CHAPTER-6

SUMMARY, CONCLUSIONS & RECOMMENDATIONS

The most important reason for investing in retention of profitable customers is the cost of acquiring new customers compared with the cost of retaining existing customers. International research by Coopers & Lybrand has shown that it can be at least five times as hard to acquire new customers than to keep existing customers. The objective of a customer retention strategy should be to nurture long-term relationships with customers through trust, responsiveness, customized services and reliability. Key to this strategy should be the ability to utilise knowledgeable, intelligent customer information for the benefit of customers and to offer them seamless quality of services. Thus the strategy should offer segment-specific plans to meet customer needs and wants.

Customer care, therefore, had become one of the cellular company’s most important activities in order to provide superior customer satisfaction and build excellent relationships with customers. In the competitive and deregulated environment of the cellular industry, customers have more choice in selecting service providers. When customers are considering whether to keep an existing supplier or to change, there are three factors they think about i.e. Quality of the product, the price and the customer service.

To succeed in offering superior services to customers, the company has to identify service factors and the quality of these service factors. The key factors in delivering high quality services are Reliability for delivering consistent and timely services, Knowledge for understanding the customer’s situation, empathy for offering individual care, listening to the customer’s requirement and problem, demonstrating understanding of the customer’s situation, Responsiveness for demonstrating willingness and readiness to solve problems.

In order to protect market share and profitability, the company should aim to achieve below industry average customer churn rates, which will tend to result in increased profits and higher customer lifetime value. Methods of reducing churn rates include tailoring products, services, processes and channels to the customer wants and needs, tailoring internal processes to the customer’s processes, tailoring solutions to the customer’s individual profile, implementing loyalty programmes, improving customer services,
improving network performance and avoid creating dissatisfied customers.

The gained knowledge is used for a better understanding of the market (retention, needs, product management, communication and sales). A churn modeling campaign needs to make a number of decisions: definition of churn, the type of model to build, how to segment the data for modeling, algorithm-specific choices, the size and density of the model set, how to handle the time element, which data to include in the model and how to calculate derived variables. Churn is the measurement of the proportion of the customers that leave a service or service provider over a given period. The types of churn can be divided into different segments: voluntary churn (containing controllable reasons and uncontrollable reasons); and involuntary churn. Examples of controllable reasons are going over to the competition (‘in system’ churn) and cancelling altogether (‘out system’ churn). Examples of uncontrollable reasons are death, moving out of service area and stolen telephone. Examples of involuntary churn are non-payment, bankruptcy and fraud. The drivers for the controllable reasons are pricing, promotion, network coverage, service dissatisfaction, billing, old/broken equipment, affordability and lack of need.

Three kinds of campaign can be distinguished conceptually: win-back, retention and cross-up-selling. A win-back campaign concentrates on customers, that no longer produce turnover for the company. The goal is to get the customer back. A retention campaign concentrates on customers that use the company’s services, but are likely to churn in the near future. The goal is to strengthen their loyalty. The last kind of campaign, cross-up-selling, tries to find customers that might be interested in a further product or service. The goal is to sell them a further or upgraded product. Often companies use combinations of the above (eg cross-selling with the effect of retention).

Building effective relationships with your customers is the key to customer retention. The relationship between the business and the customer should not only be transactional. Even if a business is doing well, it may not take long for your customers to defect unless you recognize their importance and make conscious efforts to retain them. Customers will be willing to pay more for a product or service if they have a personal connection with a business.
Customer loyalty has been defined as the customer preference of a product or service above all alternative products that could fulfill the same need requirement. The concept has also been defined as a non-random purchase over time of one brand from a set of brands by a customer using a deliberate evaluation process.

6.1 Salient Findings of the study

- An attrition rate, also known as a churn rate, can be a measure of two things. It can be a measure of how many customers leave over a certain period of time or how many employees leave over a certain period of time. An attrition rate can also be a combination of these two factors. An attrition rate is typically used in connection with a subscriber base.

- Many companies use the concept of churn rate to calculate the loss of customers who purchase monthly services or subscriptions. For example, cellular phone service providers and newspapers commonly use churn rates to evaluate customers and predict sales revenue. Companies also use churn rates to analyze, forecast and implement new methods of attracting customers.

- Internal factors that affect employee attrition rates within an organization include low pay, limited promotion opportunities and lack of support or rewards on the job. External factors that affect attrition include better offers from other employers, illness personal matters and general economic conditions. Reasons for high customer churn rates include better service and offers from competing companies, poor customer service or other service related issues. Additionally, companies generally experience a very high churn rate during introductory offers made to customers.

- The most important reason for investing in retention of profitable customers is the cost of acquiring new customers compared with the cost of retaining existing customers. Dissatisfaction with the service is a key factor in determining whether or not a customer remains with a supplier. Where price and product features are quite similar, customer care is a prime differentiator in a deregulated customer focused market. Seamless customer service is a real competitive advantage, because it is much harder to imitate superior services than prices.
• To succeed in offering superior services to customers, the company has to identify service factors and the quality of these service factors. The key factors in delivering high quality services are Reliability for delivering consistent and timely services, Knowledge for understanding the customer’s situation, Empathy for offering individual care, listening to the customer’s requirements and problems, demonstrating understanding of the customer’s situation, Responsiveness for demonstrating willingness and readiness to solve problems.

