INDIAN CUSTOMERS AND RETAILERS PERCEPTION TOWARDS CELLULAR SERVICE PROVIDERS WITH SPECIAL REFERENCE TO BSNL

Suraj Kushe SHEKHAR
VIT University, Vellore, Tamil Nadu, India
surajk.shekhar@vit.ac.in

Abstract
The present study examines the perception of Indian customers and retailers towards cellular service providers. The study which was conducted in a South Indian state revealed that Bharat Sanchar Nigam Limited (BSNL) accounted for majority of the market share. Customers and retailers were satisfied with BSNL's tariff plans. However they were unhappy with BSNL's service. Even though the tariffs of the private players like Idea, Vodafone etc. were higher, they offered better service to the consumers and retailers as compared to BSNL. The study further gives suggestions to the giant conglomerate BSNL to improve customer service, strategies for customer retention, strategies to handle customers complaints and strategies to win back customers and retailers confidence.
Keywords: BSNL, Customer, Retailer, Satisfaction, Service.

1. INTRODUCTION

There has been a brisk boom in the Telecom industry recently. Like industrial, green and white revolutions, a mobile phone revolution has also taken place in the communication scenario of our great country. Today mobile phone has become a part and parcel of the modern society. Several cellular service providing companies are now available in India. Bharat Sanchar Nigam Limited (BSNL) Mobile phone service is growing at a fast pace and doing very well in the field of communication. BSNL is the only public sector / government sponsored cellular company in India. Some of the leading private players are Airtel, Vodafone, Aircel, Tata, Reliance, Idea etc.

Marketing has its focus on the customers' needs, requirements, preferences, attitudes, lifestyles etc. Indeed, marketing concept suggests that the logical place to start the search for new product ideas are the customers need and wants (Kotler 1991). In this way, corporations' commercial success is highly dependent on the extent to which it could integrate its knowledge about the customers (its needs, wants, preferences etc) with its own intelligence, creative capacity and skills. Consequently, competitive advantage is secured through intelligent identification and satisfaction of customer needs better and sooner than competitors and sustenance of customer's satisfaction through better customer service tools.

Retailers are the most important people from the company's point of view as they are the group who directly interact with the customers and sell the company's product. It is very important for the company to make sure that the retailer is well informed of and is well equipped with to influence the customers and increase the sales. Retailers will prove themselves very useful for the company, if the company keeps them happy.

This study examines the customers and retailers satisfaction of cellular service providers. The study encompasses the market share analysis, customers and retailers satisfaction/dissatisfaction with reference to schemes and plans, usage pattern, their perception about customer service, customers/retailers expectations, their perception about BSNL and other private players, reasons for customer switching, strategies for customer retention, strategies and recommendations for improving customers / retailers services etc..

2. LITERATURE REVIEW

Debnath (2008) in his study explains that the prime focus of the service providers is to create a loyal customer base by benchmarking their performances and retaining existing customers in order to benefit from their loyalty. With the commencement of the economic liberalization in 1991, and with a view to expand and improve telecom infrastructure through the participation of the private sector, the Government of India permitted foreign companies holding 51 percent equity stake in joint ventures to manufacture telecom equipment in India. The Indian Government has announced a new policy, which allows private firms to provide basic telephone services. There had been a monopoly of the state-owned department of telecommunications. However, several companies are expected to benefit from the policy change. Kalavani (2006) in her study analyzed that the majority of the respondents have given favorable opinion towards the services but some problems exist that deserve the attention of the service providers. Service providers need to bridge the gap between the services promised and services offered. The overall customers' attitude towards cell phone services is that they are satisfied with the existing services but still they want more services to be provided. Kumar (2008) in his analyzed that at present, services marketing plays a major role in the national economy. In the service sector, telecom industry is the most active and attractive. Though the telecom industry is growing rapidly, India's telecom density is less than the world's average telecom density as most of India's market is yet to be covered. This attracts private operators to enter into the Indian telecom industry, which makes the Bharat Sanchar Nigam Limited (BSNL) more alert to run its business and survive in the market. Kalpana and Chinnadurai (2006) in their study analyzed that the increasing competition and changing taste and preferences of the customer's all over the world are forcing companies to change their targeting strategies. It was found that advertisement play a dominant role in influencing the customers but most of the customers are of opinion that promotional strategies of cellular companies are more sale oriented rather than customer oriented. Chris (2003) has analyzed 'Telecom advertising in print media'. This research attempted to investigate why telecom theme are used in advertisement, and the motives that lead companies and advertisers to use sport celebrities and sport concept in advertisements. From study it has been revealed that the appearance of sport celebrities in advertising endorsement occurred more often in telecom magazines than in other magazines, because their target group is more acquainted with athletes. The sport celebrities that dominated each printed media are related with their target group characteristics.

