

A Study on Potential Market of Free Launcher Distribution Channel With Special Reference To MTS Chennai

Dr.K.Ravishankar¹, Dr.H.MoideenBatcha²

¹ Associate Professor

² Professor

^{1,2} VeltechDr.RR& Dr.SR University, Chennai

Abstract- This study is been conducted on SistemashyamTeleService Ltd (SSTL).Which is the company that owns the MTS brand and is having joint venture between Sistema of Russia and shyam group of India. This company is mainly focusing the delivery of highest-quality products and services to its customer base, including VAS services such as voice mail, internet (mobile broadband), The Group's products, services and VAS are enabled by GSM, CDMA and 3G/HSPA networks, with 3G services. MTS is recording significant usage growth despite the previous high penetration level of telecommunication services at the end of 2008.The prominent aim of the company is to achieve data penetration in Chennai, so the concern organization has involved in a real time project to identify the free launcher distribution channel for bypassing the regular wholesaler and retailer. This study will identify an alternative distribution channel by analyzing various aspects of the organization like insurance agents and share brokers, cable operator, franchise agents, Tupperware's and so on. The sampling criteria for this research are, the samples are population of the insurance agents and share broker agents, who meet their clients door to door. The samples are from the insurance agents and share broker agents Of Anna Nagar, Avadi,Ambattur, Maduravayal, Thambaram, T.Nagar, Thiruvanmaiur, Nugambakkam, Kodambakkam, Mount Road, Porur,Asokh Pillar, Guindy, Pammalmugappair, Vanagaram,Valasaravakam,Sowcarpet, and so on. Finally,the outcome of this project willobtain suggestions and recommendations for MTS Chennai for making data penetration and to elevate sales of data card with the help of Free Launcher like insurance agents and share brokers.

Keywords- MTS, Sistemashyam TeleService, telecommunication, distribution channel, agents

I. INTRODUCTION

1.1 INTRODUCTION OF THE STUDY

It was carried around more different as well as important of distribution for MTS Telecommunication



The above diagram shows how the distribution channel of MTS Telecommunication functions. The distribution channel starts from the manufacturers and it ends to consumers. This is the regular distribution channel of mts instead of this the concern firm has now concentrating on alternatives distribution channel like insurance agents, share brokers, franchisers, cable operators and so on. Now the concern firm is involving in the project of door step distributors, so the company needs to know about an effectiveness of those distribution channels and how those could assist to an organization to make a data penetration of Wi-Fi Dongle.It carried out a CDMA TECHNOLOGY which can easily access up to five devices like smart phones, smart TV, car, personal computers, laptops. More over the main advantages of this dongle iseasily cram to the four or six gadgets at the same time. This is the first firm who was launched Wi-Fi Dongle, though the company need to make the promotion of the product in market for that MTS CHENNAI wants to make an effective distribution channel. This project will study about the free launcher distribution channel like insurance agents and share traders. It will also identify how the both channel might assist to an organization in order to promote a data penetration on door steps process for MTS. Limitation of the project is it will only cover the area of the south Chennai. It possesses the industry profile about the TELECOMMUNICATION industry, company and product profile about the MTS, review of literature, statement of problem, scope of the study, limitations of the study, research methodology, and questionnaire, table of contents for collected survey, analysis and report of the collected information from the respondent.

1.5 STATEMENT OF THE PROBLEM

1. MTS wants to promote sales of Wi-Fi Dongle in Chennai with the help of distribution channel.
2. In order to find that the concern firm has involved in a real time project to identify the effective distribution channel
3. It also needs to know the effectiveness of the alternate distribution channel instead of regular wholesaler, retailer and so on.