• Customers, shareholders and employees must recognise that the success of any business depends on its ability to know what customers need and deliver it. A customer segmentation framework provides essential direction for the delivery of a combination of basic and complex bundled products, services and pricing packages.

• Building valuable customer relationships requires customer information. This information must be comprehensive and it must reflect the rapidly changing marketplace. Traditional customer surveys are no longer enough. Companies must use multiple sources to collect and update customer information.

• The proposed way of calculating customer profitability, earnings before interest, taxes, depreciation and amortization (EBITDA) represents the lowest level of variable costs by customer. Having generated the desired customer knowledge (customer clusters, propensity to churn and customer profitability) one can now design the right campaigns to retain customers and increase customer value.

• Three kinds of campaign can be distinguished conceptually: win-back, retention and cross-up-selling. A win-back campaign concentrates on customers that no longer produce turnover for the company. A retention campaign concentrates on customers that use the company’s services, but are likely to churn in the near future. The last kind of campaign, cross-up-selling, tries to find customers that might be interested in a further product or service. The goal is to sell them a further or upgraded product.

• Building effective relationships with your customers is the key to customer retention. The relationship between the business and the customer should not only be transactional. Even if a business is doing well, it may not take long for your customers to defect unless you recognize their importance and make conscious efforts to retain them. Customers will be willing to pay more for a product or service if they have a personal connection
with a business. The strategies include:

- Companies should aim for high customer satisfaction because customers who are just satisfied still find it easy to switch when a better offer comes along, whereas those who are highly satisfied are much less ready to switch. High satisfaction or delight creates an emotional bond with the product or service, not just rational preference which consequently results in high customer loyalty.

- It is much less costly to retain customers than to get new ones. Loyalty of existing customers also represents a substantial entry barrier to competitors. Strong brands will gain preferences from dealers and other business partners, for example suppliers. Trade leverage is particularly important when introducing new products, service varieties and brand extensions or variations. The customer base can also generate brand awareness in that friends and colleagues of users will become aware of the product just by seeing it. This can have more impact than commercial advertisements. Brand loyalty provides firms with time to respond to competition.

- As the first step in building a proactive retention practice, mobile operators need to first define properly what churn really means, for subscribers.

- Without a predictive churn model in place, proactive retention efforts cannot be put into action. It is this tool that defines which customers to contact proactively, in order to prevent the churn occurrence from happening. Otherwise, a mobile operator would have to guess which subscribers may churn, causing severe inefficiencies in retention efforts as well as yielding little results.

- Customers are more likely to stick with a brand that they know and trust and, more importantly, that offers a personal touch. Addressing your customers with their first name, using a personable email style and investing in a readily available customer service team who really take the time out to listen and help are all ways to make your customers feel right at home.

### 6.2 Empirical Data Findings: Customers

- The highest proportion i.e. 68.00, 40.00, 60.00 and 56.00 percent of customers related to Airtel, Vodafone, BSNL and Reliance respectively belonged to the age group of 21-35 years, while the highest proportion i.e. 44.00 and 48.00 percent related to Idea and Tata
Docomo belonged to the age group of 36-50 years. The average age worked at 35.76, 41.76, 40.32, 36.36, 40.64 and 36.36 years of customers related to Airtel, Idea, Vodafone, BSNL, Tata Docomo and Reliance respectively. The variation in age of customers related to various cellular companies differed significantly. The average age was significantly younger in Airtel, BSNL and reliance as compared to Idea, Vodafone and Tata Docomo.

- Majority of the customers were male. This proportion came to be 64.00 for Airtel, 88.00 for Idea, 72.00 percent for Vodafone, 76.00 percent for BSNL, 72.00 percent for Tata Docomo and 72.00 percent for Reliance. This showed that cellular users were mainly male customers.

- The proportion of customers who were having an educational level of graduation and above worked at 76.00 for Airtel, 76.00 for Idea, 82.00 percent for Vodafone, 72.00 percent for BSNL, 63.00 percent for Tata Docomo and 78.00 percent for Reliance. This indicated that the cellular users were highly educated.

- The highest proportion i.e. 42.00, 41.00 and 56 percent of customers from Airtel, Tata Docomo and Reliance respectively were from service sector, while the highest proportion i.e. 41.00, 39.00 and 44.00 percent of customers from Idea, Vodafone and BSNL respectively were from business community. The remaining proportion of customers was from self-employed group like artisans, shopkeepers, etc.

- The highest proportion of customers of all the companies were married. This proportion came to be 82.00 for Airtel, 86.00 for Idea, 88.00 percent for Vodafone, 91.00 percent for BSNL, 76.00 percent for Tata Docomo and 81.00 percent for Reliance.

