

# **Consumer Preferences in Product Choice**

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Submitted to the  
Institute of Graduate Studies and Research  
in partial fulfillment of the requirements for the Degree of

Master  
of  
Business Administration

Eastern Mediterranean University  
June 2013  
Gazimağusa, North Cyprus

Approval of the Institute of Graduate Studies and Research

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## **ABSTRACT**

Marketing Management is a tool used by most leading world companies due to its ability to improve overall efficiency, find most efficient solutions utilizing both internal and vendor market opportunities with aim to increase profitability. Marketing management absorbs latest achievements in the areas from the world of practice, science, computer science and cybernetics, management and economics to psychology. Thesis will analyze activities directed toward establishment, maintenance and strengthening mutually beneficial transactions with target buyers segment. This paper work is going to perform marketing research and identify the customer preferences in product choice. Case study of cellular communication companies located in Kazakhstan.

**Keywords:** Marketing Research, Cellular Telecommunication

## ÖZ

Pazarlama yönetimi dünyanın önde gelen şirketleri tarafından kullanılan ve genel olarak verimliliği artıran bir araçtır, en etkin çözümleri bulmada ve hem iç hem de dış piyasa fırsatlarını karlılığı artırma amacı ile kullanılır. Pazarlama yönetimi; pratiğin, bilimin, bilgisayar biliminin, sibermatüğün, yönetim ve ekonominin psikolojiye olan elde edilen en son başarılarını özümser. Bu tez; kurulum, hedef alıcıların istikrarı ve çıkarları doğrultusunda ki analizleri kapsayacaktır. Bu çalışma, pazarlama çalışması içerisinde müşterilerin ürün tercihlerini araştıracaktır. Örnek incelemesi Kazakistan da bulunan hücresele iletişim şirketleri olacaktır.

**Anahtar Kelimeler:** Pazarlama Araştırması, Hücresele İletişim

*To my lovely family*

## **ACKNOWLEDGMENTS**

I would like to thank Assoc. Prof. Dr. Mustafa TUMER for his continuous support and guidance in the preparation of this study. Without his invaluable supervision, all my efforts could have been short-sighted.

I owe extremely to my family who allowed me to travel all the way from Kazakhstan to Turkish Republic of Northern Cyprus and supported me all throughout my studies. I would like to dedicate this study to them as an indication of their significance in this study as well as in my life.

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# Chapter 1

## INTRODUCTION

In our days we cannot imagine our life without cellular communication. Even although, the cellular communication arose recently in my country as compared with other states it fixed more deeply on market and found his customer. Calls, messaging services, access to internet that all really make easier our life in modern days. Today, almost everyone can afford to use the services of cellular communication and each person can select that they want. In my thesis I want to discuss about preferences of consumers when selecting cellular operators, case study of Kazakhstan's company.

In modern world with economic integration and globalization for each company necessary to know all preferences, requirements, motives, and needs of customers as well as take into consideration competitiveness of products on market which is also most important point. For that reason it is necessary to improve product, develop service, observe over rivals, and analyze market constantly.

From year to year the cellular market is expanding therefore emerge new companies and competitors. So, companies have to research certain segments of market very thoroughly in order to retain exist consumers and attract new auditory for a long time. Then, if

competition becomes intensive, so obviously that for firms can help marketing researches.

Marketing research is a complex multi-step process that requires a deep knowledge of the object of study, the accuracy and timeliness of the results which largely depends on the successful functioning of entire company.

Unfortunately, Kazakhstan enterprises do not still fully utilize all the benefits of marketing. However, the experience of foreign firms clearly demonstrates the need for such costs, which upon successful completion always pay off with increased profits.

Market research has always focused on the identification and solution of any - or a specific problem, i.e. on a set of particular problems flowing from the main task. So the range of problems of marketing research may stem from the type of goods and the specifics of its requirements, the level of saturation of the market, promotion channels and the actions of competitors, so the individual problems can occur on either side of the supply of goods or the supply of price.

Every company that wants to have a chance to survive in the event of any significant changes in the competitive situation must constantly analyze their competitive position in relation to the members of its strategy group and other groups. In this regard, the study of competition is an essential task of marketing in various businesses. This is the relevance of the thesis.

The main purpose of this research is to investigate different companies that provide telecommunication services in Kazakhstan, which are Kcell, Beeline, and Tele2. On the other hand, the subjects of research are direct consumers of cellular services.

The aim of this work is to study consumer preferences on the mobile market. To perform this goal, we should take into consideration a number of different tasks. First, we need to identify which operators of cellular communication preferred by consumers. Second, we must to identify customer requirements for cellular communication services. Third, identify the comments that consumers have on the quality of service provider. Fourth, make recommendations based on our research.

## **Chapter 2**

### **BACKGROUND REVIEW**

#### **2.1 General Information about Cellular Communication in Kazakhstan**

The emergence of cellular communication occurred in 1994. Almost right after when Kazakhstan became independent state. The entire history of mobile communications has been a number of different operators. In 1994, beginning of the development of cellular communication in Kazakhstan put the first national mobile operator “ALTEL”. The company provided services of analog standard that operates in more than 70 countries. A few years later, in 1998, the country has a new mobile operator – “CarTel”, which is operating on GSM (Global System for Mobile Communications) standard. Since 1999, the company “GSM Kazakhstan” appeared on the mobile market and start-up new brands “Activ” and “Kcell”. Moreover, after several years it turned out that in 2005 the Russian company “Vympelcom” has acquired the “CarTel” and launched a new brand “Beeline”. And only in 2010 was introduced the new company – “TELE 2”. Today, on the market of cellular communication there are three major operators, which are “KCELL”, “BEELINE”, and the new is “TELE 2”. The number of subscribes (2013) which are demonstrated bellow in the Table 2.1.

Table2.1: Subscriber Data Base

<b>№</b>	<b>Name of Company</b>	<b>Number of subscribers</b>
<b>1</b>	KCELL	13.5 million
<b>2</b>	BEELINE	8.5 million
<b>3</b>	TELE 2	3.7 million

The “Kcell” is a member of TeliaSonera which is the huge Scandinavian telecommunication holding. The company provides cellular communication through the platform, which are including GSM-1900/1800 and UMTS/WCDMA 2100 MH standards. Company’s mission is to create cellular communication accessible for all people of Kazakhstan and provide high quality service for customer. The company was established in 1998 year. The company began to work in 1999 year with the CEO - Veysel Aral. At the beginning of their activities firm has been presenting as the trend setter and perfect shows tendency of development of cellular market. Owing to complexity actions and dynamic motions the company was first who entered GPRS/EDGE technologies and millions citizens of Kazakhstan received a good opportunity to enjoy services, such as WAP, MMS, and mobile Internet throughout the state. In 2010 the company was selected as core provider of mobile internet and 3G mobile communication for OSCE summit and for VII Asian Winter Games in January-February 2011 in Kazakhstan. For the past decade of working, the “Kcell” expands their coverage zone. In nowadays, “Kcell” covered his telecommunication network by almost 90 % of Kazakhstan. The firm provides cellular communication in all settlements that exceed 5000 population.



The first mobile network “TELE 2” was launched in 1992 in Sweden. The period from 1997 to 2004 was a time of a full-scale deployment of business in Europe. The company established its network in Lithuania, Estonia, Norway, Germany, Switzerland, Austria, Switzerland, the Spain, Latvia, Russia, Netherlands, Portugal, the UK and several other countries. When “TELE 2” entered into the communication market, it formed competitive environment in many countries, reducing prices and making these services substantially more affordable for the general population. “TELE 2” focuses on the most profitable and promising areas of their business. In the Republic of Kazakhstan “TELE 2” appeared in 2010, completing the deal about the acquisition of a local operator. After the integration of the company into the business of “TELE 2”, a complete replacement of equipment for modern, with support for 3G, updating the product portfolio and marketing platform network comes under the brand name “TELE 2”, causing a stir among the people of Kazakhstan. The key advantages of the new brand are good quality and really low prices.

“Beeline” renders mobile communication services of GSM 900/1800 standard. Company provides a high-speed Mobile Internet and data-transfer through the FTTB (Fiber-to-the-Building) wire-connected technology. “Beeline” was the pioneer that received allowance to provide the mobile telecommunication services of GSM 1800 standard throughout the Kazakhstan in 2008. In April 2010, the universal communication operator “Beeline” first in the CIS (Communication Interface System) launched the demonstration area to 4G LTE (Light-wave Terminating Equipment) technology in Astana and Almaty. In October 2010, “Beeline” implemented the launch

LTE network in the business capital of Kazakhstan - Almaty. At the beginning of 2011, started the commercial operation and access to 3G in all cities of Kazakhstan. Today, “Beeline” has 8 million and 409 thousand subscribers.

For provision the consumer demand of Kazakhstan market of cellular communication is enough the presence of three operators, according to Vice Minister of Transport and Communications of Kazakhstan - Saken Sarsenov. "Our country is very large, but the population density is very low, in this regard, we believe that those operators who are now existing in the mobile market which are Kcell, Beeline, and Tele-2 are enough in order to provide the market and to satisfy the needs of the people, "- said Saken Sarsenov. However, he believes that the focus should be on the increasing competition between existing companies. According to the ComNewsResearch agency, the cheapest operator of Kazakhstan on February 2013 is the “TELE 2”, the most expensive cellular communication is “Kcell”, and the “Beeline” located between them.

## **2.2 Modern Trends of Development Market in Kazakhstan**

It is generally agreed that the services of cellular communication are the fastest rising sectors of the Kazakhstan into telecommunications market. The first thing that needs to be said is the share of cellular communication into telecommunication market which is counted 45.9%. Furthermore, one should not forget that telecommunication market consist of telephone communication, cellular communication, internet service, television and broadcasting (radio), and post service. Market share is shown below in Table 2.2.

Table 2.2: Market Share of Telecommunication Industry

<b>№</b>	<b>Services of Telecommunication Market</b>	<b>Share, %</b>
<b>1</b>	telephone communication	43.7
<b>2</b>	cellular communication	45.9
<b>3</b>	internet service	5.2
<b>4</b>	television and broadcasting	3.4
<b>5</b>	post service	1.8

In the cellular market of CIS (Commonwealth of Independent States) countries, Kazakhstan is on the fourth place in terms of mobile penetration. Russia is the leader in the number of subscribers and penetration rate that is counted 100% of the population. Afterwards, the following countries: Ukraine - 84%, Belarus - 56%, Kazakhstan - 46%, Azerbaijan - 33%, etc. Based on what we can conclude that in Kazakhstan will remain a good environment for the development of mobile communication.

The leading role in the contribution of development of communication in Kazakhstan plays a national operator "Kazakhtelecom". On the one hand, it is a major shareholder in a number of mobile operators - it owns a 49% stake in GSM Kazakhstan, and at the end of January 2006 the company's shareholders approved the acquisition of 100% interest in the share capital of LLC "Mobile Telecom Service", the remaining 50% shares of "ALTEL" (previously "Kazakhtelecom" owned the other 50% share), and 54% of JSC "Nursat" (previously "Kazakhtelecom" owned 41.25% of the company) for a total of about \$ 220 million, thus after completion of the purchase of these shares, "Kazakhtelecom" became the full owner of all the CDMA operators in Kazakhstan.

