

# CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES OF THE MOBILE PHONE OPERATORS IN MUSIRI TOWN – AN EMPIRICAL STUDY

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## Abstract

The telecom services have been recognized world-over as an important tool for socio-economic development for a nation and hence telecom infrastructure is treated as a crucial factor to realize the socio-economic objectives in India. The Government of India recognizes that provision of world-class telecommunication infrastructure and information is the key to rapid economic and social development of the country. Customer relationship management has become the main strategy to retain customers for companies regardless of its size. The competition has been more intensified among the mobile phone companies. To face this competition, it is essential for any of the organization to do a proper planning, implementation and taking proper feedback about the process. Hence, it is therefore imperative for mobile phone service providers to analyze the subscribers' opinion with regard to customer relationship management. In this context, the researcher has made an attempt to study the customer relationship management of the mobile phone operators in Musiri town. The present study is empirical in nature based on survey method. As an essential part of the study, with the help of questionnaire, the primary data were collected from 200 customers i.e. 40 customers from each mobile phone service providers namely, BSNL, Jio, Airtel, Idea and Vodafone. The researcher has suggested suitable measures to improve the customer relationship management of the select mobile phone operators in Musiri town.

**Key words:** Customer relationship management, relationship marketing, service quality, customer retention, customer contact programmes, etc.

## 1. Introduction

Customers are the lifeblood of any business regardless of its nature, type and size. In the changing global economy, rapid technological growth has brought general awakening among customers. For most organizations, understanding customers is the key to success while not understanding them is a recipe for failure. The ability to identify profitable customers and then customize marketing on the basis of customer value has enabled many companies to punch above their credence. Service sector is the lifeline for the social and economic growth of a country. It is today the largest and fastest growing sector, contributing more to the global output and employing more people than any other sector. The valid reason for the growth of the service sector is the increase in urbanization, privatization and more demand for intermediate and final consumer services. During the last two decades, the service oriented industry has potential growth and now constitutes a major portion of the world economy. One of the few things that companies are left with is to distinct themselves in terms of quality of service they offer, which has a direct impact

on profit making. Thus, service quality is deeply intertwined with profits, customers' expectations and eventual performance of a firm. Service delight is now the ethos of several progressive companies over the world. With the increasing emphasis on service delight and service quality, the Indian telecom industry is becoming increasingly competitive.

## 2. Concept of customer relationship management

In literature, CRM is defined in many ways. The main difference among these definitions is technological and relationship aspects of CRM. From marketing aspect, CRM is defined as "a combination of business process and technology that seeks to understand a company's customers from the perspective of who they are, what they do, and what they are like". Technological definition of CRM was given as "the market place of the future is undergoing a technology-driven metamorphosis".

## 3. Importance of CRM in cellular phone service

The telecom services have been recognized world-over as an important tool for socio-economic development for a nation and hence telecom infrastructure is treated as a crucial factor to realize the socio-economic objectives in India. The Government of India recognizes that provision of world-class telecommunication infrastructure and information is the key to rapid economic and social development of the country. It is critical not only for the development of the information technology industry, but also has widespread ramifications on the entire economy of the country. The sovereignty of consumers is quite evident through their revealed preference in favour of economically rational decisions. Therefore, the task facing the authorities in the telecom sector is to focus on those activities that result in meeting customer expectations. Moreover, the forces of liberalization and globalization of telecommunication market have pressurized the companies to maintain their market share by focusing on retaining their current customers. With the increase in the cost of acquisition of new customers, cellular phone service providers continually seek new ways to acquire, retain and increase their subscriber base. In a competitive market, cellular phone service providers are expected to compete on both price and quality of services and also it is necessary to meet consumers' requirements and expectations in price and service quality. The positive relationship of service quality with customer satisfaction, customer preference, profitability, competitiveness, is well proven in the academic literature. Nowadays cellular phone is a very necessary product for our daily communication. Customers mainly purchase this product for instant communication and various services provided by the companies. In cellular phone market, customers bring higher expectations for communication from its service providers and if companies are not able to meet these expectations, the customers will take their business elsewhere.