- The highest proportion of customers of all the companies belonged to the medium sized i.e. 3 to 5 member families. This proportion came to be 44.00 for Airtel, 52.00 for Idea, 68.00 percent for Vodafone, 64.00 percent for BSNL, 56.00 percent for Tata Docomo and 57.00 percent for Reliance. The average age worked at 4.00, 4.12, 4.16, 3.92, 4.24 and 4.35 members of customers related to Airtel, Idea, Vodafone, BSNL, Tata Docomo and Reliance respectively. The variation in family size of customers related to various cellular companies did not differ significantly.

- Majority of customers from all the companies belonged to the nuclear type of families. This proportion came to be 68.00 for Airtel, 68.00 for Idea, 84.00 percent for Vodafone,
88.00 percent for BSNL, 80.00 percent for Tata Docomo and 64.00 percent for Reliance.

- The highest proportion of customers of all the companies, except Airtel, was having a monthly self income of Rs. 25001 to Rs. 50000, while highest proportion i.e. 56.00 percent of customers of Airtel earned Rs. Up to 25000. The average self income worked at Rs. 28080, 35320, 39400, 37000, 39400 and Rs. 32520 per month of customers related to Airtel, Idea, Vodafone, BSNL, Tata Docomo and Reliance respectively. The variation in self income of customers related to various cellular companies differed significantly. The average self income was significantly higher of customers of Vodafone, BSNL and Tata Docomo as compared to other companies while the self income of customers of Airtel was significant less than all the companies under study.

- Majority of customers from all the companies belonged to the urban areas. This proportion came to be 69.00 for Airtel, 58.00 for Idea, 71.00 percent for Vodafone, 54.00 percent for BSNL, 70.00 percent for Tata Docomo and 68.00 percent for Reliance.

- The highest proportion of customers of all the companies used the mobile phone for personal purposes. This proportion came to be 36.00 for Airtel, 44.00 for Idea, 47.00 percent for Vodafone, 46.00 percent for BSNL, 47.00 percent for Tata Docomo and 48.00 percent for Reliance. The proportion of customers who used the mobile phone for business purposes came to be 31.00 for Airtel, 34.00 for Idea, 35.00 percent for Vodafone, 40.00 percent for BSNL, 34.00 percent for Tata Docomo and 30.00 percent for Reliance. This finding is directly related to the finding that highest proportion of customers belonged to the service sector, followed by business sector.

- Majority of the customers of all the companies under study used to make the bill payment himself/herself. This proportion came to be 76.00 for Airtel, 84.00 for Idea, 77.00 percent for Vodafone, 68.00 percent for BSNL, 64.00 percent for Tata Docomo and 71.00 percent for Reliance.

- Majority of the customers of all the companies received up to 25 calls daily. This proportion came to be 80.00 for Airtel, 80.00 for Idea, 88.00 percent for Vodafone, 84.00 percent for BSNL, 80.00 percent for Tata Docomo and 72.00 percent for Reliance.

- The majority of the customers of all the companies received up to 25 SMSs daily. This proportion came to be 92.00 for Airtel, 88.00 for Idea, 96.00 percent for Vodafone, 88.00 percent for BSNL, 80.00 percent for Tata Docomo and 88.00 percent for Reliance.
The majority of the customers of all the companies spent less than one hour daily on mobile phone. This proportion came to be 74.00 for Airtel, 70.00 for Idea, 78.00 percent for Vodafone, 68.00 percent for BSNL, 60.00 percent for Tata Docomo and 66.00 percent for Reliance. The average time worked at 0.86, 0.91, 0.76, 0.79, 1.02, and 0.94 hours spent by the customers of Airtel, Idea, Vodafone, BSNL, Tata Docomo and Reliance respectively. The difference in time spent was almost similar in the companies.

The highest proportion of customers of all the companies incurred Rs. 251 to Rs. 500 per month on mobile phone. This proportion came to be 40.00 for Airtel, 52.00 for Idea, 48.00 percent for Vodafone, 48.00 percent for BSNL, 52.00 percent for Tata Docomo and 56.00 percent for Reliance. The average amount spent worked at Rs. 470.00, 493.75, 465.00, 645.00, 545.00, and 440.00 by the customers of Airtel, Idea, Vodafone, BSNL, Tata Docomo and Reliance respectively. The difference in amount spent varied significantly in different companies. The average amount spent by customers of BSNL and Tata Docomo was significantly higher than that spent by the customers of other companies.

The highest proportion of customers of all the companies reported that their source of information about company’s network was television. This proportion came to be 72.00 for Airtel, 68.00 for Idea, 74.00 percent for Vodafone, 61.00 percent for BSNL, 62.00 percent for Tata Docomo and 69.00 percent for Reliance.

