CHAPTER - 6

CONCLUSIONS, SUGGESTIONS, LIMITATIONS AND DIRECTIONS FOR FURTHER RESEARCH

In the final chapter of the thesis, it is proposed to provide an overview of the present study and present conclusions and suggestions to BSNL based on the findings. First need for the study, the objectives and research framework are outlined. Then major findings are discussed and conclusions are drawn. The implications to managers of BSNL are examined and suggestions are proposed. Also the limitations of the present study as well as directions for future research are presented.

6.1 NEED FOR STUDY

BSNL is presently losing market share and incurring financial losses and is seriously planning to come out of its bureaucratic mold and reorient the organization structurally and operationally to enhance customer relations to exploit strength of largest base of existing customers. In this context, the philosophy and practices of CRM has gained significance. The present study proposed to examine the CRM issues in case of BSNL – a public sector enterprise, which offers mobile telephone services to customers distributed all over the nation and facing tough competition from private players.
6.2 OBJECTIVES OF STUDY

The present study seeks to study CRM in mobile telephone services in Indian context with reference to BSNL AP Telecom circle and suggest measures to BSNL on how to improve its customer relationship quality and set the following objectives:

1. To examine the determinants of customer relationship quality in case of mobile services and present an analytical model of CRM customized to telecom industry focusing on the perceptions of BSNL customers.

2. To analyze the steps taken by BSNL to build customer relationships.

3. To study the perception of BSNL employees about the CRM practices at BSNL.

4. To suggest strategies to BSNL to strengthen its customer relationship management.

6.3 FRAME WORK OF THE STUDY:

The study is in three parts. Part one is survey of BSNL customers. Part 2 is study what is happening at BSNL from secondary sources of information. Part 3 is study of perceptions of BSNL employees about CRM practices at BSNL. The customer perception study has confined to present customers of BSNL and focused on mobile telecom services. A sample of 544 customers from twin cities of Hyderabad and Secunderabad was drawn. For employees
perception study on CRM practices of BSNL, the sample of 160 employees was drawn from Hyderabad and Secunderabad with focus on customer facing, supporting and operations staff.

### 6.4 Model

![Research Model of Customer Relationship Quality](image)

<table>
<thead>
<tr>
<th>Demographic and Affiliation Variables</th>
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<td>Gender</td>
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**Figure 6.1 : Research Model of Customer Relationship Quality**
6.4.1 Description of model constructs

Industry specific factors, which determine perceived value of the BSNL offers, are included along with customer satisfaction and relationship oriented constructs collected from literature. The constructs are:

1. Industry specific factors influencing the customer are perceived value: Tariff, Network Coverage, Value Added Services, Customer Service, Brand Image. They are together considered under factor perceived value.

2. Relationship constructs namely Perceived value, Customer Satisfaction, Trust, Commitment and Loyalty.

Relationship Quality is the outcome. Literature is developed around loyalty as an outcome of relationship and also as process of furthering relationship. Complaint Behavior which influences Customer Satisfaction and Complaint Handling, which influences trust and commitment, were also included.

3. Model for studying employee perception of CRM practices at BSNL considered variables of technology and IT support, market orientation, setting goals and standards, design of organization and resources, employee CRM performance management. The model considered employee CRM performance management as dependent variable and others as independent variable and
determined the relationship of variables. The model was validated through regression analysis using SPSS version 18.

**Model for Employee CRM performance management**

![Diagram showing the model for Employee CRM performance management]

### 6.5 CONCLUSIONS

The salient points drawn from chapters 4 Sections A, B and C dealing with data analysis and results and chapter 5 dealing with discussion and interpretation are presented below.

1. The study reveals that perceived value is an important factor in establishing long-term *customer relationships chain* with links like:

   Perceived value and Complaint Handling → Customer Satisfaction → Trust → Commitment → Loyalty → Relationship Quality.
2. Customer relationship quality is a very complex variable and difficult to directly measure. There is a need to look into the antecedents of relationship quality, which are more measurable to measure BSNL’s performance on them and improve them. The model will help in this exercise.

3. The analysis of impact of demographic variables on model variables has revealed factors namely age, occupation and period of usage, which can be used for market segmentation.

4. Analysis of employee perception revealed that the BSNL employees are more technically and operationally oriented. Market orientation, which is the basic goal of CRM was found less. There is a need for internal marketing of customer orientation within the company to achieve focused CRM implementation.

**6.6 SUGGESTIONS**

From the analysis it is found that the relationship quality is moderate. The need to enhance it is compelling and management has to develop a comprehensive CRM program to strengthen relationship. Following important actions are suggested.

