RETENTION AND COLLECTION STRATEGIES OF VARIOUS CELLULAR OPERATORS

ABSTRACT

Presented to Faculty of Business Studies, Punjabi University, Patiala
In fulfillment of the requirements for the Degree of

DOCTOR OF PHILOSOPHY IN MANAGEMENT

SUBMITTED BY PRABHLEEN SINGH

SCHOOL OF MANAGEMENT STUDIES, PUNJABI UNIVERSITY, PATIALA
2014
**Abstract of Thesis**

Telecom is the exchange of information between two distant points in space. Telecommunications is a general term for a vast array of technologies that send information over distances. Mobile phones, land lines, satellite phones and voice over internet protocol (VOIP) are all telephony technologies. The telecom industry is very important for the socio economic development of a nation. Post liberalization of telecommunication industry has grown by leaps and bounds. The telecom industry is one of the fastest grown industries in India. India has nearly 200 million telephones lines it the third largest network in the world after China and USA. With a growth rate of 45% Indian telecom industry has the highest rate in the world.

In today's challenging economy and competitive business world, retaining customer base for all Cellular Operators is critical for their success. If Cellular Operators don't give their customers some good reasons to stay, their competitors will give them a reason to leave. Customer retention and satisfaction drive profits. It's far less expensive to cultivate Operators existing customer base and sell more services to them than it is to seek new, single-transaction customers. Most surveys across industries show that keeping one existing customer is five to seven times more profitable than attracting one new customer.

The research work started with the detailed study which involved study of retention and collection strategies of 6 GSM operators selected for study operating in Punjab. Their Head Offices were visited, literatures were studied, past literatures were reviewed and websites were explored for the maximum secondary data.

Secondly, various positive as well as negative retention strategies were studied in detail like customer delight, customer perceived value, loyalty schemes, sales promotion offers, customer engagement plans, mailing the customers, making soft and hard phone calls, legal options, skip tracing etc for studying that how collection strategies can foster stronger customer relationships.

Third part of the research covered the factors that contributed to customer attrition and strategies of various cellular operators to reduce customer attrition. Fifty shades of attrition were studied, reasons that contributed to customer attrition were studied and various steps like how to focus on customer since zero bucket till recovery were also explored. Understanding customer behavior, developing churn models, churn analysis, churn modeling using decision trees were part of the study during this step.
Next part of study focuses on to identify sub-segments of the customer base that is likely to churn away thereby providing a well identified segment to target with pre suspension efforts to reduce the churn. Various strategies that are adopted since acquisition of customer till his requirement is fulfilled has been focused in this part.

Last phase of the study stresses upon studying customer and employee satisfaction towards various facilities provided under collection and retention strategies and on the basis of responses to recommend best possible collection and retention strategy adopted by Operator for maximizing retentions as well as collections and resulting minimum bad debt.

Major part of this research has talked about the fact that how and till when companies should start and end their focus on retention and when their focus is required to be shifted from retention to collections as at frame of times customer becomes liability for the company. It will also help in predicting those customers who are at risk of defection at particular point of time and also will help in finding out various determinants of defection. This study has studied the problems of customer attrition and also help in examining the impact of factors that helps in contributing to retention behaviour. This research work helps in comparative study of various cellular operators policies and strategies of Retention as well as Collection and framing out that which Cellular operator of Punjab is chalking out best retention and collection strategy for keeping their customers for long term on board since effective collection policy would lead in more retentions and less bad debt.

Customers and Employees were asked to give their responses through specially structured pre designed and tested questionnaire. The study is based on both primary and secondary data. Appropriate statistical techniques have been used to evaluate the interrelation of various collection and retention strategies of Cellular Operators.

This study is an expectation that future developments of the data retention will span across other sectors seeing the importance of retention of the customers. An extended scope of the data retention might cover other service sectors such as airlines, train, operators, banks, insurance companies, entertainment and healthcare sectors.