Chapter 7:

Conclusions and Suggestions

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7.1. Conclusions:

Data analysis was carried out in two parts. Part-I was based on secondary data and part-II was based on primary data analysis.

7.2. Conclusions based on secondary data:

Following are the conclusions based on secondary data analysis.

1. A mobile service of MTNL is used by majority (59%) of customers followed by landline and broadband services.

2. Net revenue from operations of MTNL has been showing decreasing trend. Hence, there is a negative impact on the sales/revenue of MTNL during the study period.

3. Operating profit of MTNL has been showing a negative growth in the study period. Hence, there is negative impact of reforms on the operating profit of MTNL.

4. The net profit of MTNL has shown a negative growth and even incurred losses in the recent years. This shows the negative impact of economic reforms on the net profit of MTNL.

5. MTNL has shown a negative compound annual growth rate for the operating profit margin. This indicates that the impact of
economic reforms on operating profit margin of MTNL is negative and significant during study period.

6. Net profit margin of MTNL has shown a negative growth and decreased from the base year period. Thus it is inferred that MTNL has faced stiffed competition from the private companies.

7. The capital employed in MTNL has shown a positive growth during the study period. But still MTNL is not able to generate sufficient profits shows that performance of MTNL is deteriorated after the entry of private sector companies.

8. The return on capital employed in MTNL has shown a negative trend in last 10 years. This shows that MTNL has shown a negative performance post economic reforms.

9. The return on networth of MTNL has shown a decreasing trend in last 10 years. Hence, there is negative impact of economic reforms on return on networth of MTNL.

10. The employee strength of MTNL has shown a negative trend. Hence, there is negative impact on the employee strength of MTNL.

11. Return on Asset of MTNL has shown a negative growth in last 10 years. Hence, there is negative impact on the Return on asset of MTNL.
12. The compound growth rate in asset turnover ratio of MTNL is negative. This shows that MTNL has fail to utilize the asset in last 10 years.

13. The liquidity ratio of MTNL has shown a decreasing trend in last 10 years. Hence, there is negative impact on the liquidity ratio of MTNL.

14. The employee cost as percentage of sales of MTNL has shown a significant growth in last 10 years. Hence, there is negative impact of economic reforms on the employee cost of MTNL.

15. CAGR of 11 variables is negative and CAGR of 2 variables is positive. Negative CAGR is seen in net sales (-5.64 percent), operating profit (-22.13 percent), net profit (-24.55 percent), operating profit margin (-17.86 percent), net profit margin (-21.99 percent), Return on capital employed (-20.24 percent), Return on Networth (-27.27 percent), Employment generation (-3.6 percent), Return on Assets (-26.67 percent), asset turnover ratio (-8.9 percent) and current ratio (-7.74 percent). It indicates highest and lowest negative impact of economic reforms is on the return on networth and employment generation.

16. The positive CAGR is found in capital employed (2.41 percent), and employee cost as percentage of sales (18.99 percent). Here
the positive value of CAGR signifies negative impact as growth in employee cost is not good for the organization.

17. Out of 13 variables, 12 variables shows negative impact and 1 variable shows positive impact of economic reforms on performance of MTNL. As majority variables (92.30 percent) show negative impact, this study shows economic reforms has negative impact on the performance of MTNL.

18. There is a negative impact of economic reforms on the performance of MTNL.

7.3. Conclusions based on primary data analysis:

The primary data is collected through questionnaire method. The conclusions based on primary data are as follows.

7.3.1. Use and switching pattern of MTNL services:

1. The majority (62%) of the respondents have been using landline service followed by Mobile and broadband.

2. Only 33 percent respondents have switched from MTNL in the past and around 46 percent have intension to switch in future. Hence, there is significant negative impact of economic reforms on MTNL.

3. The majority (65 percent) respondents are not satisfied with the services provided by MTNL. Hence, there is negative impact on the satisfaction towards MTNL services.
7.3.2. Customer satisfaction on service quality of MTNL:

Following conclusions were drawn after analyzing the 8 dimensions of service quality of MTNL services:

1. Majority (83 percent) of customer’s feel that the communication materials like hoardings, websites and posters of MTNL are not as per their expectation. Therefore communication materials of MTNL are failing to make an impact on the customer buying behaviour.

2. Majority (82 percent) respondents think that offices and equipment are not matching their expectations.

3. Majority (72 percent) of respondents feel that physical facilities provided by MTNL are below their expectation and the appearance. Also the behaviour of employees of MTNL is much worse than their expectation.

4. Only few (21 percent) respondents think that MTNL is providing quick service but majority (78 percent) of respondents think that MTNL services are unreliable.

