

CUSTOMER RELATIONSHIP MARKETING AN INDIAN PERSPECTIVE WITH SPECIAL REFERENCE TO SERVICE MARKETING IN CELL (MOBILE) PHONE INDUSTRY

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ABSTRACT

The outcome of the study suggests that such a reward or incentive system is sometimes practiced in cellular service industry. The questionnaire used for the cellular industry officials is of special significance to the present study. This research on "Customer relationship marketing an Indian perspective with special reference to services marketing in cell phone industry" aims to find out the status of Relationship marketing in cellular industry. An exploratory research is to find out the state of relationship marketing in cell phone industry. The technology that gives a person the power to communicate anytime, anywhere - has spawned an entire industry in mobile telecommunication. The cell phone industry is being chosen specifically as it is the fastest growing industry in service sector in India.

Keyword: - *Industry, Cellphone, Marketing, Customer, Relationship etc.*

1. INTRODUCTION

Customer relationship marketing essentially represents a paradigm shift within marketing, away from an acquisition/ transaction focus it aims toward a retention/relationship focus. Relationship marketing is a philosophy of doing business, a strategic orientation that focuses on keeping and improving current customers rather than on acquiring new customers. Once customers are attracted to begin a relationship with the company, customers are more likely to stay in the relationship when they are consistently provided with quality products and services and value for their money over time. Thus, customer relationship marketing focuses on getting customers, satisfying customers, retaining customers and enhancing customers. The variety of definitions can often explain the confusion or

disagreements people have when discussing services and when describing industries that comprise the service sector of the economy. The three new marketing mix elements (people, physical evidence, and process) are within the control of the firm and any or all of them may influence the customer's initial decision to purchase a service, as well as the customer's repurchase decision and level of satisfaction.

2. TELECOMMUNICATION IN INDIA

The telephone company's famous signature tune was often used widely as the chorus of India in the License Raj. Queues and waiting lists for everything from a clunky black phone that would die at the drop of a call to cars, LPG connection, two-wheelers and everything. Between 1968 and 1994, the number of telephone connections jumped from 800,000 to eight million, but in the early 1990s, the waiting list still had more than 2.8 million hopefuls. The setting up of a regulator, the Telecom Regulatory Authority of India (TRAI), in 1997 may not have reduced—litigation since it was considered partial and ineffective at times, but it has played a significant role in the evolution of telecom regulations and the growth of the sector. In 2000, Bharat Sanchar Nigam Limited (BSNL) was carved out of the department of telecommunications (DoT).

3. CELLULAR SERVICES INDUSTRY IN INDIA

The technology that gives a person the power to communicate anytime, anywhere - has spawned an entire industry in mobile telecommunication. Mobile telephones have become an integral part of the growth, success and efficiency of any business in India, spiraling an era of economic growth. Accordingly, it is of vital importance to the country that there be a comprehensive and forward looking telecommunications policy which creates an enabling framework for development of this industry.

4. NATIONAL TELECOM POLICY 1999

The year 2001 also saw the -entry of BSNL and MTNL as the third cellular operators as had been mandated in NTP 99. Further, in July 2001, cellular licenses were awarded to the 4th cellular operators in different telecom circles. With this the number of cellular operators has gone up to 89 licenses. By March 2001, the industry had invested nearly Rs. 16,000 crores in cellular infrastructure and it is estimated that these investments will grow to Rs. 20,000 crores in the next 4-5 years.

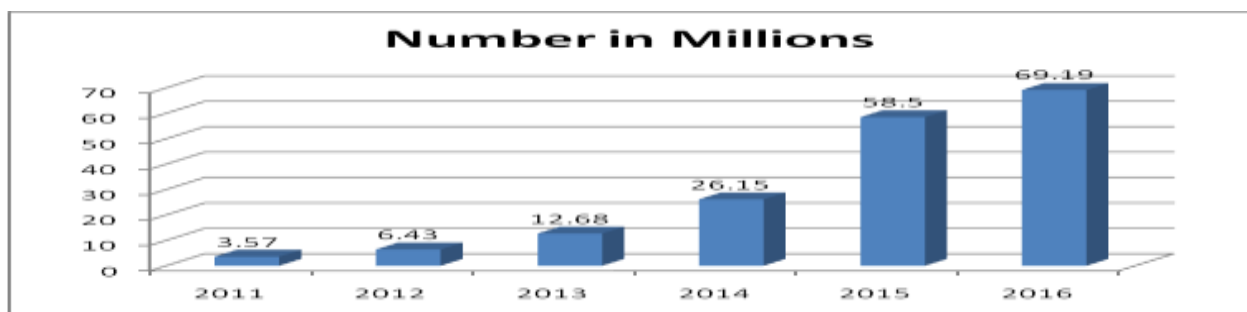


Fig -1: Number of cell phone subscribers in India

As of March 2002, the Indian cellular mobile industry had 42 networks on air, serving over 1400 towns and cities and covering thousands of villages and serving almost 65 million subscribers across the country. The cell phone industry is being chosen specifically as it is the fastest growing industry in service sector in India. On an all India basis the number of subscribers has increased from a mere 3.57 billion in 2001 to a staggering 69.19 billion in 2006 - a growth rate unparalleled by any other industry in service sector of the economy.

