Chapter-6

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

“We already have given up the belief that economic progress is always and by necessity the highest goal. And once we have given up economic achievement as the highest value and have come to regard it as no more than one goal among many, we have, in effect, given up economic activity as the basis for social life. The abandonment of the economic as the socially constructive sphere has gone further. Western society has given up the belief that man is fundamentally Economic Man, that his motives are economic motives, and that his fulfillment lies in economic success and economic rewards.

We have to develop a free and functioning society on the basis of a new concept of man’s nature and of the purpose and fulfillment of society. A basic ethical concept of social life must be developed. It lies in the philosophical or metaphysical field.”

-(Peter F. Drucker)

Major observations have been made from the literature on the basis of available secondary sources such as articles on telecom, research papers, survey results and deliberations during workshops, conferences and inaugural addresses. From each source, the material has been identified as applicable to particular topic on policy, strategy or marketing etc. Then the observations were classified and compiled under the common headings and presented for understanding the unanimity of thought. Each item has been given a reference. This is presented below for linking them to the qualitative objectives of the study. This throws light on the telecom scenario about issues like privatisation, tariffs, competition and trends in customer care and CRM strategies in telecom industry.

6.1 Major observations on Indian telecom industry.

6.1.1 Policy related

a. The policy governing spectrum allocation and licensing has to be so designed that this scarce resource is used optimally and does not become a constraint for growth. (www.dot.gov.in/plans/planindex.htm)

b. (i) There is an urgent need for a lot of policy input and developing new options to ensure that the Indian telecom emerges as one of the most efficient and effective telecom sectors in the world.
(ii) Policy related—have a close look into the basis of tariff setting of the Department of Telecommunication to provide inputs to fine tune the tariff structure with the objective of promoting growth when the telecom scene becomes pluralistic. *(Virmani, 1999)*

c. It is a moot question whether we need corporatisation of DoT or simply large inputs of training at various levels to bring an attitudinal change and invigorate the dormant capabilities in a cadre of officers who are technically as good as any in the private sector. *(Bhatnagar, 1997)*

d. Thrust on Universal Service Obligation (USO) as a part of broad based telecommunication development strategy began with the National Telecom Policy of 1994 and was reinforced as one of the objectives of the NTP-1999 *(http://planningcommission.nic.in/reports/genrep/bkpap2020/1_bg2020.doc)*

e. Liberalisation of economy prior to privatisation, creation of political, social and economic infrastructural and cultural environment is some of the pre-requisites for evolving a suitable strategy in the privatisation of public enterprises. *(Misra and Bhat, 2005)*

f. During the initial stages of granting licences to operators, only cellular licences were given. The licence fee was very high and a cellular operator needed much more investment as compared to the basic operator. *(Kumar, 2002)*

g. The objective of deregulation is de-monopolisation and promoting competition. Without de-monopolisation, deregulation also may not provide the benefits of competitive market place. *(NASSCOM, 2002)*

h. High license fees gave way to revenue share and competition was allowed in all segments of the telecom sector. As a result India has witnessed a surge in investment in the telecom sector, which is being used to create a state-of-the-art next generation telecom infrastructure. *(NASSCOM, 2002)*

i. The situation has been changing every minute since Govt of India has allowed the private participation and customer churning is a common phenomenon. *(www.trai.gov.in/Reports_list_year.asp)*

j. (i) The migration of P-Telcos from the punishing licence fee regime to revenue share is having the desired effect. The basic telephone companies (licensed in
1995), which did not roll-out the service, have begun to do so. The migration helped rate reductions by cellular companies, which are now adding nearly three million subscribers a year, a huge jump from the fraction of a million per year in the pre-revenue-sharing times. BSNL is also gearing for competition and has added over five million connection per year.

(ii) The most important feature of the Convergence Bill is that it takes away the licensing power from the Government and vests it with the Communications Commission of India (CCI). Second, it ends the government's privilege to operate telecommunications. (Chowdhary, 2002)

k. The government needs to speedily initiate policy and legislative measures and create a level playing field for the operators and foreign investors. (Chatterjee, 2003)

l. (i) The management of the radio spectrum would be better in the sense that, aspects relating to telecommunications will be the responsibility of the Communications Commission of India from the Department of Telecommunications — the administrative body for three of the telecom companies (BSNL, MTNL and VSNL).

(ii) The Government of India's order requiring every telephone subscriber to file income-tax returns is affecting the demand for telephones. In fact, it is even leading to surrender of telephone connections. As it is, about 10 per cent — over three million of BSNL's subscribers pay only rental and no call charges, that is, their telephone expense is no more than about Rs 4,000 per year. (Chowdhary, 2002)

6.1.2 Strategy related

a. A much greater marketing orientation will have to be provided through training to enable DoT officials to understand the fact that demand can be created through better service and newer services which add value. (Bhatnagar, 1997)

b. BSNL will have to frame a strategy to make available the state-of-the-art technology, trained manpower and finance. This is necessary to ensure early entry into the market to attract the new customers while retaining the existing ones.
c. E-governance. Government to spend US$ 2580 million on e-Governance initiatives over the next 10 years. This last section on e-governance is most important part of GOI vision. It endeavours to covey the penetration and spread of customer centric telecom.

(www.publications division.nic.in/others/india_2010.pdf )

d. (i)The perspective plan and technology initiative by BSNL indicates the strategic approach adopted by it for meeting the emerging needs of the prospective customers. This is going to give a competitive edge to BSNL for retaining the existing customers and attracting more of them in the coming years.

(ii) As per a survey, a new 2.5G service could boost an operator’s Average Revenue Per User (ARPU) by 35 percent, depending on the services introduced. (Misra and Bhat, 2005)

e. (i)For mobile networks, as voice becomes a commodity, data would be the differentiator to fight competition.

(ii) With various advantages such as the largest route length in the country (which is further expanding), early mover advantage, massive capacity, economies of scale, etc, BSNL holds an edge over other private players.