5. Majority (76 percent) respondents think that MTNL is worse in solving customers’ complaints.

6. Majority (72 percent) of MTNL customers think that MTNL services are not performing as per their expectation at first time.
7. Majority (86 percent) of respondents think that MTNL is not maintaining records as expected by them.

8. Majority (88 percent) respondents think that MTNL is much worse in maintaining turnaround time.

9. Only few (22 percent) respondents think that MTNL is prompt in providing services and attending customer’s problems.

10. Majority (74 percent) respondents agreed that MTNL employee’s willingness to help in emergency situations is below their expectations.

11. Majority (50 percent) respondents think that approachability, accessibility and communication with customers of MTNL employees is worse that their expectation.

12. Majority (83 percent) respondents think that MTNL is worse in providing specific needs of the customers and not providing individual attention to their customers.

13. Majority (77 percent) respondents think that MTNL is having worse operating hours and most of the respondents think that MTNL fall short to recognise a frequent customer through loyalty program.

14. Almost 86% respondents think that MTNL is not apologising for the inconvenience caused to the customers and MTNL employees have no sincerity and patience in resolving customers’ complaints.

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15. Majority (74 percent) respondents think that MTNL is not able to provide variety of Value Added Services.

16. Majority (78 percent) respondents think that MTNL employees’ are much worse in instilling confidence in customers and they are unable to inspire confidence and trust among customers.

17. Majority (84 percent) of respondents think that MTNL employees skill and knowledge is not adequate.

18. Majority (67 percent) respondent are not satisfied with prepaid and post-paid plans and recharge options and denominations of MTNL services whereas majority (65 percent) respondents are not satisfied with MTNL’s call charges and data charges.

19. Majority (71 percent) of respondents are not satisfied with technical quality of MTNL and think that network clarity of MTNL is worse.

20. Majority (71 percent) respondents think that skill and technical knowledge of MTNL employees is not adequate.

21. Majority (74 percent) respondent think that MTNL is lack network innovativeness and unable to implement new technologies.

22. Majority (65 percent) respondents are not satisfied with the network coverage of MTNL.

23. Majority (64 percent) respondent’s think that MTNL is not successful in business and achieving their mission.
24. Majority (69 percent) respondents think that MTNL has lost its reputation and their brand image is also fallen in last 10 years.

25. Majority (70 percent) respondents think that MTNL has fallen short in social responsibility.

26. Customers are not satisfied or they are dissatisfied with service quality of landline services of MTNL.

7.3.3. Assessing customer satisfaction based on Customer Satisfaction Index (CSI):

Following conclusions were drawn in respect of customer satisfaction index of MTNL services:

1. The customer satisfaction index for Landline service is 53.48 which indicate fair satisfaction for the landline service of MTNL.

2. The customer satisfaction index for Mobile service of MTNL is 44.94 which show that customers’ satisfaction level is low for mobile service of MTNL.

3. The customer satisfaction index for Broadband service is 45.30 shows MTNL customers are having low satisfaction level compared to landline service but more than mobile service of MTNL.

4. The customer satisfaction index for overall service including landline, broadband and mobile service is 47.42 which show that MTNL customers are having low satisfaction level compared for overall services of MTNL.
7.4. Suggestions:

After studying and analyzing the impact of economic reforms on performance of MTNL few suggestions are given to improve service quality of MTNL through which the performance and productivity of MTNL will improve.

1. MTNL has state of the art infrastructure to improve the performance. It is suggested that it should focus on service quality so that customer satisfaction with services will increase.

2. MTNL should aggressively market its services so that customers will get awareness of these services and offers.

3. There should be improvement in the communication or advertising material so that proper communication of various plans and offers will be known to customers.

4. There should be improvement in the website of MTNL. Nowadays most of the customers are techno savvy, so to impress these customers, website must be up-to-date and creative.

5. There should be improvement in the offices and furniture to make customer comfortable while their visit to offices and also various facilities like recharging points, water, washrooms and sitting arrangements for the customers.

6. It is suggested that front desk employees in the offices should be given an attractive uniforms. Apart from that formal training should
be provided to customer service employees in respect of customer handling and solving their problems.

7. There should be clear display of names of each sections and accessibility of customers should be improved so that customer should not baffled.

8. Around 79 percent respondents think that waiting time is more in service delivery; so it is suggested that MTNL should increase the customer service employees and have sufficient staff for attending the customers.

9. It is suggested that the customer service employees in MTNL should focus on delivering reliable service to customers. The reliable service will help in adding new customers while retaining the existing customers.

10. There should be focus on solving the customer complaints. A quick response from the customer service employees will improve the satisfaction of the customers.

