

# A Comparative study of CRM in Telecommunication Sector in India

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## ABSTRACT

CRM is the new and attractive dimension in marketing to studied the academicians and researchers. In Indian Telecommunication sector have seen massive changes over the year and fascinate to researchers examine the factor to maintain and build the relationship with customer and telecom service provider. This comparative study focuses on various service provider and find indicator to establishment of relationship. In Indian telecommunication sector rapidly change in terms of innovation and also change the CRM practices. CRM is the new emerging concept that comprises people, process and technology and used for retain their customer and satisfy to give customized product or service which was based on customer data. In the current scenario Telecommunication sector facing immense competition whereas the retention and loyalty is the big issue for the telecom service provider. CRM will help to identify, segment and target the profitable customer and these customers contribute in the organization wealth.

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## 1. Introduction

The Telecommunication Sector, especially the wireless category is the one the fastest growing segment in India which provide convenience and lot of value addition. Currently technology is more advanced in nature and customer demanding more value of their service provider. Since two decades' customer expectations is changing with times, new technology and easy availability of various advanced product/services & feature customer desire changing day by day. Customers are not likely to make any compromises regarding trade-offs or service quality. With changing customer desires, developing cooperation and associated relationship with customers like to be most careful way to keep record of their changing expectations and suitably affecting them (Sheth and Sisodia, 1995) Wireless mobile industry making their expansion due to high demand and also increase in the customer base. Customer acquisition cost is more compare to retain the customers, and more difficult in telecommunication sector due to cut-throat competition have in worldwide. Berry and Parasuraman (1991) identifies in his research that due to high information edge it is very difficult to achieve satisfaction. They argued that integration of superior service quality in service achieve customer satisfaction Telecom service provider reconstruct their CRM strategies and sustain in the hyper competitive market. It is more essential to all telecom service provider to studying the customer requirement and expectations and fulfil them. To retain of customer easy to provide excellence service quality and customer become loyal. This study specifically analyses the extent to which CRM is practiced by the telecom service provider and investigate the effect of service quality on customer loyalty.

## 2. Literature Review

According to Berry (1983) Discussed five strategic steps to analyse CRM: Core service introduce to build customer relationship, should focus on each and every customer, this

core service will provide with value addition, appropriate pricing will motivate to customer Loyalty and Effective marketing done by the employee to perform well to the customers. Organization focuses on attract, increase and maintain customer relationship. Winer (2001) said that customers are most valuable assets of the company. Every organization keep in his mind of the requirements of the customer. Winner also suggest that reputation of customer contribute the double of sales, compare to new customers. It shows that a strong correlation exists between the customer retention and profitability (Payne et al. 1999; Reichheld, 1990). Anderson et al. (1994) noted that satisfaction and profits of the company have significant positive relationship.

Seth and Parvatiyar (1995) discuss that CRM is a continuous activity, employ in collaborative programme to augment the economic value. CRM focus on build long lasting and strong customer relationship in order to increase loyalty of both parties to get benefits. Swift (2001) CRM is the process to collect the information about customers and this information apply in marketing activities. For Implementation of CRM strategies in any organization they have three objectives: Retain their customer, maximize customer satisfaction and identify maximum customer value. CRM is the long term process which gives value to the customers and measure in terms of long term satisfaction (Polinsky et al. 2005). (Morgan and Hunt, 1994) suggests that Relationship Marketing is targeted towards certain activities which establish, develop & maintain long lasting & successful relations exchanges with customer.

## 3. Service quality, satisfaction and loyalty in telecommunication sector

Aydin et al. (2005) done his research in the telecommunication sector, the most important state for protect the volume of subscriber in though achieving customer loyalty, require for maintain long term relationship. Telecom service provider want to enhance the subscriber base must

assure to build trust which leads to customer loyalty. Ali et al. (2010) explore the relationship between service quality, customer satisfaction & customer retention. They have seen that more satisfaction level leads to higher customer retention level. Isqaqa (2012) done his research in Pakistan telecommunication sector and identify that loyalty depends on quality of service. Toyese (2014) found that CRM have single agenda that is customer acquirement and customer retention, excellent service delivery and complaint handling leads to customer loyalty. Meltzer (2006) states that in this modern digital era, creates difficulties to the telecom service providers to retain a customer and maintain a long term relationship. Customer churn continues because of better services are being regularly updated by the companies. However, with a greater attention on the relationship management also the companies should focus on better service plan to retain maximum customer base.

