CHAPTER VI

FINDINGS, SUGGESTIONS AND CONCLUSION

6.1 Summary

The most important happening in telecommunications sector is the revolutionary technological change in the industry since the widespread adoption of cellular phones. The total number of telephone subscribers in the country was 846.32 million as of March 2011. Total landline customers was 34.73 million in March 2011 and Tele-density was 2.95. Indian telecom sector has come a long way in achieving its dream of providing affordable and effective communication facilities to Indian citizens. As a result, the common man today has access to this most needed facility. The reform measures coupled with the proactive policies of the Department of Telecommunications have resulted in an unprecedented growth of the telecom sector. Indian telephone industry is under heavy competition. The Indian telecom sector is characterized by stiff competition among 15 national level players and of which two are government owned firms. The market competition among these service providers are determined by falling APRU (Average Revenue Per Unit), innovative tariff plans and shrinking profits factors.

In the stiff competitive arena even now, the traditional telephone service like BSNL offers competitive service to its valuable customers’. Still its customers’ shift their choice to other service. The BSNL cannot close its traditional tele-services because it has a huge amount of investment on this line. BSNL is also providing comprehensive range of multiple Access Mobil [CDMA], Global system for Mobil [GSM], Internet, Broad band, carrier services, intelligent network services. At this juncture, BSNL has to provide excellent services to attain major market share and keep their customer satisfaction in all aspects. BSNL aims to retain its customers by offering concessions and introducing new
liberalized schemes to the existing customers. The study considers landline, mobile and broad bank customers’ perception towards services offered by BSNL in Coimbatore Telecom District of Tamil Nadu, India.

The following are the objectives of the study: To study the Telecommunication service growth in India and the contribution of BSNL, to study customers’ awareness and perception towards factors that influenced them in selection of BSNL services, to study customers’ perception on BSNL service promotional strategies and performances of BSNL customer care units, to study the level of satisfaction derived by the customers’ of BSNL relating to its marketing process, to analyze the Strength, Weakness, Opportunities and Threat of BSNL based on the customers’ perception and to offer suggestions for the improvement of marketing performance of BSNL based on findings.

The research methodology of the study consists of two types, explorative and descriptive in nature. Out of twelve telecom divisions operating in the Coimbatore Telecom District four were selected as the sample population. Four urban divisions in Coimbatore Telecom District are chosen as the sample areas that include: Peelamedu, Collectorate (Central), Saibaba colony and Ganapathi. A large sampler of 125 respondents from each telecom division was chosen, that is the final total to 500 respondents. The respondents were approached through friends and reference group contact. Though there are various services of BSNL such as landline services, broadband, Internet services, Fixed Wireless Phone (FWP), Internet Protocol Television (IPTV) etc, the study confines only the landline, Broadband and mobile services. The study covers both primary and secondary data. For the purpose of collecting the primary data a well structured interview schedule had been framed. The following findings are the core and end results of the study. This provides the ultimate answers for the objectives framed by the researcher.
6.2 Findings

Major findings of the study is summarized in this section.

6.2.1 Growth and Development of Telecommunication in India and the Contribution of BSNL

- The Subscriber base in wireline sector is 41.54 million in 2005-2006, which is decreased to 34.73 millions in the year 2010-11.

- BSNL and MTNL have lost their wireline subscriber base from 2005-06 to 2010-11.

- In Subscribers’ base market share PSUs’ such as BSNL and MTNL are the market leaders during the year 2007-09.

- The total subscriber base of wireline stood at 36.96 million during the year 2009-10. Out of which Bharti (21.03 per cent) is the leading operator in terms of Market share. The PSU operator BSNL (15.66 per cent) placed fourth in terms of Market share.

- The total subscriber base of wireline stood at 34.73 million during the year 2010-11. Out of which Bharti (19.56 per cent) is the leading operator in terms of Market share, it is followed by Reliance, Vodafone and BSNL have recorded at 16.18 per cent, 15.90 per cent and 13.80 per cent respectively.

- The subscriber base of wireless service is 98.78 million in 2005-06 which is increased to 811.59 millions in 2010-11.

- Bharti Airtel has maintained its first position in terms of Market Share with the wireless subscribers’ base from 2005-11, except in the year 2009-10 in which BSNL occupied the first position.

- In the wireless sector also BSNL got fourth position in terms of market share in the year 2010-11.
• Out of the total subscriber base of 811.59 million in 2010-11, BSNL has got only 91.83 million subscribers and the remaining subscribers are vested in the hands of private players.