5. CELLULAR SERVICES - MARKET SHARE IN INDIA

In the vast Indian market for cellular services there are 12 operators providing cellular services. Bharati Tele-ventures tops the market share with 19579208 subscribers, followed by Bharat Sanchar Nigam Limited with 17158769 subscribers, followed by Vodafone 9038271. Table 2.1 gives complete details about market share held by various operators in Indian Cellular service industry.

Table -2.1: Company wise number of subscribers

No.	Company	No. Of Subscribers	Percentage share
1	Bharti Tele-Ventures	19579208	28.29
2	BSNL	17158769	24.79
3	Vodafone	9038271	13.06
4	Idea Cellular	7365986	10.64
5	BPL Cellular	3035285	4.38
6	Aircel Limited	2396558	3.46
7	Aircel Digilink	2367591	3.42
8	Fascel	2257450	3.26
9	MTNL	1941155	2.8
10	Spice Communication	1933408	2.79
11	Reliance Telecom	1854477	2.68
12	Others*	265163	0.383
	Total	69193321	100

Most cellular service provider's offer in addition to basic cellular services (Mobile telephony) many value added services. Service providers who use GSM technology like Airtel, Vodafone are offering many value added services due to broadband facilitated by GSM technology. Whereas service providers using CDMA technology like Reliance due to limitation of technology are not offering many value added services due to limitations of CDMA technology. There are a few operators in the cellular services industry like Dish- net wireless, who are only offering broadband Internet services. Though these companies market share is included in the total market, they are not considered for any other reference in the study.

6. MARKET OFFERS IN CELLULAR INDUSTRY - A COMPARISON

Market offers in cellular service industry fall broadly into two categories -prepaid and post paid. In prepaid offers, a subscriber has to pay in advance the total charges for a fixed period of operation and renew the services by paying the specified amount at specified intervals that is generally 30 days.

Prepaid charges generally range between Rs.99 to Rs.1200 depending on the services offered by various operators. Different service providers operate on different pulse rates for prepaid offers. The FAT offered also differs from company to company, tariff plan to tariff plan ranging from zero to Rs.900 of free time offer depending upon the various tariff plan.

What is intriguing is that the same operators in different geographic area offer different tariff plans for similar services - probably on account of different costs of operation and different market potential and subscriber base available to them. Table 2.2 gives a detailed comparison of some prominent prepaid offers available to subscribers all over the country.

Table -2.2: Prepaid Services - A Comparison

DETAILS		AIRTEL	BSNL	VODAFONE	RELIANCE	IDEA
Pack Price in Rs.		99 - 999	99 - 999	99 - 999	99- 1300	99- 1200
Pulse rate in seconds		60	15	60	60	60
FAT Value in Rs.		0 - 906.5	0-300	0-900.5	0-800	0-800
Call charges In Rs.	Same co.	0.59	0.40	0.59	0.50	0.59
	Other GSM	0.59	0.40	0.59	0.40	0.50
	LL/CDMA	1.49	1.80	1.49	1.40	1.40
	STD	2-4.40	2- 3.50	2-4.40	2-4.40	2-4.40
	ISO	7.20-20	8.50-20	7.20-20	8.50-20	7.20-20
SMS Rs. Per/SMS	Local	0.25-1	0.4	0.25-1	0.10- 1	0.10- .80
	National	0.25-2	.25- 1.50	0.25-2	0.25 - 2	0.10-1
	International	5	3	5	5	5
Roaming Rental (Rs.)		25-50	20-25	25-50	20-25	25-50
VAS		3-100	3-50	3-100	3-80	3-80
Service charges		12.24%	12.24%	12.24%	12.24%	12.24%
Validity in days		30-Lifetime	30-Lifetime	30-Lifetime	30-Lifetime	30-Lifetime
Note: All values are approximate as these keep changing from time to time.						

8. CELLULAR SERVICES AT A GLANCE

Services offered by various cellular service providers can be discussed broadly into four groups: Voice services, Messaging services, Entertainment and other services.

Voice Services

Voice related services offered by mobile operators include:

- Services to handle incoming calls
- Voicemail
- Call Waiting & Call Hold
- Call Forwarding
- Call Restrictions
- Show or Hide number
- Push-to-Talk over Cellular

10. THE TECHNOLOGY

The massive Cell-phone industry in India is revolving around two technologies - GSM (Global System for Mobile Communication) and CDMA (Code Division Multiple Access), a brief introduction to these will be relevant to the research.

GSM (Global System for Mobile Communications)

GPRS (General Packet Radio Service)

EDGE (Enhanced data for GSM evolution)

CDMA - Code Division Multiple Access

10.1 Messaging Services

Allow the user to send and receive text messages, messaging services include

SMS

MMS

Instant Messaging

Email

10.2 Entertainment Services

Entertainment services include, TV/Video, Music, Gaming and Mobile Internet access.

11. CONCLUSIONS

The growing importance of telecommunication, accords special significance to cellular services than any time in the past. New technologies make it possible to offer world-class services in cellular service industry. More and more cellular service providers are competing with each other -call-by-call, customer-by-customer to attain their long-term profit objectives. This study is an attempt to find out and analyze the status of adoption and implementation of customer relationship marketing in cell phone industry. When the researcher was doing preliminary research, it was observed that Ceitel subscribers were getting the maximum number of calls and SMS on their Cellphone. Companies that practice customer relationship marketing need to motivate their employees to practice relationship marketing. In the vast Indian market for cellular services there are 12 operators providing cellular services.

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