International Journal of Management and Commerce Innovations ISSN 2348-7585 (Online)
Vol. 13, Issue 2, pp: (607-611), Month: October 2025 - March 2026, Available at: www.researchpublish.com

A Study on Factors Influencing towards Value Added Services in Telecom Industry with Special Reference to Sivagangai District

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DOI: https://doi.org/10.5281/zenodo.18863777

Published Date: 04-March-2026

Abstract: **This study examines the factors influencing towards Value Added Services (VAS) in the telecom industry with special reference to Sivagangai District. It focuses on understanding the level of awareness, usage patterns, and preferences of consumers regarding various VAS such as caller tunes, mobile internet services, and entertainment services. The study also analyzes the factors influencing consumer decisions, including cost, convenience, and service quality. Data is collected from telecom users using a structured questionnaire and analyzed using statistical tools. The Findings of the study shows that Cost and affordability along with promotional offers are the most influential factors affecting consumer buying behaviour towards value-added services in the telecom industry. In contrast, service quality and brand image have comparatively lesser influence on consumer decisions.**

Keywords: **Consumer, Buying Behaviour, Value Added Services, Telecom Industry.**

1. INTRODUCTION

1.1 Introduction:

The telecom industry has undergone a remarkable transformation in recent years, evolving from a provider of basic voice communication services to a comprehensive digital ecosystem. With the rapid advancement of mobile technology, internet penetration, and smartphone usage, telecom operators are increasingly focusing on **Value Added Services (VAS)** to enhance customer experience and generate additional revenue. Value Added Services refer to non-core services offered by telecom companies in addition to standard voice and messaging services. These include entertainment services such as caller tunes and OTT platforms, utility services like mobile banking and alerts, and internet-based services such as streaming, gaming, and cloud applications. Leading telecom operators such as Reliance Jio, Bharti Airtel, Vodafone Idea, and BSNL have been actively promoting VAS to differentiate their offerings in a highly competitive market.

Consumer buying behaviour towards VAS is influenced by multiple factors such as awareness, perceived usefulness, affordability, service quality, and ease of access. In today's digital era, consumers are not only concerned with basic connectivity but also expect personalized, convenient, and innovative services that suit their lifestyle. The availability of bundled offers, promotional strategies, and digital platforms has further shaped consumer preferences and purchase

decisions. Understanding consumer buying behaviour is essential for telecom companies to design effective marketing strategies and improve customer satisfaction. It helps in identifying the needs, expectations, and preferences of users, thereby enabling service providers to develop customer-centric VAS offerings.

This study aims to analyze the buying behaviour of consumers towards value added services in the telecom industry, focusing on factors influencing their purchase decisions, level of satisfaction, and challenges faced while using such services. The findings of the study will provide valuable insights for telecom operators to enhance service quality, improve customer engagement, and strengthen their competitive position in the market.

1.2 Review of Literature:

Dr. Vinit Dani & Mrs. Vanishree Pabalkar (2013) in their article examined that Value Added Services Challenges and Opportunities in India, the researcher concluded that Indian consumers are not very comfortable with non-voice usage of their mobile phones, that trend is gradually reversing, helped by the entertainment sector, with music and film companies, game makers and television channels aggressively entering the mobile content market. Around 60 per cent of all VAS revenue currently comes from music downloads and ringtones, and driven by a huge youth market, demand for gaming, mobile imagery and streaming audio and video is rising. Indian telecom firms currently draw only a small portion of their revenues from VAS, but this will likely grow in future. The ARPU from non-voice services, including data card access and SMS, is expected to rise from 9 per cent now to about 25 per cent. Data services should see a surge in adoption and usage. High-speed applications will open up a lot of possibilities of innovative VAS enabling diverse infotainment service opportunities in this film and cricket-focused country.

Najre Alam, Ekta Mishra, Dr. Hiren Harsora (2025) in their article examined that a study on Consumer Buying Decision Process of Telecom sector with reference to India, the study's findings highlight the main areas, such responsiveness and dependability, where there are appreciably large service differences. Customer behavioural intentions, such as "Reducing usage with a particular service provider," "Switching to another service provider," and "Complaining to customer service if a problem occurs," have demonstrated a substantial correlation with service quality. The findings of the study confirm that the perceptions of customers regarding the quality of service received definitely have an impact on their behaviour.

Khandwala Husen et.al (2023) in their article observed that an Assessment of Brand Name on Consumer's Choice and Preference in the Context of Telecom Industry, the researcher concluded that the behavior of consumers towards telecom industry is increasingly a focus of marketing research. In particular, consumer behavior in the telecom industry, from adoption motivation to post- usage behavior has become a major focus of research in the field of marketing. The results of the research confirm that the regulatory focus has an influence on consumer behavior towards Smartphone network purchase decision by affecting their perception, motivation, and lifestyle. India is one of the fastest growing economies in the world and the telecom industry in India is also growing very fast. For consumers' smart phone network have become essential parts of personal and business life. There is a continuous increase in disposable income; there has been a major shift in the attitude and aspirations of the consumers.