The reason for such small mobile penetration in the relatively rich Kazakhstan is high tariffs. If "CarTel" from time to time reduces the prices of their services, tariffs of "GSM Kazakhstan" remains unchanged. Although from time to time "GSM Kazakhstan" holds a variety of events, giving all sorts of "bonus units" and making discounts for voice messages. Although at the beginning of this year, the company "GSM Kazakhstan" has made significant changes to its tariff policy, reducing the cost of calls to all its subscribers and per-second billing.

The three services used by the largest proportion of consumers of cellular communication in Kazakhstan, include the following services for mobile communications (in descending order): Outgoing calls within the network - 90%; outgoing calls to other mobile network operators - 70.5%; outgoing calls to fixed phones in the city where the respondent - 51%. As the results of studies, the use of cellular service varies according to socio-demographic characteristics of the user and in particular by children.

Experience shows that subscribers hardly call from a cell phone in the CIS and far-abroad countries and much less frequent than in the city, call to PSTN other cities of Kazakhstan. In my opinion, the purpose of filling this particular niche has created a new mobile phone operator – "TELE 2". Thus, people can call on international and long distance phone for just 20 cents per 60 seconds. The company is offering a new service to the Kazakhstan market of cellular communication - IP-telephony. If earlier to take advantage of Internet telephony, needed a landline phone, now it is enough to connect to the "TELE 2". Simply put - this technology allows voice calls over the Internet. It is this

call costs is lower than conventional telephone service. Although, the price and quality to vary depending on the provider of these services.

This type of service is very convenient for the rural populations, which are about 6,575,800 people or 44% of the total population. Given the affordability of telephone services in remote regions of Kazakhstan, the new carrier may in the first year exceed the estimated coverage of 700 thousand subscribers. And here is the first proof: according Dostiyarova Askar, chairman of the board of directors of "Mobile Telecom Service", in the first five days of work 5000 users connected to the "TELE 2" and 70% of them are already filled up the balance.

## **Chapter 3**

### **LITERATURE REVIEW**

#### **3.1 The Importance of the Marketing Research**

Marketing research relates to different types of research in the marketing area. The American Marketing Association supposes the marketing study like a connecting process between customers or consumers with marketing. The connection process is due to the information that collected and used to identify marketing problems and opportunities such as the definition of marketing actions and their evaluation, monitoring productivity and efficiency of marketing, and to make better understanding of marketing as a process itself. Marketing research is studying a lot of steps, such as the identification of the appropriate type of data collection, analyzing the collected information, interpret and filter the received information, the determination of the results on the basis of gathered data, and most importantly, reveal the connection between the results and their implications (Churchill, 1995, p.10). One of the most important moments in the marketing research is properly collected information and data analysis. It will determine what collected information offers. In order for marketing research to be effective, it should be prompt, ethical, and effectual (Aaker, et all, 1999, p.19). Marketing research and market research have a difference but in the most cases they are interrelated and interchangeably (Erkan, 1994). One can say that marketing research plays two roles, one of which is the engine of marketing research, and the other role is

links which connecting each individual step of marketing research. In short, marketing research is a brain and brawn for various marketing tasks (Aaker, et all, 1999). One of the first steps in the process of marketing research is to identify the problem. In marketing, there is a concept as "A problem well defined is half-solved". Actually, it's true, because when a problem is identified correctly, then you can create the right treatment (Churchill, 1995, p.87).

Based on the fact that the primary data are more accurate than secondary data, it is necessary to create a questionnaire for the collection of primary data (Akulich, 2004). Personal questionnaire is one of the surest ways of data collection and ensures standardization and ratio data from respondents (Malhotra, 2006). First of all, in order to create a questionnaire, it is necessary to understand what have to study. To do this, it is important to design the correct questions. Questions can be structured and unstructured (Bartels, 2002). In unstructured questions included open-ended questions where respondents answer questions in their own words. Such questions are useful in determining the foundations, motives, beliefs, and behaviors. This type of question is useful for exploratory research. On the other hand structured questions have several kinds of issues, such as multiple-choice questions, dichotomous, and questions which are answered by Likert scale (Bickart, 1993). Likert scale has end-points which are "strongly agree" and "strongly disagree" (Basovskiy, 2001).

The process of developing a questionnaire begins by defining the necessary information. Next, it is necessary to create the content of individual questions. Questions for the survey should be designed as that would not give resistance to the respondents. Some

questions require effort to answer them. Respondents cannot remember or do not know, thereby pushes away from survey. As well sensitive information creates resistance for respondents. Consequently, the questions should be clearly taken into account that would not push away the respondents.

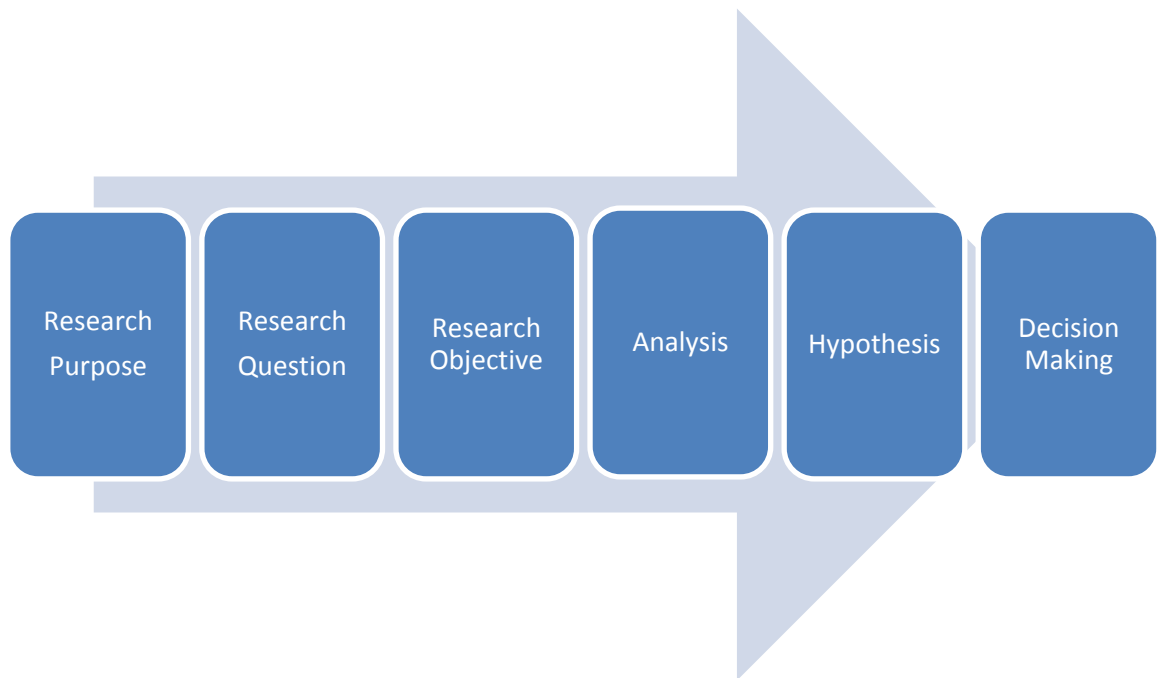


Figure 3.1: Process of Hypothesis Development (Bagiyev, 2001)

One of the results of the study can be considered hypothesis which is feasible answer. Must be weighed every possible variants of hypotheses. Typically, at the end of the study may be several hypotheses. Consequently, one of the purposes of the study is to select among the possible hypotheses (Bagiyev, 2001). The process of hypothesis development is depicted in Figure 3.1.



### **3.2 Information Provision of Marketing Solutions**

According to Philip Kotler, "Marketing research is systematic problem analysis, model building and fact-finding for the purpose of improved decision-making and control in the marketing of goods and services". The status of marketing research in business management is identical as an engine in automobile.

Marketing activities as the most important function in business, it should provide a sustainable, competitive position this or that subject marketing system on the market of goods and services, taking into account condition the internal and external environments. In this view, marketing activity assumes conducting market research and developing a program of marketing activities, which are used to improve the performance and efficiency of the company to meet the needs of the end user or customer. Marketing research and its results help to effective adaptation of production or mediation and their capacity to market conditions and the requirements of the end user. As you can see, marketing research structurally include two main areas - research of characteristics of the market and the internal investigation of the real and potential production or brokering firm. However, the results of marketing research dedicated to board of directors to the adoption of business decisions as a whole and marketing solutions in particular, which are connected with the uncertainty of the behavior of the subjects of marketing systems and their adoption is accompanied, as usually risky. Marketing research is just connected with the need to reduce the risk of business activities.

The task of the entrepreneur is to implement a solution that arises in the tasks of consumers with minimal risk and on the other hand the maximum of utility for the consumer as well as for themselves. The task of marketer and marketing department is to provide the high-quality marketing information to board of directors or managers of higher hierarchical level.

Under the marketing information we should mean the information obtained in the course of learning, which is research of the exchange of the results of socially useful activity and interaction about the exchange of all the subjects of the market system which is used in all areas of (levels) business, including marketing activities. The use of marketing information by all parts of the production structure provides the introduction to business management market and the marketing concept.

The need for marketing research, as the history of their development is related to the active process of expansion and the emergence new technologies in all spheres of production and circulation of goods and services, computerization of the production and distribution of goods, the growth of social and cultural needs of consumers, with the evolution of marketing as a philosophy and tools entrepreneurship.

Marketing research and its proper organization is becoming instrument through which significantly reduces the risk of entrepreneurship, producer, supplier, intermediary. Accordingly, it increases the quality of solving problems of the consumer.

The value of marketing research is enhanced by the fact of uncertainty in the organization of management, which is regarded as instability of volatility in economic and social behavior of subjects of the marketing system.

What is meant by marketing research? In the scientific literature and also in practice, we are using a variety of concepts related to some extent to the content of market research, such as: market research, investigation of sales, the study of motives, research capacity, marketing intelligence, social studies, research best practices and ways of organizing product and improve the productivity of businesses of their partners and competitors, including related industries - benchmarking, etc.

Marketing research is a broader concept, which includes the study of the sales market, the internal environment of the firm, marketing tools and its preparedness and efficiency. As well as market research of the productive forces (labor, raw materials, money market, and capital market), the study of the environment, organization of research-based benchmarking and conducting marketing survey (Figure 3.2).

The main function (result) of market research - is to generate marketing information for decision-making in the field of interaction (communication) of the subjects of marketing system that would provide the required quantity and quality of the market commodity and service transactions in compliance with requirements of the key factors of the environment and the consumer.

The main purpose of market research is to develop a concept for a common understanding of the structure, dynamics of regular occurrence of the market; justification the need and possibilities of concrete firm to better adapt its production; technology and structure as well as deducible to market products or services to the demands and requirements of the end user. The main directions of marketing research are shown below in Figure 3.2.