#### **4. Statement of the problem**

The business surroundings marked by fierce rivalry and incessant changes in the alliance between companies and customers set the scene for the Indian telecom industry. The emergence of new economies and their rapid growth have been the most important contributing factors in the resurgence of telecommunications in India. In addition, advanced technologies are effecting in customer service breakthroughs that significantly modify customer expectations. They try to speed up the various processes such as solving customer problems, handling customer complaints, service delivery and handling of application. The cellular phone segment is facing a rapidly changing market, new technologies, economic uncertainties, fierce competition and more demanding customers and the changing climate has presented an unprecedented set of challenges. With subscriber base nearing saturation and the rising competition from globalization, the mobile industry needs to adopt strategies that defend their market and understand the impact of their retention strategies on the customer and business performance in regard to their sales, market share, profitability and customer satisfaction. Customer relationship management has become the main strategy to retain customers for companies regardless of its size. The competition has been more intensified among the mobile phone companies. To face this competition, it is very essential for any of the organization to do a proper planning, implementation and taking proper feedback about the process. Hence, it is therefore imperative for mobile phone service providers to analyze the subscribers' opinion with regard to customer relationship management. In this context, the researcher has made an attempt to study the customer relationship management of the mobile phone operators in Musiri Town.

#### **5. Objectives of the study**

1. To study the perception of customers towards customer relationship management practices of the mobile phone operators in Musiri town.
2. To offer suitable suggestions to improve the customer relationship management of the mobile phone operators based on the findings of the study.

#### **6. Scope of the study**

The scope of the study is confined to Musiri town. The customer relationship management is the vast subject; therefore more importantly the in-depth study for the 200 respondents was focused its attention on four key and vulnerable areas of customer relationship management such as service quality, customer interaction management, customer retention management and customer contact programmes.

## 7. Research design

The present study is empirical in nature based on survey method. As an essential part of the study, with the help of questionnaire, the primary data were collected from 200 customers i.e. 40 customers from each mobile phone service providers namely, BSNL, Jio, Airtel, Idea and Vodafone. In order to study the attitude of the customers, statistical tools such as weighted average analysis and percentage analysis have been employed.

## 8. Findings

1. Out of 200 respondents, 40%, 35% and 25% of the respondents have good, fair and poor attitude respectively towards CRM practices of the select mobile phone operators.
2. About 47.50% of the customers of BSNL, 45% of the customers of Jio, and 40% of the customers of Airtel have good attitude towards assurance of service. 35% of the customers of Idea and 40% of the customers of Vodafone have fair attitude towards assurance of service. BSNL and Airtel occupy the first and second place respectively with regard to assurance of service. Jio, Idea and Vodafone stands in the third places with regard to assurance of service.
3. About 47.50% of the customers of BSNL, and 37.50% of the customers of Vodafone have fair attitude towards individual attention. 52.50% of the customers of Jio, 47.50% of the customers of Airtel and 45% of the customers of Idea have good attitude with the individual attention. Jio, Airtel, Idea, BSNL and Vodafone occupy the first, second, third, fourth and fifth places respectively with regard to individual attention given to customers.
4. About 55% of the customers of BSNL, 45% of the customers of Jio, 42.50% of the customers of Airtel, 35% of the customers of Idea and 37.50% of the customers of Vodafone have good attitude towards reliability of service. BSNL, Jio and Airtel occupy the first, second and third places respectively with regard to reliability of services.
5. About 35%, of the customers of BSNL and 37.50 per cent of the customers of Vodafone have poor attitude towards responsiveness. About 42.50% of the customers of Jio, 47.50% of the respondents of Airtel, and 40% of the customers of Idea have good attitude towards responsiveness. Jio, Airtel, and Idea occupy the first, second and third place respectively with regard to responsiveness of the staff members.
6. About 52.50% of the customers of BSNL, 45% of the customers of Jio, 47.50% of the respondents of Airtel, 37.50% of the customers of Idea and Vodafone have good attitude towards tangibility of services. BSNL & Airtel, Jio and Idea & Vodafone occupy the first, second and third places respectively with regard to tangibility of service facilities.

