CHAPTER - 2
REVIEW LITERATURE

The growth in demand for telecom services in India is not limited to basic telephone services. India has witnessed rapid growth in cellular, radio paging; value added services, internet and global communication by satellite item (GMPCS) services. The agents of change, as observed from international perspective, have been broadly categorized into economic structure, competition policy and technology. Economic reforms and liberalization have driven telecom sector through several transmission channels of which these three categories are of major significance.

The effective research cannot be accomplished without critically studying what already exists in the form of general literature and specific studies. Therefore, it is considered as an important pre-requisite for actual planning and execution of research project. This helps to formulate hypotheses and framework for further investigation. In this research, the survey of literature has been classified into two parts - studies related to telecom sector and studies related to marketing strategies.

In the 21st century, the new economy is becoming customer centric. In the current market place, considerable attention has been paid to the concept of relation between service provider and their customers (Barnes, 1997); and this concept has been enthusiastically embraced by academics and practitioners (Beatty.et.al.1996); (Berry 1995); (Reynold and Arnold 2000).

A service has been defined as “Any act or performance that one party can offer to another that is essentially intangible, and does not result in the ownership of anything” (Kotler 2004). Unlike physical products, service product cannot be seen, tasted, felt, heard, or smelled before they are bought (Parsuraman.et.al.1985). Since service are intangible, consumers are often faced with not knowing what to expect of a service until they have consumed it, and hence perceive service as risky (Murry and Schlacter,1990).

Amanjyot Singh.et.al. (2005) conducted a study titled “Customer satisfaction and quality audit” report of Escotel mobile communication limited and suggested that for maximizing the service quality in service industries the relationship between the dealers and customers should be strong and pricing should be constantly reviewed.
The relationship marketing looks to engage the customer interactively in the many steps of creating value, looking for innovative way to unlock new and meaningful benefits for the customer and then share the value so created between producer and consumer. The relationship marketing recognizes the key role customers have not only as purchasers, but in defining the value they want. Relationship marketing requires that a company designs and aligns its business process, communications, technology and people in support of the value customers want. Relationship marketing seeks to build a chain of relationship within the organization to create the value customers want and between the organization and its main stakeholders. (Gorden, 2004) 

Gronroos.C. (2006) suggested the customers perceived good service quality using six criteria, as follows : professionalism and skill, attitudes and behaviour, reliability and trustworthiness, recovery (correction, ability), reputation and credibility. Kalpana and Chinnadurai (2006) in their study titled “promotional strategies of cellular services; A customer perspective “analyzed that the increasing competition and changing taste and preferences of the customer’s all over the world are facing companies to change their targeting strategies”. The study revealed the customer attitude and their satisfaction toward the cellular services in coimbutur city. It was found that advertisement play a dominant role in influencing the customers but most of the customer are of opinion that promotional; strategies of cellular companies are more sale oriented rather than customer oriented.

Service sector is the fastest growing segment as compared to other sectors of the Indian economy. A major stimulus in this shift is the movement to information age spurge by invention of computer and advancement in telecommunications. As countries continue to shift from agriculture base to services orientation, the demand for services further holds huge potential. Additional factors contributing to the growth of service sector are higher per capita income, increase time pressure, advance in product technology (Kurtz, 2002), spiraling competition, rise of individualism (Seth & Seth, 2005), technological advances, globalization (Balchandran, 2004), competition, greater life expectancy and cost effectiveness drives (Rampal & Gupta, 2002) and growth of service chains and networks and service quality movement. Thus, tremendous
growth of services sector implies the role of marketing in forms of vast opportunities and implications marketing opportunities arising from new technology, in franchising from fewer regulations and professional restrictions, in servicing physical goods and internet (Lovelock, 2007).16

Studies Related to Growth and Developments in Indian Telecom Sector

Muller (1990)17 in his a research focuses that the success of the mobile commerce can be attributed to the personal nature of wireless devices. Adding to this are its unique features of voice and data transmission and distinct features like localization, feasibility and convenience. The sustained growth of the mobile commerce around the world has been more because of the transfer of technology according to the needs of local geography.

National Telecom Policy (1999)18 projected a target 75 million telephone lines by the year 2005 and 175 million telephone lines by 2010 has been set. Indian telecom sector has already achieved 100 million lines. With over 100 million telephone connections and an annual turnover of Rs. 61,000 crores, our present teledensity is around 9.1%. The growth of Indian telecom network has been over 30% consistently during last 5 years.

Wellenius and Stern (2001)19 information is regarded today as a fundamental factor of production, alongside capital and labor. The information economy accounted for one-third to one-half of gross domestic product (GDP) and of employment in Organization for Economic Cooperation and Development (OECD) countries in the 1980s and is expected to reach 60 percent for the European Community in the year 2000. Information also accounts for a substantial proportion of GDP in the newly industrialized economies and the modern sectors of developing countries.

Videsh Sanchar Nigam Limited (VSNL) 16th Annual Report (2002)20 India like many other countries has adopted a gradual approach to telecom sector reform through selective privatization and managed competition in different segments of the telecom sector. India introduced private competition in value-added services in 1992 followed by opening up of cellular and basic services for local area to competition. Competition was also introduced in National Long Distance (NLD) and International Long Distance (ILD) at the start of the current decade.
*World Telecommunication Development Report (2002)*\(^{21}\) explains that network expression in India was accompanied by an increase in productivity of telecom staff measured in terms of ratio of number of main lines in operation to total number of staff. *Indian Telecommunication Statistics (2002)*\(^{22}\) in its study showed the long run trend in supply and demand of Direct Exchange Lines (DEL). Potential demand for telecom services is much more than its supply. In eventful decade of sectoral reforms, there has been significant growth in supply of DEL.

*Economic Survey, Government of India (2002-2003)*\(^{23}\) has mentioned two very important goals of telecom sector as delivering low-cost telephony to the largest number of individuals and delivering low cost high speed computer networking to the largest number of firms. The number of phone lines per 100 persons of the population which is called teledensity, has improved rapidly from 43.6 in March 2001 to 4.9 in December 2002.

*Adam Braff, Passmore and Simpson (2003)*\(^{24}\) focus that telecom service providers even in United States face a sea of troubles. The outlook for US wireless carriers is challenging. They can no longer grow by acquiring new customers; in fact, their new customers are likely to be migrated from other carriers. Indeed, churning will account for as much as 80\% of new customers in 2005. At the same time, the carrier.s Average Revenue per User (ARPU) is falling because customers have.

*Dutt and Sundram (2004)*\(^{25}\) studied that in order to boost communication for business, new modes of communication are now being introduced in various cities of the country. Cellular Mobile Phones, Radio Paging, E-mail, Voice-mail, Video, Text and Video-Conferencing now operational in many cities, are a boon to business and industry. Value-added hi-tech services, access to Internet and Introduction of Integrated Service Digital Network are being introduced in various places in the country.

*Jeanette Carless & Salvador Arias (2004)*\(^{26}\) wireless substitution is producing significant traffic migration from wire line to wireless and helping to fuel fierce price competition, resulting in margin squeezes for both wire line voice tariffs in organization for Economic Co-operation and Development Countries have fallen by an average of three percent per year between 1999 and 2003.
T.V. Ramachandran (2005) analysed performance of Indian Telecom Industry which is based on volumes rather than margins. The Indian consumer is extremely price sensitive. Various socio-demographic factors, high GDP growth, rising income levels, booming knowledge sector and growing urbanization have contributed towards tremendous growth of this sector. The instrument that will tie these things together and deliver the mobile revolution to the masses will be 3 Generation (3G) services.

Rajan Bharti Mittal (2005) explains the paradigm shift in the way people communicate. There are over 1.5 billion mobile phone users in the world today, more than three times the number of PCOs. India today has the sixth largest telecom network in the world up from 14th in 1995, and second largest among the emerging economies. It is also the world’s 12th biggest market with a large pie of $ 6.4 billion. The telecom revolution is propelling the growth of India as an economic powerhouse while bridging the developed and the developing economics.