Challenges of marketing researches arise from functions of market research that are directly related to the process of decision-making. The overall function of marketing research is to avoid the entire marketing activities inaccurate assessments of risk and unproductive labor costs and time. The main objectives of marketing research are formed in accordance with a common function. These include the following:

- to provide work of the leadership of the enterprise;
- beforehand to assess the chances and risks;
- assist in every phase of finding solutions to the objectivity and representativeness of a business situation;
- facilitate understanding the goals and learning in the enterprise;

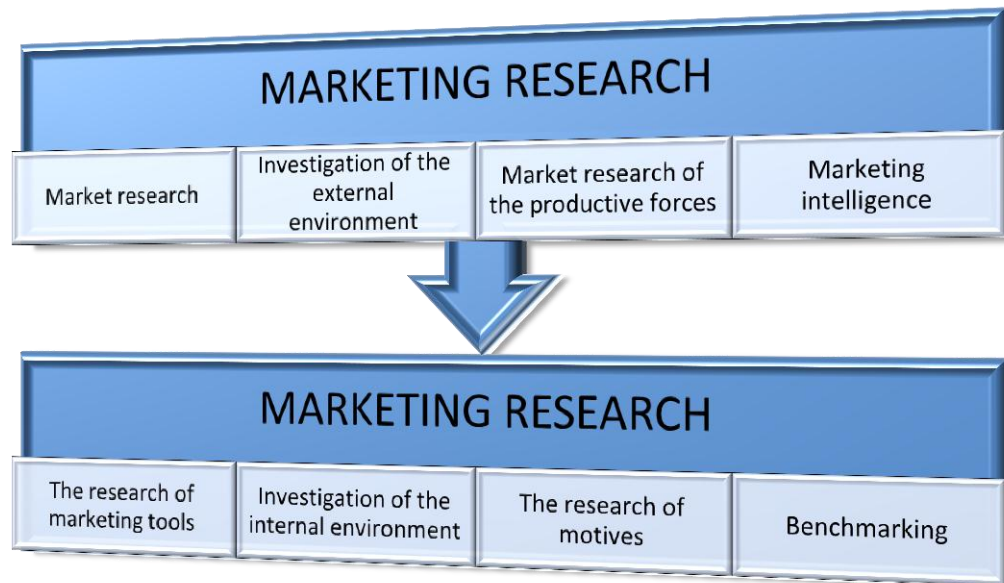


Figure 3.2: The Main Directions of Marketing Research

There are also various forms of market research:

- **object of study**- for example, market research is the study of markets, markets of productive forces, capital market, etc.; study of the internal environment of the company and the study of the external environment;
- **territorial basis** - for example, in the study of the market is a regional, national, and international research;
- **temporary basis** - for example, for market research is a retrospective, operational (current), diagnostic, predictive study;
- **indicator** - characterizing the object of study, which are divided into objective research - for example, to investigate the marketing of the price, sales volume, demand structure, and subjective research - for example, to investigate the market there are age, sex, profession.

- **data and information** - primary and secondary.

### **3.3 The Process and Design of Marketing Research**

As noted earlier, in the scientific literature as well as in practice used different concepts: *market research* and *marketing research*. In some cases, they are understood as synonyms, but most experts consider marketing research more broadly as study of marketing, i.e. its methodology, tools and making marketing decisions. Thus, it is believed that if the study of the market - it is a systematic and methodical, current or random search of the market or effective behavior on it, so the marketing research - it is all the activity to collect and compilation of information for making marketing decisions, which are caused by the process and functions of any business and marketing activity as its main element. In other words, *marketing research* deals specifically with gathering of information about size of market and trends of market. *Marketing research* is a more general systematic process that can be applied to a variety of marketing problems.

In the decision-making process, including marketing decisions, information is a key parameter. Therefore, for the marketer first of all is not correct terminology but it's common that unites the above concept. Identical thing here is that each concept assumes the existence of the research, which is representing a schematic diagram; generate logic for the necessary information for the adoption of a decision which is relating on the scope of marketing, market, or just sales. This process involves the collection, preparation and development of the study design, data collection, transformation,

processing into useful information, assessing the quality of information and the transferring of this information to the decision maker (Figure 3.3).

As you can see from the figure, the beginning of data collection is preceded by a series of steps that included in the scope of training and development design. In current practice is considered the possible to investigate data about the condition of the market, or the level of the marketing potential, for example, immediately after the manager puts the target of the study. However, this is not the case. Before the beginning of the research process should be clearly defined potential causes, symptoms of the problem and the general need for information to solve this problem. Thus, the essential need for the information must be translated into the language of the research task. Need to set the form in which information is needed and how it will be used.

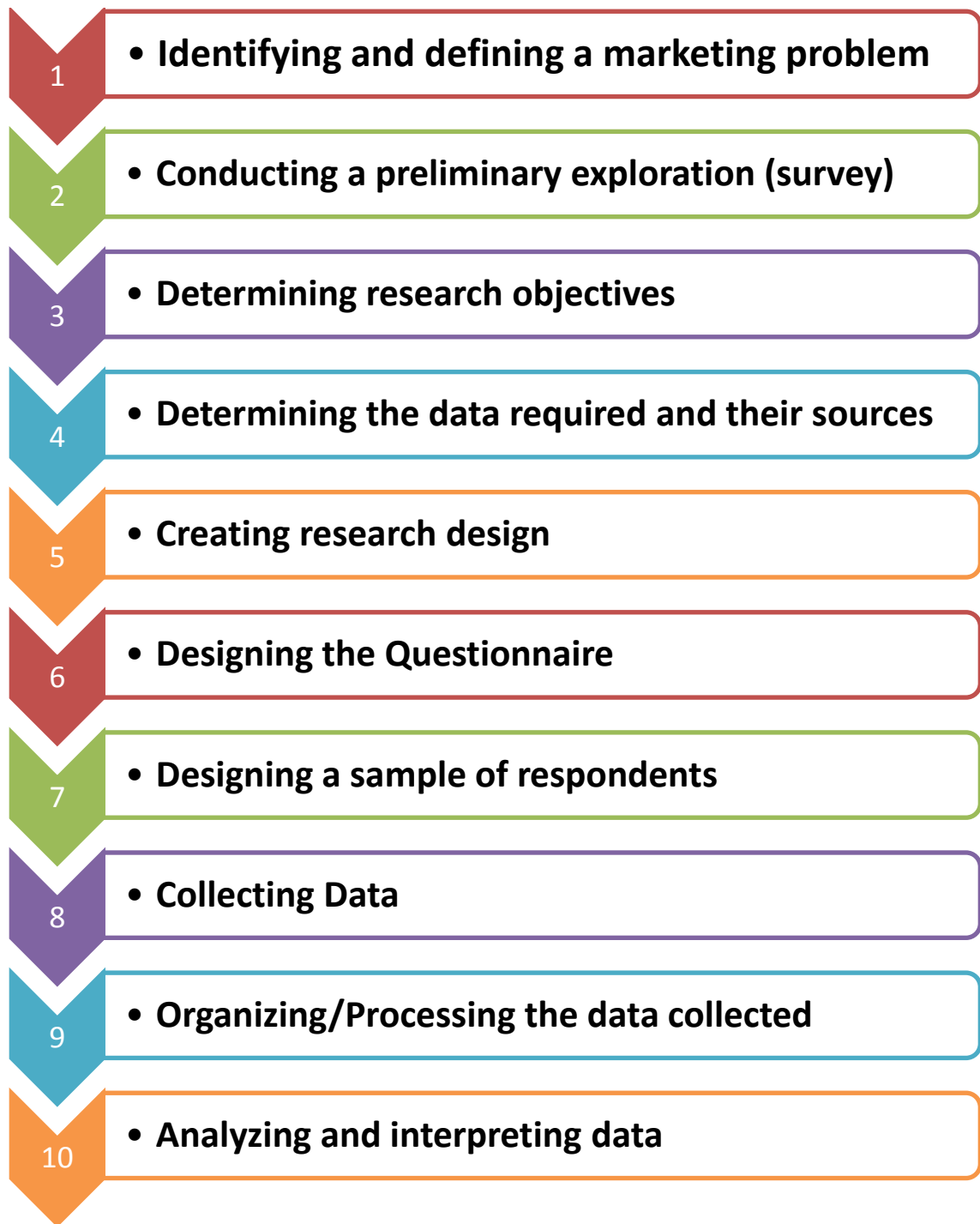


Figure 3.3: The Typical Steps of the Research Process

There are many steps of marketing research as shown on Figure 3.3. In order to understand system of marketing research we have to consider each level separately.



Those levels are:

- 1. Identifying and defining a marketing problem.** At the beginning of the Marketing Research is to define the problem. On this step, the marketers have to quickly find the problem and solve it. The problem may be connected with pricing, product, competition of market, market share, and the ways of promotion. When marketer clearly identified the problem then he may start investigation by steps of marketing study. The researcher has to identify the problem in a clear manner.
- 2. Conducting a preliminary exploration (survey).** On the second step of study, the marketing team that may identify many drawbacks which are directly related with marketing. But researchers should understand that they cannot take into consideration all disadvantages or problem. Thus, they should define and choice what is the major problem that is adaptable for deep study. Therefore, the preliminary survey is essential.
- 3. Determining research objectives:** By this step, first of all the researcher should to formulate hypothesis. This is a main objective to carry our research. For instance, if there is decline in sales, the main reason behind may be due to poor quality of the product, higher prices and relatively low demand.
- 4. Identifying the necessary data and their sources:** Data are the important component of the study. In this respect, researchers have to determine the type of the data. There are two types of data collection,

which are primary data and secondary data. *Primary data* can be obtained by communication or by observation. For example, mail survey, telephone survey personal interview face to face, or questionnaire survey. On the other hand, the *secondary data* is the data which are collected from secondary resources. For example, newspaper, internet, magazine, or from government and special publications.

5. **Creating research design:** By the research design we should understand that it is the plan to carrying the study. The plan can provide to investigator to keep track of his actions and know that he is moving in the right direction for data collection. Such plan should be responsible for: target of study, nature of study, what type of data is needed, technique of collection data and required resources.
6. **Designing the Questionnaire:** For this step of marketing research, in order to obtain necessary and accurate information from respondents, the researcher has to prepare a good questionnaire.
7. **Sample of respondents:** In this stage of research, the investigator should select a sample of respondents that they will represent of population in clearly manner.
8. **Collecting Data:** All data should be accumulated in accordance with the selected method for data collection which is primary method and secondary method. Data collection should be reliable, adequate, and complete in all aspects.

**9. Organizing/Processing the data collected:** On this stage, when all data are collected, the investigator has to make process of data, filter out of data, and sort all data for analysis and interpretation. The processing of data is effortful and time-consuming process. But it is required to obtain an accurate and solid research.

**10. Analyzing and interpreting data:** The aim on this level is the creating logical relationship between information from data collection and problem. The analysis of data requires rationally approaches and should be done in adequate manner. Such things help to interpret of data in an orderly manner. The researcher may complete all conclusions only after analysis and interpretation data. We should understand that such deductions are helpful for problem correction. In brief, processing of data is like observing the sick person by medic, so when diagnosis of patient is established, the corrections measures can be presented as treatment. Therefore, the marketing research is needed in processing of data in order to select the clear diagnosis.

Today, in the real world, these steps of marketing research are typically used in almost all companies and marketing projects. Of course we must understand that some adjustments and changes are possible, because it depends on the specifics of the case and the context of situation. Such a process of research is extremely labor-intensive and time-consuming, respectively should take a systematic approach to rational decision. The researcher and his team have to purposefully follow to each step of the chain of

marketing research. Usually, such types of activity are performed by sales department or marketing research department. Such studies can also be performed by other forces, such as an advertising agency, a consulting firm or other marketing experts. The research team takes the main marketing problems and correspondingly makes everything possible to find the causes of problems. Consequently, after that, should take appropriate corrective measures.

### **3.4 Advantages/Disadvantages of Marketing Research**

When people look any researches or approaches then they usually divided at least into two groups, some of the people will advocates and the others are opponents.