1. **Enhance Perceived value** - BSNL is successful in creating favorable brand image and Tariff. Respondents are expecting more from BSNL. BSNL has to make extra effort to meet consumer expectations in respect of network coverage, value added services
and customer services. The revelation that BSNL has good image and reasonable tariff suggests that BSNL should take steps to maintain and enhance them.

2. **Improve Customer satisfaction** - Customer satisfaction is not up to the mark. Efforts to increase customer satisfaction are important. It is essential to conduct periodic customer satisfaction surveys and identify the gap between customer expectations and their perceptions and conduct gap analysis and use the findings as inputs in working out strategies and action plans.

3. **Standard Operating Procedure (SOP) for Complaint management** - Complaint handling process is not efficient and complaining initiatives are also less. This deserves greater attention. The less number of complaints going to company may indicate indifference of customers to complain, as the complaint handling is termed less responsive and less efficient. The positive correlation between complaint behavior and satisfaction supports the view that customers are indifferent. BSNL should develop standard operating procedures for complaint management and implement actively.

4. BSNL should focus on younger customers, new customers, postpaid customers as these very potential segments are less satisfied.

5. Services are to be made attractive to females to enhance perceived value. Special needs of working women, home makers
pertaining to their domestic, social and career needs are to be addressed through the content of the value added services and they are to be made more convenient to use.

6. Postpaid see less value in customer support systems. The postpaid scheme is to be made more effective. This is very strong segment for any telecom service provider for steady revenue.

7. BSNL is weak on communication. Communication at level customer care centers, franchisees, customer service personnel, key account management personnel, advertisement campaigns and promotional material needs to be more emotional to address the affective components of relationship. Continuous communication program is to be planned. Increase affective commitment by promoting life style advertisements, that will retain students and young people who are more style conscious

8. Introduce schemes that recognize and reward loyal customers.

6.7 STRATEGIES FOR IMPROVING PERFORMANCE OF EMPLOYEES

1. Good training programs and involving top management actively in CRM programs and hand holding of executives and supervisors by managers and above in CRM activities and making CRM performance as part of goal setting would help.

2. Complaint handling system must be improved by setting the goals for service levels and good standard operating procedures for
complaint handling is to be designed and installed. High priority must be given for complaint monitoring in the performance management of employees.

3. There is a need for BSNL to launch customer first program, similar to Project Smile, to take care of complaint registration, acknowledgement and resolution.

6.8 LIMITATIONS

Like every study in social sciences, this study has the following limitations.

1. The model developed in the study is based on the survey of literature carried out for the present study. The research model is limited to study of impact of the demographic characteristics of customers, it is recognized that a number of other constructs such as personality and lifestyle orientation could have been included in the study to make it more appropriate to the fast changing consumer behavior in certain segments like women, students, consumers and young.

2. The responses are from different types of employees. Though some of the employees of BSNL participated in the survey enthusiastically, some others were indifferent. They opined that the surveys are only for publications and bring no
change in the practices of BSNL, which according to them, are bureaucratic rather than business like. There is a problem of enthusiasts giving higher ratings than necessary and indifferent employees assigning lower ratings than the company deserves.

3. A further limitation is that the study findings may not be applicable across different social settings and cultures; researchers may find that results differ between cities and villages and cultures of different regions.

4. This study pertains to only BSNL. Study involving competitors and comparison of CRM practices may help BSNL for benchmarking.

5. Rural market is a fast growing market in India and rural population is jumpstarting and straightaway adopting latest products and services without gradually upgrading. Studies in all sectors reveal that there is strong and growing market on rural side and a fortune is awaiting at the bottom of the pyramid to be tapped by marketers with vision.

6.9 DIRECTIONS FOR FUTURE RESEARCH

The outcomes of this research provide relationship marketing scholars with new research directions into understanding the way in which relationship strength develops.
1. Specific research directions include identifying whether psychographic and/or personality traits impact on relationship strength and can be used to identify consumers who have a greater propensity to form strong relationships.

2. Further investigation of relation strength in case of other telecom services - fixed telephone and broadband for example, can be undertaken.

3. Cross-cultural replication studies would also add to current knowledge in this area. Finally, research could focus on identifying those situations that are most conducive to relationship formation.

4. The study confirms that CRM is a complex and holistic concept. As such, it requires understanding and designing appropriate business processes and integrated systems. As such, studies that demonstrate the relevance of the need for effective system integration, leadership, information sourcing, targeting and positioning within CRM strategies are desirable.

5. Characteristics and needs of rural market may require different approaches to CRM. Rural market in India is a significant and potential area for further research in CRM.