

“Illustrating The Contemporary Scenario Of Marketing Of Telecommunication Services In India.”

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ABSTRACT: INTRODUCTION--- With the growth of the service economy, the service companies have laid emphasis on enhancing the add-on value in different aspects of the services. Traditional 4P's marketing has been adapted to products marketing, but in services marketing management something more is needed. The service researchers have pointed out that three additional P's: people, physical evidence and process, besides service product, price, place and promotion of services. Nowadays, the extended marketing-mix of 7ps has become imperative for telecom industry as almost all people have started availing the telecommunication services.

PURPOSE --- Choosing, managing and implementing effective service are challenging tasks for the telecom services sector. The need of the hour has been to know the service competitiveness of the companies in market, leading to the acquaintance of their customer's needs and ultimately their full satisfaction. In order to fulfill this purpose, the factors having significant impact on the buying behaviour of the customers towards the telecommunication services have been addressed to in this empirical study.

OBJECTIVES AND METHODOLOGY --- The main objective of the study has been to determine the implementation of 7p's marketing-mix from the telecom service providers and customers' viewpoint and its consequent impact on customer satisfaction; which has been illustrated with the case study of BHARTI AIRTEL Telecom Company. This research study has also examined the comparative study of the various dimensions on customer choice of cellular service providers in the telecom industry. Data collected has, thus, been examined with the help of independent t-test statistical tool after running data reduction and assimilation technique-factor analysis on the significant variables. A comparative investigation of behavioural influencers of pre-paid and post-paid connection holders, randomly sampled from the Amritsar city, under the analytical study has been tested and significantly differentiated, to determine the impact of various dimensions on service customers' buying behaviour towards telecommunication service providers.

INTERPRETATION --- In the present study, it has been interpreted that developing a useful 7P's of the marketing- mix is beneficial for satisfying the customers' needs and expectations in the telecom services sector. It has also been concluded that though customer focuses on the cost in purchase of the services, but effectual communication and service quality are the most dominant factors, which influence the buying behaviour of the customers towards the selection of the telecommunication service providers. In addition, it has been interpreted that there is no significant difference between different segments of telecom service users' vis-à-vis service selection and usage indicative factors determined in the research study.

CONCLUSION--- It has been concluded that service companies have adopted the 7 P's of services marketing-mix to make their marketing strategy effective, to beat the competition and enhancing customer satisfaction by providing them the services they expect. Telecommunication service providers must keep in mind that they will have to provide the best service at lesser cost, in order to survive in the market; else they may lose their customers. The cellular respondents' feel that the brand image and word-of-mouth generally persuade their buying decisions. Hence, the research study has recommended that the telecom services sector should adapt to effective 7P's for enhancing their brand equity in the global business world.

KEYWORDS: 7P's of Marketing-Mix, Services Sector, Telecommunication Service Industry, Optimum Service Delivery, Consumer Buying-Behaviour Dimensions, Comparative Study.

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I. INTRODUCTION

The telecom service sector has been recognized as an important tool for developing the social-economic development of the nation. The telecommunication companies are initially focusing to provide the “well-manner service” to the customer in appropriate time. After LPG (liberalization, privatization and globalization), many players are entering in the economy for developing the new arena of the

telecommunication sector. Indian mobile market is one of the fastest growing markets and has forecasted to reach 868.47 million users by 2013.

To meet the global competition, the companies should use to evaluate and reevaluate the business strategies with the help of 7p's marketing mix model. Our economy has been shifted from the product-oriented 4p's marketing-mix to service-oriented 7p's marketing mix. Every service company has adopted the 7p's in our organization to compete in the global competition edge. As the global market place has become a reality, the need to expand the traditional marketing concept has become apparent. Three additional P's to service marketing: people, physical evidence and process which helps in giving more definite meaning to services and represents the ingredients require creating viable strategies for meeting customer needs profitably in a competitive market place (Booms and Bitner 2006)¹. Their importance can be viewed as:-

a) People

People are the most important elements in any service or experience. Since inseparability and variability lead to a customer experience, which one can say are one of the aspects of expected performance, are often altered to meet the individual needs of person consuming it.