#### **3.4.1 Benefits of Marketing Research**

- 1. Follow the market trends:** The study shows the current market trends and provide information about market situation. This information about market trends helps company to find consumers preferences.
- 2. Expose drawbacks in marketing:** Marketing Research reveals the disadvantages in: promotion, place, product, pricing and so on. So, by these deficiencies the management starts try to find some ways in order to cover these disadvantages. For that, management can make product development, branding, advertising and packaging.
- 3. Social significance:** First, marketing research is the social sphere. Owing to social dependency, the potential consumer literatim becomes market's king.

- 4. Progressive prospects:** Marketing research designs the prospect through the collection of dynamic progress of the entire business concept and it facilitates analytical thinking and rationality of teamwork. Such prospects bring stability and enthusiasm to guide concerned with marketing.
- 5. Customer Resistance:** Marketing studies are useful for finding different resistance on the part of consumers to the product. Hence under any resistances company tries to improve and adapt the product to the consumer.
- 6. Sales Promotion:** Marketing research helps manufacturer to create some incentives for commercialization. For example: offer a discount or some special offers for dealers or distributors.
- 7. Distribution Channels:** Marketing research facilitates to the study of the productivity and effectiveness of distribution channels. Also it helps to modify or complement the distribution system.
- 8. Marketing Information:** Marketing research helps management by providing a variety of information about aspects of marketing. This information can facilitate to identify the strong and weak sides of the firm. Based on this information, the company can determine the future direction of the company.
- 9. Guidelines for the marketing department:** Based on marketing information, the marketing research offers guidelines for develop a specific structure and policies of the marketing department. The Permanent research contributes to preventing adverse situations and negative changes in the market.

**10. Business expansion:** the study allows for company to raise and develop at the expense of certain structural programs and marketing strategies. This will allow businesses to expand and capture a good market share.

### 3.4.2 Disadvantages of Marketing Research

- 1. Suggestion:** Marketing researches unfortunately does not reveal the exact solution and it just offer help in the decision process and solve various problems.
- 2. The use of data:** The decision making process of marketing research depends solely on the data collected as well as offer recommendations or drawing conclusions. Consequently, the all process can be in bad situation if the collected information is incompetent and untrustworthy.
- 3. The predictions are not always true:** The essence of marketing research is to predict the future situation by which it is possible to reach the goal. But unfortunately the forecasts are not always perfect and sometimes far from perfect. Hence accurate predictions sometimes are not possible through the marketing research.
- 4. Marketing research is not a panacea:** In some aspects of marketing research it is difficult to collect relevant information. As well it cannot explore all of the marketing problems in hard to reach areas. Consequently, it is not possible that all problems have a suitable answer.
- 5. Costly:** For proper marketing research sometimes need to attract qualified professionals or experts in the field of marketing. Today, marketing has taken a very large expanse of different areas such as economics, sociology, psychology,

computer technology and so on. Thus, depending on the situation, a marketing research is costly.

- 6. Complexity of the marketing:** Frequently, marketing research does not provide an accurate and saturated guidance for managing the marketing. Because marketing is not science. Marketing is associated with behavior of people that is very hard for guess. Consequently, the findings and conclusions cannot be guaranteed accurate to one hundred percent.

## **Chapter 4**

### **DEFINING THE PROBLEM AND METHODOLOGY**

#### **4.1 Defining the Problem and Research Objectives**

Many people of Kazakhstan are users of the telecommunication service provider. Communications market at the moment there are 3 operators: “Kcell”, “Beeline” and “Tele 2”. Of course, consumers are faced with a large selection of the range presented each operator. Therefore, the development of Kazakhstan's market requires a detailed study of the buyer, his preferences, and tastes.

For a detailed study of the customer preferences of cellular communication and services provided by mobile companies, I used the very common form of the survey which is questionnaires, i.e. prepared in advance form with a list of questions.

The questionnaire is a technique for collecting primary data for marketing research. The questionnaire includes a series of different questions to the defendant. Well-written form will motivate respondent to provide complete and accurate information. Thus, by organizing the survey, pay attention to the tactics of the survey (especially the formulation of questions), survey forms and methods of selection of the interviewees, it is necessary to follow a certain order of the survey:



### **1. Preparatory activities:**

- Determination of the volume of information;
- Preliminary research;
- Development Plan Survey.

### **2. Development of the project questionnaire:**

- Development of test questions;
- Carrying out the test-study.

### **3. The justification of methods of selecting respondents:**

- Solid or sample survey;
- Determination of the form of the sample.

So, what are the purposes of this study? First of all, it is necessary to identify which operators of cellular communication customers prefer. Second is to identify customer requirements to services of cellular communication. Third, is to identify the customers' comments about the quality of service provider. And finally to make recommendations based on our research. To do this, a questionnaire was designed with the help of which the study was conducted.

## **4.2 Questionnaire Construction**

The questionnaire is a list of questions that should be answered by the interviewees (respondents). Since the survey is a common way of marketing survey, the result of processing the responses can be obtained quantitative, statistical characterization of the research, and can be identified cause-and-effect relationship.

Because the list of possible questions did not lend itself to strict regulation, they were drawn up according to the purpose - the study of consumer preferences in the cellular market, the research objects are the citizens of the southern capital of Kazakhstan. Questions for the survey were offered by “Kcell” with the given existence of certain rules and regulations, which must follow researcher.

**In general terms about the questionnaire can say the following:**

- The wording of questions is concrete, clear and unambiguous;
- Questionnaire is compact and contains the optimal number of questions;
- Blank form does not contain unnecessary questions;
- In the text of the questionnaire used universally accepted terminology;
- Profile is not monotonic, not brings boredom and does not cause fatigue.

The questionnaire survey performed in writing form. Forms were distributed to customer in one of the busiest shopping centers. Of course by this method of filling out the questionnaire arose disadvantages such as a certain percentage of the unclear filled questionnaires. In addition, part of the questionnaire was damaged or not returned.

**The questionnaire scheme includes three blocks:**

- introduction, where the purpose of the survey is indicated;
- information about the respondents (requisite part);
- a list of issues that characterize the object survey (the main part);

In the introduction (preamble) reported in summary form about why such study is conducted. The introduction gives instructions for completing the questionnaire. Here, the respondent is informed that his opinion is very important for the interviewer. In the requisite parts, consisting of the first two questions, provides information on the respondents, age and gender.

The main part of the questionnaire consists of 16 questions, what is the optimal amount to provide complete information. All questions are written in a tactful manner so as not to offend or alarm the respondents and do not cause a negative reaction from their side.

Questions in this survey are classified according to the degree of freedom, the nature of the form of questions and answers. Forms of question response divided into:

1. **Open-ended question** - is question which facilitates to collect primary data of marketing information, it allows the respondent to answer in their own words, allowing it to feel when answering loose enough to give examples. Open questions are often given in the beginning of the questionnaire for the "warm-up" of the respondents. But responses of such questions are difficult to evaluate. There was useful early in the study process in order to determine possible line of responses.
2. **Dichotomous question** – is question also known as alternative, which provide two types of responses such as “YES” or “NO”, there is no third response. Alternative questions are very easy to use. Their interpretation is simple and straightforward. In our questionnaire they are under numbers 15, 16, 17, and 18;

3. **Multichotomous question** – is multiple choice question, for example: "What criteria do you follow when choosing a mobile operator?", where the following answers are: "price", "quality", "accessibility", "network coverage", "attractiveness and variety of tariff plans," and "own answer \_\_\_\_". In this case you can choose the most appropriate version. The main disadvantage of multiple-choice questions is the difficulty to make all the possible choices. In questionnaire that numbers are 2, 4, 5, and from 7 to 14 questions;
4. **Evaluation Scale** – questions that presume the existence of a scale. The answers which provide several ratings such as: "excellent", "good", "fair", "poor", and "badly". As well answers that present the importance, which are "exceptional", "importance", "medium degree of importance", "small degree of importance", and "insignificant" ratings. Furthermore, one should not forget about Likert Scale, which presents answers such as "strongly agree" and "strongly disagree". In our survey it is question 6.

Besides, the important role in the questionnaire is the filter question. For example, question number 3: "Do you use mobile communication?" If "no", then further questioning loses all meaning, because the purpose of the study is to examine the preferences of the people who are using the services of cellular communication. Sometimes introduced the so-called table issues - the connection of various issues in the design of a table, but this application they are absent.

## Chapter 5

### ANALYSIS AND RESULTS

Firstly, in this part of my thesis I used SPSS Analysis in order to count up all respondent's answers. SPSS Analysis is a software package used for statistical analysis. Originally, Statistical Package for the Social Sciences later modified to read Statistical Product and Service Solutions. So, accordingly this analysis I got statistics which shows that all questions and questionnaires are answered. In other words, respondents did not miss a question.

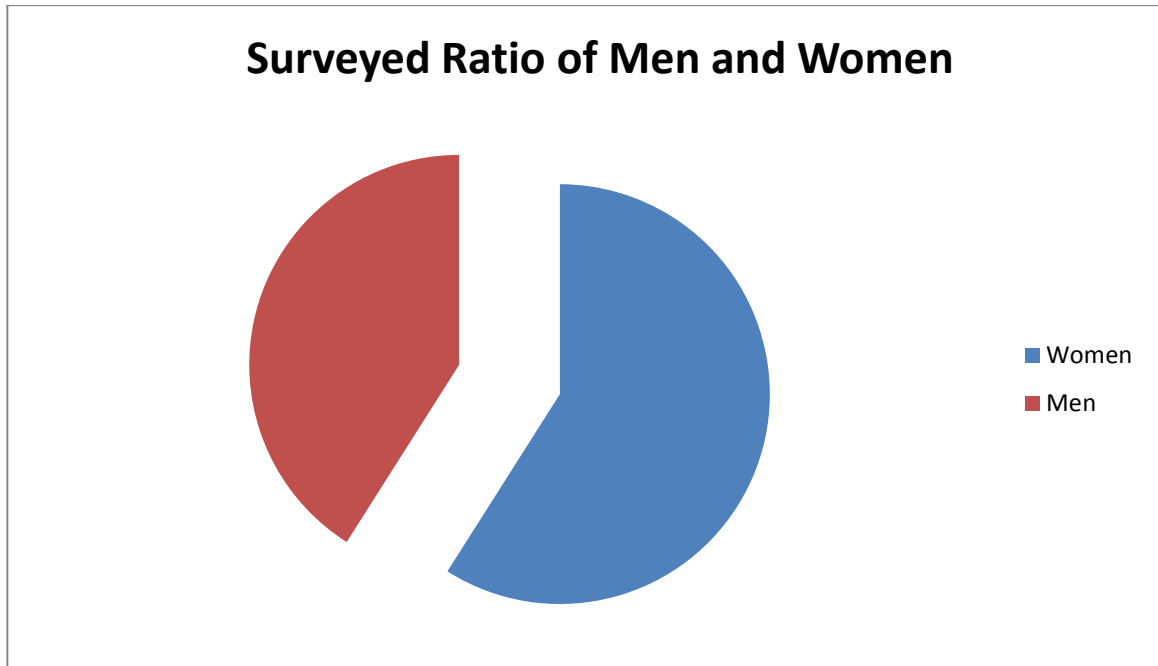
#### 5.1 The Analysis of Results of Customer Preferences

Questionnaires were distributed to all categories of citizens, irrespective of their social status, age or profession. During the analysis of data which were obtained in the study was revealed 100 respondents which are 59 women and 41 men. Analysis of respondents is shown below.

Table 5.1: Gender of Respondents

Question 1	Frequency	Percent	Valid Percent	Cumulative Percent
Valid a	41	41.0	41.0	41.0
b	59	59.0	59.0	100.0
Total	100	100.0	100.0	

where, "a" is amount of men, "b" is amount of women.



