A STUDY ON CUSTOMER LOYALTY TOWARDS BSNL BROADBAND SERVICES AT VIJAYANAGAR, BENGALURU.

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Abstract

The telecommunication Industry was started almost in 1800 B.C through pigeons and beacons. In India, telecom authority was under government in earlier stage, later private organizations comes into the telecom Industry. Innovations in the telecommunication Industry keep on changing the current practices of the sector. The growth of the telecom business is followed with the innovations of smartphones, laptops, tablets and other teleservices. As the growth rate increases, more employment opportunities available for skilled people. Bharath Sanchar Nigam Ltd. is a public sector organization came into existence in India. BSNL created its own image in the telecom industry. BSNL has its main head office at New Delhi. It has 4 major circles in cities such as Bangalore, Pune, Mumbai and Noida. It is important to investigate the factors that influence customer loyalty and necessary to understand the psychological commitment towards the brand. It may helpful to understand the intention and feeling of customers towards the service offered. It also clearly defines that customer loyalty is depending upon organization actions to hold the customers for repeat purchase in long term. The study clearly indicates the Organization responsibility is very much important to understand the demands of customers as well by getting feedback about their products and services.

The study mainly deals with the customer loyalty towards broadband services offered by Bharat Sanchar Nigam Limited, Vijaynagar, Bangalore. The research will helpful in order to identify the customer base who are loyal to the service offered and also identify the factors that are influencing the customers in all the way. It specifies the importance of customer acquisition and retention in long run. The study also covers the customer perception towards the service by understanding their intention as well as feeling towards the broadband service. It also explains the efforts/customer loyalty and retention programs an organization can put forth to

retain its customers. The study gives an insight about the customer opinion towards loyalty programs and suggest the ways to attract new customers inorder to survive in the competitive marketing environment.

Key Words: Customer loyalty, Customer retention, Telecommunication, Broadband services.

Introduction

Telecommunication is the process or steps of distant communication achieved via pair of cables, broadcasting and other channels of communication. The word communication originated from the combination of Greek word tele and Latin word communicare whereas tele means distant, communicare is nothing but share. This word was first coined by French engineer and novelist Edouard Estaunie. In 1990, Tim Berners Lee designed World Wide Web which gave a way for connect many computers across the internet. The idea of dot-com was founded in 1999 provides low interest rates for smaller companies to have their own websites. Subsequently even Phones and Computers are modernized as well as able to cope with the newly available internet capabilities. In the modern era, new set of hard wares, semiconductor chips, LAN card, and Wi-Fi hardware card has been developed. New set of protocols IPV6 was introduced. A new local area network capability, Wi-Fi technologies has been discovered give a way of achieving long term connectivity in communication.

In India, Telecom service providers providing energizing offers to customers. There are 171.71 million broadband customers has been identified in India. After the Globalization and privatization affect, Value added services has been developed to attract the customers since there is a customer switching is relatively high in the telecommunication field. When new telecom related policy and procedures has established in India, BSNL and MSNL combined together to attain single objective of providing telecom service under the government recommendations.In the year of 1997, Telecom regulatory authority has established in India. GSM and CDMA utilities has been developed which gave a new way of service possibilities. The dominant performers of the telecom industry are Airtel, Reliance Infocomm, Vodafone, Idea and BSNL. Versatile number portability (MNP) alternative gave the clients to switch between one specialist co-operation to another specialist co-operation with energizing offers and esteem included administrations. Broadband specialist organizations are BSNL,Den Boom band, Spectra net, Asia net, Jet spot fiber, Bharti Airtel, Hathway, Hayai, Reliance, Tata.

Bharat Sanchar Nigam Limited was started in the year of 2000. Earlier it was working under government supervised DTO to facilitate telecom related services. It is providing telegraph, broadband, telephone and other telecom related services as well. Recently telegraph service was closed, other services still under operation.BSNL covers major 198 urban district areas in India. It suits the broadband relationship with the help of automatic line supporter association.

BSNL has 94.36 million cell and 1.02 million customers at the end of the year 2016. In most of the bsic affiliations, BSNL is miles before its adversaries, with 13.88 million wireline phone supporters. BSNL has set up a global level multiple gigabyte and unbelievably joined technical field of internet protocol formation that gives joined service associations like voice, data, image and video through an end-to-end Backbone and Broadband Access point Network. At present there are 21.86 million broadband customers containing both wireline and remote broadband service.

