



A STUDY ON IMPACT OF CRM PRACTICES ON CONTINUANCE COMMITMENT OF CUSTOMERS WITH REFERENCE TO BSNL

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ABSTRACT

The importance of customer loyalty, customer satisfaction and continuance commitment among cellular service providers had increased because of cut throat competition in telecom industry. In this regard the impact of demographic variables on continuance commitment towards BSNL cellular services had been described in this paper. This paper provides insights for academicians for class room teaching and for managers in telecom industry to think about customer satisfaction and customer loyalty from the perspective of customer relationship management (CRM) practices.

KEYWORDS : Customer relationship management, customer loyalty, customer retention, customer commitment, service quality, cellular service.

INTRODUCTION

Gone are the days where consumers used to discuss about full talk time, rate cutter plans and roaming charges. Now consumers are discussing about data plans and speed of internet for selecting cellular services. Meanwhile organizations are closely monitoring the behavior of customers through techniques like customer relationship management (CRM). CRM practices helps organization to maintain two-way communication with the customers. Modern organizations are implementing CRM software to manage customer relations. CRM software records customer contact information such as email, telephone, website social media profile, and more.

Objectives of the study

1. To know the impact of CRM practices on customer loyalty.
2. To know awareness about promotional offers and its impact on customer satisfaction.
3. To identify the impact of demographic factors on continuance commitment of customers.

Review of Literature

Earlier customer acquisition was objective of companies in telecom sector but later customer retention had become a priority. The implementation of policies like mobile number portability (MNP) had given wide choice for customers to select the service provider and it is blow to telecom companies (Premkumar & Rajan, 2017). The factors like trust, quality, switching barriers, and customer satisfaction have an impact on customer retention in telecom sector. John (2011) had stated that factors like network quality, value added services and customer service are more important for attaining customer loyalty rather than low price for the service.

Among various factors influencing customer satisfaction the major factors are price and communication. The customer satisfaction which is influenced by price and communication will positively impact preference of cellular service provider (Paulrajan & Rajkumar, 2011). According to Sahoo and Mishra (2013) technology had changed the telecom industry in the recent two decades. The impact of service quality antecedents on customer loyalty and customer relationship management had been empirically tested by After China India is the largest in telecom sector and fierce competition exists in India among cellular service providers. Nigam and Kaushik (2011) had used concept of perceptual mapping to determine the view of consumers towards prepaid cellular services. It is observed from the perceptual map that BSNL is perceived as low cost

and low fidelity whereas Reliance is viewed a high reliability. Menon (2014) had explained that telecommunication is life blood for all the business organizations and for individuals both personally and professionally. It is also observed by Menon (2014) that there is no significant relationship between demographic variables and opinion towards to cellular service quality.

Makwana et al (2014) had stated the brand switching behavior of consumers can be controlled by implementing better value added services and low price with high quality service in telecom industry. Sathish et al (2011) had mentioned that call rates, network coverage, customer care and value added services influence the brand switching behavior towards cellular service providers. Kushwah and Bhargav (2014) had stated that telecom companies should continuously measure and assess the perception of consumers towards quality of cellular services for attaining customer retention. Agrawal et al (2013) had explained the image and trust positively influences customer loyalty and disloyal customer will leave the company. Naidu and Poduri (2015) had stated that similar to airline and banking sector it is important for public sector organization like BSNL to implement customer relationship management practices for sustaining in the telecom sector.

Research Methodology

A structured questionnaire had been used for collecting primary data and the sample size is 120. The respondents are subscribers of BSNL cellular services with more than one year associated with the company. The respondents are selected through simple random sampling and research site is Hyderabad in Telangana. Secondary data had been gathered from journals, books and reputed electronic sources. The statistical tools like frequency analysis, descriptive statistics, one-way ANOVA and regression analysis have been used for analyzing the primary data.

Table 1. Measurement Scale

Construct	Items	Cronbach's Alpha
Promotional offers (PRO)	<ul style="list-style-type: none"> • BSNL send messages on various offers and discounts. • Offers from BSNL are very attractive. • BSNL promotional offers are worth of money. 	0.87

Customer loyalty (CL)	<ul style="list-style-type: none"> The support from customer care executives had increased my loyalty towards BSNL cellular service. The accurate billing for voice, text messages and data had increased my loyalty towards BSNL cellular services. 24/7 support from BSNL had increased my level of loyalty towards BSNL cellular service. 	0.85
Customer satisfaction (CS)	<ul style="list-style-type: none"> I am happy with cellular services from BSNL. I will recommend BSNL to my friends and relatives. Overall I am satisfied for being customer of BSNL cellular services. 	0.88
Continuance commitment (CC)	<ul style="list-style-type: none"> I feel sense of belongingness to BSNL cellular services. I feel pleasure to stay with BSNL cellular services. I will continue to subscribe BSNL cellular services in future also. 	0.82