#### 4. Research Methodology

- **Population:** All mobile subscribers in India (Pre-paid, Post-Paid) were included in the population
- **Sampling Method:** Random convenient sampling was used, which is a non-probability sampling technique, was used to select the respondent in the study.
- **Sample size:** In the comparative research study, the means or proportions of some characteristics in two or more comparison groups are measured. Then statistical tool applied for testing to determine whether or not there is a significant difference between the means or proportions observed in the comparison groups. A total of 750 participants

responded to survey, out of which 500 were utilized responses who responded to all the questions included in the survey.

#### Nature of research

This study has both exploratory and descriptive in nature

- **Descriptive:** In this study researcher seeks to describe the perceive service quality, Customer value and customer satisfaction on the telecom service. Thus giving in-depth understanding of the relationship of customer satisfaction with service quality
- **Exploratory:** In this study researcher seek to determine the dimensions of service quality and impact on customer overall satisfaction, and also measure customer value importance.

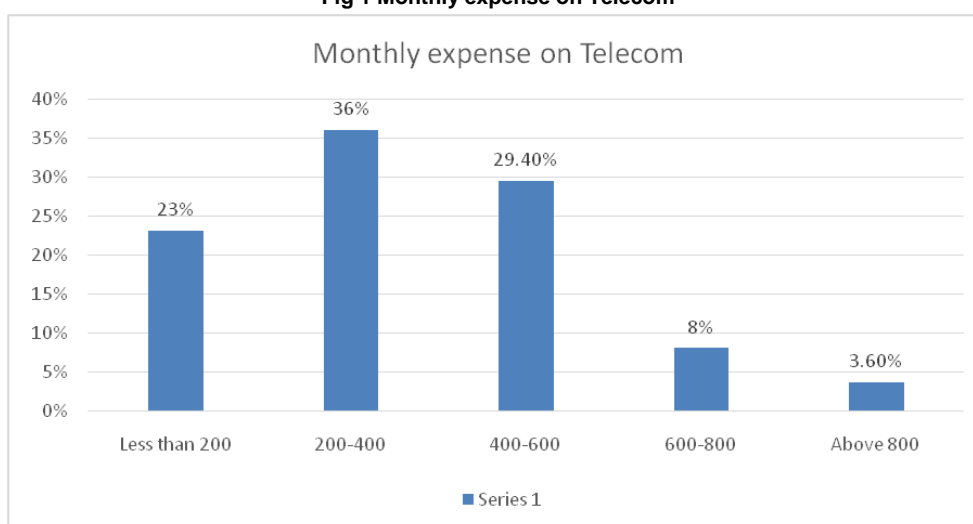
#### Data Collection

The data of this study has been collected through both primary and secondary sources

- **Secondary Source:** Secondary data contain companies' website, GOI website, regulatory of telecom like TRAI, Books, articles and government publication
- **Primary Source:** in this study include Structured Questionnaire Survey
- **Instrument development:** In the questionnaire preparation process, we have used literature from the previous studies. In this study, researcher used ordinal scale to measure service quality, satisfaction, loyalty, Trust, Value and repurchase intention.

