e-ISSN : 2347 - 9671, p- ISSN : 2349 - 0187
EPRA International Journal of Economic and Business Review | Vol - 3, Issue- 4, April 2015

CHANGING DYNAMICS OF CUSTOMER TASTES AND PREFERENCES IN TELEVISION VIEWING AFTER DIGITIZATION: A CRM PERSPECTIVE

Prof. Ramesh Kumar Bagla[1]

[1]Professor, Amity Business School, Amity University, Noida, U.P, India

ABSTRACT

A nationwide digitization drive for television transmission was initiated in early 2012 under the regulations and guidelines of Telecom Regulatory Authority of India (TRAI) 7 years after the entry of "Direct To Home" (DTH) telecast in India. The digitization was to be completed in 4 phases spread over 2 years from 2012 to 2014. This research paper endeavors to study the changing dynamics of customer tastes and preferences in television viewing after the digitization drive and implications of these changes on Customer Relationship Management (CRM). Findings of the study, which is based on the primary data collected from TV viewers in the NCR of Delhi, show changes in consumer behavior after digitization depicting evolution of a service centric market which calls for reorientation in CRM practices. Product features, service quality and pricing emerge as the key drivers of customer preference for a DTH service provider.

KEY WORDS: *Digitization, DTH Service Provider, Local Cable Operator, TV Viewing.*

INTRODUCTION

Television viewing in India has undergone a sea change from black and white chunky television sets showing only Doordarshan telecast in 1965 to high definition sleek LED television sets showing a wide array of diverse programs telecast by more than 800 channels. With this paradigm shift in the technology of bringing the news and entertainment to the homes of the TV viewers, the industry has evolved significantly. The telecast technology has evolved from pre-recorded programs to live telecast around the world with a delay of mere 5 seconds.

The digitization drive of TV telecast was launched in early 2012 under the regulations and guidelines of Telecom Regulatory Authority of India (TRAI) 7 years after the entry of Direct To Home (DTH) telecast in India. The digitization was to be completed in 4 phases spread over 2 years from 2012 to 2014. The first phase included the digitization of telecast through Set Top Boxes via Local Cable Operators, Multi System Operators and DTH operators in all the four metro cities of the country eventually covering the rest of the country with the technology by the end of 2014.

Digitization Phases		
Phase	**Coverage**	**Dates**
1	Delhi, Mumbai, Kolkata & Chennai	30-Jun-12
2	All cities with population > 10 Lakhs	31-Mar-13
3	All urban areas (Municipal Areas)	30-Sep-14
4	Rest of India	31-Dec-14

This has dramatically changed the experience of TV viewing as a whole. Variety of aids such as recording TV programs, selecting the channels to view and customized payment options are at viewers' disposal. With variety of service providers in the market, customer service has evolved as one of the decision factors for the selection of a service provider.

PwC (2012), have analyzed digitization of all sectors of the entertainment and media on a colossal scale in recent years. They have predicted continued presence of subscriber base shift from conventional cable and terrestrial television to DTH based service.

Kapil Chaturvedi (2012) stated that all DTH majors are trying to shore up their revenue and profitability with the help of value added services. Because of the inherent potential in the industry and aggression of the players, the industry is all set to grow exponentially.

According to Deloitte (2011), the media and entertainment industry is at an inflection point with digital being the buzzword. Rightly, each segment within the media and entertainment ecosystem is increasingly affected by digitization in a significant way. KPMG (2012) have suggested that players across the television value chain need a sound action plan to address new challenges and harness the opportunities in a growing and high potential sector. Digitization is expected to provide the consumer with access to a higher number of TV channels, customized tariffs, availability of broadband and other value-added services, and enhanced user experience through better viewing quality and consumer service.

OBJECTIVES

1. To study the changes in customers' tastes and preference for TV viewing after digitization of transmission as per TRAI guidelines.
2. To study the effect of product, price and service quality as main drivers for the selection of a service provider after digitization.
3. To make suitable recommendations for reorientation of CRM practices in the wake of changes in customers' tastes and preference for TV viewing after digitization.

METHODOLOGY

Primary data were collected for descriptive research from a sample of 300 TV viewers chosen through non – probability convenience sampling in the National Capital Region of Delhi using a structured questionnaire which was tested for reliability through the responses collected from 20 respondents (cronbach alpha value: 0.87). Secondary data were collected from research journals, reports, whitepapers and cases previously published on the topic. The collected data were converted into data matrix using SPSS (21.0) software, wherein a regression model was specified having three independent variables and one dependent variable. Inferential analysis (testing of hypotheses) was also undertaken.