Customers are the king in the market. It is mandatory for any business firm to understand the need and wants of their target market in order to better satisfy their requirements than its competitors. However it is difficult to attract the customers at the same time its difficult to retain the same too for a longer period of time. Customer loyalty is the basic tool which measures customers positive and negative feelings, attitudes, behaviors, thoughts as well as their expressions towards organization products and service offerings. It impacts the particular organization brand image. If loyalty is relatively more, customer retention and attraction will be positive in nature. It results in acquiring the large customer base in future.

Objectives of Customer Loyalty

- To maximize the profitability and achieve growth.
- To understand customer satisfaction level of the customer.
- To determine the value created by the service provided.
- To understand the importance of the Service Employees and their skills.
- To understand company actions related to customers issues.

Tools used in Customer Loyalty

- **Thank you notes**

    These notes are helpful to the company to appreciate the customers who are making the business.However most of the time rivalries generally not making this kind of efforts.

- **Postcard mailings**

    In order to provide the most important information about product/services, company using the by sending the posts to the customer's on monthly basis.

- **Emails**

    Company informing customers about their product and service updates through mails

    at least once in a month.

- **No sales Environment**

  Company involve in the personal level to understand the customers behaviors and their interests by offering them coffee or lunch in outside non sales environment.

- **Special Occasions**

  By offering the customers during their special occasions such as birthdays, anniversaries, festival seasons and other special days.

- **Follow up**

  During the worst time of the customers, Company had to see the situation and call them periodically.

- **Passing of referrals**

  The most capable approaches to energize loyalty in customers is to pass them referrals. When you get a possibility, look through your customer database and thoroughly consider individuals as the company know who may increase the value of your customers

- **Entertainment opportunities**

  Company achieves large customer network by providing loyal customers entertainment opportunities by organizing party for the customers.

- **Post sales feedback**

  Company calls the customers frequently and asking them about product or service related questions and ask them about their perception about the service.

Important Channels of Customer Loyalty

- **Mobile search**

Mobile searches are nothing but promotional efforts of the company through mobile device. However most of the time mobile site are not customer friendly compare to the desktop appearance of the website via desktop computer search.

- **Text messaging**

It will help the customers in order to provide customer loyalty related messages with exclusive offers. It is the easy tool for the marketer to attract the customer.

- **Online stores**

These stores are offline store helpful for the customers for direct contact and interactions with the company service employees to understand the company offers.

- **Social media**

Social media attracts the customers since the customers spend their time mostly in the social networking sites. So if company tries to put their promotional efforts in the social media sites such as Facebook, YouTube, Instagram etc., It can grab the customer attention and the customer queries were may solved relatively fast. Even the social media sites helpful in searching for the well innovative researched information which useful to customers who are commonly referred to as content marketing.

- **Live chat**

Company customer representative talks with customer in order to solve customer issues related with company products and service offerings thus achieves the customer relationship in friendly manner.

Statement of the problem

Telecommunication is the booming sector of the service industry growing at a rapid phase. BSNL covers major 198 urban district areas in India. It suits the broadband relationship with the help of automatic line supporter association. BSNL has 94.36 million cell and 1.02 million customers at the end of the year 2016. In most of the bsic affiliations, BSNL is miles before its adversaries, with 13.88 million wireline phone supporters. Customers are the king in the market. Hence, it is difficult to attract the customers at the same time its difficult to retain the same too for a longer period of time. The study is an attempt to find out whether customers are loyal towards the BSNL broadband services, what is there opinion towards the quality of the service offered by them. Is the loyalty programs have been used, are they effective, company is able to attract new customers or able to retain the old customers etc..Loyal customers are the assets of any company because they provide a secured share of business, positive word of mouth and inturn increases the profit. In this regard the study would helps the service provider to better understand the customer perception towards their service.

Literature Review

In the year 2011, **Mandeep Singh** has conducted a research on "Building customer loyalty through value added services: a case of telecom sector". The main objective of the study was perceived service quality by the impact of value added services and to better understanding of the perceived value of services. By hypothesis testing positive impact of perceived service quality and positivity towards customer loyalty is identified. The outcome is long term relationship with customers is possible only by individual attention.Most of the customers are opting prepaid service. Innovative services are to be highlighted effectively.

