

# **A STUDY ON COUSTOMER SATISFACTION TOWARDS RELIANCE TELICOM IN DHARMAPURI DISTRICT**

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## **ABSTRACT**

*Indian Telecom sector, like any other industrial sector in the country, has gone through many phases of growth and diversification. Starting from telegraphic and telephonic systems in the 19th century, the field of telephonic communication has now expanded to make use of advanced technologies like GSM, CDMA, and WLL to the great 3G Technology in mobile phones. Day by day, both the Public Players and the Private Players are putting in their resources and efforts to improve the telecommunication technology so as to give the maximum to their customers.*

*This article focuses on the customer satisfaction level on Reliance services in Dharmapuri. The main purpose of this study is to find problems faced by the customer with Reliance Postpaid service, find out consumer preferences, analyze the level of awareness about Reliance products and make suggestions in the light of the findings of the study.. The study was carried out in Dharmapuri district. In this study opinion of 500 customers were taken for analysis. The tools used for collecting data were structured questionnaire and unstructured interview. For analysis purpose chi-square, Rank correlation and percentage method has been used. The results revealed that as there is a healthy competition given by the existing players in the industry, lack or degradation in any of the services may affect the company badly. With the excellent rural awareness and rural market share in telecom services, the company should also try to boost up their urban market share. This could only be done with the help of a team of properly trained and dedicated employees. Moreover there is a huge market for the internet sector which can be captured by giving the services according to their needs.*

**Key words:** *Customer Satisfaction, Market Share, Telecom Services, Degradation.*

## **I. INTRODUCTION**

Today the Indian telecommunications network with over 375 Million subscribers is second largest network in the world after China. India is also the fastest growing telecom market in the world with an addition of 9- 10

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million monthly subscribers. The tele density of the Country has increased from 18% in 2006 to 33% in December 2008, showing a stupendous annual growth of about 50%, one of the highest in any sector of the Indian Economy. World telecom industry is taking a crucial part of world economy. The total revenue earned from this industry is 3 percent of the gross world products and is aiming at attaining more revenues. One statistical report reveals that approximately 16.9% of the world population has access to the Internet. Present market scenario of world telecom industry: Over the last couple of years, world telecommunication industry has been consolidating by allowing private organizations the opportunities to run their businesses with this industry. The Government monopolies are now being privatized and consequently competition is developing. Among all, the domestic and small business markets are the hardest.

The Indian telecommunications industry is one of the fastest growing in the world and India is projected to become the second largest telecom market globally by 2010end. India added 113.26 million new customers in 2008, the largest globally. In fact, in April 2008, India had already overtaken the US as the second largest wireless market. To put this growth into perspective, the country's cellular base witnessed close to 50 per cent growth in 2008, with an average 9.5 million customers added every month. According to the Telecom Regulatory Authority of India (TRAI), the total number of telephone connections (mobile as well as fixed) had touched 385 million as of December 2008, taking the telecom penetration to over 33 per cent. This means that one out of every three Indians has a telephone connection, and telecom companies expect this pace of growth to continue in 2009 as well. "We are extremely bullish that the growth will continue in 2009. This year, the number of additions will be in excess of 130 million," according to T.V. Ramachandran, Director General, Cellular Operators Association of India (COAI), an industry body that represents all Global System for Mobile communications (GSM) players in India. According to CRISIL Research estimates, eight infrastructure sectors, which include the telecom sector, are expected to draw more than US\$ 345.28 billion investment in India by 2012.

With the rural India growth story unfolding, the telecom sector is likely to see tremendous growth in India's rural and semi-urban areas in the years to come. By 2012, India is likely to have 200 million rural telecom connections at a penetration rate of 25 per cent. And according to a report jointly released by Confederation of Indian Industry (CII) and Ernst & Young, by 2012, rural users will account for over 60 per cent of the total telecom subscriber base. According to Business Monitor International, India is currently adding 8-10 million mobile subscribers every month. It is estimated that by mid 2012, around half the country's population will own a mobile phone. This would translate into 612 million mobile subscribers, accounting for a tele-density of around 51 per cent by 2012. It is projected that the industry will generate revenues worth US\$ 43 billion in 2009-10.

It is clear that the mobile industry is also undergoing profound changes. The saturated developed markets are forcing the industry to find new revenue streams and we are now seeing other organizations such as media companies, content providers, Internet media companies and private equity companies becoming involved in this market. For the time being however, voice will remain the killer application for mobile with some data services included as support services and niche market services. 4G (ie, WiMAX/LTE) is the real solution for mobile data and by 2015 it is expected that the majority of mobile revenues will come from data.