1.3 Objective of the Study:

The Main objective of the study is to analyze the factors influencing towards Value Added Services in Telecom Industry with Special Reference to Sivagangai District.

1.4 Research Methodology:

The respondents of the study consist of telecom subscribers who are using mobile services and value added services offered by various telecom operators. The study includes respondents from different age groups, occupations, and income levels to obtain a comprehensive understanding of consumers buying behaviours towards value added services in telecom industry. Both Primary and secondary data has been used for the study. The Primary data were collected from 385 respondents by using convenience sampling method.

1.5 Data Analysis and Interpretation:

1.5.1 Demographic Profile of the Consumers:

In order to understand the demographic profile of the consumers, percentage analysis was used to identify the personal information like Gender, Age, Educational Qualification, Monthly Income, Monthly Savings, and Occupation engaged. The Table 1.1 shows the demographic profile of the consumers.

Table 1.1 Demographic Profile of the Consumers

Demographic Profile of the Consumers	Options	Frequency	Percent
Gender	Male	212	55
	Female	173	45
	Total	385	100
Age	Up to 25 years	86	22
	25 to 35 years	156	41
	35 to 45 years	68	18
	45 to 55 years	42	11
	More than 55 years	33	8
	Total	385	100
Educational Qualification	Professional Degree	58	15
	Post-Graduation	112	29
	Under Graduation	78	20
	Diploma	56	15
	Schooling	81	21
	Total	385	100
Occupation Level	Government Employee	95	25
	Private Employee	86	22
	Self-Employee	72	19
	Home maker	132	34
	Total	385	100
Monthly Income	Less than Rs.20,000	32	8
	Rs.20,001 to Rs.30,000	96	25
	Rs.30,001 to Rs.40,000	112	29
	Rs.40,001 to Rs.50,000	82	21
	Above Rs. 50,001	63	17
	Total	385	100

Source: Primary Data

Gender: Among 385 respondents considered for the study, 55 per cent are males, and 45 per cent are females. It is observed that majority of the respondents are male.

Age: Age is one of the most important factors for a human being and age also serves as a yard stick to participate or discontinue in any occupation or profession. Among 385 respondents considered for the study; 22 per cent were less than 25 years, 41 per cent were in the age group of 25 to 35 years, 18 per cent were in the age group of 35 to 45 years, 11 per cent belong to the age group between 45 to 55 years and 8 per cent were above 55 years. Thus, majority of the consumers contacted are in the age group of 25 to 35 years. Therefore, majority of them were middle aged consumers.

Educational Qualification: Education is one of the most important factors that influences a person in the society to a large extent. So an attempt is made to analyze the level of education of consumers. Among 385 respondents considered for the study, 15 per cent of them were qualified with professional degree, 20 per cent have completed their post-graduation, 15 per cent are qualified with under graduation and 21 per cent are Diploma. Therefore, majority of the consumers are completed their Post-graduation degree.

Occupation of the Consumers: The role of occupation plays major role to earn income. Among 385 respondents, 25 per cent have occupied as government employee, 22 per cent have occupied as Private employee, 19 per cent have occupied as self-employee, 34 per cent occupied as home maker. Therefore, majority of them occupied as Government Employee.

Monthly Income: Among 385 respondents considered for the study, 8 per cent monthly income between Less than Rs.20,000, 25 per cent monthly income between Rs.20,001 to Rs.30,000, 29 per cent of the monthly income is between Rs.30,001 to Rs.40,001, 21 per cent of the monthly income is between Rs.40,001 to Rs.50,000 and 17 per cent of the monthly income is above Rs. 50,001. It shows that majority of the monthly income is between Rs.30,001 to Rs.40,000.

1.5.2 Chosen of Consumers towards Telecom service provider –Descriptive Statistics:-

Consumers choices of selecting telecom service providers based on factors such as network quality, pricing, data speed, and value-added services. Brand reputation, customer support, and promotional offers also play a crucial role in influencing their final decision. The Table 1.2 depicts the Chosen of Consumers towards Telecom service provider.

Table 1.2 Chosen of Consumers towards Telecom service provider

Options	Frequency	Per cent
Vodafone Idea	28	7
Airtel	121	31
Reliance Jio	148	38
BSNL	56	15
Others	32	9
Total	**385**	**100**

Source: Primary Data

The above table shows the distribution of respondents based on their choice of telecom service providers. It is observed that a majority of the respondents, 148 (38%), prefer Reliance Jio, making it the most chosen service provider. This is followed by Airtel with 121 respondents (31%), indicating strong competition between these two leading providers. BSNL is chosen by 56 respondents (15%), reflecting a moderate level of preference, while Vodafone Idea is preferred by 28 respondents (7%). The remaining 32 respondents (9%) use other service providers. Overall, the results indicate that private telecom operators, particularly Jio and Airtel, dominate the market due to better service offerings, pricing, and network coverage.