#### 5. Result and Discussion

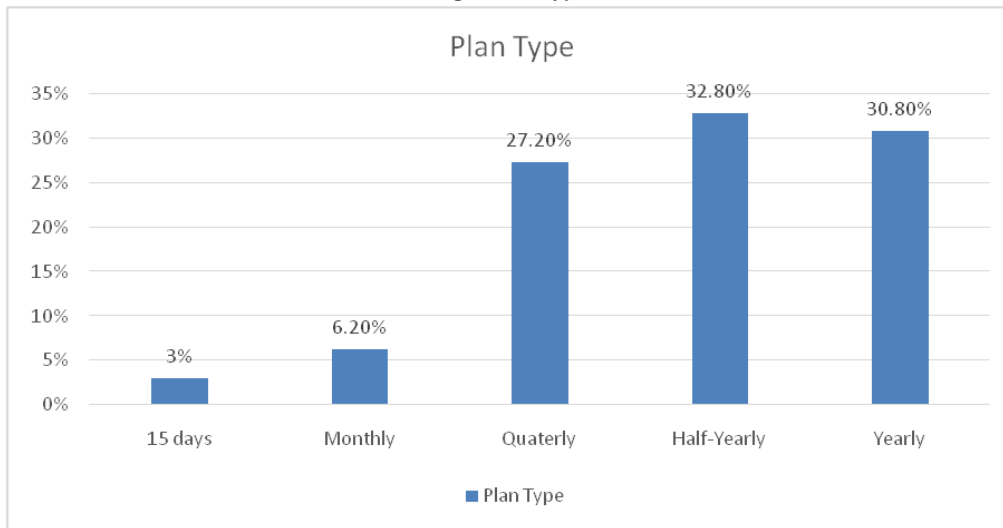
Fig 1 Monthly expense on Telecom



**Interface:** In this graph 180 of them (36%) spend 200-400rs price range on the monthly basis, 147 respondents (29.4%) spend 400-600rs. per month and while 115 of them (23%) spend less than 200rs. Very few 40 (8%) spend 600-

800rs per month and niche segment found spend above 800rs. per month. This result clearly shows that customers spend less than 200 to 600 on the monthly basis.

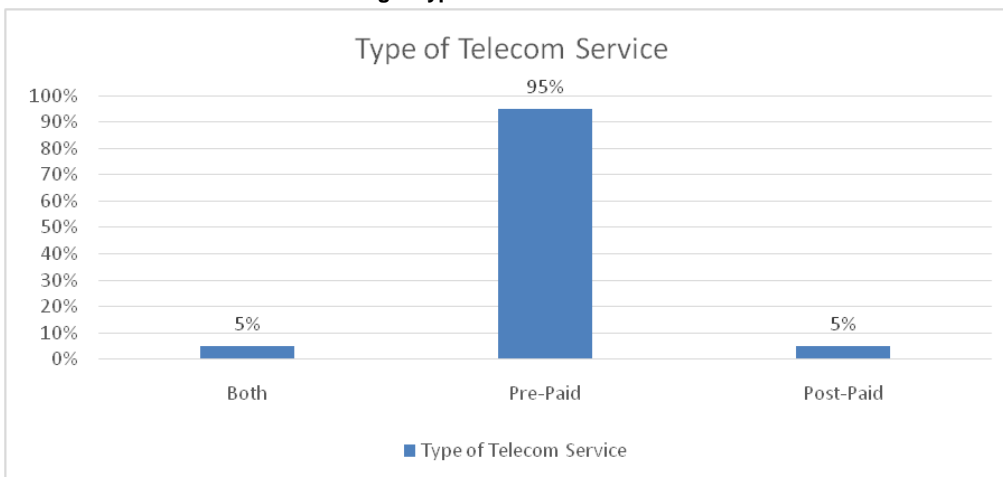
Fig 2 Plan Type



**Interface:** In this graph shows evidently that preferred plan type matter to customer need. 164 respondents (32.8%) prefer half yearly plan, while 154 of them (30.8%) prefer yearly plan and 136 respondents 27.2%) prefer quarterly plan.

Rest of 31 respondents (3.2%) prefer monthly plan and 15 respondents (3%) prefer plan for 15 days. This result clearly shows that customers prefer long term plan compare to short term duration plan.

