Monitoring Consumer Behavior of Lebara Mobile

Zeeshan Saeed

Cardiff Metropolitan University

Cardiff, United Kingdom

Email: zeeshanch@gmail.com

Abstract

The mobile phone services are available almost in every country all over the world. It becomes a requirement of the people and the people are facilitated through different services including the voice and text and video conferencing. The most of the growth in the mobile technology in UK takes place in the last ten years with the invention of the 4G technology. The people are provided with the internet services along with the voice and data services. The mobile broadband technology becomes the requirement of the most of the business people and the students. The contribution of this work is to evaluate consumer behavior of the mobile company i.e. Lebara mobile. It will determine the behavior of the consumers of the Lebara mobile and on the basis of the observation of the consumer behavior introduce different changes which need to be made. The behavior of the consumers changes with the invention of new technologies therefore it is necessary to observe the consumer behavior which will be helpful in devising new marketing strategies.

1. Introduction

The world has become a global village. There are lot of factors involved in making this world a global village and humans are social beings. The
communication technology has played a major role in making this world a global village and the different means of communication help in communicating across the nations. The need of communication is always there since the creation of the mankind. Firstly, the means of communication used were with the help of pigeons. The advancements lead towards the use of man as a messenger and this practice of message conveying was used for a long time. In the last two centuries, the progress in technology leads toward the use of the telegraph, radio, TV and telephone services. The latest inventions in the telecommunication technology lead to the introduction of mobile communications. The internet technology made it possible to communicate across the world and exchange of voice and data is possible through the help of the internet technology. The mobile technology made it possible for the people to communicate across the world wherever they are.

The mobile communications provided the services of transfer of voice as well as data. The services also included the internet services such as mobile broadband and the GPRS services. The fixed line services are also provided by the companies but the mobile technology is the new technology. There are two types of the consumers of mobile service, pay as you go users and the users having mobile contracts. In the pay as you go, the service providers charge the service after using the service but before using the service, the users have to top up their sim card. In the contracts, the consumers are provided with the range of choices regarding the mobile service as well as the mobile handset. With the change in the technology and the changing
services there is also changing consumer behaviour.

The global mobile telecommunication market has undergone latest developments in the past few years. The International mobile telecommunications is the global standard for the third generation mobile service providers. The mobile technology has expanded a lot in the last few years in all over the world.

This figure shows the subscriber base of the fixed lines as well as the mobile services. There is a rising trend in the mobile subscribers. The areas in which there is an increase in the mobile subscriber base are shown in the following figure.

There has been a considerable change in the mobile telecommunications in the last few years. The number of users of mobile telecommunication services has been increased and the area covered by the subscribers has also been increased. The mobile telecommunication sector of UK has also undergone lot of competition during the recent years. The telecom companies have covered a lot of regions for mobile service providing in the UK. The Lebara group was founded in 2001. Its annual sales are in excess of €162 million operating as a virtual mobile operator. It was
ranked as the fourth fastest growing private company in Britain in 2006 by the Sunday times. In 2007, it was placed by Real business magazine in both its hot 100 and top 50 to watch in mobile listings. In 2008, the real business magazine placed Lebara in their hot 100 listings for the second year running. The judges in the 2008 mobile awards voted lebara mobile as best newcomer to the UK market. By 2008, over 700,000 customers had joined in seven countries. It has very low international call rates (www.lebara.co.uk). It places great emphasis on communicating with customers on their terms giving them online support and customer service in a wide range of languages. (www.lebara.com). In this context, this work examines consumer behavior of a mobile company lebara. Rest of this work has been organized as follows. In section 2, literature review is conducted. In section 3, data collection is explained. In section 4 and 5 analysis and discussions and recommendations are presented respectively. Whilst conclusion and future work is given in section 6.