(www.telecomindiaonline.com/3G-spectrum-availability-in-different-circles-for-operators-in-india.html)

f. The maximum drop in performance is in case of Metros (from 86.8 to 78.1 %), indicating a need for telecom operators to increase resource deployments i.e. greater number of call center executives, better network coverage, billing system upgrades etc. Further a need exists to increase the transparency levels in the tariffs and schemes of the GSM service providers. (Isabelle Paradis, 2006)

h. Hence, we can most effectively build a next-generation network at much reduced cost. We will enjoy a “late movers advantage” (NASSCOM 2002 conference)

i. To make it simple, the next generation network would be divided into access, transport, control and applications and different operators would compete with each other in different layers and since these layers are open, competition would be far more aggressive, giving immense benefits to the consumers while
providing huge opportunities to innovative service providers. This has been taken care in a TRAI study paper July 5, 2005. (www.trai.gov.in)

j. CRM is a core issue for any organisation wishing to better understand and retain their customers, sustain profitability and maximise new business opportunities. (www.callcentres.net)

k. (i) Considering that it has lost its clout as a government department and is just another company, the outcome could be serious. This can be corrected by a greater awareness of the financial performance and swifter actions and reviews in billing and collecting.
(ii) A large number of private ISPs are struggling for survival and some are winding up or merging with the larger ones. The large private ISPs are concentrating on a few corporate customers by giving them leased broadband access. (Chowdhary, 2002)

l. The leading position of BSNL in Internet market shows its competitive edge and scope to rely on vast potential market of broadband users. The churning of landline connections can be curtailed if BSNL advertises the importance of LL for supporting high-speed data services including IP TV and video on demand (VOD). ( www.trai.gov.in/Reports_list_year.asp )

m. Though customers stand to benefit from the fierce competition that has ensued, the high cost of customer acquisition has made it imperative for cellular service providers to understand the reasons for customer churn and retain them, says Stanley Glancy. (Chatterjee, 2003)

To lure the customer to its fold BSNL has reduced charges for all kind of services from time to time. The cost of service is a big motivator for capturing the market share. In this section we shall see how these schemes appear to be beneficial for the customer and increased value for money.

The steps taken clearly point towards a new approach of BSNL to prepare for competition and to sustain its telecom business in this cut throat competitive market.
6.1.3 Market related

a. Today’s market does not guarantee ‘reliable revenue stream’ to investors in new technology like VoIP, broadband and 3G since they lack an existing client base. (Vanston, 2007)

b. The market share of private companies has crossed 70% and they have done it by bringing new technology and cost efficient performance as against the legacy networks of incumbent operator (e.g. BSNL). (www.scribd.com)

c. (i) With content universally accepted as being the most important differentiator for an IPTV service, understanding the licensing and copyright environment is paramount for telecommunications operators’ success.

(ii) Number portability will allow subscriber to switch to the best alternative without bothering about the change in contact number, thus ensuring a truly competitive market. (Misra and Bhat, 2005)

In India cellular and Internet services are the fastest growing industry segments in recent years. (www.telecomindiaonline.com/3G-spectrum-availability-in-different-circles-for-operators-in-india.html)

d. The booming businesses of call centres can vouch for voice being the supreme application as most of the contact centres are pure play voice-based entities where Inbound or outbound tele-calling is the order of the day. (Jain, 1997)

e. (i) Teledensity has increased four-fold in the last five years and service tariffs have gone down substantially

(ii) Total telecom penetration has increased from 2.9% in 2002 to 12.8% at the end of first quarter (1Q) 2006

(iii) India's Internet sector represents a significantly untapped market

(iv) With over 1 billion inhabitants and a telecom market on the verge of full competition, India is and will remain one of the world's most dynamic and promising telecom markets for the next five years, even surpassing China in terms of market vitality. (Isabelle Paradis, 2006)

f. (i) The Indian Telecom sector is today poised to see exponential growth. We are at the knee of the famous ‘S’ curve. This is a view held by almost every domestic and international research analyst and industry consultant.
(ii) Reducing these costs will allow operators to price their services more competitively leading to a greater take up of telecom services, which would in turn lead to higher telecom revenues and subsequently higher tax revenues for the government. Government should seize this opportunity and eliminate all customs duties and revenue sharing to reduce the cost of telecom services to make it affordable to the masses. (NASSCOM, 2002)

g. (i) But while gaining new customers is good news for any telco, the flip side is the loss of customers—or churn, in industry parlance. So mobile telcos are putting churn management systems in place, which can almost accurately predict the behaviour of fickle customers.

(ii) According to research firm Gartner, India’s churn rate is between 3.5 percent to 6 percent per month, one of the highest rates in the Asia-Pacific region.

(iii) "The cost of acquiring a new customer is more than five times that of retaining an existing customer." Even if you calculate a churn of 2 percent a month, an operator is losing 24 percent of its customers every year. Whatever the numbers, the fact remains that the telecom industry’s bottom line is getting affected significantly thanks to the high churn rate.

(iv) Many subscribers shift to another vendor due to brand image. Beyond the brand image, higher churn is generally attributed to the numerous tariff options available to customers. A customer may also churn due to billing disputes with a particular vendor—billing fraud also comes into play. But both Jhamb and Varghese agree that more than tariff plans it is the quality of customer service that prompts a customer to churn or remain loyal.

(v) If an operator doesn’t anticipate market needs or does not provide value-added services offered by the competitor, then the customer is likely to churn.

(vi) Other than this, some of the key factors that encourage churn are inadequate network coverage, which includes dropped calls that occur in places where network coverage is thin and blocked calls that occur when the demand for network services exceeds capacity.

(vii) the prepaid customer is more price-sensitive than the post-paid one. With rentals as low as Rs 300, customers with low usage prefer prepaid cards. Also,
students and those who like to experiment with different networks prefer the prepaid offering (viii) A churn management solution can help devise more attractive incentives, tariff bundles, loyalty schemes and proactive customer service along with acquisition strategies to attract the right type of customer, thus reducing fraud and bad debt—all key to a better bottom line. *(Jhamb and Verghese, 2003)*

h. (i) There has been a wide gap between supply and demand of telecom services before the telecom sector was thrown open to participation by private telecom operators.

(ii) The reason for this is the launch of Value Added Services (VAS) at a fast speed which tempt the user for frequent and more usage apart from attracting new customers *(www.trai.gov.in/Reports_list_year.asp)*

### 6.1.4 Customer related

a. Service providers need to deliver personalised experiences at home, at work, or on the move to retain subscribers and build revenue through new services. *(Vanston, 2007)*

b. (i) The establishment of the quality management system will ensure a systematic environment for management of processes, consistency in working, measurability of performance, customer focus and increased customer satisfaction.

(ii) A survey of cellular users conducted in Delhi sometime back, reveals that talking consumes over 85 per cent of the pre-paid card value and over 70 per cent usage value of post paid users. As per TRAI (Telecom Regulatory Authority of India) data, 80 per cent of new mobile subscriber additions every month are still in the pre-paid category only. In its performance Indicators of Telecom Services released last June the average monthly minutes of usage (MoU) for cellular services have been shown as steadily growing from 210-222 minutes in FE 2002-2003 to 301-322 in FE 2003-2004.

