CONSUMER PERCEPTION TOWARDS
MOBILE VALUE ADDED SERVICES

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ABSTRACT

Quality of mobile value added services and have a further discussion of the relationships among service quality, perceived value, customer satisfaction, Loyalty and post-purchase intention. Multiple regression analysis is used to analyze the data collected from college and graduate students of Prakasam Dist. Andhra Pradesh. The outcome of this research shows an insight into the impact of service quality on outcome variables viz. perceived value, customer satisfaction, post purchase intention and loyalty.

Key words: Mobile value-added services, Service quality, Perceived value, Customer satisfaction, Post-purchase intention and Loyalty.


1. INTRODUCTION

Mobile value-added services are digital services added to mobile phone networks other than voice services in which the contents included can be either self-produced by mobile telecom service providers or provided through strategic alliances with content providers. These services include games, icons, ringtones, messages, web browsing, SMS (short message service) coupons, and electronic transaction. They can bring five values to consumers: time-critical needs and arrangement, spontaneous needs and decisions, entertainment needs, efficiency needs and ambitions, and
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mobility-related needs (Anckar & D’Incau, 2002). Thus, mobile value-added services will become new opportunities for telecom service providers. However, mobile value-added services provided by telecom service providers can be classified into four types, namely information, communication, transaction, and entertainment, and this classification applies to almost all the providers. Although new services are being released at all times, whether they are appealing to consumers and can induce positive post-purchase intention after consumers have used them so as to effectively increase revenue and sustainable development will be an important issue for telecom service providers.

2. LITERATURE REVIEW

Rekha Jain (1993) [13] Ceaselessly reviewed the policy changes with respect to Indian Telecom Sector during the initial stages of post liberalization. The Author explained in response to varied modes of forces the telecommunication sector has experienced vibrant technological and structural changes to meet the business needs at cost and cheaper rates.

Athreya (1996) [1] has identified phenomenal myriad changes in the Indian Telecommunication Sector during the NTP 1993 in that he observed that three phases of changes include policy vacuum always up to 1999, paradigm shift in both telecommunication policy and govt. economic policy are finally the given situation in implementing the new policy on account of various reasons.

Jain (2001) has analyzed the earth shattering success at spectrum auctions in many developed countries. Furthermore India was one of the one of the early adopter of spectrum auction but it success is quite abysmal forever the author stressed the issues in auction design which are contributed to the delay.

Heinonen & Standvik (2003) [5] studied that mobile channel are perceived to be more personal than traditional and email channels moreover the author identified a lopsided view on account of high expectation of consumer by getting the marketing communications messages on one side and expecting utter dissatisfaction by getting undesired messages.

Liet al (2002) analyzed varied views and opinions of customers he identified that some were not positively responding and simply ignore the message.

The new media in the digital economy have created plenipotentiary tool for direct and interactive marketing.

According to Godin 92 traditional marketing communication strategies based on the tenants of interruption logic which mandate the consumer to pay and attentive stare.

3. SERVICE QUALITY

Parasuraman et al. (1985, 1988) [11] conceived that service quality is the difference between customers’ expectation and their perceived performance of a service. Base on this concept, Parasuraman et al. (1988) developed the SERVQUAL model (including five dimensions, namely tangible, responsiveness, reliability, assurance, and empathy) to measure service quality [6, 7, 8, 9]. This model has drawn attention from the academic and the practical circles. However, many scholars have questioned about the conceptual framework and measurement method of this model. For instance, Cronin and Taylor (1992) pointed out that using service quality performance (SERVPERF, i.e. the perceived service in SERVUQAL) to measure service quality produces better
results of reliability, validity, and predictive power than using SERVQUAL. Some other studies (Boulding et al., 1993; McAlexander et al., 1994; Parasuraman et al.) [10].

4. PERCEIVED VALUE
Customer’s perceived value can be defined from the perspectives of money, quality, benefit, and social psychology. The Monetary perspective indicates that value is generated when less is paid (such as by using coupons or promotions) for goods (Bishop, 1984) [2] earning of purchasing a certain goods to the buyer’s community (Sheth et al., 1991) [14]. That is, goods carrying particular meanings (such as social economic status and social culture) can increase the effect of social self-concept (Sweeney & Soutar, 2001; Wang et al., 2004) [15]. In this study, perceived value is the evaluation of the benefits of a product or a service by customers based on their advance sacrifices and ex-post perceived performance when they use mobile value-added services [16].