In the year August 2014, **Rajeshwari,Murugan** both has conducted a study on "Customer loyalty intentions in Indian mobile and broadband internet services". The key objective of the study was to identify the important factors of loyalty in India telecom sector. The statistical tools such as mean, mode, standard deviation are used. Annova, P-test, Friedman test has been conducted to test the difference. The outcome is repurchase, positive word of mouth are related with loyalty intentions. It refers to measuring of loyalty was possible through behavior, attitude and trust based commitment, economic value and calculative commitment.

In the year May 2015, **Anuraadha V** has conducted a study on "Broadband wireless telecom service subscribers behavior in Chennai city". The key objective of the study was to know the socio-economic behavior of subscribers towards telecom services and to find out relevant sources. Under the study, stratified random sampling is considered. To check the purchase accessibility T-test has been conducted. One way Annova is conducted to know pre-purchase behavior. The outcome identified is Customers preferred on common factors which are efficient and comfortable. Customers looking for better quality service, call rates and pricing plan.

Objectives

- To identify the key factors with which customer evaluate the broadband services.
- To identify the motivating factors that help to enhance the customer loyalty towards the service.
- To investigate the level of commitment from the service provider that increases the customer loyalty.
- To determine the various customer retention strategies and loyalty programs.

Research Methodology

The study is descriptive in nature. It describes state of the surrounding nature at a given time. Primary data is collected through structured questionnaire, survey methods. Secondary data is collected through websites. Convenience sampling technique is used in the study. Sampling unit are BSNL broadband customers. Sampling size was 100 respondents.

Statistical tools: One-way Anova which is used to identify the process of interaction between two variables. Correlation also conducted between the two interdependent variables.

Analysis

Do you think company is providing all the promised services?

Table Showing the Information Company providing all the promised services

Sl.No.	Providing promised services	No. of Respondents
1.	Yes	77
2.	No	23
TOTAL		100

Analysis: The above table shows that 77% of respondents feels that the company is providing all promised services, 23% of respondents are feels that the company is not providing all promised services.

Are you considering which factor motivates you?

Table Showing the Information of customer's motivational factor that influencing to use the service

Sl.No.	Motivational factor	No. of Respondents
1	Better price	16
2	Better quality	53

3	Better features	22
4	Better service	7
5	` Brand Image	2
TOTAL		100

Analysis: The above table shows that 53% of respondents are motivated by the better quality, 22% of respondents are motivated by the better features, 16% of respondents are motivated by the better price, 7% of respondents are motivated by the better service, 2% of respondents are motivated by the brand image of the company.

What are the short comings according to you?

Table Showing the Information of short comings identified by the customers

Sl.No.	Short comings	No. of Respondents
1	Bad service	10
2	Lack of innovation	60
3	Poor Infrastructure	12
4	High Charges	14

| 5 | ` Poor and delay responses | 4 |
| TOTAL | | 100 |

Analysis: The above table shows that 60% of respondents are think lack of innovation the main short coming of the company, 14% of respondents are think because of high charges, 12% of respondents are because of poor infrastructure, 10% of respondents are think that bad service, 4% of respondents are think because of poor and delay responses,

Which promotional factors influenced you?

Table Showing the Information of promotional factors influenced the customers

Sl.No.	Promotional factors	No. of Respondents
1	Rewards	18
2	Reference	51
3	Offers	23
4	Individual Interest	6
5	` Publicity	2
TOTAL		100

Analysis: The above table shows that 51% of respondents are influenced by references, 23% of respondents are by offers, 18% of respondents are influenced by rewards, 6% of respondents are by individual interest, 2% of respondents are by publicity.

Reasons to participate in the loyalty programs?

Table Showing the Information about the customer's reasons to participate in the loyalty programs

Sl.No.	Reason to Loyalty program participation	No. of Respondents
1	To get discounts / save money	36
2	To show loyalty towards service	49
3	Getting frequent loyalty program mails	8
4	Just to try	2
5	` To get the extra service	5
TOTAL		100

Analysis: The above table shows that 49% of respondents are because to show loyalty towards the service,36% of respondents are participate in the loyalty programs because to get discounts or to save money, 8% of respondents are because of getting frequent loyalty program mails, 5% of respondents are because of getting extra service.2% of respondents are just to try the serive.

Rate the overall effectiveness of customer loyalty initiative?

