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## ROLE OF AIRTEL IN TELECOMMUNICATION SECTOR AS A PIONEER SERVICE PROVIDER: A STUDY ON CUSTOMER SATISFACTION SURVEY AT BANGALORE

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### ABSTRACT

*Prior to the introduction of the LPG (Liberalization, Privatization and Globalization) in the decade of 90's telecommunication industry in India was under the monopoly of the government of India, earlier to the emergence of Privatization, general public were suppose to wait for a longer period of time to get a telephone connection after registering their names with the government authorities, after the introduction of LPG regime general public can get telephone one connection at their fingertips this drastic change in telecommunication sector as affected every of walk of the economic life of the people as the individuals were accustomed to use the telecommunication as the base for their each and every transaction beginning from taking appointment for consulting a doctor till finalizing the real estate deal and so on and so forth. This has paved the way for rapid growth of the economy, millions of villagers in lakhs of villages which were devoid of telephone connections earlier were brought to the mainstream of the economy due to easy accessibility of telecommunication aids viz., mobiles, fixed lines, innovative technological developments in the field of telecommunications. Telecommunications services were once the property and status symbols of the affluent families in the decades back is now within the reach and ambit of common man's affordability. Now owning a telephone connection is neither a status symbol*

*nor the monopoly of the government authority as it has become the need of the society. The present research study throws enough light on the emergence of private players in the field of telecommunications compared to the public sector undertaking providing similar services. The study also aimed to explore the customer satisfaction in telecommunication services provided by the leading private services provider that is AIRTEL in Bangalore District of Karnataka.*

**Key Words:** Liberalization, Privatization, Globalization, Telecommunication, regime, Telephone, Private Sector, Government Authority, Affluent Families.

### **Introduction:**

Telecommunication is a vital infrastructure industry, having special relevance for a developing country such as India. International studies have estimated that every one per cent increase in tele-density (number of telephones per hundred person) contribute to GDP growth of three per cent a testimony to the importance of telecommunications as a prime mover of growth. The overall Tele-density in India increased from 93.23 at the end of Apr-17 to 93.61 at the end of May-17. The Indian telecom industry has evolved as one of the fastest-growing sectors in the country. Currently, India's telephone network is one of the largest communications network in the world. The Indian telecom market the second-largest in the world after China in terms of subscriber base added 13.75 million mobile customers.

### **Telecom Segments**

Telecommunication services include wire line and wireless services. Wire line services include the basic service, that is, fixed line. The wireless services include the mobile, WLL (F) and WLL (M). The fixed wire line market share is dominated by the state operators, BSNL and MTNL, who together accounts for around 92 per cent of the total subscriber base. Private sector services are presently available in selective urban areas, and collectively account for remaining 8 per cent of the subscriptions. However, private services focus on the business/corporate sector, and offer reliable, high-end services, such as leased lines, ISDN, closed user group and videoconferencing. Other services offered include Internet Service Provider (ISP), Very Small Aperture Terminal (VSAT), Radio Paging Services, Public Mobile Radio Trunked Services (PMRTS), Internet Telephony and Cable TV services.

Wireless services can be further divided into two categories: Global System for Mobile Communications (GSM) and Code Division Multiple Access (CDMA). The WLL (F) is operated under the CDMA technology. The GSM sector is dominated by players such as Airtel, Vodafone-Essar, and Idea Cellular, while the CDMA sector is dominated by Reliance and Tata Indicom.

