CHAPTER I

INTRODUCTION

1.1 INTRODUCTION

Telecommunications is one of the few sectors in India that have witnessed the most fundamental structural and institutional reforms since 1991. Emerging as one of the fastest growing telecom markets in the world, Indian telecom still continues to register a significant growth. The Indian telecom network had about 526 million connections as on 31st October 2009. With 488 million wireless connections, Indian telecom has become the second largest wireless network in the world after China. The current addition of about 14 million connections per month puts the telecom sector on a strong footing. The target of 500 million connections by 2010 had been achieved in September 2009 itself. Approximately 85 per cent of the eleventh plan target of 600 million connections has already been achieved at the half-way point. With the addition of 15.23 million new wireless and wireline subscribers in September 2009, India crossed
the 500mn mark in telephone subscription, touching 509mn connections, i.e., 471.7mn wireless and 37.3mn wire line connections. This was much ahead of the goal set by the government for the end of 2010. As predicated by Voice & Data, by December 10, the industry achieved another 500mn in mobile phone service subscriptions. Gone are the days when people in India used to wait for 2-3 years to get a telephone connection. The teledensity has crossed 100 per cent in urban areas, whereas the number of cell phone connections have exceeded the urban population, thanks to the intense price war was over the past three months. The over 100 per cent urban teledensity reflects multiple SIM ownership. Urban India accounts for close to 70 per cent of India’s 500mn cellular users and over 75 per cent of the telecom operators’ revenues. Still, rural India has huge potential and is an untapped sector, with a teledensity of 19 per cent. Now, operators are focusing more on rural expansion as the urban market has got saturated.

1.2 TELECOMMUNICATIONS MARKETING IN THE INDIAN PERSPECTIVE

One cannot deny the fact that after the attainment of independence and to be more specific during 1980s and 1990s, the telecommunication services,

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1 Amulya. M Assistant Professor, Department of Studies in Business Administration, Bahadur Institute of Management Sciences, University of Mysore, Manasagangothi, Mysore – 6, Karnataka E-mail: amul-m@yahoo.com.
have made rapid strides both in quality and quantity. However the users at large are found dissatisfied with the quality of services made available to them. The process of technological sophistication has gained the momentum but the users are yet to get the quality services. The level of efficiency is found disappointing and is instrumental in decelerating the rate of productivity. This makes it essential that we go through the problem with a new vision. It is against this background that we make a strong advocacy in favour of the application of aggressive marketing principles in the Department of Telecommunications.

The professionals and technocrafts have to find out the ways which make possible qualitative improvements in the Telecom services. The domestic, commercial, institutional sectors expect world class services. The management experts feel that the telecommunications department needs to conceptualize marketing which not only improves the quality of services while but also is instrumental in generating profits. Not only this, the services would also be made economical, because the unproductive expenses would considerably be regulated. This draws our attention on the formulation of marketing mix in the Indian perspective.
The first and the foremost task before the professionals engaged in marketing the services is to formulate a sound marketing mix in which different sub mixes are developed in the face of the changing expectations of users at large. We accept the fact that a number of services have been included in the service mix. The telephonic services occupy a place of outstanding significance since almost all sectors and segments are found using telephones. The problem is to increase the telephone density which is found abysmally low. As against the North America and Western Europe who have telephone density of 0.60 per hundred, which is below the density of telephone found even in some of the developing countries, such as Iran, Philippines, Egypt, Malaysia, Singapore, Thailand, China or so. This makes it essential that the marketing professionals think in favour of expanding the telephonic services. Another dimension is the quality of services made available to the telephone users which also requires to be improved. This draws our attention to a number of factors. The technological problems have substantially been solved but the supporting arrangements are found very poor. The underground cabling is not as per the standard and specifications, the telephone instruments supplied to the users are of substandard quality, the connecting points or junctions are ill-managed, and the linemen are not only inefficient but indecent and dishonest too. The technocrafts do not evince their interests in solving the problems. They even
promote unfair practices. The administrative personnel do not know about administration or they know everything except administration. The offices lack work culture. This makes it essential that the board-rooms think about structural transformation in the system. It is high time that the management cadre is given due weightage and aggressive marketing strategy is practiced. The computers have been made available but the billing system is found wrong. At the outset, the marketing professionals need to improve the quality of telephonic services which has been found making an invasion on the image of the Department of telecom.

The Department of Telecommunications needs to promote the services with the help of all three media, such as print media, broadcast media and the telecast media. However they need to concentrate on print media since in addition to economy, it is also to make available to them adequate space for presenting information. Of late we have sophisticated print technology and quality print materials that would make advertisement more attractive and proactive. It is pertinent that we seek the cooperation of leading advertising professionals for making possible creativity in the promotional efforts. While advertising the new services, they need to focus on the salient features of the services to be included in the service profile. In addition, they can also advertise
through broadcast and telecast media but they have to be careful that the promotional expenses are found productive. The publicity measures, personal selling, word-of-mouth communication, sales promotion and telemarketing would also be helpful in promoting the business. While selecting a constituent or while formulating a mix of different constituents, it is pertinent that the professionals assign due weightage to creativity. We promote the services which help the department in informing, sensing and persuading the prospectus and users and therefore we also need to strike a balance between the services advertised and services offered. For the telecommunication organizations it is significant that they at the outset improve the quality of services and only then think regarding the direction of promoting the same.