3. RESEARCH METHODOLOGY

The goal of the project was to undertake a market study on customers and retailers satisfaction of cellular service providers. The following are the research objectives:

1. Market share analysis
2. Customers (end users) satisfaction / dissatisfaction with respect to their service provider / providers, their usage patterns, their knowledge about plans and schemes, their complaints and queries, their perception about BSNL and all other existing cellular services, their perception about customer service and retail outlets, their expectations from the service providers etc.
3. Reasons for customer switching
4. Strategies for customer retention.
5. Retailers' sales, stock etc., their perception about customers satisfaction with respect to various service providers, their visibility and knowledge about plans and schemes, their satisfaction / dissatisfaction with regard to the schemes, their satisfaction/dissatisfaction with respect to distribution services, their perception of the best service provider, their expectations from the service providers etc.

Business Excellence and Management
Volume 5 Issue 4 / December 2015

Business Excellence and Management
Volume 5 Issue 4 / December 2015

6. Strategies and recommendations for improving customers/retailers services.

Scope of the study

BSNL, Kannur, Kerala, India has not yet carried out a market study on customer and retailer satisfaction of BSNL mobile with respect to other private cellular service providers under their SSA. So a survey had been carried out in and around Kannur district of Kerala state. People who were using mobile phones were the chosen respondents under the customers group and people whose primary business were into selling prepaid cards / SIM / vouchers of various service providers were the chosen respondents of the retailers group. Disproportionate stratified sampling and convenient sampling were done for the customers and retailers respectively to get data. An analysis had been carried out. This report may help the company to better understand the customers and retailers, their expectations from the company, to serve the customers according to their needs and thereby increasing the satisfaction of the customers/retailers up to the maximum level in the current competitive market.

Research design

The Research design is a framework or blue print for conducting the market research project. The research design adopted here was descriptive in nature. The major objective of descriptive research is to describe market characteristics. Multiple cross sectional design was adopted for the data collection from the customers and single cross sectional design was adopted for the data collection from the retailers. The data obtained through the design were subjected to quantitative analysis. The findings from this research were given as suggestions / recommendations to BSNL.

Data collection

The primary data was obtained by survey method through specifically designed questionnaires.

Secondary data was obtained from published and unpublished sources. These mainly included websites, annual reports, articles and so on.

Data collection method and instrument

The survey method of data collection was used in the research and specifically designed questionnaires were used as the data collection instrument. This method of obtaining information was based on questioning the respondents. Separate questionnaire was framed each for the customers and the retailers. Respondents were asked a variety of questions regarding their behaviour, intentions, attitudes, awareness, motivations and so on.

Questionnaire design, development and pre testing

At first an initial questionnaire was prepared. This questionnaire had been redesigned after consultation with the organizational and institutional guide. The scaling techniques used in the questionnaire were dichotomous scaling, Likert scaling and rank order scaling. Pre testing of the questionnaire was done on a small sample of respondents in Kannur district to identify and eliminate potential problems.

Data sampling

Stratified sampling was adopted for the data collection from the customers. In this type of sampling, the population was divided into categories that are mutually exclusive (do not overlap) and collectively exhaustive (all members are included). The logic behind such stratification is that the categories may vary widely from one to another with regard to the parameter of interest, yet exhibit a degree of similarity with each category.

The different strata in customers were students, govt. employees, private employees, business people, retired persons, housewives and labors.

Convenient sampling was done for data collection from the retailers. The selection of the sampling was left primarily to the interviewer.

Sampling unit

The sampling unit was students, govt. employees, private employees, business people, retired persons, housewives and labors in the customers segment and different retailers in the retailers segment

Sampling area

The sampling considered for the research was in and around Kannur district of Kerala state.

Sample size

During the course of the study, a total of 200 respondents were interviewed from the customers segment and 25 respondents were interviewed from the retailers segment.

Tools for analysis

- Chi-square test
- Analysis of variance

SPSS 12 for windows was used as the software tool for analysis.