ASEAN India Synergy Sectors (2005) point out that high quality of telecommunication infrastructure is the pillar of growth for information technology (IT) and IT enabled services. Keeping this in view, the focus of telecom policy is vision of world class telecommunication services at reasonable rates. Provision of telecom services in rural areas would be another thrust area to attain the goal of accelerated economic development and social change. Convergence of services is a major new emerging area.

Aisha Khan and Ruche Chaturvedi (2005) explain that as the competition in telecom area intensified, service providers took new initiatives to customers. Prominent among them were celebrity endorsements, loyalty rewards, discount coupons, business solutions and talk time schemes. The most important consumer segments in the cellular market were the youth segment and business class segment. The youth segment at the inaugural session of cellular summit, 2005, the Union Minister for Communications and Information Technology, Dayanidhi Maran had proudly stated that Indian telecom had reached the landmark of 100 million telecom subscribers of which 50% were mobile phone users. Whereas in African countries like Togo and Cape Verde have a coverage of 90% while India manages a merely mobile coverage of 20%.
Indian infrastructure Report (2005)31 explains India's rapidly expanding telecom sector is continuing to witness stiff competition. This has resulted in lower tariffs and better quality of services. Various telecom services-basic, mobile, internet, national long distance and international long distance have seen tremendous growth in year 2005 and this growth trend promises to continue electronics and home appliances businesses each of which are expected to be $ 2.5 bn in revenues by that year. So, driving forces for manufacturing of handsets by giants in India include-sheer size of India market, its frantic growth rates and above all the fact that its conforms in global standards.

Marine and Blanchard (2005)32 identifies the reasons for the unexpected boom in mobile networks. According to them, cell phones, based on Global System for Mobile Communication (GSM) standard require less investment as compared to fixed lines. Besides this, a wireless infrastructure has more mobility, sharing of usage, rapid profitability. Besides this, usage of prepaid cards is the extent of 90% simplifies management of customer base. Moreover, it is suitable to people's way of life-rural, urban, and sub-urban subscribers.

Business and Economy (2005)33 the catalyst for Indian mobile operators in the future will undoubtedly be increased marketing and advertisement expenditure, along with better deals for mobile phone users like the previously mentioned full talk time Rs. 10 recharge card, will go a long way in not only retaining customers but also acquiring the vast market of lowered customers who are extremely sticky about value for money and have extremely low loyalties and almost non-existent switching costs.

Oliver Stehmann (2005)34 the telecommunications industry is characterized by rapid innovation in the service and the transmission market. The legally protected public or private monopolist does not have the same incentive to foster innovation that would exist in a competitive environment. Thus, state intervention based on the natural monopoly argument neglects dynamic aspects, which are crucial in the telecommunications sector.

Marketing Whitebook (2005)35 explains with support of detailed data that bigger players are close to 20% of the market each. In CDMA market, it is Reliance Infocom and Tata Teleservices are dominating the scene whereas Airtel is lead in GSM operators. Between 2003 and 2004, the total subscriber base of the private GSM operators doubled. It rose
from 12.6 million subscribers at the end of March 2003 to 26.1 million by the end of March 2004. And yet that 100% growth rate notwithstanding, total industry revenue for 2003-04 was around Rs. 8308 crores. Compared to Rs. 6400 crores that industry grossed in 2002-2003, that is an increase of 30%.

*Economic Times (2005)*\(^{36}\) Indian mobile phone market is set to surge ahead since urban India has a teledensity of 30 whereas rural India has a teledensity of 1.74. It indicates that the market is on ascent, with more than 85000 villages yet is come under teleconnectivity.

*According to a paper released by the Associated Chambers of commerce and Industry of India (2005)*\(^{37}\), it is stated that 30% of the new mobile subscribers added by the operators worldwide will come from India by 2009.10% of the third generation (3G) subscribers will be from India by 2011, Indian handset segment could be between US $ 13 billion and US $ 15 billion by 2016. It offers a great opportunity for equipment vendors to make India a manufacturing hub. Indian infrastructure capital expenditure on cellular equipment will be between 10 to 20% of the investment that will be made by international operators by 2015. The other proposals included setting up of hardware manufacturing cluster parks, conforming to global standards and fiscal incentives for telecom manufacturing among others.

*Virat Bahri (2006)*\(^{38}\) explains the viewpoint of Sam Pitroda the Chairman of Worldtel that identifies opportunities for investments in telecommunications. He analyses that there is an increasing role for telecom in e-governance in India. According to him, technology can be leveraged to take India.s development to next level.

*Snyder (2006)*\(^{39}\) Communications is a process that allows information to pass between a sender and one or more receivers and. the transfer of meaningful information or ideas from one location to a second location. Communications is a human process; humans communicate by sending information between themselves. Whereas, telecommunication is the transmission of data or information over a distance. Tele is a Greek word meaning at a distance, far off. Thus, it classifies smoke signals, semaphore flags, lanterns and signal flares, telegraph systems, televisions, telephones, written letters, and hand signals as capabilities that support telecommunications. The problems with these
communications forms include reliability, speed of transmission, and comprehension purposes.

*Rohit Prasad & V.Sridhar (2007)* this is one of the first such attempt to analyse the tradeoffs between low market power and economics of scale for sustained growth of mobile services in the country. Our analysis of the data on mobile services in India indicates the existence of economies of scale in this sector. We also calculate the upper bound on the optimal number of operators in each license service area so that policies that make appropriate tradeoffs between competition and efficiency can be formulated.

*Narinder K Chhiber (2008)* the mobile telecommunication technology is evolving rapidly in the world as more people demand mobile services with longer bandwidth and new innovative services like connectivity anywhere, anytime for feature like T.V., Multimedia, Interoperability and seamless connectivity with all types of protocols and standards, while the 3G services are yet to fully come up. Serious discussion on 4G has started. WLAN hot spot have made inroads along with 3G to offer an alternative form of mobile access.

**Studies Related to Technology Upgradation in Telecom Sector**

*Uehara (1990); King (1990); Glynn (1992); Mutoh (1994)* emphasized that technological changes in the telecom and computers have radically changed the business scenario. In turn, the new demands of business have spurred many telecom based technological innovations. In order to exploit these innovations for competing in global markets, business community has been putting pressures on governments to revise the policy, regulation and structure of the telecom sector. Several countries across the world have responded by restructuring the state controlled telecom provider, increasing private participation and deregulating service provisions.

*Business Today (1992)* pointed out that due to lack of technical and financial resources especially foreign exchange, the DOT generally lagged behind in its level of technology. India.s indigenization program in the switching segment carried out by C-DOT was successful in the introduction of rural exchanges designed especially for Indian conditions characterized by dust, heat and humidity.
Economic Commission for Europe (2000)\textsuperscript{44} this transition of the telecommunication area is mainly technology driven. The borderline between computers and electronics, on the one hand, and telecommunications, on the other, is disappearing. This convergence of technologies has led to the acceleration of the innovation process, which is constantly bringing forward new products and services. Besides expanding the market potential, this innovation process has also given rise to major changes in industry and the institutional structure.

\textit{E Pedersen and Methlie (2002)}\textsuperscript{45} studied the technology aspect and explained a comparative view. According to them, a comparison of the slow adoption of WAP services in Europe with the successful adoption of comparable I-mode services in Japan and technologically simple SMS based services in Scandinavian suggest that aggregate and technology based models are insufficient to explain the mobile service. Thus, technological models of the supply side need to be supplemented with the views and impact of perceptions from the demand side of the mobile commerce end user.

\textit{World Telecommunication Development Report (2002)}\textsuperscript{46} technologies of mobile telecommunications and internet are going to set the contours of further technological progress in the current decade. The most recently initiatives aims at convergence of voice and data received from multiple sources both web based and real time video streams in mobile handsets and calling cards have virtual presence possible almost everywhere overcoming the barriers of distance, topography and remoteness.

\textit{Prithipal Singh (2004)}\textsuperscript{47} with the convergence of technologies, data services are expected to grow exponentially in the years to come. Broadband is likely to take a lead in the development of Indian Telecom Sector. Broadband is growing market and offers immense possibilities for investment. In Broadband policy, India has envisaged a target of 40 million Internet subscribers and 20 million broadband subscribers by 2010.