The tariff structure is an important decision making area which draws due attention of the professionals. In any case, we are not supposed to invite cost-price-squeeze by making the social costs and unproductive expenses disproportionate. The department needs a free hand while setting the structure. The involvement of government in the process would jeopardize everything. It is right to mention that in the Indian perspective we find government interfering in the pricing and other decisions which have been making way for a number of complications and problems. The financial imbalance is, of course, the result of
government interference and therefore it is significant that we depend on the professionals.

If it finds an increase in the costs of inputs used; if it finds an increase in the administration bill, it is natural that the tariff structure is revised in the face of multi-dimensional changes. If it fails to do so, the costs of services would go up but the telecommunication organizations would find it difficult to make a revision in the structure which in the due course would aggravate the problem of financial crunch. It is against this background that it makes a strong advocacy in favour of freedom in setting the tariff structure. There is no doubt that the professionals are well aware of their limits to social costs and they are supposed to adjust the same in the face of financial health. If they are financially sound, it finds scope for increasing the social costs and therefore the most important thing in the process is to make the tariff structure rational. It is the responsibility of the professionals to regulate the unproductive expenses so that the services are made cost effective.

The telecommunication organizations need to bridge over the gap between the services promised and service offered. This makes it essential that they promise carefully and offer professionally. This requires due cooperation
of different categories of personnel involved in the process. In addition, we also need sophisticated technologies which are to be more instrumental in increasing the level of efficiency. The distribution points are required to be leak-proof. The training facilities imparted to the different categories of personnel need due weightage to value-orientation. It finds sophisticated technologies but a gap between the evolving technologies and the quality of working personnel generates a service-gap or quality–gap. This is to be stopped. As and when the technologies are evolved, it needs to offer to them the required training facilities to make them aware of the efficient operation and maintenance. In addition to other aspects, they also need to improve the quality of personnel and this requires due weightage to the management of human resources. Quality technologies fail in delivering the goods if quality personnel are not available. The one thing that we find very disturbing in the entire episode is the poor quality of personnel engaged in the process. Efficiency is not the lone index to gauge the quality of employees. In addition, other features are important, such as personal commitment, dedication to profession and the most important one, value engineering. The existent work culture in the public sector organizations in general and the telecommunication organizations in general and the Department of telecommunications in particular makes it clear that it has everything except quality personnel.
1.3 TELECOMMUNICATIONS MARKETING – A CONCEPTUAL FRAMEWORK

Telecommunication services play an incremental role in the multidimensional development activities. A well-functioning telecommunications network is an essential component of economic infrastructure. The applications of modern marketing principles in the telecommunication services would make way for the generation of profits and at the same time would also make the services affordable to the users at large. The telecommunication organizations are supposed to market the services in such a way that a high level of efficiency generates a high level profit. With that growing sophistication in the process of telecommunication technologies, we find multi-faceted services offered by the telecommunication organization which is managed and controlled as a government department by the Ministry of communications. Telecommunications marketing focuses our attention on marketing the services professionally and this makes it a managerial process. The marketing professionals bear the responsibility of managing the services which are made nationally and internationally competitive. The rate of profitability is increased substantially to cycle the process of development in tune with the changing
expectations of users. This paves avenues for the information generating organizations for developing a sound information system that helps in shaping and innovating the perception of quality. The planning, organizing, staffing and directing processes are found easier. The tariff structure is made rational. This makes it a systematic approach to accomplish the organizational goals. In the armoury of management, of late we find social considerations getting an important place and the telecommunications marketing being a social process simplifies the task of social transformation. We consider telecommunications marketing managerial approach to pave avenues for the qualitative –cum-quantitative improvements. In view of the above, we observe the following facts regarding telecommunications marketing.

- Telecommunications marketing is a managerial process that helps an organized development of the telecommunication services.
- It is an organized effort to formulate a sound marketing mix for the telecom services.
- It is a social process to help the individuals and institutions in activating the process of social transformation. Besides, the social costs shouldered and the subsidized and confessional services to be offered to the selected segments of users are given due weightage.
- It is a planned development process that makes possible an optimal development of telecommunication services.

- It is a device to develop a new perception of services by offering innovative, competitive and profit-oriented services.

- It is a customer–satisfaction-engineering that makes possible an in-depth study of the changing behavioural profile of different categories of users and incorporates necessary changes in the service portfolio accordingly.

1. **To make possible qualitative improvements in the service profile**: It is right to mention that, except a few, almost all the service generating organizations are required to improve the quality of their service profile. The marketing professionals make a strong advocacy that the application of marketing principles would activate the process of qualitative transformation.