Table Showing the Information of customers overall effectiveness towards loyalty

Sl.No.	Overall effectiveness towards customer loyalty initiative	No. of Respondents
1	Excellent	13
2	Very good	49
3	Good	35
4	Average	3
5	` Poor	-
TOTAL		100

Analysis: The above table shows that 49% of respondents feels very goodabout overall effectiveness towards customer loyalty initiative,, 35% of respondents feels good,13% of respondents feels excellent, 3% of respondents feels average and none of the respondents feels it was poor.

Will you recommend service to friends or relatives?

Table Showing the Information customer recommendation of the service to others

Sl.No.	Recommendation of service	No. of Respondents
1.	Likely	58
2.	Neither likely nor unlikely	40
3	Unlikely	2
TOTAL		100

Analysis: The above table shows that 58% of respondents are likely to recommend the service to friends or relatives, 40% of respondents are neither likely nor unlikely, 2% of respondents are unlikely to recommend the service.

Are you satisfied with the overall service?

Table Showing the information of customers overall satisfaction

Sl.No.	Rating of Speed of the Internet	No. of Respondents
1	Extremely satisfied	20
2	Satisfied	67
3	Neither satisfied nor dissatisfied	11

4	Dissatisfied	2
5	Extremely dissatisfied	-
TOTAL		100

Analysis: The above table shows that 67% of respondents are satisfied with overall service, 20% of respondents are extremely satisfied, 11% of respondents are neither satisfied nor dissatisfied, 2% of respondents are dissatisfied and none of the respondents are extremely dissatisfied.

Statistical tool: One way annova

Age and Overall service satisfaction

One way annova between 2 variables

One way annova

H1: There is a significant difference between overall service satisfaction and age of customers (Alternative Hypothesis)

H0: There is no significant difference between overall service satisfaction and age of customers (Null Hypothesis)

Overall Service Satisfaction	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.779	2	1.389	3.747	.027
Within Groups	35.971	97	.371		
Total	38.750	99			

Interpretation: From the above table it is clear that the difference between the overall service satisfaction of the customers and age of the customers with the significance of .027 which is less than the significant value 5% (0.05). Hence, alternative hypothesis is accepted and null hypothesis is rejected.

Correlation

Reference to use service and Recommendation of Service

Correlation between two variables

Correlations

H1: There is a significant relationship between reference to use the service and recommendation of service from customers to others. (Alternate Hypothesis)

H0: There is no significant relationship between reference to use the service and recommendation of service from customers to others. (Null Hypothesis)

Correlations		Referenceto UseService	Recommendation ofService
	Pearson Correlation	1	.122
	Sig. (2-tailed)		.228
	N	100	100
RecommendationofService	Pearson Correlation	.122	1
	Sig. (2-tailed)	.228	
	N	100	100

Interpretation:

From the above table it is clear that the relationship between reference to use the service and recommendation of service from customers to others with the significance 0.228 which is greater than the significant value at 5% (0.05). Hence, null hypothesis is accepted and alternative hypothesis is rejected.

Findings

It has been found that majority of the respondents are using postpaid service and are using the broadband service form 2 years to 4 years and also satisfied with the speed of internet, very good opinion about the technical features. Respondents felt that they are getting all promised services by the company. It is also found

that internet speed is consistent, service employees are helpful and effective, and complaints were solved on time. Value added services, better quality of the service offered are the most influential factor to choose BSNL. It has been observed that lack of innovation is the main shortcoming of the BSNL. Respondents are satisfied with overall BSNL broadband service, felt excellent about overall effectiveness towards loyalty initiative and are likely to recommend BSNL broadband service to others.

Suggestions

- The company must use different strategies such as better deal offers, coupons, offering entertainment opportunities, approaching customers through new ideas to attract different age group people regarding use of broadband services.

- The company can make other people also to use the broadband services by creating awareness through creative campaigns catering various segments.

- It is suggested that the company through its innovative ideas such as social media optimization, automatic E-mail marketing and promotional campaigns are able to change the customers feelings and pre notion about the BSNL broadband service.

- Price, quality, individual customer attention, ability of building trust and confidence, front line employees are more important which mainly attracts more number of customers to use broadband service compared to service and image.

Conclusion

Based on the study it can be conclude that majority of the customers are loyal towards BSNL broadband services and are happy with the loyalty initiatives of the company at the same time it is necessary for the company to attract new customers to the business to survive and withstand in the competition. However it is possible to attract new customers and to retain old customers through innovative marketing strategies such as ads, door to door campaigns by providing new offers, value added services to customers than the competitors.

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