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Perception of Customers Regarding DTH Operators in Central Haryana

Ashutosh Nigam

Associate Professor, Vaish College of Engineering
Rohtak, Haryana, India
drashutoshnigam@gmail.com

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Abstract

DTH industry is gaining popularity very fast and the consumer is also ready to adopt this technology Indian DTH markets set to zoom which is helping the companies to gain market but this thing is to be equally kept in mind that the consumers is easily swayed away by the costs. Present study focuses to study the perception towards different brands of DTH operators in central Haryana.

Keywords: *DTH, Perception, TV.*

1. Introduction

India is the largest DTH market in the world by number of subscribers, as on 30 September 2017 there were 66.99 million active pay DTH subscribers in the country. Exponential growth of DTH services is resultant of ordinance passed by the Govt. of India on the mandatory digitization of the cable services latest by 31st October, 2012. According to this amendment made in the section 9 of the Cable Television Networks (Regulation) Amendment Ordinance, 1995, the I&B ministry will make Digital Addressable System mandatory. The cable operators transmit the channels in analogue signal mode which is very hazy. The common problems associated with the analogue transmission include ghosting of images or even hazy and noisy signal. In high end televisions, cable is more distorted and one will not be able to watch the programs clearly. There is a need to switch over to the Digital signals provided by a DTH service provider to reap the full benefits of a high end television and its superior features. Revolution happened in a digital signal, the receptivity is much clearer and all the channels have the same reception quality. As both the signals are received at the same time, there are no issues with the synchronization of sound with video. DTH means, Direct to Home Service. Through this service, the recipient will receive the signals directly from the satellite on his Set Top Box. The viewer gets a wider range of channels to choose from which can be activated through packages. The picture quality is much superior and the sound is crystal clear. The viewers are also able to watch High Definition content which is set to make television viewing even more superlative. HD Channels is one of the major advantages for a DTH Service subscriber. Customers of DTH can able to watch favourite sports action or travel & adventure series in high definition Changes in the business environment created the opportunities for DTH companies. Present study focuses on to map the perception of different DTH companies among the customers(Patel & Patel, 2012). Digitization of cable services will empower consumers to an increased number of channels and high quality viewing. The concept of a prime band will be passé after introduction of digitization. Viewers will be able to access digital services only through a set top box (STB).The main reasons driving the growth of DTH services are the progress in technology, increased overall value proposition, and simplified yet enhanced consumer's television viewing experience. Another important catalyst for growth of DTH is customer service since it is a key differentiator between the DTH players and the unorganized service providers. Few challenges faced by the Direct to Home Industry are low Average Revenue per user (ARPU), high customer acquisition costs and high churn rate. DTH Service Providers consider superior service experience as the key differentiator that will help them acquire new customers and manage churn (Joshi, Majumdar, & Malhotra, 2014). The major players in the market are Dishtv, Big Tv, Dishtv, Tata sky, Airtel Digital. Present study adds to the body of knowledge by analyzing the constructs that help understand customer perception patterns for DTH services. The research helps to analyze service attributes that enhance customer experience for DTH services. It also gives insights on how better experience impacts customer perception patterns i.e. Intent to spend, recommend the brand. Finally it was observed from the research that vulnerable customers do become loyal after receiving better service experience.

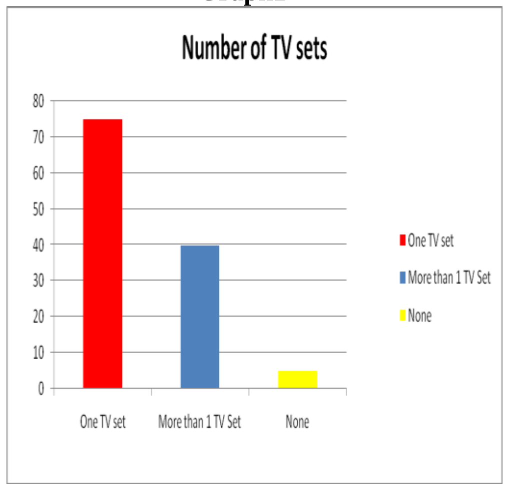
2. Methodology

Exploratory interviews were conducted on 300 customers in order to define the important attributes that affect the customer experience for Direct to Home Service customers. The main objective of this study is to undertake a comparative study perception of consumer for DTH services. The secondary objectives are to study the various factors affecting consumer buying behavior. Exploratory research design is used in the initial stage of the research to get insights about DTH and to understand the whole scenario of DTH. In the later stage of research, descriptive multi cross-section design would be used to empirically test research hypothesis and finding concrete research outcomes. The necessary information required for the research has been collected by using personal interview as a contact method. In this study the target populations are consumer who uses DTH service in central Haryana. Sample size taken as 300 of which 160 respondents are from rural area and 140 belong to urban population, Non probability. Judgmental sampling is used for the sampling purpose to collect necessary information from the respondents. Positioning analysis with the help of Multi-Dimensional scaling, the time duration of study was from August 2017 to November 2017.