2. **To make possible quantitative improvements**: It a country like India, it is significant that communications networks are canalized to all the regions so that almost all segments of the society get an opportunity to avail of the services. It is advocated that application of marketing principles would make the organizations commercially viable and financially sound which would energize the process of development and expansion.
3. **The cost–effectiveness is made possible:** Economy in operation is considered essential to make the services affordable to the users as well as profitable to the information selling organizations. The application of modern marketing principles makes possible cost-effectiveness since the marketing professionals bear the responsibility of optimizing the costs of offering the services.

4. **Commercial viability is maintained:** We cannot deny the fact that with a quality service profile, an organization finds it convenient to maintain commercial viability. This is due to the fact that we find a significant increase in the number of users. The tariff rate may be low but the total profit is found high. The operational economy and the tremendous market potentials make way for the profitable selling which in the due course helps an organization in maintaining commercial viability. A commercially viable organization finds it easier to cycle the process of development.

The marketing principles focus on performance orientation which makes possible a high level of efficiency that is found significant to accelerate the rate of productivity. This also helps telecommunication organizations in increasing the rate of profitability.
5. **Satisfaction to Users**: We consider marketing customer satisfaction engineering. The innovation in the process of formulating the service profile, an in-depth study of the changing level of expectations of users and development of marketing inputs in tune with the changing needs and requirements are some of the positive contributions which help in satisfying the users.

6. **Projection of a fair image**: You are suitably rewarded for your efforts to build up a fair image by offering quality and economic services to the users. If the telecommunication organization succeeds in formulating a sound service profile, the task of building a positive image is done. The marketing professionals may help the telecommunication organizations in projecting a fair image by sharpening the instrumentality of creative promotional measures.

7. **A rational tariff structure**: There are a number of positive developments processes that make way for designing a rational tariff structure. By a rational tariff structure, our emphasis is on making the structure optimal which on the one hand generates profit to the organization while on the other hand also makes the services affordable. The application of marketing principles makes possible operational economy, an optimal utilization of market potentials, a high level of efficiency, a control on
unproductive expenses and these developments generate a conducive condition in which the tariff structure can be made rational.

The Product Mix

It is the fact that telecommunications include a number of services, such as the telephonic services, telegraphic services, e-mailing services, fax services, inter-net services and so on. With the development of sophisticated communication technologies, we find a big change in the service profile of telecommunication organizations. On the one hand the telecom organizations feel that the services are quite satisfactory while on the other hand we find increasing cases of dissatisfaction among the users. This makes it essential that we make sincere efforts to improve the quality of services.

It is right to mention that the telecommunication organizations offer multi-dimensional services to the different categories of domestic and instructional users. The marketing professionals bear the responsibility of making sure that a sound services profile is designed in which both the categories of services, such as core and peripheral are optimally blended. It is against this background that we go through the process of formulating the product mix.
The Promotion Mix

This sub mix of the marketing mix focuses on creative promotional measures helping the telecom organizations in informing, sensing and persuading the users. In this context, we are through different constituents of promotion, such as advertising, publicity, sales promotion, personal selling, word-of-mouth promotion and telemarketing.

Advertising: like other organizations, the telecommunication organizations may also advertise with the help of media. All the three media, such as the print media, broadcast media and telecast media can be used for that very purpose. While advertising, the marketing professionals in general and the advertising professionals in particular are supposed to make the slogans, themes and appeals more creative so that the target prospects are sensitized in a right way. The print media may be more effective since while advertising through this media, an organizations gets adequate space to inform and sense the users.

In addition, they can also advertise through the broadcast media. Of late, we find almost all the areas of the country on air transmission network which
would help the telecom organizations is sensitizing the users. The advertising professionals having world class excellence are to be engaged for that purpose who would design advertisement layout, compose slogans and messages bearing more creatively. If they are professionally sound, the advertising budget would also be made optimal.

**Publicity:** Another component of promotion focuses on publicizing the business with the support of media personnel and opinion leaders. The telecom organizations may use this consistent with the motto of informing the prospects the salient features of innovative services offered or to be included in the services mix. This is not to influence the promotion budget of the telecom organizations since we find publicity a non-paid form of persuasive communication. In this context, it is pertinent that the marketing professionals, sales people, public relation officers supposed to establish contact, specially with the large–sized customers or the trade representatives have high communicative ability and a rich information bank so that they succeed in impressing upon the representative or prospects.

**Sales Promotion:** We are well aware of the fact that in the telecommunication services, we find a seller’s market in the Indian perspective
and therefore the sales promotion measures are not preferred by them. Here it is essential that the telecommunication organization makes use of sales promotion measures for promotion the innovative services, specially used by the large-sized customers. If the prospects are offered some small gifts, the motivation process would be switched on. In addition, they also need to offer innovative tools of sales promotion to some of the high performers in the group of employees who instrumentalise the process of getting the profitable business.