1.6 REVIEW OF LITERATURE

Peterson et al. (1997) stated that all marketing functions are carried out through three distinctive types of marketing channels: communication channels, transaction channels, and distribution channels. By definition, communication channels enable the flow of various types of information between buyers and sellers. Transaction channels realize ordering and payment activities between buyers and sellers, and distribution channels facilitate the physical exchange of products and services between buyers and sellers. Stewart, Frazier, and Martin incorporated marketing functions into two types of channels: communication channels and distribution channels. The latter has a broader definition, meaning “a mechanism through which a product or service can be selected, purchased/ordered, and received by a segment of the firm's customers.” Sometimes distribution tasks are equal to marketing flows. Eight generic marketing flows exist, namely, physical possession, ownership, promotion, negotiation, financing, risking, ordering and payment. Physical possession refers to all storage activities, including transportation between two channel members (Coughlan et al., 2001). Distribution Channels have become the most important component of marketing today and are receiving increased attention. Channels not only add value to products and services, but also create customer and shareholder value, brand equity and market presence for a company. For most service organizations, consumer marketing and industrial marketing firms, the distribution channel, or inter organizational network of institutions, comprising of agents, wholesalers, distributors, and retailers (Gorchels, 2004; Pelton et al., 2002; Lambart et al., 1998) play a significant role in the flow of goods from producers to consumers. According to Cespedes (2006), demand generation, inventory storage, distribution of goods, providing credit to buyers, after sales service, product modification and maintenance are some of the functions that a channel performs. The channel member also called as an intermediary is a member of the distribution channel excluding the manufacturer and the consumer. Intermediaries come between these two and perform one or more of the above functions.

1.7 OBJECTIVES OF THE STUDY

- To identify the market potential of free launcher alternate channel with special reference to MTS telecommunication.
- To evaluate the strengths of insurance and share broking agents under this alternate channel
- To conceptualize the factors influencing the effectiveness of free launcher alternate channel
- To suggest measures to improve the free launcher alternate effectiveness

1.8 SCOPE OF THE STUDY

- The study will highlight effectiveness of free launcher distribution channel for MTS to carry out data penetration in market
- This study is limited to south Chennai city only, so there is a scope to expand the study to various areas
- This study will throw light on the perception of free launcher distribution channel at MTS

1.9 LIMITATION OF THE STUDY

- The study is limited to south Chennai insurance agents and share brokers.
- It only deals with the MTS Wi-Fi Dongle data card
- This is a short term study only

II. RESEARCH METHODOLOGY

2.1 Nature of Business Research:

This research is Exploratory in nature. It explores the effectiveness of the free launcher alternate channel in MTS.

2.2 Source of Data Collection

1. The primary data is collected with the help of questionnaire
2. The secondary data has taken from the internet, and just dial.

2.3 Sampling Techniques:

Sampling technique for the present study is Convenient Sampling.

2.3.3 Population Size:

The population size can be determined by secondary data only, because the size of the population is already a collected data mostly. But in this project the situation is different researcher job is also to collect the population size of the study. Since the company do not know the total number of insurance agents and share brokers. Researcher collected the population size of the insurance agents and share brokers in each area of Chennai and then proceeded to collect the data from the both agents.

2.4.1 Sampling Design:

A researcher who must decide on the most appropriate sample design for a specific project will identify a number of sampling criteria and evaluate the relative importance of each criterion before selecting a sampling design. This section outlines and briefly discusses the most common criteria.

2.4.2 Sampling Criteria:

The sampling criteria for this research are, the samples are population of the insurance agents and share broker agents, who meet their clients door to door. The samples are from the insurance agents and share broker agents Of Anna Nagar, Avadi, Ambattur, Maduravayal, Tambaram, T.Nagar, Thiruvanmaiur, Nugambakkam, Kodambakkam, Mount Road, Porur, Asokh Pillar, Guindy, Pammalmugappair, Vanagaram, Valasaravakam, Sowcarpet, and so on. The samples were taken from the sample units which were conveniently available in these areas.

2.4.3 Sample Size: 130

2.4.4 Research Period: 2 Months

2.7 Tools for Data Collection: questionnaire.

2.8 Question Variables:

Variables are factors through which the question in the questionnaire is set. Each factor will have at least one question based on it. There are two types of variables. They are

Independent Variables: The independent variables used in the study are reference given by the number of customers existing in insurance and share brokers agents of particular person, customers receive in a month, sale of MTS data card to their clients and others, target achieve in a month.

Dependent Variables: The dependent variable in this survey is effectiveness and execution of the free launcher alternate sales channel by the insurance agents and share broker agents.