5. CUSTOMER SATISFACTION
Customer satisfaction can be defined using the transaction-specific perspective or cumulative perspective. The transaction-specific perspective indicates that customer satisfaction is the evaluation based on the recent purchase experiences (Boulding et al., 1993) [3]. Compared with the transaction-specific perspective, the cumulative perspective stresses overall evaluations, indicating that evaluations of customer satisfaction should be based on all the purchase experiences of the customer, disregarding any specific purchase experience (Johnson & Fornell, 1991). Parasuraman et al. (1988) argued that the cumulative perspective is more capable of evaluating the service performance of firms and more effective in predicting consumers’ post-purchase behaviors (Wang et al., 2004) [17].

6. POST-PURCHASE INTENTION
Post-purchase intention is the tendency that consumers will purchase the goods or services at the same shop and deliver their use experiences to friends and relatives (Zeithaml et al., 1996; Cronin et al., 2000; Wang et al., 2004) [4]. To evaluate post-purchase intention, Zeithaml et al. (1996) adopted loyalty, switch, pay more, external response, and internal response to assess the evaluation work. Boukling et al. (1993) used repurchase intention and word of mouth (WoM) to evaluate consumer’s post-purchase intention

7. SERVICE LOYALTY
Service loyalty is the degree to which a customer exhibits repeat purchasing behavior from a service provider, possesses a positive attitudinal disposition toward the provider, and considers using only this provider when a need for this service arises.

8. OBJECTIVES OF THE STUDY
1. To study and understand how different variables under study impact consumer perception towards mobile value added services.
2. To know the relationship between these variables and their impact on service quality dimensions.

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9. VARIABLES UNDER STUDY
1. Service quality
2. Perceived Value
3. Customer satisfaction
4. Repeat purchase intension
5. Customer Loyalty

10. RESEARCH METHODOLOGY
This study aims to understand consumer perception [12] towards mobile value added services with special reference to Prakasam district, Andhra Pradesh. This study is based on primary data through well structured questionnaire. The relevant secondary data have been collected from various journals magazines groups and websites.

11. SAMPLE SIZE:
The sample size is 511 and data were collected from student who are in the age group 18 to 25.

12. STATISTICAL TOOLS
Simple percentages, ANOVA and Multiple Regression using SPSS (Statistical Package for Social Sciences)

13. SAMPLING METHOD
13.1. Convenient Sampling

14. DATA ANALYSIS, RESULTS AND DISCUSSION
Service Quality is a latent construct better understood by Content Quality, Network Quality, Responsiveness, Reliability, Assurance, Empathy, Tangibles, Convenience. To test whether Service quality influences Perceived Value, Step wise regression method was administered with above mentioned variables as independent variables and perceived value as dependent variable.

Figure 1 The proposed model based on the literature review.
From the above table we can see that the explanatory power of the three regression models. We can see that content quality explains about 23.7% variation in perceived value. The r^2 value improves when network quality is also fitted into the regression equation and improves further with the inclusion of Responsiveness. Combined, the three variables, explain 32.2% of the variation in the dependent variable. Even though the variance explained is low at 32% approx. but the model is significant at 95% level of significance.

Table 2 ANOVA test

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum Of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>63.340</td>
<td>1</td>
<td>63.340</td>
<td>159.222</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>202.484</td>
<td>509</td>
<td>.398</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>265.824</td>
<td>510</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Regression</td>
<td>80.971</td>
<td>2</td>
<td>40.485</td>
<td>111.259</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>184.853</td>
<td>508</td>
<td>.364</td>
<td></td>
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<tr>
<td></td>
<td>Total</td>
<td>265.824</td>
<td>510</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Regression</td>
<td>86.533</td>
<td>3</td>
<td>28.844</td>
<td>81.566</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>179.291</td>
<td>507</td>
<td>.354</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>265.824</td>
<td>510</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3 Regression coefficients and p-values of the independent variables