2. Literature Review

The different theories on consumer behaviour and the relevant research conducted on the understanding of the consumer behaviour. After the understanding of the consumer behaviour, the different marketing strategies which are to be adapted for the customer loyalty. The success of the company depends on the maintaining of the strong customer relationship. Consumers are the users of any particular product. They may not be the buyers but they are the ultimate users of the product. The telecom industry has flourished a lot in last five years and this is due to the ever increasing customers and service providers in this industry.
The study of consumer behaviour is necessary as it helps companies to improve their marketing strategies. It helps in understanding how consumers think and feel about different brands and products. How the consumers are influenced by their culture, family and media. It helps the marketers to adapt and improve their marketing campaigns and marketing strategies. The consumer behaviour involves services and ideas and tangible products also. (Lars Perner).

The consumer research mainly started during the mid 60’s when the marketing managers realize that they have to understand the causes of consumer behaviour. They wanted to know the different characteristics of the consumer behaviour such as how people receive and use the information so that the managers can make the marketing strategies. If the managers can predict consumer behaviour they can also influence the behaviour. Therefore the knowledge of consumer behaviour is necessary for understanding not only the purchase decisions but also the different decisions regarding the marketing of the products (Hawkins et. al, 2000).

There are different applications of consumer behaviour. The one is for making better marketing strategies. The second application is in the formulation of public policy. The third application is regarding social marketing which involves getting ideas across to consumers rather than selling something. Another benefit of studying consumer behaviour is that it makes us better consumers. (Lars Perner). The consumer attitudes include the beliefs about some object, feelings about the object and behavioural intentions toward some object within the context of marketing. The consumer’s belief may be positive or negative.
The consumer buying behaviour involves stages which include problem recognition, information search, and evaluation of alternatives, purchase decision, purchase and the post-purchase evaluation. These are the stages of consumer buying behaviour and at each stage the consumer has different behaviour (Blackwell et al, 2005). It is very necessary that we should understand the consumer behaviour at each stage because it will tell us to adapt which strategy at which stage. The understanding of the psychology of the consumer helps in the understanding of the behaviour of the consumer at each stage. It will help in the devising of marketing strategy at each stage.

The consumer buying decision process is affected by the personal characteristics, psychological and social characteristics. The customer retention is very important. It is related with the post purchase behaviour of the consumer. After the use of the services or product, the consumers go into the satisfaction stage or the dissatisfaction. It depends on the quality of service. In the telecom sector there is a lot of competition therefore the customers are satisfied only if they get according to their expectations. To give customers beyond their expectation is the quality of the service (Jane Smith). There are changing customer demands with the passage of time. The requirements of the customers change with the new technology and the customer’s wants become their needs. Today, the companies focus on retaining their customers and for retaining the customers it is necessary to understand their changing needs and wants and according to their changing needs introduce changes in the services and product quality.

3. Data Collection
The data collection methods that are used are through questionnaires and interviews. The questionnaire is a quantitative technique of data collection method while conducting the interviews is a qualitative technique of data collection. In the quantitative technique, we get data in the statistical form while the qualitative technique requires the observation. It is conducted through the company website. The data is collected through newspapers, research articles and journals. These are the sources that provide data and act as the secondary sources for research. The company website provides different updates and latest promotions going on in the Lebara mobile. It also provides information about the new products and packages in the Lebara mobile. The users are updated regarding the new tariffs. The newspapers and journals provide information about the status of the company in the ongoing competition. The views of the users are given in the newspapers. The research articles provide information about the past research that is being conducted in this field. A lot of work has been done on different fronts of telecom sector and there are numerous established theories that must be reviewed. Research articles discussing different business models used by telecom operators, how their models differ from region to region.

There is sharp contrast in marketing strategies (market segmentation, brand differentiation and pricing mechanisms) implemented in Asian and European markets because of vast difference between consumers’ demographics (difference of income levels, spending power, literacy, population etc).

The Lebara mobile is a new company in UK that started its operations in 2007 in UK. It has already its
operations in some of the other countries of Europe. It has the lowest international call rates. It is the fastest growing telecom company in UK. There are many users of Lebara mobile that are from every part of life. The focus of the research is to monitor and observe the behaviour of the users introducing change to deal with their changing behaviour.

