

“A study of marketing strategies for government corporate to face the challenges of new millennium” with a special reference to BSNL – Indian Telecom

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Abstract

Today's world hardly there exist a difference between the local and global market. With melting of economic borders across the world, the emerging global village has made even the home business of state (nation) usurped by the global competitors. Unless any corporate whether government or private rise to the challenges, and change their vision, plans and policies and bring radical changes across the macro and micro environment and sharpen its competitiveness to take on the challenges they face the threat of debacle not less than closure or mounting losses. The research want to investigate the challenges of marketing of goods and services by indian government corporate. This research has been done with a sample survey at BSNL units and its competitors. The research paper narrates the main research study objectives and hypothesis and results and conclusions of the pilot survey study conducted as a prologue to the main research that was being stretched for these four years.

1. Introduction to main research

The study would like to find what are the emerging trends in international marketing strategies for government and semi government corporate to face the global challenges in this new millennium which include growing competition, open and liberalized world of economy, the shifting loyalty of local customers to global brands and enamored customers by MNU's adverting gimmicks and dissolutions and confusions created by different sale, brand, model and other options of global brands and their aggressive marketing. The study would like to focus on telecom sector in Indian scenario with a special case study reference to BSNL – the sole Indian governmental Telecom corporate fighting difficult war not only to retain its market share of landlines, cell and other Telecom services, but also to bring growth to its local as well as global market share.

The research would like study to the strength and weaknesses of the corporate with reference to its entry into global market and establishing its customer base in different states (nations). The research wants to investigate the constraints and all the parameters involved in the evolving model of strategies formed by the marketing machinery of this corporate and what “model of strategies” would really success and growth.

The public companies governed by Indian government such as BHEL, SAIL, ONGC, BEL, HMT and the Telecom company of India – BSNL have shaped the country into what it is today with its capabilities in the field of Infrastructure, power, Sophisticated telecom equipments. Machine tool and Tele communications. India cannot be imagined without these Indian industrial foundation pillars of today's modern INDIA. The research would like to go into the factors and parameters by which these industries could be competitive in their world trade and global

marketing strategies to grow, flourish and build INDIA and create wealth and employment for one's own country.

1.1 Pilot survey

The Researcher has conducted a preliminary pilot sample study by way of discussions and interviews with the selected marketing executives and BSNL franchises and their marketing personnel at Mysore and Bangalore and customers of BSNL and major competitors of BSNL to find the strength and weaknesses of BSNL marketing strategy design, development and implementation process and arrived at the suggestions and conclusions listed at the end of research paper as a prologue to the main research.

This pilot study has helped to design the methodology, sample survey strategy sample size design, the statistical methods for survey, the primary and secondary survey methods, questionnaires of the research, broad and detailed specific objectives and the hypothesis, significance and to draw the limitations for the main research. These are detailed in the next pages. The details of literature survey done for the pilot survey are also envisaged in this research paper.

2. Literature survey

2.1 Introduction to Marketing Strategies and its components

Marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage.

2.2 Developing a marketing strategy

Marketing strategies serve as the fundamental underpinning of marketing plans designed to fill market needs and reach marketing objectives. Plans and objectives are generally tested for measurable results. Commonly, marketing strategies are developed as multi-year plans, with a tactical plan detailing specific actions to be accomplished in the current year. Time horizons covered by the marketing plan vary by company, by industry, and by nation, however, time horizons are becoming shorter as the speed of change in the environment increases. Marketing strategies are dynamic and interactive. They are partially planned and partially unplanned. See strategy dynamics.

Marketing strategy involves careful scanning of the internal and external environments. Internal environmental factors include the marketing mix, plus performance analysis and strategic constraints.⁵ External environmental factors include customer analysis, competitor analysis, target market analysis, as well as evaluation of any elements of the technological, economic, cultural or political/legal environment likely to impact success. A key component of marketing strategy is often to keep marketing in line with a company's overarching mission statement.

