

Establishing Relationship Marketing to win Customer Attitude with Reference to Mobile Telecommunication Industry in Madurai

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Abstract

For the past two decades, the relationship marketing plays a vital role in the service industries. In the rapid growing technological era, telecommunication becomes an essential requirement. In the level playing field of Indian Telecom sector, there exists a stiff competition among the service providers to attract a customer. Also, for retaining an existing customer lot of attractive customer relation activities need to be done. Marketing practices and researches prove that retaining an existing customer is more important than acquiring a new customer in the successful business relationship. For Customer retention, many different relationship marketing tactics have been implemented. To win the positive attitude of the customer towards the service provider, there are five prime parameters viz. Service Quality, Customer Loyalty, Price Perception, Brand Image and Value. The aim of this study is to investigate the impact of customer winning attitude about the relationship marketing tactics on the customer using these five parameters. The study is taken in the mobile telecommunication sector in Madurai region. Statistical methods are employed to analyze the customer winning attitude, which is earmarked to find out the accuracies of overall customer satisfaction. Descriptive methods with deductive approach are also being chosen for analyzing the level of skewness. To process the primary data, the software tool SPSS is used. The results show that the obtained values about the Customer Loyalty, Service Quality, Price Perception, Brand Image and Value Offers have positive impact on Customer Attitude via the customer satisfaction and trust.

Keywords: Telecom Brand, Customer Attitude, Customer Loyalty, Relationship Marketing, Telecom Marketing

1. Introduction

The telecommunication industry is the research area while it is advanced, adaptive to the technology, which becoming one of the most important industries in the world. The purpose of the telecommunication industry is to deliver voice communications, data, graphics, and video at ever increasing speeds.

Telecommunication influences the world economy and the telecommunication industry's revenue and the competition is also high becoming more and more sharp. In order to obtain sustainable competitive advantage, telecommunication firms are forced to make innovation and do the best for customer satisfaction. Due to this, customer relationship marketing plays an important role in telecommunication industry.

Moreover, the new electronic communication regulations suggested that the regulations would harmonize the legislation of the countries wherever it belongs to and increase competition in order to win the consumers. With the outset of our study towards finding out

the Impact of Customer winning attitude on Customer loyalty with Mobile Telecommunication Industry in Madurai, we have a study at a glance to get the actual relations in this regard.

Relationship marketing was first defined as a form of the marketing which is developed from the direct response marketing campaigns which emphasizes the retention and satisfaction of the customer, rather than the dominant focus on sales transactions.

The loyalty business model is a model of business which is used in strategic management in which the company resources are employed so as to increase the customer's loyalty and other stakeholders in the expectation that corporate objectives will be met or surpassed. Quality of product or service leads to customer satisfaction, which leads to customer loyalty, which leads to profitability.

2. Literature Survey

Researchers have been carried out by underlying assumption that 'structure', in the form of channel role, is mostly to explain firm behavior in relationships than 'strategy' or any other formulation. A re-examination of the literature throws doubt on this assumption. An empirical study is used to explore an alternate hypothesis, with differentiated local models of distributor and manufacturing firms' working relationships being found using a cluster wise regression technique. The results suggest that inter-firm cooperation is more effective than a self-centered approach to achieving relationship performance. In addition the results suggest that relationship 'strategy' is more important than 'structure' in modeling working relationships [1]. Works have been carried out to evaluate the mediating role of customer trust on customer loyalty in presence of corporate social identity in the context of financial institutions [2][11]. Using data collected from 1296 customers-members of credit unions, the results of the study help to legitimize the idea that customer trust intervenes as a mediating variable that enhances the impact of corporate identity, corporate image and the reputation of the firm on customer loyalty. The implications of the study are discussed from both the research and managerial perspectives [1][2].

Exploratory researches explained to analyze long-term relationships through a new framework to get a better understanding of how customers evaluate service quality, service encounters, and on how they decide whether or not to repurchase. It also aims to extend and develop the understanding of service quality perceptions and development. [3][12].