4. RESULT AND DISCUSSION

From the customers

- A sole monopoly was absent in the market. BSNL accounted for 22% of the market share. Idea and Vodafone accounted for 21% and 20 % market share respectively. Very lesser fraction was Reliance subscribers.
- 64 % of the respondents were exclusive prepaid users. Only 23% of the respondents were exclusive post-paid users. Respondents were least interested in changing their connection type. 83 % of the post-paid users were very unlikely to switch over to pre-paid connections and 90 % of the respondents were very unlikely to switch over to post-paid connections.
- 46 % of the respondents were subscribed to BSNL and to at least one private service provider. However they were using BSNL connection more frequently.37% of the respondents were spending an amount between Rs. 500-1000 towards mobile phone expenditure.
- Respondents were least aware of the plans / schemes of BSNL and Reliance. The awareness level of both Vodafone and Idea was comparatively much higher than BSNL, Airtel and Tata.
- When asked to rate the service providers across various parameters like network coverage, cost of calls, choice of packages and tariffs, quality of customer service, SMS rates, value for money and overall satisfaction ,Vodafone and Idea shared the maximum points followed by Airtel and then only BSNL.
- Respondents' first three choices of preference expected from their service provider were value for money, low calling cost followed by choice of packages and tariffs.
- 88% of the respondents were aware of the BSNL brand names viz. Cellone and Excel.
- 28 % of the respondents wished to take Vodafone when they plan to take a new cell connection. 20% preferred BSNL.
- 61% of the respondents agree that the retail outlets of their service provider are easily available. 31% of the respondents agreed that their retailers stocked different denominations of recharge vouchers and SIM cards. 36% of the respondents agreed that their retail outlets attend to their complaints and requests quickly. However 29% disagreed. 46 % of the respondents strongly agreed that they choose a scheme after considering all the alternatives provided by the service providers.

- Respondents are not particularly loyal to any particular service provider.
- 78 % of the respondents said that they wouldn't switch over to another service provider if they are permitted to retain the current mobile number and out of the 22% of the respondents who were ready to switch over, 30% wanted to switch over to Vodafone followed by Idea and BSNL.
- 29 % of the respondents said that the price should be lowered down to between 20-25% for them to switch over to a competitor even if the competitors were ready to provide the same range and quality of services that the respondents were currently using. 33% of the respondents were ready to switch over to a competitor if their current service provider increases the price by 5-10 % provided they maintain the same range and quality of services.
- 82% of the respondents experienced issues in service. 56% of the respondents have complained about services. 52 % of the respondents have complained twice before the problem was corrected. 46 % of the respondents said that their problem was resolved in less than a day.87 % of the respondents agreed that they are receiving unsolicited promotional calls and SMS.33 % of the respondents said that they were receptive but not always, 21% felt happy about the importance given to the customer and 27 % behaved indifferently to unsolicited promotional calls and SMS
- 59% of the respondents simply just ignored and 41% complain to customer care to block such calls and SMS.
- 44 % of exclusive BSNL users rated BSNL as 'some what far', 46% of exclusive Vodafone users rated Vodafone as 'some what near', 51% of exclusive Idea users rated Idea as 'some what near' and 77% of exclusive Reliance users rated Reliance 'as very far' from their ideal service provider.44% of exclusive BSNL users would probably recommend BSNL mobile services to others. 39% of Airtel users were not sure whether to recommend or not. 44% of Vodafone users would definitely recommend their service providers to others. 67% of Reliance users would probably not recommend Reliance to others. 51% of Idea users would probably recommend Idea to others.

From the retailers

- It was observed that retailers had more knowledge about plans and schemes of Idea and Vodafone as compared to other service providers.

Business Excellence and Management
Volume 5 Issue 4 / December 2015

Business Excellence and Management
Volume 5 Issue 4 / December 2015

- Retailers stocked maximum of Idea's cards/ vouchers followed by Vodafone and BSNL. Respondents were stocking a particular voucher/ pre-paid card than another because of profitable sales / low tariffs (52%) and customer demand (48%).
- Daily average sales were the highest in Idea followed by Vodafone and BSNL. Easy recharge facilities were more prominent amidst the retailers than keeping prepaid cards / vouchers.
- 79% of retailers' remarked about their customers' choice of new connection to Idea followed by Vodafone and Airtel. It was observed that BSNL connection was seldom or not done at the retailers shop.
- Retailers perceived Vodafone (28%) as the best in providing overall satisfaction to customers followed by Idea.
- 28% of the retailers were Idea's subscribers followed by Airtel and Vodafone each having 24% share. It was seen that the retailers were mainly the subscribers of private players compared to its counterpart BSNL.
- 48 % of the respondents rated service provided by the beat boys of BSNL as Very poor. 52% of the respondents rated Airtel as Good and same is the case with Vodafone (72%) and Idea (68%). 72% of the retailers rated Tata's beat boy's services as Average**.** 64% rated Reliance also as Average.52% of the retailers rated the level of knowledge provided by the beat boys of BSNL as Very Poor.
- 28% of the respondents rated Idea as the best in providing maximum talk time with minimum rates. They rated Airtel as the worst (8%) in providing maximum talk time with minimum rates. BSNL accounted for 20%
- 32 % of the respondents said that they would switch over to promote a competitor if and only if there is lowering of tariffs provided to them at a rate between 35-40%.

Retailers were not happy with BSNL's service.