4. Analysis and Discussion

The consumer behaviour survey was finished in three weeks. 350 respondents replied to the survey. The overall response towards the survey was very good. The most of the respondents were having with Lebara from last four to six months. Since the Lebara mobile is a new company therefore most of the customers which are with Lebara are also not from long time. The survey conducted shows from how long the customers are with Lebara.

![Figure 2: Previous and preferred users](image)

Before using the Lebara, the majority of users were using O2. Among the people who were surveyed 35.14% were using O2 before using Lebara, 20.57% were using Orange, 15.14% were using T-mobile, 2.85% were using 3 mobile and 26.28% were using Vodafone. This shows that the majority of the immigrants were using O2 before using Lebara mobile. When they were asked that which network they will prefer if they will change from Lebara, the majority of them replied that they will switch to Vodafone i.e. 33.42%, after that most of the users suggested T-mobile i.e. 27.42%, O2 19.14%, Orange 12.28%,
3mobile 7.71%. When they were asked what would be the reason for their change of network the majority of them replied due to variety of services and price. This shows that the customers of Lebara mobile feel that the Vodafone is providing more services and range of products with flexible price plans as compared with the Lebara mobile. On the basis of the responses, 65.97% gave the reason of variety of services/products for the network change. 27.38% gave the reason of price for the network change, 3.75% raised the issue of quality of reception, and 2.28% gave the reason of network coverage for the network change. Only 1.45% gave the reason of customer service for their network change. The major reason for change is the variety of services and products which means that the Lebara mobile is lacking in offering its customers the range of services and products or the demand of the customers of Lebara mobile is to give them more services and range of price plans.

![Figure 3. Reason for change](image)

In the survey, the question five focussed on the rating of Lebara on the basis of quality of reception, customer service, suitability of tariffs available, speed of connectivity and range of services/products. Among the people surveyed, 66.85% rated Lebara good on the basis of quality of reception, 16% declared it average on the basis of quality of reception, 6% rated it excellent on the basis of quality of reception, 11.14% rated it below average on the basis of quality of reception.
reception. No one declared it poor on the basis of quality of reception. This shows that the Lebara mobile is doing well as far as the quality of reception is concerned. When they were asked to rate Lebara on the basis of customer service, 73.71% rated it good, 20.85% rated it average, 4.85% rated it excellent and 0.57% rated it below average on the basis of customer service. The users of Lebara mobile are satisfied with the customer service but during the survey they suggest that the customer service should be free and they should not be charged or calling the customer service. On the basis of suitability of tariffs available 33.42% rated it good, 22.57% rated it average, 18.57% rated it excellent, 17.74% rated it below average and 7.71% rated it poor. The Lebara mobile has to provide different price plans and range of tariffs because the percentage of customers who rated it good are few as compared with the customers who rated it excellent from the range of tariffs point of view. On the option of speed of connectivity, 54% rated Lebara good, 24.85% rated it average, 9.71% rated it below average, 3.7% rated it excellent and 4.85% rated it poor. The Lebara mobile has to improve its speed of connectivity since the percentage of customers who rated the speed of connectivity of Lebara mobile as excellent are few. On the basis of range of services and products, 55.42% rated it below average, 22% rated average, 16.57% rated it good, 5.71% rated it poor and 0.28% rated it excellent. There is a lot of improvement required to increase the range of services and products since the majority of the customers of Lebara mobile rated it below average from the range of services and products point of view.
In the question number six, the users were asked about the importance of price on a five point scale. Among them 48.57% declared the importance of price as good, 24.28% declared it average. 19.14% rated the importance of price as excellent and only 0.57% rated it below average.

![Figure 4: Rating of Lebara mobile](image_url)

Figure 4. Rating of Lebara mobile

According to the analysis of the Ofcom the following figure explains the satisfaction level of users from the quality of reception point of view of different mobiles.

