

CONSUMER SATISFACTION IN INDIAN TELECOM INDUSTRY: A CASE STUDY OF BHARTI AIRTEL

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ABSTRACT

Today, the telecom organisations are facing challenges to satisfy their customers in the light of cutthroat competition, continuous stringent regulatory norms, new rivalries and changing market conditions. They are striving for survival and steady growth. The researchers feel that consumer satisfaction is the key to success for any organisation especially in this competitive world. The researchers have chosen Bharti Airtel, which is ranked as number one telecom organisation in India on the basis of subscribers as well as profit. This primary study has been conducted at Agra on 107 individual consumers or subscribers of the organisation. Twenty-one services have been identified through secondary data. Consumer satisfaction has been analysed as per ranking of respondents. The study reveals that social networking is the top most service in providing consumer satisfaction. All top ten ranked services namely social networking, internet access services, short message services, chatting, downloading, 3G services, scheme/plan, mode of payment, recharge options and customer care services have been found significantly associated with their respective usage.

Key words: Regulatory Norms, Consumer Satisfaction, Telecom Services and Social Networking.

1. INTRODUCTION

Consumer is the king of today's market. Marketers' are trying to motivate consumers to buy more and more products and services. In this competitive environment, the Indian businesses are in trouble to survive, maintain and ensuring same growth prospects at present as well as in future too. Today, telecom organisations are trying to synergies their overall operations to take competitive advantages and lead the market. The telecom players are using a lot of strategies to satisfy existing consumers in order to have prospective buyers.

Telecom companies have tried to deliver best service quality, best networks, better coverage etc as a part of customized marketing for satisfying and retaining consumers. Maintaining sustainable growth of the market share and subscriber base is very important in most competitive environment. Examining every competitor will provide a feedback to frame various marketing strategies to overcome challenges. The telecom players have to consider all 7Ps of service marketing i.e. Product, Price, Place, Promotion, Physical Distribution, People and Process.

2. CONTEMPORARY RELEVANCE OF CONSUMER SATISFACTION

All activities of a business move around the consumers. An integrated and holistic approach shall be adopted to strengthen the consumer trustworthy relationship with the service providers. To achieve such a task the telecom organisations need to understand the consumer behaviour first. In consumer behavior, the organisations need to study about some vital buying qualities such as what?, When?, Why?, how?, how much?, how often?, where? to buy etc. After knowing the consumer behaviour the company can frame various strategies related to marketing, finance, production and technology.

3. INTRODUCTION TO TELECOM SECTOR

Today, the Indian telecom organisations have crossed its consumer base more than 1000 million in Indian market. The Indian telecom sector is second biggest market after China. There is a tremendous competition between the market players. Rural Indian regions are still left out to be covered in an effective manner. The rural areas are not so much productive in terms of revenue. The 4G technology is still to penetrate the market in India. It is assumed that the 'Digital India' project will boost up telecom market in India in near future and awareness will also increase not only in urban areas but also in rural areas. The tele-density will also increase in villages.¹

4.PROFILE OF THE BHARTI AIRTEL

The company is leading at top position today out of more than 30 telecom players. In India, Bharti Airtel is in the list of global leaders now working in 20 countries. In the global ranking the company stands on third position, which is based on total number of subscribers globally. The company is serving more than 311 million consumers across the globe. The revenue reached to 920 billion including all 20 business countries in the financial year 2014-15.²