The highest proportion i.e. 84.00, 96.00, 92.00 and 88.00 percent of the customers of Airtel, Idea, Vodafone, and Reliance respectively reported that they were satisfied over the information about new products of the company, while the highest proportion i.e. 88.00 and 92.00 percent of customers of BSNL and Tata Docomo were satisfied over the service quality of the company.

6.3 Empirical Data Findings: Employees

The highest proportion i.e. 64.00, 42.00 and 54.00 percent of employees of Airtel, Vodafone and Reliance belonged to the younger age group of 21-35 years, while the highest proportion i.e. 46.00 and 48.00 percent of employees belonged to the age group of 36-50 years. However, the highest proportion i.e. 44.00 percent of employees of BSNL was above 50 years of age. The average age worked at 34.60 years in Airtel,
40.90 years in Idea, 40.00 years in Vodafone, 45.40 years in BSNL, 38.80 years in Tata Docomo and 36.10 years in Reliance. The age of employees of BSNL was significantly higher than employees of other companies. This is in direct relation with the duration of operation of different companies. The overall average age came to be 39.30 years.

- The majority of the employees was male. This proportion came to be 68.00 for Airtel, 84.00 for Idea, 72.00 percent for Vodafone, 80.00 percent for BSNL, 72.00 percent for Tata Docomo and 76.00 percent for Reliance. This showed that cellular companies’ employees were mainly male employees.

- The proportion of employees who were having an educational level of graduation and above worked at 84.00 for Airtel, 88.00 for Idea, 86.00 percent for Vodafone, 74.00 percent for BSNL, 80.00 percent for Tata Docomo and 78.00 percent for Reliance. This indicated that the cellular company employees were highly educated.

- The highest proportion of employees of all the companies was married. This proportion came to be 58.00 for Airtel, 52.00 for Idea, 54.00 percent for Vodafone, 88.00 percent for BSNL, 68.00 percent for Tata Docomo and 78.00 percent for Reliance.

- The analysis showed that highest proportion of employees of all the companies belonged to the medium sized i.e. 3 to 5 member families. This proportion came to be 48.00 for Airtel, 44.00 for Idea, 74.00 percent for Vodafone, 46.00 percent for BSNL, 56.00 percent for Tata Docomo and 58.00 percent for Reliance. The average family size worked at 4.10, 3.91, 3.94, 4.05, 4.12 and 4.35 members of employees related to Airtel, Idea, Vodafone, BSNL, Tata Docomo and Reliance respectively. The overall average family size came to be 4.08. The variation in family size of employees related to various cellular companies did not differ significantly.

- The highest proportion of employees of Airtel, BSNL and Tata Docomo companies was having a monthly self income of Rs. 25001 to Rs. 50000, while highest proportion i.e. 42.00 percent of employees of Idea, 48.00 percent of Vodafone and 48.00 percent of Reliance earned Rs. Up to 25000. The average self income worked at Rs. 31760, 35050, 30570, 41770, 33160 and Rs. 31550 per month of employees related to Airtel, Idea, Vodafone, BSNL, Tata Docomo and Reliance respectively. The overall average self income came to be Rs. 33977. The variation in self income of employees related to various cellular companies differed significantly. The average self income was
significantly higher of employees of BSNL as compared to other companies while the self income of employees of Airtel and Reliance was significantly less than all the companies under study.

- The highest proportion of employees of Airtel, Idea and Reliance companies were having a monthly family income of Rs. 50000 or less, while highest proportion i.e. 48.00 percent of employees of Vodafone, 56.00 percent of BSNL and 60.00 percent of Tata Docomo earned Rs. 50001 to Rs. 100000. The average family income worked at Rs. 72980, 69240, 80840, 86920, 78620 and Rs. 72500 per month of employees related to Airtel, Idea, Vodafone, BSNL, Tata Docomo and Reliance respectively. The overall average family income came to be Rs. 76850. The variation in family income of employees related to various cellular companies differed significantly. The average family income was significantly higher of employees of BSNL and Vodafone as compared to other companies while the family income of employees of Idea was significantly less than all the companies under study.

- The statements related to collection and retention strategies are as under:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>S1</td>
<td>My company’s collection and retention strategies are customer friendly.</td>
</tr>
<tr>
<td>S2</td>
<td>The collection &amp; retention strategies help me in developing relation with customers.</td>
</tr>
<tr>
<td>S3</td>
<td>The collection strategies boosted up bill collection.</td>
</tr>
<tr>
<td>S4</td>
<td>The modus operandi of the company helps me to retain the customer.</td>
</tr>
<tr>
<td>S5</td>
<td>The retention strategies resulted in increased customer base.</td>
</tr>
<tr>
<td>S6</td>
<td>The diversified plans bear fruitful results in selling the same to the customer.</td>
</tr>
<tr>
<td>S7</td>
<td>The company has infrastructure strong enough to cope with the competition.</td>
</tr>
<tr>
<td>S8</td>
<td>The collection department of the company has sufficient strength of employees.</td>
</tr>
<tr>
<td>S9</td>
<td>The collection department of the company is equipped with modern communication technology.</td>
</tr>
<tr>
<td>S10</td>
<td>The website of the company is regularly updated with the new products which helps in retaining the customer.</td>
</tr>
<tr>
<td></td>
<td>Description</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>S11</td>
<td>My company does not need recovery department.</td>
</tr>
<tr>
<td>S12</td>
<td>The staff is regularly provided with training programmes.</td>
</tr>
<tr>
<td>S13</td>
<td>Retention process is well in direct proportion to collection.</td>
</tr>
<tr>
<td>S14</td>
<td>Loyalty programmes are well designed to give reward to customers for their cumulative patronage.</td>
</tr>
<tr>
<td>S15</td>
<td>Sales promotion schemes are there to encourage the customer to repeat purchase</td>
</tr>
<tr>
<td>S16</td>
<td>Sufficient vouchers entitling customers to a discount off one or more additional purchases, have been provided by the company.</td>
</tr>
</tbody>
</table>