2.6 Tools for Data Analysis

The response of the respondents were tabulated in excel and Spss software and their relations are bought out using various mathematical functions like sum, mean, median, mode, frequency distribution, percentage analysis, chi-square test and correlation coefficient were used

Scale: It is tool which is used measure the variables used in the research. The study uses **nominal scale, ordinal and interval scale.**

III. DATA ANALYSIS AND INTERPRETATION

S.No	Particulars	Response	Percentage
1	AREA		
	CENTER CHENNAI	43	33
	SOUTH	32	25
	NORTH	55	42
	Total	130	100
2	AGENT AGE	Response	Percentage
	25-30	4	3
	30-40	24	18
	40-50	72	55
	ABOVE 50	30	23

	Total	130	100
3	NO OF CUSTOMERS EXISTING IN YOUR BUSINESS	Response	Percentage
	100	0	0
	200	6	5
	500	45	35
	ABOVE 750	79	61
	Total	130	100
4	CUSTOMERS YOU RECEIVE IN A MONTH	Response	Percentage
	10	9	7
	20	47	36
	30	30	23
	ABOVE 30	44	34
	Total	130	100
5	IDEA TO START ADDITIONAL BUSINESS	Response	Percentage
	YES	28	22
	NO	102	78
	Total	130	100
6	WHAT KIND OF ADDITIONAL BUSINESS YOU LIKE TO START	Response	Percentage
	TELECOMMUNICATION	0	0
	REAL ESTATE	9	7
	IT SOLUTION	2	2
	OTHER BUSINESS	119	92
	Total	130	100
7	THE INVESTMENT ON WHICH YOU ARE PLANNING TO START YOUR NEW BUSINESS	Response	Percentage
	50000	0	0
	100000	0	0
	200000	8	6
	ABOVE 200,000	122	94
	Total	130	100
8	IDEA TO START A BUSINESS WITH JOINT VENTURE OF SOME OTHER COMPANY	Response	Percentage
	YES	115	88

	NO	15	12
	Total	130	100
9	WHICH TELECOMMUNICATION ARE YOU USING FOR YOUR INTERNET FACILITY	Response	Percentage
	AIRTEL	32	25
	VODAFONE	31	24
	AIRCEL	9	7
	MTS	19	15
	OTHERS	39	30
	Total	130	100
10	THE DATA CARD AND GB USAGE COST THAT WHICH YOU ARE USING IS	Response	Percentage
	HIGH SATISFIED	4	3
	SATISFIED	61	47
	NEUTRAL	46	35
	DISSATISFIED	19	15
	HIGH DISSATISFIED	0	0
	Total	130	100
11	OPINION ABOUT COST OF MTS DATA CARD AND GB USAGE WITH ITS RIVALRY	Response	Percentage
	VERY HIGH	0	0
	HIGH	0	0
	NEUTRAL	44	34
	LOW	63	48
	VERY LOW	23	18
	Total	130	100
12	AWARE OF LATEST MTS DATA CARD Wi-Fi dongle	Response	Percentage
	YES	37	28
	NO	93	72
	Total	130	100
13	AWARE ABOUT LATEST MTS DATA CARD SCHEMES AND OFFERS	Response	Percentage
	YES	37	28
	NO	93	72
	Total	130	100

14	CHANCE TO GET TIE UP YOUR BUSINESS WITH MTS PRESENT (OR) FUTURE THOUGHTS	Response	Percentage
	VERY HIGH POSSIBILITY	0	0
	HIGH POSSIBILITY	0	0
	NEUTRAL	28	22
	VERY LOW POSSIBILITY	52	40
	LOW POSSIBILITY	50	38
	Total	130	100
15	AWARE OF FREELANCER ALTERNATE CHANNEL WHICH HAS STARTED FOR INSURANCE AGENTS BY MTS	Response	Percentage
	YES	0	0
	NO	130	100
	Total	130	100
16	READY TO ACCEPT THE NEW BUSINESS PROPOSAL FOR INSURANCE AGENT BY MTS	Response	Percentage
	YES	14	11
	NO	116	89
	Total	130	100
17	WHAT IS YOUR OPINION TO START THE BUSINESS WITHOUT INVESTMENT IN MTS	Response	Percentage
	YES	14	11
	NO	116	89
	Total	130	100
18	IF YOU GET CHANCE TO EARN 50% RETURN ON INVESTMENT DO YOU AGREE?	Response	Percentage
	YES	14	11
	NO	116	89
	Total	130	100
19	CAN YOU MAKE SALE OF MTS DATA CARD FOR YOUR CLIENTS AND OTHERS	Response	Percentage
	VERY HIGH CHANCE	0	0
	HIGH CHANCE	3	2
	VERY LOW CHANCE	39	30
	LOW CHANCE	88	68

