

Customer Loyalty Towards Telecom Industry



Management

KEYWORDS : Telecom, Net Work, Customer

Dr. K. Selvi

Assistant Professor, JBAS College for Women, S.I.E.T, Chennai

ABSTRACT

Brands that consumer generally buys from the same manufacturer repeatedly over time rather than buying from multiple suppliers within the category is Brand Loyalty. The Telecom Network in India is the fifth largest network in the world meeting up with global standards. India's telecom renaissance has been remarkable. After 44 years of government monopoly, market liberalization introduced in 1991 has led to a 7-fold increase in the number of phones in just 12 years. India's network is one of the largest in the world and, after China, second largest among emerging economies. For purposes of licensing – including mobile – the Department of Telecommunications (DOT), divides India into 23 service areas. The study provides useful information for corporate management and marketers in allocating their resources in terms of manpower, investment, marketing effort and time to improve the impact of these constructs, which will enhance the brand loyalty towards telecom Industry.

INTRODUCTION:

Brand loyalty is more than simple repurchasing, however. Customers may repurchase a brand due to situational constraints, a lack of viable alternatives, or out of convenience. Such loyalty is referred to as "spurious loyalty". True brand loyalty exists when customers have a high relative attitude toward the brand which is then exhibited through repurchase behavior. This type of loyalty can be a great asset to the firm: customers are willing to pay higher prices, they may cost less to serve, and can bring new customers to the firm. For example, if Joe has brand loyalty to Company A he will purchase Company A's products even if Company B's are cheaper and/or of a higher quality

OBJECTIVES OF THE STUDY:

- To review the profile of Telecom Industry in India
- To study the customer loyalty
- To suggest measures to improve the performance.

TELECOM INDUSTRY IN INDIA

The Indian Telecommunications network with 653.92 million telephone subscribers and 617.53 million mobile phone connections as of May 2010. It is the fifth largest in the world and the second largest among the emerging economies of Asia. Today, it is the fastest growing market in the world and represents unique opportunities for U.S. companies in the stagnant global scenario.

TELECOM POLICY ENVIRONMENT

Indian telecommunications today benefits from among the most enlightened regulation in the region, and arguably in the world. The sector, sometimes considered the "poster-boy for economic reforms," has been among the chief beneficiaries of the post-1991 liberalization. Unlike electricity, for example, where reforms have been stalled, telecommunications has generally been seen as removed from "mass concerns," and thus less subject to electoral calculations. Market oriented reforms have also been facilitated by lobbying from India's booming technology sector, whose continued success of course depends on the quality of communications infrastructure.

OPPORTUNITY IN INDIAN TELECOM

India is the fourth largest telecom market in Asia after China, Japan and South Korea. The Indian telecom network is the eighth largest in the world and the second largest among emerging economies. The industry has witnessed an explosive growth in recent years. Tele density has more than doubled from 2.3 per cent in 1999 to 4.8 per cent in 2002. However, the world average is almost 7.5 times and the Asian average 4.5 times the Indian average. The Indian telecom market size of over US \$ 8 billion is expected to increase three fold by 2012. The expansion of the telecom industry in India has been fuelled by a massive growth in mobile phone users, which has reached a level of 10 million users in December 2002, an increase of nearly 100 per cent in 2002. This exponential growth of mobile telephony can be attributed to the introduction of digital cellular technology and decrease in tariffs due to competitive pressures.

REVIEW OF LITERATURE

The latest research in brain science points to the fact that consumers don't choose rationally, so any research that forces rational answers has to be flawed. An article entitled "What Your Customers Can't Say" in the latest issue of American Demographic cautions that "conventional marketing research depends on the assumption that people can accurately report their values, needs, and motivations. But many scientists no longer believe this. 'We have reason to doubt that full awareness of our motives, drives and other mental activities may be possible,' says neurologist Richard Restak."

E-lab's Rick Robinson calls McDonald's Egg McMuffin "one of the greatest product designs of the century," pointing out that all of the reliable research said that people were not eating breakfast, did not have time to eat breakfast etc. Researchers told McDonald's there was no market for breakfast at McDonald's ...ignoring the research, McDonald's "invention" of the Egg McMuffin re-invented the way we think about breakfast.

ANALYSIS AND INTERPRETATION

TABLE SHOWING NUMBER OF MOBILE PHONES USED BY THE CUSTOMERS

No. of Mobiles	Frequency	Valid Percent
1	78	78
2	15	15
3	7	7
Total	100	100

INFERENCE:

From the above table it is inferred that 78% of the respondents are using only 1 mobile phone, 15% are using 2 mobiles phones and 7% are using 3 mobile phones. 15% of the respondents are using 2 mobile phones one for personal use and one for official use.

TABLE SHOWING DURATION OF THE NETWORK USED BY THE CUSTOMERS

Duration	Frequency	Valid Percent
<= 1 year	30	30
2-4 yrs	62	62
4-6 yrs	7	7
> 6 yrs	1	1
Total	100	100

INFERENCE:

From the above table it is inferred that 62% of the respondents are using their connection from 2 to 4 years, 30% are using from less than 1 year, 4% are using from 4 to 6 years and 0.7% are using from more than 6 yrs

LOYAL TO THE BRAND OF MOBILE SERVICE PROVIDER

Response	Frequency	Valid Percent
Yes	73	73
No	27	27
Total	100	100

INFERENCE:

From the above table it is inferred that 73% of the respondents are loyal to the brand of mobile service provider.

FINDINGS

1. The monthly bill of 78% of the respondents is less than Rs. 500/-. The telecom industry may focus on highlighting the importance of communication.
2. The use of SMS seems to be very less. The role of messaging in communication is to be enhanced and this may be communicated in all their communications through creative copies.
3. Company officials need to spare some of their time to meet the customers on a periodic basis. This should form their daily routine.

REFERENCE

• CUSTOMER RELATIONSHIP MANAGEMENT, Paul Gray & Jongbok Byun, University of California, Irvine 3200 Berkeley Place Irvine, CA, www.crito.uci.edu | • CUSTOMER RELATIONSHIP MANAGEMENT, | • www.wikipedia.com | • CONFEDERATION OF INDIAN INDUSTRY, www.ciionline.org | • India Telecom Brief, USTDA South Asia Communications Infrastructure Conference www.ndaventures.com New Delhi, India – April 21-23, 2004, | • http://www.ndaventures.com/India_Telecom_Brief_April_2004.pdf |