



PERCEPTION AND SATISFACTION WITH DIRECT TO HOME SERVICES: A COMPARATIVE STUDY IN GUJARAT, INDIA

Mahesh Patel¹ and Mitesh Patel^{2*}

¹N.P College of Computer Studies and Management, Kadi, Gujarat, India.

² S.V.Institute of Management, Kadi, Gujarat Technological University, Gujarat, India.

Abstract: Growing middle class, media exposure and changing lifestyle of Indian population has put India in global pie as a promising market for a business houses to enter and flourish and DTH is not an exception. Future growth in this industry is largely depended on the player's ability to provide customized services which requires a deep understanding of consumer perception and satisfaction for DTH services. The basic objective of the study is to undertake a comparative study of consumer satisfaction and perception of urban and rural consumer for DTH services. This research had been conducted in 2011. Various tools like factor analysis, chi-square analysis, ANNOVA test and Z-test were used in this study. The study found that Consumer demographics like age, income, occupation and gender would not have any bearing on their level of satisfaction and they are unrelated to each other in both rural and urban area. Consumers across rural and urban areas perceives that DTH is costly than that of cable network. Consumer is having a favourable perception for picture quality in comparisons with cable in both urban and rural consumer. Rural and urban consumers are similar on their effect of demographics on satisfaction.

Key Words: Direct to Home, Perception, Satisfaction and Consumer.

1. Introduction

Over the past decade, India has had a steady economic growth that has been the result of consistent economic reforms and rise of technology adoption. India's GDP ranks among the top five economies of the world when expressed in purchasing power parity terms. Consumption of technology goods and services is on the rise and the growing middle class has more disposable income. India today stands at the verge of a revolution in terms of Television broadcasting. In December 2005, India launched the INSAT-4A, a new generation satellite that will give a major thrust to Direct to Home (DTH) services in the country. With 12 Ku-band transponders, the 3,080 kg INSAT-4A will be the first Indian satellite to meet the requirements of DTH television services. Though a country with 85 million television households, more than 44 million of them with access to cable, India present a whole host of unique challenges, meeting which will determine the success of DTH.

Drop in setup and service costs is making service delivery cheaper for the service provider and the drop in set-top box prices have made DTH viable to Indian users. With the mandated introduction of CAS (Conditional Access System) on cable networks in India, cable television services are becoming more expensive thus bringing the gap between overall cost of service down. India has a large un-tapped market of households that do not subscribe to cable and also large areas where the terrain makes cable un-viable. According to consumer insights brought out by a research conducted by Bharti Telemedia, there are 125 million TV households in India, 82 million of which are cable and satellite and 11 million

are private DTH. In a single TV home, the consumer chooses between digital cable and DTH. However, when the same consumer buys a second television set, he almost always chooses DTH. Digital cable has the potential of adding new services and creating a premium positioning for it. The perceptions about cable and DTH, it is seen as the superior technology and cable is ridden with poor technology. However, both will coexist, as DTH will hold advantage in the quality conscious market and cable will have an advantage in the price sensitive market.

In spite of the widespread application and use of DTH services in India and across the globe no study was found on DTH services. Fast and consistent penetration of DTH services and competition in these markets leads us to examining consumer's perception and satisfaction from DTH service after replacing it with Cable service. Because of the disparity and diversity among rural and urban consumers in terms of their income, education, availability of cable network and their expectation, compel us to think and study their perception and satisfaction for DTH which will helps the operators to devise marketing mix in accordance with consumer need and expectation to delight and to acquire a big pie in the market.

DTH landscape in India has changed rapidly in last five years. Dish TV was the only player in 2005 and today, there are more than ten DTH players which have started their operation in India. Before that Doordarshan was the only channel viewed by people which is owned by Government of India. Presently, Doordarshan had expanded its services by 50 different private satellite channels. With an implementation of cable television ordinance law, private channel are allowed to add their channels which results in to increased number of TV

channels and cable TV operator across the country. Selective broadcast, high cost of installation and activation services, coupled with poor quality of signals has put forth many challenges before cable operators in rural areas which is two third of total population of India.

In ability of cable operator to provide satisfactory services has given an immense room for high end cable networks. This opportunity is rightly be exploited by Tata Sky (joint venture of Tata and Star TV). Dish TV (Zee group), Big TV (Anil Dhirubhai Ambani group), Sun Direct (Sun TV) and Digital TV (Bharati Telemedia). Better picture and sound quality and cost and value added features, has flourished the growth of DTH in rural areas initially.

There is a huge growth opportunity for DTH in India and it is projected to grow at a CAGR of 24%. The future of DTH industry depends largely on pioneering marketing tactics implemented by the DTH players. In fact, opportunity in India is ten times more as compared to developed countries like the US and Europe.¹ Satellite distribution is a literally international' medium in which signals can not only spill across neighbouring borders, but reach audiences spread over entire world regions and even link Diasporas communities on different continent.