3. Analysis and Findings

3.1 Analysis related number of TV sets in house

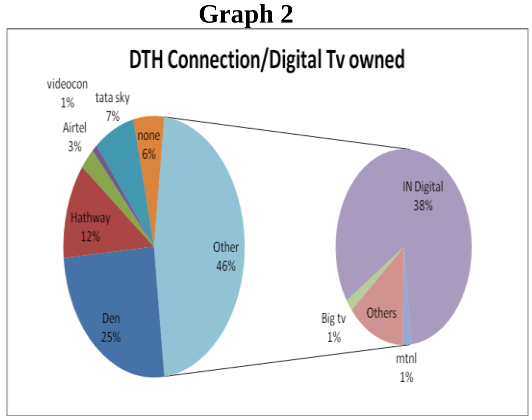
Graph1



This question measures the number of TV sets per household that were surveyed. It is observed that out of 120 households, 75 households (62.5%) own a single Television Set, 40 households (33.33%) own more than one Television Set and the remaining 5 (4.16%) households didn't own a Television Set at all. TV is an appliance owned by most of the households, even though they belong to the urban poor population of the city. While conducting the survey we witnessed how people are so used to Television viewing as a part of their daily lives and entertainment. Many families mentioned that they add a new set, as and when their families expand shown in graph 1.

3.2 Analysis related DTH Connection/Digital TV

Graph 2



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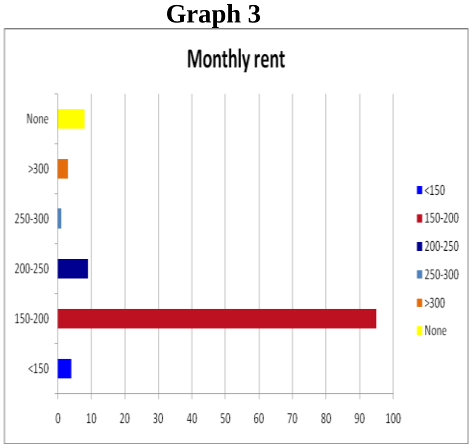
This question deals with finding out which DTH connection or Digital TV is being currently used by a household. The chart shows that IN digital takes the lead with 38% of the households surveyed using its service, followed by DEN with 25%, Hathway with 12%, Tata Sky with 7% as leading players. Airtel (3%), Videocon, and Big TV (1% each) are currently being used by very few of the households surveyed shown in graph 3. Digital TV connections like IN and Den form maximum part of the chart since the respondents in the particular area surveyed were made to directly switch from their previous cable operator when Digitization was made mandatory. Hence they weren't given a chance to consider other connections and chose their current set top boxes due to convenience's sake. Having paid a one-time lump sum installation charge for the set top box, they are also reluctant to keep switching even if they may wish to.