	Total	130	100
20	HOW MUCH TARGET CAN YOU ACHIEVE IN A MONTH	Response	Percentage
	MINIMUM 10	29	22
	MAXIMUM 15	12	9
	ABOVE 15	33	25
	LESS 15	56	43
	Total	130	100

Summary of interpretation

Most of the respondents were covered in north Chennai comparing to south and center Chennai. Most of the respondents were at the age of 40-50 i.e 55%. Most of the agents are having the existing clients of more than 79 percentages. Per month the agents will receive more than 20 clients for their business. Few of the respondents were interested to start new business. Majority of the respondents were interested to start other business. Majority of the respondents were interested to invest above 2, 00,000. Few respondents were interested to start a business with MTS as joint venture. For internet facility 30% of the agents prefer rather than MTS, VODAFONE, AIRTEL, and AIRCEL. Most of the respondents are satisfied with their internet GB usage costs but few were dissatisfied. Most of the agents opinion about MTS data GB usage was low than rivalry. Few of the agents were aware about MTS new data Wi-Fi dongle. Less than 40 % of the agents were aware about MTS Wi-Fi dongle. Most of the agents were said that to get tie up with MTS for selling of data dongle was very low possibility. All agents were not aware about the MTS business proposal for insurance agents and share broking agents. Few of the agents were ready to accept the business proposal by MTS. Few agents have accepted to start business without investment in MTS. Only 14% of the agents has agreed to earn 50% return on investment. Only 2% of the agents has said that they can make sale of MTS data dongle for their clients. Most of the agent’s opinion was that they can achieve target of less than 15%. Majority of the agents were asking above 25,000 to achieve the target of above 15 in a month. Few of the insurance agents and share broking agents were interested to do business with MTS.

3.1 Chi square Test

Null hypothesis H0:-

There is no significant relationship difference between Which telecommunication is you using for your

internet facility and The data card and GB usage cost that which you are using for internet.

Alternative hypothesis H1:-

There is a significant difference between Which telecommunication is you using for your internet facility and The data card and GB usage cost that which you are using for internet.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	301.937 ^a	30	.000
Likelihood Ratio	73.861	30	.000
N of Valid Cases	134		

a. 33 cells (78.6%) have expected count less than 5. The minimum expected count is .01.

INTERPRETATION: Above 15% of the respondents are using both Vodafone and airtel better than airtel and MTS telecommunication but most of the respondents were satisfied with their internet usage cost only below 10 % of the respondent were dissatisfied about internet GB usage cost. The value of the chi square statistics is 78.06 with degrees of freedom 30. In the last column gives the two tailed p value associated with the chi square value. In this case p value is 0.000 which is lesser than 0.05. Hence H1 Alternative hypothesis, There is a significant relationship between the GB usage of telecommunication and satisfied level of agents.

3.2 SUMMRY OF FINDINGS

- 55% of total agent belongs from age group of 40-50.
- Area covered in Chennai- south 25%, north 42% and center 33%

- 60 agents salary is above 50,000 per month out of 130 so they are not interested to initiate any new business.
- Most of the agents are not aware about MTS new data Wi-Fi dongle.
- 82% of agent is interested to initiate other business.
- Most of the people are not planning to start their alternative business in joint venture.
- 12% of insurance agent channel can support to grab the market for sales of MTS data dongle.
- Share brokers were not suited for this channel to grab the market.
- There is not much network facility and service to the final user of MTS data dongle.
- The company has to concentrate on customer benefits, the schemes which have given by the company to the customers.
- There is lack of satisfactory advertisement, showrooms, and service to final customer.

IV. SUGGESTIONS AND RECOMMENDATIONS

- The company can concentrate on the alternate channel of insurance broking company instead of using the insurance agents.
- Insurance agents would have certain time limit to concentrate on other business but the chairman of LIC broking could easy to convey this business proposal to insurance agents.
- Open onset in colleges and corporate companies would increase the sale of dongle.
- Creation of tie-up with some mobile and pc companies will elevate the sales high, like Panasonic company, Wipro, larva, intex and so on.

V. CONCLUSION

Researcher made tele calling of more than 300 calls for insurance agent, the outcome was only 6 to 7 people has interested on this business proposal. In share broking researcher made call not more than 50 because the people are not at all interested, the main reason what they were saying was busy with their own work, even though we said, that we were willing to come and meet you in your office. From all above analysis researcher conclude that using insurance agent as alternative channel of distribution is not successful for MTS dongle Chennai.

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