**Dimensions of Mobile Sales Promotion**

In India, coupons have made their debut now and growing consumerism in India encourages mobile coupons in a market aimed at bargain-hunting, since purchase of Indian consumers have always been largely driven by bargain-hunting. With rapid increase in organized retail, couponing essentially services as a tool which enables bargaining for organized retail. Many categories like groceries, pizza, and beauty services are offering some really useful coupons to consumers. It makes perfect sense to leverage the company’s consumer position and get the best value for every rupee spent.
According to recent survey by HipCricket (US mobile advertising firm), 37 percent of the consumers are interested in participating in a mobile customer-loyalty program. In fact, as coupon usage has experienced an upswing during the recession, more and more shoppers have signed up to receive special offers through third-party cell-phone applications and text-message programs.

**Contest:** A contest is a promotion where consumers compete for prizes or money on the basis of skills or ability. The company determines winners by judging the entries or ascertaining which entry come closest to some predetermined criteria. Television is another culturally entrenched constant in the life of the average Indian. Typically, TV viewing has been a passive affair; however, following the global trend, TV channels have been focused on making programming interactive. Thus programmes, especially music & contest shows have started giving the option to their viewers to participate through SMS. A popular show like Kaun Banega Crorepati (KBC) generated 58 million SMS over a 3 month period. These shows have also been a key driver in increasing familiarly with basic SMS for traditional low user segments like non-working women. Contests like predict and win, make your own team and similar promotions are run using Pull SMS services by media companies and advertisers.
SMS Voting for TV Contests: Voting in reality TV shows is the most popular contest type urban Indians participate in by sending SMSs to the preserved short code. 45 million urban Indians mentioned voting in reality TV shows, the most popular SMS contest/vote type followed by voting in news polls (31.64 million).

Many companies have development contests that are interactive and delivered by cell phones and/or the internet. Mobile users were invited to SMS what makes them say ‘I’m Loving it’ to 54646 and the best entries won McDonalds m-coupons (mobile coupons which they could flash at any outlet) to avail of discounts on food and beverages at McDonalds. India is fast emerging as the world’s fastest growing mobile market. With an approximate average monthly addition of 7 million new users, mobile promotions are becoming popular among Indian marketeers.

**Event Promotion:** Event marketing is a type of promotion where a company or brand is linked to an event or where a themed activity is developed for the purpose of creating experiences for consumers and promoting a product or service. Marketeers often do event marketing by associating their product with some popular activity such as a sporting event, concert, fair, or festival. However, marketeers also create their own events to use for promotional
purposes. Event marketing has become a very popular part of the integrated marketing communications programmes of many companies as they view them as excellent promotional opportunities and a way to associate their brands with certain life styles, interests, and activities. Events can be an effective way to connect with consumers in an environment where they are comfortable with receiving a promotional message.

**Personal Selling:** The instrumentality of personal selling is involved in the essence of promoting the business with the support and co-operation of sales people.

**Word-of-mouth promotion:** The satisfied group of users would narrate to their friends, relatives, well wishers regarding the outstanding services they experienced as a customer. We trust our relatives and friends and therefore we may use the services as and when the circumstances necessitate so. It is in this context that we make a strong advocacy in favour of improving the quality of services by the telecommunication organization.

**Telemarketing:** we are well aware of the fact that in this component of promotion we find telemarketeers promoting the business with the support of telephones. The telemarketeers play here an effective role since their
communicative ability determines the magnitude of success. The telecommunication organizations for removing confusion and misunderstanding of the prospects and further for bridging over the communication gap may use telemarketing.

**The Price Mix**

Almost all the organizations either producing goods or generating services find pricing decisions significant to the development process. What to talk of prosperity, we find even the existence of an organization in doubt if the mistakes are committed while making the pricing decisions. It is against this background that we talk about this component of the marketing mix. In the context of telecommunication organization, we find tariff charged for the services offered. It is well known that the different categories of users buy the services and therefore the telecommunication organization is required to be more careful in setting the tariff structure. The main thing is the designing of a rational tariff structure which on the one hand makes way for profit-generation while on the other hand also makes the services affordable to the users. There are two categories of users, first-users using the services for domestic or personal purposes and the second category of institutional users using the services for
commercial purpose. We also find a third category of users using known as Pay Phone Services who buy the services from the telecommunication organization and sell them to the different categories of users in which a nominal commission is found included. The telecommunication organization also charges licensing fee from the pay phone centres which is found to be a big source of revenue to the telecommunication organization. While making the pricing decisions, the telecommunication organization is required to be careful so that copious avenues are paved for generating profits. It is against this background that we go through the pricing policy of the telecommunication organization. The Telecom Regulatory Authority plays a significant role in making the pricing decisions in the Indian context. This makes it essential that the Department of Telecommunications takes into consideration a number of factors while making the tariff decisions.