\textit{P.S. Saran (2004)}\textsuperscript{48} the telecom technology in India has transformed from manual and electro-mechanical systems to the digital systems. India has stepped into new millennium by having 100% electronic switching system. The technological changes have made way for new services and economics in the provision of telecom services.
the challenge, of course, is that a competitor can show up in one of your established markets with new technology, better people, a better network of companies for support and a better management style and steal huge chunks of your business before you can respond. Staying at the forefront of all these issues will be the only way to stay successful.

**Studies on Investment Policy of Telecom Sector**

*Moto (1990)* researched the need of separate policy, regulation and operation which require changes in legislation - for example the restructuring the Japanese Nippon Telegraph and Telephone Public Corporation and Kokusai Denshin Dewwa was preceded by appropriate changes in legal framework.

*Melody (1990)* points out that the Indian Government had not addressed the basic requirement necessary for reform and there was no pre-planned sequence of structural changes which are basic determinants of reform. Therefore, the government, investors and subscribes could expect only marginal benefits from the reform process.

*MTNL Report (1991)* explains that international bodies had supplemented government resources and funded expansion and technology upgradation programmes.

*Akwule (1992)* researched that in comparison Kenya, which had almost the same level of gross domestic investment as percentage of GDP from 1981-89 raided the telecom investment as a share of GDP from 3.28% to 8.67 in 1978. The effect of under investment in these sectors was compounded by the diffusion of these scarce resources over a number of areas where no specific area in telecom was developed.

*Jain and Chhokar (1993)* points out the limitations of capital and manpower as key constraints. The Athreya.s Committee.s report may be viewed as an initiation of a process of examining organizational options. Management incentives which would allow these organizations to increase profitability and the structural mechanisms which would allow then to raise capital from markets had been sketchily outlined.

**Studies Relating to Competition in Indian Telecom Service Sector**

*Melody (1990)* points out various concerns for the telecom sector covering competition as important one. Competition is considered more important factor than ownership in
introducing efficiency. Further the order in which structural adjustments take place determine the effectiveness.

Donaldson (1994), Jussawala (1992); Jain, (1995); Wellenius (1995) recognize that developing countries feel the important role a responsive, business oriented, and technologically advanced telecom sector plays in the growth of the economy. Many developing countries accept the limitations of a monolith state monopoly in responding to the twin challenges of spurring internal growth and competing in global economy.

Stephen Y. Walters (2003) the telecommunications industry is being rocked by change fueled by the advent of the tremendous success of the internet and its technologies. For quite some time, there has been competition in the telephony business. Long-distance rates have seen continuous decreases for two decades as new carriers sought to capture greater and greater market share. Local carriers have seen competition for interconnecting the networks of large corporate customers and for providing them access to long-distance services. So, competition and change are not new issues in telecommunications. But the internet has forced an entirely new set of changes on the phone business. There are new carriers, new business scenarios, new technologies, and new ways of thinking about end users and the services they seek.

Shyamal Ghosh (2003) mentions that the most significant development since 1999 has been the progressive reduction in tariffs which has been facilitated by competition through multi operator environment. The most dramatic reduction in tariff has been from very high Rs. 16 per minute to Rs. 2 per minute.

N.M. Shanthi (2005) throws light on the factors that contributed to the growth of telecom sectors. The studies various initiatives take by government in lien of liberalization, privatization and de-monopolization initiatives. The trend is expected to continue in the segment as prices are falling as a result of competition in the segments. The beneficiaries of the competition are the consumers who are given a wide variety of services.

Kushan Mitra (2005) analyses various factors contributing to competition to Indian Telecom Industry. Besides lowering of prices, increased efficiency, greater innovation,
highly tech industry better quality services are some of the reasons which are boosting competition amongst various telecom service providers. 

*Michael Meltzer (2005)* explain that in electronic age, the need to manage customer relationships for profit is a marketing dilemma that many telecommunication companies face.

*Arindham Mukherjee (March, 2006)* takes out various case studies like Vodafone, Maxis, Telekopm Malaysia, Tatatele etc. to study the rising interest of foreigners for investment in Indian telecom industry. Various reasons of stemming growth can be rising subscriber base, rising teledensity, rising handset requirements, saturated telecom markets of other countries, stiff competition, requirement of huge capital, high growth curve on telecom, changing regulatory environment, conducive FDI limits in telecom sector.

*OECD (2007)* by increasing competition uptake can be mainly realized by then following incentives: (1) bundling of services, such as offering telephone line plus broadband access to internet ADSL at significantly reduced price, introducing triple play services on the subscriber line and promoting digital T.V. as a revenue source for the fixed line operator. These would however depend on the distance of the subscriber line from the local exchange and the quality of the copper line. Reducing cost for the second line would also be effective. This would lead to reduce prices for the consumer and reduce churn. (2) Increasing competition between broadband service providers. (3) Reducing the monthly rates of increased speed internet access using ADSL. (4) increasing awareness of the benefits of ADSL to the society. (5) increasing the local content on the internet so to attract more users in attempt to find killer application that would attract user to indispensable ADSL experience. (6) adopting convergence between wireless or mobile and fixed services.

**Studies Related to Customer Relationship Marketing in Services Sector**

A number of studies have been conducted both in India and abroad over the period of time to determine as to what are the Mobile customer’s requirement and expectations from their service provider and what are the different ingredients which effect the consumer behaviour for maintaining long term mobile company-customer relationship.
Some studies, which have been conducted abroad and in India and are relevant to the present work, are reviewed in this section. Given that customer-perceived quality drives profitability, a service firm must concentrate more on the total utility in long-term customer relationships rather than on product-based utility from short-term transactions (Grönroos 1992). The question is: “How does a mobile telephone company develop satisfied clients in order that the relationship becomes long-term?” In a professional service industry, such as telecom companies, the norms, which govern the relationship between the service provider and the client, are of strategic importance (Paulin et al. 1998). Long-term clients in service industry provide higher returns with less risk and the service provider’s greater knowledge of an existing client can result in creating and marketing a wider offering of services (Schell 1996). Discovering the factors, which increase client retention, is important for longer-term profitability. Effective service management should focus on the external rather than the internal consequences of doing business. Therefore, the external effectiveness of service management should reflect the final judgment of the client with regard to satisfaction, service quality, future purchase intentions and willingness to recommend the mobile telecom to others.

In the past decade, interest in relationship marketing has grown exponentially, driven primarily by retention economics: the fact that strengthening relationships with present customers will lead to greater profitability than will equivalent efforts to attract new customers (Reichheld 1996; Reichheld and Sasser 1990; Rust and Zahorik 1993). On initial examination, the idea of a services provider building relationships with customers appears quite sound. However, the relationship marketing literature reveals little consistency in how researchers define relationship marketing, and even less in how practitioners apply the concept. There is little doubt that a relationship is a complex, multi-dimensional construct, which would appear to explain, at least in part, the fact that academics put forward quite different definitions of relationship marketing. However, what does appear to be consistent is that most academics and practitioners have only begun to examine what constitutes a true relationship from the customer’s perspective. The fact that the customer’s viewpoint has not been wholly taken into account is
evidenced by assumptions that appear to have been made concerning relationship marketing. It is widely assumed by scholars and practitioners that a relationship can be formed with any customer, in any situation. Such an assumption is dangerous in that it may lead companies to attempt to form relationships in situations where a genuine relationship cannot be formed because customers do not want one, or because the circumstances surrounding inter-action with customers are not conducive. Another assumption, which many scholars and practitioners have made, concerns the factors, which contribute to strong, close customer relationships. As evidenced by the prevalence of loyalty programmes and other such behaviour-based initiatives, it appears that many view the process of “relationship” formation as something akin to a stimulus-response function. Of all the industries where acceptance of relationship marketing is growing, none appears more interested in the establishment of customer relationships than the financial services industry. This is evidenced by a growing literature on relationships between services providers and customers (Axson, 1992; Ennew and Binks, 1995; Palmer and Bejou, 1995; Reichheld, 1996; Rust and Zahorik, 1993; Stewart and Butler, 1994; Storbacka, 1994; Strandvik and Liljander, 1994; Turnbull and Gibbs, 1987), and by relationship marketing efforts being implemented by financial services providers in markets around the world (Keltner, 1995; Winnett, 1995). The same parameters could be used for studies in the other service industries like telecom sector, health sector and insurance sector, Education sector (Walter William 2009).

