

THE EFFECTIVENESS OF PROMOTIONAL STRATEGY OF MOBILE SERVICE

(With Reference to Ncell Mobile Service)

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INTRODUCTION

Background of the Study

Competition in every business sector is increasing rapidly. As people became more conscious about the product or service they acquired from the surrounding market. Consumers get informed through different mode of media like: advertisement, personal selling, sales promotion and publicity are some of them.

Promotion is any marketing effort whose function is to perform or persuades actual or potential consumers and users about the merits of the products or service for the purpose of introducing a consumer either to continue or to start purchasing the firm's product or service at given price. In other words promotion is the sales appeal. It is the art of telling and selling. It denotes communication message about the firms and its products to the target market. It consists of marketing communications that inform individuals, groups, organization about the firm's product and services and persuade them to use it. Promotion is the combination of advertising, sales promotion, personal selling, publicity and public relation.

Advertising is the most essential and widespread form of promotion. Simply, advertising denotes the means employed to draw attention to any object or purpose. In the marketing context, advertising can be defined as mass paid communication (presentation and promotion) of goods, services, or ideas by an identified sponsor. It is paid communication because the advertiser has to pay for the space or time in which his advertisement appears. Advertising usually provide information about the advertising firm, its products, quality, place of availability, etc. Popularity of firm's products is the basic aim of the advertising.

Sales promotion consists of short-term incentives to encourage purchase or sales of a product or service. Seller may use consumer promotion to increase short-term sales or to help build long-term market share.

Personal selling is a unique type of promotion presented on a personal basis. It is a process of informing customer and persuading them to purchase products through personal communication in an exchange situation. In personal selling, a firm's salespersons often referred to as salesmen or as to make an offer of sale, motivate them to positively respond to it and finally confirm the deal.

Publicity refers to building favorable image for the firm and its products primarily through coverage by the media in news and special-interest stories. A good publicity program requires regular contact with the mass media such as radio, television and newspapers. Some of common tools of publicity are press conference, speeches, news releases, features articles, publications, captioned photograph, etc.

Public relation is the management function which evaluates public attitudes, identifies the policies and procedures of an individual or an organization with the public interest and plans executes a program of action to earn public understanding and acceptance. It also refers the management of communications and relationships to establish goodwill and mutual understanding legislator, government, shareholders, media, intermediaries, customers and general people.

Focus of the Study

Ncell plays a significant role in the development of communication in Nepal. It provides an effective communication services in Nepalese people which facilitates the channeling of different peoples through its servers. Promotional strategy is one of the major tools to introduce new

product to hold current user, to increase product usage, to reinforce brand advertising for internal sales promotion policy to gain new distribution, to obtain trade support for consumer sales promotion program likewise there are lots of effect of promotional strategy.

However, promotional strategy provides valuable information to buyers about the product, its availability, prices, utilities and benefits. The information helps buyers to make a choice decision that favors the organization and its product. Due to, versatile activities of Promotional Strategy, researcher would like to show the effect of its in GSM Mobile service reference regarding to Spice Nepal Pvt. Ltd. (Ncell Mobile) which commenced its operation since September 17, 2005 in the capital KTM and surrounding within Kathmandu valley using one of the most advanced GSM equipment of siemens available in the international sector. It is the first private GSM mobile operator offering services like GPRS, MMS, and PRBT in Nepal. It is also one of the fast growing companies better known for its quality and innovative services.

Statement of the Problems

Nepalese information technology service system basically GSM mobile service till Sep. 17 2005, was not competitive because there was monopoly market which was run by Nepal Telecom. NT GSM prepaid and post paid was only the mobile service known by Nepalese people. But after September 17, 2005 when Spice Nepal Pvt. Ltd (Ncell Mobile) launched its GSM mobile service both post paid and prepaid market became large and competitive. Ncell mobile introduce lots of service like GPRS, PBRT, and MMS first time in Nepal. And gain popularity among people within short period of time with the help of promotional strategy.

