



IMPACT OF DIRECT TO HOME SERVICES ON BUYING HABITS OF RURAL CONSUMERS: - A comprehensive Study of Rural area of North Gujarat

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ABSTRACT

A DTH stands for Direct-To-Home Television, DTH is defined as the reception of satellite programs with a personal dish in an individual home. DTH takes away with the need for the local cable operator and puts the broadcaster directly in touch with the consumer. ¹The Indian economy at a GDP growth rate of eight percent, the average Indian's disposable income and purchasing power has risen to all-time-high levels. The Indian entertainment and media industry is growing at a worth of US\$10 billion and will be with a compound annual growth rate of 18 percent over the next five years.

KEYWORDS: Home Services , Direct-To-Home Television , Indian economy.

INTRODUCTION:

The DTH service addresses the needs of a



burgeoning market for a wholesome family entertainment service for the over 125-million TV household markets in the country. Terms which were alien to Indians like DTH, Digital Cable, and IPTV are rapidly finding presence in the country's magazines and journals. As per the ASEAN bankers' research report (2007), India would overtake Japan as Asia's largest DTH by 2010 and the most profitable pay-TV market by 2015 .Over the last three years, the direct-to-home (DTH) satellite industry has come on strongly worldwide. It has grown from a niche delivery mechanism into a mainstream business.

The spread of subscription-based DTH Satellite

Key players in DTH Industry (INDIA)

DD Direct+ of Prasar Bharati,
Dish TV of Zee Group
Tata Sky-the joint venture between Tata and Rupert Murdoch's SkyTV
Reliance Big TV
Airtel DTH
Videocon DTH
Sun Direct DTH

DTH Industry in India Present and Future

India has a total television population of close to 135 million, out of which 80% have access to cable and satellite (i.e. 108 million).

The total DTH subscribers are close to 22 million. Thus the DTH has a market share of approximately 20%. The subscriber base for DTH in 2006 was meager 1 million. Now for an industry which is just 5 years old, it is a great achievement.

Let's have a look at how the DTH industry has grown in these 5 years. In 2005 Dish TV was the only player in the DTH industry and was registering subscriber growth mainly in the areas where cable TV was not available. The subscribers were not ready for the cost of set top box. In 2007 CAS mandate was introduced in selected metro cities, where users had to invest in a set top box.

The first DTH service was launched in India on 2 October 2003 by Dish TV. The company decided not to compete against entrenched cable operators in metros and urban areas, and instead

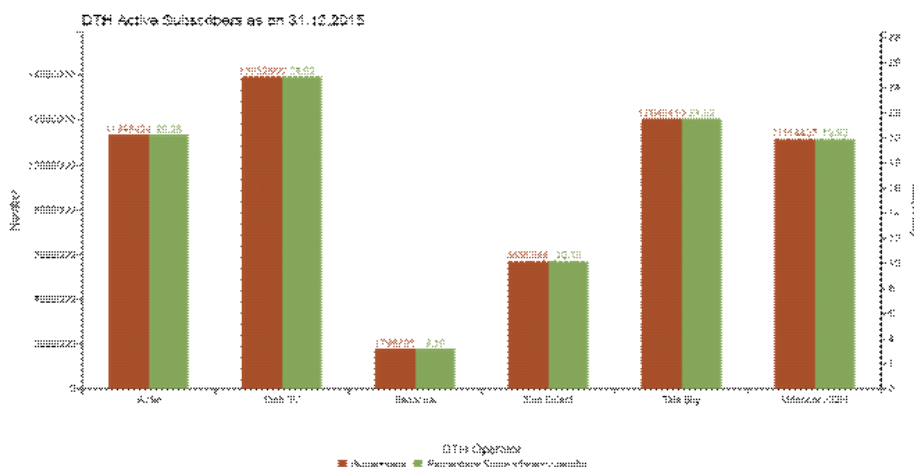
focused on providing services to rural areas and regions not serviced by cable television. Jawahar Goel, who led the launch, recalled 10 years later, "We hardly had four transponders and could offer only 48 channels, compared to analog cable that was giving 60 and was much cheaper. And, STAR refused to give its channels. So, we decided to go slow and concentrate in cable-dry and cable-frustrated markets, rather than cable-rich markets and build the market step by step." Dish TV acquired 350,000 subscribers within 2 years of the launch.

Sun Direct and Airtel digital TV launched services in 2007 and 2008 respectively. Reliance Big TV (now Reliance Digital TV) was launched in August 2008. The service acquired 1 million subscribers within 90 days of launch, the fastest ramp-up ever achieved by any DTH operator in the world. Videocon d2h was launched in June 2009. The total number of DTH subscribers in India rose from 1.5 million in 2005 to 23 million in 2010. Sun Direct became the first DTH provider to offer high-definition (HD) channels in early 2010. Tata Sky began offering HD channels later that year. Other DTH providers subsequently began carrying HD channels.

