four being the most popular ones. Recall for sub-brands weren't very high. Familiarity with less popular sub-brands such as Cell One and Excel, was found to be much higher with businessmen. This could be due to the fact that these subjects were 'businessmen', and we might presume that such men would have a deeper knowledge in fields of technology (of course this is merely a presumption). There were hardly four brands, which the businessmen had only heard of and not seen/heard advertised.

Furthermore, the bar graph gives a clearer picture of my assessment.

2) Executives (male)

Here too we see that Airtel, Spice, Hutch and Reliance clearly have the highest brand recall, which is indicated by the score of 20, by each brand. Under 'Spontaneous' we see that Tata Indicom has got the highest here, followed by BSNL and then Cell One, indicating that the brand names just mentioned, have not been seen advertised but the executives seem to have heard of them. And finally under 'Aided' we have Hutch- Hi at the highest (20), followed by Spice- Uth at 17, and Excel at 11.

Close Assessment

Airtel, Spice, Hutch and Reliance once again emerge as the most popular and familiar ones for the Male Executives. Most of the sub-brands showed a higher number under Aided. This could most likely be due to the fact that the subject may have simply forgotten to name them. Overall it seems that the male executive is more or less aware of the cellular connection brands in the market.

3) **Working Women**

Well needless to say, and quite evident from the Bar- graph provided, that Airtel, Spice, Hutch and Reliance are the highest for brand recall, under TOM. This is followed by the sub-brand 'Magic' and 'BSNL' standing at the same level (17), after which comes Spice-Uth, at 14. cell one and Tata Indicom have been heard of, but have'nt been seen/heard being advertised, however they are both at a low level of 6. under Aided, Hutch- Hi is at a high with a 20, followed by Spice- Simple and Cell One both at a level of 11.

Close Assessment

Seems as though 'working women' are extremely informative and aware of the cellular market! There are hardly 4 brands (including sub-brands) which they haven't seen/heard advertised, yet have heard of the brand. Even the scores of the brands under 'Spontaneous' are extremely low at 6, and 3. However, awkwardly, Hutch- Hi seems to have achieved a high under 'Aided', which actually goes to say that it has bad recollection. Additionally it should be mentioned that the researcher asked couple of these working women, that hoe come they forgot about Hutch- Hi? And most women replied that they weren't even aware

that Hi was a sub-brand at all! They had perceived 'Hi' to just be a part of the ad gimmick.

4) Housewives

Here too Airtel, Spice, Hutch and Reliance have taken over. Indicated in the chart one can see their level of recollection to be at 20, under TOM. Tata Indicom was the highest under 'Spontaneous', followed by Magic, Bsnl and Cell One at the same level. Also, TOM and Spontaneous of Magic are at the same level of 3. also we see high levels of sub-brands under 'Aided'. Excel held a zero under each category, indicating that not a single housewife was aware of it.

Close Assessment

The housewives know the four most popular brands. However she isn't well aware of any of the sub-brands, such as Uth and Simple. Although many said they had heard of Airtel- Magic and Hi (not to mention that they too weren't aware that Hi was actually a sub-brand).

5) **Students (male & female)**

On the graph one can see that the students were most familiar with Airtel, Spice, Hutch, Reliance (all at 20), followed by Spice-Uth at 14, and then Magic and Tata Indicom, both at 11. the one that was mostly heard of and not seen/heard advertised was Tata Indicom, followed by BSNL. Under aided we see Hutch- Hi at 11, followed by Magic, BSNL and Cell One at 9.

Close Assessment

Undoubtedly the students are extremely aware, and well informed as regards Cellular connection brands. The graph is also indicative of the fact that the students are perhaps (compared to the other businessmen, executives, working women, housewives) most aware of sub-brands such as Uth and Magic. Also this could be due to the fact that Uth is a sub-brand which provides a scheme tailored for the youth. However, it should be noted once again, that there too the students when asked about why Hutch- Hi was forgotten, responded by saying they thought Hi was merely part of the ad, and that they had no idea it was a sub-brand.

Table 2

The second table, called ‘Media Awareness’, consists of four columns naming four media such as TV, Print, Radio and Outdoor. So each subject was asked to say in which media (of four provided) did he/she or hear the particular brand being advertised. For example, “You just mentioned a while back that you have seen/heard Airtel being advertised. So could ypu please tell me where you have seen this brand advertised? Your choices are – tv, print, radio and outdoor. You may choose more than one.”