1. Booms and Bitner (2006), “Service Management and Marketing” *Journal of Marketing Mix*.

b) Physical Evidence

The intangibility of service brings the difficulties of unclear, untouchable service experience and even doubtful sometimes. Strictly speaking, there are no physical attributes in service, so a consumer often relies on the tangible evidences for confidence.

c) Processes

In service business, process is an element that appreciates customer experiences as an organizational offering. It is viewed as something that customer participates in at different points.

The present study has discussed those variables which influence on the buying behaviour of the customers availing the telecom services.

Consumer Buying- Behaviour Towards The Telecommunication Service Providers

India has seen rapid increase in the number of players, which caused the call rates plans to hit an all-time low. This allowed the players to target the low income population, thereby increasing the market share. The availability of a number of subscriber options for consumers and varied tariff rates of each player, lead the consumers to switch between service providers (Satish et al, 2011)².

Mostly, the customers have learnt about the service providers essentially from the family background and friends. Advertisement plays a vital role to enhance the word of mouth regarding the promotion of the service providers. It may rather be conceived that word of mouth is a main source, which influences the service customer buying behaviour. However, in the long term period, advertisements help to make the brand loyal consumers at fewer prices sensitive. Exposure of an ad is considered to be effective if it leads to change in consumer knowledge, attitude and behaviour (Evans et.al, 1996)³.

Need Of The Study

Telecommunication is one of the prime support services needed for swift growth and modernization of various sectors of the economy. This sector has grown rapidly in recent years, and its growth needs to be accelerated further. With the growth of service economy and

2. Kumar, Sathish and Jeevanatham (2011) “A Study on Consumer Switching Behaviour in Cellular Service Provider: A Study with reference to Chennai”, *Far East Journal of Psychology and Business* Vol.2 No. 2.

3. Evans et.al, (1996) “Applied Consumer Behaviour” Published in Addison- Wesley Longman Ltd.

emphasis on adding value-enhancing services to the manufactured goods, the need has aroused to know the service competitiveness of companies in market, leading to satisfaction of customers' expectations. Hence, the present study becomes relevant in assessing the factors having significant impact on the buying behavior of the customers towards the telecommunication services.

OBJECTIVES OF THE STUDY

1. To determine the implementation of 7p's marketing-mix from the telecom service providers and customers' viewpoint and its consequent impact on customer satisfaction.

2. To examined the comparative study of the various dimensions on customer choice of cellular service providers in the telecom industry.

Research Methodology

The collected data has been interpreted into the two sections. The primary and secondary data has been pertained the empirical and conceptual analysis of the research study respectively.

SECTION (A) (Secondary Data and Conceptual Study)

The methodology used for secondary data interpretation has been gathered from secondary sources and has been illustrated with the case study of BHARTI AIRTEL company of telecommunication service on elements of services marketing mix.

Observations And Interpretation

P'S OF SERVICES MARKETING

- (1) Service Product
- (2) Price
- (3) Place
- (4) Promotion
- (5) Process
- (6) Physical Evidence
- (7) People(Service Providers)

(1) Service Product :

❖ From Employee's Point Of View:

Sometimes tangibles are added to give face-value and proof to the intangible service provided.

❖ From Customer's point Of View:

Tangible add-ons are the proof of transaction which the customer undertakes with the company & he can keep for future reference.

Examples of some services provided by Bharti Airtel

- Airtel Pre-paid
- Airtel Post-paid
- Blackberry Wireless Handheld
- Value Added Services (VAS)

The different value added services provided by Airtel are-

- Instant Balance Enquiry
- 24Hr recharge Facility
- Caller line identification
- Call divert, Call wait & Call Hold
- Multimedia messaging service (MMS)
- Airtel Live Portal
- SMS based Information Service

(2) Price:

❖ From Employee's Point Of View:

It is the amount which is charged from the customers for delivery of the service with a promise to provide the service value to the customer at the time of transaction for the cost taken.

❖ From Customer's point Of View:

It is the amount he has to pay for getting the service.

Example:

- Customer based pricing strategies.
- Flexible pricing mechanism
- Controlled by TRAI.

(3) Place:

From both customer's point of view and employee's point of view, Place is where the transaction is entered into, or where the service is delivered and consumed.