The total number of active DTH subscribers in India² was 55981376 as on 31.12.2015. The number of active DTH subscribers of Airtel was 11343424 as on 31.12.2015. The market share of Airtel was 20.26% of the total number of active DTH subscribers in the entire country. The number of active DTH subscribers of Dish TV was 13952866 as on 31.12.2015. The market share of Dish TV was 24.92% of the total number of active DTH subscribers in the entire country. Among all the DTH Operators in India, Dish TV had the largest number of DTH subscribers as on 31.12.2015 and was the market leader.

The number of active DTH subscribers of Reliance was 1786705 as on 31.12.2015. The market share of Reliance was 3.19% of the total number of active DTH subscribers in the entire country. Among all the DTH Operators in India, Reliance had the smallest number of DTH subscribers as on 31.12.2015.

The number of active DTH subscribers of Sun Direct was 5698544 as on 31.12.2015. The market share of Sun Direct was 10.18% of the total number of active DTH subscribers in the entire country. The number of active DTH subscribers of Tata Sky was 12045410 as on 31.12.2015. The market share of Tata Sky was 21.52% of the total number of active DTH subscribers in the entire country. The number of active DTH subscribers of Videocon D2H was 11154427 as on 31.12.2015. The market share of Videocon D2H was 19.93% of the total number of active DTH subscribers in the entire country.



DTH PENETRATION GUJARAT:

Bharti Airtel³ one of the Asia's leading integrated telecom service provider was recognized as the Best telecom company in Gujarat at the 3rd edition of GESIA Annual awards, given away in Ahmedabad recently. Airtel was chosen for this award from among the leading telecom companies that currently operate in the state of Gujarat. Some of the competitive differentiators that contributed to Airtel's recognition as the best Telecom Company award are: The Airtel e-Gram connectivity infrastructure project is the largest e-governance rural connectivity initiative at the village level. Under this project, Airtel partnered with the Government of Gujarat and set up telecom infrastructure which provides a comprehensive VSAT based solution, connecting Panchayats and Common Service Centers (CSCs) across 13716 villages in the state.

Objectives of study & Research Methodology: an In-depth Review

Television has become the most prominent medium in India for the delivery of information, news, entertainment etc. With revenue of Rs. 34000⁴ Crore it represents around 42 percent of the total media industry. The TV industry continues to have scope for further growth as television penetration in India is still at approximately 60 percent of total households. Presently, TV channels are distributed through cable TV, Direct to Home (DTH), terrestrial and Internet Protocol Television (IPTV) networks. Majority of the distribution is through cable TV and DTH platforms. The key entities in cable TV services are Broadcasters, Multi System Operators (MSOs) and Local Cable Operators (LCOs).

As a result, the researcher had framed the following objective for the proposed study:

- To study the television viewing habits of people of North Gujarat since year 2000 till date.
- To review the growth and development of DTH industry in Rural market with special reference to north Gujarat
- To recommend competent and innovative strategies for service providers to attract and retain the customers
- To know the post launch impact of DTH on other industries i.e. whether the marketers have changed their way of advertising or got any outcome for their products.
- To frame the strategic marketing policies of the industries affected by the launch of DTH
- To identify the buying habits of rural consumers
- To identify the change in buying pattern of various products in rural areas related to agriculture, textile, accessories, entertainment, electronics etc...

RESEARCH METHODOLOGY:-

• Title of the Proposed Study:

"Impact of Direct to Home Services on Buying habits of rural consumers: Implications for DTH and other potential industries-A comprehensive Study of Rural area of North Gujarat."

• Data Source

Both Primary and Secondary Data are considered significantly for carrying out research work.

For secondary data collection focus imparted on Web- sites, Magazines, newspapers, journals, Research papers etc and refer thesis, company brochure and literature, periodicals, and other available

Primary data collected through structured questionnaire as well as personal interviews. Personal visit to rural areas of north Gujarat was made to collect the views and suggestions of the rural people (users and non users of DTH Services) and the service providers at North Gujarat level.

• Research Design

Exploratory Research Design and Descriptive Design were utilized to explore the rural and Rural Market of north Gujarat.

• Research Approach

The research approach for data collection selected is Survey Method.

• Research Instruments

Rural People: The Rural people were interviewed with the help of structured questionnaires which consist of both open and close ended questions.

Service Providers: The service providers i.e. retailers were interviewed on the basis unstructured and personal interview with qualitative measures. Their responses were collected on telephone and the personal visits in many areas.