RESULTS

- In order to examine whether there exists a significant relationship between customer tastes and preference and service quality, the following hypothesis was formulated:

H_{01} : Customer tastes and preferences in television viewing after digitization are not affected by service quality.

H_{A1} : Customer tastes and preferences in television viewing after digitization are affected by service quality

According to test results (Table1: Pearson Correlation, Table 3: Model Summary – Step Wise Method and Table 4: Standardized Beta Coefficients), is accepted at 95% confidence level. Hence, it can be inferred that service quality has a moderate impact on the customer preference levels for the selection of a service provider.

- In order to examine whether there exists a significant relationship between customer tastes and preference and product features, the following hypothesis was formulated:

H_{02} : Customer tastes and preferences in television viewing after digitization are not affected by product features.

H_{A2} : Customer tastes and preferences in television viewing after digitization are affected by product features.

According to test results (Table1: Pearson Correlation, Table 3: Model Summary – Step Wise Method and Table 4: Standardized Beta Coefficients), is accepted at 99% confidence level. Hence, it can be inferred that product features have a strong impact on the customer preference levels for the selection of a service provider.

- In order to examine whether there exists a significant relationship between customer tastes and preference and pricing, the following hypothesis was formulated:

H_{03} : Customer tastes and preferences in television viewing after digitization are not affected by pricing.

H_{A3} : Customer tastes and preferences in television viewing after digitization are affected by pricing.

According to test results(Table1: Pearson Correlation, Table 3: Model Summary – Step Wise Method and Table 4: Standardized Beta Coefficients), H_{A3} is accepted on a 95% confidence level. Hence, it can be inferred that pricing has a moderate impact on the customer preference levels for the selection of a service provider.

- Tata Sky has emerged as the best service provider in the category of service quality with the highest score of 18 followed by Airtel and Dish TV both with a score of 17. Tata Sky has scored above the median score of 17, Airtel and Dish TV both are exactly at the median level and all other service providers have scored below the median level in service quality. (Figure 1)
- Tata Sky has again emerged as the best service provider in the category of product features with the highest score 30 followed by Airtel with a score of 29 and Dish TV with a score of 28. Tata Sky has scored above the median score of 29, Airtel is exactly at the median level and all other service providers are below the median level in product features. (Figure 2)
- Siti Cable has emerged as the best service provider in the category of pricing with the highest score of 20 followed by Airtel, Tata Sky, Dish TV and DD Direct all four with a score of 19. Siti Cable has scored above the median level of 19 and Airtel, Tata Sky, Dish TV and DD Direct all four are exactly at the median level and rest of the service providers have scored below the median level in pricing. (Figure 3)

CONCLUSIONS

- Before digitization TV viewers normally depended on the colony based local cable operator who offered limited choice of channels. There was a tacit understandingamong the cable operators not to poach customers from each other's localities. After digitization, the market has opened up and the competition among the DTH players has become very intense. As a result, customers have become more discerning and choosy. They can now choose the DTH service provider who will make the channels of their choice available at the most competitive price with the best service quality.
- While product features have the strongest impact on the choice of a service provider, price and service quality have the moderate impact. Tata Sky is the market leader with approx. 15% market share because it has highest scores in service quality as well as product features. It can further expand its market share by offering the most competitive price and scoring highest in pricing also along with product features and service quality.
- In the light of the above conclusions, CRM can play an important role in attracting new customers and retaining the existing ones. Customer profiling and analytical CRM can go a long way for offering the optimum mix of product features, price and service quality. DTH service providers should strive to make customized product offerings at competitive prices based on the analysis of customers' choice of channels and programs on an ongoing basis. CRM must be made more proactive by assigning relationship managers who should take regular customer feedback and ensure timely action on it, wherever required.

SCOPE FOR FURTHER RESEARCH

- There exists a good scope for a more comprehensive study covering a wider geographic area after a year when consumer behavior and responses to digitization have shaped up and stabilized. Such a study would give a detailed analysis of consumer behavior and the needed reorientation in

CRM at a national level after digitization.

- Research to identify and analyze the key success factors in the marketing strategies of the top players in the DTH industry at national level would provide a critical insight in the evolution and development of the market after digitization.