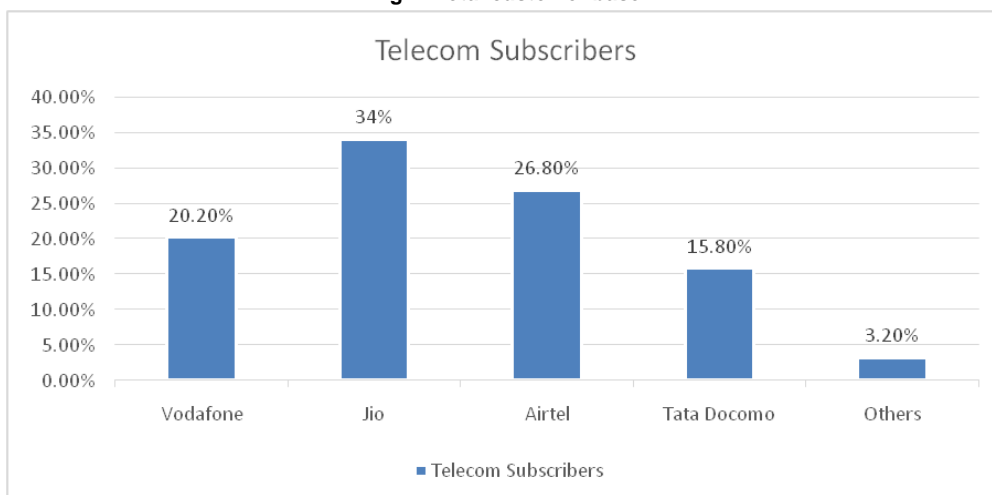
Fig 3 Type of Telecom Service



**Interface:** In this graph evidently show that pre-paid customer is more than post-paid customer.50 (90%) of preferred prepaid plans/ rest of 25 respondents (5%)

preferred post-paid and 25 respondents (5%) preferred both pre-paid and post-paid plans. This result clearly shows that dominance of pre-paid in Indian telecom sector.

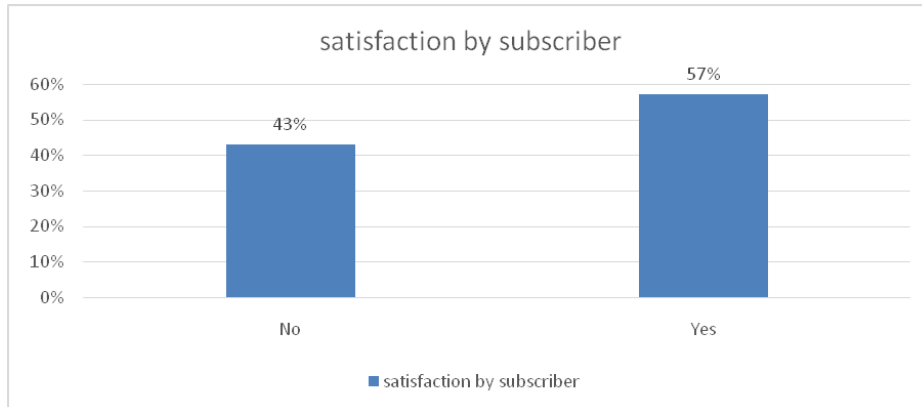
Fig 4: Total customer base



**Interface:** In this graph Shows the percentage of respondents who avails the services from various telecom service provider. According to the graph Highest subscribers of RelianceJio that is 170 of them (34%) then 134 of Airtel customers (26.8%), Vodafone have 101 subscribers (20.2%)

followed by 79 subscribers of Tata Docomo (15.8%). and rest of 16 subscribers (3.2%) other telecom companies like BSNL, MTNL. This result clearly shows that Jio have highest customer base through offer the ecosystem of service.

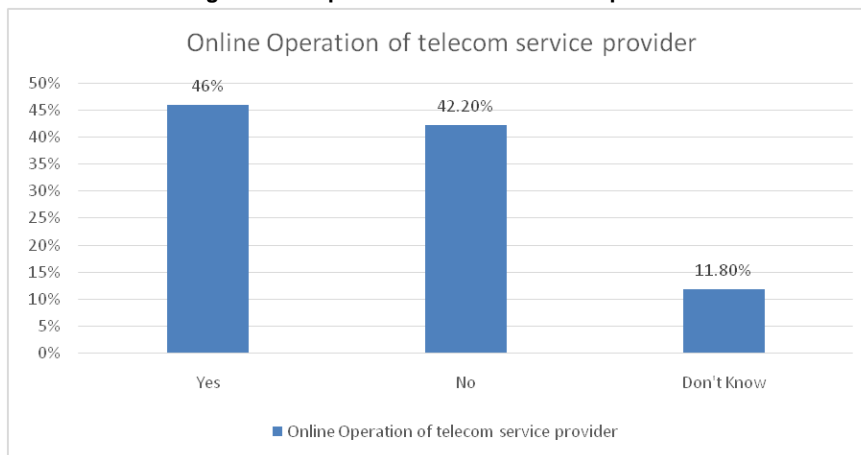
**Fig. 5 Satisfaction by subscriber**



**Interference:** In this graph around 285 respondents (57%) are satisfied with his service provider service and 215 of them (43%) are not satisfied. This result shows that

majority of customers are satisfied with current service provider and not want to switch other service provider.