Present views of relationship marketing scholars have paid particular attention to studying the value of relationships, and the merit of forming relationships has been generally accepted (Barnes, 1994; Grant and Schlesinger, 1995; Grönroos, 1993; Heskett et al., 1994; Reichheld, 1993; Reichheld and Kenny, 1990; Rust and Zahorik, 1993). However, what has been missing from the literature is an examination of the fundamentals of relationships. Without this critical examination, it is likely that relationship-marketing efforts will be off-target. Within the traditional structure and operation of the telecom services industry, consumers had little choice in terms of selecting telecom instruments and delivery channels. The rigid structure of the industry, combined with the operation of cartels, meant that consumers had to accept the form and
price of both telecom instruments and delivery channels. Switching between telecom service providers generated little, if any, long-term benefit and forced the consumer to incur disruption and financial cost. Consumers were, therefore, locked into buying patterns and had little incentive to change. However, deregulation and the emergence of new forms of technology have created highly competitive market conditions, which have had a critical impact upon consumer behaviour. Consumers are now more disposed to change their buying behaviour when purchasing telecom products. As a consequence, telecom service providers are less certain that their customers will continue to bank with them or that they will be able to rely upon the traditional telecom service provider-customer relationship to cross-sell high value, so-called ancillary products. In an era where customer retention and the ability to cross-sell products to existing customers are critical in determining profitability, it is important that telecom company respond strategically to these changes. Telecom providers must, therefore, attempt to better understand their customers in an attempt not only to anticipate, but also to influence and determine consumers' buying behaviour. Beckett et al. (2000) gave the various forms of consumer behaviours based on Dwyer et al. (1987) and Thaibaut and Kelly (1959). The different consumers behaviour in telecom industry are: (1) Repeat-Passive: In this consumers display low levels of involvement with the telecom product as they are fully aware of the product's salient features. Given the low levels of involvement and the limited perception of uncertainty, these consumers can be described as "passive" in the sense that they will make repeated interactions without actively seeking alternatives. This repeated pattern of purchase behaviour, which is described as "behavioural loyalty" in the literature; (2) Rational-Active: In this it is postulated that the consumer's involvement in terms of the process dimensions of control, participation and contact is high and so too is their confidence in terms of product complexity and certainty of outcome. It is these active consumers that economic theory has viewed as the norm, possessing the ability and inclination to make carefully considered purchase decisions across all choice environments; (3) No purchase: This describes consumers who, because they have no involvement with the telecom product and do not possess the ability or the confidence to make transaction decisions, make no purchase. This is not, strictly
speaking, an interaction mode and is hardly (if at all) discussed in the telecom - customer relationship literature. However, a significant amount of marketing activity is directed at individuals in an attempt to increase their awareness of alternative products and convince them of their relative merits; (4) Relational-Dependent: In this consumers are highly involved, but are not in control due to the complexity of the product and uncertainty of eventual outcome and this reduces consumer confidence. In order to make choices, the consumer will seek advice and help from banks or third parties and can, therefore, be described as ``dependent consumers'' who form relationships to reduce uncertainty and structure their pattern of purchases.

Gadkari (1997)\(^{64}\), viewed that as Telecom enters the unsparingly competitive phase, a telecom would do well to define its purpose in terms of service to all its stakeholders starting with the customers and employees and finishing with the shareholders. These are not new constituencies: they are as old as the institution of the telecom itself. They have come into sharp focus today because of the paradigm shift in the telecommunication. Telecom customers today are better informed, more sophisticated and discerning. They also have wide choice to choose from various telecom and non-telecom intermediaries. Their expectations are soaring. The changing profile of the customers calls for a shift from product-based approach to a customer-based approach. In order to be successful in telecommunication the telecom companies have to uplift the service quality and make moves in order to build long term customer relationship. This would add to the profits of the banks and reduce the cost of operation in the long term.

Saraf (1997)\(^ {65}\), viewed that the competition has put pressure on the mobile companies to improve customer service and work for the image building. The big mobile companies have poor record on customer services. Delays in rendering services at the counters, delay in attending to collection items, indifference towards customers are some factors, which need improvement. Tele-companies can substantially reduce delays by adopting technology in operations and displaying friendly attitude towards small customers. Generally an average Indian customer would stick to his mobile company as a life long partner for communication needs. This attitudinal attribute needs to positively reciprocate by telecom company staff by timeliness in service and friendly disposition. Eyeing on
technology for the facilitation of customer services would be a step forward to the delivery of quality services.

Bhargava (2000), viewed that the aim of the reform processes, apart from improving productivity and efficiency of the telecommunication system was to make it competitive internationally by introduction of standards accepted in the developed telecom sector. In the competitive environment technology had created measures as fast and correct information become necessary for quicker response to the market needs. Telecom companies also looked at new avenues to improve operational efficiency and provide better customer satisfaction Technology has enabled some companies to introduce new technology products in the form of SMS Facilities, MMS Facilities, 2G and 3G Facilities mobile Tele-banking etc. He viewed that information technology and communication networking has revolutionized the functioning of the companies and the telecom companies should make full use of this in order to provide better quality services and building long-term relations with the clients.

Aul (2001), says that one of the results of the first set of liberalised reforms in the country has been on banking and Telecommunication sector. With the gradual easing of the structural barriers to entry, newer companies have come up in the private sector. With better use of technology, new entrants have been able to spur competition in some of the market segments, which have been the strong holds of public sector telecom companies. With advancement in computing and telecommunication technology, innovations in providing better services are coming out. As thee structural boundaries collapse and seamless, telecom companies have becomes the order of the day, Indian Public sector telecom companies will have to recognize the need for evolving appropriate strategies to fact the onslaught of competition. Given their vast presence and large customer base the PSBs have the advantage to reach. However in the era of increasing choices before the discerning customers, they will have to harness the power of technology to retain their competitive edge. Worldwide technology is used to identify customer needs, preferences and behaviour to the market products and services. Stress should be on developing Customer relationship with the customers for attracting and retaining the customers.
*Pathrose (2002)* admitted that the complexion of telecom sector has changed dramatically in terms of products and services in the market where the customer has more options than ever before. Companies are compelled to review constantly their package of products and services. With the reforms come a massive expansion of products and services driven by technological advances and the focus has shifted from mass banking to class banking with value-added and customized products for diverse customer. Marketing has become crucial for a telecom sector success in terms of profitability, innovative product development, and optimum use of infrastructure, expanding market, and so on. Stiff competition is making difficult for the companies to price their products and services on the cost-plus basis as hitherto. Ever-escalating customer expectation, coupled with widespread deregulation, has added new dimensions to the challenges and face in the areas of product design, delivery, pricing and so on. Telecom companies that have the strength and the competence to convert these challenges into opportunities will be the winners. This would hold the key to the customer retention and long-term relationship.

*Navin (1995)* points out, these terms have been used to reflect a variety of themes and perspectives. Some of these themes offer a narrow functional marketing perspective while others offer a perspective that is broad and somewhat paradigmatic in approach and orientation. A narrow perspective of customer relationship management is database marketing emphasizing the promotional aspects of marketing linked to database efforts.

*Bickert (1992)* Another narrow, yet relevant, viewpoint is to consider CRM only as customer retention in which a variety of after marketing tactics is used for customer bonding or staying in touch after the sale is made.

*Vavra (1992)* A more popular approach with recent application of information technology is to focus on individual or one-to-one relationship with customers that integrate database knowledge with a long-term customer retention and growth strategy

*Peppers and Rogers, (1993)* define relationship marketing as “an integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized and value-added contacts over a long period of time”.
Jackson (1985) applies the individual account concept in industrial markets to suggest CRM to mean, “Marketing oriented toward strong lasting relationships with individual accounts”.

McKenna (1991) professes a more strategic view by putting the customer first and shifting the role of marketing from manipulating the customer (telling and selling) to genuine customer involvement (communicating and sharing the knowledge).