Anon (2009)-The ICAFI University journal, in his study found that opportunities of (DTH) services in India are exploding and leading to the entry of multiple players in this segment. The potential in the market is huge and promises lucrative returns to all the players. This paper is an attempt to explore the present scenario prevailing in India regarding the current awareness levels about DTH television services and to know the factors and their relationship, which influence the attitude and perception of consumers towards DTH services. Further an effort has been made to know how the advertisements have changed the attitude of the consumer towards DTH services in the Ghaziabad region.

Fernando et al., in their paper examines the implications of technological convergence on pay-television (pay-TV) services in Brazil. It applies the concept of 'convergence' derived from the realm of biology, which deals with the formation of successive similarities amongst organisms or associations formerly distinct. In this context, this paper intends to describe the extent to which Brazil has positioned itself to respond to the impact of the technological convergence on the regulation of pay-TV services in the country. The DTH is a service that subscribers have to install a small satellite dish at their premises along with an integrated receiver/decoder (IRD). This MCSS is directly delivered to subscribers from a geostationary satellite.

Liefeld and Harald has during their study in 2000 and 2001 tested how different access solutions may be combined in order to provide a comparable offering of next generation interactive broadband services in cities, townships and rural areas – from the far south to the far

north of Norway. Interactive broadband service trial project has tested hybrid solutions based on combinations of fixed network upgrades with VDSL (very high speed digital subscriber line), wireless systems like LMDS (local multipoint distribution system), interactive and DTH (direct to home) satellite systems and the DTT (digital terrestrial TV) network. The pilots have been carried out at four different places in Norway; Stavanger, Oslo, Beito and Svolvær. Home network alternatives have been tested in the project. The target on the service side has been to provide the users with offered next generation TV- and PC-centric interactive broadband services. In this paper, the Stavanger pilot is given the most in-depth coverage.

Goyal, Chaman, (2009), in his study found that DTH is one of the upcoming technologies with satellite programs that comprise a personal dish in an individual home. In India you will find 6 major DTH service providers with a total of over 5 million subscriber households. With the coming services of DTH, the entertainment industry in India has got a big boost. It helped in broking the monopoly of the cable operators that offer several channels at very high rate. With DTH one can easily afford expenses and can only pay for those channels which he or she wants to see. Direct to home maintain a direct connection between broadcasters and viewers.

It is found that attempt has been made to study DTH services in general but very few attempts are made to explore the satisfaction and perception of consumer for DTH services. Especially comparative study of urban and rural consumer perception is rarely investigated which suggest that there is a research gap and there is a need to study unexplored area which is most crucial for DTH services to be successful in Gujarat.

2. Research Methodology

The main objective of this study is to undertake a comparative study of consumer satisfaction and perception of urban and rural consumer for DTH services. The secondary objectives are to study the various factors affecting consumer buying behaviour in both urban and rural area and to study customer's awareness for the value added services offered by DTH service provider companies. 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 North Gujarat (Visnagar and Mehsana) and Ahmedabad and Gandhinagar. Sample size taken as 630 of which 330 respondents are from rural area and 300 belong to urban population. Non probability

¹ <http://www.pluggd.in/dth-industry-in-india-analysis-297/>

judgemental sampling is used for the sampling purpose to collect necessary information from the respondents.

3. Results and Discussion

3.1. Positioning analysis with the help of Multi-Dimensional scaling

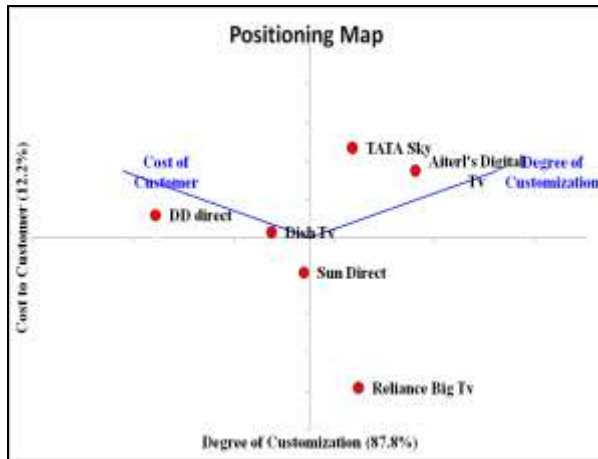


Figure 1: Rural positioning

3.1.1. Rural Positioning

Here 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 customization is high but cost to customer is also high. Sun direct is perceived to be somewhat similar to Dish TV.

3.1.2. Urban Positioning

Here, Reliance Big TV is perceived to be quite distinct from TATA Sky according to degree of customization it is moderate in urban area and cost to customer is somewhat moderate to high than other players. In context of cost to customer is low in DD Direct compare to other players. In urban area according to degree of customization and cost to customer are high and moderate in Dish TV respectively.