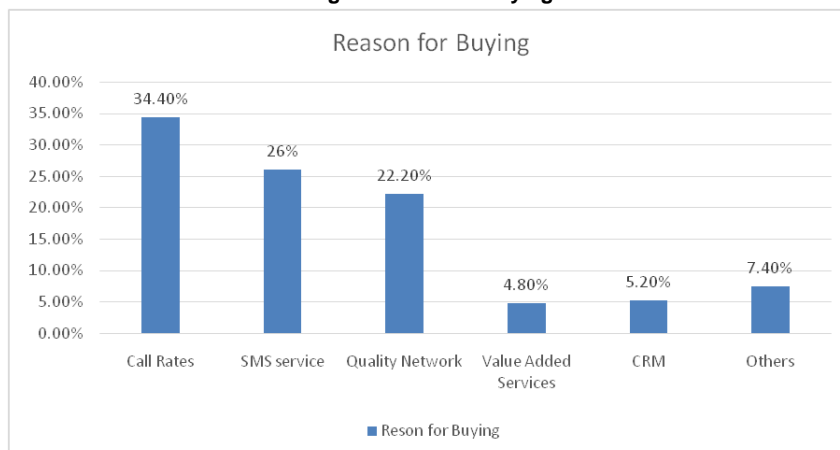
**Fig 6 Online operation of telecom service provider**



**Interface:** In this graph respondents were almost equally distributed in the groups. 230 respondents (46%) respondents said yes and 211 respondents (42.20%) said No in terms of

online operation of telecom service provider. Rest of 59 respondents (11.8) don't know about the presence of telecom service provider at online platform.

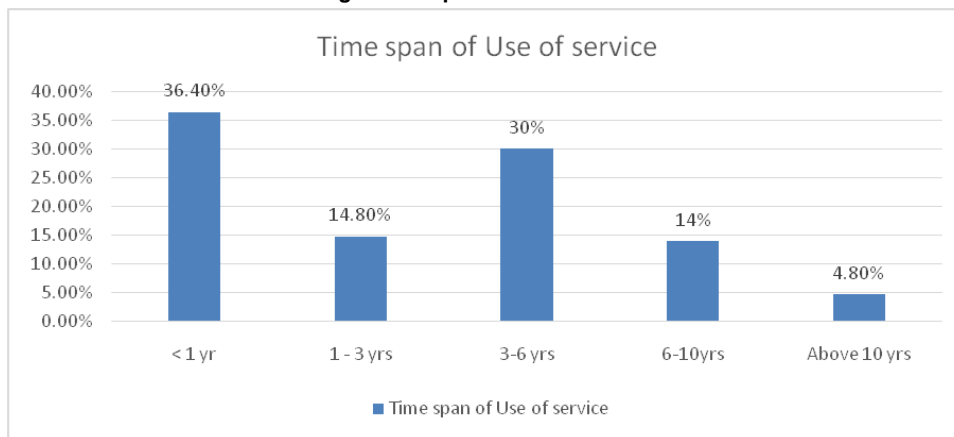
**Fig 7 Reason for Buying**



**Interface:** In this graph Major factor of buying is that call rates 172 respondents (34.4%) preferred call rates. 111 respondents (22.2%) prefer quality network, 130 respondents (26%) prefer SMS service. There is small chunk of

respondents 24 (4.8%) prefer value added service and 26 respondents (5.2%) prefer CRM and 37 of them (7.4%) respond others reason.