(iii) The combination of CRM and the billing system will enable BSNL to introduce flexible user-friendly tariff Plans. It will also enable us to introduce
schemes which we are not able to do now with the present billing systems. (Jain, 1997)

c. Even from a long term perspective maintaining a good relationship with not just profitable customers but all prospective customers will pay huge dividends. Only a churn management system can provide a better understanding of the customer, the operators’ most valuable asset. (Jhamb and Verghese, 2003)

d. (i) The operators had to integrate divergent technologies to offer a bundled service to the customers with optimal satisfaction and bill them efficiently for revenue realization.
(ii) As media, Internet, wireless and wireline communications converge, customer care and bill payment options have become critical for the service providers. This has created a need for convergent billing platforms, which require dramatic changes in business support systems. (Singh, 2002).

e. IT enabled services for customer care- BSNL has realized the importance of WEB based services and therefore has offered IT driven customer services on its portal namely.( www.bsnl.co.in )
(i) This approach has been a step forward to improve the customer care and customer relations in telecom industry. (Jain, 1997)
(ii) It has also made the customers more aware about their legitimate rights. In a way, this has resulted into customer empowerment. The telecom companies have become conscious that their survival is linked with the extent to which they are customer-centric. (Chowdhary, 2002)

f. (i) The frequent interruption of service, long time to repair his telephone and delay in providing new connection will definitely disappoint the customer and compel him to seek services from other telecom operator.
(ii) With the telecommunications sector opening up rapidly, resulting in a surge in the subscriber base, it is critical for operators to put in place a scalable billing system that can grow with them. (Kumar, 2003)
Chapter 6: Summary, Conclusion and Recommendations

6.1.5 Regulatory issues

a. The heritage networks will need modifications and reorientation of the business approach of the existing operators. The regulatory implications are huge. When we get into the details of regulatory issues we find that for promoting such developments, issues like numbering plans will have to be tackled and number portability will become an essential requirement, broadband promotion will be a key issue as VOIP can proceed only with abundant bandwidth available to the customer. QoS will be yet another issue as described in TRAI study paper July 5, 2005. (www.trai.gov.in)

b. (i) The Government is committed to a strong and independent regulator with comprehensive powers and clear authority to effectively perform its functions.

(ii) Telecom Disputes Settlement & Appellate Tribunal” (TDSAT) has been set up under Section 14 of the Telecom Regulatory Authority of India Act, 1997 by TRAI (Amendment) Act, 2000 (hereinafter called the “Act”) to adjudicate disputes and dispose of appeals with a view to protect the interests of service providers and consumers of the telecom sector and to promote and ensure orderly growth of the telecom sector. (www.tdsat.gov.in)

6.1.6 Quality of Service (QoS) related

a. (i) It became quite evident that in the case of wire line basic operators, the network conditions were very poor and the possibility of meeting these targets within the stipulated time frame for the huge networks of the incumbent was not feasible since extensive rehabilitation work was required.

(ii) The service provider is required to meet the quality of service parameters. While going through these parameters it is obvious that the customer satisfaction can be enhanced by achieving or exceeding the targets fixed by TRAI. Every TSP has to include these parameters as a major part of his business strategy. This is also directly linked with the churning by the customers if any TSP is not performing well on these accounts. However, this cannot be said to be the only reason as the tariffs, technology and type of service also influences the decision of
the customer to migrate or continue with same operator/service as the case may be. *(Jain, 1997)*

**b.** Due to budgetary constraints it (TRAI) has largely opted for indirect monitoring of broad customer satisfaction criteria such as network performance from the point of view of call success rate, service access delays, call drop rate and percentage of connections with good voice quality. It is expected that periodic rating of companies on the basis of this criteria will force them to provide efficient service. *(Chowdhary, 2002)*

### 6.1.7 FDI in Telecom

**a.** The quantum of investment by the private operators would basically get determined by the rate of return on such investments – both basic as well as value added services. Foreign Direct Investment (FDI) had also a major role to play in supplementing the resources of the domestic private sector as the scale of investment envisaged was large.

(www.planningcommission.nic.in/aboutus/committee/strgrp/stgp_candi.pdf)

**b.** Global strategic investors have shown a declining interest in India due to various reasons, such as sectoral caps, global meltdown of the telecom capital markets and an unpredictable regulatory milieu. *(Chatterjee, 2003)*

### 6.1.8 Future Scenario

**a.**

(i) Worldwide data traffic is growing at a much faster rate than voice traffic and it is expected that in future voice traffic will become one of data applications.

(ii) The advent of Internet telephony will lead to migration of revenues from traditional networks to converged networks. *(Virmani 1999)*

**b.** Rates of return in the short run are negative, but if the demand booms in the long run because of technological factors, innovations in value added services and high economic growth; long term players would be able to exploit their presence. *(Bhatnagar 1997)*

**c.**

(i) An expanding domestic market will deepen the synergy between the domestic and the export market and strengthen India’s presence in the high-value segment of the global trade and investment. ICT benefits will spread among all, the rich
and the poor, the young and the old, the men and the women, the organized and
the unorganized and the government and the governed.
(ii) Convergent nature of technology may, by itself dictate mergers and
acquisitions between companies in certain cases. Network operators and service
providers will have to merge with content developers to add value to their
services.
(iii) Services up to the common man - this is where the telcos will hit the most
and BSNL is planning to take on this by early bird advantage due to its pan-India
operations. (Vanston, 2007)

6.1.9 Service Related
a. (i) Poor quality copper and crosstalk within copper binders, among other factors,
present major challenges for delivering broadband services.
(ii) It (3G) was a dead born child due to high cost and low marginal utility value,
thus resulting in huge losses to many big telecom operators like Dutch telecom &
BT. But now with lower of tariffs and enough content to support, 3G is making a
slow but steady come back. (Misra and Bhat, 2005)

b. (i) In fact, with the impending third generation revolution, CDMA, which is
emerging as the third-generation digital wireless standard, migration will be much
smoother, faster and simplified.
(ii) Cellular systems are designed to offer mobility and roaming, which are vital
attributes to such systems but valueless to WLL.
(iii) WAP will be attractive to consumers only when there is rich and relevant
content, like the world wide web. Then only will subscribers be attracted to WAP
services. (www.telecomindiaonline.com/3G-spectrum-availability-in-different-
circles-for-operators-in-india.html)

c. The telecommunication services regulated by a government-controlled
commission have achieved fair success in privatisation of services. Competition
with private service providers has to a certain extent improved the services of
BSNL in bringing down call charges and customer satisfaction. (Misra and Bhat,
2005)
d. The issues at hand are Quality of service, marketing and provision of new services, customer service centres, expansion of network, redressal of customer grievances, regulatory framework and mandatory benchmarking of service delivery, and convergence of telephone billing. (www.trai.gov.in /Reports_list_year.asp )