• The subscriber base of Internet, in the year 2005-2006 the subscriber base is 6.94 millions which is increased to 19.67 millions in the year 2010-2011. The subscribers’ base of Broadband at the end of March 2006 is 1.35 million which increased to 10.25 in the year 2010-11.

• BSNL has maintained its first position from 2007-2011 with Internet subscriber base of 45.21% to 57.52%. The subscriber base of BSNL is 11.32 million in the year 2010-11.

6.2.3 Socio- Economic Status

• 69 per cent of the respondents were male and the remaining 31 per cent of them were female, 50.60 per cent of the respondents were unmarried and 37 per cent of the respondents were below 25 years.

• 35.20 per cent of the respondents have completed Diploma/ graduation. Further it has been observed that 41.80 per cent of the respondents were business men, who have purchased BSNL services.

• 20.20 per cent of the respondents family income ranges between Rs.10, 001 to Rs.20,000 and 26.60 per cent were using the BSNL services for more than 5 years and above.

• 42 per cent of the respondents have taken their own decision to avail BSNL services, 25 per cent of respondents’ were influenced by their friends and 41.20 per cent of the respondents were using landline services.
6.2.4  Awareness on BSNL

- The level of familiarity of BSNL services among the sample respondents was quite considerable as 54.60 per cent of the respondents were very familiar as they were using the BSNL services on regular basis.

- The level of satisfaction on the various tariff plans provided by the BSNL Broad Band (Home plan), Broad band (business plan), BSNL one India, Sulabh plan, BSNL mobile 525 schemes have secured the 1st, 2nd, 3rd, 4th and 5th ranks with an average mean of 2.19, 2.12, 2.10, 1.95, 1.86 respectively.

- With the help of F-test it has been concluded that: Gender, Age, Marital status and Family income of customers directly influences customers’ level of awareness towards BSNL services.

- 62.60 per cent of respondents gathered information about BSNL on India plans, 60.80 per cent on Broad band-home plan, 58.20 per cent are aware of Broad band-business plan.

6.2.5  Promotion of BSNL

- Newspaper & Magazines performed significant role in attracting and being good source of information to various categories of customers. It has secured the 1st rank with an average mean of 4.03.

- With the help of Reliability analysis it has been concluded that there are no similarities in the customers’ perception towards media/medium for BSNL advertisements.

- 4.18 per cent of the respondents have opined that advertisements for BSNL services are more useful to them.

- From the result drawn from the ANOVA test it has been concluded that customers perception on promotional strategies of BSNL services are different among different category of users. However, it has been observed that landline,
mobile and broadband service users have similar perception on attraction of promotional schemes, customer group targeting and assurance for brand image.

- Out of the nine variables which are considered for analyzing the performance of BSNL units, BSNL website connectivity performance was topped with an average mean of 3.94.

- With the help of Chi-Square test it has been inferred that customers’ opinion on the performances of BSNL customer care units do differ from one to another according to their familiarities with BSNL services except in the case of Cash counter –Responses and Technical section-Support services received from service provider.

6.2.6 Factors Selection

- When considering the Unique features ‘Government Undertaking’ has influenced the respondents at a major level with an average mean of 4.22.

- When considering the Product features, Replacement, Usage of the Product, Innovation has secured the ranks of 1st, 2nd, and 3rd with an average mean of 3.91, 3.83 and 3.82 respectively.

- The feature of pricing has made significant influence in purchase of BSNL services. The factor Low cost, Price of spare parts, Security deposit, Fixed monthly charges have secured 1st, 2nd, 3rd and 4th the ranks with an average mean of 3.72 , 3.64, 3.61 and 3.56 respectively.

- The feature of Promotions like Exchange Melas’, Brand advertising, Festive offers have secured the 1st, 2nd and 3rd ranks with an average mean of 3.73, 3.68 and 3.58 respectively.

- When considering the Loyalty and trustworthiness, the variables such as Behavior of sales personnel, credibility of the service provider, Responsiveness of the service provider and competency of the service provider have influenced at the major level with an average mean of 3.68, 3.62 and 3.61 respectively.
• When considering the Technical factors, the variables such as Coverage, Accuracy, Speed have influenced at the major level with an average mean of 3.86, 3.83 and 3.81.

• When considering the Customer Relationship, the variables such as Customerization of standards, Customerzation of features, Easy accessibility of outlets have influenced more with an average mean of 3.94, 3.77 and 3.76 respectively.

• 3.78 of the respondents are influenced by the knowledge of the service provider.