TABLES AND FIGURES

Table 1. Relationship between the Independent and Dependent variables under study (Pearson Correlation)

Pearson Correlation				
Parameters	Customer Satisfaction	Product Features & Benefits	Services	Pricing
Customer Satisfaction	1.000	.703	.366	.540
Product Features & Benefits	.703	1.000	.008	.223
Services	.366	.008	1.000	.041
Pricing	.540	.223	.041	1.000

Table 2. Variable Impact (Multiple Regression): Model Summary – Enter Method

Model Summary (Enter Method)				
Parameters	R	R Square	Adjusted R Square	Std. Error of the Estimate
All Parameters	.877	.769	.767	.35166

Table 3. Model Summary – Step Wise Method

Model		R	R Square	Adjusted R Square	Std. Error of the Estimate
Parameters	Product Features & Benefits	.703	.495	.493	.51828
	Product Features & Benefits and Services	.806	.650	.647	.43224
	Product Features & Benefits, Services and Pricing	.877	.769	.767	.35166

Table 4. Standardized Beta Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
All Parameters	(Constant)	.314	.094		3.330	.001
	Product Features & Benefits	.429	.020	.614	21.422	.000
	Services	.210	.017	.346	12.357	.000
	Pricing	.265	.020	.390	13.583	.000

Figure 1. Best Service Provider – Service Quality

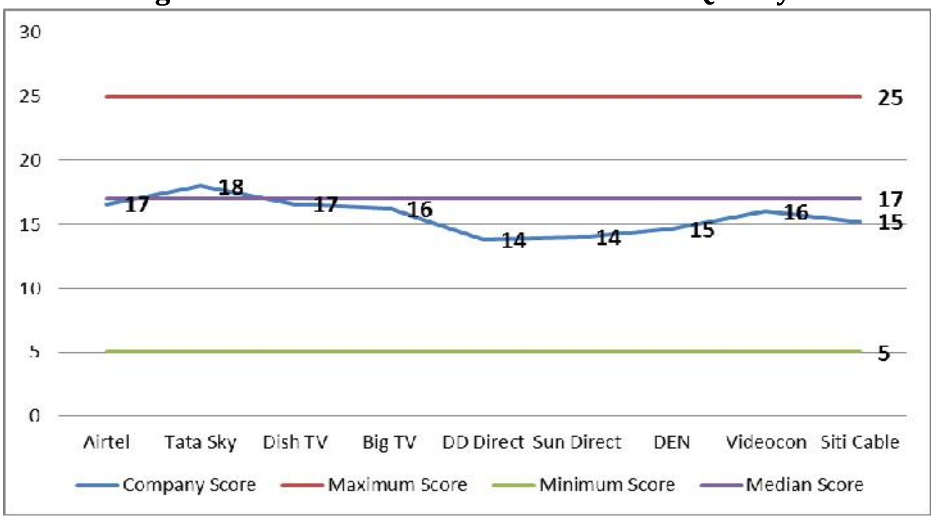


Figure 2. Best Service Provider – Product Features

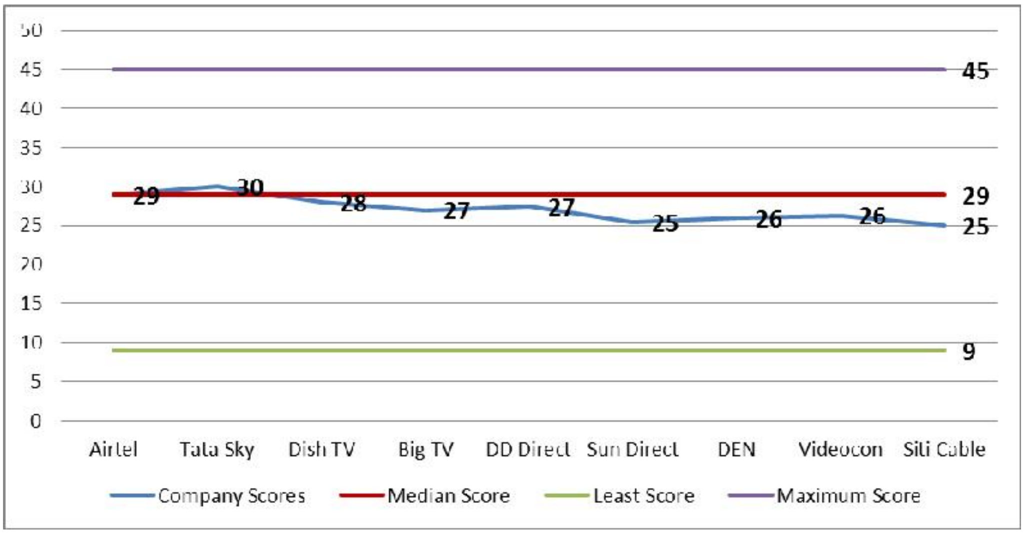
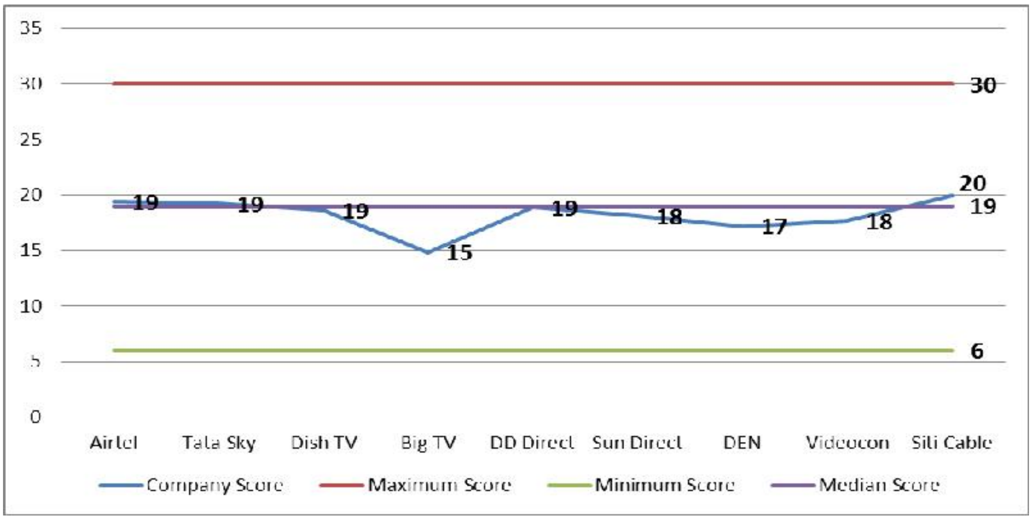


Figure 3. Best Service Provider - Pricing



REFERENCES

1. *V Balaji (2005), 'Consumer Survey on DTH satellite Television in India for Cosmic Infosystem Pvt Ltd', SRM Institute of Science and Technology | 2005|*
2. *TRAI, 'Recommendations on Implementation of Digital Addressable Cable TV Systems in India'/2010, retrieved from http://www.trai.gov.in/Content/AllBroad/TelDis/138_2_0.aspx*