Graph 5.1: Surveyed Ratio of Men and Women

The first thing that needs to be said is the survey that consists of different age brackets.

All respondents can be divided into five age groups as shown below in Table 5.1.

Table 5.2: Age Brackets of Respondents

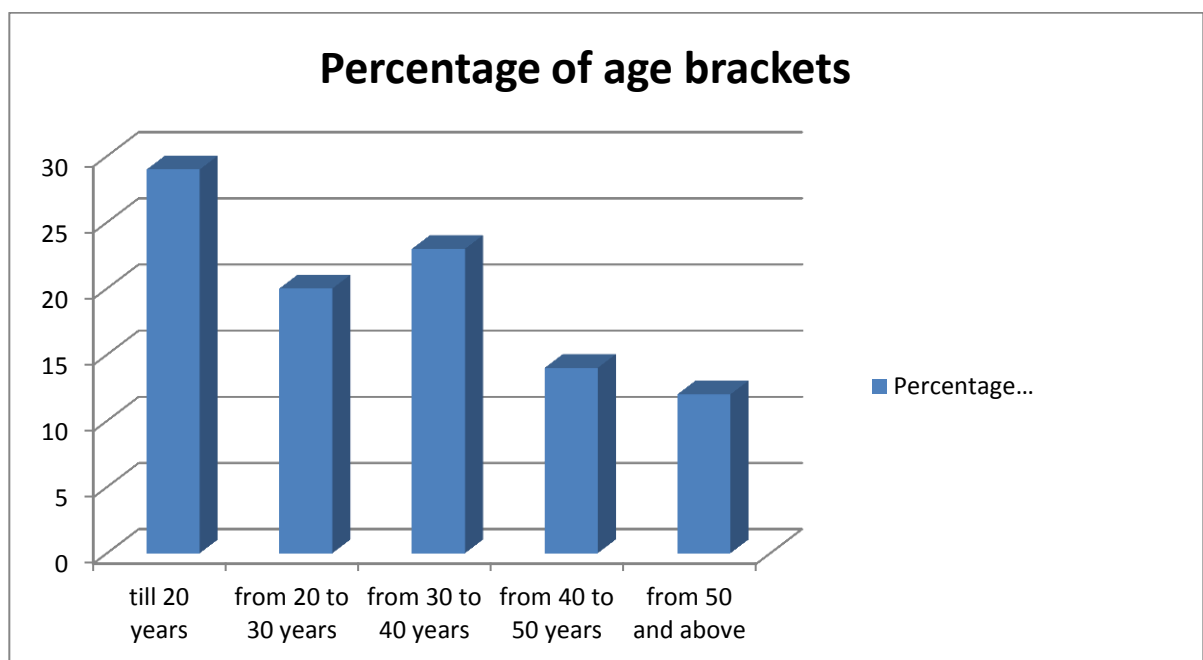
Question 2	Frequency	Percent	Valid Percent	Cumulative Percent
Valid a	29	29.0	29.0	29.0
b	22	22.0	22.0	51.0
c	23	23.0	23.0	74.0
d	14	14.0	14.0	88.0
e	12	12.0	12.0	100.0
Total	100	100.0	100.0	

where, “a” is the respondents up to 20 years, “b” is the respondents from 20 to 30 years,

“c” is the respondents from 30 to 40 years, “d” is the respondents from 40 to 50 years,

“e” is the respondents from 50 years and above.

The large group is the “till 20 years” that count 29% from all respondents. This group is refers to the main users of cellular communication. The almost same amount of respondents is included in the age groups which are “from 20 to 30 years” and “from 30 to 40” that are counted 22 and 23 % respectively. 14% of respondents belong to the age group “from 40 to 50 years”. And the smallest group is “from 50 and over” which is amounted 12%. It is shown in the Graph 5.2.



Graph 5.2: Percentage of Age Brackets

On the filter question in questionnaire which is “Do you use the cellular communication?” all respondents answered “YES” as shown in the table below.

Table 5.3: Filtered Question

Question 3 (b=0)	Frequency	Percent	Valid Percent	Cumulative Percent
Valid a	100	100.0	100.0	100.0

where, a – answer “YES” and b – answer “NO”

The analysis revealed that the majority of young people aged up to 20 years using the services of “Tele2”, people belonging to the age group of 20 to 30 years old prefer to “Beeline” and “Tele2”, interviewed people from 30 to 40 years old are selected “Kcell”, and older respondents from 50 years give their preference to “Kcell” and “Beeline”. It is demonstrated in the table below.

Table 5.4: Users of Mobile Operators

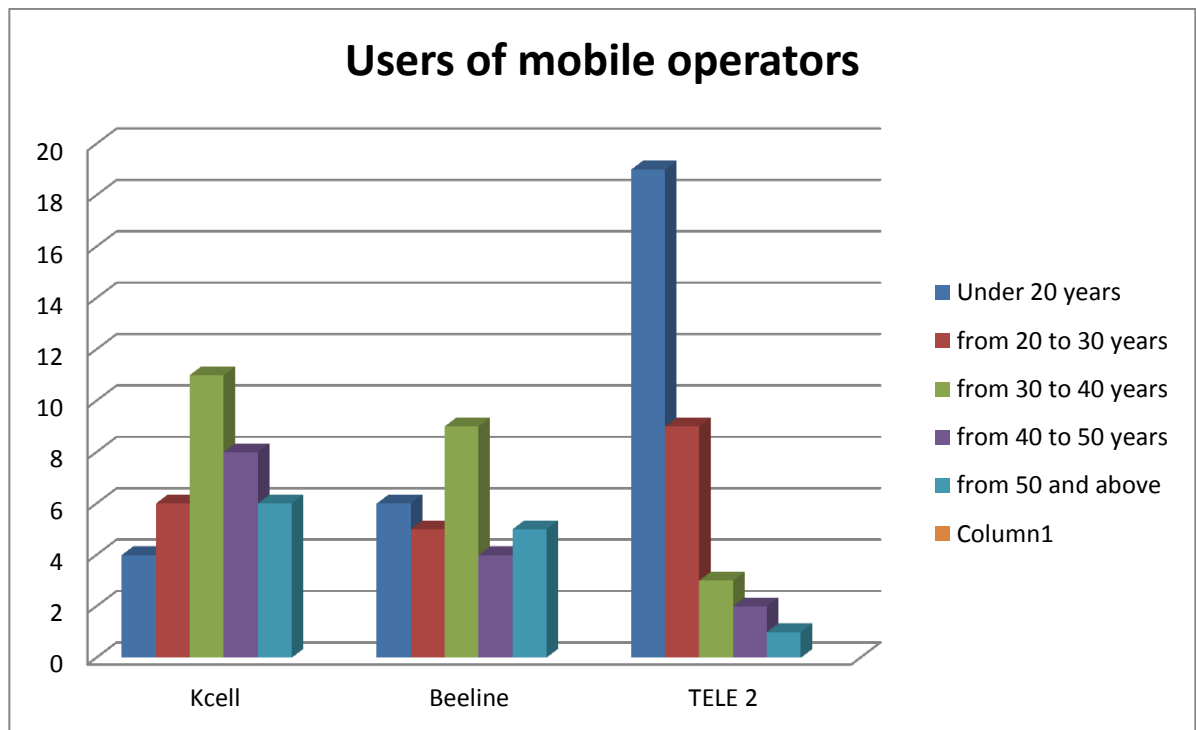
Question 4			Frequency	Percent	Valid Percent	Cumulative Percent
A	Valid	a	4	11.1	11.1	11.1
		b	7	19.4	19.4	30.6
		c	11	30.6	30.6	61.1
		d	8	22.2	22.2	83.3
		e	6	16.7	16.7	100.0
		Total	36	100.0	100.0	
B	Valid	a	6	20.7	20.7	20.7
		b	5	17.2	17.2	37.9
		c	9	31.0	31.0	69.0
		d	4	13.8	13.8	82.8
		e	5	17.2	17.2	100.0
		Total	29	100.0	100.0	
C	Valid	a	19	54.3	54.3	54.3
		b	9	25.7	25.7	80.0
		c	4	11.4	11.4	91.4



d	2	5.7	5.7	97.1
e	1	2.9	2.9	100.0
Total	35	100.0	100.0	

where, “A” is the Kcell, “B” is the Beeline, “C” is the Tele2, “a” is the respondents up to 20 years, “b” is the respondents from 20 to 30 years, “c” is the respondents from 30 to 40 years, “d” is the respondents from 40 to 50 years, “e” is the respondents from 50 years and above.

For better understanding it can be depicted on the graph. So, certain age groups prefer different mobile operators. On the graph below, we can see more visually which groups more prefer mobile operators on the Kazakhstan’s market.



Graph 5.3: Age Bracket Users of Mobile Operators

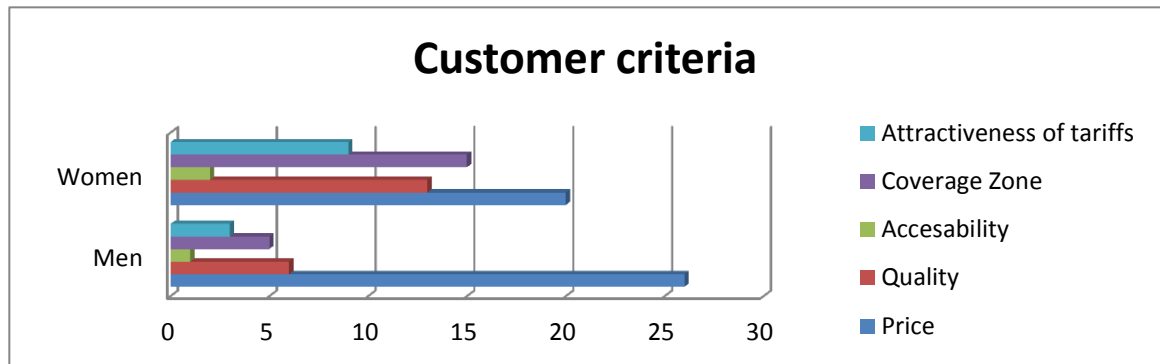
Research showed that the main criteria for selection of cellular operator in both women and men sides is the price, the second place is the coverage network and only on third place is quality. If we see on the table below which is calculated by the SPSS Analysis we can see customer preferences in product choice. In other words, consumer preferences when they are selecting operator of cellular telecommunication.

Table 5.5: Customer Preferences in Product Choice

Question 5			Frequency	Percent	Valid Percent	Cumulative Percent
a	Valid	A	26	56.5	56.5	56.5
		B	20	43.5	43.5	100.0
		Total	46	100.0	100.0	
b	Valid	A	6	31.6	31.6	31.6
		B	13	68.4	68.4	100.0
		Total	19	100.0	100.0	
c	Valid	A	1	33.3	33.3	33.3
		B	2	66.7	66.7	100.0
		Total	3	100.0	100.0	
d	Valid	A	5	25.0	25.0	25.0
		B	15	75.0	75.0	100.0
		Total	20	100.0	100.0	
e	Valid	A	3	25.0	25.0	25.0
		B	9	75.0	75.0	100.0
		Total	12	100.0	100.0	

where, “A” is amount of men, “B” is amount of women, “a” is price, “b” is quality; “c” is accessibility, “d” is a zone of coverage networks, “e” is attractiveness and variety of tariff plans.

On the graph below we can see visually consumer criteria in selecting cellular communication.



