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## **Marketing Strategy of Telcom Retail Sector – A Comparative Study between BSNL and Private Operators**

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### **ABSTRACT:**

*Telecommunication has become the vital ingredient for human life these days. The modern telecommunication systems has evolved since the invention of telephone during the yester years of late 1800 by Graham Bell. This rampant development in the telcom sector has thrown the market open. It become an open competition for the players and a fight for survival of the fittest. Nevertheless, India's sole governmental telcom player BSNL thrives its best to keep up the pace in this race. A sample of 225 respondents of Coimbatore are selected for the study to analyze the marketing strategy of Telcom players like BSNL and Private operators. Semi-structured questionnaire is used and the results envisaged that private operators are more preferred than BSNL for the various attributes of the marketing strategy adopted by them. Although, a right mix of marketing mix would prove to support the customers and retain them and sustain the marketability.*

**Keywords:** *Marketing strategy, Retail market, Public sector company, Private sector companies, Marketing mix*

### **I INTRODUCTION:**

Telecommunication has become the vital ingredient for human life these days. The modern telecommunication systems has evolved since the invention of telephone during the yester years of late 1800 by Graham Bell. Now, the words like landline, trunk call, telegraph, pager etc have become extinct with the new generation technology. New words like 4G, spectrum, hotspot, wifi, mofi are being used day in and day out. Now that telcom has become the 4th elixir of life adding to food, clothing and shelter. Post liberalization period turned out to be the favourable period for the telcom sector inviting both domestic and foreign players. Indian telecommunication sector is the second largest in the world with 1.053 billion subscribers as on 31st August 2016. It is now grown to 1.21 billion subscribers as of July 2017.

It is greatly supported by the INSAT system that links all parts of the country by telephone, Internet, radio, television and satellite. This rampant development in the telcom sector has thrown the market open. It become an open competition for the players and a fight for survival of the fittest. Nevertheless, India's sole governmental telcom player BSNL thrives its best to keep up the pace in this race. It is the continuous innovations in the technology and marketing in pace with the speed of growth in liberalized period alone make a conducive environment for this rapid developments. This has facilitated the people to get access to the highest technology with the competitive price. The mobile telcom companies have actually redefined their marketing strategies from 'Premium Pricing' to 'Penetration Pricing'. The

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study also reveals that majority of the customers change their brand preference due to advertisements.

## **II REVIEW OF LITERATURE:**

Ho Kyun Shin et al. (2011) studied the relationship between customer's preference and service attributed in mobile telecommunication service in Uzbekistan. The study investigated the subscribers' behaviour and perception towards company loyalty, call and service quality. They concluded that the service quality has significant impact on customer satisfaction. They suggested that offering discounts can concretely compensate customers that shall enable the companies to sustain their business and maintain their base.

Robert Wollan (2011) observed that word of mouth, amplified by social media, is the source the customers use the most when deciding whether to do business with a specific service provider. He stated that service providers should consider three main principles when developing differentiated offers for customers: (a) to know the customer like never before, (b) to make the offer more clear and readily understandable in customer's own language, (c) to track offers to determine which ones bring in new customers and induce established customers to spend more. Lekshmi P. S (2012) studied the effect of advertisement on consumer behaviour and brand preference with special reference to selected consumer durables in Kerala. Her study elucidated that the advertisements are important in terms of enjoying and gaining product information.

Sabu V. G (2013) in his study on marketing strategies of telecommunication services in Kerala envisaged that private operators have a superior hand in customer relationship management than BSNL. This is especially more prominent in Post-paid users segment. He suggested that BSNL should take utmost care to improve their support services.

Divya Sadika (2014) in her about Marketing Strategies of Reliance communication and Tata Teleservices found that Reliance has better reach than Tata Tele. She also found that Reliance has high market share when compared to Tata Tele. She also brought out that both Reliance and Tata tele to develop their competitive strength to meet the challenges and threats of global corporations in telecom business.

Md. Zainal Abedin & Laboni Ferdous (2015) studied about the promotional strategies of Telecommunication Industries and Customers Perception on Airtel Bangladesh Limited. The results investigated about the promotional activities of the company in reflection light of customer's perception. They concluded that Airtel should use the latest technology to improve the phone call quality, to reduce the Value Added Services charges and increase the validity date for the bonus talk time.

Arulmemilas A and Esakkiammal S (2017), studied the Emerging business strategy in Reliance Jio. They concluded that Jio is more than the business. It's a commitment to enrich the life of Indians.

## **III STATEMENT OF THE PROBLEM:**

The Indian retail telecom sector has undergone a major revolutionary shift during the past two decades. With the fast growth of 4G services, there is almost a handful of people today with

old 2G mobiles in their hands. It is the launch of Reliance Jio that threw an open competition among the players. Actually, the retail telcom sector in India has attained a saturation point. Every individual has got atleast two SIM cards and there is no more necessity for the players to go for new business. It is a challenge for them to retain their customers and retain their market share in the industry. The current study is aimed at identifying the different marketing strategies followed by BSNL and selected Private players like Airtel, Reliance and Vodofone. It is the customer services, reach-ability and reliability, support services of the telcom companies that would keep their customers happy and stay connected with them. Otherwise, a simple signal problem would lead to major loss of customers to the company.