6.1.10 Technology related

a. (i) Backed by a flexible Network Management System with powerful diagnostics and maintenance tools, the MLLN can be used to provide high-speed leased lines with improved QoS (Quality of Service), high availability and reliability.
(ii) Also the service provider would be able to pro-actively detect a fault and take corrective measure using MLLN without waiting for a subscriber notification about degradation/disruption in service.
(iii) The term Next Generation Networks (NGNs) is used by the telecommunications industry to describe the developing set of standards for future networks that will be able to carry a wide range of services, including voice, data and multimedia, using packet technology.
(http://portal.bsnl.in/Knowledgebase.asp?intNewsId=39440&strNewsMore)

b. (i) Industry estimates indicate that 60-70% mobile calls are originated/terminated within a building and if they can travel on the fixed line network, enormous amounts of spectrum can be saved.
(ii) Both fixed and mobile users will access services through a single core network.
(iii) A rural network based on the extensive optical fibre network, using Internet Protocol and offering a variety of services and the availability of open platforms for service development, viz. the Next Generation Network, appears to be an attractive proposition. BSNL fibre network can be easily converted to NGN and then used for delivering multiple services at cheap costs. (TRAI, 2005)

c. Well one can readily imagine packetised voice traversing the airwaves or the wires as a multi media clip wherein not only speech but also image of the communicators would also be transmitted. (Jain, 2004)
From the compilation listed above, purpose of research study and its scope becomes self-descriptive. The extent of competition, reduction of tariffs, its effect on the market share and the need to improve QoS apart from innovative measures to generate more revenue through VAS have been given in a nutshell. The ensuing part of this chapter encapsulates the topics on major findings of customers’ survey, officers’ survey, conclusions, recommendations, research limitations and further scope of research.

6.2 Major Findings From Customer Survey

6.2.1 Analysis of data on voice quality and fault handling:

a. Voice quality - The overall level of customer satisfaction on voice quality was 87.46 percent. This showed that there is still a scope of 12.54 percent satisfaction to be achieved.

b. Fault booking - The overall level of satisfaction achieved was 87.00 percent. Thus another 13.00 percent satisfaction can be achieved by improving fault booking.

c. Fault repair service - Respondents (98.62%) appear to be satisfied with FRS. Customers were satisfied up to the level of 85.71 percent which can be enhanced to 100 percent by taking effective measures.

6.2.2 Analysis of the survey data on telephone billing:

a. Speed of bill delivery - 94.65 percent customers is satisfied but 55.36 percent customers those which are not delighted by the speed of bill delivery.

b. Ease of payment - Similarly 45.74 percent out of generally satisfied 97.31 percent customers are not overjoyed with the ease of payment.

c. Amount of bill - Regarding the amount of bill 73.54 percent respondents say that it is reasonable but only 24.22 percent agreed that bill amount is low.

d. Disposal of billing complaints - The survey shows that 66.06 percent out of 95.47 percent respondents are satisfied where as only 29.41 percent say that complaints disposal is very quick. Only 4.53 percent respondents are not satisfied.

e. Refund cases - The survey indicates that 93.17 percent respondents are satisfied with the disposal of refund cases and payment.
f. The overall satisfaction level achieved was 77.98, 83.00, 73.09, 74.96 and 75.00 percent in case of receipt of bills, ease of payment, amount of bills, disposal of billing complaints and refund cases respectively. This revealed that there is still a scope of enhancement in customer satisfaction level.

6.2.3 Analysis of the data- commercial services

a. New connection - shows that 74.90 percent customers find the new service provisioning very easy but 23.32 percent found it just reasonable.

b. Telephone restoration - The customers who felt that restoration is very easy are 66.97 percent and those who are reasonably satisfied account for 30.32 percent. The remaining 2.71 percent customers, who feel that it is very difficult to get the telephone restored.

c. Commercial activities - The overall achieved level of satisfaction regarding different commercial activities differed significantly among customers belonging to different territories under study as indicated by the calculated F-ratio. In case of all types of commercial activities it was found to be significantly higher among Sangrur and Pathankot customers as compared to Mohali and Sunam customers. Thus BSNL should focus more on Mohali and Sunam in order to improve the performance.

6.2.4 Analysis of data on staff attitude and availability

a. The overall level of satisfaction achieved was 77.33 percent. An additional 22.67 percent level of satisfaction need to be achieved.

b. The overall level of satisfaction among customers was found to be 80.67 percent.

c. This indicates that Field staff scores better over the CSC staff with regard to customer perception of BSNL services. On the average the satisfaction level; came to be 79.33 percent.

d. If we compare with CSC and Field staff it is evident that when Customers approach SDO’s they get better attention and care. The overall level of satisfaction among the customers worked at 89.67 percent.

e. The overall level of satisfaction among customers was found to be 80.67 percent.
f. It is again revealed by surveyed population that senior officers’ responses are as good as that of SDOs.

6.2.5 **New Services and Publicity**

The overall level of satisfaction achieved by the customers worked at 84.67 percent in case of availability of new services and 75.67 percent in case of publicity of new services. This showed that there is still a scope of enhancing the satisfaction level up to 100 percent. The differences in overall level of satisfaction among customers differed significantly in different selected cities. The level of satisfaction ranged significantly between 79.00 percent in Mohali to 93.46 percent in Pathankot in case of availability of new services while it ranged significantly between 68.67 percent in Mohali to 79.87 percent in Pathankot city. These gaps should be kept in mind while framing policies and strategies by the BSNL management.

6.2.6 **Comparison with other Telecom Operators**

a. The overall score of 84.67 percent was found to be in favour of BSNL in this regard. This level was similar in all the four selected cities.

b. In this survey about 87 percent of respondents agreed that QoS of BSNL services is either same (30%) or better (57%) than competitors. This finding is reaffirmed by the analysis of variance. The overall score of better BSNL services came to be 81.00 percent. However the opinion differed significantly from 69.92 percent among Sangrur customers to 94.44 percent among Pathankot customers.

c. The overall average score in favour of BSNL came to be 83.63 percent. The higher score in favour of BSNL Mobile Services was 97.15 percent among Sangrur customers followed by Pathankot customers (86.42%). It was lowest among Sunam customers (67.52%) followed by Mohali customers (70.67%).

d. The average score in favour of BSNL was 87.00 percent. It ranged significantly from 68.67 percent among Mohali customers to 96.79 percent among Pathankot customers.
e. The average score in favour of BSNL worked at 78.67 percent. However it differed significantly among respondents belonging to the selected cities. It was highest of the order of 86.59 percent among Sangrur customers and lowest to the tune of 66.00 percent among Mohali customers.

f. The overall score in favour of BSNL came to be 82.00 percent. The calculated F-ratio indicated that the differences in overall scores among customers were significant in the selected cities. It ranged between 77.67 percent among Mohali customers to 87.04 percent among Pathankot customers.

g. BSNL could score as high as 86.67 percent opinion poll in its favour. However, the overall score was at par among all the selected cities.

6.3 Major Findings From Officers Survey

6.3.1 Customer Care Services

a. As high as 96.00 and 92.00 percent of the officers were found to be satisfied on speed of service and redressal of complaints respectively.

b. Time to deliver service - 54 percent respondents wish that service should be provided in 3 days and 34% of them desire that customers should get a connection in 1 day. The average time suggested by them came to be 3.04 (say 3) days.

c. Time to redress complaints - 74% officers feel that it should not exceed 24 hours and only10% allow it to be 48 hrs. The average time to redress complaints suggested by them worked at 25.28(say 25) hours.