2.3 Types of strategies :

Marketing strategies may differ depending on the unique situation of the individual business. However there are a number of ways of categorizing some generic strategies. A brief description of the most common categorizing schemes is those Strategies based on market dominance - In

this scheme, firms are classified based on their market share or dominance of an industry. Typically there are four types of market dominance strategies: 1 Leader, 2 Challenger 3.Follower and 4.Nicher Porter generic strategies -strategy on the dimensions of strategic scope and strategic strength. Strategic scope refers to the market penetration while strategic strength refers to the firm's sustainable competitive advantage. The generic strategy framework (porter 1984) comprises two alternatives each with two alternative scopes. These are *Differentiation* and *low-cost leadership* each with a dimension of *Focus*-broad or narrow. 1. Product differentiation 2. Cost leadership 3. Market segmentation .Innovation strategies — this deals with the firm's rate of the new product development and business model innovation. It asks whether the company is on the cutting edge of technology and business innovation. There are three types: 1. Pioneers 2. Close followers 3. Late followers. Marketing - This scheme draws parallels between marketing strategies and military strategies. Like Prospector, Analyze., Defender, Reactor

2.4 Global marketing challenges

The Oxford University Press defines global marketing as “marketing on a worldwide scale reconciling or taking commercial advantage of global operational differences, similarities and opportunities in order to meet global objectives” Oxford University Press’ Glossary of Marketing Terms. Global marketing is not a revolutionary shift, it is an evolutionary process. While the following does not apply to all companies, it does apply to most companies that begin as domestic-only companies.

2.4.1 Domestic marketing

A marketing restricted to the political boundaries of a country, is called "Domestic Marketing". A company marketing only within its national boundaries only has to consider domestic competition. Even if that competition includes companies from foreign markets, it still only has to focus on the competition that exists in its home market. Products and services are developed for customers in the home market without thought of how the product or service could be used in other markets. All marketing decisions are made at headquarters. The biggest obstacle these marketers face is being blindsided by emerging global marketers. Because domestic marketers do not generally focus on the changes in the global marketplace, they may not be aware of a potential competitor who is a market leader on these continents.

2.4.2 International or global Marketing

If the exporting departments are becoming successful but the costs of doing business from headquarters plus time differences, language barriers, and cultural ignorance are hindering the company's competitiveness in the foreign market, then offices could be built in the foreign countries. Sometimes companies buy firms in the foreign countries to take advantage of relationships, storefronts, factories, and personnel already in place. These offices still report to headquarters in the home market but most of the marketing mix decisions are made in the individual countries since that staff is the most knowledgeable about the target markets. Local product development is based on the needs of local customers. These marketers are considered polycentric because they acknowledge that each market/country has different needs and these are negotiation variables.¹⁰

2.5 Introduction to Indian government companies

The Public Sector Undertakings of Indian Government, number more than 200 commercially functioning companies. The Public Sector Undertaking companies are better known by their shorter initial form of PSU. These undertakings are divided into two parts – state and central. The Indian Public Sector Undertakings are legal business entities. These Undertakings are companies that have their management control with the Indian Government. Majority of the Public Sector Undertakings in India have their shares actively traded in the stock markets of the country. A number of PSU's are highly profitable and denoted as 'Navaratnas'. A prominent example of a navaratna is ONGC.

2.6 Introduction to Indian government telecom sector

Overview of India¹² is a vast country almost the size of a subcontinent. It occupies a strategic position in Asia, looking across the seas to Arabia and Africa on the west and to Myanmar, Malaysia and the Indonesian Archipelago on the East. In many respects, India is a unique country. It is the largest democracy in the world. It has a population of over 1.2Billion, which is divided into several races, religions, language groups, cultures and accounts for almost 1/6th of the humanity. About 75% of this population lives in the countryside in over half a million villages. The landmass of India is 3,287,263 square kilometers. Fortunately, unlike some other countries of such large size, India possesses all the elements for economic growth. It is well endowed with natural resources. It has a democratic Government, with a well-established administrative set-up. It has managerial, organisational and technical ability in abundance. It also has a rapidly growing industry with financial and economic sophistication.¹²

2.7 The Bharat Sanchar Nigam Limited

The BSNL¹² is an Indian state-owned telecommunications company headquartered in New Delhi, India. It is the largest provider of fixed telephony and fourth largest mobile telephony provider in India, and is also a provider of broadband services. However, in recent years the company's revenue and market share plunged into heavy losses due to intense competition in Indian telecommunications sector. BSNL is India's oldest and largest communication service provider (CSP). It had a customer base of 95 million as of June 2011. It has footprints throughout India except for the metropolitan cities of Mumbai and New Delhi, which are managed by Mahanagar Telephone Nigam (MTNL).¹²

3. Research Objectives

As the title of the research speaks out that the overall objective of the present research is to study and to find out the emerging marketing strategies for Indian government and semi-government corporate to face the present global competition because of globalization and liberalization of Indian economy. The overall objective of the present research is to study and to find out what is happening in marketing front of the Indian government companies to face local as well as global players in business and to design suitable marketing strategies and models for Indian government companies to face the challenge successfully and sustain in market and grow.