5.REVIEW OF RELATED LITERATURE

- ★ Department of Telecommunication (2015) has reviewed that the telecom organisations must deliver better services like call drop while using the mobile services by the consumers. To ensure such conditions the department is thinking to take strict action for these defaulters. The department of telecommunication has conducted a check or survey to test whether the call drop situation occurs or not. They found it is happening in peak hours and due to lack of mobile towers. Generally this happens when mobile towers have not been established. This creates differences in consumers' satisfaction and choices.³
- ★ Annual Financial Report (2014-15), the chairman of the company has addressed in his speech to all shareholders that the data related services have given challenge and opportunities to get revenues out of it because every consumers has to download something and keep it save for further processing of that information. The chairman further expressed his views that the Indian market share has also increased along with the profitability.⁴
- ★ Mark Gabbott and Gillian Hogg (1994), have conducted a study and published in a journal on the topic entitled "Consumer Behaviour and Services: A Review", it has been explained that the marketers must focus on problems occurred during the product or services used and find out with suitable solution to take attention of the consumers so as to provide that customer power to purchase and re-purchase the services from the same service providers.⁵
- ★ Jinzhu Song (2010), has conducted a study on 3G technology diffusion in the market and mentioned in his thesis that the consumers are very keen to uplift the social status by adopting such advanced technology at initial stage of product life cycle and this technology ran very fast within the consumers. This study also helped in finding cultural variations among the cities that have been chosen for study. They gave a big hit to diversify into the market with this technology. The consumers are also influenced by cost and quality of the 3G innovation in the market.⁶

6.NEED OF THE STUDY

Today every telecom organisation is facing cut throat competition in the market. They are striving for revival or remain in the market and trying to keep profit on steady mode and increasing. To increase the profit and subscribers base, the various marketing and leadership strategies are being followed to improve day-to-day business operations.

7.OBJECTIVES OF THE STUDY

1. To study consumer satisfaction level with respect to services being used.
2. To provide suggestions for further improvement in consumer satisfaction.

HYPOTHESIS

H₀1 Consumers' satisfaction and services used by consumers' are independent to each other.

RESEARCH METHODOLOGY

The researchers have used the following research methodology to make the study more authentic and scientific:

DATA COLLECTION

The study is based on primary data that have been collected through a self-structured questionnaire. For secondary sources, the researchers have gone through various newspapers, magazines, journals, periodicals, concerned websites and books etc.

SAMPLE SIZE

The researchers have selected sample size of 100 consumers or subscribers of the selected telecom company.

SAMPLING TECHNIQUES

The researchers have used convenience sampling for the study.

STATISTICAL TOOLS

Weighted average and chi-square have been used.

ANALYSIS AND FINDINGS

H₀1 Consumers' satisfaction and services used by consumers' are independent to each other.

The researchers have collected data of consumer satisfaction on a 5-point scale and further converted into 3-point scale i.e. Low, Medium and High based on their respective weight. On the other side, usage level has been analysed on the basis of two attributes i.e. Low and High usage. The researchers have further ranked top 10 services with their corresponding usage level. Each selected service has

been analysed to test the above stated null hypothesis by applying chi-square test for which the description is as follows:

H₀1.1 Consumers’ satisfaction and social networking services used by consumers’ are independent to each other.

Table-1

Social Networking					
		Satisfaction Level			Total
		LOW	MEDIUM	HIGH	
USAGE LEVEL	LOW	6 (4)	29 (18)	14 (27)	49
	HIGH	2 (4)	11 (22)	45 (32)	58
	Total	8	40	59	107

1. The expected frequencies are in brackets.

Formula for chi-square is:

$$\text{Chi-square} = \chi^2 = \sum \frac{(O - E)^2}{E}$$

where:

χ^2 = Symbol of chi-square

O= Observed frequency

E= Expected frequency

Computation of the chi-square:

$$\chi^2 = \sum (fo_1 - fe_1)^2 / fe_1 + (fo_2 - fe_2)^2 / fe_2 + (fo_3 - fe_3)^2 / fe_3 + (fo_4 - fe_4)^2 / fe_4 + (fo_5 - fe_5)^2 / fe_5 + (fo_6 - fe_6)^2 / fe_6$$

$$\chi^2 = 1.5 + 6.23 + 6.27 + 1.26 + 5.26 + 5.3 = 25.82$$

The table value of chi-square at 5% significance level and on 2 degrees of freedom is **5.99**, which is less than the calculated value (**25.82**). After comparing both the values, the above null sub hypothesis has been rejected and one can conclude that there is a significant relationship between consumers’ satisfaction and social networking service being used by consumers.

H₀1.2 Consumers’ satisfaction and short message service used by consumers’ are independent to each other.