- Among employees of Airtel, the highest extent of satisfaction was 4.48 (satisfied) on S12, followed by 4.42 (satisfied) on S14, 4.32 (satisfied) on S9, 4.30 (satisfied) on S3, 4.28 (satisfied) on S11, 4.24 (satisfied) on S13, 4.16 (satisfied) on S16, 4.06 (satisfied) on S1, 3.92 (satisfied) on S5 and 3.82 (satisfied) on S2, while the lowest extent of satisfaction came to be 2.86 (neutral) on S6 and S15, followed by 3.16 (neutral) on S10, 3.22 (neutral) on S7, 3.27 (neutral) on S8 and 3.34 (neutral) on S4.
- Among employees of Idea, the highest extent of satisfaction was 4.27 (satisfied) on S11, followed by 4.21 (satisfied) on S3, 4.12 (satisfied) on S5, 4.07 (satisfied) on S2, 4.05 (satisfied) on S13, 4.00 (satisfied) on S14, 3.96 (satisfied) on S12, 3.95 (satisfied) on S1, 3.72 (satisfied) on S9, 3.69 (satisfied) on S16 and 3.55 (satisfied) on S4, while the lowest extent of satisfaction came to be 3.04 (neutral) on S6, 3.15 (neutral) on S15, followed by 3.36 (neutral) on S10, 3.39 (neutral) on S7 and 3.44 (neutral) on S8.
- Among employees of Vodafone, the highest extent of satisfaction was 4.48 (satisfied) on S3, followed by 4.35 (satisfied) on S5, 4.27 (satisfied) on S1, 4.25 (satisfied) on S13, 4.21 (satisfied) on S11, 4.15 (satisfied) on S12, 4.12 (satisfied) on S4, 4.09 (satisfied) on S9, 4.08 (satisfied) on S14, 4.04 (satisfied) on S10 and 4.03 (satisfied) on S2, while the lowest extent of satisfaction came to be 3.39 (neutral) on S7, followed by 3.80 (satisfied) on S6 and S15, 4.00 (satisfied) on S16 and 4.03 (satisfied) on S2.
- Among employees of BSNL, the highest extent of satisfaction was 4.54 (satisfied) on S4, followed by 4.48 (satisfied) on S1 and S6, 4.42 (satisfied) on S13, 4.34 (satisfied) on S2, 4.26 (satisfied) on S14, 4.14 (satisfied) on S9, 4.12 (satisfied) on S3, 4.10 (satisfied)
on S8, 4.08 (satisfied) on S7, 3.92 (satisfied) on S15 and 3.86 (satisfied) on S10 and S11, while the lowest extent of satisfaction came to be 3.40 (neutral) on S12, followed by 3.54 (satisfied) on S16 and 3.58 (satisfied) on S5.

- Among employees of Tata Docomo, the highest extent of satisfaction was 4.44 (satisfied) on S1, followed by 4.39 (satisfied) on S15, 4.23 (satisfied) on S3, 4.18 (satisfied) on S16, 4.17 (satisfied) on S9, 4.13 (satisfied) on S4, 4.12 (satisfied) on S2 and S7, 4.09 (satisfied) on S11, 4.08 (satisfied) on S6, 4.05 (satisfied) on S5 and 3.99 (satisfied) on S8, while the lowest extent of satisfaction came to be 3.15 (neutral) on S10, followed by 3.61 (satisfied) on S12, 3.71 (satisfied) on S14 and 3.72 (satisfied) on S13.

- Among employees of Reliance, the highest extent of satisfaction was 4.47 (satisfied) on S1, followed by 4.42 (satisfied) on S3, 4.35 (satisfied) on S2, 4.32 (satisfied) on S11, 4.29 (satisfied) on S15, 4.28 (satisfied) on S7 and S9, 4.24 (satisfied) on S8, 4.23 (satisfied) on S16, 4.21 (satisfied) on S13, 4.20 (satisfied) on S6 and 4.12 (satisfied) on S4, while the lowest extent of satisfaction came to be 3.95 (satisfied) on S10, followed by 3.96 (satisfied) on S5, 3.99 (satisfied) on S12 and 4.04 (satisfied) on S14.