• With the help of Chi-Square test it has been found out that there is an association between the type of BSNL services used by the customers and the influences of various factors on the selection of service and except in the case of Confirmation of standards, Ease of purchase, Exchange melas’, Festive offers, Behaviour of sales personnel, Credibility of the service provider and Coverage.

• With the help of Multiple Regression Analysis it has been inferred that customers are more influenced by easy availability of services, economic prices of spares, Courtesy and Creditability of the service provider.

• BSNL customers are more influenced by factors like: BSNL being Government undertaking, introduces innovate products very often, usage products are among wider span of customers, fixed monthly charges, more offers during festival seasons and credibility of the service provider.

6.2.7 Customer Satisfaction with BSNL Services

• BSNL products and services such as Landline, Mobiles, Broadband have strongly influenced the minds of the customer.

• With the ANOVA test it has been found out that there is no association between the longevity of BSNL service utilization and customers' level of satisfaction towards BSNL products in connection to Landline and mobile services. However, BSNL broad band service is much preferred by its valuable
customers. Thus it could be concluded that there is a close association between the longevity of BSNL service utilization and customers' level of satisfaction.

- Under Innovative Services the variables such as Integrated services, Plan options, IT enabled services have secured the 1\textsuperscript{st}, 2\textsuperscript{nd} and 3\textsuperscript{rd} ranks with an average mean of 4.11, 3.88 and 3.76 respectively.

- Under the Competitive Services, the variables such as Network coverage of BSNL, Call charges of BSNL, Roaming facility have secured 1\textsuperscript{st}, 2\textsuperscript{nd} and 3\textsuperscript{rd} ranks.

- Under the Value-Added Services, the variables such as entertainment, tunes and downloads have secured 1\textsuperscript{st} and 2\textsuperscript{nd} ranks with an average mean of 3.85 and 3.83 respectively.

- Under the Profit-oriented Services the variables such as the Service Tax, Surcharge for delayed payments have secured the 1\textsuperscript{st} and 2\textsuperscript{nd} ranks with an average mean of 3.73 and 3.69 respectively.

- Under the Concessional Services the variables such as Discount, Discount in outstanding amount, Free calls during mid-night, Free calls up to certain limit every month and Special discounting in your usage have secured the 1\textsuperscript{st}, 2\textsuperscript{nd} and 3\textsuperscript{rd} and 4\textsuperscript{th} ranks with an average mean of 3.84, 3.83, 3.82 and 3.81 respectively.

- With the application of Reliability Test that there is no uniformity in consumers' level of satisfaction towards BSNL services. Among the sample respondents taken for study 49 percent of the respondents were using land line connections.

6.2.8 Marketing Performance of Bharat Sanchar Nigam Limited-SWOT Analysis

- The presence of BSNL services across the country is considered as the major strength of BSNL, it is ranked in the 1\textsuperscript{st} place with an average score of 4.23 respectively.
• The major weakness of BSNL is poor regional competition and limited value added services are ranked 1st with a high mean score of 3.71 respectively.

• Broaden market opportunity for broadcasting, telecom and entertainment industry have been ranked as 1st with an average mean of 3.93.

• Competition from private operators is considered as the major threat of BSNL, with an average mean of 4.07.

• 58.20 percent of the respondents have opined that the BSNL services were good.

• According to the Internal Factor Analysis, the total weighted score 3.852 indicates that BSNL is efficient in its average performances and strengths are more compared to the weaknesses faced by BSNL, which indicates BSNL is a highly competitive service provider in the market.

• According to the External Factor Analysis, the total weighted score 4.258 indicates that BSNL is efficient in its average performances and the opportunities are more compared to the threats of BSNL. It has bright future prospects in the years to come.

• From the regression analysis it has been inferred that the association between the performances and overall satisfaction is more significant with two variables Enquiry and reception responses and cash counter responses.

• 56.40 per cent of the customers have surrendered the services of BSNL

• Out of the respondents who have surrendered the service, 44.03 per cent of them have surrendered because of the dissatisfaction in service provided by the BSNL.

• Out of the various complaints faced by the BSNL customers it has been observed that 24 per cent of the customers have opined that they were not able to connect with customer care, that is why they have shifted to other service providers.
• The application of chi-square test shows that there is an association between reason stated by BSNL customers to surrender their services and the nature of dissatisfaction faced by them.

6.3 Suggestions

The following suggestions can be given after a detailed and careful investigation of the research problem. These suggestions would definitely help BSNL to enhance their subscriber base by delivering the customer services:

• BSNL should emphasis more on the postpaid plans by making consumers aware of the unique features of the plan and they must make constructive efforts in reducing monthly rentals.