Promotional strategy refers to communication process through which public get informed and respond towards the service (product). So, due to

effective communication process large numbers of people attracted towards Ncell Mobile service though having such a strong competitor Nepal Telecom and expand its service to all 14 zone of the country and now focus to expand all over the Nepal.

At present people are more conscious about the service (product) through communication process. Promotional strategy and tools plays a vital role to give effective impact about the service. So, researcher would like to show effect of promotional strategy with reference of Ncell Mobile service. In the view of the foregoing discussion the problem encompassed by the present study are stated as follow:

- How the Ncell Mobile penetrate into Nepalese market?
- How promotional activities effect the general public towards its service?
- What kinds of promotional strategy were used to drag the people from monopoly market of NT?

Objective of the Study

The study will be based in promotional strategy and its effect to society people. Here, researcher would like to show the response towards the product with effect of promotional strategy. Even with limitation, the following are main objectives of the study.

1. To identify response of target customers of Ncell Mobile.
2. To analyze the brand awareness of Ncell Mobile.
3. To identify the promotional tools adopted by Ncell Mobile.
4. To evaluate the effectiveness of promotional strategy of Ncell Mobile service.

Research Question

1. What motivation factors that affect to buy Ncell Mobile service?
2. What factors cause the brand awareness of Ncell Mobile?
3. What factors plays a vital role in Mobile service buying decisions?
4. What are different promotional strategies than other competitors?

Significance of the Study

The choice of this subject for research is due to the fact that, the Nepalese companies are using promotional strategy for their newly launched product as well as existing product but nobody has tried to do research and find out its effectiveness in Nepalese communication service. The researcher had chosen this topic, because this is virgin challenging area for research. As the focus of study is base on the effectiveness of promotional strategies with reference to Ncell Mobile service. This study researched about the promotional technique, tools, policies, and different means of media which are used for distributing information

Limitation of the Study

This study was conducted for partial fulfillment of master's degree in business studies. Being a student, researcher prepare this thesis in rush of time and in lack of resources. Thus the study has certain limitations which are as follow:

1. This study based on primary data and it would be supported by secondary data.
2. The study would be conducted on Chitwan District only.
3. The responses of the respondents are analyzed with percentile method and also graph chart of necessary places.

Research Gap

Above researcher research reports on marketing field with related subject matter. But the choice of this subject is due to the fact that, there is no previous research found on making studies on effectiveness of promotional strategy on mobile service (Ncell Mobile). The study tried to show that how various promotional tools help to create awareness and increase sale volume from initial phase of Ncell Mobile to till now with having such a strong competitor Nepal Telecom. Research has attempted to prepare and present this report with full enthusiasm and all possible primary as well as secondary data source are collected analyzed and presented here in respective manner.

Major Findings of the Study

The research is mainly focused on consumer point of view. So, the following findings are drawn from the study.

Finding of Consumer Survey

1. The maximum respondent age fall under 20 to 30 while having consumer survey.
2. Most of the respondents were graduate and businessman with having 5000-10000 income level.
3. While buying respondents always gives preference to easily available, service features more than others activities.
4. Respondents buying decision regarding to mobile service highly affected by Good Network Coverage & Service Features.
5. Respondents have positive response towards the advertising of Ncell mobile.

6. Most of the respondents have noticed all of the advertisement campaign, but one hour talk is highly appreciated among all of the ad campaign.
7. Among all promotional alternative advertising is most powerful tool to create brand awareness of Ncell mobile.
8. Ncell mobile is strong competitor of Nepal telecom ascertaining through consumer survey.
9. Respondents feels Ncell mobile compete with NT due to its sales promotion trend, network problem, easy to get SIM card and heavy publicity.