Berry (1995), in somewhat broader terms, also has a strategic viewpoint about CRM. He stresses that attracting new customers should be viewed only as an intermediate step in the marketing process. Developing closer relationship with these customers and turning them into loyal ones are equally important aspects of marketing. Thus, he proposed relationship marketing as “attracting, maintaining, and – in multi-service organizations – enhancing customer relationships”. Berry’s notion of customer relationship management – resembles that of other scholars studying services marketing, Gronroos (1990), Gummesson (1987), and Levitt (1981), Although each of them is espousing the value of interactions in marketing and its consequent impact on customer relationships, Gronroos and Gummesson take a broader perspective and advocate that customer relationships ought to be the focus and dominant paradigm of marketing. For Gronroos (1990) states: “Marketing is to establish, maintain and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfillment of promises”. The implication of Gronroos. definition is that customer relationships is the “raison de etre” of the firm and marketing should be devoted to building and enhancing such relationships.

Morgan and Hunt (1994), draw upon the distinction made between transactional exchanges and relational exchanges by Dwyer, Schurr, and Oh (1987), to suggest that relationship marketing “refers to all marketing activities directed toward establishing, developing, and maintaining successful relationships.” The core theme of all CRM and relationship marketing perspectives is its focus on cooperative and collaborative relationship between the firm and its customers, and/or other marketing actors.
Dwyer, Schurr, and Oh (1987)\textsuperscript{78} have characterized such cooperative relationships as being interdependent and long-term oriented rather than being concerned with short-term discrete transactions. The long-term orientation is often emphasized because it is believed that marketing actors will not engage in opportunistic behavior if they have a long-term orientation and that such relationships will be anchored on mutual gains and cooperation (Ganesan, 1994).

Another important facet of CRM is “Customer selectivity”. As several research studies have shown not all customers are equally profitable for an individual company (Storbacka, 2000). The company therefore must be selective in tailors its program and marketing efforts by segmenting and selecting appropriate customers for individual marketing programs. In some cases, it could even lead to “outsourcing of some customers” so that a company better utilize its resources on those customers it can serve better and create mutual value. However, the objective of a company is not to really prune its customer base but to identify appropriate programs and methods that would be profitable and create value for the firm and the customer.

Sheth and Parvatiyar (1995)\textsuperscript{79}, developing customer relationships has historical antecedents going back into the pre-industrial era. Much of it was due to direct interaction between producers of agricultural products and their consumers. Similarly artisans often developed customized products for each customer. Such direct interaction led to relational bonding between the producer and the consumer. It was only after industrial era’s mass production society and the advent of middlemen that there were less frequent interactions between producers and consumers leading to transactions oriented marketing. The production and consumption functions got separated leading to marketing functions being performed by the middlemen. And middlemen are in general oriented towards economic aspects of buying since the largest cost is often the cost of goods sold. Berry and Parsuraman (1991); Bitner (1995); Crosby and Stephens (1987); Crosby, et al. (1990); Gronroos (1995) the de-intermediation process and consequent prevalence of CRM is also due to the growth of the service economy. Since services are typically produced and delivered at the same institutions, it minimizes the role of the middlemen. A greater emotional bond between the service provider and the service users also
develops the need for maintaining and enhancing the relationship. It is therefore not difficult to see that CRM is important for scholars and practitioners of services marketing.

Frazier, Speakman and O’Neal (1988) another force driving the adoption of CRM has been the total quality movement. When companies embraced Total Quality Management (TQM) philosophy to improve quality and reduce costs, it became necessary to involve suppliers and customers in implementing the program at all levels of the value chain. This needed close working relationships with customers, suppliers, and other members of the marketing infrastructure. Thus, several companies formed partnering relationships with suppliers and customers to practice TQM. Other programs such as Just-in-time (JIT) supply and Material Resource Planning (MRP) also made the use of interdependent relationships between suppliers and customers.

Shapiro and Posner, 1979 with the advent of the digital technology and complex products, systems selling approach became common. This approach emphasized the integration of parts, supplies, and the sale of services along with the individual capital equipment. Customers liked the idea of systems integration and sellers were able to sell augmented products and services to goods, as well as services. At the same time some companies started to insist upon new purchasing approaches such as national contracts and master purchasing agreements, forcing major vendors to develop key account management programs. Similarly, in the current era of hyper-competition, marketers are forced to be more concerned with customer retention and loyalty (Dick and Basu, 1994; Reicheld, 1996). As several studies have indicated, retaining customers is less expensive and perhaps a more sustainable competitive advantage than acquiring new ones. Marketers are realizing that it costs less to retain customers than to compete for new ones (Rosenberg and Czepiel, 1984). On the supply side it pays more to develop closer relationships with a few suppliers than to develop more vendors (Hayes et al., 1998; Spekman, 1988).

In addition, several marketers are also concerned with keeping customers for life, rather than making a new time sale (Cannie and Caplin, 1991). There is greater opportunity for cross-selling and up-selling to a customer who is loyal and committed to the firm and its
offerings. Also, customer expectations have rapidly changed over the last two decades. Fueled by new technology and growing availability of advanced product features and services, customer expectations are changing almost on a daily basis. Consumers are less willing to make compromises or trade-off in product and service quality. In the world of ever changing customer expectations, cooperative and collaborative relationship with customers seem to be the most prudent way to keep track of their changing expectations and appropriately influencing it (Sheth and Sisodia, 1995).

Yip and Madsen (1996) today, many large internationally oriented companies are trying to become global by integrating their worldwide operations. To achieve this they are seeking cooperative and collaborative solutions for global operations from their vendors instead of merely engaging in transactional activities with them. Such customers needs make it imperative for marketers interested in the business of companies who are global to adopt CRM programs, particularly global account management programs). Global Account Management (GAM) is conceptually similar to national account management programs except that they have to be global in scope and thus they are more complex. Managing customer relationships around the world calls for external and internal partnering activities, including partnering across a firm's worldwide organization.

David L. Kurtz (2003) the purpose of relationship marketing is to build long-term connections between the company and its customers and to develop brand and firm loyalty. Relationship marketing works well for services where transactions tend to be continuous and switching costs for customers are high. Firms operating in the customization and functional service quality sector do well with relationship marketing programs. The long-term goal of relationship marketing is to build brand loyalty. Personal interaction with service personnel is critical in the development of the long-term relationship. Marketing strategy formulation, incorporating ideas from economics, sociology, psychology, consumer behavior, organization behavior, business strategy, and information systems and decisions sciences.

**Study Related to Marketing Strategy**

Strategy is the fundamental pattern of present and planned objectives, resources, developments and interactions of an organizations with markets, competitors and other
environmental factors. (Mullins, Walker, Beyd & Larreche, 2002) for this reason, a good strategy should always specify:
1. What is to be accomplished
2. Where – the product, market, or industries that are to be focused.
3. How – resources and activities that will be allocated to each market/product to gain sustainable competitive advantage.

Marketing is a process for analyzing, planning and managing the organization's resources while identifying and serving current and potential client group and their needs profitability.

Reason for developing marketing strategy Dirks & Danniel (1991) mention that company managers choose to introduced and/or reemphasize marketing strategy for a number of reasons, which may range from personal interests to corporate policies. However the reason usually centers around an opportunities or an identified problem that the company management needs to explore. For example:
1. Introducing new products or services
2. Expanding into new markets.
3. Differentiating products or services.
4. Revitalizing products, services or markets.
5. Deleting or "demarketing" product or service.
6. Responding to a drop in sales or profits.
7. Evaluating financial or legal risks of opportunities.
8. Enhancing company image, brand or reputation.

According Armstrong, Kotler, Cunningham & Mitchell (2004) strategic marketing planning are documents that outline in detail the marketing strategies which will help a company, product or brand accomplish its overall business objectives.

The article published by Vargo and Lusch (2004) in the journal of marketing comes up with a proactive "new dominant logic" for the field of marketing. It questions the differences between the marketing of goods and services. Some of the main arguments made by these authors are the following:
1. Material goods are only distribution mechanisms for service distribution.
2. Knowledge is the fundamental source of competitive advantage.
3. All economies are service economies.
4. The customer is always a co-producer.