• Advertising campaigns focusing on family members and friends should be aggressively aired so that they can create new customers for the company among their family members, relatives and friends.

• As most of the consumers are unaware of the value-added services offered by BSNL, aggressive advertisements and schemes should be launched to create awareness and promote the use of these services.

• Customer loyalty is the market place currency of the twenty-first century. Eminent marketing experts pointed out that the cost of serving a loyal customer is five or six times less than a new customer. The advantages of customer loyalty are as:
  ❖ The service cost of a loyal customer is less than new customers.
  ❖ They will pay higher costs for a set of products.
  ❖ For a company, a loyal customer will act as a word-of-mouth marketing agent.
  ❖ Decreases its servicing cost (i.e. customers do not open or close their operations)
Fulfils customers need and gains knowledge of customers’ needs and wants.

Has an opportunity to cross-sell existing and new products and services.

Hence, it is suggested to the BSNL (service provider) to enhance its service qualities and retain the existing customers’ base.

With the Indian customer evolving and becoming more tech savvy, the telecom providers need to address the market very differently. The BSNL in the short run nothing major could be done except tactical marketing tricks like brand promotion, publicity, creating a different brand image etc. In the long run, real differentiation will take place by good service, customer relationship management and user friendly and customized offers and packages. BSNL is suggested to adopt vibrant marketing strategies that included all these components. Some of the strategies suggested are:

Introduction of product innovation that aims offering the end-users eventually with bundled products at a discount. The BSNL can frame a strategic plan like including and promoting innovative programmes for BOP (Bottom of Pyramid) whereby it could enhance its customers’ size. The services must reach the customers with the lowest level of income. By tailor-made service packages for the daily wage labourers, hawkers, farmers, rickshaw pullers, vegetable vendors and several others fall into this category. BSNL should launch some schemes exclusively for senior citizens, housewives and students.

The above discussed Bottom of Pyramid (BOP) market has huge opportunity waiting to be tapped. The challenge is to identify and accept the uniqueness of these markets and develop strategies to suit their needs. Understanding these local markets and developing local insights is of utmost importance for succeeding in these markets.
With customers hungry for more and more bandwidth, taking fibre cable closer to the consumer seems to make more and more sense, especially for the customers from abroad and to those customers who have inter-continent chats, e-mail exchanges etc. Thus, BSNL should invest more on improving their network coverage in order to retain their consumers.

Since BSNL has been successful in effective rural connectivity it must plan to being open to the idea of price differentiation on geo-types for wholesale broadband connections, while safeguarding its networks, and uniform tariffs, for providing more basic services to its customers.

Moreover, BSNL must realise the fact that competition is now happening on price, packaging and promotions, but for the future consumers it will be more focused on operational excellence, good product quality and a strong customer service. That will be where the real differentiation will happen, and then we will see more classic competition. Thus, it is suggested to BSNL to enhance its service quality, and prevent customers from shifting to other service providers either for want of technology up-gradation, quality of connectivity, attractive packages, or any other.

BSNL should accept valid feedbacks from consumers regularly and make sure that they satisfy the consumers.

6.4 Conclusion

This study was undertaken to examine the Customers’ Perception and Satisfaction towards BSNL services and its Marketing Performance based on their perception. It is concluded from the study that majority of customers are aware of the services offered by BSNL. The study also reveals that customers are satisfied with the services offered by BSNL. Customers’ perception is widely varied in accordance with the Quality of Network, Call service facilities, Price, Customer care. Hence, the researcher concluded that the price has significant and positive
impact on customers’ perception choice in selecting BSNL products and services. The product quality from the marketer’s perspective is associated with Price, Features, Function or Performance of a product. In this age of ever increasing competition, it is very important for BSNL to keep a constant eye on preferences and behaviour of their customers in order to capture the large untapped market both in rural and urban areas of India.

6.5 Scope for Further Research

The outcome of this research shows a comprehensively integrated framework for us to understand the vibrant relationships among several dimensions of service quality, price, product quality and availability, and promotion to have a handful of ideas on the customers’ perception. However, we still predict that further research efforts are being needed to examine these factors with additional samples before generalization can be made.

- Study the different types of innovative products/services launched by a telecom company and comment on their usefulness to the consumer.
- Analyze how the future of the Indian telecommunications industry is going to shape up, given the increasing involvement of customers in helping the companies innovate new telecom products/services technologies.