### **Telecommunication in Rural India**

Mobile telephony has penetrated to every corner of the country. It has dominated other communication methods. It has made communication easy at low cost. This revolution has changed the earth itself. The mobile is very useful that nook and corner of the country is being covered. It has also made its way into rural areas. It is well known fact that rural population all over India is in majority and the entire agriculture, sericulture, horticulture is concentrated there. It is well known fact that urban development depends upon rural economy. Therefore, rural India should have mobile communication facilities. Many of these 'mobile citizens' live in poorer and more rural areas with scarce infrastructure and facilities, high illiteracy levels and low per capita income. The advances in mobile technology could be used to bridge the growing economic and social digital divide between rural and urban areas. Mobile phones should not be seen merely as communication medium, they should really be seen as a new and essential form of infrastructure that will transform a host of other service sectors in rural economies around the world. Mobile communication is revolutionizing economic and social life in rural India, spawning a wave of local entrepreneurs and creating greater access to social services.

### **Market Players:**

The competition varies across the segments but the current players include the state-owned operators as well as private operators. In the public sector the main players are:

- Bharat Sanchar Nigam Ltd. (BSNL)
- Mahanagar Telephone Nigam Ltd. (MTNL)

Efforts are now being made to achieve the target of 600 million telephone subscribers by the end of eleventh five-year plan. It is also proposed to achieve rural teledensity of 25 percent by means of 200 million rural connections at the end of the eleventh five-year plan.

In the private sector the main players are:

- Bharti Telenet Ltd.
- Reliance Telecom Ltd.
- Tata Teleservices Ltd.

Some of them like Reliance have an interest in the basic (Both wired and wireless) services as well the national and international long distance services. Others like Bharti are concentrating on providing cellular services. Competition also differs in terms of the geographical coverage they want. For example, Reliance Infocom, given its big bang approach, plans to cover all the 18 telecom circles in India. As against this, Bharti seems to be focusing on south and north Indian circles.

### **Access Service - An Overview**

The number of telephone subscribers in India increased from 1,194.58 million at the end of Mar-17 to 1,210.84 million at the end of Jun-17, registering a growth of 1.36% over the previous quarter. This reflects year-on-year (Y-O-Y) growth of 14.25% over the same quarter of last year. The overall Tele-density in India increased to 93.98 at the end of Jun-17 from 92.98 at the end of the previous quarter.

### **Statement of the Problem**

The marketing or services programme of any organization - business or non-business - should aim at satisfying the ultimate consumers or the clientele of the product or service. Nowadays, improper commitment in rendering due services to the customers is a common phenomenon. Telecom in India is one of the fastest growing sectors. It has undergone both evolutionary and revolutionary changes. Mobile communication is revolutionizing economic and social life in India and helping the local entrepreneurs for a better accessibility to various business activities such as marketing opportunities, changes in demand, price fluctuations and availability of human resources.

It has completely changed the way of communicating among the masses and corporate sector. The process of globalization is facilitated by communication through interconnectivity,

networking and the spread with which information is flooding. The concepts of globalization, liberalization, marketization and privatization are more pronounced in the telecom sector of our country. Instantaneous connectivity, access, interception have made feasible by high end cutting edge technology. The speed with which changes are taking place in the sector is inexplicable. The advancement in technology made so many product and services obsolete and brought in the new sophisticated communication media. The rate of obsolescence is very high owing to the Research and Development (R&D) in telecom and Information Technology (IT) Sector.

### **Objective of the Study**

Following are the objectives of the research study undertaken:

1. The major objective of the study is to reveal the success story of the Airtel to become market leader in telecommunication sector by leading high market share in spite of the co-existence of the giant public sector service provider like BSNL as well as many other private players.
2. And also to explore the level of satisfaction among the services provided by the Airtel in Bangalore district of Karnataka.
3. To offer a few suggestions on the basis of findings of the foregone study.

### **Methodology of Research**

The data needed for the study were collected from both the primary and secondary sources. The primary data comprises the opinion gathered from the public through administering questionnaires. About five hundred questionnaires were distributed on random sampling basis in all the wards of the town to the targeted consumers out of which 300 respondents responded. The questionnaire method is chosen for its versatility, speed and cost benefit.