- In Airtel Company, the regression coefficients of age, self-income and family income were significantly positive of the order of 1.1822, 0.6745 and 0.7913 respectively. This revealed that an increase of one percent in each of these variables would lead to an increase of 1.18, 0.68 and 0.79 percent in the level of satisfaction of employees. With the age, experience increases and hence satisfaction level improves, while with the increased income, the economic responsibilities are fulfilled and whole of the attention of employees is on the work. This may result in increased level of satisfaction. On the other hand, the regression coefficient of education was significantly negative to the tune of -0.7129, which indicated that employees with higher educational level were less satisfied as compared to those with low educational level. This may be due to the higher expectations of employees with high qualification as compared to that among employees with low level of qualification.

- In Idea Company, the regression coefficients of self-income and family income were significantly positive of the order of 0.7422 and 0.6863 respectively. This revealed that an increase of one percent in each of these variables would lead to an increase of 0.74
and 0.69 percent in the level of satisfaction of employees. On the other hand, the regression coefficient of family size was significantly negative to the tune of -0.6571, which indicated that larger family size involves higher level of family responsibilities, resulting in less time devotion to the company’s work and hence satisfaction level goes down.

- In Vodafone, the regression coefficients of self-income and family income were significantly positive of the order of 0.5957 and 0.7821 respectively. This revealed that an increase of one percent in each of these variables would lead to an increase of 0.60 and 0.78 percent in the level of satisfaction of employees. On the other hand, the regression coefficients of gender, and education were significantly negative to the tune of -0.6257 and -0.7651 respectively, which indicated that female employees are less satisfied as compared to their male counterparts due to their involvement in higher level of family responsibilities, resulting in less time devotion to the company’s work and hence satisfaction level goes down.

- In BSNL, the regression coefficients of age, self-income and family income were significantly positive of the order of 1.1423, 0.6923 and 0.8112 respectively. This revealed that an increase of one percent in each of these variables would lead to an increase of 1.14, 0.69 and 0.81 percent in the level of satisfaction of employees. On the other hand, the regression coefficient of education was significantly negative to the tune of -0.6923, which indicated that higher education leads to low level of satisfaction.

- In Tata Docomo, the regression coefficients of age, self-income and family income were significantly positive of the order of 1.4549, 0.6452 and 0.7223 respectively. This revealed that an increase of one percent in each of these variables would lead to an increase of 1.45, 0.65 and 0.72 percent in the level of satisfaction of employees. On the other hand, the regression coefficient of family size was significantly negative to the tune of -0.6128, which indicated that larger family size leads to low level of satisfaction.

- In Reliance, the regression coefficients of self-income and family income were significantly positive of the order of 0.6372 and 0.7426 respectively. This revealed that an increase of one percent in each of these variables would lead to an increase of 0.64 and 0.74 percent in the level of satisfaction of employees. On the other hand, the regression coefficients of gender and education were significantly negative to the tune of
-0.5926 and -0.6897 respectively, which indicated that female employees and highly educated employees are less satisfied than male and low educated employees.

- In the overall situation, the regression coefficients of age, self-income and family income were significantly positive of the order of 0.7232, 0.6452 and 0.7822 respectively. This revealed that an increase of one percent in each of these variables would lead to an increase of 0.72, 0.654 and 0.78 percent in the level of satisfaction of employees. On the other hand, the regression coefficients of education and family size were significantly negative to the tune of -0.5834 and -0.5167 respectively, which indicated that employees belonged to large sized families and highly educated employees are less satisfied than those belonged to small sized families and low educated employees.

6.4 Conclusions

- The major source of conveying information to all customers as well as to public is media it can be Electronic, Social or Print Media. Out of all the options mainly Electronic Media Television has emerged as the major source of information of customers about company’s network, followed by newspapers and social media. If customers are updated about the network coverage in various parts of the country it will directly affect their level of satisfaction and hence will affect loyalty for the company. For e.g Airtel’s offer of Network Promise in which if call drops and customer calls back within few seconds then customer is not charged for that call. During survey this offer has really been appreciated by customers of Airtel. During survey this has also been concluded that uninformed network downtime of companies add to customer dissatisfaction and all of a sudden customers become uncontactable due to network downtime. They should be informed in advance. So it is concluded that Electronic Media plays major role in updating customers about company’s network.

- If customer is informed timely about various new products available with the operator and all problems are redressed within given span of time then customer will never think of switching over to any other operator and finally will help in reduction of churn for the company. It has been concluded that the highest extent of satisfaction among customers came to be on information of new products by the company, followed by
service quality resulting in retaining customers for long on board.