6.3.2 Telephone billing

a. Perception about telephone billing - 80 percent of responding officers agreed that Billing system of BSNL leaves much to be desired and needs improvement. Only 20 percent officers appeared to be satisfied with existing system. Thus it is highlighted by the analysis that BSNL billing services need improvement.

b. Frequency of billing - As many as 62 percent officers state that bills should be issued every 30 days and 38 percent are in favour of 60 days. At the time of survey the billing period was 60 days and later it was actually changed to 30 days by BSNL.
Chapter 6: Summary, Conclusion and Recommendations

c. **Time to deliver the bill** - As regards the time to deliver the bill, 34 percent of the participants felt that it should be 3 days and another 34% are in favour of 7 days as the delivery time. 16% take the middle path by choosing 5 days. The average time for bill delivery suggested by the respondents came to be 5.80 (say 6) days. It has been observed during interaction with customers during open house sessions and Customer care centers that BSNL customers normally complain of late receipt of bills which makes it very difficult for them to arrange for payment by due date.

d. **Time to pay the bill** - Date of issue of the bill and another date by which bill should be paid is mentioned on the telephone bills. In the survey 52% officers suggested that time for bill payment should be from 11 to 20 days from the date of issue. At present this time is 15 days. But the average time suggested by the respondents came to be 20.10 (say 20) days. Thus it came to be higher than what is prevalent in BSNL. There are postal delays and some customers report that bills have been delivered after the pay-by-date resulting late bill payment. Another activity, which may cause delay, is the late dispatch from TRA section. So to ensure that customer gets the bill well in advance of the due date of payment, bill dispatch and postal activities need to be monitored.

6.3.3 **CSC and CC services**

a. 80 percent respondents felt that CSC services being provided to customers are not up to the mark. Similarly, 68 percent are not satisfied with customer services at Cash Collection centers. Of the total respondents, 92 percent agreed that CSCs and CCs should be combined. The details of customer care services available at CSCs and CCs indicate that CSC and CC should be co-located for the convenience of the customers.

b. **Distance to travel to CSC/CC** - The availability and accessibility to CSCs and CCs is important for the comfort of customers as well as for the growth of BSNL business in today’s competitive environment. The officers in the survey were equally divided in recommending the maximum distance that a customer has to travel to avail customer care services. In each case 46 percent appeared to recommend a distance of either 3 kms or 5 kms for CSCs and CCs. At present the
spread of customer care network is limited to main towns and cities and it is observed that telecom users in rural and remote areas have to travel long distances to avail the services. The average distance suggested by the respondents worked at 3.06 (say 3) Kms for CSCs and 3.02(say 3) Kms for cash counters. This indicates that officers are unanimous in deciding the appropriate distance for these customer care services of BSNL.

6.3.4 Officer and customer awareness

a. VAS services among the officer - About the officers’ awareness of the VAS services offered by BSNL, more than 94 % of surveyed participants answered in positive.

b. Effective means for creating customer awareness - Opinion of officers to make the customers' awareness more effective - The highest proportion i.e.96 percent of the respondents suggested the method of doing work through dealers or franchisee network followed by 84 percent suggesting for contacting on phone, sending SMS and engaging reputed marketing agencies. These suggestions may improve upon the awareness level of customers regarding different value added services offered by BSNL.

c. Extent of officers' satisfaction about different service areas - As high as 76 percent of the respondents were satisfied as CSC facilities followed by 56 percent who were satisfied on Quality of Service (QoS).As low as 22.00 percent of them were found to be satisfied on attending of complaints as well as settlement of billing complaints and refund on closure of services. This shows that there prevails a wide range of dissatisfaction among officers regarding different service areas of BSNL.

6.3.5 Staff

Officers’ perception on the staff issues - Only 44 percent officers felt that availability of staff was good while 76 percent of them expressed the need to train the staff. Only 22 percent officers opined that staff attitude is positive. However 68 percent of them felt that staff was motivated for action. Only 10 percent of officers voted that staff was satisfied with their job while 40 percent of them were
of the view that the level of the staff skill was low. All the officers were unanimous on the need to induct new staff in BSNL while 62 percent of them were of the view that the role of the staff unions remained positive.

6.3.6 Marketing

a. Responses of officers regarding effectiveness of different BSNL services distribution channels - Effectiveness of various distribution channels are analysed and presented below:

If one is to select four top distribution channels with effectiveness as high and very high, the following comes up clearly-

- PCOs -76%
- Dealer/Franchisees -72%
- Telephone Exchanges -69%
- CSCs -51%

The overall score was satisfactory in any case. It came below 60 percent as the proportion of ‘very high’. In some cases it came to be negative even. This is a matter of serious concern for BSNL. These channels such as post offices and banks were found to be less effective in providing BSNL services. These channels should be explored being wide spread all over the country.

b. Extent of effectiveness of advertisement in different BSNL fields - visibility of various BSNL services;

- 94% agreed that publicity of Cellular Mobile Telecom Services (CMTS) is noticeable.
- Next in line is the visibility of Broadband services as agreed by 82% officers.
- Advertisement for BSNL image and BSNL services brand got acceptance of 64% and 54% participants respectively.
- News and tendering about BSNL are published in media and a means for publicity. This item scored approval of only 40% respondents.
• The services which were ranked low on publicity were Landline and WLL (basic services) i.e. 32% and India Telephone Card (ITC) i.e. 22% respectively.

c. Activity level of dealers’ network-Quality;
• 87% officers agreed that Incentives offered to the dealers is very good. Nobody said that it is poor. Only 13% voted it as average.
• Advertisement efforts made by Franchisees are poor as noted by 42%.
• Attitude of staff in the offices of these channel partners is average (49%) and very good (44%). Only 7% feel it to be poor.
• As regards suitability of location, the score is either average (55%) or very good (38%).
• Availability of products is a very important element of marketing and customer relations management. Here the survey data shows that quite a significant number of officers rank it very good (34%) and average (53%) and 13% were not impressed by the availability of products in dealer network.

The overall level of different activities came to be very good except in case of advertising efforts where it was of the average level. The management should focus in this area also.

It can be derived that 94% respondents suggested that existing services need value addition. Some examples of value added services in landline telephones are internet, CLI facility, voice mail services, SMS, PRBT and alarm services etc.

In case of complaints about telephone faults or billing etc 90% participants felt that a prompt action is desirable for redressal of complaints and giving relief to the customer.

All the remaining steps also score quite high on the agenda recommended by the senior management e.g. bundling of new schemes (88%), offer better incentive to dealers (84%) and empower the staff (78%).
Chapter 6: Summary, Conclusion and Recommendations

All these points converge to make the customer service effective which is the main objective of this research study customer management strategy of BSNL in Punjab.