Graph 5.4: Consumer Criteria in Choosing Mobile Operator

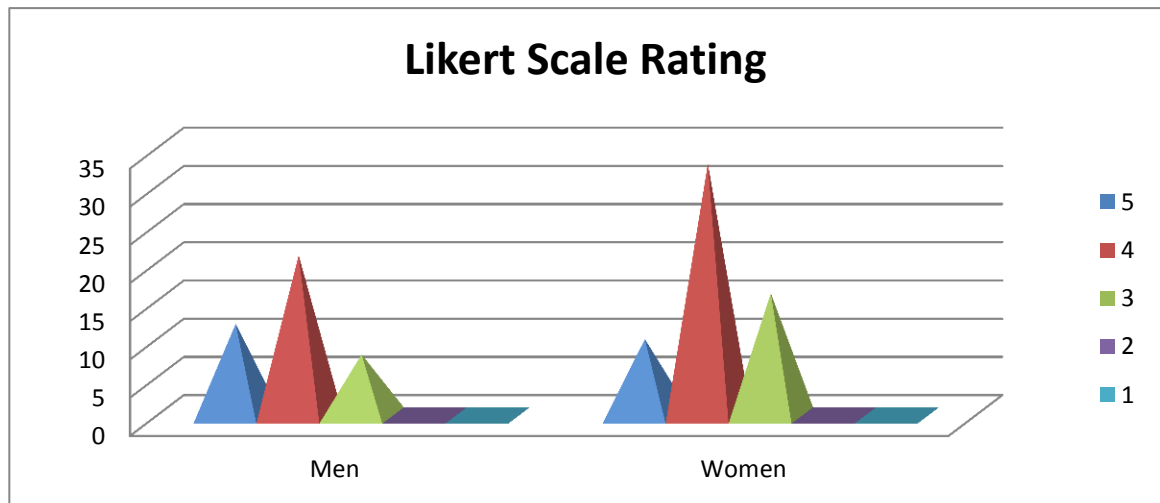
And it is no wonder that the price is placed on first stage, because on the question, how do you assess the service quality of the mobile operator by a 5-point scale, the majority of women evaluated at 4 points (61.1%) and the majority of men also answered at 4 points (38.9%). It is clear from these observations that quality cannot to stay on the first place as consumer criteria in selecting cellular communication. So, let's see table below.

Table 5.6: Service Quality of Mobile Operators by Likert Scale

Question 6 a=b=0			Frequency	Percent	Valid Percent	Cumulative Percent
c	Valid	A	8	33.3	33.3	33.3
		B	16	66.7	66.7	100.0
		Total	24	100.0	100.0	
d	Valid	A	21	38.9	38.9	38.9
		B	33	61.1	61.1	100.0
		Total	54	100.0	100.0	
e	Valid	A	12	54.5	54.5	54.5
		B	10	45.5	45.5	100.0
		Total	22	100.0	100.0	

where, “A” is amount of men, “B” is amount of women, “a” is strongly disagree or 1point, “b” is disagree or 2 point, “c” is neither agree nor disagree or 3 point, “d” is agree or 4 point, “e” is strongly agree or 5 point.

We can see more visually, as it is shown in graph bellow, which demonstrates service quality of mobile operators by 5-point scale.



Graph 5.5: The Ratings of Service Quality of Cellular Communication

Based on the SPSS Analysis the study found, that most respondents use one SIM card. In the table below we can see how many SIM cards respondents use by the SPSS Analysis.

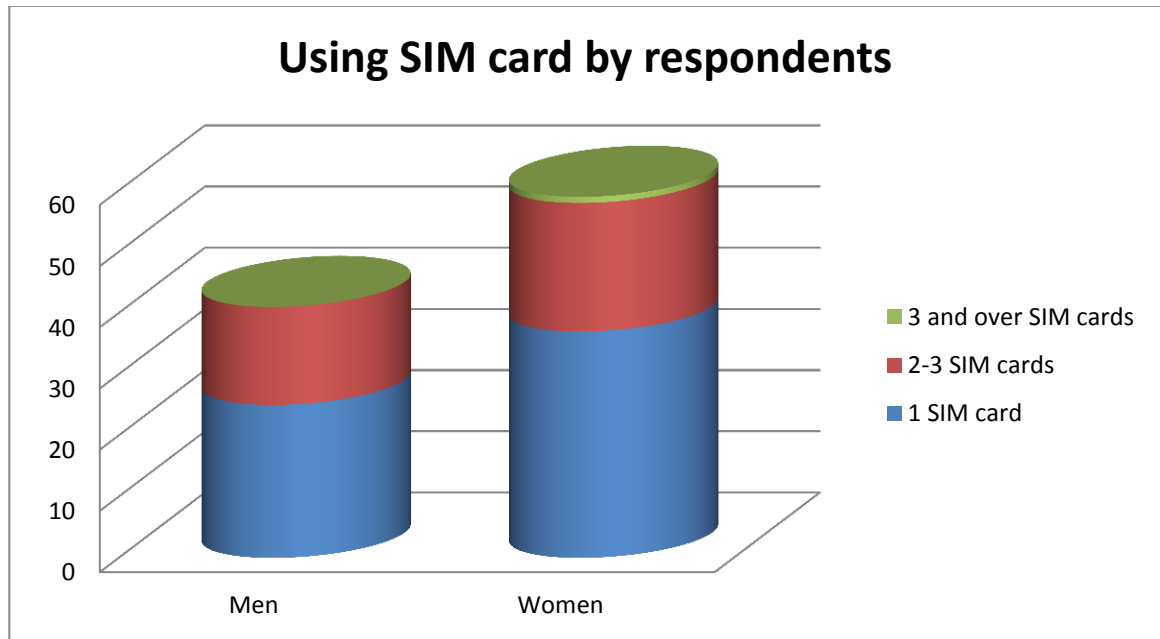
Table 5.7: How Many SIM Cards are Using by Respondents

Question 7			Frequency	Percent	Valid Percent	Cumulative Percent
a	Valid	A	25	40.3	40.3	40.3
		B	37	59.7	59.7	100.0
		Total	62	100.0	100.0	
b	Valid	A	16	43.2	43.2	43.2

	B	21	56.8	56.8	100.0
	Total	37	100.0	100.0	
c	Valid B	1	100.0	100.0	100.0

where, “A” is amount of men, “B” is amount of women, “a” is the 1 SIM card, “b” is the 2 or 3 SIM cards, “c” is more than 3 SIM cards.

For better understanding this table we can see graph below that provide data about using the number of SIM card.



Graph 5.6: The Number of Using SIM Cards by Respondents

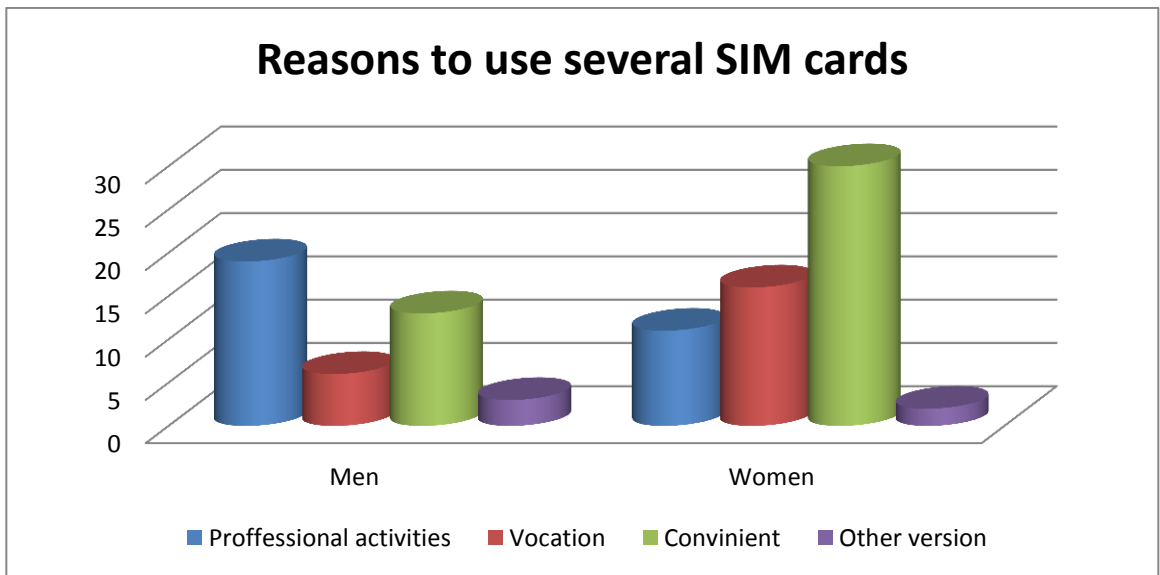
Although quite a number of uses several SIM cards by explaining that it is necessary for them in their professional activities, on vacation or it is simply convenient from them. It is demonstrated in the table below in detail.

Table 5.8: Reasons of Using Several SIM Cards

Question 8			Frequency	Percent	Valid Percent	Cumulative Percent
a	Valid	A	19	63.3	63.3	63.3
		B	11	36.7	36.7	100.0
		Total	30	100.0	100.0	
b	Valid	A	6	27.3	27.3	27.3
		B	16	72.7	72.7	100.0
		Total	22	100.0	100.0	
c	Valid	A	13	30.2	30.2	30.2
		B	30	69.8	69.8	100.0
		Total	43	100.0	100.0	
d	Valid	A	3	60.0	60.0	60.0
		B	2	40.0	40.0	100.0
		Total	5	100.0	100.0	

where, “A” is amount of men, “B” is amount of women, “a” is professional activities, “b” is the vocation, “c” is the convenient, “d” is other version.

In the graph below, we can see recoded data of Table 5.8 for visually understanding.



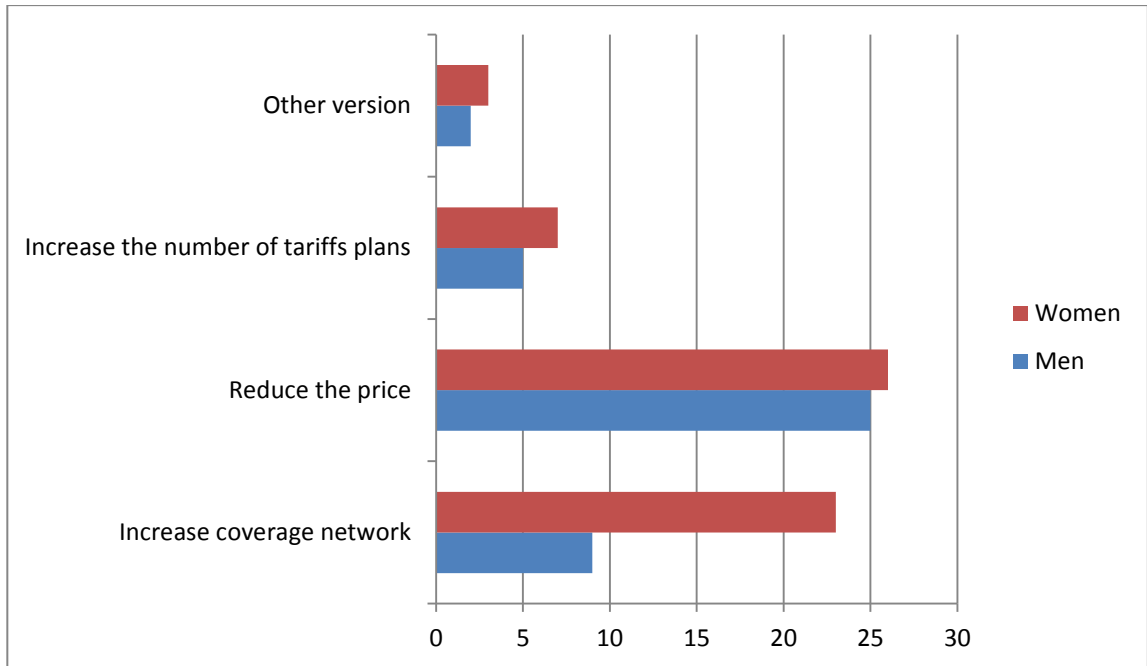
Graph 5.7: Reasons of Using Several SIM Cards

It should be noted that the analysis of consumer preferences in choosing the product provides recommendations for the company to improve the service quality. Most of the women offered to increase coverage zone and the men propose to reduce the cost of communication services. The table and graph below show the data which analyzed by SPSS program.