3.1 The research Question

The Indian companies have already come out of sheltered economy more than a decade back and are in a position to build their core competencies in marketing strategies and have

bounced back from huge losses to marginal profits in the present few years .But it may take a long journey if they won't take speedy recovery and re-aligning, redefining and re-positioning strategy for the whole their operational and in particular in marketing of their products and services. And how this could be made possible is the research question of this thesis.

The researcher has selected the telecom giant BSNL (as the case study survey organisation) which was the lone telecom provider for more than three decade and have lost their market leader-ship and major market share to other private players. The research goes into the understanding of this Indian telecom market through the marketing network of BSNL and other major competitors to find why the customers have preferred them in the place already existing governmental player – BSNL and changed their three decade long loyalty and what the marketing network is planning and what is their present strategy – long term as well as short-term to face the competitor and what is the emerging trends and what probably will click to bring market leadership to BSNL . The research also goes into the in-depth study of BSNL marketing officers and franchisees of BSNL services at Mysore and Bangalore units.

The main research objective of the thesis is to find the enraging trends in marketing strategies for India government corporate and to study the present scenario of their marketing strategic capabilities and the required marketing strategies for survival and growth and to remodel and redefine it to earn back the market leadership (for the BSNL the lone governmental telecom player in INDIA- the survey organsiation)

3.2 The specific seven major objectives

The specific seven major objectives of the research could be listed as follows:

1. To study the present level of marketing strategies among BSNL.
2. To study the implementation level of the present marketing strategies by the marketing wing of BSNL and their franchisees.
3. To study the effectiveness and success rate the present marketing strategies w.r.t to market development and to offbeat the competitor's strategies and market share.
4. To map the emerging and required marketing strategy from marketing team of BSNL in the area of
 - a. Product, range of service range and quality
 - b. Price strategy
 - c. Place and distribution strategy
 - d. Adverting and promotion strategy
5. To conduct bench-marking of BSNL marketing with major players to find
 - a. In understanding customer's requirement and his changing requirements
 - b. In understanding what attributes has made customer to accept and use the BSNL telecom products and services (BSNL customers)
 - c. In understanding what attributes has made customer to accept and use the competitor's telecom products and services (Non-BSNL customers)
6. To arrive at suitable marketing strategies, models, findings, suggestions and conclusions useful for BSNL marketing units in specific and also other governmental industries in general with to face the global competition and other private Indian players in the sector.

3.3 Pilot survey

The Researcher has conducted a preliminary pilot sample study by way of discussions and interviews with the selected marketing executives and BSNL franchises at Mysore and Bangalore and customers of BSNL and major competitors of BSNL and arrived at the suggestions and conclusions listed at the end of research paper.

This study has helped to design the following null hypothesis for the research based on the pilot survey:

3.4 The specific six hypothesis of research

1. **H_{o1}** the level of marketing strategy applied at BSNL is NOT matching with the market dynamism and competition from other major Telecom players.
2. **H_{o2}** The level of implementation of marketing strategy applied at BSNL is very poor and lower compared to other major Telecom players.
3. **H_{o3}** The level of effectiveness and success-rate of present marketing strategy of BSNL is NOT sufficient
 - a. For new market development.
 - b. to retain its present market share
 - c. to capture competitors market share
 - d. to gain market leadership
 - e. to build international brand name for BSNL
 - f. To create a niche for itself.
4. **H_{o4}** The dynamism and ability of BSNL's the top-executives and marketing team in planning, design, development and implementation of new marketing strategy is lower than it's competitors.
5. **H_{o5}** The BSNL's planning, design, development and implementation of new marketing strategy is lower than its competitors with reference to
 - a. Product, range of service range and quality
 - b. Price strategy
 - c. Place and distribution strategy
 - d. Adverting and promotion strategy
6. **H_{o6}** The marketing strategy of BSNL is NOT presently benchmarked with other telecom - players strategies and speed of change of their strategies with reference to :-
 - a. In understanding customer requirement and changing requirements
 - b. In understanding what attributes has made customer to accept and use the BSNL telecom products and services (BSNL customers)
 - c. In understanding what attributes has made customer to accept and use the competitor's telecom products and services (Non-BSNL customers)

The following hypothesis have been framed by the initial survey to be investigated by primary and secondary research survey at BSNL and telecom players on marketing strategies to main present market position and gain market leadership in Indian telecomm sector in the present dynamic economically challenging highly competitive business environment.

