

MARKETING STRATEGIES OF MOBILE NETWORKING SERVICE OPERATORS (A STUDY ON VISAKHAPATNAM DISTRICT, ANDHRA PRADESH)

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Abstract

The mobile network is a communication network without wireless. The mobile networking service operators to providing communication services to the customers. Now a days the private mobile network eservice operators to implementing new marketing strategies to attract the customers. The private sector mobile network service operators established 4G network service and good network connectivity. This enables a large number of portable transceivers (e.g., mobile phones, tablets and laptop equipped with mobile broadband modems, etc.) The public sector mobile network service operators, it is very difficult dominate the private mobile network service operators. This paper describes the marketing strategies of mobile networking service operator's in Visakhapatnam District.

Key words: mobile network operators, marketing strategies, communication, portable transceiver, geographic area, broadband modems.

Introduction:

India's telecommunication network is the second largest in the world by number of telephone users (both fixed and mobile phone) with 1.179 billion subscribers as on 31 July 2018. It has one of the lowest call tariffs in the world enabled by mega telecom operators and hyper-competition among them. As on 31 July 2018, India has the world's second-largest Internet user-base with 460.24 million broadband internet subscribers in the country.ⁱ

Telecommunication has supported the socioeconomic development of India and has played a significant role to narrow down the rural-urban digital divide to some extent. It also has helped to increase the transparency of governance with the introduction of e-governance in India. The government has pragmatically used modern telecommunication facilities to deliver mass education programmes for the rural folk of India.ⁱⁱ

In August 1995, then Chief Minister of West Bengal, Jyoti Basu made the first mobile phone call in India to then Union Telecom Minister Sukhram. Sixteen years later 4G services were launched in Kolkata in 2012.ⁱⁱⁱ

With a subscriber base of more than 1,179.32 million (as of July 2018), the mobile telecommunications system in India is the second largest in the world and it was thrown open to private players in the 1990s. GSM was comfortably maintaining its position as the dominant mobile technology with 80% of the mobile subscriber market, but CDMA seemed to have stabilised its market share at 20% for the time being.

The country is divided into multiple zones, called circles (roughly along state boundaries). Government and several private players run local and long distance telephone services. Competition, especially after entry of Reliance Jio, has caused prices to drop across India, which are already one of the cheapest in the world. The rates are supposed to go down further with new measures to be taken by the Information Ministry.^{iv}

In September 2004, the number of mobile phone connections crossed the number of fixed-line connections and presently dwarfs the wireline segment substantially. The mobile subscriber base has grown from 5 million subscribers in 2001 to over 1,179.32 million subscribers as of July 2018. India primarily follows the GSM mobile system, in the 900 MHz band. Recent operators also operate in the 1800 MHz band. The dominant players are Vodafone Idea, Airtel, Jio, and BSNL/MTNL. There are many smaller players, with operations in only a few states. International roaming agreements exist between most operators and many foreign carriers. The government allowed Mobile number portability (MNP) which enables mobile telephone users to retain their mobile telephone numbers when changing from one mobile network operator to another.^v

According to London-based telecom trade body GSMA, the telecom sector accounted for 6.5% of India's GDP in 2015, or about ₹9 lakh crore (US\$130 billion), and supported direct employment for 2.2 million people in the country. GSMA estimates that the Indian telecom sector will contribute ₹14.5 lakh crore (US\$200 billion) to the economy and support 3 million direct jobs and 2 million indirect jobs by 2020.^{vi}

Identification of the problems:

Nowadays, the telecommunication increasingly diffuse yet interdependent ecosystem of telecoms, technology and media continues to evolve, the risk universe for communications operators is changing rapidly. As they formulate and execute their strategies to target and occupy parts of this ecosystem, operators have to ensure that their understanding and management of the risk to their business keeps pace. This study reflects the findings from our telecoms sector practitioners. The evolving industry ecosystem presents many major opportunities for operators. However, each individual company's ability to understand and manage the corresponding risks will be critical to identifying and seizing those opportunities.