As there were five categories present among the 100 chosen subjects, hence the researcher has written a response analysis for each category.

Response Analysis

1) Businessmen

The recalls seeing Airtel, Spice, Hutch, Tata Indicom and Reliance, the most in print. Airtel, Hutch and Reliance were most recalled to see on TV, followed by Spice and then BSNL, at an extreme difference. Under radio, Hutch is the highest, followed by Airtel and Spice. Hutch and Reliance were seen the most in 'outdoors' (20), followed by Airtel, Spice and Hutch- Hi at 17. Excel stood at zero, indicating that none of the businessmen had actually seen it being advertised, but had only heard of it, perhaps by word of mouth/article.

Close Assessment

One can easily say that perhaps the businessmen reads the paper more often and watches the news on TV regularly, and hence he has seen more number of ads of any brand, on tv and in paper. Outdoor media was well noticed too. However the lowest seemed to be the radio. One could presume that the busy businessmen perhaps didn't have the time to listen to the radio, or just wasn't much interested in listening to the radio!

2) Male Executives

On a close look at the graph we see that Airtel, Spice, Hutch and Reliance were the highest seen or heard in tv, print, radio and outdoor. Airtel- Magic was seen by every subject, in print. Airtel, Spice and Hutch were heard the maximum on radio. The sub brand Uth, Simple, Hi and Cell One, were not heard on the radio at all. Excel was at zero, implying that none of the male executive's had seen or heard it being advertised.

Close Analysis

It seems as though the male executive is a keen observant of all Cellular Connection ads. However the subjects' awareness on sub-brands' advertisements, was a lot less. On observing the graph, one may also conclude or suppose, that the male executive either doesn't listen to the radio much, or has selective attention to ads, as he seems to remember hearing only the main and popular brands, but not the sub-brands and less popular brands such as BSNL.

3) Working Women

Here, as one can see from the graph, Airtel has the highest recall in all four media. Spice is only a point short in radio as well. According to the graph, neither was Reliance seen outdoor, and nor was it heard on the radio. Tata Indicom was only seen in print and outdoor, at 11 and 6 respectively. None of the sub-brands were heard on the radio but were high on TV, print and outdoor. Simple at 14, was seen only in print and Cell One and Excel, only in print as well, at 9 and 6 respectively.

Close Analysis

The working woman, well aware, she watches the media with careful attention and eye. However, her awareness on brands such as Simple, Cell One, Excel and Tata Indicom is less than on thers. Yet one can say she keenly observes all four media.

4) Housewives

Airtel, Spice, Hutch and Reliance have been most seen on TV, print and outdoor with a small percent on radio. Airtel, Hutch and Reliance are at the level of 20 under TV, print and outdoor, followed by Spice. As for the sub-brands, Magic, Uth and Hi were not heard on radio at all. Simple, Cell One and Excel were found to be at zero under all four media, implying that the housewife wasn't aware of these brands at all or at least she hadn't seen or heard them being advertised.

Close Analysis

The housewife (presumably) being at home most of the time, watches a lot of TV, and hence has seen most of the Cellular brands on TV. Newspaper and magazines being accessible are perhaps her next best source. From the graph one can say that the housewife is well acquainted with the most popular brands such as Airtel, Spice, Hutch and Reliance. However it was found that she didn't have much awareness on less popular or newer brands such as BSNL's Cell One and Excel.

5) Student (male & female)

Every subject that was questioned had seen the Airtel and Hutch advertisements in all four media. Spice was a little short in print and radio, which were at 17 and 14 respectively. BSNL was neither heard on the radio and nor seen outdoors. Tata Indicom was seen only in print and outdoors. Outdoor was at 17, radio at 9 for Reliance while the other two were at 20. none of the sub-brands had been heard on the radio. Magic and Uth had been seen on TV, print and outdoor only, while Simple and Hi only in print and outdoors. Print at 9, TV and outdoors were at 3 for Cell One advertisements for Excel had not been seen or heard anywhere.

Close Analysis

The students interviewed were well aware of most brands of cellular connections. The most popular were found to be Airtel, Hutch, Spice and Reliance. Of sub-brands, Uth and Hi were at the top most with 20, which is under 'outdoors. Uth was naturally well known by the students as it is a sub-brand offering a scheme perfectly cut out for the youth!