Table 5.9: Customer Recommendations

Question 9			Frequency	Percent	Valid Percent	Cumulative Percent
a	Valid	A	13	34.2	34.2	34.2
		B	25	65.8	65.8	100.0
		Total	38	100.0	100.0	
b	Valid	A	20	43.5	43.5	43.5
		B	26	56.5	56.5	100.0
		Total	46	100.0	100.0	
c	Valid	A	6	46.2	46.2	46.2
		B	7	53.8	53.8	100.0
		Total	13	100.0	100.0	
d	Valid	A	2	66.7	66.7	66.7
		B	1	33.3	33.3	100.0
		Total	3	100.0	100.0	

where, “A” is amount of men, “B” is amount of women, “a” is to increase zone of coverage network, “b” is to reduce price of the cellular communication, “c” is to increase the number of tariff plans, “d” is other option.



Graph 5.8: Recommendations of Respondents

Unfortunately, cellular communications in Kazakhstan is one of the most expensive in the territory of former Soviet Union. The survey found out how much money consumers spend per month. In this case all prices were converted from tenge (Kazakhstan's currency) to dollar for better understanding. After calculating the data, it revealed that consumers most of respondents spent from 20 to 100 dollars per month. It is shown more detailed in the table below.

Table 5.10: Monthly Payments

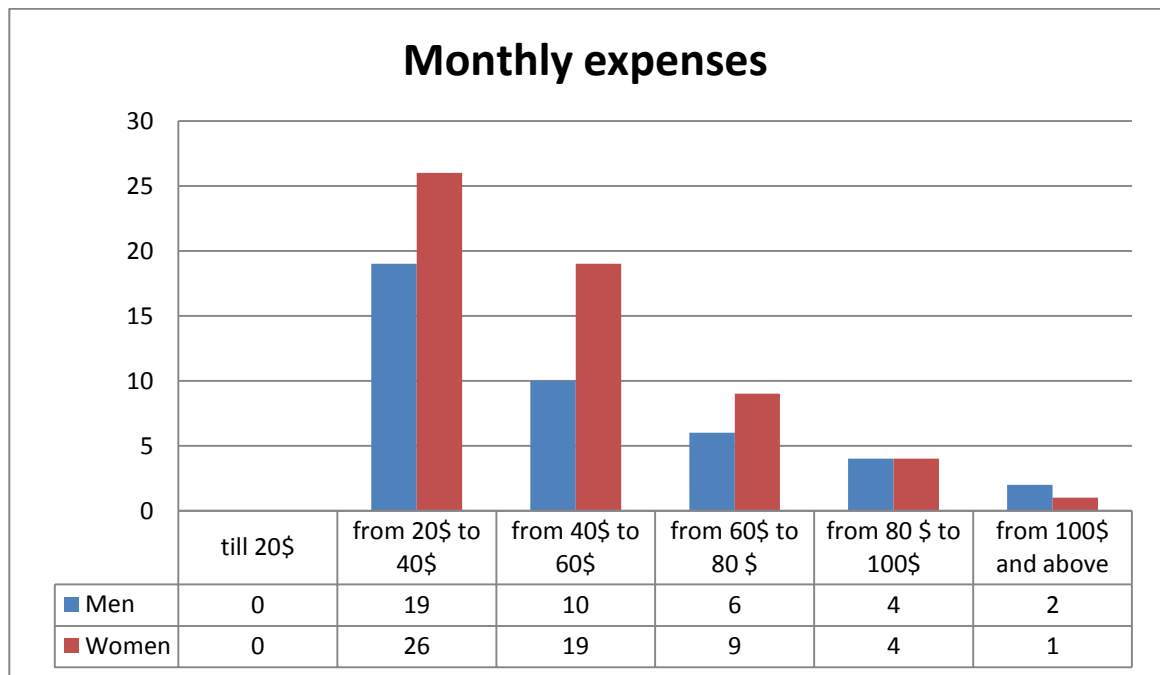
Question 10			Frequency	Percent	Valid Percent	Cumulative Percent
b	Valid	A	19	42.2	42.2	42.2
		B	26	57.8	57.8	100.0
		Total	45	100.0	100.0	
c	Valid	A	10	34.5	34.5	34.5
		B	19	65.5	65.5	100.0
		Total	29	100.0	100.0	



d	Valid	A	6	40.0	40.0	40.0
		B	9	60.0	60.0	100.0
		Total	15	100.0	100.0	
e	Valid	A	4	50.0	50.0	50.0
		B	4	50.0	50.0	100.0
		Total	8	100.0	100.0	
f	Valid	A	2	66.7	66.7	66.7
		B	1	33.3	33.3	100.0
		Total	3	100.0	100.0	

where, “A” is amount of men, “B” is amount of women, “a” is until 20 dollars, “b” is from 20 to 40 dollars, “c” is from 40 to 60 dollars, “d” is from 60 to 80 dollars, “e” is from 80 to 100 dollars, “f” is from 100 dollars and above.

We can see monthly expenses for cellular communication on the Graph 5.8, for visually understanding.



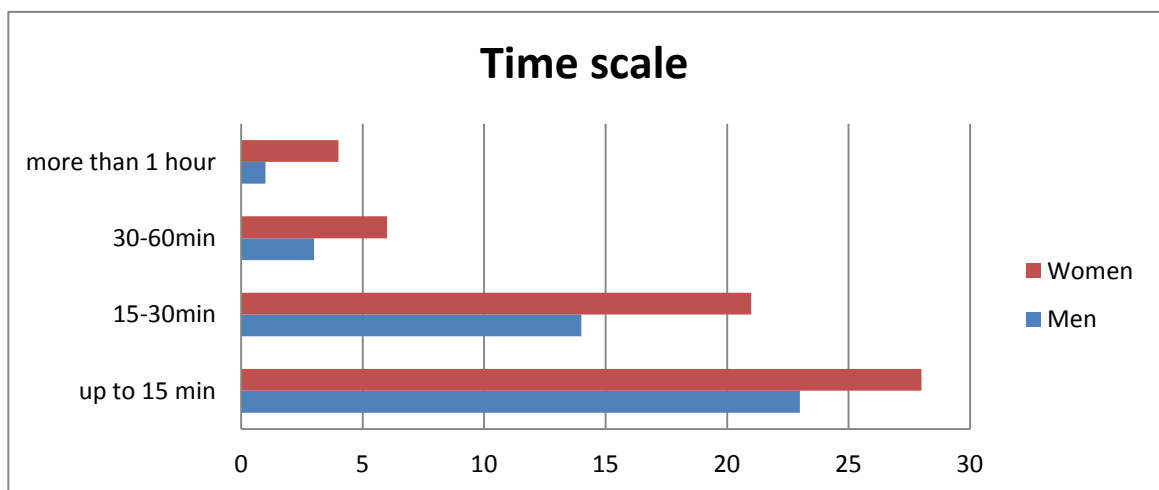
Graph 5.9: Monthly Expenses on the Cellular Communication.

When asked, "How much time do you spend an average of talks on a cell phone per day?" The majority of respondents, namely 51% answered that they spend on calls up to 15 minutes. It is demonstrated more detailed in the table and graph below.

Table 5.11: Duration Call Time

Question 11			Frequency	Percent	Valid Percent	Cumulative Percent
a	Valid	A	23	45.1	45.1	45.1
		B	28	54.9	54.9	100.0
		Total	51	100.0	100.0	
b	Valid	A	14	40.0	40.0	40.0
		B	21	60.0	60.0	100.0
		Total	35	100.0	100.0	
c	Valid	A	3	33.3	33.3	33.3
		B	6	66.7	66.7	100.0
		Total	9	100.0	100.0	
d	Valid	A	1	20.0	20.0	20.0
		B	4	80.0	80.0	100.0
		Total	5	100.0	100.0	

where, "A" is amount of men, "B" is amount of women, "a" is up to 15 minutes, "b" is from 15 to 30 minutes, "c" is from 30 to 1 hour, "d" is from 1 hour and above.



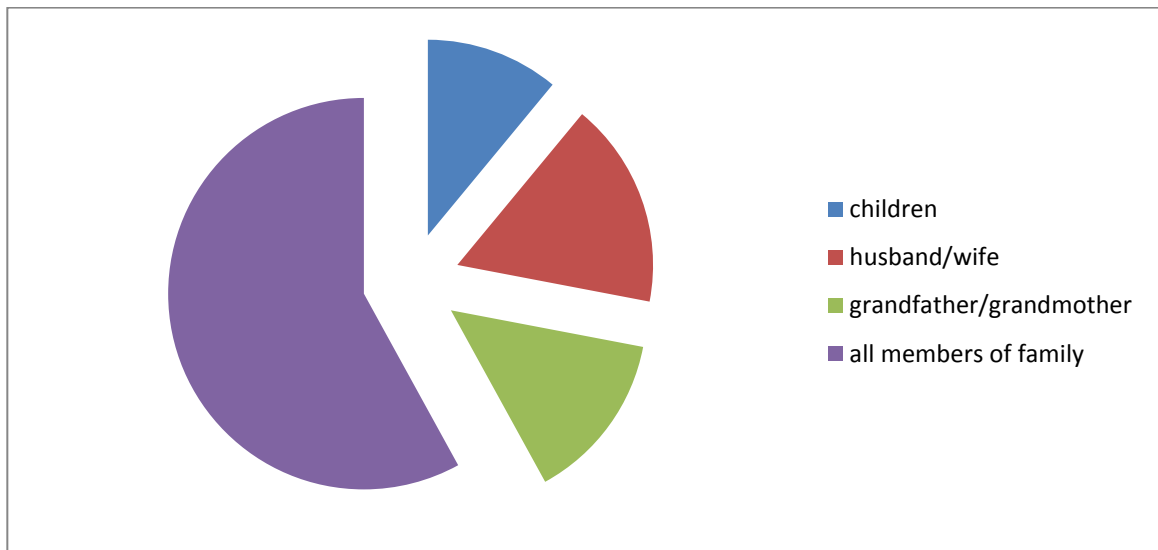
Graph 5.10: Call Duration per Day

From the observations can be seen that all the family members of the respondents use the services of cellular communication. The table 5.12 and the graph 5.10 below show that mobile services are growing exponentially.

Table 5.12: Users of Family Members

Question 12	Frequency	Percent	Valid Percent	Cumulative Percent
Valid a	51	51.0	51.0	51.0
b	35	35.0	35.0	86.0
c	9	9.0	9.0	95.0
d	5	5.0	5.0	100.0
Total	100	100.0	100.0	

where, “a” are children, “b” is husband/wife, “c” is grandfather/grandmother, “d” are all members of family.