3.3 Analysis related to the monthly rent being paid for the DTH connection

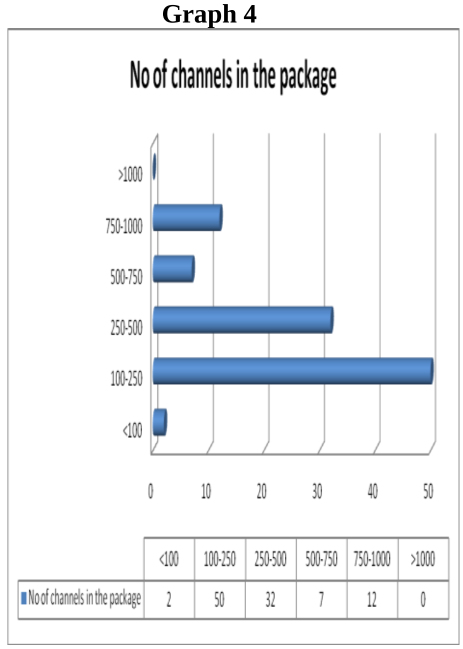
Graph 3



Bar graph 3 helps to make observations about the amount of monthly rent every household is paying for their DTH connection/Digital TV services. 79.16% of the 120 households surveyed pay an amount between 150-200 rupees per month on a single TV connection. 7.5% pay an amount ranging from 200 above to 250, followed by 3.33% households spending less than 150 rupees, 2.5% paying above 300 rupees. The remaining 6.66 households not paying a rent are the ones that do own a TV are not using a connection on it. The respondents are being charged a sum ranging from 150-200 in maximum cases, however considering their economic background for many of the households the affordability of the service has decreased. This is mainly because earlier they did not have to pay for it per TV. Also for those who have DTH like Tata, feel that they miss out on certain channels which are available only in the limited packages unless they shell out a lot of money.

3.4 Analysis related number of channels in current package

Graph 4



Graph 4 depicts that the no. of channels provided by the operators ranges between 100 and 250 for 50 households surveyed. Around 32 respondents received channels between 250 and 500 in their packages. While only 2 households received channels less than 100.Further, 12 households had operators that provided 750-1000 channels and only 7 households had connections that provided channels between 500 and 750. None of the households had networks that provided channels greater than 1000.A vast majority of the respondents received sufficiently large no. of channels in their packages. Although they watch only a handful of channels. availability of channels by their operators was considerably good.

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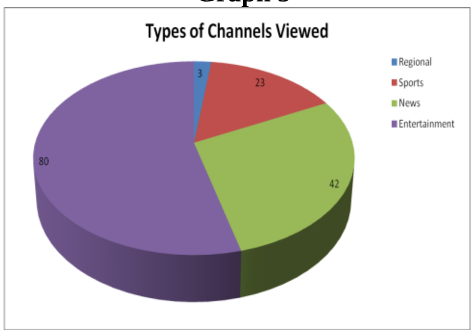
3.5 Analysis related kind of channels do you watch the most

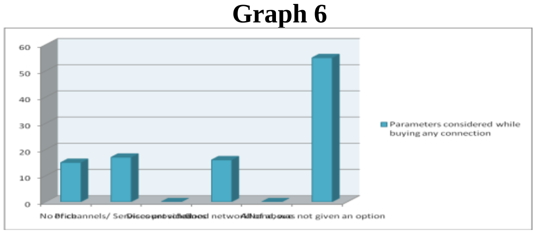
Graph 5



To gauge which is the genre/type of channels that people prefer to view the most, the above pie chart proves handy. It depicts that maximum number of households (54%) like to watch Entertainment channels that air Daily Soap Operas, Music and Reality TV shows. Cartoon channels which were the most popular amongst the children that we interviews have also been included under 'entertainment'. News viewership follows at 28%, Sports at 16% and Regional channels at 2%. Respondents who are using digital TV like Den and IN receive maximum channels but still they prefer to watch only a certain type, for example Entertainment channels and News. Quite a few users of IN Digital expressed dissatisfaction at the fact that though IN provides a large number of channels, most of them were regional (in different languages) and therefore of no use to them.

3.6 Analysis related to parameters considered buying purchase of connection

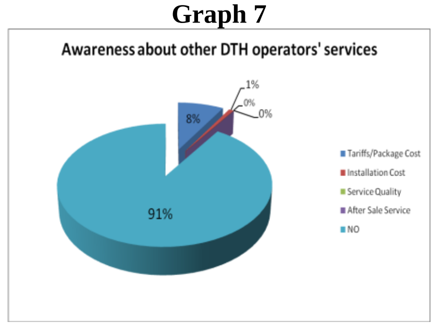
Graph 6



Graph 6 talks about the parameters considered by our respondents at the time of buying a connection. From the graph we can see that 55 households bought their current connection due to sheer lack of options or because everyone in the locality were buying the same connection. Further, 17 households bought their current connection because of the no. of channels it provided while 16 households bought it for the good network. Followed by 15 households who bought their connection because of its low price as compared to the other DTH providers. On the other hand, none of the households thought Discounts or schemes were a parameter while buying a connection maybe due to their lack of knowledge about the same. Most of the households interviewed did not consider any parameter before buying their connection because at the time of the mandatory shift they had no other option as these were the only connections provided by their cable operators and were locally used by other.