Table 3

Table 3 is more of a qualitative type, where 7 statements are provided and one has to tick the number that corresponds to the options (answers) provided, which is based on each of the two ads shown (Airtel, Hutch). The options chosen towards each statement enables us to know whether people are getting fed up of the ad, whether the ad message was believable, whether the ad made them more interested in the brand, and finally and most importantly, whether the ad made them want to purchase the product.

After careful analysis of 100 questionnaires, as regards Tble 3, I have easily concluded that most people are not very appreciative of the Airtel advertisement in question. Most say they are getting a little fed up watching the ad, and that the ad didn't get them interested in the brand as such, also that what was said in the ad wasn't all that relevant to them. Of course there were exceptions, who highly appreciated the ad, said they would enjoy watching it many times in the future, and that the ad made them more interested in the brand. However almost a 100% people agreed that the Airtel ad was indeed very different and unlike other ads for soaps.

As regards the Hutch ad, once again after careful assessment, I perceived that most people enjoyed watching the ad, the ad message was indeed believable, the ad did get them more interested in the brand and even made more than many want to purchase the product. There were exceptions here as well, some who were skeptical of most statements and chose 'neither agree/nor disagree', other who said they enjoyed the ad but wouldn't purchase the product, and of course there were those who didn't appreciate the ad altogether.

Previous to Table 3, one was to answer three questions. The first, as to whether they recognized the ad, and if they did, then mention the name, after which each person had to say what he/she thought was the product message and product benefit, according to them (purely after seeing the ad).

Here it was found that for airtel people gave answers such as 'airtel brings out your emotions', 'voice your emotions through airtel', 'express your feelings', 'you must express your heart' and 'strengthen your relationships through airtel'. Additionally, there were two people who didn't even recognize the airtel ad.

As regards 'product benefit', truthfully many were confused, and said that they didn't see an actual hard core benefit (monetarily, or feature wise). Some said 'you get a relationship and not mere cellular connection', 'you get to build a lifetime of a

relationship with airtel’ and ‘you can best express your emotions through and airtel connection’, etc.

Now, moving on to the Hutch ad, as regards product message, some of the answers were ‘great network coverage that goes everywhere’, ‘reliability, faithfulness and care’, ‘absolutely faithful, and a reliable wide network coverage’, and ‘as faithful as a man’s best friend – dog!’, etc.

On asked of product benefit perceived, various answer given were ‘great coverage, faithful service’, ‘excellent network coverage, what else?!’, ‘wide, best network coverage’, and as simple as ‘wide network coverage’. Needless to say, one can easily conclude that the ad message was perceived correctly.

Following Table 3, there were four questions, out of which one answered Q1, Q2, or Q3 and Q4.

The first question queried as to what were one’s likes and dislikes about each ad (airtel, hutch). Here too after an overall analysis, it was found that (as regards airtel), most people admitted that the ad was very different, filled with strong and powerful emotions the theme was unique and indeed the ad was picturised well, yet there was something lacking. Many said they didn’t see the connection between the ad and the product being sold. Some also disliked the fact that the ad wasn’t providing them with any

evident ‘benefit’ (monetary/feature-wise). A handful even went to the extent of calling it vague.

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Here too we find exceptions, where one or two people said that there indeed was a connection between the ad and the product, which is that – ‘with airtel you build a strong relationship/bond’, rather than just a plain and regular cellular connection.

As regards the hutch ad, after much speculation it was found that most number of people truly appreciated the ad. People liked the idea, they thought it was extremely creative, innovative, very well put across, excellent picturisation, the characters chosen (little boy and the pug) were a great choice, and overall the message was conveyed brilliantly! It seemed quite obvious that the ad got their hearts, and made a deep impression on their minds.

There were perhaps merely one or two exceptions here. One of the exceptions asked what of those who do not like dogs? Another said he didn’t like the particular breed that the ad makers had used. Other than this 99% people didn’t dislike anything about the ad as such.

Now for the second question – which would actually be a choice between the second and the third, as it was asked whether one would purchase the product merely from the ad and either answer (yes/no) be accompanied by reasons.