1. Failure to realize new roles in evolving industry ecosystems.
2. Lack of regulatory certainty on new market structures.
3. Ignoring new imperatives in privacy and security.
4. Failure to improve organizational agility.
5. Lack of data integrity to drive growth and efficiency.
6. Lack of performance measurement to drive execution.
7. Failure to understand what customers' value.
8. Inability to extract value from network assets.
9. Poorly defined inorganic growth agenda.
10. Failure to adopt new routes to innovation

World Telecom Industry

World telecom industry is an uprising industry, proceeding towards a goal of achieving two third of the world's Telecom connections. Over the past few years, information and communications technology has changed in a dramatic manner and as a result of that World Telecom industry is going to be a booming industry. Substantial economic growth and mounting population enable the rapid growth of this industry. The world telecommunications market is expected to rise at a 21 percent compound annual growth rate at the end of year 2018.

Indian Telecom Industry

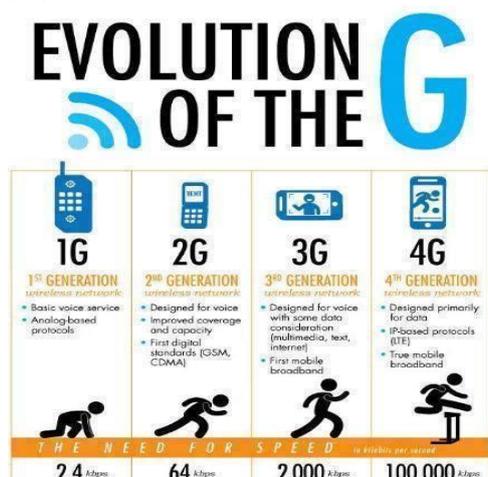
Indian Telecom industry is one of the fastest growing telecom markets in the world. The Indian telecommunication industry, with 638 million telephone (landline and mobile) subscribers and 584 million mobile phone connections as of March 2018. India is ranked third worldwide in terms of having the largest telecommunication network, after China and USA. With the ongoing investments into infrastructure deployment, the country is projected to become the second largest telecom market globally in next few years. In telecom industry, service providers are the main drivers; whereas equipment manufacturers are witnessing growth and decline in successive quarters as sales is dependent on order undertaken by the companies.

Wireless Networks in India

India's history with wireless services began early. The first experimental wireless telegraphy links were demonstrated as early as 1902. A Department of Wireless Telegraph was created soon thereafter, and wireless telegraphy came into routine use in Calcutta at Diamond Harbour in 1908. However, widespread use of wireless technology had to wait 90 more years. The first mobile phone service was launched in 1985 on a non-commercial basis, but it was only in 1995 that commercial service was started. The initial subscriber growth was modest, however new policy initiatives, beginning 2007, spurred rapid growth with the subscriber base reaching 560 million in 2009 and well over a billion by 2017. Early deployment of mobile networks was based on 2G technology, with 3G technology entering service in 2010 and 4G in 2016. All mobile services from 2G to 4G offered services based on increasingly advanced phones, with smart phones arriving about a decade ago.

2G and the early 3G networks primarily offered voice services, but beginning with later 3G and now 4G technologies, the networks provide internet based services like video, email, and social media. 4G technology has been a major inflexion in mobile technology with packet-switched data transmission and high speed connectivity.

4G networks now serve 240 million subscribers in urban areas across the country. LTE coverage in rural areas remains a challenge. 4G link speeds in India are picking up, averaging 6-7 Mbps as compared to 25 Mbps in advanced countries.



Product strategies

The basic essentials of product in mobile network services are its core functional benefits. The key functional benefits desired by majority of the mobile network customers are voice clarity, geographical network coverage and easiness to get connected to the network. The frequent travellers outside the State consider roaming facility and the internet savvy customers consider the easiness in activation of internet services also as the core service benefits. In fourth generation (4G) services along with these characteristics, the core benefits also include easiness in handset settings for mobile internet facility and speed of data access.

Pricing strategies

The pricing strategy has direct impact on revenue and profit of any organisation. Even though the pricing is simply the exchange value of the product or service, the pricing strategies depend on the objectives of pricing. The objectives of pricing are different for different service providers. The objectives may be to produce fair profit, exploiting, market growth, price leadership or to enhance the image of the firm to attract more customers or to strategically counter the competitors.