#### IV OBJECTIVES OF THE STUDY:

The current study is aimed at the following:

- i) To evaluate the general marketing strategies of BSNL and other Private telcom operators of Coimbatore district
- ii) To study the difference of opinion between the BSNL users and other Private telcom users about the core benefits and support services extended to them.

#### V RESEARCH METHODOLOGY:

In order to meet the research objectives, a semi-structured questionnaire containing 7 items relating to Socio-economic profile and 36 variables to study the Core benefits and support services, Tangibility, Reliability, Assurance, Responsiveness and Empathy are captured in the questionnaire applying 5 point Likert scale. Method of Stratified Random Sampling technique is used to collect the sample in the Coimbatore district. A total sample of 225 is collected for the study through the questionnaire. The data thus collected is further processed statistically to test the research objectives.

#### VI RESULTS OF THE STUDY:

- **Descriptive statistics:**

Table 1 : Descriptive statistics of the study

	Locali ty	Freq uenc y	Perc ent	Age	Freq uenc y	Perc ent	Gen der	Fr eq ue nc y	Perc ent	Eduqua li	Frequ ency	Perc ent
BSNL	panch ayat	55	49.1	Less than 30	33	29.5	Male	56	50.0	School passout	1	.9
	Muni cipalit y	55	49.1	30 to 60	29	25.9	Fem ale	56	50.0	Graduat e	54	48.2
	corpo	2	1.8	Abo	50	44.6	Tota	11	100.	Post	57	50.9

	ration			ve 60			1	2	0	graduat e		
	Total	112	100.0	Tota l	112	100.0				Total	112	100.0
Private sector	panch ayat	35	31.0	Less than 30	20	17.7	Male	49	43.4	School passout	14	12.4
	Muni cipalit y	44	38.9	30 to 60	49	43.4	Fem ale	64	56.6	Graduat e	30	26.5
	corpo ration	34	30.1	Abo ve 60	44	38.9	Tota l	113	100.0	Post graduat e	69	61.1
	Total	113	100.0	Tota l	113	100.0				Total	113	100.0

Source: Primary data

The total number of samples collected for the study is 225. Among that, 112 respondents were BSNL users, while 113 were other private sector users. With respect to the locality, it is observed that BSNL rules over private sector in Panchayat and municipality, while private sector is preferred in corporation limits. About 44.6 percent of BSNL respondents are above 60 years of age, while 38.9 percent of private sectors users are above 60 years of age.

- **Independent t test to test the difference of opinion between BSNL users and Private sector users:**

Independent t test is used to find the difference of opinion between the respondents of BSNL and Private sector users.

*H<sub>0</sub>: There is no difference of opinion between BSNL users and Private sectors users about the various attributes of the study.*

Table 2: Independent t test about the various attributes of Marketing strategy

		N	Mean	T	Sig
Core benefits	BSNL	112	14.9375	-0.17656	.860
	Private sector	113	15.0265		
Support services	BSNL	112	25.1875	-3.04649	.000
	Private sector	113	27.6814		
Tangibility	BSNL	112	12.0268	-4.93374	.000
	Private sector	113	13.7434		
Reliability	BSNL	112	15.6786	-5.98562	.000
	Private sector	113	17.7522		

Responsiveness	BSNL	112	12.7679	-5.08693	.000
	Private sector	113	15.1593		
Assurance	BSNL	112	13.7232	-0.58695	.558
	Private sector	113	14.0000		
Empathy	BSNL	112	16.2679	0.40619	.685
	Private sector	113	16.0708		

Source: Primary data

It is observed from the above table that, Support services, Tangibility, Reliability, Responsiveness significantly differ between BSNL and Private sector users, as the P value is less the 0.05, rejecting the null hypothesis

It is observed from the above table that, Corebenefits, Assurance and empathy do not differ between BSNL and Private sector users, as the P value is greater than 0.05, accepting the null hypothesis.