3.7 Analysis related to the services being provided by other DTH Operators

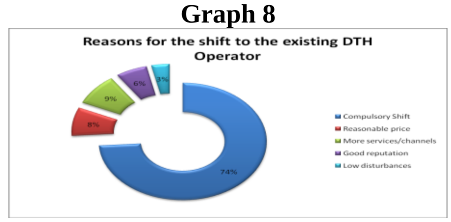
Graph 7



The pie chart clearly shows that majority of the people in the urban slums (91%) have imperfect knowledge and are unaware of the services, cost , quality and other parameters of DTH operators apart from their own. Around 8% of the respondents are aware of the package cost of other operators followed by 1% knowledge about the installation cost of other operators while none of the respondents were aware of the after sale services provided or service quality of other operators.

3.8 Analysis related to churn of current DTH Operator

Graph 8



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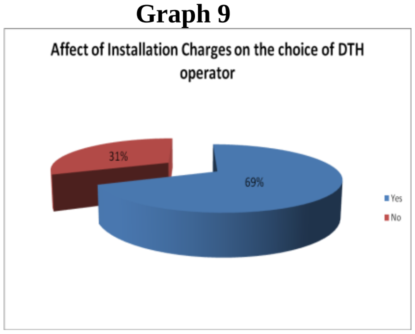
Graph 8 clearly shows that a major chunk of the respondents (74%) shifted to DTH Operators from the cable operators only to the mandatory digitization. A small percentage (9%) of the respondents switched to DTH because of the number of channels that DTH made available. 8% and 6% switched to DTH due to reasonable pricing and good reputation of the service provider. Only 3% considered low disturbances as a factor worth switching networks. A major implication of these responses is that the people were happy with cable TV. They switched to DTH only because it was made mandatory and not because of dissatisfaction with cable operators. Another fact is that most people did not do an analysis of packages available with different DTH operators but simply bought what was given to them. This graph also shows that good reputation, the availability of services and channels and reasonable pricing are important for customers.

3.9 Analysis related to installation charges

Graph 9



The above graph 9 shows that the installation charges affect the choice of the DTH operator of 69% of the households interviewed. Only 31% of the buying decisions are not affected by the installation charges. More than half of the respondents believe that one time installation costs do affect their decision of DTH operator and thus plays an important role in their buying decision. Installation charges comprises heavy expenditure and thus is a major factor when it comes to choosing a DTH service provider which is why more than half of the urban slum respondents said that they would go in for an operator that would have the cheapest installation charges. Moreover, the majority are not willing to spend more even for better quality, more channels and good services.

Figure 1: Perception Map of Different brands of DTH using MDS

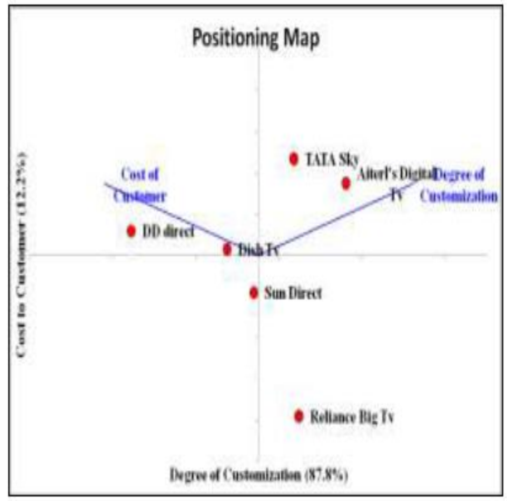


Table 1

Variables	Factors Loading	Factors
Price of Monthly packages	.927	Network Performance
Technology	.830	
Variety in Channel package	.795	
Improved picture and audio quality	.770	
Perceived hardware	.901	Service Competitiveness
Value added services	.894	
Price of Set top box	.940	Customer Convenience
Film Based Programming and cricket	.674	
Relation with dealer	.902	Reliability
Potential for interactivity	.641	

Here the calculated value of KMO and Bartlett's Test is 0.612 which is greater than 0.5, so further we can perform the factor analysis on this factors. Factor analysis has resulted into the division of eleven factors in to five major categories of factors. The major factors are network performance, service competitiveness, customer convenience, reliability and market reputation. Table 1 shows the factor analysis of various attributes of DTH considered important by the consumers while purchasing DTH services. The main objective of factor analysis is to reduce the numerous variables to a manageable number of components. Such analysis is useful in gaining understanding on the main dimensions that underlie the observed sets of items (Hair et al. 1998).In figure 1 the player of DTH service, Reliance Big TV is perceived to be quite far relative to other players. According to degree of customization it is very low in rural area and cost to customer is somewhat moderate to high than other players. In rural area according to degree of customization and cost to customer is moderate in Dish TV as its positioning is satisfied to the users. Airtel's Digital TV is new to the customer and its degree of Sun direct is perceived to be somewhat similar to DishTV. Different parameters of mapping are shown in table 1 were used in multi-dimensional scaling.