6.3.7 Strategy

6.3.7.1 Domination of different activities/facilities in BSNL for the last two years

BSNL during issue of various promotional schemes

a. Tariffs

From the ensuing chart 18 it can be seen that Majority of the respondents agree to the fact that rates (56%) and rentals (50%) have shown dominance over other components of tariff. Other components could be initial deposits and activation charges which are not very prominent in the promotional schemes.

So the survey analysis suggest that during the last 2-3 years two main items of telecom tariffs appear more frequently in promotional schemes/tariff plans launched by BSNL.

b. Advertisement

Similarly the responses to the popularity of advertisement methods were also analysed. As shown in chart 19, the prominent among them are newspapers(56%), TV(56%) and hoardings/displays(50%). Advertisement by channel partners i.e. franchisees was shown as negligible.

c. Product Availability

On the question of product availability, the officers’ responses were tabulated, sorted and then presented in the bar chart. One bar represents one product. It was noted that only two products were high on their list i.e. SIM cards (56%) and Recharge coupons (72%). The availability of ITC cards and WLL/landline telephones were ranked very low (less than 22%).

d. New Services

Similar to the availability of SIMs in previous chart, here the popularity of Broadband services has been voted by 78% survey participants. Compared to that GPRS services which are value added services on mobile telephones, rank at second place with 39% responses. Popularity of Fixed Line Prepaid (FLPP) and
download services on broadband or mobile are found to be low by 17% respondents each.

e. BSNL Schemes

Preferences given by officers in each plan or scheme is given in percentages below;

- Broadband unlimited - 61%
- Excel anant - 56%
- One India plan - 44%

Other schemes do not get significant score during the survey.

6.3.7.2 Financial aspect

In this section, an effort was made to identify the financial parameters on which BSNL should focus to ascertain the financial strength of the company. Opinions of officers about methods to generate financial resources are analysed and interpreted hereunder;

a. Revenue

In chart 23 the 67% officers has shown preference for monitoring of leased line revenue as compared to revenue of telecom services(50%) or of new projects(33%).

b. Expenditure

On the expenditure front, 67% officers in the survey feel that operations expenditure should be monitored where as only 33% of them desire that Development as well as staff expenditure has to monitored and hence controlled.

c. Cost Effectiveness

Majority of the senior managers in the survey (72%) agreed that Return on investment is the best criteria to judge the financial health of BSNL. However 39% of them also feel that operating ratio should be kept in mind as this is indicative of operational efficiency of BSNL.

6.3.7.3 HRD Aspect

- BSNL should recruit staff at middle level say 62% officers.
- 38% survey participants want Staff recruitment at lower level.
• The staff at lower level must undergo training as said by 68%.
• 60% of the respondents are in favour of imparting training to Middle Level Staff.
• Staff recruitment (22%) and staff training needs(18%) at top level do not find many takers.
• The area in which training is required is voted by the survey participants.68% are in favour of training in managerial as well as operational functions. As low as 18% respondents feel that there should be training in strategic decision making to BSNL staff.

6.3.7.4 Planning Aspect
a. Long term planning - It was noted that as high as 82% of the respondents were in favour of 10 year period for long term planning. Only 6% of participants suggested long term period as 20 years. This long term planning need to embarrass all aspects of telecom organization and telecom network. Actually this long term planning is meant for all India planning by BSNL Headquarters.
b. Medium term planning - 54% respondents are for 3 years planning and 28% favor 5 year planning as medium term planning. Medium term planning is proposed to be done at State level by Circle HQs.
c. Short term planning - Respondents agreed in majority(76%) that short term planning is for One year and only 12% favoured 6 months period. However this short term planning is proposed to be done by SSAs/Telecom Distts.

6.3.7.5 Technological aspect
a. 88% respondents agreed that technology plays an important role in a competitive market.
b. 82% of them are unanimous on the need to upgrade BSNL network for providing latest telecom services.
c. As regards the life stage of the telecom equipment in use, only 30% officers are of the view that it is adequate. As high as 64% of them feel that the technology level of existing equipment is not adequate to provide modern services.
6.3.7.6 Organisational Model

a. On the question of type of organization, the respondents are divided on the issue of national versus zonal set up with a ratio of 48% and 40% with other 12% not responding.

b. Regarding the fixing of accountability for financial efficiency i.e. profit, 56% favour SSA as the profit center against 38% who want circle to be the node for financial accountability.

c. As telecom industry has variety of services in its basket, BSNL has also diversified its range from Plain Old Telephones(POTs) to other new services i.e. Mobile, CDMA, Internet broadband on landline, Lease circuits, MPLS based VPN and Wi-MAX (wireless broadband). So there is a need to review the restructuring of BSNL on the basis of services. The survey as depicted in above said chart, shows that 56% respondents are in favour of circle to be a split point for services. This means that at Circle headquarter level there should be an independent set up for each service. Organisation split at Zonal level (e.g. North zone, South zone etc) has only 38% votes.

6.3.7.7 Private sector participation

a. The participants are split on the issue by 50% in favour of public sector and 46% for private sector. There is no clear cut consensus on this issue whether private participation is to be allowed or not.

b. 61 percent said that BSNL should be privatized while it is making profits and remaining 39 percent favour privatization of BSNL when it is making losses.

6.4 Conclusions and Recommendations

1. Quality of Service (QoS)

With regard to general quality of service, majority of the customers have shown their satisfaction. But only about 60 Percent customers say that quality of voice and fault repair service is very good. As compared to services provided by other companies, BSNL services are preferred by the customers. Good quality of service and quick fault repairing and service restoration has positive effect on customer relations and there is a scope for further improvement in BSNL services.
2. **Staff at Customer Care Centers**
   Majority of customers (80 Percent) preferred BSNL customer care services over other companies and overall level of satisfaction for the availability and attitude of staff at CSC’s and CC’s is also 80 Percent. But only 40 Percent customers rate these services as very good. But BSNL officers are not satisfied with the availability and attitude of staff at customer service centers and cash counters. They (68 Percent) recommend that staff should be trained to improve their marketing skills and behavioral attitude. This will help to increase the level of customer satisfaction and improve customer relations.

3. **Attitude of Executive Level Officers**
   Overall level of customer satisfaction about the availability and attitude of SDO’s and senior officers (Divisional Engineers and above) is 90 Percent. And about 72 Percent customers feel very good about the behavior of the officers. From the data analysis it is found that customers are more impressed by the dealings of the executives and officers in contrast to dealings of lower level staff. This shows that posting of more executives at CSC’s can improve customer relations which are likely to reduce churning of BSNL customers.