In view of the above, it is right to mention that the pricing decisions were critical as well as chaotic and challenging. The professionals need world class excellence and a free hand. If we find professionals managing the business they are supposed to know about the magnitude of social costs they need to shoulder.
The Place Mix

It is not only sufficient that you promise world class services and generate a gap in processing. You are supposed to be careful that the gap between the services promised and services offered is bridged over. In the place mix, we need to gravitate our attention on two important issues, first the promised services reach the ultimate users in a decent way and second the location points for the telecommunication services are not instrumental in generating complications to the users vis-à-vis to the personnel working there. The administrative offers in particular are required to be accessible. The users and personnel working there should not have difficulties while visiting the offices. The places are also to be safe so that the cases of theft of the assets and unavailability of infrastructural facilities are not to intensify the inconveniences caused to the persons visiting the offices. Thus the location decisions are vitally important to the telecommunication organization.

The People Mix
In the formulation of marketing mix, we also need to manage the human resources in an effective way. Almost all the public sector organizations working in the Indian perspective underestimate the instrumentality of employees in increasing the level of efficiency. Even the traditional technologies may deliver goods to the users if the employees working there are competent. Contrary to it, even the sophisticated technologies fail in satisfying the users if the employees lack of quality. We focus here is on ‘quality’. It is right to mention that sky is the limit for quality. If we talk about quality of human resources our emphasis is on a number of attributes and properties required for processing the promised services.

The boardrooms, senior professionals and the marketing professionals are required to assign due weightage to the people mix. The telecommunication organization is also supposed to assign an overriding priority to the Total Quality Management that focuses our attention on quality technologies, quality employees, quality environmental conditions at the workplace or so.

1.4 CURRENT MOBILE MARKETING TECHNIQUES
Among various mobile marketing channels globally, SMS is trendiest because of its ubiquitous nature. Also, mobile coupons are gaining recognition as part of the overall marketing campaign; the coupons are emailed and then can be redeemed at specific vendor machines. There is growing interest in location in terms of time, place and occasion where people shop, and experts believe that mobile is an ideal medium for this.

Other marketing media holding strong appeal include MMS, Bluetooth, in–game, mobile web marketing and location-based services, etc.

1. SMS Marketing
2. MMS marketing
3. Bluetooth marketing
4. In-game mobile marketing
5. Mobile Web marketing
6. Location based services

**1. SMS Marketing:** It is one of the most popular forms of mobile marketing. Marketing on a mobile phone has become increasingly popular due to the rise of SMS (Short Message Service) in the early 2000s in Europe and some
parts of Asia when business people started collecting mobile numbers and sent wanted (or unwanted) content. Over the past few years, SMS has become a legitimate advertising channel in some parts of the world. This is because unlike email over the public internet, the carriers safeguard their own networks through set guidelines and best practices for the mobile media industry.Advertisers can send the message directly to the mobile phone of the customer. Further, SMS marketing done will download a positive and immediate response in relation to television advertising or advertising through print media. The reason is that customers get a clear picture of the producer or service directly from the business organizations.

2. **MMS Marketing:** MMS mobile marketing can contain a timed slideshow of images, text, audio and video which is delivered via MMS (Multimedia Message Service). Nearly all brands of latest mobile phone handsets produced with a colour screen are capable of sending and receiving standard MMS message. Brands are able to both send (mobile terminated) and receive (mobile originated) rich content through MMS A2P (application – to-person) mobile networks to mobile subscribers. In some networks, brands are also able to sponsor messages that are sent P2P (person –to-person).

3. **Blue Tooth Marketing:** Proximity marketing is the localized wireless distribution of advertising content associated with a particular place.
Transmission can be received by individuals in that location who wish to receive them and have the necessary equipments to do so. Distribution may be via, a traditional localized broadcast, or more commonly is specifically targeted to devices known to be in a particular area.

The location of a device may be determined by:

- A cellular phone being in a particular cell.
- A Bluetooth or WiFi device being within the range of a transmitter.
- An internet enabled device with GPs enabling it to request localized content from internet servers.

Bluetooth technology is growing and many devices like mobile phones, ipod’s, handheld devices, ipaq’s and notebooks are equipped with Bluetooth technology today. Bluetooth marketing via mobile phones is a relatively new form of marketing. Bluetooth marketing and wireless marketing are demanding sales and marketing techniques which give companies and enterprises the ability of efficient and in time SMS advertisement. This is like an SMS massage sending to mobile devices. Mobile advertising and mobile marketing techniques will increase in the upcoming years much more than before. Bluetooth advertising is also permission based. Bluetooth messaging is not spam messaging since without getting the permission from the phones to receive messages, the same is not sent to the subscribers.
Some of the applications areas of Bluetooth marketing software:

- Banks
- Restaurants
- Hotels
- Shopping malls
- Travel agencies
- Real estate agents
- Fairs, shows
- Nightclubs, cafes, bars
- Political parities

4. **In-Game Mobile Marketing:** Brands are now delivering promotional messages with mobile games or sponsoring entire games to drive consumer engagement. This is known as mobile advertisements or Ad-funded mobile game.

5. **Mobile Web Marketing:** Now-a-days, marketeers post their advertisement on web pages, which can be accessed by Mobile services. The mobile marketing association provides a set of guidelines and standards that give the recommended format of advertisement, presentation, and metrics used in reporting. Google, Yahoo, Rediff and other major mobile content
providers are selling advertising placement on their properties for years already as of the time. Many advertising networks that are focused on mobile properties and advertisers are also available.