• Sampling Plan

Universe: North Gujarat Region consisting of four districts is the Universe for the study

Sample Size: The sample size of research is 4 Districts namely Patan, Mehsana, Banaskantha, and Sabarkantha, 5 villages from each town were selected based on the heterogeneity of the population. Specifically as followed:

Sample: According to census analysis 2011⁵, overall Gujarat has 57.40 of rural population but north Gujarat Overall has 7353847 rural people and considering average 4 members a family as a family standard, researcher considered 1838462 families were considered as the universe. Hence considering pure homogeneous sample at a 99% confidence level with 5% margin of error 663⁶ rural people⁷ including users and nonusers of DTH services should

be selected, but considering pure homogeneous segment 600 respondents were selected for the research. And few selected retailers of DTH service providers strictly based on stratified Random Sampling were asked the structured and unstructured questions

Sample Design: This is strictly based on deciding the appropriate sample in the case of Rural Areas, so I have selected stratified random design.

• **Contact Method**

Interviewer enabled questionnaire method consisting of structured questions and personal interview method with unstructured question list adopted for the proposed study

Major Findings and suggestions of the Research:

- In the test of Cronbach's Alpha and it's based on Standardized Items are positive. In this test to be included what do they do during Commercial Break in which, average people If watch product advertisements, Toys and School Gear products they like to watch with high rate, Perfumes and Accessories with high std. Deviation, Clothing advertisement with Very average Std. Deviation, Kitchen products advertisement with minimum Std. Deviation, Decor and Furnishing Gear products advertisement with average Std. Deviation, Vehicles Gear products advertisement very high Std. Deviation, Agricultural Equipments Gear products advertisement, Veterinary Products Gear products and Fertilizers and Pesticides Gear products advertisement with average Std. Deviation.
- The research says that 44.3% families watch TV for 4.1 to 6 Hours so the overall impact says that the time they spend is higher compare to the old time prior DTH because in village normally the night was drawn by 8 pm and 96.8% Respondents have own DTH Connection during the research tenure, the lead reason was that the cable connection was not widespread rather still in certain areas it is not specified in many of the villages of north Gujarat.
- 32.7% Respondents use the Dish TV brand of DTH Connections which is the highest for any number. So there are more followers of Dish TV and the main reason can be drawn because of annual plans and schemes. Respondents came to know about the services from advertise Media 46.2% in compare to the other related things.
- The research about usage tenure says that 43.8 % Respondents have been using for 13 to 18 months that is high ratio related to other duration, which means major villages have started using DTH since 1.5 years only. 45.2% Respondents of DTH services have tried Dish TV compare to the other connection which is a remarkable achievement, those who have changed their service providers have already tried dish TV earlier. Which is commendable remark, almost half of the switchers have tried Dish TV
- It is also found out that they are more focused for the information around the world and refreshment as well. So they view mostly the channels like ETV Gujarati, TV9, AAJ TAK, & SAB TV. 65.2 % respondents Surf another Program during the Commercial Break. For those who watch Advertisement, the types of commercials they like to watch are... Only 31.5 % respondents Watch Advertisement during the Commercial Break and most of them like to watch comic and emotional ads for their needed products. 21.2 % respondents have given the rate of 4 to watch product advertisements of Toys and School Gear products very much. 30.2 % respondents have given the rate of 5 to watch product advertisements of Perfumes and Accessories Gear products the most. 38.2 % respondents have given the rate of 5 of Watch product advertisements of Clothing Gear products the most. 24.8% respondents have given the rate of 3 to watch product advertisements of Kitchen Gear products somewhat. 25.3 % respondents have given the rate of 3 to watch product advertisements of Décor and Furnishing Gear products somewhat. 60.5 % respondents have given the rate of 5 to watch product advertisements of Vehicles Gear products like the most. 23.7 % respondents have given the rate of 3 to watch product advertisements of Agricultural Equipment Gear products somewhat. 17.7 % respondents have given the rate of 4 of Watch product advertisements of Veterinary Products Gear products like to watch very much. 22.3 % respondents have given the rate of 4 of Watch product advertisements of Fertilizers and Pesticides Gear products very much.
- They are highly affected to buy smart phones and bakery products, where as they also utilize more for electronic appliances, clothing and shoes and up to certain extend they are also affected to buy Ready to cook food, Ornaments and imitated jewelry, Fertilizers and seeds, Toiletry, Detergent, Fairness products, Cosmetics, Veterinary products, and Pesticides which indicates that their shopping has started being affected post launch of DTH services. There are mainly certain fertilizers' brands like DAP, Puriyas and certain FMCG brands they have

started buying because of DTH Services. Mostly of Newly launched Soaps, Shampoos, Detergent Powders, cosmetics etc... of HUL, ITC, DABUR and P & G. in insurance sector they only know one name that is LIC. They did not mention specific brands except LIC, EVERYOUTH, HDFC, AXIS, ICICI, DENA, and other specific FMCG brands mentioned above. There are certain mythological TV channels like SANSKAR, ASTHA even other channels like ETC, M TV, Zee Gujarati, Jagran, UTVAction, and Sports channels which were not available in cable.

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