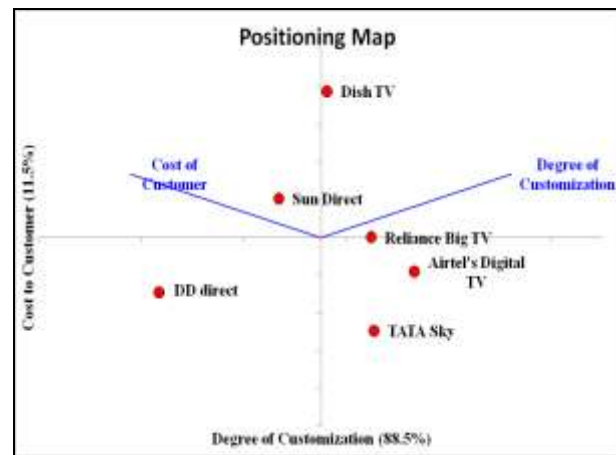


Figure 2: Urban positioning

Airtel's Digital TV is new to the customer and its degree of customization is moderate to low but cost to customer is moderate to high. Sun direct is perceived to be good in urban area because of its degree of customization is moderate to high and cost to customer is moderate to low. The different positions in the two figures of rural and urban are because of both the possible segments perceive the brands differently than others. Two players Big TV and Airtel's Digital TV are new to the industry and that have created odd positioning for both of them in relation to other players.

Table1: Factor Analysis of attributes that considered at the time of purchase of DTH.

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	

Table2. Chi square analysis of satisfaction with DTH services

Hypothesis	Calculated Value	Significance ²
Improve Quality in Picture		
Ho: DTH Brands and satisfaction level for improvement in quality of picture in rural area are independent of each other.	9.68	Independent
Ho: DTH Brands and satisfaction level for improvement in quality of picture in urban area are independent of each other.	9.81	Independent
Improve Quality of Audio		
Ho: DTH Brands and satisfaction level for improve quality of audio in rural area are independent of each other.	6.05	Independent
Ho: DTH Brands and satisfaction level for improve quality of audio in urban area are independent of each other.	5.01	Independent
Value added services		
Ho: DTH Brands and satisfaction level for value added services in rural area are independent of each other.	11.24	Independent
Ho: DTH Brands and satisfaction level for value added services in urban area are independent of each other.	11.38	Independent
Availability of Recharge Center		
Ho: DTH Brands and satisfaction level for availability of recharge in rural area are independent of each other.	16.84	Independent
Ho: DTH Brands and satisfaction level for availability of recharge in urban area are independent of each other.	13.12	Independent
Price of set-top box		
Ho: DTH Brands and satisfaction level for price of set-top box in rural area are independent of each other.	9.66	Independent
Ho: DTH Brands and satisfaction level for price of set-top box in urban area are independent of each other.	11.78	Independent
Price of Installation		
Ho: DTH Brands and satisfaction level for price of installation in rural area are independent of each other.	13.04	Independent
Ho: DTH Brands and satisfaction level for price of installation in urban area are independent of each other.	13.06	Independent
Price of Subscription		
Ho: DTH Brands and satisfaction level for price of subscription in rural area are independent of each other.	12.24	Independent
Ho: DTH Brands and satisfaction level for price of subscription in urban area are independent of each other.	13.43	Independent
Satellite Connection		
Ho: DTH Brands and satisfaction level for satellite connection in rural area are independent of each other.	10.51	Independent
Ho: DTH Brands and satisfaction level for satellite connection in urban area are independent of each other.	9.54	Independent
Customer Services		
Ho: DTH Brands and satisfaction level for customer services in rural area are independent of each other.	9.86	Independent
Ho: DTH Brands and satisfaction level for customer services in urban area are independent of each other.	8.44	Independent
Repairs and Maintenance charges		
Ho: DTH Brands and satisfaction level for repairs and maintenance charge in rural area are independent of each other.	14.79	Independent
Ho: DTH Brands and satisfaction level for repairs and maintenance charge in urban area are independent of each other.	11.35	Independent

² 5% level of significance

Table 3: Chi square analysis of demographic factors

Hypothesis	Calculated Value	Significance ³
Gender		
Ho: Gender and satisfaction level in rural region are independent of each other.	1.83	Independent
Ho: Gender and satisfaction level in urban region are independent of each other.	0.75	Independent
Ho: Gender and overall satisfaction level are independent of each other.	2.46	Independent
Age		
Ho: Age and satisfaction level in rural region are independent of each other.	14.78	Independent
Ho: Age and satisfaction level in urban region are independent of each other.	14.23	Independent
Ho: Age and overall satisfaction level are independent of each other.	15.69	Independent
Occupation		
Ho: Occupation and satisfaction level in rural region are independent of each other.	10.64	Independent
Ho: Occupation and satisfaction level in urban region are independent of each other.	12.39	Independent
Ho: Occupation and overall satisfaction level are independent of each other.	18.63	Independent
Income		
Ho: Income and satisfaction level in rural region are independent of each other.	11.7	Independent
Ho: Income and satisfaction level in urban region are independent of each other.	7.24	Independent
Ho: Income and overall satisfaction level are independent of each other.	12.29	Independent