5. SUGGESTIONS

BSNL may improve their customers and retailers services. BSNL may properly market their plans and schemes through rigorous promotional schemes like advertising and various other publicity methods. In advertising, BSNL may synergize their activities at Corporate, Circle and SSA level. BSNL was the most trusted telecom brand in the year 2003 & 2004. BSNL has been given Golden Peacock Award for Best Corporate Social responsibility. This achievement need to be highlighted through public relation exercise like press briefing and so on. This will help BSNL in building the marketing image. More emphasis may also be given to increase the awareness and knowledge of plans and schemes to retailers as well. In addition to that:

Regarding improving customer service and preserving customer retention

BSNL may train their customer service employees and monitor what they do. BSNL may find out from their customers what they think of their service provider, what they like about BSNL mobile and what changes they would like to make. BSNL may pay particular attention to their most loyal customers, especially local clients. BSNL may give most loyal customers incentives to stay around and give vide publicity. BSNL may focus on more follow-up with clients and educating them about various plans / schemes. BSNL may conduct frequent customer surveys and track changes of customer expectations over time. BSNL may regularly conduct an employee attitude survey (employees working under BSNL Mobile division) to measure and improve employee satisfaction. This will, in turn, have an impact on customer service satisfaction. More satisfied employees will produce higher quality services and provide better service to the customers. In addition to the above, BSNL may develop a **customer focused approach;** i.e. to invite complaints and indicate commitments of resolving complaints by its words and actions in all fairness and may also be accountable for complaint handling.

Regarding handling customers complaints and winning back customers confidence

BSNL may respond to complaints promptly; develop a good method to process complaints and resolve problems. BSNL may consider strategies like reducing call rates and increasing pulse time, full talk time for prepaid cards/ vouchers, services like collecting post-paid bills at home, 24 hours kiosk to pay post-paid bills or other perks like scratch and win extra talk time (for pre-paid customers) to win back customer's confidence.

Regarding winning back retailers confidence

Adequate display boards/ banners and so on may be given at retail shops. BSNL may well educate the retailers about various plans and schemes and also improve their distribution services and push more prepaid cards and vouchers at retail shops. BSNL may also promote **franchisees** with 24 x 7 customer care

Thus, BSNL may improve their **accessibility** (i.e. customer may know how to complain). The more formal the system for lodging complaints, the less accessible to customers, **visibility** (i.e. customer may

Business Excellence and Management
Volume 5 Issue 4 / December 2015

know where to complain), **responsiveness** (i.e. .complaints need to be dealt with quickly) and so on.

6. CONCLUSION

After years of corporatization of BSNL, a customer-focused approach is yet to attain completely. In this era of intense competitions, it is very important for any service company to understand that merely acquiring customers is not sufficient because there is a direct link between customer retention over time and profitability and growth. Customer retention to a great extent depends on service quality and customer satisfaction. It also depends on the ability of the organization to encourage the customers to complain and then rectify when things go wrong.

Today's customers are becoming harder to be pleased. They are smarter, more price conscious, more demanding, less forgiving and they are approached by many more competitors with equal or better offers. The challenge is not only to produce satisfied customers; several competitors can do this. The challenge is to produce **delighted and loyal customers**. If these customers are retained with the organization, they become really profitable. Too many companies suffer from **customer churn;** i.e. high customer defection. It is like adding water to a leaking pot. Various strategies such as measuring customer life time value, efficient complaint management system and service recovery strategy can be really helpful in retaining customers.

7. LIMITATIONS OF THE STUDY

Since the time given to undertake the project work was of short duration, the sample size of the respondents was restricted to only 225. Out of that, 200 respondents were taken from the customers group and 25 respondents were taken from the retailers group. So the sample size chosen may not be the representation of the entire population. Apart from this, certain respondents were not willing to reveal financial data.

REFERENCES

Chris, K. (2003). *Telecom advertising in print media.* Retrieved from http://www.emeraldinsight.com on 2/3/2014.

Debnath, R. M. (2008). *Benchmarking telecommunication service in India*. Retrieved from http://www.emeraldinsight.com on 2/1/2014.emeraldinsight.com on 2/4/2014.

Gupta, S. P. (2005). *Statistical Methods*, S Chand & Sons Publishers, New Delhi, 2005, 34th edition.

Kalavani, B. (2006). *Consumers attitude towards cell phone services*. Retrieved from http://www.emeraldinsight.com on 2/7/2014.

Kalpana, B. (2006). Promotional Strategies of Cellular Services: A Customer Perspective, *Indian journal of marketing*, 36(5).

Kotler, P. (2006). *Marketing Management*, Pearson Education, Low price edition, 2006,12th Edition.

Kumar, P. (2008). *The marketing of 3G,* 21 (6). Retrieved from http://www. From http://www. emeraldinsight.com on 2/4/2014.

Levin, R. & Rubin, .D. (2004). *Statistics for Management*, Pearson Education, Low price edition, 7th Edition.

Malhotra, N. (2006). *Marketing Research*, Prentice Hall of India Private Ltd., Easter Economy Edition, 5th edition.