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.491</td>
<td>.155</td>
<td>9.643</td>
</tr>
<tr>
<td></td>
<td>Content Quality</td>
<td>.570</td>
<td>.045</td>
<td>.488</td>
</tr>
<tr>
<td>2</td>
<td>(Constant)</td>
<td>.989</td>
<td>.165</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Content Quality</td>
<td>.418</td>
<td>.048</td>
<td>.358</td>
</tr>
<tr>
<td></td>
<td>Network Quality</td>
<td>.295</td>
<td>.042</td>
<td>.289</td>
</tr>
<tr>
<td>3</td>
<td>(Constant)</td>
<td>.913</td>
<td>.163</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Content Quality</td>
<td>.384</td>
<td>.049</td>
<td>.329</td>
</tr>
<tr>
<td></td>
<td>Network Quality</td>
<td>.240</td>
<td>.044</td>
<td>.235</td>
</tr>
<tr>
<td></td>
<td>Responsiveness</td>
<td>.119</td>
<td>.030</td>
<td>.161</td>
</tr>
</tbody>
</table>

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The ANOVA test shows that the independent variables are independent of each other and all the three models are significant. By observing p-values we are rejecting null hypothesis and conclude that some of the independent variables are significant in influencing the perceived value among customers of MVAS.

The Table 3 depicts the regression coefficients and p-values of the independent variables. In stepwise regression, the software automatically removes the independent variables, which are not significant, from the regression equation. The excluded variables can be seen in the below table. As the 3rd model is giving the highest variance in the dependent variable, the regression equation is represented as:

14.1. The effect of service quality on perceived value
Service quality had a positive and significant effect on perceived value. Only three dimensions content quality, network quality and responsiveness had significant effects on perceived value. This result is consistent with those of previous studies on the telecom industry (Wang et al., 2004; Turel & Serenko, 2006). In other words, when telecom companies provide good service quality in terms of mobile value-added services, perceived value can be enhanced.

14.2. The effect of service quality on customer satisfaction
As expected, customer satisfaction was significantly directly influenced by both service quality and perceived value. Except reliability and convenience all other dimensions of service quality influencing customer satisfaction. These results echo the findings of previous studies on the telecom industry (Wang et al., 2004; Tung, 2004; Turel & Serenko, 2006). Thus, when customers perceive higher service quality and value of mobile value-added services, their satisfaction will be more positive.

14.3. The effect of perceived value on customer satisfaction
It is clear from regression equation that perceived value explains 47% variation in customer satisfaction. These results are consistent with the findings of previous studies on the telecom industry (Wang, 2004; Lin & Wang, 2006). Thus, when customers perceive higher value of mobile value-added services, their satisfaction will be more positive.

14.4. The effect of service quality on post-purchase intention
Service quality had significant positive influence on post-purchase intention. Content quality, network quality, responsiveness and tangibles have significant effect on post purchase intention. This means that the effect of service quality on post-purchase intention was significant. The respondents in this study were undergraduates and graduate students. In this era of information and technology, computer and new things would be frequently involved in their life. Therefore, according to their life experiences, they would consider that the service quality of the mobile value-added services should be equipped with these quality attributes.

14.5. The effect of perceived value on post purchase intention
It is clear from regression equation that perceived value explains 42% variation in customer post purchase intention. It implies that when customers have high perceptions of value and high levels of satisfaction with the mobile value-added services, they are more likely to use or reuse the services again in the future or to
encourage their friends and relatives to do so. By delivering higher values to customers, customers’ repurchase intention can be increased and their positive words of mouth can be transmitted to others (Eggert & Ulaga, 2002; Petrick, 2002; Lin et al., 2005).

14.6. The effect of customer satisfaction on post purchase intention and loyalty
The study found that customer satisfaction impacts post purchase intention in mobile value added services and customer loyalty. This reiterates the findings of many service quality studies that a high customer satisfaction will result in positive post purchase intention and high customer loyalty.

14.7. The effect of post purchase intention on loyalty
The study found that post purchase intention impacts customer loyalty in mobile value added services. It is observed from the regression table that positive post purchase intention causes 47% variation in customer loyalty. As established in many previous studies that a positive post purchase intention will result in high level of customer loyalty, this research found a similar pattern in mobile value added services.

15. RECOMMENDATIONS FOR FUTURE RESEARCH
For future research, we suggested that variables that affect consumer’s post-purchase intention (such as switch cost) should be discussed to have more extensive understanding. In addition, some respondents’ characteristics may affect on the results of multiple regressions for example gender, education, and level of value-added services usage. There variables may consider as control variables to modify their effects. In the aspect of sampling respondents, this study selected only the main user group of mobile value-added services (university students and graduate students). Follow-up studies can extend this scope to other consumer groups. Due to the limitation of time, cross-sectional data collection method was adopted. Thus, follow-up studies can collect longitudinal data to re-verify the proposed model or find out whether there is any difference when applied to different consumer groups.

REFERENCES
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