Table 4: Z test for perception of the Consumers

Hypothesis	Calculated Value	Significance ⁴
Ho: Perception for improvement in picture quality after DTH services replaced the cable connection is equal in Rural and Urban region.	-0.83905	Ho accept
Ho: Perception for improvement in quality of audio after DTH services replaced the cable connection is equal in Rural and Urban region.	-0.83004	Ho accept
Ho: Perception for Price of DTH services is more than cable connection is equal in Rural and Urban region.	1.213074	Ho accept

Table 5: ANNOVA of demographic factor and brand preference

Hypothesis	Calculated Value	Significance ⁵
Ho: There is no association between gender and brand preference for DTH services	0.065	Ho accept
Ho: There is no association between age group and brand preference for DTH services	0.0189	Ho accept
Ho: There is no association between occupation and brand preference for DTH services	0.019	Ho accept
Ho: There is no association between income level and brand preference for DTH services	0.0146	Ho accept

³ 5% level of significance⁴ 5% level of significance⁵ 5% level of significance

A. Factor Analysis

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).

B. Chi square analysis

Table 2 shows the Chi Square analysis of DTH brands and consumer satisfaction components in both rural and urban areas of Gujarat. A chi-square independence test produces that DTH brand and satisfaction for improvement in quality of picture, quality of audio, value added services, availability of recharge centre, price of set up box, price of installation, price of subscription, satellite connection, customer services, repairs and maintenance charge are independent of each other in both rural and urban area. So it is concluded that satisfaction of consumer is not related with specific DTH brands but DTH as a whole in both rural and urban area.

Table 3 shows the Chi Square analysis of consumer demographics and consumer satisfaction in both rural and urban areas of Gujarat. In the above table, chi-square independent is performed on various demographics of consumers and their satisfaction level in both rural and urban area. The chi-square analysis shows that gender, age, income and occupation would not affect the satisfaction of consumers in both rural and urban areas.

C. Z- Test Analysis

Table 4 shows the consumer perception of DTH picture quality, audio quality and price differs among rural and urban consumers by using Z test. Z test is performed to measure the differences in perception of consumer in both rural and urban area which shows that consumer perception for improvement in picture quality, improvement in audio quality and price of DTH services in comparisons with cable connection is equal in both rural and urban areas. It means consumer perception for above parameters is equalled in rural as well as in urban area.

D. ANOVA Analysis

Table 5 shows consumer demographics and DTH brand preferences are associated or not by using

ANOVA. ANOVA is performed on various demographic factor of consumer like gender, age, occupation, income to know its association with different brand preferences which shows that consumer demography is not associated with the preference for a particular DTH brand.

4. Conclusion

The basic purpose of this research is to examine the perception and satisfaction and differences of urban and rural consumers of Gujarat for DTH services as DTH is in the infant stage and has to have a long journey to go. For conducting the research, self-administered questionnaire is used to collect the information from the respondents. Selection of sample is done on the basis of judgemental sampling and data are analysed by using ANOVA, Chi Square and perceptual mapping.

It is found that Consumer satisfaction level is not specific to a particular DTH brand but DTH services as a whole. Consumer satisfaction for a particular DTH brand represents the satisfaction for whole and all DTH service provider in both rural and urban area. Consumer demographics like age, income, occupation and gender would not have any bearing on their level of satisfaction and they unrelated to each other in both rural and urban area. Consumer perception for improvement in audio quality with respect to cable in both rural and urban area is similar which means consumer is having a favourable perception for picture quality in comparisons with cable in both urban and rural consumer. Consumers across rural and urban areas perceives that DTH is costly than that of cable network. Consumer demographic like age, income, occupation and gender is independent of consumer brand preferences in both urban and rural areas. From all the players Dish TV is perceived to be moderate in degree of customization and cost to customer. Dish TV and Sun Direct are somewhat similar to each other in rural area. In urban area consumer perceived TATA Sky and Reliance as a high degree of customization and moderate cost to customers. The scope of this research is limited to north Gujarat (Mehsana and Visnagar) and Ahmedabad and Gandhinagar. Because of consumer diversity across different region, it is required to take diverse samples across Gujarat for better generalisation of the research findings. Time and trustworthiness of respondent responses would also confound the research findings. So it suggested that future research should focus on this issues for better understading of consumer perception and satisfaction of consumers in Gujarat.

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