### **Survey of Literature**

There was lot of research has taken place in the field, however, the present study is different from the earlier studies as it is focussed on the emergence of private telecommunication service providers and their market leadership as well as the satisfaction level of customers with reference to Airtel. However, the opinions, findings and suggestions contributed by the luminaries in the area of the research are considered and provided here under:

**Anderson** (1973) developed assimilation-contrast theory to explain the differences between consumer expectations and the quality which is too large to be perceived and exaggeration of this difference.

**Bhatt (2008)**, analyzed that it was important for mobile carriers, service providers, content developers, equipment manufacturers, as well as for parents and young people alike that the key characteristics of mobile technology is well understood so that the risks associated with its potentially damaging or disruptive aspects can be mitigated.

**Cooil et al., (2007)** stated that customer loyalty and satisfaction are integral part of customer retention process. Customer retention is a primary measure of loyalty. There is a positive relationship between changes in satisfaction and share of wallet. In particular, the initial satisfaction level and the conditional percentage of change in satisfaction significantly correspond to changes in share of wallet. Income and length of the relationship negatively moderate this relationship.

**Gupta (2000)**, estimated through his study that one per cent growth in telecommunication services generates three percent growth in the economy.

**Hill and Alexander** (2000), wrote in their book that “companies now have big investment in database marketing, relationship management and customer planning to move closer to their customers”.

### **Respondent analysis and Interpretation of the study**

For the purpose of the research study undertaken, there were a set of heterogeneous respondents have been selected and the responses were collected on the basis of questionnaires and the same were processed tabulated and by using the various statistical tools the data were analyzed and interpreted hereunder:

**TABLE - 1.1: AWARENESS OF RESPONDENTS  
ABOUT VARIOUS SERVICE PROVIDERS**

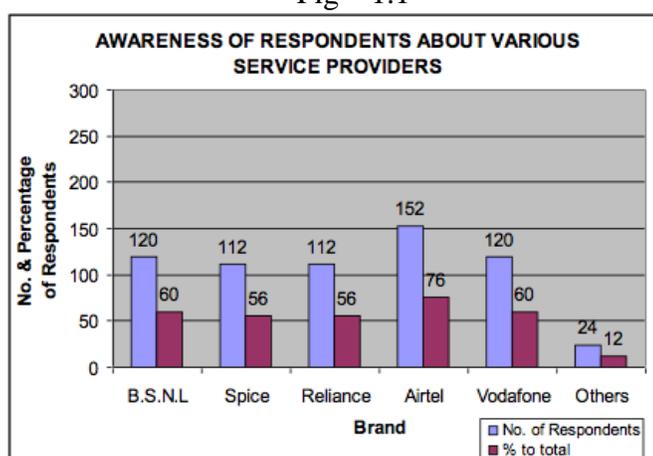
<b>Brand</b>	<b>No. of Respondents</b>	<b>% to total</b>
B.S.N.L	120	60
Spice	112	56

Reliance	112	56
Airtel	152	76
Vodafone	120	60
Others	24	12

Source: Field Survey.

Table 1.1 shows that 76 per cent of the respondents knew the services of Airtel. 60 per cent of the respondents expressed that they knew the services of B.S.N.L and Vodafone, 56 per cent of the respondents were also aware of the services of Spice and Reliance and 12% of the respondents aware of others.

Fig – 1.1



Hence it is evident from the above table that majority of the respondents i.e. 76 per cent are aware of Airtel services and also it indicates market share of Airtel. These 76 per cent respondents were also aware of other brands to a significant extent as shown in the table. This analysis helps in finding the edge of Airtel over others as well as the degree of emerging competition from other service providers. The more the awareness of the existing customers for other brands, the more would be the likely penetration of the competing brands that might reduce the market share.