Nagasimha Kanagal (2006), relationships as a focus on marketing aids in the understanding of consumer needs and wants, which is useful to implement profitable exchanges. Relationship marketing helps customising solutions to important customers, more efficiently than otherwise, knowledge and application of relationship marketing helps in achieving customer satisfaction, customer retention and customer acquisition. Relationship marketing a tool of furthering the customer understanding and interactive processes. Relationship marketing outputs can thus be usefully used, as inputs in product design and development, want identification, improving selling systems, pricing strategies. It is one of the supports to systematic action setting in competitive marketing strategy. Author such as stanton, etzel & walker (1991), McCartney & Perrearelt (1993) and Kotler & armstrong (1997) agree that the traditional marketing mix has been defined as a set of controllable instruments to manage the uncontrollable and dynamic marketing environment and consist of four major element price, product, promotion or marketing communication and place. Donath (1999) there is an overemphasis on price and product as marketing instruments and an underemphasis on place and promotion. A danger exists that organizations will there for make a misallocation of organizational resources between the four marketing mix instruments (Chintaganta & Vikassinh, 1994).

Study Related to Consumer Behaviour

Consumer decision making process is usually guided by already formed preferences for a particular alternative. This means that consumers are likely to make the choice between alternatives based on limited information search activity and without detailed evaluation of the other alternatives (Alba and Hutchinson, 2000; Chernev, 2003).

It is widely accepted that the traditional problem solving approach involving, rational decision making to the study of consumer choice may not be suitable for all situations, or is at least incomplete understand choice behavior. Limited information search and evaluation of alternatives led to a situation in which consumer choice is also driven by hedonic considerations (Dhar and Wertenbroch, 2000).
Study Related to Survey Projects on Telecom Services

Kalavani (2006) in their study analyzed that majority of the respondents have given favorable opinion towards the services but some problems exist that deserve the attention of the service providers. They need to bridge the gap between the services promised and services offered. The overall customers' attitude towards cell phone services is that they are satisfied with the existing services but still they want more services to be provided.

Seth et al (2008), in their study titled “Managing the Customer Perceived Service Quality for Cellular Mobile Telephone: an Empirical Investigation” analyzed that there is relative importance of service quality attributes and showed that responsiveness is the most importance dimension followed by reliability, customer perceived network quality, assurance, convenience, empathy and tangibles. This would enable the service providers to focus their resources in the areas of importance. The research resulted in the development of a reliable and valid instrument for assessing customer perceived service quality for cellular mobile services.

Kalpana and Chinnadurai (2006) in their study titled “Promotional Strategies of Cellular Services: A Customer Perspective” analyzed that the increasing competition and changing taste and preferences of the customers all over the world are forcing companies to change their targeting strategies. The study revealed the customer attitude and their satisfaction towards the cellular services in Coimbatore city.

Rick (2008) in his study found that companies with sound customer strategies can use that ultimate loyalty program as a differentiator in an increasingly muddled market. In an increasingly competitive market, customer loyalty efforts can play a major part in the attraction of new customers and the retention of current ones. As consumers' choices expand, the importance of a sound customer relationship strategy becomes more and more important for the success of the company.

Shikha Ojha (2009) conducted a study on “Consumer Awareness of VAS of Telecom Sector of India”. She analyzed the contribution of the mobile phone services not only at the national or state level, but also its involvement in an individual's life. She found out
that the less number of users are aware of all the VAS provided by the service providers and thus the companies should focus on the awareness campaign.

*Shirshendu Ganguli (2008)*\(^91\) conducted a study on “Drivers of Customer Satisfaction in Indian Cellular services Market” in which he discussed the impact of service quality and features on customer satisfaction from the cellular users viewpoint. 

*J D Power (2009)*\(^92\) conducted a study on “Customers increasingly want telecom services and products to be bundled” based on responses collected from 11,911 customers nationwide and examined the overall customer satisfaction on six factors – customer service, reliability, billing, image, cost of service, offers & promotions.

*Girish Taneja & Neeraj Kaushik (2007)*\(^93\) conducted a study on “Customers perception towards Mobile service providers: An analytical study” aims to deduce the factors that customers perceive to be the most important while utilizing the services of a mobile service provider. 

*Anita Seth (2007)*\(^94\) in his study on “Quality of service parameters in cellular mobile communication” developed a model of service quality and a set of dimensions for comparative evaluation which could provide useful directions to regulators and service providers.

*Swadeshkumar Samanta (2007)*\(^95\) did as study on impact of price on mobile subscription and revenue access price or fixed monthly fee for mobile services is the major factor that governs the percentage of people subscribing (penetration) to the services. Empirical analysis shows a strong correlation between access price and penetration for developing and developed countries. They demonstrate a tradeoff between price of access and per minute call and show how subscription and revenue to the operator can be increased.

*Wilska (2003)*\(^96\) according to survey of finish young people aged 16-20, it was found that mobile phones choice and especially usage is consistent with respondents. general consumption styles. The researcher showed that addictive use was common among females and was related to trendy and impulsive consumption styles. Instead, males were found to have more technology enthusiasm and trend – consciousness. These attributes were then linked to impulsive consumption. the study concluded that genders are becoming more alike in telecom service choice. Because individual differences in consumption patterns are obviously identifiable.
Requelme (2001) examined how much self knowledge consumers have when choosing between different telecom service brands. The study was built upon six key attributes (service features, connection fee, access cost, cell to cell phone rates, call rates and free calls) related to mobile. The research showed that consumers with prior experience about a product can predict their choices relatively well, although respondents tended to overestimate the importance of features, call rates and free calls and underestimate the importance of a monthly access fee, mobile to mobile phones rates and the connection fee. Mobile phone choice and use has also been found to be related to prior consumption style.

**Study Related to Relationship Marketing Strategy in Telecom Sector**

Leonard L. Berry and A. Parasuraman (1991) showed that inspired leadership, a customer-minded corporate culture, excellent service-system design and efficient use of information and technology are crucial for achieving superior service quality and service marketing. They argued that superior quality is vital to sustaining success. They insisted that customer satisfaction through integration of service quality throughout the system must be the focus of any company.

Ruth M. Bolton and James H. Drew (1991), developed a model of how customers with prior experiences and expectations assess service performance levels, overall service quality, and service value. The model was applied to residential customers’ assessments of local telephone service. The model was estimated with a two-stage least squares procedure through survey data. Results indicated that residential customers’ assessments of quality and value are primarily a function of disconfirmation arising from discrepancies between anticipated and perceived performance levels. However, perceived performance levels also were found to have an important direct effect on quality and value assessments.

Kenneth Teas (1993) examined conceptual and operational issues associated with the "perceptions minus-expectations" (P-E) perceived service quality model. The examination indicated that the P-E framework was of questionable validity because of a number of conceptual and definitional problems involving the (1) conceptual definition of expectations, (2) theoretical justification of the expectations component of the P-E
framework, and (3) measurement validity of the expectation (E) and revised expectation \( E^* \) measures specified in the published service quality literature. Consequently, alternative perceived quality models that address the problems of the traditional framework were developed and empirically tested.

Pratibha A. Dabholkar (1993)\(^{101}\) iterated that customer satisfaction and service quality are both important tools for creating competitive advantage. However, there is a lack of consensus on whether the two are separate constructs and how they should be measured. The research presented a number of conceptualizations of customer satisfaction and service quality based on disconfirmation, a transactional versus global view and the inclusion of cognitive and/or affective factors. Possible antecedents and consequences of both constructs were examined, and suggestions for future conceptualization and measurement of the constructs were provided.

Stephen S. Tax et al. (1998)\(^{102}\) said that many companies are considering investments in complaint handling as means of increasing customer commitment and building customer loyalty. Firms are not well informed, however, on how to deal successfully with service failures or the impact of complaint handling strategies. The results of the paper supported a quasi “brand equity” perspective-whereas satisfaction with complaint handling had a direct impact on trust and commitment, to a limited extent, on the effects of poor complaint handling. Implications for managers and scholars were also discussed.

Bepko (2000)\(^{103}\) says that among the areas which need to be addressed in service quality research is the nature of consumer expectations across the range of intangibility. Previous research had compared consumers. Service quality expectations across services, but different groups of subjects were evaluated for each different service. The problem with using different subjects for each service is that the demographic characteristics may be responsible for the significant differences in expectations of quality. The paper used a controlled, repeated measures design where subjects were each asked to evaluate three services, varying in their degree of intangibility, over a ten week period.