6. **Location-based Services**: Location Based Services (LBS) are offered by some cell phone networks to send custom advertising and other information to cell-phone subscribers on the basis of their current location. The cell-phone service provider gets the location from a GPRS chip built into the phone, or using radio location and trilateration based on the signal-strength of the closest cell-phone towers (for phones without GPRS features). LBS services use a single base station, with a ‘radius’ of inaccuracy, to determine a phone’s location.

Meantime, LBS can be enabled without GPS tracking technique. Mobile WiMAX technology is utilized to give a new dimension to mobile marketing. The new type of mobile marketing is envisioned between a BS (Base Station) and a multitude of CPE (Consumer Premise Equipment) mounted on vehicle dash tops. Whenever vehicles come within the effective range of the BS, the dash top CPE with LCD touch screen loads up a set of icons or banners of individually different shapes that can only be activated by finger touches or voice tags. On the screen, a user has a frame of 5 to 7 icons or banners to choose from, and the frame
rotates one after another. This mobile WiMax- complaint LBS is privacy-friendly and user-centric, when compared with GPS enabled LBS.

In addition to the above, brand managers use a number of mobile marketing techniques. The successful implementation of mobile marketing campaign is only possible with a fool proof strategy. Hence, the target audience must be identified first and it makes no sense to send messages unrelated to the client.

1.5 Future of Telecom

The telecommunications industry has been through some major developments in its lifetime. It started out with a mixture of privately owned and state-owned companies throughout the world. In the first half of the 20th century, the telecommunications industry turned into a relative stable industry, which was completely government-owned. During the last decades, due to the liberalization and the privatization wave in the world, the telecommunication industry has rapidly changed. In the 1990s, the New Economy emerged and created new market opportunities for telecommunications firms. This study showed that many countries experienced a gradual process of liberalization with the goal of full liberalization. When competition was allowed in the industry, the
trend was to first allow one vertically-integrated competitor into the market to create a player of similar strength with comparable resources as the previous monopolist had. The succeeding phase was one of more open competition. However, liberalization and privatization not only turned around the outlook of the telecommunications market but also the speed and extent of technological developments. Due to innovations, the telecommunications industry, together with other industries, is rapidly transforming into a new industry, the so-called multimedia – information industry. The industry is the focal industry in the third generation of leading industries.

Deregulation, globalization, the emergence of the New Economy and introduction of new technologies such as mobile phones and broadband have forced the telecommunications companies to reconsider their strategy, their technological base and their product portfolio. In the context, companies have tried to develop and gain access to desired capabilities and resources and expanded across national boundaries to sustain their competitive advantages. Companies that lack some of the necessary new competencies used mergers, acquisitions, and partnership with other companies to acquire the essential technological knowledge and to penetrate new markets. During the 1990s’ the telecommunications companies were major acquires of other companies and
interesting partners for alliances. This study also presented a general overview of major trends in inter-firm partnership and M & As in the telecommunications industry since 1985, examining both the general developments and the distribution according to internationalization and industries.

The overall trends demonstrated an increase in importance of inter-firm partnerships and M & As. The number of domestic inter-firm partnership and M & A as well as international inter-firm partnership and cross border M & As showed an increasing pattern. Another interesting pattern was the increase in importance of other industries. In relative terms, the growth of alliances with partners outside the telecommunications industry superseded the increase in the number of alliances within the industry. M & As demonstrated the same pattern as the inter-firm partnerships. An explanation for this specific pattern can be found in the companies need for new capabilities and resources emerging from the New Economy, to compete in an industry that is transforming into a multimedia information industry.

The Indian telecommunications network with 915 million connections (as on October 2011) is the third largest in the world. The sector is growing at a speed of 45 per cent during the recent years. This rapid growth is possible due
to various proactive and positive decisions of the government and contributions to both by the public and the private sector. The rapid strides in the telecom sector have been facilitated by liberal policies of the government that provides easy market access for telecom equipment and a fair regulatory framework for offering telecom services to the Indian consumers at affordable prices. Presently, all the telecom services have been opened for private participation.

India is the 2nd largest Telecom market in the world. So there is plenty of Career Opportunities for young generation. MIT School of Telecom Management Pune, is an institute which provides world-class telecom business leaders to cope with the changing scenario in the corporate world. As there is huge growth in telecom in India, we need telecom managers and we must rise to this challenge.

**Bright future for GSM**

The strong demand for GSM is continuing. Today, GSM is used by 2.3 billion people worldwide and the strong growth is expected to be maintained. Most of the expansion occurs in high-growth markets where the cost of mobile calls and terminals is crucial.
In 2007, the number of GSM subscribers around the world was set to increase by 40 million per month, adding up to almost half a billion new users by the end of the year, the GSM association (GSMA) says. To meet this demand more than one billion mobile phones and terminals are expected to be sold.

Growth is primarily being driven by new network deployments and capacity expansions in high growth markets such as Asia and Africa, while more than 10 million new subscribers are being added every month across China and India.