Example:

- It has wide and extensive presence even in the remotest areas
- Airtel Customer Care Touch Points
- Distributors like e.g. Paan shops, grocery stores, chemists, outlet etc.

(4) Promotion:

Promotion refers to the methods used to advertise the services provided by the service provider to generate awareness among customers.

It can be done through:

- Magazines/ Newspaper
- Internet
- Television/Radio
- Hoardings, etc. and
- Personally by the agents of service providing company.

Example:

- Large scale print and video advertising.
- Big celebrities like SRK and Sachin are roped in to endorse the product.
- In 2002 Airtel got its Signature tune from A.R. Rehman, this signature tune is the most downloaded tune in India.
- Provides innovations such as Bollywood movie premiers, music services such as ring back tones & many more.

(5) Process:

The actual procedures by which the service is delivered.

- ❖ **From Employee’s Point Of View:** It is the steps which they follow to deliver the service.
- ❖ **From Customer’s Point Of View:** It is the systems which are followed by customers to receive the service.

Example:

- Process for services is very easy and customer can avail it very easily.
 - 121 is the customer support no. which can be dialed from anywhere in India.
- (6) Physical Evidence:** It is the environment in which service is delivered. Customer wants good physical evidence so they can attribute tangibility to their intangible service.

Example:

- Total Employees 25616(Bharti Airtel consolidated).
 - Dedicate and passionate workforce.
 - One of the best customer supports.
 - Have won 2nd Best employer award in 2004.
- (7) People (Service Providers):** it includes all human beings which play part in delivering the service. They must be properly trained, so that they can handle customers efficiently and deliver the service effectively.

Example:

Bharti Airtel CO. has trained personnel and agents, who help customers in following ways:

- (i) Helps them to know which scheme suits best to their needs.
- (ii) Guide them properly about that scheme

Source; www.bhartiairtel.com

SECTION (B) – (Primary Data and Empirical Study)

This part of the study deals with the empirical analysis of the preference of the customers as respondents for the choosing the telecommunication services. The study has explained those factors which influence on the buying behavior of the customers towards choosing the telecommunication service providers in terms of their degree of satisfaction and the level of impact of the services which they are availing.

1. Universe of the study

The primary data consists of the customers who have been using the telecommunication services within the Amritsar city.

2. Nature of the study

The information for study has been collected from the primary as well as secondary sources. The secondary data has been collected from the various journals, published articles, books, e-books and various secondary sources.

3. Sample size

For the purpose of research study, the primary data has been collected, which was administered to all the respondents personally. A sample of 100 respondents has been taken with the help of well-structured and non-disguised questionnaire. But due to ambiguous responses, effective sample has been taken as 80 respondents for finding the problems and fulfilling the objectives as shown in table no.1.

The questionnaire has been verified with the help of Content Validity (face validity). For this purpose, opinions of experts in the telecommunication sector have been systematically evaluated to determine validity of scale represented for measurement.

Table 1--- Numbers of Respondents Using Different Kinds of Telecom Connections.

| Telecom Connections | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------|-----------|---------|---------------|--------------------|
| Prepaid | 56 | 70.0 | 70.0 | 70.0 |
| Post-paid | 24 | 30.0 | 30.0 | 100.0 |
| Total | 80 | 100.0 | 100.0 | |

Out of the sample of 80 respondents, 56 (70%) respondents are using the prepaid connection and rest 24 (30%) of respondents are using the post-paid connection of mobile services.

Reliability Analysis

To assess the reliability of the scale, Cronbach’s Alpha coefficient has been used. Possible values for alpha coefficient range between 0 and 1. Generally, 0.6 value or above is considered a satisfactory reliability level. In the present study, for the entire scale, Cronbach’s Alpha coefficient has been 0.634, which is above 0.6 and is assumed to be satisfactory as shown in the table (i) as given below.

Reliability of Factor analysis on Studying Variables:

Kaiser-Meyer-Olkin measure of sampling adequacy has been computed, which has been found to be .634. It has been indicated that the sample is good enough for survey (table no. (i)). Four factors have been extracted with factor loadings greater than 0.5. These four factors have explained 62.007 % of cumulative variance.