7. About 42.50% of the customers of Jio have good attitude towards competence of employees. 35% of the customers of BSNL and 37.50% of the customers of Idea have fair attitude with the competence. 40% of the respondents of Airtel and 42.50% of the respondents of Vodafone have poor attitude towards competence. Jio, BSNL, and Idea occupy the first, second and third places respectively with regard to competence of employees.
8. About 45% of the customers of BSNL and 40% of the respondents of Idea have poor attitude towards communication. About 37.50% of the customers of Airtel and 40% of the respondents of Vodafone have fair attitude towards communication. About 35% of the respondents of Jio have good attitude towards communication. Airtel, Jio and Idea occupy the first, second and third places respectively with regard to customers' communication.
9. About 42.50% of the customers of BSNL, 50% of the respondents of Jio and 40% of the respondents of Idea have good attitude towards understanding of customers. About 37.50% of the customers of Airtel and 47.50% of the respondents of Vodafone have fair attitude towards understanding of customers. Jio, Vodafone and Idea occupy the first, second and third places respectively with regard to understanding of customers.
10. About 40% of the customers of BSNL, 45% of the respondents of Jio, 35% of the respondents of Airtel and 37.50% of the respondents of Idea have good attitude towards access of service. About 45% of the respondents of Vodafone have fair attitude towards access of service. Jio, BSNL & Vodafone and Idea occupy the first, second and third place respectively towards access of service.
11. About 52.50% of the customers of BSNL, 45% of the respondents of Jio, 42.50% of the respondents of Airtel and 37.50% of the respondents of Idea have good attitude towards security. About 50% of the respondents of Vodafone have fair attitude towards access of security. BSNL, Jio and Airtel occupy the first, second and third places respectively towards security of service.
12. About 42.50% of the respondents of BSNL and 52.50% of the respondents of Airtel have good attitude towards customer interaction management. About 40% of the customers of Jio and 50 per cent of the customers of Idea have poor attitude and 62.50 per cent of the respondents of Vodafone have fair attitude towards customer interaction management. Airtel, BSNL, and Vodafone occupy the first, second and third places respectively towards customer interaction management.
13. About 37%, 31% and 32% of the respondents have good, fair and poor attitude respectively towards customer retention management. About 47.50 per cent of the customers of BSNL, 42.50 per cent of the customer of Jio and 35 per cent of the customers of Airtel have good

attitude towards customer retention management. About 37.50 per cent of the customers of Idea have fair attitude towards customer retention management. About 42.50 per cent of the customers of Vodafone have poor attitude towards customer retention management. Airtel, Vodafone and Jio occupy the first, second and third places respectively with regard to security of service.

14. About 34%, 29% and 37% of the respondents have good, fair and poor attitude respectively towards customer contact programmes. About 37.50 per cent of the customers of BSNL and 42.50 per cent of the respondents of Jio have fair attitude towards customer contact programmes. About 37.50 per cent of the customers of Airtel have fair attitude towards customer contact programmes. About 50 per cent of the customers of Idea and 57.50 per cent of the customers of Vodafone have poor attitude towards customer contact programmes. BSNL & Airtel, Jio and Idea occupy the first, second and third places respectively towards customer contact programme.

## 9. Suggestions

1. Anywhere bill payment facility will reduce the workload of the customers. Therefore, it is suggested that the mobile phone operators shall introduce anywhere bill payment facility to their customers.
2. The customers were supposed to enquire their problems at various counters in the same office. It is therefore suggested that the mobile phone operators can introduce single point counter to solve all the grievances at a single counter.
3. The respondents were feeling that there is no group billing facility. It is therefore suggested that the mobile phone operators can introduce the group billing facility; it will enable the customers in many ways.
4. The mobile phone operators should establish a separate 'Customer Compliant Monitoring Cell'. The function of the cell must be to receive, register and classify customer complaints and forward them to the respective sections to initiate action, and follow up until the complaint is attended to the satisfaction of the customer concerned.
5. Regular 'customer satisfaction audit' is to be carried out to find areas of discrepancies and try to improve the customers' perception level.

## 10. Conclusion

Taking the mobile telecom industry to the heights of international excellence will require a combination of new technologies, better and quicker processing of service, appraisal, product diversification, internal control, and human resource. Ultimately the challenge is to build a safe and sound communication system for a vibrant economy. The 'Indian mobile phone sector' should emerge stronger in line with the international standards at the same time to meet the national goals as well. The researcher has suggested suitable measures to improve the customer relationship management of the mobile phone operators in Musiri town.

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