The explosive growth of Global System of Mobile (GSM) communication services over the last two decades has changed mobile communications from a niche market to a fundamental constituent of the global telecommunication markets. GSM is a digital wireless technology standard based on the notion that users want to communicate wirelessly without limitations created by network or national borders. In a short period of time, GSM has become a global phenomenon. The explanation for its success is the cooperation and coordination of technical and operational evolution that has created a virtuous circle of growth built on three principles: interoperability based on open platforms, roaming, and economics of scale (GSM Association, 2004a). GSM
standards are now adopted by more than 200 countries and territories. It has become the main global standard for mobile communications; 80 per cent of all new mobile customers are on GSM networks. GSM has motivated wireless adoption to the extent that mobile phones now globally outnumber fixed-line telephones. In February 2004, more than 1 billion people, almost one in six of the world’s population, were using GSM mobile phones.

**Service Quality**

Defining quality in service: in manufacturing, quality is defined by the degree of compliance between stated goals and achieved targets. It is therefore rather easy to measure and conform to a standard. In service it becomes difficult to comprehend the concept of quality and measure it. This is due to the mother of all characteristics for services – the intangibility factor – and it makes measurement and assessment of service quality extremely challenging. Perception of service quality is, additionally, felt by all parties involved in a service delivery process: service providers, customers and suppliers. They should therefore understand each other’s definitions of service quality.

The reasons for the importance of quality in services
Lower Costs: Higher quality of services imply fewer mistakes for any repeat tasks, service recovery exercises or refunds to disgruntled customers. Preventive and corrective measures through quality control processes lowers costs and increases productivity.

Immune or less vulnerable to price war: Service firms known for their high quality service have an additional differentiating attribute and can avoid the service commodity trap. They can afford to have a higher price as they offer more benefits than the competition.

Higher customer loyalty: As motioned in the previous chapter and section, service quality ensures customer satisfaction that drives customer loyalty and enhanced profits.

Higher market share: loyal customers contribute to positive word-of-mouth publicity (the ‘buzz effect’), which broadens customer base with minimal costs.

Loyal internal customers: the previous chapter has explored the linear relationship between happy employees and customer loyalty, and a firm’s profitability. Employees proud of the firm for which they are working; having a sense of belonging are known for inspiring and delivering high quality services. Lower attention level lowers manpower and training costs.
and the service firm can leverage on the knowledge and skill of its employees.

- **Higher RoI**: the service profit chain had established in the previous chapter that high quality services contribute to higher profitability.

We have now established the base for defining quality in service as well as for discussing models to measure quality.

Quality can be viewed from multiple perspectives\(^2\):

- **Product-based**: The definition is based on measurable parameters. It is suitable for goods, but becomes a challenge in services. The number of times a telephone rings before the receiver is picked up by a service provider can be a basis of measuring responsiveness. Domino’s Pizza has successfully positioned itself as a firm, which promises to deliver its fare in half an hour in other words, giving measurable parameters for quality.

- **User-based**: This definition is from the customer’s perspective, reinforcing the notion that “quality is in the eyes of the beholder”. An extremely well-read Professor following all the guidelines of teaching can be condemned with “poor” rating if the students are not able to comprehend the accent,

or if the delivery is uninteresting. This element of subjectivity raises a challenge: that of finding:

- What the customer expects
- Which attributes to be included for garnering the largest appeal from the largest group of customers, and
- How to differentiate between those attributes that provide satisfaction and those that imply quality.

This approach begins where product-based quality definition ends.

- **Manufacturing –based**: This is conformance based and quality is perceived as an outcome of production processes. Output is considered to be of high quality if it conforms to design specifications. This factor is controllable by the service firm but does not take into consideration customer satisfaction.

- **Value-Based**: This definition equates quality with value. The service provider will have to strike a balance between conformance and performance, evaluating benefits and price to customer satisfaction.

- **Transcendental**: Quality can only be experienced but can neither be described nor documented rendering it impractical for quality managers. Tourism is one such area where quality can, to some extent, be only experienced directly.
Quality in service has two-window viewpoints: internal and external to the service firm. Internal quality is all about the entire service delivery process—from concept to encounter /experience/transaction/ consumption. While internal quality is all about conformance and compliance to design standards, external quality is about the customer’s perception. While the former can be controlled by the service firm, service quality is as perceived by the customers, and should be measured from that perspective. All aspects of marketing myopia’ rear their ugly heads again when any service quality measurement is based on the manager’s opinions of the customer’s expectations:

- Service firms may not know the specific criteria for decision-making in service consumption
- Management may be myopic on the way customers evaluate performance of the competitive products.
- Marketing myopia might creep in and make management blind to the differing and evolving needs of the consumers. The need for evolution could be due to market and environmental factors, competitive response and technological advances.

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We give below the formal definition of quality⁴:

Quality is “the totality of features and characterizes of a product or service that bears on its ability to satisfy given needs.

Dimensions of Service Quality: We will discuss two works, both of which will give the totality of dimensions to service quality.