In post-analysis theory building, conceptual model that proposes that the positive causal effect of service quality on relationship quality would be positively moderated by the client orientation and promotion effectiveness of the vendor, while the positive causal effect of relationship quality on service quality would be mediated by the project management effectiveness [4]. Hence, the paper comprises of two related parts: first an empirical study, and secondly developing a theory and conceptual model that delve into the causalities involved in service quality, relationship quality, and the role of Internet technologies and collaboration tools. The driving forces of customer loyalty in the broadband market in Hong Kong are analyzed [5].

A model to examine the antecedents of customer loyalty towards Internet service providers (ISPs) in Hong Kong was tested. Structural equation modeling (SEM) was used to evaluate the proposed model. Similarly, there exists little consensus concerning how the construct should be operationalized. An attempt is made here to identify the essential elements of brand image [6].

More specifically, a moderating effect of dependence on the relationship between trust-building factors, such as a salesperson's characteristics and the characteristics of the relationship and the perceptions of quality and satisfaction, as well as on the relationship

between perceived quality and satisfaction is proposed. These moderating effects are tested within an extended relationship model including trust, commitment, and relationship outcomes [7].

Earlier Researches aim to examine the relative effects of perceived value dimensions on satisfaction and trust and the impact of satisfaction and trust on loyalty. The moderating effects of destination equity are also taken into account. The empirical results support the significant impact of quality, emotional response, monetary price, reputation on satisfaction and trust as hypothesized. The moderating effect of destination equity on the relationship between satisfaction and loyalty was significantly apparent [8][1][2].

Similar study was done with particular looks at all of the aspects of telecom marketing and their association with customer satisfaction. Data was collected from educational and business sector of Gujranwala region of Pakistan using stratified random sampling technique. Sample size was 200 and 165 complete questionnaires were received back with response rate of 82.5%. Results of this research are favorable and will help the telecom service providers to shape their products and pricing policies in such a way that they could maximize customer satisfaction and maintain their customers in order to achieve higher market share [9]. Later, researchers develop a new measurement scale to assess the degree of relationship quality between the retailers and their suppliers. The sample of this study consists of retailers in Bangladesh. Relationship quality is presented as a high order concept. Using factor analysis, findings reveal that a better quality of relationship results in trust upon the supplier. The four item new scale shows strong evidence of reliability as well as validity among the Bangladeshi retailers [10][13].

3. Objective

1. To establish an effective relationship marketing to win customer attitude in telecommunication sector in Madurai region.
2. To analyse the customer winning attitude by institute the relationship between the prime parameters, viz. Service Quality, Customer Loyalty, Price Perception, Brand Image and Value

4. Purpose

Customer satisfaction provides a leading indicator of consumer purchase intentions and loyalty. "Customer satisfaction data are among the most frequently collected indicators of market perceptions. Their principal use is twofold:"

- a) "Within organizations, the collection, analysis and dissemination of these data send a message about the importance of tending to customers and ensuring that they have a positive experience with the company's goods and services."
- b) "Although sales or market share can indicate how well a firm is performing currently, satisfaction is perhaps the best indicator of how likely it is that the firm's customers will make further purchases in the future."



Fig 1. Feedback to Improve Customer Satisfaction.

5. METHODOLOGY

1. Statistical Analysis
2. Empirical Data of Correlation Analysis

5.1. Statistical Analysis

Statistics is the study of the collection, organization, analysis, interpretation and presentation of data. It deals with all aspects of data including the planning of data collection in terms of the design of surveys and experiments.

5.2. Empirical Data of Correlation Analysis

After checking the reliability of the items, it needs to take the averaged scores of items for each construct as the final score upon which we conduct further analysis. This empirical data of correlation analysis is used to analyze the means, standard deviations for all the constructs.

5.2. Statistical Methods

5.3.1 Experimental and Observational Studies

A common goal for a statistical research project is to investigate causality, and in particular to draw a conclusion on the effect of changes in the values of predictors or independent variables on dependent variables or response. There are two major types of causal statistical studies: experimental studies and observational studies. In both types of studies, the effects of differences of an independent variable on the behavior of the dependent variable are observed.

The difference between the two types lies in how the study is actually conducted. Each can be very effective. An experimental study involves taking measurements of the system under study, manipulating the system, and then taking additional measurements using the same procedure to determine if the manipulation has modified the values of the measurements. In contrast, an observational study does not involve experimental manipulation. Instead, data are gathered and correlations between predictors and response are investigated.