11. Around 86 percent respondents say that MTNL is poor in record keeping. So it is strongly suggested that MTNL should implement Customer Relationship Management (CRM) and focus on delighting the customers becoming proactive rather than reactive. CRM will also help in identifying the regular customers and rewarding them with sound loyalty schemes.

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12. There should be a mechanism to monitor the time taken to resolve the customer’s queries. Normally, Turnaround time (TAT) is specified in the service manuals of most of the companies. This system shall be implemented in MTNL so that service is delivered on time to customers.

13. It is suggested that MTNL should focus on providing prompt and quick service so that customer’s complaint get resolved quickly. This will help in improving the satisfaction and thus loyalty of the customers.

14. It is observed that telecommunication services are become essential service for the customers. In case of customers having emergency satiation, like internet is not working, a quick response is needed from the company. Therefore, it is suggested that MTNL should train its staff to assess the need of the customers and act accordingly. This will not only increase the satisfaction but also help in increasing the reliability of services which is crucial factor in telecommunication services like broadband.

15. There should be improvement in the recharge options and validity of plans for services of MTNL. There should be schemes for attracting specific customers like students, housewives, tech savvy customers. Students should be provided with low cost plans and CUG plans whereas tech savvy customers should be given plans
fulfilling their technical requirements like gaming, chatting, downloading etc.

16. There should be improvement in operating hours of the customer service center of MTNL. The most of the working customers are visiting the customer service centers in lunch time so the timings of lunch, tea in customer service center should be adjusted accordingly.

17. It is suggested to the customer service employees in MTNL that individual attention should be given to each customer so their specific needs should be understand and fulfilled. This factor will help in attracting customers who are new to use particular service of MTNL.

18. Customers always prefer innovative products especially techno savvy customers so it is always advisable that they should take care of desire and expectation of customers.

19. Value added services are very important for retaining the customers in services especially for mobile services. Thus, MTNL should focus on providing variety of value added services Music, access to internet, SMS, MMS, astrology, ringtones, caller tunes etc.

20. It is suggested to MTNL staff that they should focus on encouraging customers to use variety of services so that revenue is increased for MTNL apart from addition of customers. Employees should change
their mindset as government servant and act as employee of the corporate.

21. MTNL should adopt a franchisee model to outsource a customer service along with sales so that service accessibility will increase and also promotion of various services of MTNL is done through these franchisees. This will also help in reducing the employee cost and increasing the profitability of company.

22. Landline service of MTNL is used by most of the respondents. Hence it is suggested that other services like mobile, broadband, IPTV, leased line should be promoted aggressively so that more customers are aware about the plans and schemes about these services.

23. Most of the respondents (84 percent) think that skill and knowledge of MTNL employees is needed improvements and thus efforts should be made by MTNL to improve the skills and knowledge of the employees of MTNL. Various training programs not only technical but also consumer behavior should be given to employees of the customers.

24. Most of the respondents think that prepaid and postpaid plans of MTNL are not attractive. Hence it is suggested that MTNL should improve the prepaid and postpaid plans and make them attractive along with call and data charges of various services of MTNL.
25. Most of the respondents are not satisfied with network quality of MTNL. Therefore it is suggested here that MTNL should focus on their network so that call processing and other network related problems should be minimized and quality service is delivered to the customers.

26. Broadband services are seen as the next generation telecommunication service. It has tremendous scope for growth especially in metro cities like Mumbai and Delhi. Hence it is suggested that MTNL should tap this market by providing variety of broadband services.

27. From the service quality dimension, it is suggested that MTNL should focus on responsiveness, reliability, assurance and empathy dimensions to improve the customer satisfaction of customers.

28. The American satisfaction index is a market oriented performance measure used by many corporations to measure the satisfaction of their own customers. Such mechanism is missing in Indian economy which gives referential data for customer satisfaction for various products and services. Hence it is strongly suggested here to implement market oriented performance measure such as ACSI which will give information about customer satisfaction with various products and services. It is helpful for individual customers
while purchasing and also helpful for corporate to assess the service quality of their product and services.

7.5. **Scope for future research:**

This study is performed with some limitations and assumptions that can be used as opportunity to future researchers for their study. Therefore some scope for future research topic related to current study is as under.

1. The scope of the future research should be on assessing the impact of economic reforms on public sector enterprises having manufacturing facility or services organization.

2. The future scope of the study should be on Understanding the failure of public sector enterprises and suggesting remedy to improve the performance of public sector enterprises.

3. The future scope of the study should be on comparative performance assessment of public and private sector enterprise in telecommunication industry.

4. The future scope of the study should be also on the assessment of customer satisfaction with services of public sector enterprises or comparative assessment of service quality of public and private sector enterprises.