1.5.3 Factors Influencing towards Value Added Services in Telecom Industry - Mean Score Analysis:

The rank analysis was performed on the mean score variables to identify which is the most impact of purchase decision related to the product. The Table 1.3 depicts the factors influencing towards Value Added Services in Telecom by using rank analysis.

Table 1.2 Factors Influencing towards Value Added Services in Telecom Industry - Mean Score Analysis

S.No	Factors	Mean	Rank
1	Cost and Affordability of Services	4.821	1
2	Quality of service delivery	3.564	5
3	Ease of access and usage	4.568	3
4	Influence of Promotional offers and advertising	4.754	2
5	Brand Image of Telecom Provider	3.921	4

Source: Primary Data

The above table presents the mean scores and ranks of factors influencing consumer buying behaviour towards value-added services in the telecom industry. It is observed that **Cost and Affordability of Services** has secured the highest mean score of 4.821 and is ranked first, indicating that consumers give utmost importance to pricing while choosing value-added services. This is followed by **Influence of Promotional Offers and Advertising** with a mean score of 4.754, ranking second, showing that marketing strategies play a significant role in attracting consumers. **Ease of Access and Usage** holds the third rank with a mean value of 4.568, suggesting that convenience is also a key factor in decision-making.

Further, **Brand Image of Telecom Provider** is ranked fourth with a mean score of 3.921, indicating a moderate influence on consumer choice. Lastly, **Quality of Service Delivery** has the lowest mean score of 3.564 and is ranked fifth, implying that although service quality is important, it is comparatively less influential than cost and promotional aspects. Overall, the findings indicate that economic and promotional factors dominate consumer buying behaviour towards value-added services in the telecom sector.

1.5.4 Difference between Age and factors influencing towards Value Added Services in Telecom Industry – ANOVA:-

The basic principle of ANOVA is to test and find out the differences among the means by examining the amount of variation within each of this sample, related to the amount of variance made viz. one based on samples between variance and the other based on within sample variance. ANOVA is used to uncover the main and interaction effects of categorical independent variables (called factors) on an interval metric variable. An analysis of variance effect is any difference between

two or more independent variables with the dependent variable. The key statistic in ANOVA is the F-test of difference of group means, testing, if the means of the groups formed by values of the independent variable (or combinations of values for multiple independent variables) are different enough and not have occurred by chance. If the group means do not differ significantly then it is inferred that the independent variable(s) do not have an effect on the dependent variable, and then multiple comparison tests of significance are used to explore just to know which values of the independent(s) variables have the most to do with the relationship. To know the relationship between difference between Age and factors influencing towards Value Added Services in Telecom Industry the ANOVA is used in the present study.

Table 1.3: Difference between Age and factors influencing towards Value Added Services in Telecom Industry – ANOVA

Factors		Age			F value	P Value
		Below 25 Years	25 Years to 50 Years	Above 50 Years		
Cost and Affordability of Services	Mean	1.42	1.54	1.66	1.868	0.000
	S.D.	0.63	0.50	0.41		
Quality of service delivery	Mean	1.40	1.80	1.73	1.452	0.001
	S.D.	0.60	0.78	0.51		
Ease of access and usage	Mean	1.20^{a}	1.51^{b}	1.63^{b}	6.365	0.002*
	S.D.	0.21	0.51	0.48		
Influence of Promotional offers and advertising	Mean	1.50	1.48^{a}	1.72^{b}	5.128	0.00*
	S.D.	0.75	0.49	0.54		
Brand Image of Telecom Provider	Mean	1.53	1.47	1.55	0.724	0.001
	S.D.	0.80	0.50	0.29		

Source: Primary Data

The Table 1.3 reveals the ANOVA test results. Based on the result, the significant value is found to be lower than 0.05 for Cost and Affordability of Services, Quality of service delivery, Ease of access and usage, Influence of Promotional offers and advertising and Brand Image of Telecom Provider. So, the null hypothesis is rejected and it is concluded that there is a significant relationship between the Age and factors influencing towards Value Added Services in Telecom Industry.

1.6 Conclusion:

The study concludes that consumer buying behaviour towards value-added services in the telecom industry is primarily driven by **cost and promotional factors**, which play a dominant role in influencing decision-making. While convenience also contributes significantly, factors such as service quality and brand image have comparatively lesser impact. Therefore, telecom service providers should focus on competitive pricing strategies and effective promotional activities to enhance the adoption of value-added services among consumers. In addition, improving ease of access and user-friendly interfaces can further encourage consumers to adopt value-added services. Telecom providers should also work on enhancing service quality to gradually strengthen customer trust and satisfaction. A balanced approach combining affordability, promotion, and service improvement will lead to sustained customer engagement and competitive advantage.

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