**TABLE - 1.2: DIFFERENT MEANS OF CREATING AWARENESS ABOUT AIRTEL**

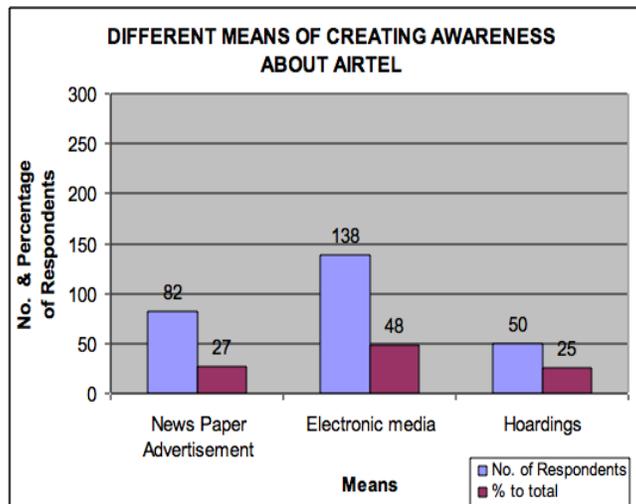
Means	No. of Respondents	% to total
News Paper Advertisement	82	27

Electronic media	138	48
Hoardings	50	25

Source: Field Survey.

Table 1.2 shows that 48 per cent of the respondents came to know about Airtel through electronic media followed by 27 percent from news papers and 25 per cent from hoardings. Hence, majority of respondents learnt about Airtel through advertisement. The brand image created by the Airtel advertisement had been really fascinating and worth emulated by other service providers.

**Fig: 1.2**



**TABLE – 1.3: ANY OTHER SOURCE OF INFLUENCE TO BUY THE AIRTEL**

PERSONS	No. of Respondents	% to total
Family	45	15
Friends	135	45
Dealers	-	-
Self	120	40

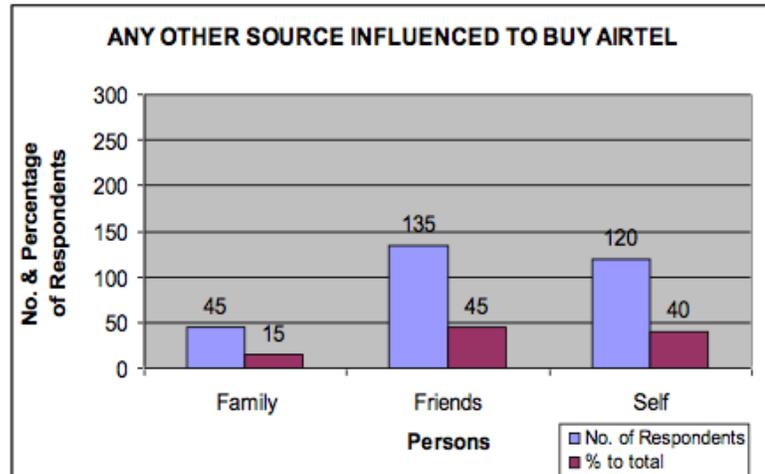
Others	-	-
Total	300	100

Source: Field Survey.

When a question was asked to know what factors influenced the respondents to buy Airtel connection, 45 per cent of the respondents stated that they were influenced by friends followed by 40 per cent of the respondents as influenced by self, and 15 per cent by family members.

It is evident from the table that friends are influencing more to buy Airtel connections. Thus peers' effect is evident among the Airtel customers. If Airtel introduces some incentive schemes which can facilitate chain-link benefits among its customers, it would further boost up its sales performance.