4. **Recruitment and Training**
   To increase the availability of staff in CSC’s and CC’s, officers have recommended the recruitment of staff at middle level (executives) and at lower level (Clerical). They further stressed the need to train them for customer relations management (CRM). This desirable move by BSNL can help to match quality of service being provided by other companies at their customer care centers. New recruitment is also going to help in replacing the old and retiring BSNL employees which will make BSNL look smarter and younger organization. This will give impetus to customer relations management (CRM) and help to increase customer satisfaction.
5. **Customer Service Centres (CSCs) and Cash Counters (CCs)**

On the issues of speed to handle complaints to redress the grievances and to provide new services, the surveyed officers recommended that complaints should be attended within 25 hours on average. Regarding new services, it should not take more than 3 days to give new connection or service. To make it possible, the accessibility of CSC’s’s has to improve. For this officers have recommended an average distance of three (3) kilometers for customers to travel to BSNL CSC’s and CC’s. For further improve the customer care it was recommended that CSCs and CCs should also be co-located. Apart from providing the facility of single window service to the customer, this will also be economical for BSNL. In urban areas, this distance is possible to achieve with existing manpower and office premises but in rural and remote places there are neither adequate staff nor BSNL offices. So, BSNL will have to open more CSCs and CCs by making third party tie-ups with banks, PCO’s and Post offices in addition to network of franchisees and in-house customer care centers. This will definitely improve customer satisfaction and help to sustain market share of BSNL.

6. **Telephone Billing**

Although level of customer satisfaction is high (75 Percent-83 Percent) for various activities in bill processing, but customers who rate this service very good are less than 50 Percent. Officers are of the view that telephone billing system needs improvement in terms of frequency of telephone billing, speed of delivery and time for payment. They have suggested that telephone bill should be issued every month and delivered within six (6) days. A period of twenty (20) days should be allowed for payment. This can be implemented in the present scenario of on-line Call Detail Record (CDR) billing system of BSNL. Telephone billing is a very important strategic function of CRM and can go a long way to improve customer satisfaction which may result into BSNL customer retention.

7. **Customer Awareness**

Although 94 Percent officers claim that they are aware about value added services, yet the customer awareness is lacking due to poor means of publicity and
advertisements. More than 80 percent of officers have recommended that customers should be made aware about BSNL services and sale offers by making contacts on phones, sending SMS and by hiring services of reputed marketing agencies. Franchisee network needs to be geared up for increasing customer satisfaction through customer awareness. This is going to create good customer relations and will give a competitive edge to BSNL over other telcos.

8. Publicity and Advertisement
Survey of officers has indicated significant visibility of BSNL services like Mobile, broadband and BSNL brand. But other services such as Basic/landline, WLL and prepaid cards, India Telephone Card (ITC), and Fixed Line Prepaid (FLPP) vouchers/coupons for landline did not get adequate publicity. This can be a major cause of heavy churning in basic telephone customers and has to be a serious concern of BSNL. So there is an immediate need to highlight this ignored segment of BSNL services i.e. landline and WLL plus prepaid cards along with value added services such as SMS, PRBT and broadband. This will help to make the basic services more attractive and will help to retain the customers and to expand customer base.

9. Effectiveness of BSNL Channel Partners
From the data analysis of officers’ survey, it was found that most effective service distribution channels can be franchisee network, PCO’s, Telephone exchanges and CSC’s. The first two channels i.e. the franchisee network and PCOs are operating on incentive basis in the form of commissions and other trade discounts. Franchisees operate at large scale in the identified territories of SSA with the help of retailers. But PCO’s are low level individual direct selling agents (DSAs) and are also named as BSNL Shoppe. Telephone exchanges and CSCs are company outlets. To make them effective it is recommended that staff recruitment and training should be undertaken. Similarly officers have also suggested an increase in incentives and discounts for franchisees for effectiveness of BSNL marketing. It was also noted by majority of officers that publicity by channel partners to
increase the customer awareness for services and sale promotion is negligible. So channel partners of BSNL need motivation and adequate compensation for enhanced level of participation in CRM.

10. Measures to Improve Customer Relations
On the question of measures which should be undertaken by BSNL, 94 Percent officers favoured the offering of Value Added Services (VAS) on BSNL network. The next thing suggested was to redress the customer complaints on priority and give them quick relief. Other measures recommended were bundling of services and sale schemes, offering high incentive to dealers and empowering the staff particularly those working at the front offices and in the field. It is therefore concluded that BSNL has to motivate its customers for their retention through the above said CRM measures, incentivize its dealers/franchisees.

11. Popularity Level of BSNL Activities in The Past
Among the popular items of telecom business, surveyed officers noted that
a. Telecom tariffs are one of the driving elements of pricing strategy of BSNL. Survey results showed that call rates and monthly rentals appeared more frequently in various sale promotion schemes than activation charges and initial deposits.

b. Advertisements were mainly released through TV, newspapers and hoardings. Contribution from channel partners was found to be negligible.

c. SIM cards and Recharge Coupons were more popular products in the market. But landline, WLL phones and ITC cards did not find adequate shelf space in the market.

d. Broadband and GPRS services were found to be highly popular as compared to download offers and basic prepaid service like ITC and FLPP.

e. Promotional sale schemes which dominated the market were found to be Broadband unlimited scheme and Excel Anant plan followed by One India Plan. Offer of one free landline for every internet connections was not found to be attractive.
In the whole scenario mentioned above it came out clearly that in case of landline and WLL services, visibility and popularity is poor. It needs to be corrected as soon as possible. BSNL strategy must make significant efforts in advertising these services out of its total range of services otherwise competition will further hit its market share by churning of basic service customers to other services (Basic to WLL/Mobile) or other operators. So there is a need to strengthen BSNL marketing and hence CRM by motivating the existing channel partners and by engaging additional dedicated franchisee networks especially for basic services. This will also increase the focus of advertising through dealers for customer awareness which will further result into better customer satisfaction.

12. Financial Outlook

CRM is a subject of marketing strategy. But overall strategy of BSNL has to keep in mind some basic tools of financial management to ensure its financial health. So the officers were also surveyed for their opinions on BSNL finances. Majority of them suggested that;

a. While monitoring the income of BSNL, revenue from leased circuits provided to corporate and high end customers should get a priority over revenue from individual user services followed by revenue from new projects. The area of turnkey projects is yet to be explored as a viable telecom business of BSNL.

b. Operating expenditure includes the working expenses incurred on day to day operations and maintenance of telecom network and services. Some items of such expenditure are repairs and maintenance of apparatus and plant, energy bills (electricity and fuel) and vehicles for movement of staff and materials. So survey results establish that operating expenditure needs more frequent monitoring than expenditure on staff and development projects. As such the expenditure on staff salary and on development works is almost fixed and cannot be reduced significantly.

c. Surveyed respondents were in majority opinion that overall financial health of BSNL need to be checked by studying Return on Investment (ROIs).
Nevertheless, operating ratio (OR) was adjudged as a second important financial tool for finding effectiveness of financial management. Hence there appears to be a need that BSNL should be run on commercial principles for its sustenance and business growth. A balance has to be created between obligation of BSNL for its social cause being Govt. company and profit making motive for its survival and growth so that BSNL can successfully compete with private telecom players to maintain a sizable market share.