4. Implication and Conclusion

All the activities of DTH service providers are focused on tariff charges, launch of value added services to enhance usage and revenue, increase or decrease of various charges/tariff, instead of working towards market expansion. The next revolution in the DTH industry can happen only when the DTH companies work towards market expansion rather than price/tariff changes. However, in the pursuit to beat each other, the focus of each operator is only on price/tariff changes instead of working collectively to acquire more new customers, who are confused due to the constant changes and delay in entry. DTH companies moving their focus to the rural areas for driving the future subscriber growth they might not witness a commensurate increase in revenues. In fact, the risk of steep decline in revenue will increase going forward as the DTH companies penetrate rural markets that are characterized by higher concentration of low income, low-usage customer The mandatory digitalisation which has been implemented has led to a major shift from cable TV to DTH Operators. Digitisation has been effected in the urban slums successfully; however, our research reveals that these urban slums remain an untapped market with most of the people having little or no knowledge about packages, brands and the DTH services of other players. Not only were they unaware when their cable operators gave them a set top box of their own choice, but they remain ignorant even now(Patel & Patel, 2012). DTH Operator currently being used by the respondents, it was less due to choice and more so due to compulsion and ignorance. Even though a majority of the people were unhappy with their existing DTH Operator and were aware of the services being provided by others, they could not afford to incur the installation costs involved in switching operators. Had they been informed and given the choice at the time of switching to DTH, they would perhaps have made a rational choice. It is identified installation costs that the cable operators charged for the same DTH connection varied from household to household. Another finding from our research was that most our respondents carried the perception that bigger brands like Big TV, Dish TV, Tata Sky etc are more expensive than their existing connection. They are ignorant about the range of packages available some of which have a monthly rent of less than Rs. 200 which is what most of the households pay currently. To overcome this, the DTH Operators, especially the bigger brands need to advertise their lower range packages more effectively. In terms of awareness of Brands, Tata Sky turned out to be the most popular brand followed by Videocon, Airtel and Dish TV. Their television ads and brand ambassadors, especially Tata Sky and Big TV ads were identified as the most popular among the respondents. These brands can use it to their advantage and draw more market share by aggressively marketing their services (Madan, Gupta, & Jain, 2015). DTH Operators can also provide the option of customization of packages to customers. A lot of our respondents complained about the large number of channels that were provided for namesake but were of no use to them, for example regional channels provided by IN Digital. By effectively using customization, DTH Operators can ensure that their customers get only those channels which they want to see at a reasonable price which the former consider justified and thus ensure higher satisfaction of consumers. It came to light during the interviews held that the respondents have different perceptions about the number of channels that their connection gives them. Due to the way the channels are numbered, using numbers between 100 and 200, it gives the impression that there are 900 channels. However, the number of channels vary between 250 and 500 in most cases. DTH connections which are already installed in households but the customers are unhappy need to look into their grievances and successfully solve the same to ensure that the market share they have tapped is not lost to a competitor. A surprising revelation of this research was that the biggest benefactors of digitisation have not been the bigger players like Big, Tata and dish. On the contrary, DTH Operators like Den and Hathway have benefitted the most. Their market share grew by leaps and bounds with thousands of households getting these connections in a short span of 2-3 months. The government also needs to take initiatives to ensure that the purpose of digitalisation, which was to make better services available at reasonable rates, is not diluted. The affordability of the services needs to be essentially kept in mind. Digitisation has a lot of aspects that need to be refined before its benefits are reaped by customers as well as suppliers.

5. Conclusion

As a result of the liberalization, privatization, and de-monopolization initiatives taken by the government of India, the DTH sector is experiencing a historical growth. The trend is expected to continue in the segment, as prices are falling as a result of competition in the segment. The beneficiaries of the competition are the consumers, who are given a wide variety of services. In the years to come the country is predicted to witness a communication revolution, which would increase the DTH service to match that of the developed world. The need of the time is a new revolution in DTH and it is imperative that service providers work towards the same and make it a reality(Law, 1965). It is found that consumer satisfaction level is not specific to a particular DTH brands but DTH services as a whole.

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