Fig – 1.3



**TABLE - 1.4: PRODUCT FEATURES INFLUENCED TO OPT FOR AIRTEL SERVICE**

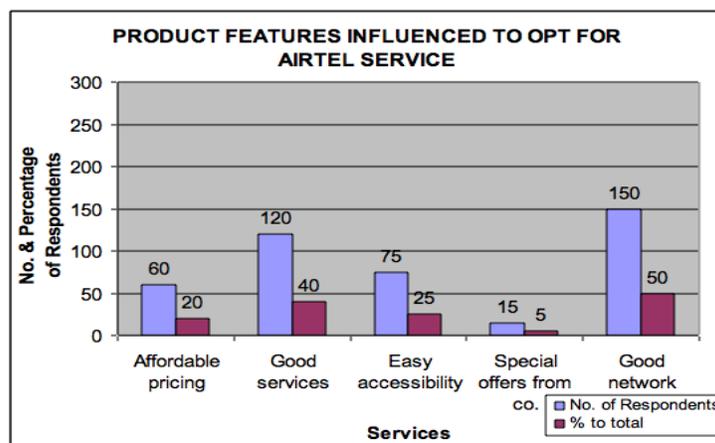
Services	No. of Respondents	% to total
Affordable pricing	60	20
Good services	120	40
Easy accessibility	75	25

Special offers from co.	15	5
Good network	150	50
Others	-	-

Source: Field Survey

Table 1.4 shows that a large number of respondents i.e. 50 per cent have opted Airtel mobile service because of good network facility available, 40 per cent of the respondents have opted Airtel because of its good service. 25 per cent of the respondents stated that easy accessibility has made them to opt for Airtel, 20 per cent of the respondents have opted Airtel service because of its affordable pricing. Only 5 per cent of the respondents opted for Airtel because of special offers from Airtel company. Hence it is evident from the table that majority of the respondents opted the Airtel because of the good network and qualitative services.

**Fig. 1.4**



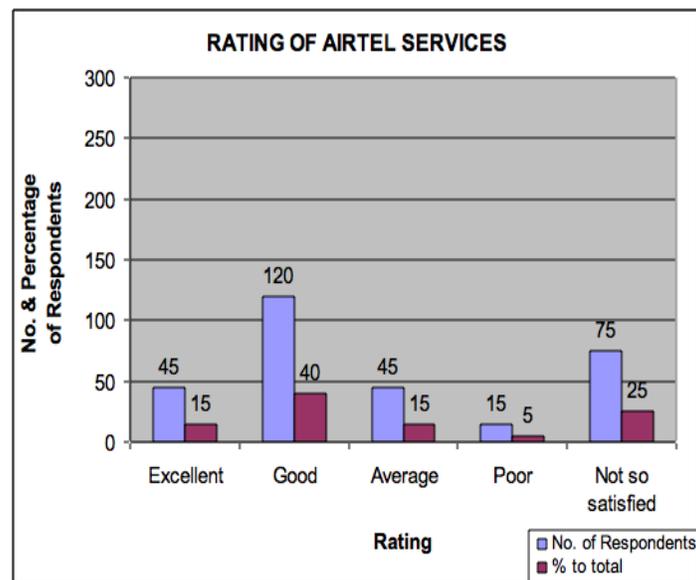
**TABLE – 1.5: RATING OF AIRTEL SERVICES OFFERED BY RESPONDENTS**

Rating	No. of Respondents	% to total
Excellent	45	15
Good	120	40
Average	45	15
Poor	15	5
Not so satisfied	75	25

Source: Field Survey.

Table 1.5 shows that 40% of the respondents graded services of Airtel as good followed by same number of respondents grading it as average; 15 per cent of the respondents stated that its services were excellent and only 5 per cent of the respondents graded them as poor. Overall, i.e. 55 per cent of the respondents rated Airtel services either as ‘excellent’ or ‘good’. The 30 per cent respondents (25per cent plus 5 per cent) who graded the services as ‘poor’ and ‘not so poor’ stated so mainly on account of some lacunae in the customer care department. They mentioned some specific problems like ‘unasked services’ and getting them subscribed. This problem specially arisen in the mistakes done by the customers in exercising options. Respondents were of the opinion that Airtel should provide certain services like ‘missed call alert’ etc., cost free.