Carsten Fink et al. (2001)\(^{104}\) examined the liberalization of the basic telecommunications sector in Asian countries in their research paper for World Bank, with a view to identify the elements of good policy and examine how it can be promoted through multilateral
negotiations. They found that despite the move away from traditional public monopolies, most Asian governments are still unwilling to allow unrestricted entry, eliminate limits on private and foreign ownership, and establish strong independent regulators. Where comprehensive reform – including privatization, competition and regulation – has been implemented, there are significantly higher levels of main line availability, service quality and labor productivity. Maran et al. (2004)\textsuperscript{105} studied the consumer perceptions about fixed telephone lines in Chennai. The objectives of the study was (1) to find the most influencing factor in selection of service provider, and (2) to measure customer perception and satisfaction as regards the service provided. The study on a sample of 550 telephone users indicated that some problems exist that deserve the attention of the company. The company needs to bridge the gap between the services promised and services offered. And to conclude, “Delivering service without measuring the impact on the customer is like driving a car without a windshield”. Shanthi (2005)\textsuperscript{106} throws light on the telecommunications market of India – post privatization. In the scenario of falling prices, hyper-competition and increasing attrition rates and the author says that the study aims to bridge the research gaps identified as above. Eugene W. Anderson (1996)\textsuperscript{107} investigated the association between customer satisfaction and willingness-to-pay or price tolerance. The goal was not only to determine whether the association between customer satisfaction and price tolerance is positive or negative but also to gauge the degree of association. The empirical analysis indicated a negative association between the level of customer satisfaction provided by the firm and the degree of price tolerance exhibited by its customers. However, a positive association was found between year-to-year changes in the levels of customer satisfaction and price tolerance. David M. Szymanski and David H. Henard (2001)\textsuperscript{108} said that the growing number of academic studies on customer satisfaction and the mixed findings they report complicate efforts among managers and academics to identify the antecedents to, and outcomes of, businesses having more versus less-satisfied customers. These mixed findings and the
growing emphasis by managers on having satisfied customers point to the value of empirically synthesizing the evidence on customer satisfaction to assess current knowledge. To this end, the authors conducted a meta-analysis of the reported findings on customer satisfaction. They documented that equity and disconfirmation are most strongly related to customer satisfaction on average. They also found that measurement and method factors that characterize the research often moderated relationship strength between satisfaction and its antecedents and outcomes. The authors discussed the implications surrounding these effects and offered several directions for future research.

Wang, Y., & Lo, H. P. (2002) in their article on “Service quality, customer satisfaction and behavior intentions “suggest that service quality, customer satisfaction and customer value are the three most important factors of business success. They are fast catching up in both the cases of the manufacturing organizations and service providers. The relevant literature available on the topic of customer value however suggests that many different conclusions have been reached. Also, there is a vast collection of literature available on the topics of service quality, customer satisfaction and customer value and their subsequent impact on the future behaviors of the customers in the telecommunication industry in particular. The authors in this research article have particularly paid a lot of attention to the measurement model of service quality with reference to China’s mobile phone market, on the basis of the widely used and accepted model of SERVQUAL.

Bhatt (2003), in view of the service quality gaining importance, made an attempt to study service quality of public sector banks with a view to offer guidelines to make overall service quality of banks more effective and efficient.

Sobti (2003) in a study on the banking sector suggests that the service provider’s disposition and behavior are crucial in determining consumers’ evaluation and satisfaction with the service delivered, and as such form part of the product experience itself.

Verhoef (2003) investigated the differential effects of customer relationship perceptions and relationship marketing instruments on customer retention and customer share development. The results showed that effective commitment and legal programs that provide economic incentives positively effect both customer retention and customer share
development. The results also indicate that firms can use the same strategies to affect both customer retention and customer share development.

Deshmukh et al (2004)\textsuperscript{113}, appraise various service quality models and identify issues for future research based on the critical analysis of the literature. The review of various service quality models revealed that the service quality outcome and measurement is dependent on type of service setting, situation, time, need, etc factors.

Jain and Gupta (2004)\textsuperscript{114} aimed at filling the void in service quality literature. assesses the diagnostic power of the two service quality scales. Validity and methodological soundness of these scales have also been probed in the Indian context — an aspect which has so far remained neglected due to preoccupation of the past studies with service industries in the developed world. Using data collected through a survey of consumers of fast food restaurants in Delhi, the study finds the SERVPERF scale to be providing a more convergent and discriminant valid explanation of service quality construct. However, the scale is found deficient in its diagnostic power. It is the SERVQUAL scale which outperforms the SERVPERF scale by virtue of possessing higher diagnostic power to pinpoint areas for managerial interventions in the event of service quality shortfalls.

Johnston C.T (2004)\textsuperscript{115}, is of the viewpoint that effective service recovery is essential for satisfying and retaining customers. Provider firms must be concerned with responding to customer complaints in a manner that increases satisfaction. This research asserts that customer satisfaction is influenced most strongly by the service provider’s acknowledgement of the complaint and assurance that the problem will be corrected. The service quality offered would also determine if the customer is satisfied or not satisfied with the service.

Kim et al. (2004)\textsuperscript{116} found that the mobile service users’ satisfaction is build mainly by call quality, value added services and customer support. Also they tend to keep using current service, as the level of the customer satisfaction is high that further results into customer loyalty. In their study on the effects of customer satisfaction and switching barrier on customer loyalty in Korean mobile telecommunication services. The analysis of the results shows that the mobile carriers must try and maximize the satisfaction amongst the consumers thus restricting them from switching. This would lead to enhanced
customer loyalty. Also the telecommunications service providers should focus on service quality and should work on providing the customer-tailored services to increase the customer satisfaction. Also at the same time, efforts to raise the switching barrier must build a long-term relationship with customers by further investing in customer relationship management. Although call quality has been improved over the previous years by the service providers by pumping in heavy investments in the equipment, call clarity and coverage, but providing services according to the customers’ perceptions, still remains their focus. However the mobile carriers must devote their energies and efforts on developing value-added services.

Sachdev & Verma (2004)\textsuperscript{117} are of the opinion that the Service quality can be measured in terms of customer perception, customer expectation, customer satisfaction, and customer attitude. According to their study three forces majorly dominate the existing marketing environment of the service sector. The growth in the customer sophistication has been caused due to the ever increasing competition amongst the private players, change in regulations and to top it all change in the technology. the increase in awareness levels amongst the customers is making them more concerned for better and high quality services. It is actually becoming way to difficult for the service providers to keep up with the expectations and perceptions of the consumers. It is very important to understand that the customers are actually very sensitive towards the various attributes of the service. The author says that by allocating the available resources in a way that it is consistent with the demands and priorities of the customer can actually increase the effectiveness in the operations area of the services. The research paper tries to explore the relative importance of the service quality dimensions across a particular service. The authors finally view that all the attributes of service quality are equally important and that too in no particular order.

Turel et al. (2004)\textsuperscript{118} in a study titled “User Satisfaction with mobile services in Canada” were of the opinion that while satisfaction and loyalty in regards to physical goods and some services had been studied to a great extent in marketing and information systems, there was little research on these factors with respect to mobile telecommunications services. This study digs deep into these gaps and examines the factors of satisfaction and
loyalty. For the same purpose an empirical study of 80 cellular subscribers was carried out in Ontario, Canada. The final analysis of the results of the study suggests that most causal relationships depicted by the American Customer Satisfaction Model were valid in the mobile telecommunications sector. And it was also observed that, due to the switching barrier, loyalty to a telecom service provider was no more a one-dimensional construct. It rather consists of two independent variables or factors—repurchase likelihood and price tolerance. This empirical study also suggests that there are very few differences in service perceptions between prepaid and post-paid cell phone users. In totality, this study forms the basis for the setting up of the future standards of performance of telecom service providers on the parameters of satisfaction and loyalty.

Anita S., Momaya K., Gupta H.M. (2005) in a study on E-Service Delivery in Cellular Mobile Communication: Some Challenges and Issues suggested that Improving the quality of service delivery can enable the cellular mobile service providers to create differentiation in order to gain profitability and competitive advantage. In light of this, the paper attempts to look at the ways in which IT can be used to provide superior quality services to customers in the highly competitive cellular service industry. A framework of E-service delivery is suggested and issues related to its practical application and its merits have been highlighted.