Table (i):-

| KMO and Bartlett's Test | | |
|--|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .634 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 158.971 |
| | Df | 55 |
| | Sig. | .000 |

4. Statistical Techniques used for Analysis

For the purpose of analyzing the role of telecommunication service providers from a point of view of customers, a questionnaire has been framed. The questionnaire has been designed using the variables that can represent the “customer buying behaviour towards the telecommunication service providers”. The 5-point Likert scale has been used as a rating scale that requires for the respondents to indicate the significance level. Each response item has five response categories, ranging from “Strongly Agree” to “Strongly Disagree”. A score ranging from 5 to 1 was allocated to the response categories respectively. The factor analysis technique has been administered for finding the major factors that play the vital role in choosing the telecommunication services.

Data collected has, thus, been examined with the help of independent t-test statistical tool after running data reduction and integration technique-factor analysis on the significant variables. A comparative analysis of prepaid and postpaid connection of telecommunication service users sampled under the analytical study has been tested.

The limitation of the present study is that the results are specific to the sample selected and dimensions used. Hence, they may not be generalized for overall population.

II. DATA ANALYSIS AND INTERPRETATION

The table below shows the number of factors extracted and their percentage of variance, which shows the satisfactory level at 62.007 % of total variance.

Therefore, four factors have been extracted from the eleven variables with their respective Eigen value and variances are as following in the table.

Table 2:- Showing Factors extracted with their Eigen values and Variance of Variables

| Factors | Variable Labels | Variables | Factor Loadings | Eigen Value % | Variance % |
|--|-----------------|---|-----------------|---------------|------------|
| F1 Effectual communication and service quality | V1 | Effective in communication | 0.827 | 2.526 | 22.807 |
| | V2 | Call traffic plan is reasonable | 0.798 | | |
| | V3 | Word of mouth helps in purchase decision making | 0.784 | | |
| | V4 | Add on connections are easily | 0.716 | | |
| F2 Network service | V5 | Roaming facilities | 0.693 | 1.826 | 15.405 |
| | V6 | Brand image | 0.661 | | |
| | V7 | Network connections are available | 0.579 | | |
| F3 Transparency | V8 | Voice clarity | 0.818 | 1.332 | 12.136 |
| | V9 | Bills are transparent | 0.623 | | |
| F4 Reliability | V10 | Value added service | 0.746 | 1.136 | 11.658 |
| | V11 | Reliable and quick response | 0.692 | | |

It can be analyzed from the above that the customers agree that the factor effectual communication and quality service has with maximum variance of 22.807% and reflects its vital impact to affect the buying behavior of the customers towards availing the telecommunication services. And the factor which has the minimum effect on the buying behaviour towards the telecommunication services is with the least variance of 11.658% according to the respective respondents.

- (a) **Factor 1- Effectual Communication and Service Quality**--- This factor explains the 22.807 percent age of the total variance. This factor, includes the variables i.e., effective in communication, word of mouth helps in purchasing decision making, call traffic plans is reasonable, easily available add on connection are the ones that are loaded highly on factor 1 with factor loadings 0.827, 0.784, 0.798 and 0.716 respectively.
- (b) **Factor 2- Network Service**--- This factor explains the 15.405 percent age of the total variance. This factor includes the variables, brand image influence the purchasing decision making, network connection are available in all regions of the country and roaming facilities are available without any activation charges on the network are the ones that are loaded highly on factor 2 with factor loadings 0.677, 0.579 and 0.693 respectively.
- (c) **Factor 3- Transparency**--- This factor explains the 12.136 percent age of the total variance. This factor includes the variables; bills are transparent as no hidden costs included in the bill statement are the ones that are loaded highly on factor 3 with factor loadings 0.623 and 0.818 respectively.
- (d) **Factor 4- Reliability**---This factor explains the 11.658 percent age of the total variance. This factor includes the variables, customer care services are reliable and give the quick response and value added services have very little effects on the traffic plans are the ones that are loaded highly on factor 4 with factor loadings 0.682 and 0.746 respectively.