Graph 5.11: Members of Family Who Use the Services of Cellular Communication.

Questions 13 and 14 were surveyed for understanding how long people can use the cellular communication of certain operator although market is growing.

Table 5.13: Duration Usage of Cellular Telecommunication

Question 13	Frequency	Percent	Valid Percent	Cumulative Percent
Valid a	21	21.0	21.0	21.0
b	23	23.0	23.0	44.0
c	56	56.0	56.0	100.0
Total	100	100.0	100.0	

where, “a” is less than 1 year, “b” is from 1 to 2 years, “c” is from 3 years and above.

Table 5.14: Frequency Switching Cellular Operators

Question 14	Frequency	Percent	Valid Percent	Cumulative Percent
Valid a	4	4.0	4.0	4.0
b	11	11.0	11.0	15.0
c	85	85.0	85.0	100.0
Total	100	100.0	100.0	

where, “a” is 1 times in a half-year, “b” is 1 times in a year, “c” is another option.

Most of respondents answered that they are satisfied with the number and place of service centers. Because it is important to serve customers and it shows the coverage of territories by branches which facilitate to customer with their needs or problems. In the table below we can see analyzed data in detail.

Table 5.15: Satisfaction by Number and Place of Service Centers

Question 15		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	a	86	86.0	86.0	86.0
	b	14	14.0	14.0	100.0
	Total	100	100.0	100.0	

where, “a” is YES, “b” is NO.

The important role in service industry is the service quality. Some researches use 5 point scale rating, service quality dimensions, and so on. But in our case we should not emphasize on the service quality, for this case will enough answer on the dichotomous question. So, in the next table we can see how many respondents satisfy with service quality and how many respondents don't satisfy with the service quality in the service center or branch.

Table 5.16: Service Quality

Question 16		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	a	94	94.0	94.0	94.0
	b	6	6.0	6.0	100.0
	Total	100	100.0	100.0	

where, “a” is YES, “b” is NO.

All respondents agree that the cellular communication is making easier and improve our life. In our days, we really cannot imagine our life without cellular communication. So, it is not surprised that all respondents said “YES” as shown in table below.

Table 5.17: Improvements our Life by Cellular Communication

Question 17 b=0	Frequency	Percent	Valid Percent	Cumulative Percent
Valid a	100	100.0	100.0	100.0

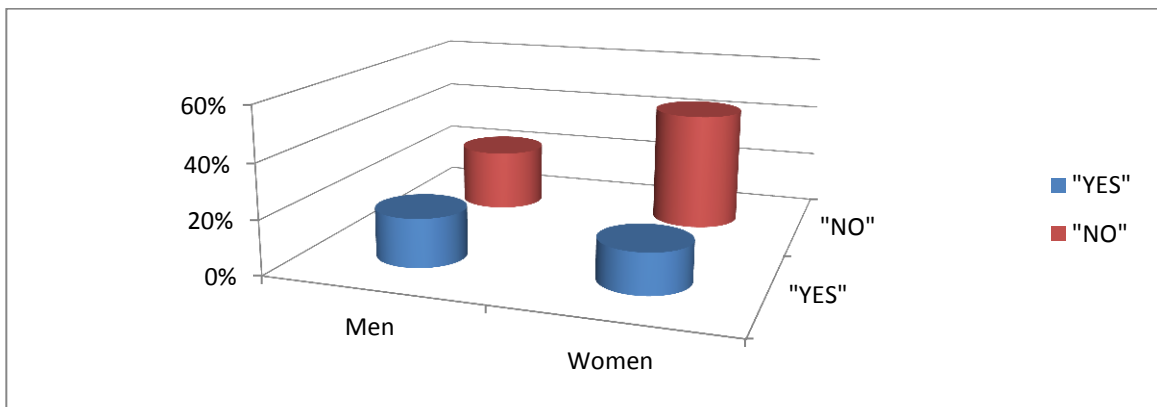
where, “a” is YES, “b” is NO.

To the question “Whether does cellular communication has affect or not on the health of people?” surveyed people divided into two sides. 18% of men and 15% of women said yes, and they argued a number of reasons such as: harmful radiation, electromagnetic waves, etc. 23% of men and 44% of women said no. See the following table for understanding in details.

Table 5.18: Whether does Cellular Communication has Affect on the Health of People?

Question 18	Frequency	Percent	Valid Percent	Cumulative Percent
Valid a	33	33.0	33.0	33.0
b	67	67.0	67.0	100.0
Total	100	100.0	100.0	

Also, we can see this tabulated data in the graph below for visual understanding.



Graph 5.12: Influences of Cellular Communication on the Health

## **5.2 Recommendations for the Service Providers**

On the basis of the survey and data analysis, we can see that out of 100 people surveyed largest number of users is consumers of up to 20 years. This at once suggests that this group of young people who are mega-social in such age. If the mobile operator does not have an appropriate the tariff plan, thus it should create a special tariff plans for this age group. It is also necessary to note that this age group is not able to fully support themselves by financial aspects.

From the research it is clear that of all the respondents, great quantity respondents prefer a criterion for selecting mobile operator - PRICE. For Kazakhstan's cellular operators such criteria should be as the task number one. By observing the market of cellular communication, I can say that by the appropriate price policy is leading - Tele2. This company offers the lowest prices among all market players. However, the company Kcell it is the most expensive, correspondingly this criterion should push the company to make certain action for price reducing. Meanwhile, the Beeline Company took the middle position on the market.

In spite of the fact that Kcell is the market leader in many of the criteria, it should not relax the head of the company. So recently, the company Tele2, which exists on the market for several years, has already made great strides on the market and has become a formidable competitor for Kcell and Beeline. If we consider the fact of the first worked days when TELE2 was opened, more than 5000 people joined to the TELE2 and more

than half of these customers charged their balance. According to that, we can wonder the growth progression into the company.

The study also found that the quality of most users indicated by rating 3 through 5-point scale. The majority of respondents answered neutrally (i.e., rating 3), it gives rise to all firms think about service quality, for example: to expand and improve network coverage, improvement of service quality in the company's offices, prompt provision of information and support through the call centers, providing empathy, and delivering on their promises.

There are recommendations which were proposed by the respondents. The table below shows the detailed information.

Table 5.19: Respondent Recommendations

<b>Recommendations</b>	<b>Men</b>	<b>Women</b>
Increase the coverage zone of network	13	25
Reduce the price of cellular service	20	26
Increase the diversity of tariffs	6	7
Another version	2	1

Hence we see that the price is the main criterion when choosing a product. According to the survey revealed that there are consumers who use multiple SIM cards, it was explained by the convenience, the professional actions, and vocation. In principle, that situation should be as signal for company. In order to compare these three reasons,



company have to try develop a new product that would include three reasons in one SIM card or provide special offers for different reasons.

51% of consumers spend on phone calls up to 15 minutes a day. And more than half of the respondents spend up to \$ 60 a month. If we compare these two figures, we can understand that the cellular communication is expensive in Kazakhstan. As noted above, the cheapest company is Tele2 that is expanding its opportunities through their good pricing.

## **Chapter 6**

### **CONCLUSION**

To sum up, the purpose of the marketing research is the generation of marketing information for decision-making in the field of interaction between the subjects marketing system. With the help of a marketing research was found that people are very conservative. Many consumers are using the services of a cellular communication for a long time.

Of course we need to know what attracts buyers. For a company is just as important to retain current customers, for example Tele2 is luring the customers by low prices. We have to understand why consumer prefers one or another operator. All people are different everyone has their own needs; companies can to generate of potential buyers into the groups and develop specifically offers for each group. Improving the service quality will improve the company's image.

In our days, there is a rigid competition in Kazakhstan's market. Every time we see the evolution in technology. For companies it is necessary to conduct marketing research frequently, because the world is not standing at the same point. For a long time on the Kazakhstan's market was the competition between “Beeline” and “Kcell”. We clearly see how the “Tele2” has established a reputation as company with the popular price.

Although that “Kcell” is still the market leader, we can see how in a short time a new player started step by step to capture the market. For “Kcell” and “Beeline” it is a signal in order to undertake certain measures.

Exploring the data, I came to the point that in order for the company increased its sales and attract buyers, it is necessary, first of all, to reduce the price of service provided. Secondly, improve the quality of cellular communication. Third, it is desirable if company diversifies their tariffs plan.

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## **APPENDIX**

## **APPENDIX A: Questionnaire**

Dear customers!

We offer you to participate in the survey for the Study of your preferences on the market of cellular communication. Please select your suitable option. Your opinion is important for us.

**1. Sex:**

- a) **Male**
- b) **Female**

**2. How old are you?**

- a) **Up to 20 years**
- b) **From 20 to 30 years**
- c) **From 30 to 40 years**
- d) **From 40 to 50 years**
- e) **From 50 years and above**

**3. Do you use the cellular communication?**

- a) **Yes**
- b) **No**

**4. Which kind of the cellular communications do you use?**

- a) **Kcell**
- b) **Beeline**
- c) **Tele 2**

**5. What kind of criteria do you prefer when choice the cellular communication?**



- a) **Price**
- b) **Quality**
- c) **Accessibility**
- d) **Zone of coverage networks**
- e) **attractiveness and variety of tariff plans**

**6. How do you assess the service quality of mobile operator by the 5-point scale?**

- a) **1 point or strongly disagree;**
- b) **2 points or disagree**
- c) **3 points or neither agree nor disagree**
- d) **4 points or agree**
- e) **5 points or strongly agree**

**7. How number of the SIM card do you use?**

- a) **1 SIM card**
- b) **2-3 SIM cards**
- c) **More than 3 SIM cards**

**8. What is the reason do you have for use multiple SIM cards?**

- a) **It is necessary in professional activities**
- b) **For vocation**
- c) **Convenient**
- d) **Other option\_\_\_\_\_**

**9. How would you propose to improve cellular communication services?**

- a) **To increase zone of coverage network**

- b) To reduce the price of cellular communication**
- c) To increase the number of tariffs plan**
- d) Other option\_\_\_\_\_**

**10. How much money do you spend on cellular communication services per month?**

- a) Until 20\$**
- b) From 20 to 40\$**
- c) From 40 to 60\$**
- d) From 60 to 80\$**
- e) From 80 to 100\$**
- f) From 100\$ and above**

**11. How much time do you spend for talking by mobile phones per day?**

- a) Up to 15 minutes**
- b) From 15 to 30 minutes**
- c) From 30 to 60 minutes**
- d) More than 1 hour**

**12. Who does use of cellular communication in your family?**

- a) Children**
- b) Husband/wife**
- c) Grandfather/grandmother**
- d) All members of family**

**13. How many years do you use the service of your cellular communication?**

- a) Less than 1 year**

- b) From 1 to 2 years
- c) From 3 years and above

**14. How often do you change the mobile operator?**

- a) 1 time in half-year
- b) 1 time in year
- c) Another option

**15. Are you satisfied with the number and place of service centers?**

- a) Yes
- b) No

**16. Are you satisfied with the service quality in service centers?**

- a) Yes
- b) No

**17. Does your life improve by using the cellular communication?**

- a) Yes
- b) No

**18. Whether does cellular communication has affect or not on the health of people? (if Yes, please explain by which reasons)**

- a) Yes
- b) No

**Thank you very much for your time and participation!**