13. **Technological Aspect**

The importance of technology as a driver for IT and telecom industry cannot be undermined. BSNL is in telecom business which is highly technology intensive. The views obtained from expert officers has been analysed. Suggestions given by majority of them bring out clearly that:

- Technology plays an important role in competitive telecom market.
- Technology level of BSNL equipment is not adequate to support modern services.
- BSNL network is old and needs upgradation to provide state of the art telecom services.

These observations point towards a major and paradigm shift required in BSNL strategy and this has to be implemented with the support of Department of Telecom, Govt. of India and this strategy must form a part of Govt. budgetary process. However, it is no doubt linked with availability of finances for carrying out this very ambitious task of turning around BSNL business.

14. **Organisational Planning**

When asked to review the issue of planning in BSNL, the officers came out with following recommendations:

a. Long term planning- Officers recommended 10 years as period for long term planning which needs to be carried out at corporate level.

b. Medium term planning- This planning activity is designed for telecom circle level and is to be done every three years as suggested by 54 Percent officers. Some
officers were in favour of 5 years as planning period but that was ignored as only 24 Percent respondents voted for this.

c. Short term planning- It is to be carried out at SSA level and 76 Percent respondents had recommended a planning period of one year as against six months period voted only by 12 Percent of survey participants.
d. Planning activity is a very important business management function and is equally applicable for BSNL. Its importance as a management tool is very relevant these days because the changes in business environment are very fast and level of uncertainty is more than in the past. In telecom industry the planning has more significance as the telecom business is both infrastructure as well as a service industry. Therefore it is desirable that additional research should be carried out to develop a business planning model suitable for telecom industry in the present day scenario.

15. Organisational Restructuring

When issue of strategy formulation is discussed, organizational restructuring becomes very relevant. BSNL, at present operates at national level having Telecom. Circles and SSAs as sub units supported by its sister organizations of Telecom Projects and Telecom Regions for transmission media which envelops the network of the nation. There are other supporting wings for electrical and civil construction and maintenance works. Other circles are Telecom stores, ITPC and Quality assurance circles contributing to BSNL services in various different ways. Officers were asked to give their suggestions on the strategic issues of decentralization of BSNL, profit centres of BSNL and organisation split of BSNL on the basis of services. Their recommendations are given as under;

a. Officers were divided on the issue whether BSNL which is at present national level company, should be reorganized at zonal level. Only 48 Percent officers voted for this. So this issue needs further investigation and research.
b. Officers recommended that Secondary Switching Areas (SSAs) should be made accountable as profit centres. This means that SSAs will maintain their own profit and loss accounts and balance sheets for financial control and management. So,
for the financial health of BSNL, the financial tools such as RoI and operating ratio have to be monitored by SSA heads for accountability.

c. The splitting of BSNL on the basis of various telecom services is desirable so as to ensure focused attention while managing each of these telecom services on commercial basis. Even the profit and loss figures need also to be managed service-segment wise so as to create inter-service competition. At Present, landline, WLL and prepaid version of basic services (ITCs, FLPP etc) is getting ignored because of the popularity of mobile services. There is a need to have a dedicated organization vertical for basic services for not only reducing customer churning but also expansion of land-line customer base. Officers were of the opinion that circle level organization should be restructured so that each major service should be independently managed e.g. each circle should have one Principal GM each for Mobile services, landline and broadband and enterprise business. The accounts of each service vertical should also be separately managed for profitability.

Officers who suggested this type of split on Zonal basis were 39 Percent. The whole issue of restructuring needs additional research enquiry.

16. Privatisation of BSNL

The issue of private sector participation is a burning topic and is debated at national level. Even employee unions of BSNL are having their fingers crossed on this issue. They are not able to protest disinvestment of BSNL as there is no other way out. Actual problem has arisen because of reduction in tariffs of all services due to competition, churning of customers especially landline to other services (Mobile and WLL) or other operators and a very important of market segment of corporate customers (called creamy layer) have been captured by private operators. The expenditure burden of staff salary is very heavy. This has resulted in financial setback for the company which now needs capital for its day to day operations leave alone funding of development programs. So unless BSNL decides to shed its share to capital market, it might not survive. When this question of desirability of private participation was asked from officers, 50
Percent opposed this approach as against 46 Percent officers who favoured it. To a next relevant query regarding timing of disinvestment of BSNL, 61 Percent officers reacted that BSNL should float its shares when it is making profits. Other 39 Percent officers favoured disinvestment only after BSNL becomes loss making.

Scenario is changing very fast in telecom industry. Mergers and acquisitions are being adopted as solutions for consolidation and synergic operations. Hence the issue of disinvestment needs a separate detailed study to come to any conclusion.

6.5 Limitations of Research Study

1. Customer survey
The sample of customers was taken as 250 which was restricted to the population of basic services telephones users. It was assumed that these customers also have workable knowledge about other services and other operators in Punjab. The reliability of data is restricted to the degree of accuracy with which customers have perceived the quality of services provided by BSNL as well as other operators.

2. Selection of Clusters
The areas of customer survey are limited to four clusters on the basis of general level of urbanization and demography of the towns and cities. The customers’ sample in the survey was chosen irrespective of their age, sex, education, income level etc. So the survey results and conclusions may vary in case of sampling taken on the basis of these demographic factors.

3. Officers’ Survey
The sample of officers put to test for this study was taken only from BSNL. Survey has been conducted with the premises that participants have same level of knowledge about various issues raised in the questionnaire and conclusions drawn are reliable and accurate to that extent.

4. Adequacy of sample population
The staff of lower cadres that is posted in front offices has not been included as participants as the focus of the study was mainly on strategy for CRM and data
from officers’ survey was considered adequate. However the survey of lower level staff may affect the conclusions drawn from the study.

6.6 Further Scope of Research Studies

1. The present study has been conducted for CRM in BSNL for the state of Punjab. This study can be extended further to all India level for more reliability and applicability of its findings.

2. This research project has its focus on landline services where the churning is more in BSNL. So the survey was conducted from the population of landline customers to find out their perception on BSNL customer care services. It was assumed that these landline users are using other services of BSNL and/or other operators. But there is a scope to study population of those customers who are using other services such as mobile, broadband and leased lines separately and exclusively.

3. To evolve a CRM strategy for BSNL to reduce churning of BSNL customers, only officers of BSNL have been surveyed and findings are given. But to carry out a more elaborate study in this area, surveying officers and executives from other telecom companies can carry out further investigation.

The following topics are suggested for future research in telecom industry:

a. Comparison of customer care services of telecom operators in India
b. Effects of CRM on market share of telecom companies
c. Organisational structure of public versus private telecom players
d. Customer churning among different telecom services providers
e. Role of staff in customer care - need for skill upgradation
f. Inter-operator comparison of telecom distribution network
g. Role of Government in bridging the urban-rural telecom divide