- It has been concluded that complaint handling management plays a major role in keeping customers for any operator on board for long. If complaint handling is effective and strong then there will be less churn. For eg- During study it has been found that many dissatisfied customers were unhappy with the customer care of the operator or they get irritated on the negative behavior of the employees sitting on front end at showrooms which ultimately increase voluntary churn. It also has been concluded that if problem of a customer is resolved at the front end and within given span of time customer’s level of satisfaction goes up. So complaint handling management has to be strong and effective to give boost to retention.

- It has also been concluded that Collection is the major and most important segment of all operators since it is the main source of operation for any operator. If collection figure of any operator is 100% then churn of that operator would be 0%. So collection is directly related to retention of the customers. It has also been concluded that most of the customers opt for self payment of their bills by visiting showrooms or availing home service provided by various operators for their customers. Hence it is concluded collection department of cellular operators need special focus for keeping the bad debt of any operator minimum.

- During this study it has been concluded that operator having better collection and retention tools attract customer attention. Various lucrative offers for the churning customers help in retaining those customers who are ready to board in ship of competitor operator as well helps in improving better collections of the operator also.

- It has also been observed that operators tend to deal with high ARPU customers and VIP customers during collection of their bills as well during providing resolution to their problem and sometimes by not paying proper attention to such customers sometimes result in churning of such high end customers. Although such type of customers are not much in numbers but their contribution in collections in quite high. Retention of such customers always lead to increase in collections.

- During study this factor has also been concluded that during framing of retention and collection strategy Employee opinion matters a lot. Suggestions of all on roll as well as off roll employees are taken to frame best possible strategy. Better collection and
retention policy will lead to increase in customer base as well as in repeat purchase by the customer.

- The variation in extent of satisfaction on statements like S4, S5, S6, S8, S9, S10, S12, S15 and S16 was found to be significant between different cellular companies. The level of satisfaction on all other statements was similar in all the companies. The level of satisfaction on ‘the modus operandi of the company helps to retain the customer (S4), the diversified plans bear fruitful results in selling the same to the customer (S6)’ and ‘the collection department of the company has sufficient strength of employees (S8)’ was significantly higher among BSNL employees while it was significantly low among Airtel employees. The level of satisfaction on ‘the retention strategies resulted in increased customer base’ was significantly higher among employees of Vodafone and low among employees of BSNL.

- The level of satisfaction on ‘the collection department of the company is equipped with modern communication technology (S9)’ was significantly higher among employees of Airtel and low among employees of Idea, while the level of satisfaction on ‘the website of the company is regularly updated with the new products which helps in retaining the customer (S10)’ was significantly higher among employees of Reliance and BSNL and low among employees of Airtel and Tata Docomo. Similarly, the level of satisfaction on ‘my company does not need recovery department (S11)’ was significantly higher among employees of BSNL and low among employees of Tata Docomo.

- The level of satisfaction on ‘retention process is well in direct proportion to collection (S13)’ was significantly higher among employees of Airtel and low among employees of BSNL. The level of satisfaction on ‘sales promotion schemes are there to encourage the customer to repeat purchase (S15)’ was significantly higher among employees of Tata Docomo and Reliance and low among employees of Airtel, while the level of satisfaction on ‘sufficient vouchers entitling customers to a discount off one or more additional purchases, have been provided by the company (S16) was significantly higher among employees of Reliance and low among employees of BSNL.

- It can be concluded that age, self income and family income emerged as the positive contributors of level of satisfaction among employees on the collection and retention strategies of their companies. The age and experience are directly related and longer
experience improves efficiency of work and hence the level of satisfaction. Self and family income helps to improve the confidence at work place, which may lead to the increased level of satisfaction.

- On the contrary, gender, education and family size bore negative relationship with the level of satisfaction. Female employees and employees, belonged to large sized families may have high level of involvement in family affairs which may hinder the attainment of work skills and hence the declining level of satisfaction. The highly educated persons are always ambitious and demanding and they rarely achieve the optimum level of satisfaction as compared to the persons with low level of education. Therefore, the cellular companies should give attractive salaries to the employees and they should devise appropriate strategies for highly educated employees.

- It has also been observed and concluded that regular counseling sessions, training programs, workshop, trips on target achievement, rewards and recognition help in boosting morale of the employees and they perform with more energy and motivation despite low salaries also. this practice helps in retention of employees for long.

6.5 Recommendations

- The cellular companies should use electronic media as mode of marketing for their network since it has been concluded that maximum customers get updated about company’s network strength through Television. It is recommended that all cellular companies should adopt statewise policy for updating their customers about their network coverage in the respective state. To market about network quality Regional Channels should be chosen to update customers of particular state. This practice will result in rise in satisfaction of customers since they will be updated about company’s network strength. In case of any downtime all customers of the concerned operator should be intimated in advance through SMS or Electronic Media to avoid customer inconvenience. This practice will result in downfall in customer dissatisfaction during periods of downtime. Like Airtel’s network promise scheme all cellular companies are advised to start such offers to avoid customers dissatisfaction in case of call drop.