Distribution (place) strategies

The distribution strategy is to provide effective place convenience for the customers to avail products and services of the service provider. It is related to the distribution pattern, channel management, and retailer network of the mobile network service providers. The private sector providers mainly adopted intensive distribution strategy, which involves the use of all possible outlets to distribute the products and services. The public sector provider BSNL in the initial stages mainly resorted to exclusive distribution strategy, in which the outlets deal exclusively the BSNL products

Promotion strategies

The mobile network service operators using host of sales promotion tools. The prominent among them are: promotional unlimited call charges to the customers, call charge price reduction offers, internet data package offers, extra talk time offers, SMS package offers, free trial of newly introduced services, free add-on SIM card, facility to make calls even at zero balance on credit basis for prepaid customers, extending continued services even at non-payment of bills due to delay or oversight for post-paid customers, displays and demonstrations at the point of sales, and specialized pricing offers exclusively for individual customers. The sales promotion helps mobile network service operators to create stronger and quicker buyer responses, including short-run effects such as importance product offers and boosting the sagging sales.

Review of Literature

The paper "Marketing Strategies of Mobile networking Service Operators (A Study on Visakhapatnam District)". The Strategy is the fundamental pattern of present and planned objectives, resources, developments and interactions of an organizations with markets, competitors and other environmental factors. (Mullins, Walker, Beyd&Larreche, 2002)^{vii} the Marketing is a process for analysing, planning and managing the organizations resources while identifying and serving current and potential client group and their needs profitability.

An empirical study" by Raj binder Singh discusses the various features of Reliance Jio and also it takes through some aspects of competitive edge over other service providers (Singh, 2017)^{viii}.

In the paper "Changing the Indian telecom sector: Reliance Jio" by KR Mahalaxmi & Suresh Kumar N^{ix}, they discusses the various factors influencing the customer preference and their impact towards Reliance Jio. In the paper "Customer Satisfaction and Expectation towards Airtel: A Research Conducted in West Midnapore", Debarun Chakraborty examined the perception of customers towards cellular phone services where his study revealed that selection of service provider depends mainly on principal amenities like decent coverage, decent connectivity, good network quality and the call rate. The study also revealed that innovative marketing strategies can be used to penetrate into current market scenario. The service provider should solve problems like network call drops, connectivity issues and improve network connectivity so that the customers are satisfied (Chakraborty, 2013)^x. The paper "Perception of Customers towards Cellular Phone Services" by Pinki Gupta, reveals that the price is a major factor in selecting the service provider. (Gupta, 2015)^{xi}.

According Armstrong, Kotler, Cunningham & Mitchell (2004)^{xii} strategic marketing planning are documents that outline in detail the marketing strategies which will help a company, product or brand accomplish its overall business objectives.

According to Nagasimhakanagal (2006)^{xiii}, relationships as a focus on marketing aids in the understanding of consumer needs and wants, which is useful to implement profitable exchanges. Relationship marketing helps customising solutions to important customers, more efficiently than otherwise, knowledge and application of relationship marketing helps in achieving customer satisfaction ,customer retention and customer acquisition. Relationship marketing a tool of furthering the customer understanding and interactive processes. Relationship marketing outputs can thus be usefully used, as inputs in product design and development, want identification, improving selling systems, pricing strategies. It is one of the supports to systematic action setting in competitive marketing strategy.

ShirshenduGanguli (2008)^{xiv} conducted a study on "Drivers of Customer Satisfaction in Indian Cellular services Market "in which he discussed the impact of service quality and features on customer satisfaction from the cellular users viewpoint.

Girish Taneja&Neeraj Kaushik (2007)^{xv} conducted a study on "Customers perception towards Mobile service providers: An analytical study" aims to deduce the factors that customers perceive to be the most important while utilizing the services of a mobile service provider.

Anita Seth (2007)^{xvi} in his study on "Quality of service parameters in cellular mobile communication" developed a model of service quality and a set of dimensions for comparative evaluation which could provide useful directions to regulators and service providers.