(Source: Developed by the researcher)

Data Analysis

Among the respondents 64.20 percent are male and 35.80 are female. Majority of respondents belong to '25 – 31 Years' age group. 40.80 percent of respondents are employees and majority of respondents are post graduates Customer loyalty (CL) mean value is 4.188 which show that there is high loyalty among the respondents towards BSNL cellular services. The means value for remaining variables are shown in Table 2 along with standard deviation (SD) for each variable.

Table 2. Descriptive Statistics

	N	Mean	Std. Deviation
Promotional Strategies	120	3.950	0.628
Customer Loyalty	120	4.188	0.726
Customer Satisfaction	120	4.161	0.570
Continuance Commitment	120	3.575	0.669
Valid N (listwise)	120		

(Source: Output from SPSS)

H1: The demographic variables have an impact on continuance commitment of customers towards BSNL cellular services.

RESULT:

From Table 3 it is observed that 'p' value for gender, age group, education and occupation is less than 0.05. Hence H1 is accepted which means there is an association between demographic variables and continuance commitment of customers towards BSNL cellular services.

		Sum of Squares	df	Mean Square	F	Sig.
Gender	Between Groups	3.826	1	3.826	9.122	0.003
	Within Groups	49.499	118	0.419		
	Total	53.325	119			
Age Group	Between Groups	7.798	3	2.599	6.623	0.000
	Within Groups	45.527	116	0.392		
	Total	53.325	119			

Education	Between Groups	5.772	2	2.886	7.100	0.001
	Within Groups	47.553	117	0.406		
	Total	53.325	119			
Occupation	Between Groups	6.861	3	2.287	5.709	0.001
	Within Groups	46.464	116	0.401		
	Total	53.325	119			

(Source: Output from SPSS)

H2: The promotional strategies of BSNL cellular services had an impact on customer loyalty.

RESULT:

H2 is accepted because 'p' value for promotional strategies is less than 0.05 as per Table 4. Hence it can be stated that promotional strategies influence customer loyalty.

Table 4. Regression Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-1.383	0.711		-1.945	0.054
Promotional Strategies	0.775	0.097	0.670	8.026	0.000
Customer Satisfaction	0.604	0.106	0.474	5.673	0.000

a. Dependent Variable: Customer Loyalty

(Source: Output from SPSS)

H3: There is an impact of customer satisfaction on customer loyalty with regard to BSNL cellular services.

RESULT:

H3 is accepted because 'p' value in Table 4 for customer satisfaction is less than 0.05. Hence it can be stated that customer satisfaction had a positive impact on customer loyalty with regard to BSNL cellular services company.

H4: The promotional strategy has a positive impact on customer satisfaction with regard BSNL cellular services.

RESULT:

From Table 5 it is observed that 'p' value for promotional strategies is less than 0.05. Hence it can be stated that promotional strategies has a positive impact on customer satisfaction.

Table 5. Regression Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.872	0.293		20.021	0.000
Promotional Strategies	-0.433	0.073	-0.478	-5.905	0.000

a. Dependent Variable: Customer Satisfaction

(Source: Output from SPSS)

H5: The customer loyalty has a positive impact on continuance commitment regarding BSNL cellular services.

H5 is rejected because 'p' value for customer loyalty is more than 0.05 as per Table 6. Therefore customer loyalty does not have positive impact on continuance commitment.

Table 6. Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.199	0.359		8.917	0.000
Customer Loyalty	0.090	0.084	0.097	1.062	0.290

a. Dependent Variable: Continuance Commitment

DISCUSSION

BSNL is implementing customer relationship management (CRM) practices in various modes like offers, rewards, 24/7 service, fancy number allocation, re-connection discounts, less paper work and value added services. From this study it is observed that there is high customer satisfaction and customer loyalty among the BSNL customers. The continuance commitment had been affected by demographic variables like age group, gender and occupation. Hence it is time for BSNL to develop personalized or customized packages for meeting the expectations of customers.

CONCLUSION

Even though customer satisfaction and customer loyalty is observed among BSNL customers it is time to think of excellent data services through new technology like 5G. However present mobile phones are majority supporting 4G technology but it is time for BSNL to implement disruptive technology in the market and give tough competition. Even though BSNL is public sector organization with many bureaucratic rules but it had transformed itself drastically in the last few years for managing healthy relationship with customers.

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