It was found that most people decided that they would not purchase the airtel product merely from the ad, as they felt the ad

wasn't providing them with sufficient reason to do so, also the ad didn't seem to convey any hard benefit such as monetarily or feature wise. Additionally some said that what was being said in the ad didn't seem to have a strong enough link with the product being sold (cellular connection)

Then there were those (perhaps 2 or 3 persons) that said they wouldn't purchase the product by merely watching the ad, as they didn't believe in getting biased by an ad and that an ad was often meant to be persuasive. Additionally they mentioned that they were the kind of people that preferred going to an office and finding out written details. However the same people also said that they were susceptible to persuasion in the sense that their curiosity may be aroused by the ad, which would then lead to further enquiry about the product. Thus the ad may not lead to a direct or immediate purchase but definitely towards an initiative to find out more about the product, which perhaps in turn might lead to an actual purchase.

For the exceptions, which were perhaps one or two, said they liked the idea of building a meaningful relationship with a cellular brand, rather than acquiring a normal cellular connection. Thus they liked what the ad had to say and it was good enough to convince them to purchase the product. Also, there were those who were bound to airtel, by the fact that they were true ‘brand-loyalists’!

Hutch received a good response in this particular area. It was found that most people said that they would purchase the product for several reasons-

1. Benefit offered was an important one
2. The ad made an impact
3. The ad touched their heart
4. Ad just made them want to purchase it!

Of course there were those who loved the ad, yet would not purchase the product, as they believed in getting their product information directly from a product office. Other than this, the only other reason that has been given for refusing to purchase the product is that the subject was a ‘brand-loyalist’.

And finally, the last question asked is ‘what ultimately makes you buy a cellular connection?’ the opinions provided were:

 Ad

 Price

- ✚ Features of connection
- ✚ Friends/relatives recommendations
- ✚ Because most of your friends possess it
- ✚ Necessity
- ✚ Any other reason?

Businessmen were found to choose 'features of the connection', the most. The male executives preferred price, recommendations and features. Whereas most of the housewives went for necessity, recommendation and price. And lastly, the students preferred friends' recommendations, price and some- because other friends possessed it.

FINDINGS

- ✚ The businessmen seem to be most familiar with Airtel, Spice, Hutch and Reliance, all four being the most popular ones.
- ✚ Recall for sub-brands weren't very high among businessmen.
- ✚ Familiarity with less popular sub-brands such as Cell one and excel, was found to be much higher with businessmen.
- ✚ Airtel, Spice, Hutch and Reliance once again emerge as the most popular and familiar ones for the Male Executives.
- ✚ Most of the sub-brands showed a higher number under 'Aided' among male executives.

- ✚ Working women are extremely informative and aware of the cellular market.
- ✚ The housewives are aware of the four most popular brands. However they are not aware of any of the sub-brands, such as Uth and Simple.
- ✚ The students are extremely aware, and well informed as regards Cellular Connection brands. the students are most aware of sub-brand since the sub-brand Uth is a scheme tailored for the 'youth'.
- ✚ Almost 100% people agreed that the Airtel ad was indeed very different and unlike other ads for soaps.
- ✚ As regards the Hutch ad, most people enjoyed watching the ad, the ad message was indeed believable, the ad did get them more interested in the brand and even made more than many want to purchase the product.
- ✚ Few people did not recognize the Airtel ad. As regards 'product benefit', many were confused, and said that they didn't see an actual hard core benefit (monetarily or feature wise).
- ✚ The ad message conveyed through the Hutch ad was perceived correctly.

RECOMMENDATIONS

(Strictly restricted to Spice Telecom)

- ✚ After careful research I feel perhaps Spice needs to make their advertisements more interesting, something unique, that will stick to one mind.
- ✚ Sub-brands of spice definitely need to be more popularized-‘simple’-and ‘uth’. And this could possible be done by better advertisement themes, more catchy themes, and more unique ideas.
- ✚ Increasing numbers of ads all together might help in any media.

- ✚ Also after research it was found that people were specially not aware of 'Simple' More advertising in varied field could lead to better results.
- ✚ Spice should come up with new sub-brands to target the different market segments.
- ✚ Spice should rope in celebrities as brand ambassadors.
- ✚ It can sponsor events that would in turn boost up its popularity.
- ✚ Spice should come up with new and innovative customer loyalty programs.
- ✚ To retain existing customers Spice should offer seasonal discounts and other attractive packages.
- ✚ It should venture into more circles other than Karnataka and Punjab.