David A. Garvin⁵: Eight dimensions of quality were identified by Garvin:

1. **Performance:** Every product is supposed to deliver benefits and the measure of its quality is performance of the offer. A dish scouter, which can clean plates completely and quickly, would be a performance measure.

2. **Features:** These are in addition to the score product, which do not come as standard ‘features’ but as add-ons.

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⁴ Jointly developed by the American National Standards Institute (ANSI) and the American Society for Quality (ASQ).

3. **Reliability**: This is a measure of the degree of probability of the product delivering what had been promised.

4. **Conformance**: Delivery quality meeting design standards.

5. **Durability**: This is a measure of the length of time that a product can deliver benefits, without deterioration.

6. **Serviceability**: If the product can be repaired with ease and speed, then it is a measure of quality. It could include the behavioural dimension of service personnel, e.g., their politeness.

7. **Aesthetics**: This is a measure of the product’s looks, design, touch and feel.

8. **Perceived quality**: Consumers develop a perception due to company–controlled stimuli like advertising, publicity and brand promotion, and social effects like word-of-mouth.

A Parasuraman et.al: Parasuraman, Valerie Zeithaml and Leonard Berry identified five dimensions with which consumers judge services.

   1. **Reliability**: The service should be performed with dependability, and as per its promise.

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2. **Responsiveness:** This concerns the attitude of the service provider to be willing to provide service. It also includes their sensitivity as well as timelines in responding to customer requests.

3. **Assurance:** This relates to the knowledge, skill and competence of the service providers. It also indicates their ability to generate trust and faith, and also capability in service delivery with politeness and consideration.

4. **Empathy:** This dimension relates to the caring, feelings as well as the ability to give personalized service.

5. **Tangibles:** This is a measure of the effectiveness of the physical evidence of the service provider like design layout and facilities.

They asked over 1900 customers of five well-known national companies to allocate 100 points across the five service dimensions. They developed a model of service quality called the “gap model”. They came up with a way to measure service quality by measuring these ‘gaps’ through a 22–item questionnaire called SERVQUAL. Illustrated on the next page is the gaps model for measuring quality in services.

**1.5 STATEMENT OF THE PROBLEM**
Quality is generally considered a key factor in ensuring worth and in influencing customer satisfaction. Hence, the telecommunication service provider has to be strategically positioned to provide quality services to satisfy customers. Many telecommunication service providers offer various products and services in the markets. Telecommunication services providers have to compete with each other to ensure optimal customer satisfaction in terms of services. The purpose of this study is to examine the impact of several product and service delivery factors on reported levels of service quality. The aims of this study are twofold: First, examining the differences in the five service quality dimensions by evaluating customer expectations and their actual perceptions on service providers. Secondly, examining the customer perception of service delivered by the service providers.

1.6 OBJECTIVES OF THE STUDY

The objectives of the study are

1. To discuss the demographic profile of the customers and their satisfaction towards mobile phone services.
2. To examine the customers perception choices in selecting mobile phone providers.
3. To measure and analyse the service quality gap on identified five dimensions.

4. To examine the association between perceived service quality dimension and customer satisfaction.

5. To offer suitable suggestions to improve the better service quality of mobile phone services.

1.7 LIMITATIONS

The study is confined to Madurai district of Tamil Nadu. Therefore while generalizing the results, caution in the key word. In using the findings of the study it is advisable to have a due care on the results with area of the study. Further, the study is based on customer satisfaction and perceptions are subject to change in the days to come. Therefore the customers reflect their current views on the prevailing conditions. The omission is mainly due to the non-availability of systematic data. But it is expected that even this collected information will help further intensive researcher in this area.

1.8 CHAPTER SCHEME
The report of the study is presented in six chapters. Hence the present study deals with “*Service Quality and Customer Satisfaction Mobile Phone Service Provided – A study with reference to Madurai District, Tamil Nadu*”.

The **first chapter** “Introduction” deals with introduction, telecommunication Marketing in the Indian Perspective, Telecommunications Marketing – A Conceptual Framework, Current mobile marketing techniques, statement of the problem, objectives of the study, limitations, and chapter scheme.

The **second chapter** entitled “review of literature, methodology and profile of the study area”.

The **third chapter** is entitled “Telecom service providers – A profile of selected telecommunication companies”.

The **fourth chapter** entitled “profile of customers and their satisfaction with mobile phone services”.
The fifth chapter entitled the “customer preference of mobile phone service providers” analysed the reliability and factor analysis, the service quality and customer preference and the customer perception.

The sixth chapter entitled “service quality perception of customers towards mobile phone services”.

The seventh chapter entitled “Summary of Findings, Conclusion and Suggestions” is devoted to present the entire study in a brief manner and provides the major findings of the study and suggestions thereon.

CHAPTER II

REVIEW OF LITERATURE, METHODOLOGY AND PROFILE OF THE STUDY AREA

2.1 INTRODUCTION

This chapter discusses the major findings of the related studies undertaken in India and it describes the methodology adopted for the present study.