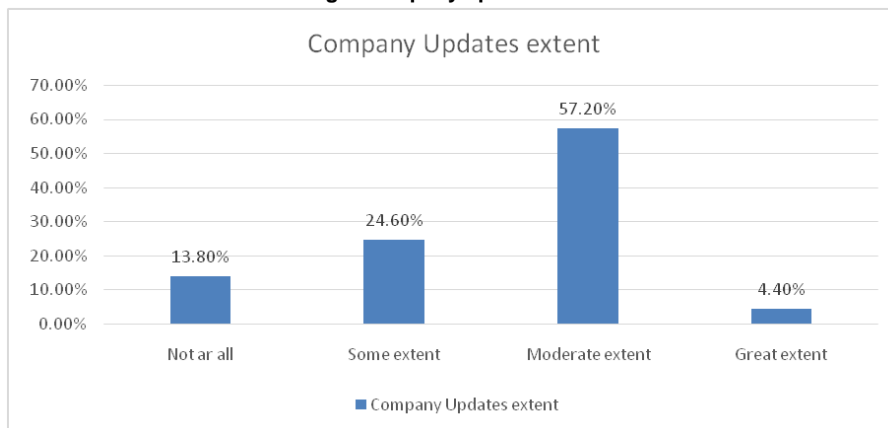
**Fig 8 Time span of use of service**



**Interface:** In this graph 182 respondents (36.4%) fall in the time span <1 year, 150 respondents (30%) in the group of 3-6 years. Rest of 74 respondents (14.8%) fall in the group of

1-3 years, 70 of them (14%) in the group of 06-10 years and only 24 respondents (4.8%) in the above of 10 years' groups.

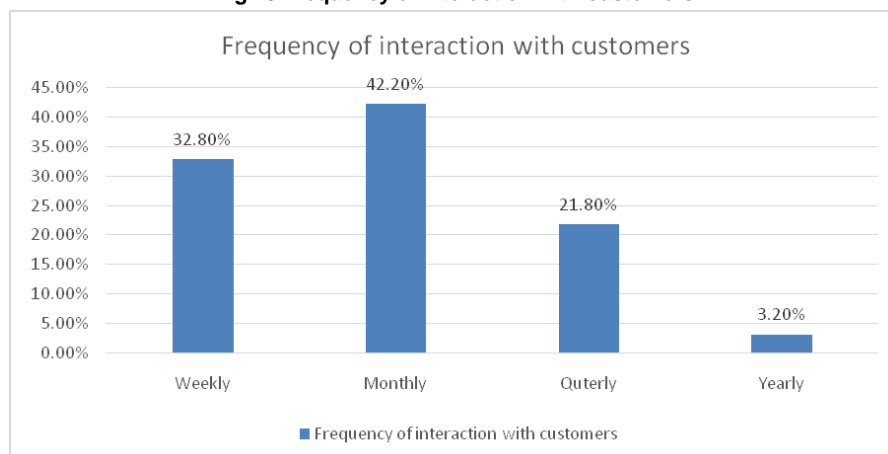
**Fig 9 Company update extent**



**Interface:** In this graph shows evidently higher percentage (57.2%) of respondents around 286 said that company update to customers in moderate extent and 123 respondents (24.6%) feel that the interaction is to some

extent, while rest of 69 respondents (13.8%) say not at all and only 22 respondents (4.4%) feel the interaction is to a greater extent.

**Fig 10 Frequency of interaction with customers**



**Interface:** In this graph shows 211 respondents (42.2%) have the opinion that company interact with customer monthly basis, 164 respondents (32.8%) say that the interaction is weekly and rest of 109 respondents (21.8%) feel interaction to be quarterly and only 16 respondents (3.2%) say that the interaction is yearly.

## 6. Conclusion

The main purpose of CRM in any organization to retain their customer and make profit. This could be achieved by Provide better customer service compare to competitor. CRM help to reduce the cost of operation and also help to the organization identify, select and target of profitable customer. CRM play a vital role to collect customer data and understand the customer requirement. This marketing data can be analysed effectively and help to company to take appropriate

decision by implementing effective CRM. This study was focus on customer preference in choosing telecommunication service providers on different parameters like frequency of interaction with customers, company updates, reason for buying etc. Hence, as per the result of this study, it can be deliberately concluded that these factors are very important and has significant positive impact on customer perception while selecting telecommunication service provider.

## 7. Limitation

Sample size is always issue of any research and the method of selecting of the respondents always the burning area of any research. This may be overcome by using large number of sample size and also used different technique for selection of the respondents.

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