Finding of Trade Survey

While performing trade survey questionnaire where conducted by Agent, Sub-agents and customer care centre. And secondary data are managed by taking interview from the executives, officers and managers of the Spice Nepal Pvt. Ltd. On the basis of research analysis of trade survey those findings can be drawn:

1. Ncell mobile provided its service through customer care service more than 1300 subagents are available all over the Nepal.
2. According to research approx percentage of selling through various outlets: Customer Care 5%, Agent 2% different products.
3. According to survey reports obtained from Ncell mobile office demographic data: Total population pf Nepal is 265 million approx out of which 5 million is urban population and total youth population (Age 14yrs-24yrs) 19.5% out of which

No. of NT mobile users-1900000

No. of Ncell mobile users- 1710000

4. The most successful campaign is one hour talk time and Ramro tariff through which 400000 and 450000 new subscriber achieved respectively.
5. Growth of Ncell mobile is increasing trend from FY 2007/08 to 2010/11.
6. The most effective promotional strategies according to trade survey are advertising then public relation. Direct marketing and personal selling is not yet in practice.
7. High competition and political issue if main problems in growth of business.

Summary

A marketing research on “The Effectiveness of Promotional Strategy of Mobile Service (with special reference to ‘Ncell mobile’ service)” was conducted. Questionnaire were distributed in different cities of chitwan district for consumer survey and for trade survey questionnaire were distributed to agent, sub-agents, customer care centre and interview were taken from the executives, officers and managers of the Spice Nepal Pvt. Ltd. The study is about effectiveness of promotional strategy. After analysis data interpretation and conclusion has been made. The main target of this study is to find out effectiveness of promotional strategy of Ncell mobile service. So, to fulfill this target consumer and trade survey has performed with very specific questionnaire method and essential statistical tools were used wherever needed.

The research found that though having such tough competitor NT, Ncell mobile service attracted consumer towards its service through heavy promotional tools. Now the brand covers around 54 urban cities (14 zones) with more than 1.7 million subscribers.

From initial phase 2008 to 2011 Ncell mobile achieved increasing no. of subscriber and gain popularity among people though improved GSM technology.

Finally study shows that Ncell mobile is popular among the respondents. One of most effective factor of Ncell mobile for being popular is most effective way of communication process which directly increased the sales volume. But personal selling and direct market is not yet in used by the organization.

Conclusion

The study shows that promotional campaign of Ncell mobile service directly impact to its sales volume. Through different campaign the service have grab no. of subscribers.

The study also tries to find out the most desirable feature of mobile service. Number of respondent used Ncell mobile service it has least network problem and it provides lots of facility like free talk time, MMS and Ramro tariff. Nobody have enough time to involve in same problem for long time. So, Hassle free is also most effective service of Ncell mobile service.

The sales promotion and advertisement is the most attractive strategy used by Ncell mobile service while performing promotional strategy. One hr talk time, Ramro tariff is the most successful campaign.

The total no. of subscribers which the Ncell mobile has achieved till date stands at 1710000. As such, researcher can say as per the above study 1575000 no. of subscribers are achieved from the consumer promotion and the rest are from other activities.

So, researcher can say that Ncell mobile subscribers are increasing at a healthy clip owing to the effective promotional strategies.

Recommendations

Due to well conceptualized advertising and promotional blitz, Ncell mobile has emerged as and acknowledged player in the country's cellular mobile telephony market. And the expanding community of subscribers of Ncell mobile has much to do with the well orchestrated promotional campaign.

On the basis of findings of the present study the following recommendations are advised for the company.

1. Promotional campaign is highly focused and popular among youth population. So, the upcoming campaign should be able to cover remaining population too.
2. Advertising is indispensable tool of the marketing protocol of the Ncell mobile. So, the upcoming advertisement should be more entertaining, attractive and effective which will be able to cater the need of brand information too.
3. Good network coverage of Ncell mobile service is highly appreciated by people. So, the company should be able to maintain such quality though achieving large quantity of subscribers.
4. Out of total no. 95% of subscribers are achieved through promotional campaign and 5% through other activities. Due to that fact, company must be concerned on launching fascinating consumer promotional campaign ratio can be maintained.
5. One hour talk time and ramro tariff are most popular campaign among many others so such types of campaign have to launch for further sales and popularity.

6. The present market is very competitive, still NT is leading service provider. So, Ncell mobile has to compete with same pace with providing best quality communication service to their subscriber.

From the acquired data of this study we can advise that company should continue effective campaign like one hour talk time and ramro tariff which is really increase the subscriber.