Table-2

Short Message Services					
		Satisfaction Level			Total
		LOW	MEDIUM	HIGH	
USAGE LEVEL	Low Usage	6 (4)	18 (13)	23 (30)	47
	High Usage	4 (6)	11 (16)	45 (38)	60
	Grand Total	10	29	68	107

1. Expected frequencies are in brackets.

The researchers have concluded after examining the above table that value of chi-square at 5% significance level and on 2 (d.f.) is **5.99** that is less than the calculated value (**7.74**). Therefore, the above null hypothesis has been rejected and it can be concluded that the short message service has significant association of short message service and consumers’ satisfaction.

H₀1.3 Consumers' satisfaction and internet access services used by consumers' are independent to each other.

Table-3

Internet Access Services					
		Satisfaction Level			Total
		LOW	MEDIUM	HIGH	
USAGE LEVEL	Low Usage	4 (5)	23 (13)	16 (25)	43
	High Usage	8 (7)	9 (19)	47 (38)	64
	Grand Total	12	32	63	107

1. Expected frequencies are in brackets.

The table value of chi-square at 5% significance level and on 2 degrees of freedom is **5.99**, which is less than the calculated value (**19.13**). After comparing both the values, the researchers strongly reject the above framed sub null hypothesis and may conclude confidently that there is a significant effect with the internet access services on consumers' satisfaction.

H₀1.4 Consumers' satisfaction and chatting services used by consumers' are independent to each other.

Table-4

Chatting					
		Satisfaction Level			Total
		LOW	MEDIUM	HIGH	
USAGE LEVEL	LOW USAGE	8 (5)	32 (22)	14 (27)	54
	HIGH USAGE	1 (4)	12 (22)	40 (28)	53
	Grand Total	9	44	54	107

1 Expected frequencies are in brackets.

The table value of chi-square at 5% significance level and on 2 degrees of freedom is **5.99**, which is less than the calculated value (**27.05**). After comparing both the values, the researchers strongly reject the above framed sub null hypothesis and may confidently conclude that there is a significant effect with the chatting services on consumers' satisfaction.

H₀1.5 Consumers' satisfaction and downloading services used by consumers' are independent to each other.

Table-5

Downloading					
		Satisfaction Level			Total
		LOW	MEDIUM	HIGH	
USAGE LEVEL	LOW USAGE	6 (6)	35 (22)	22 (35)	63
	HIGH USAGE	4 (4)	2 (15)	38 (25)	44
	Grand Total	10	37	60	107

1. Expected frequencies are in brackets.

The table value at 5% significance level and on 2 degrees of freedom is **5.99**, that is less than the calculated value (**31.72**). After comparing both the values, the researchers confidently reject the above framed sub null hypothesis and may conclude that there is significant relationship of downloading service on consumers' satisfaction.

H₀1.6 Consumers' satisfaction and 3G services used by consumers' are independent to each other.

Table-6

3G Services					
		Satisfaction Level			Total
		LOW	MEDIUM	HIGH	
USAGE LEVEL	LOW USAGE	6 (6)	40 (26)	21 (34)	67
	HIGH USAGE	4 (4)	2 (16)	34 (21)	40
	Grand Total	10	42	55	107

1. Expected frequencies are in brackets.

The table value (5.99) is less than the calculated value (33.15). After comparing both the values, the researchers confident to reject the above null hypothesis and may conclude confidently that there is significant association of 3G services on consumers' satisfaction.

H₀1.7 Consumers' satisfaction and scheme/plan used by consumers' are independent to each other.

Table-7

Scheme/Plan					
		Satisfaction Level			Total
		LOW	MEDIUM	HIGH	
USAGE LEVEL	LOW USAGE	14 (9)	22 (20)	32 (39)	68
	HIGH USAGE	(5)	10 (12)	29 (22)	39
	Grand Total	14	32	61	107

1. Expected frequencies are in brackets.

The table value of chi-square at 5% significance level and on 2 degrees of freedom is 5.99 and the calculated value is (11.64). After comparing both the values, the researchers reject the above null hypothesis and may conclude confidently that the consumers are strongly satisfied with the use of scheme/plan offered by such company.

H₀1.8 Consumers' satisfaction and mode of payment services used by consumers' are independent to each other.