- The cellular companies should utilize the services of electronic as well as print media to the maximum. Advertisements on Television, Radio and Newspapers are the main
means to convey information to the public so all the above-mentioned tools can be used for an advertisement of cellular operators’ latest offers and customer service quality in order to enhance the customers’ base as well as to update the existing customers about various new plans, tariffs, and schemes as part of their regular and routine activity. It is also recommended that customers should be informed about various offers, tariffs, new plans, combo offers through messages, auto-dialers, advertisement on television, newspaper, etc.

- **Complaint handling** is the major tool in retaining customers for long for any operator. It is recommended to all operators that customer care help lines and front-end executives at all operators’ showrooms should be fully loaded with retention tools and should have all the rights to resolve customer’s problem at very first contact point. Since first approach of any customer to get his problem resolved is either to call customer care helpline or to step in at any of the showrooms of operator. So both these points should be made very strong and effective. This will reduce voluntary churn as well if problem is resolved it will also impact non-voluntary churn which will finally result in effectively implementation of retention strategies.

- **Collection department** is the most important department. It is recommended to all operators that zero bucket collection department should be made strong so that they should deal with the customer problem during their first interaction. It is recommended that employees dealing with this department should be provided with all necessary retention and collection tools so that they should become capable to solve the problem of the customer at first point. It is also recommended that collection staff should be provided with special training programs about retention as well as collection schemes of respective operators.

- **Additional and lucrative Retention and Collection tools** are best source to retain the off-boarding customers. So it is always recommended to all operators to provision such retention and collection tools according to the requirement of the customer planning to churn. For e.g. By offering Soft Drink bottle on the due dates in Airtel has resulted an increase of collections by 30% throughout Punjab and by providing free of cost GPRS connection for 3 months in Vodafone has resulted in retention of 7 customers out of 10. So such offers are necessary for all operators for proper implementation of retention and
collection strategies.

• The cellular companies should develop different collection and retention strategies for different sections of the society e.g. for those who use the mobile phones for business purpose and for those who use the mobile phone for personal use, also offers should vary with respect to their monthly Average Revenue per unit/customer (ARPU). Further these can be segregated into categories like corporate category, Small Medium Enterprises category, VIP category, High Net worth income customers etc so that while offering any retention or collection tool, it becomes easy for the companies to identify the group. It is also recommended that well educated and fully trained officer rank executive should deal with such high end customers so that they should get the resolution as per their satisfaction level.

• The dissatisfaction among customers over the incentives offered by the company and complaint handling mechanism should be addressed effectively by offering attractive incentives and creating matching complaint redressal mechanism in the company. It has been seen that most of the customers opt for churning due to non-redressal of their complaints. Companies should create such a strong complaint management system where problems of all customers should be addressed or they should get solution within specified Turnaround time (TAT).

• In general, the highly educated employees should be heard carefully for their views about the collection and retention strategies of the companies. This may lead to the enhanced level of satisfaction among them about the collection and retention strategies. Brainstorming of such type of employees can happen as part of regular activity for getting the best solution for any specific problem. It is also recommended that along with the suggestion of On Roll employees, advise of field staff and of off roll employee should also be taken into account since these people know the ground reality and can help in better way to frame best possible retention and collection strategy for the operator.

• Highly income employees are more satisfied than the low income employees. Therefore, the cellular companies should offer handsome salaries to their employees in order to raise their level of satisfaction. Also employees should be offered various incentive schemes, tour packages on their achievements at regular intervals to motivate them and
to boost their morale. Rewards and recognitions should be annual activity of every cellular company.

- It is highly recommended that all cellular operators should keep handsome budget for their employees in organizing tour programs, workshops, training programs at regular intervals, recreational programs, reward and recognition for their performing employees to boost the morale and confidence level in them. Also timely promotions and increments in their salaries will be one of the best suited factor which would help them in retaining for long on board.
6.6 RECOMMENDATIONS FOR FUTURE RESEARCH

This study was intended to assess the ways in which the methodology offers significant value for the policy makers/regulators and telecommunications businesses. This thesis has laid the groundwork for understanding the dynamics of the Cellular industry and retention and collection strategies of various cellular operators involved. Numerous interesting researches could be conducted as an extension to this study.

The researchers in other countries are recommended to consider undertaking similar market research studies to support expansion strategies and identify issues of particular importance in national telecom markets.

There is lot of scope of this study in future, the study is done on 6 cellular operators which includes Airtel, Idea, Reliance, Vodafone, Tata Teleservices and BSNL the same study can also be conducted on rest of the operators like Videocon, Aircel, Virgin Communications etc.

Retention and Collection strategies of various cellular operators of Punjab have been taken into study, in future study can be conducted for cellular operators of neighbouring states also.

It is expected that future developments of the Data retention will span across other sectors. An extended scope of the data retention might cover sectors such as airlines, train operators, banks, insurance, companies, retail, entertainment and the healthcare sector.

It is also believed that data retention can become a revenue stream for some communication providers.

As data retention obligations are introduced in other sectors, market players will be looking at outsourcing, opening up a market for third-party data retention service providers.