• **Correlation Analysis:**

Table 3 : Correlation Analysis between the attributes of the Marketing strategy among BSNL and Private sector users

		CB	SS	TG	R	RS	AS	EM	
BSNL	CB	Pearson Correlation	1	.684**	.744**	.796**	.653**	.697**	.682**
	SS	Pearson Correlation	.684**	1	.616**	.586**	.687**	.653**	.661**
	TG	Pearson Correlation	.744**	.616**	1	.729**	.639**	.620**	.866**
	R	Pearson Correlation	.796**	.586**	.729**	1	.669**	.770**	.772**
	RS	Pearson Correlation	.653**	.687**	.639**	.669**	1	.612**	.601**
	AS	Pearson Correlation	.697**	.653**	.620**	.770**	.612**	1	.693**
	EM	Pearson Correlation	.682**	.661**	.866**	.772**	.601**	.693**	1
Private sector	CB	Pearson Correlation	1	.652**	.703**	.497**	.481**	.588**	.538**
	SS	Pearson Correlation	.652**	1	.719**	.898**	.636**	.665**	.592**
	TG	Pearson Correlation	.703**	.719**	1	.841**	.749**	.721**	.531**
	R	Pearson Correlation	.497**	.898**	.841**	1	.662**	.551**	.428**
	RS	Pearson Correlation	.481**	.636**	.749**	.662**	1	.527**	.446**

AS	Pearson Correlation	.588**	.665**	.721**	.551**	.527**	1	.763**
EM	Pearson Correlation	.538**	.592**	.531**	.428**	.446**	.763**	1

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Correlation Analysis of BSNL users:** Most of the correlations proved to be positively significant. Corebenefits is positively correlated to Support services(0.684), Tangibility(0.744), Reliability(0.796), Responsiveness (0.653), Assurance(0.697), Empathy(0.682). Support services is positively correlated to Tangibility(0.616), Reliability(0.586), Responsiveness(0.687), Assurance(0.653) and Empathy(0.661). Tangibility is positively correlated to Reliability(0.729), Responsiveness(0.639), Assurance(0.620), Empathy(0.866). Reliability is positively correlated to Responsiveness(0.669), Assurance(0.770), Empathy(0.772). Responsiveness is positively correlated to Assurance(0.612), Empathy(0.601). Assurance is positively correlated to Empathy(0.693)

**Correlation analysis of Private Sector Users:** Most of the correlations proved to be positively significant. Corebenefits is positively correlated to Support services(0.652), Tangibility(0.703), Reliability(0.497), Responsiveness(0.481), Assurance(0.588), Empathy(0.538). Support services is positively correlated to Tangibility(0.719), Reliability(0.898), Responsiveness(0.636), Assurance(0.665) and Empathy(0.592). Tangibility is positively correlated to Reliability(0.841), Responsiveness(0.749), Assurance(0.721) and Empathy(0.531). Reliability is positively correlated to Responsiveness(0.662), Assurance(0.551) and Empathy(0.428). Responsiveness is positively correlated to Assurance(0.527) and Empathy(0.446). Assurance is positively correlated to Empathy(0.763)

• **Mean Score analysis:**

In order to compare the mean score and preference of the attribute between BSNL users and Private sector users, Coefficient of Variance is computed. Lower the CV signifies the lesser the amount of dispersion about the mean.

Table 4 : Coefficient of variation among BSNL users and Private sector Users

	BSNL			Private Sector		
	Mean	Std. Deviation	CV	Mean	Std. Deviation	CV
CoreBenefits	14.9375	4.24324	0.284066	15.0265	3.25264	0.216459
Support services	25.1875	6.62038	0.262844	27.6814	5.61291	0.202768
Tangibility	12.0268	2.60443	0.216553	13.7434	2.61445	0.190233
Reliability	15.6786	2.39449	0.152724	17.7522	2.78879	0.157095
Responsiveness	12.7679	3.46145	0.271107	15.1593	3.58958	0.236791
Assurance	13.7232	3.99822	0.291347	14.0000	3.00000	0.214286
Empathy	16.2679	4.08465	0.251087	16.0708	3.12455	0.194424

Source: Primary data

From the above table, it is inferred that Corebenefits of private sector is better than BSNL as the CV is lower. Support services of Private sector is better than BSNL as the CV is lower. Tangibility of Private sector is better than BSNL as the CV is lower. Both BSNL and Private sector showed the same reliability levels. Private sector is better than BSNL with respect to Responsiveness. Private sector is better than BSNL with respect to Assurance. Private sector is better than BSNL with respect to Empathy.

## **VII FINDINGS, SUGGESTIONS AND CONCLUSION:**

Telecommunication proved to be the elixir of life in modern days. The technological advancement has shrunk the world into the palms of the people. Higher the advancement, higher is the competition and complication. From the study it is observed that; Private sector scores above BSNL in all the attributes of the study. Similarly, there is a difference of opinion about Support services, Tangibility, Responsiveness, Reliability between the respondents of BSNL and Private sector users. From the results of the study, it is suggested that both BSNL and Private sector to keep pace with the technological advancement. Moreover, BSNL to adopt more efficient marketing strategies to combat the competition it faces from the private sector, being a sole public sector company. Although being a public company, it is still a preferred network at the semi-urban and rural areas as envisaged by the study. This shows the better scope for governmental organization to serve the people at large.

As the telcom sector is already in the phase of saturation, there is an absolute necessity for the telcom players to retain their customer base and sustain their market share. In this race, the telcom companies should adhere the policy of honesty and integrity and strive to serve the people. The marketing mix of the players like price, promotion, Physical evidence, People, Product, Process and Place have to be well structured and competitive.

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