Table-8

Mode of Payment					
		Satisfaction Level			Total
		LOW	MEDIUM	HIGH	
USAGE LEVEL	LOW USAGE	11 (6)	37 (34)	30 (38)	78
	HIGH USAGE	(5)	7 (10)	22 (14)	29
	Grand Total	11	44	52	107

1. Expected frequencies are in brackets.

The table value of chi-square at 5% significance level and on 2 degrees of freedom is 5.99, which is less than the calculated value (12.96). After comparing both the values, the researchers strongly reject the above framed sub null hypothesis and may conclude that consumers are highly satisfied with use of mode of payment service of the company.

H₀1.9 Consumers’ satisfaction and recharge option services used by consumers’ are independent to each other.

Table-9

Recharge Option					
		Satisfaction Level			Total
		LOW	MEDIUM	HIGH	
USAGE LEVEL	LOW USAGE	11 (8)	38 (30)	22 (33)	71
	HIGH USAGE	1 (4)	7 (15)	28 (17)	36
	Grand Total	12	45	50	107

1. Expected frequencies are in brackets.

The table value of chi-square at 5% significance level and on 2 degrees of freedom is **5.99**, which is less than the calculated value (**21.23**). After comparing both the values, the researchers strongly reject the above framed null hypothesis and may conclude that there is significant association of ‘recharge option’ service on consumers’ satisfaction.

H₀1.10 Consumers’ satisfaction and customer care services used by consumers’ are independent to each other.

Table-10

Customer Care Services					
		Satisfaction Level			Total
		LOW	MEDIUM	HIGH	
USAGE LEVEL	LOW USAGE	14 (13)	31 (25)	29 (36)	74
	HIGH USAGE	5 (6)	5 (11)	23 (16)	33
	Grand Total	19	36	52	107

1. Expected frequencies are in brackets.

The table value of chi-square at 5% significance level and on 2 degrees of freedom is **5.99**, which is less than the calculated value (**9.4**). After comparing both the values, the researchers reject the above null hypothesis and may confident to conclude that, there is significant relationship between ‘consumer care services’ and consumers’ satisfaction.

8.CONCLUSIONS AND SUGGESTIONS

- The researchers have found that maximum satisfaction of consumers is from social networking services. The consumers are satisfied with this service offered and there is a strong relationship. Since looking that satisfaction, the telecom organisation should consider this service to penetrate into the target market that can bring more revenue to the organisation. The company should cash on this service as soon as possible. Some more schemes can also be launched to attract more consumers from the rivalries, which will help to remain leader in this segment of services.
- In ‘short message service’ of the company, the consumers’ are using ‘whats app’ today more and more and that is why the use of paid short messages services is less preferred and less in use. Therefore, the strong association is there but company has to think of it for future course of action. It is also less associated in comparison of social networking service.
- Due to increase in the use of internet facility on the mobile and various apps can be downloaded on mobile to use other services, the internet users have been increased in number and demand for downloading data also create opportunity for the company. The young generation is using so much for various purposes with educational and government sites also and some organisations force to see websites and submit their requirements online only. Therefore, the company should emphasis on internet schemes so that the uses can be increased.
- The consumers are also using ‘chatting’ facility on their mobile. The company should encourage sales promotion activities and some event programs to motivate consumers to use more chatting.
- Downloading services are also increasing tremendously. Today, the latest mobile handsets are well equipped to serve this issue. Students are downloading educational material, movies, completing projects, songs and other

entertainment mode. So, the company has to find some sort of solution for consumers enabling them to use hassle free services.

- The company should encourage 3G services users because in near future all consumers will go for 4G services. As already, some telecom companies are not be able to pay auction price to the government and other operational cost.
- Schemes are not contributing significantly to consumers' satisfaction as the analysis shows marginal association between the two hence, the company should not be worried from this section.
- The company has many modes to pay utility bills in order to satisfy consumers. It should be more hassle free so that a normal consumer can also use mobile for payment of dues.
- The consumers are using various recharge options available in the market. Now consumers are recharging from their mobile. Therefore, the company should open more ways to recharge even at the time when retailers are not available.
- Customer care services need to be improved as compared to earlier times. The company should take adequate steps and recruit reliable employees to serve its consumers in a better way.

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