4. Research Methodology

The research methodology of this research would involve a primary research by way of sample survey of marketing managers and other marketing personnel involved in the process of

marketing Telecom services of BSNL .The methodology also include besides this sample organisational survey , the secondary survey of Books, management journals, research organization records and research magazines, conference proceedings and annual reports of the BSNL and other major telecomm players i.e sample survey companies with additional information from web sources.

4.1 Sample survey

The study mainly goes into research through a primary sample survey of the level of the BSNL’s marketing strategy and its implementation and the ability and effectiveness of these strategies in retaining and growing the market potential for the BSNL products and services. This is done by random sample survey of the respondents through a questionnaire survey of BSNL’s Mysore and Bangalore offices.

A questionnaire survey is conducted to know where the BSNL’s product and services stand in Indian telecomm market and the effectiveness of BSNL’s marketing strategies for benchmarking of marketing activities of BSNL random customer base from BSNL users and customers drawn from other major competitors in telecomm players are selected and questionnaire survey is conducted .

The Primary data analysis is conducted in two fold pattern. First level discussion is made with the respondents (top-level marketing executives, managers, franchisees, dealers and customers) the second level is the distribution of separate set of questionnaire designed for respondents for each cadre of employees. The primary data so collected will be analysed using suitable statistical tools of like averaging, summarizing, chi-square tests and the objectives are addressed and hypothesis are tested and the results are analyzed and suggestions are arrived at before the final conclusion are drawn.

The secondary data such as text-books, management journals – national and international , research organization records and research magazines, conference proceedings are used to understand the basic aspects of marketing strategies , market –repositioning , strategy re-modeling, innovative strategy design and implementation and also review of recent research papers published addressing the same issue and subject matter of the research.

4.2 Primary Survey Study

The primary government organization selected for this research is BSNL. i.e Bharath Sanchar Nigam limited and is the only government telcom service provider and industry.

The research focus on the survey study of BSNL offices, franchisees and dealers and customers at Bangalore and Mysore. The survey is conducted on the managers (telecom managers), franchisees and dealers and customers at Mysore and Bangalore

	Managers (main) -chinees	franchisees	sub-fran. BSNL	retailers	customers Non-Bsnl	
BSNL b’lore	- 45	10	45	100	200	200
BSNL mysore	- 5	5	15	30	100	100
Total:	50	15	60	130 (=255)	300	300
Total sample of 600 customers + 255 marketing team officials and members =855.						

The survey will be conducted with a sample study on randomly selected numbers of respondents from all the above cadres which are stratified under the different divisions -unit levels and different cadres above mentioned (so that the generic results as well as stratified results in each units and cadre could be arrived at by research)

4.3 Data collection and analysis methods

The primary data collected out of questionnaire survey would be stratified, averaged, studied and after a proper analysis through a suitable statistical test and the interpretations would be drawn and hypothesis of the research are put to test of proof.

The secondary data such as text Books, national and international management journals, research organization records and research magazines, national and international conference proceedings, related web sites besides annual reports of BSNL and other telcom players in India to have conceptual level understanding as well as in the implementation – realistic levels of what is happening at real market .

The research has already designed the null hypothesis listed in the last section of this chapter with regard to the objectives of the research and the same would be tested under statistical study using, random sampling methods, stratification techniques and suitable statistical tests, before the final conclusions drawn.

7. Significance of the study

The study would contribute significantly in understanding the emerging marketing strategies adopted in telecom sector by their major players and what should be the strategy that should be adopted by the sole government telecomm player – BSNL to regain its market share and market leadership in this globalised world filled with multiple business players in all sectors. This research would sincerely try to help the governmental companies to realign, redesign and reposition their marketing strategies and regain their market leadership there by retaining the large employment base for Indian public sector employees.