5.3. Observational Study

An example of an observational study is one that explores the correlation between smoking and lung cancer. This type of study typically uses a survey to collect observations about the area of interest and then performs statistical analysis. In this case, the researchers would collect observations of both smokers and non-smokers, perhaps through a case-control study, and then look for the number of cases of lung cancer in each group.

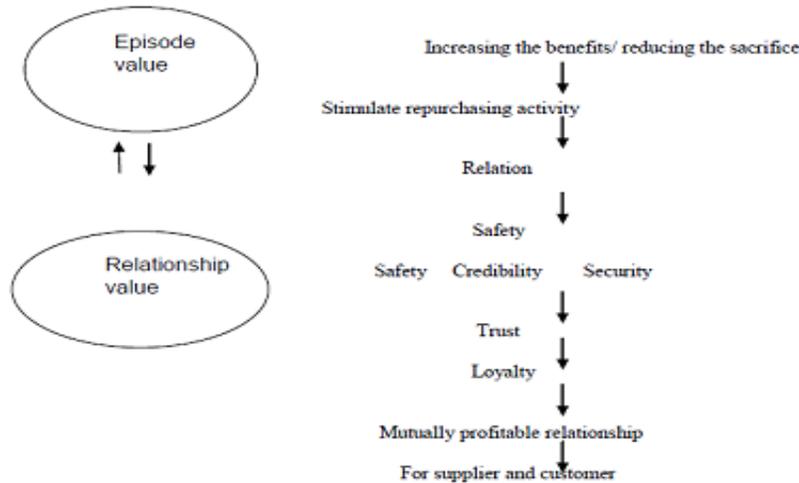


Fig 2. The Effect of Value-Adding Strategies in a Long Term Relationship

5.5. Experimental Analysis

5.5.1 Statistical Analysis for Customer Winning Attitude

Table - 1 Cronbach’s Alpha for Constructs

Constructs	Cronbach’s Alpha	Number of Items
Service Quality	0.791	4
Price Perception	0.848	4
Brand Image	0.808	4
Value Offered	0.791	4
Customer Loyalty	0.808	4

5.5.2 Empirical Data of Correlation Analysis for Customer Winning Attitude

Table - 2 Descriptive Analysis Summary

Constructs	Mean	Standard Deviation	Skewness
Service Quality	3.7	0.674948558	0.433637384
Price Perception	4.1	0.737864787	-0.165950431
Brand Image	4.6	0.516397779	-0.484122918
Value Offered	4.6	0.516397779	-0.484122918
Customer Loyalty	4.2	0.632455532	-0.131761569

6. Results and Discussion

Overall data analysis deals with empirical data and gave the legible and specific results of the analytical model. This analytical further analyze the hypotheses and achieve the research purpose. Based on overall analysis data reveals that

- a) Customer always prefers to buy a service that they trust.
- b) Many early researches have underscored that trust and its implication is important factors to drive profitable, long-term customer relationships have an indelible impact.
- c) A high customer satisfaction level leads to a high customer loyalty level that helps firms realizing economic success in terms of profitability, market share and investment return.

7. Conclusion

Retaining customers in the service industry has become a major objective of relationship marketing. Relationship marketing tactics are considered to be essential for building long-term relationship with customers in order to achieve mutual benefits of all parties. Although relationship marketing tactics has been widely implemented by service providers, customers still tend to switch to competitor. Therefore, this study was conducted to exam the impact of relationship marketing tactics (service quality, price perception, value offered and brand image) on relationship quality (trust and satisfaction), and in turn effect the customer loyalty with mobile telecommunication industries in Madurai. The findings of the survey can be summarized as below:

- a) The four Relationship marketing tactics are positively related to relationship quality.
- b) Relationship quality (trust and satisfaction) are positively related to loyalty.
- c) Switching cost however does not show much correlation with customer loyalty, as well as customer trust and satisfaction.
- d) Brand image tactic especially turns out to directly lead to customer loyalty, regardless of the influence of mediated factors as trust and satisfaction.

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