**Fig 1.5**



**Summary of Findings, Suggestions and Conclusions:**

The present study has brought forth into limelight some of the achievements of the Airtel Company towards its customers’ satisfaction and some of the dissatisfaction levels experienced by them, which are rather findings of this study, presented as follows:

## Findings:

- 1. Airtel edge over other competitors:** The study reveals that the edge of Airtel over others as well as the degree of emerging competition from other service providers to Airtel. The more the awareness of the existing customers for other brands, the more would be the likely penetration of those brands that might reduce the market share of Airtel especially when the lower income groups showing their preference to other brands.
- 2. Attraction of Airtel Advertisement:** The brand image created by the Airtel advertisement had been really fascinating and worth emulated by other service providers. That the majority of the respondents bought Airtel mobile connection because of popularity in brand, service and easy availability are the main important factors influenced them to opt for Airtel services.
- 3. Influence of peers on marketing of Airtel:** Most of the consumers are aware of Airtel brand through their friends and relatives and they further influence them to subscribe Airtel services. Thus, the 'peers' effect is evident among the Airtel's customers. If Airtel introduces some incentive schemes which can facilitate chain-link benefits among Airtel customers, it would further boost up its sales performance.
- 4. Qualitative Services:** Majority of the respondents, as the study reveals, opted services of the Airtel because of the good network, affordable pricing, easy accessibility, special offers, etc. Overall, 55 per cent of the respondents graded Airtel services as 'excellent' or 'good'.
- 5. Satisfactory customer retention rate:** The study affirms that majority of the existing Airtel customers shifted their connections from other brands and also the original customers of Airtel continued their subscriptions without shifting to other brands. It is evident that Airtel could attract customers of other services into its fold without losing its existing customers. Thus it has become a strong competitor to its counterparts in the cellular phone business.
- 6. Influence of attractive pricing and new schemes:** Sustainability in the market mainly depends on the existing customer's feedback about the services of any product. Airtel in this regard scored a success as per the reasons mentioned by the Airtel customers. Ma-

jority of the existing customers have shifted their options to attractive pricing and new schemes offered by Airtel.

7. **Airtel brand has come to stay:** Besides Airtel brand name itself is the most influencing factor to opt for its option, and cumulative effect of all other factors like its brand popularity, easy purchase options, price and other services have contributed for widening its customer base.

### **Suggestions:**

1. At present, there are innumerable number of tariff plans which are creating confusion in the minds of consumers. Therefore, it is suggested that there should be minimum number of concrete tariff plans per service provider to avoid overlapping and confusion in the minds of the users.
2. Airtel has no doubt shown an immense interest in rural penetration through installations of high power transmission towers, but it should take steps towards the proper functioning of new towers.
3. Airtel has to increase transparency in post-paid billing system by clearly briefing out reasons for the various billing charges. It is better to offer some kind of financial warranty for postpaid connections.
4. Airtel should also concentrate on mobilizing more post-paid customer by setting up more retail outlets in important places.
5. To make the service provider more versatile and formidable global players, it is suggested that the firm should go for more and more innovative products to chalk out brand building exercises.
6. It is suggested that, free telecom services with incoming facility to receive that calls must be made available at all Government schools and colleges, Government hospitals and nursing homes and charity institutions. The outgoing utility of these services may be charged at lower rates.

7. Consumers have expressed that many times about their experience of low network in major cities and towns. Hence, Airtel service authorities have to pay immediate attention to see that network facility must be available not only in cities and towns but also in rural areas.

## **Conclusion**

In spite of the existence strict competition in the field of telecommunication sector Airtel has emerged as market leader by capturing more market share, this shows that Airtel has succeeded in attracting more subscribers by providing quality of services coupled with affordable tariffs and plans. Its contributions to rural India is remarkable and appreciable as a company it has compromised its profits and extended its arms in constructing the telecommunications infrastructure to cater the needs of the rural masses. The Airtel has spread its wings through its wide network accessibility and it has reached ahead of all other network providers. Thus it is evident from the foregone study that Airtel has all the potentialities to remain as market leader in the segment.

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