The research would also try to focus on the new dimensions and emerging models of marketing strategies that could be applied by government and semi-governmental companies in India to face the global and competitive challenges of this millennium. The study would help the governmental organisations (in particular telecomm and generic to all government corporate) to understand the importance of marketing, promotion, advertising and especially the marketing strategy to survive , grow and make a unique name for themselves in the country otherwise there may a fear of failure of their product and services and disinvestment of public sector once the back bone of our country into the selfish hands of private companies. This study is focused to empower public sector companies to become more competitive to sustain and grow and contribute to the development of the country.

8. Limitations of research

As the research and survey is limited to the analysis of only one Indian telecom industry in India operating in Karnataka. There are two independent governmental companies at Bombay and Delhi which are coming under the department of telecommunication, central government of India has not been taken up under this research.

As the research and survey is limited to Karnataka and also the BSNL units at Bangalore and Mysore only is the first limitation of the research. The number of marketing executives

working at limited to selected number of respondents (50 managers, 15 main franchises, 60 sub-franchisees and 130 retailers among the larger population of marketing personnel working for BSNL marketing) is limitation of the research. The research has selected only 300 customers from BSNL network users and 300 only from non-BSNL users to fit to the time limitation of the research.

To adopt the conclusion of this research study with reference to designing new marketing strategies for the other government companies facing private and global competition the researcher suggests that modifications based on type of industry whether manufacturing or service, the area or the state of operation and sector specific changes might be required and the researcher is confident that it would help for better working of Indian companies to frame their marketing strategy to be more competitive in the globalised Indian economic scenario.

9. Results of the pilot survey

The pilot survey has brought out following points w.r.t the present state of marketing strategies of the BSNL in comparison to its competitors in the telecomm sector.

The strengths and weaknesses of the BSNL organisation and its marketing process:

1. There is vast distribution strength with in BSNL and the franchises net-work. But are less equipped with reference to marketing skills and communication abilities as the process of recruitment is very slow and not as effective as private telecomm players. The recruitment and training process of the marketing personnel has to be drastically improved to build internal core competencies of the Marketing managers and other personnel.
2. The research of the services to remote villages and zones of INDIA not reachable by other players are key factor of the BSNL marketing as its vital strength. This aspect has not been properly and effectively marketed and competitors with lesser reach and coverage are marketing in these areas and zones. The rural villages hold a great potential market for BSNL land line as well as BSNL mobile and an internet service, which is strong and traditional market base for BSNL should be guarded by being captured by competitors because of lack of market penetration and competitive pricing policies.
3. The Land line monopoly is presently maintained by BSNL, but slowly being threatened by reliance and airtel. The BSNL's market share of land line services are slowly but sturdily being shifted to new players and by next decade more than fifty percent of the landline service would fall into the hands of private players unless BSNL change their pricing and improve land line services and its quality and offer better competitive pricing.
4. The BSNL needs urgently a new brand building strategy and new brand Image as the BSNL holds a ago old, government and traditional brand image. which means the services are age-old, technology is not updated and the officials are not young and the services are not dynamic. Though the services, technology and the coverage has drastically improved, dynamic, state of art and are really competitive, they are not projected in the "BSNL-brand" and marketing. The brand need to have overhaul change with the changes in the BSNL – outlets, appointment of young staff, their uniforms, their behaviors and front office customer services, The ad campaign and the promotional campaign has to be remolded to focus the youth of INDIA – the major cell and internet customer base of telecomm sector today. The brand ambassador should be the youth icon like Dhoni, Vijay or Hritick Roshan not even Tendulkar, Shewag etc. as the brand has to express the change from old to new, slowness to dynamic nature and high speed of customer service and creation of value for customer money and add on services.

5. The franchisees net-work though stretched vast and wide in INDIA needs to work exclusively and loyally for BSNL. This is possible by way of better incentives and add-ons for the marketing personnel working under dealers and sub-franchisees of BSNL
6. The greatest problem and main weakness of BSNL is the implementation process of any new marketing strategy framed at the top echelons of BSNL administration. There is great delay in the process and the strategy may become outdated before it is implemented down the line of the marketing network of BSNL.

The research process is being continued and is expected to bring out great marketing strategy and models for BSNL to become again the top-telecomm company in INDIA.

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