Significance of Study:

This paper and its findings are very important to Marketing Strategies in Mobile network Service Operators in the Andhra Pradesh Telecommunication industry. This research will help go a long way in assisting operators in areas of market segmentation and understanding the switching behaviours of their customers with a view to providing services that will keep them. This is so, since the research provides information on how to choose a mobile communication service provider and the factors which influences subscriber's decision to stay or leave a particular service provider to another. By doing so, rendered information will provide guidelines for service providers to help develop appropriate working marketing strategies, putting in consideration these factors in order to satisfy their current customers and attract new ones and maintain a sustainable larger market share. Also, the research study is significant in the sense that it contributes to the body of knowledge about the relationship between factors influencing mobile communication subscribers' decision to port and serves as a reference point for other researchers.

Aim and objectives of study

1. To examine the influence of mobile network connectivity and High-speed services
2. To examine the influence of call/tariff/price on mobile network service providers.
3. To understand the various marketing, operational and functional strategies and their impact on the Indian market
4. To understand the overall service quality and customer satisfaction on mobile network service providers.

Research Methodology

The study total depend on secondary data. The secondary data was collected from previous records, articles, different Journals, mobile network websites, and internet.

Discussions and major findings

1. More number of customers preferring the Pre-paid plan with different mobile network operators Airtel, BSNL, Reliance Jio, Vodafone, and Idea.
2. Very low customers to using the post-paid mobile networking services.
3. They are facing the competition problems along with different mobile network operators' i.e. Airtel, **BSNL, Reliance Jio, Vodafone, and Idea.**
4. The customers are attracted to operators who are providing good network connectivity.
5. The customers are more satisfied with the unlimited calls + STD Calls.
6. The customers are attracted to the low call cost and international roaming services.
7. A large number of customers are attracted to connecting the 4G high-speed network services.
8. The customers are attracted and satisfied by a lot of Offers which mobile network operator provides.
9. Bad Customer services also affect the choice of operator of customers.

Suggestions:

1. The customers are attracted to pre-paid mobile networks because pre-paid mobile networks provide unlimited calls and unlimited data. The Jio mobile network is known to provide free calls and free data also.
2. Some customers are using the post - paid mobile networks because pre – paid mobile networks are providing unlimited call and free data. This affects the quality of pre – paid mobile network services. Hence it should be improve the new services for post – paid customers.
3. The mobile network service operators should implement the different strategies to attract the customers. Unlimited calls, unlimited 4G data services, low call charges, family plans, full talk time recharges. The mobile network service operators are facing heavy competition in the market. They should provide good service to the customer so that mobile network begin to get the profits.
4. Airtel mobile network service operator is providing a good network connectivity. Airtel is the first place in connectivity of network. Second is BSNL, third is Idea, fourth is Vodafone last one is Reliance Jio. The remaining mobile network service operators should improve the network connectivity.
5. The most of mobile network service operators are implementing the new marketing strategies of unlimited calls and STD calls. The mobile network service operators should follow this new marketing strategies.
6. A large number of customers are using the 4G mobile network service operators. The Reliance Jio has implemented the 4G high speed network services and Airtel also is providing the 4G network services. The remaining mobile network services operators are providing the 2G and 3G mobile network services. The BSNL, Vodafone and Idea mobile network service operators should also work on providing better 4G network services.
7. The reliance Jio to implemented free call and free data services. They are providing the international roaming also. The remaining mobile network service operators should also maintain the international roaming perks.
8. The mobile network service operators should provide the number of best offers to the customers. The customers are attracted to the best offers.
9. The mobile network service operators should provide the good customer services. Otherwise the customers will not be interested in maintaining that mobile network service operator.

Conclusion:

Nowadays the customers are surrounded by choices and availability of a number of mobile network service offers. When providers are so many, every mobile network operator must attempt to capture more customers by improvising their performance in terms of either better price, or better service. Because there are so many options, it is imperative that the network provider is continuously engaged in the process of being better than its rivals in the industry. Only then can they have a loyal consumer base. Whoever provides the best, wins the race and can establish a better place and goodwill in the society.

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