3. *Er. Kanwal Gurleen & Dr. Sukhmani (2011), 'A Study of TV Viewership Patterns Among Youngsters in Northern India', International Journal of Multidisciplinary Research | Vol.1 Issue 5, September 2011*
4. *Deloitte Touche Tohmatsu India Pvt. Ltd (2011), 'Media & Entertainment in India : Digital Road Ahead', ASSOCHAM – Deloitte Survey 2011*
5. *Robert Jensen & Emily Oster (2011), 'The Power of TV : Cable Television & Women's Status in India', Quarterly Journal of Economics | 2011|*
6. *Dr. Kapil Chaturvedi (2012), 'Competitive Strategies, Positioning & Branding of DTH Companies in India' 6th International Conference on Contemporary Business, IIT – Delhi, New Delhi , October 18th – 20th 2012*
7. *Dheeraj Girhotra (2012), 'Indian DTH Industry : A Strategic Analysis', International Journal Of Marketing, Financial Services and Management Research | Vol.1 No.3, March 2012*
8. *PricewaterhouseCoopers Private Ltd (2012), 'Digital Transformation in Entertainment & Media (India)', ASSOCHAM – PWC Survey 2012*
9. *T Samson Joe Dhinakaran (2012), 'A Study on Customer Buying Behaviour of DTH Services in Palayamkottai', International Journal of Research in Commerce and Management | Vol. 3, Issue – 4, 2012*
10. *MJ Senthil Kumar (2012), 'Subscribers Attitude Towards DTH Services', International Journal of Research in Commerce and Management | Vol. 3, Issue – 4, 2012*
11. *KPMG - Klynveld Peat Marwick Goerdeler India (2012), 'Digital Dawn : The Metamorphosis Begins', KPMG India Survey – 2012*
12. *Naresh K Malhotra (2012), 'Marketing Research: An Applied Orientation' (6th Edition), Dorling Kinderseley(India) Pvt. Ltd.*
13. *S. Sudheer Kumar Reddy (2013), 'Factors motivating customers towards DTH services in Andhra Pradesh', International Journal of Scientific Research | Vol. 2, Issue – 7, 2013*