Fen & Lian, (2005) conducted a detailed study on the topic “Service quality and customer satisfaction: Antecedents of customer’s re-patronage” showed that both service quality and customer satisfaction have a positive impact on customer’s re-patronage intentions, which goes to prove that both service quality and customer satisfaction have an important role in the success and long term survival of any business in the competitive market. This study through its detailed analysis establishes a close link between service quality and customer satisfaction.

Gustafsson, Johnson and Roos, (2005) undertook a study on the Effects of Customer Satisfaction, Relationship Commitment Dimensions, and Triggers on Customer Retention. A research was conducted using customers of a large Swedish telecommunications company that provides fixed phone service, mobile phone service, modem-based Internet service, and broadband Internet service. The telecom service providers have to be vigilant
for the customer services they make available to the customers for developing satisfaction among customers. A customer is deemed to be satisfied if his evaluation of service provided by a brand is up to the satisfactory mark. In this study of telecommunications services, the authors have tried to examine the impact of customer satisfaction, affective commitment, and calculative commitment on retention of the customer. Further, the study also examines the potential for situational and reactional trigger conditions to moderate the satisfaction–retention relationship. The analysis of the data supports consistent effects of customer satisfaction, calculative commitment, and prior churn on retention. Prior churn also moderates the satisfaction–retention relationship. The customer satisfaction has a consistent negative effect on churn a positive effect on retention.

Homburg and Furst (2005) studied the effect of mechanistic versus an organic approach on the complaint situations and how effective were the approaches of the company. In the first case it encompasses creating high-quality guidelines regarding appropriate processes, behaviors and outcomes. In the second case it depends on the supportiveness of the internal environment. They concluded that, the organic approach is more strongly linked to interactional justice, whereas the mechanistic approach has a far greater overall impact. This impact was much greater in case of business-to-consumer and service-oriented companies vis-a-vis business-to-business and product-oriented firms.

Schoefer and Ennew (2005) said that, service organizations need to analyze these occurrences systematically and generate effective remedies to the service failures and customer complaints through successful service recovery acts. By providing equitable and quick responses to customer complaints, service organizations aim to achieve a pool of satisfied customers and increase the level of repeat patronage. It can be claimed that the perceived justice by the customers in the process of failure recovery is one of the most significant factors creating the difference between a successful and an unsuccessful company.

Serkan et al(2005) in their paper measure the impacts of customer satisfaction and trust on customer loyalty, and also the direct and indirect effect of “switching cost” on customer loyalty. They were of the opinion that in the GSM mobile services sector, the main consideration for maintaining the subscriber base is to win over the customer
loyalty. They were of the opinion that customer loyalty is the most important factor in maintaining the long term life of the brand. For the purpose of the study the data was collected from the 1,662 mobile phone users in Turkey. The findings of this study show that the switching cost directly affects the loyalty, and has a moderator effect on both customer satisfaction and trust. Therefore, it plays an important role in winning customer loyalty.

Shanthi (2005) discusses the post privatization scenario of telecommunications market in India. In the scenario of falling prices, burgeoning competition and increasing churn, the author says that identifying possible churn before it actually happens enables the telecom companies to detect and control churn. The author provides a predictive churn model for telecom segment, to allow a qualitative insight for understanding the structure and methodology of churn management in the Indian telecom sector, and also discusses the level of applicability of such models in the Indian context.

Stauss et al. (2005) is of the opinion that, loyalty programs are gaining reasonable attention in the context of customer retention. More importantly, the managerial perspectives of this program are to reward and felicitate loyal customers with some special service, increment, reward or rebate. This would ensure a long-term economic benefit and relationship between the business and customers. In this case, it can be assumed that, the customer expects to be reciprocate and given the best possible service and commitment from the company due to their loyalty.

Ahn, et al (2006) Customer Retention is the most critical problem being faced in the ever burgeoning mobile telecommunications service industry. This study tries to investigate the factors of customer churn in the Korean mobile telecommunications service market they have used the customer transaction and billing data to reach the consensus. The detailed analysis of the data reveals that the factors related to call quality majorly impact the customer churn. In nutshell the study shows that the customers start looking for other options when they their complaints are not redressesed properly or up to their satisfaction mark. Such a situation generally arises when either the customer service centers do not handle the complaints or the customers are not able to get them redressed properly. Sometimes, telecom service providers take considerably longer time to resolve
the problems like network coverage or call quality, the customers do not wait for long and hence they lose satisfaction with that particular service provider.

Barnhoorn (2006)\(^{128}\) carried out a detailed study. This study was conducted in South Africa and it indicated the ever increasing expectations of customers with regard to the services of mobile phone operators. The major dimensions of quality of service which were given priority by the mobile subscribers included courteous and facilitating role of front-desk staff, the comfort of availability of recharge cards, availability of products and services at the company outlets, accurate information and facts about services, affordable prices of the packages, and customized services.

Baumann et al. (2006)\(^{129}\) found that the customer’s further recommendation to other users is a result of affective attitude, empathy and customer satisfaction. Whereas responsiveness results into short term retention, the affective attitude and empathy has longer impact on customer’s satisfaction and retention.

Chich et al., (2006)\(^{130}\) in a study on the Service Quality Perceptonal Analysis of Mobile Phone User in Mainland Chine was of the opinion that mobile operators are pumping heavy investments in the areas of network coverage. These companies are also ensuring that the quality, the pricing, and innovative and diverse offerings to pull the new customer brigade and leaving no stone unturned to retain the existing customers. The final analysis of the facts and the figures if the study substantiate the response strategy of mobile phone service providers to increase and upgrade the quality of network, the tangibility, responsiveness, and assurance, empathy, and convenience dimensions of services. The mobile service providers should also focus on other dimensions of tangible; responsiveness, assurance, and empathy because these aspects significantly affect customers’ perception of service quality of mobile phone service provider. The study also proves that SERVQUAL with additional dimensions is a reliable instrument for measurement of service quality dimensions in telecommunication industry in Pakistan. The results of this study conclude that the findings of earlier researches in mobile phone industry regarding the dimensions discussed in the study have a positive and significant impact on mobile phone users’ perception of service quality.
Sereno et al (2006)\textsuperscript{131} conducted a study on satisfaction with mobile services in Canada. This empirical study was conducted since the authors felt that while customer satisfaction and loyalty have been well explored in previous studies, concerning almost all physical goods and services but little research on the same factors has been done with respect to mobile telecommunications services. In this study an empirical investigation of 210 cellular subscribers in Canada has been carried out by adapting the American Customer Satisfaction Model. The authors through this study try and identify the gaps and examine the antecedents of customer satisfaction and loyalty. On the basis of this model, the satisfaction index of young adult Canadians was calculated. The findings of this study are helpful for service providing companies, policymakers and subscribers.

Sigala (2006)\textsuperscript{132} carried out a study titled “Mass customization implementation models and customer value in mobile phones services: Preliminary findings from Greece”. He noted, in a study of mobile phone users in Greece that customization of service, pleasing interaction of staff and customers, company’s image and differentiated features were the important dimensions of service quality of mobile phone users. The main objective of carrying out the above mentioned study was analyze the strategies being developed by mobile phone operators and to identify the types of customer value perceived by mobile phone users. A customer-centre approach was adopted for analyzing these strategies that enhance both extrinsic and intrinsic customer value. A convenience sample was surveyed for gathering data regarding the customer value dimensions perceived by users of customized mobile phone services in Greece.

Venkatesh and Nargundkar (2006)\textsuperscript{133} examined the service quality delivered by four major airlines in India. Measurement and management of service quality is the key for survival of airline companies. The research found out the perceived service quality of frequent fliers on each of the four airlines across a series of service performance variables.

Wankhade and Dabade (2006)\textsuperscript{134} believe that, the perception of quality is a complex phenomenon involving social, cultural, economic and technical aspects. They were of the opinion that, system dynamics is an apt technique for modeling and analysis of quality perception. As a general notion, it is obvious that there are issues relating to complaint handling and the relevant mechanism.
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