![Figure 6: Importance of price](image_url)

Figure 6: Importance of price

The importance of price is always there and the users of Lebara mobile are also sensitive towards the price since the majority of the users declared the importance of price as good. The focus of question seven was on the importance of quality of reception and 47.14% respondents rated it as excellent, 34.28% rated it

Source: Ofcom research, 2008
Base: Adults aged 15+/ Aged 16+ in Northern Ireland with a mobile phone
as good and 18.57% rated the importance of quality of reception as average. The quality of reception is very important from the point of view of users of Lebara mobile since majority of the users of Lebara mobile rated the quality of reception as excellent. The Lebara mobile is targeting the immigrants market and offering the low call rates on international calls therefore the quality of reception becomes more important from the point of view of users of Lebara mobile since they have to do international calls. The customers pay for the calls they do and if they get for what they are paying they will be satisfied. Therefore much importance should be given to the quality of reception. The quality of reception also enhances the voice clarity and conveying of messages.

Figure 7. Importance of quality of reception

40.85% respondents rated the importance of variety of services and products as good, 36.85% rated its importance as excellent and 22.28% rated it as average. The importance of variety of services and products is also not denied since the major percentage of the users of Lebara mobile rated the importance of variety of services and products as excellent. It means that the Lebara mobile has to increase its range of services and products since the majority of the users rate the variety of services and products as important. If the Lebara mobile is compared with its competitors and other mobile
operators in the market, it has to focus on its range of products. It’s the changing behaviour of the consumers that today the consumers are more inclined towards the additional services apart from the voice calls and text messages. They use internet services and they require different products according to their use and preferences.

The question nine in the survey focussed on the importance of customer service and 49.71% respondents rated its importance as excellent and 12.85% rated the importance of customer service as average. During the survey many users insisted that the Lebara mobile has to make its customer service calls free of charge.

On asking about the level of satisfaction with Lebara, 63.71% declared it good, 19.42% declared it as excellent, 16.28% declared it as average and 0.57% declared it as below average. The Lebara mobile is doing well since the majority of the users of Lebara mobile declared Lebara mobile as good.
Figure 10: Level of satisfaction

The last question of survey focussed on the recommendation that whether the users will recommend Lebara, 55.71% declared that they would definitely recommend, 24.85% said that they will probably recommend, 15.14% declared that they can't say either way, 2.85% say that they will probably not recommend and only 1.42% said that they will definitely would not recommend. Since the majority of the users said that they will recommend Lebara to other users also therefore it shows their satisfaction with the product and loyalty with the product. The satisfied customer may not be loyal to the product but if he recommends the product to other users then it shows its brand loyalty and the loyal customers are helpful in generating more revenue for the company by increasing the customer base. The figures show that the customers which are with Lebara are proving to be helpful in maintaining the already existing customer base as well as increasing the customer base by communicating the features of the services to other users.

Figure 11: Recommend Lebara Mobile

5. Recommendations

The majority of the consumers are satisfied and loyal to the Lebara.
Their satisfaction and brand loyalty is depicted in the following figure.

This figure shows that most of the consumers are satisfied with Lebara and they would definitely recommend Lebara. This shows their brand loyalty. The consumers who not only use the services themselves but also recommend those products are brand loyal consumers. Their commitment with the brand is shown by their behaviour which depicts that they are not only satisfied with Lebara but would definitely recommend Lebara to other people. A few numbers of consumers are those who said that they would probably not recommend it. The satisfaction of consumers with their mobile service providers in the UK mobile industry is also shown by the research conducted by Ofcom in 2008.

It shows that majority of the users switched from one service provider to the other more than twelve months as compared with the users in last twelve months. This shows their satisfaction with their mobile service providers. The mobile number portability facility provides the users a flexibility to keep the same number and change their mobile service provider.

6. Conclusions and Future Work

This work has examined consumer's behavior of Lebara a mobile company. The findings show that the majority of customers are satisfied with the
services provided. In future, we intend to compile some related research and will publish research findings as a contribution to this research area.

References

2. Jane Smith, Customer Retention
3. Lars Perner, Consumer Behaviour: The psychology of Marketing