In the present study, it has been observed that there could be difference between prepaid-usage and postpaid-usage connection of the telecom services. In order to determine it, t-test statistical technique has been applied for finding out the significant difference among them with testing of the following Null Hypothesis:-

H₀: There is no significant difference of the impact of various dimensions on the customer buying behaviour between prepaid-usage and postpaid-usage connections of the telecom services.

The results of the tested hypothesis after applying t-test have been shown in the table below.

Table 3— Comparison of the Prepaid and Post-Paid Connections.

| Factor | Types of Connections | N | Mean | Std. Deviation | t- value | Significance level |
|---|----------------------|----|-----------|----------------|----------|--------------------|
| Effectual Communication and Service Quality | Pre-paid | 56 | .31026351 | .24300780 | .097 | .205 |
| | Post paid | 24 | .31026351 | .21573193 | | |
| Network Service | Pre-paid | 56 | .07111029 | .24540193 | .996 | .773 |
| | Post paid | 24 | .07111029 | .25031485 | | |
| Transparency | Pre-paid | 56 | .10215008 | .24526141 | .576 | .678 |
| | Post paid | 24 | .10215008 | .23122207 | | |
| Reliability | Pre-paid | 56 | .10267854 | .24525858 | .293 | .677 |
| | Post paid | 24 | .10267854 | .21879957 | | |

A comparative investigation of behavioural influencers of pre-paid and post-paid connection holders, randomly sampled from the Amritsar city, under the analytical study has been tested and significantly differentiated, to determine the impact of various dimensions on service customers’ buying behaviour towards telecommunication service providers.

From the above table, it has been revealed that the null hypothesis has been accepted at 5% level of significance, which shows that there is no significant difference between the impact of various dimensions on customers buying behaviour towards the telecommunication service providers for difference mobile connections that is postpaid and prepaid connections. As the results have exposed that the above four factors effectual communication and service quality, network service, transparency and reliability does not act as antecedents, which built the buyer- buying behaviour towards the different connections that is prepaid and postpaid connections.

In the present study, it has been interpreted that developing a useful 7P’s of the marketing- mix is beneficial for satisfying the customers’ needs and expectations in the telecom service sector. It has also been concluded that though customer focuses on the cost in purchase of the services, but effectual communication and service quality are the most dominant factors, which influence the buying behaviour of the customers towards the selection of the telecommunication service providers. In addition, it has been interpreted that there is no significant difference between different segments of telecom service users’ vis-à-vis service selection and usage indicative factors determined in the research study.

In general, customers give more emphasis on the cost variable while selecting the prepaid and postpaid telecom connections. Today, the customer is an active customer than before, and choosing between the telecom connections, they consider various attractive offers that give them cost advantage.

III. FINDINGS OF THE STUDY

- The study has revealed that the understanding of 7 p’s of marketing mix as a tool for effective delivery of service had been ascertained. It has been examined that now-a-days mobile operators are using customer based pricing strategies and are also trying to make their service available in the remote areas to meet the contemporary competitive challenges.
- It has also been found that celebrities’ endorsements are being used along with dedicated and passionate workforce for service delivery, meeting not only customer satisfaction but also trying to attain customer delight.
- Moreover, from the above findings, it has been examined that the customer generally focuses on the cost of the services because effectual communication and service quality is the most dominant factor for influencing the buying behaviour of the customers towards the selection of the telecommunication service providers.
- Therefore, it has been observed that customer buying behaviour is influenced by call rate plans and positive word of mouth.
- Further, Most of people, generally prefer the prepaid connections because it’s cheaper and new connections can be availed without much hassle of processing complexities, time and money.
- The study has exposed that there are some factors which affect the disconnection the network connection of the service providers such as lack of coverage and poor clarity. The respondents feel that brand, word of mouth and call rate plans are generally persuade the buying behaviour decision.

IV. CONCLUSION

It has been concluded that service companies have adopted the 7 P's of services marketing-mix to make their marketing strategy effective, to beat the competition and enhancing customer satisfaction by providing them the services they expect. Telecommunication service providers must keep in mind that they will have to provide the best service at lesser cost, in order to survive in the market; else they may lose their customers. The cellular respondents' feel that the brand image and word-of-mouth generally persuade their buying decisions. Hence, the research study has recommended that the telecom services sector should adapt to effective 7P's for enhancing their brand equity in the global business world.

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