With the Internet economy, digital media and other telecommunications activities becoming further established, the need for modern and efficient infrastructure is becoming more critical.

The thrust areas presently are:

1. Building a modern and efficient infrastructure ensuring greater competitive environment.
2. With equal opportunities and level playing field for all stakeholders.
3. Strengthening research and development for manufacturing, value added services.
4. Efficient and transparent spectrum management
5. To accelerate broadband penetration
6. Universal service to all uncovered areas including rural areas.
7. Enabling Indian telecom companies to become global players.

Recent things to watch in Indian telecom sector are:

1. 3G and BWA auctions
2. MVNO
3. Mobile Number Portability
4. New Policy for Value Added Services
5. Market dynamics once the recently licensed telecom operators start rolling out services.
6. Increased thrust on telecom equipment manufacturing and exports.
7. Reduction in Mobile Termination Charges as the cost per line has substantially reduced
8. Due to technological advancement and increase in traffic.

### III. GROWTH IN SEGMENTS

According to a Frost & Sullivan industry analyst, by 2012, fixed line revenues are expected to touch US\$ 12.2 billion while mobile revenues will reach US\$ 39.8 billion in India. Fixed line capex is projected to be US\$ 3.2 billion, and mobile capex is likely to touch US\$ 9.4 billion. Further, according to a report by Gartner Inc., India is likely to remain the world's second largest wireless market after China in terms of mobile connections. According to recent data released by the COAI, Indian telecom operators added a total of 10.66 million wireless subscribers in December 2008. Further, the total wireless subscriber base stood at 346.89 million at the end of December 2008.

The overall cellular services revenue in India is projected to grow at a CAGR of 18percent from 2008-2012 to exceed US\$ 37 billion. Cellular market penetration will rise to 60.7 per cent from 19.8 per cent in 2007. The Indian telecommunications industry is on a growth trajectory with the GSM operators adding a record 9.3 million new subscribers in January 2009, taking the total user base to 267.5 million, according to the data released by COAI. However, this figure does not include the number of subscribers added by Reliance Telecom. In WiMax, India is slated to become the largest WiMAX market in the Asia-Pacific by 2013. A recent study sees India's WiMAX subscriber base hitting 14 million by 2013 and growing annually at nearly 130 per cent. And investments in WiMAX ventures are slated to top US\$ 500 million in India, according to a report by US-based research and consulting firm, Strategy Analytics.

## IV. VALUE-ADDED SERVICES MARKET

A report by market research firm IMRB stated that the mobile value-added services (MVAS) industry was valued at US\$ 1.15 billion in June 2008, and is expected to grow rapidly at 70 per cent to touch US\$ 1.96 billion by June 2009. Currently, MVAS in India accounts for 10 per cent of the operator's revenue, which is expected to reach 18 per cent by 2010. According to a study by Stanford University and consulting firm BDA, the Indian MVAS is poised to touch US\$ 2.74 billion by 2010. Mobile advertising, which is an important VAS segment, offers great potential to become an important revenue source. Marketers are increasingly using MVAS as a step ahead of SMS-based marketing to sell soaps and shampoos, banking, insurance products and also entertainment services, and rural markets are proving to be very receptive for such marketing. Further, Venture Capitalists like Canaan Partners, Draper Fisher Juvertson, Helion, and Nexus India are also innovating with services like mobile payment options, advertising, voice-based SMS and satellite video streaming. According to Venture Intelligence, there were nine deals worth US\$ 41 million in 2007 in the mobile VAS space, and till August 2008, seven deals worth US\$ 91 million had already been finalized. Presently, mobile VAS has a US\$ 700 million market with a 20 per cent y-o-y growth, which is likely to touch US\$ 3 billion by 2012.

## V. A DREAM COME TRUE

The Late Dhirubhai Ambani dreamt of a digital India — an India where the common man would have access to affordable means of information and communication. Dhirubhai, who single-handedly built India's largest private sector company virtually from scratch, had stated as early as 1999: "Make the tools of information and communication available to people at an affordable cost. They will overcome the handicaps of illiteracy and lack of mobility." It was with this belief in mind that Reliance Communications (formerly Reliance Infocomm) started laying 60,000 route kilometers of a pan-India fiber optic backbone.

This backbone was commissioned on 28 December 2002, the auspicious occasion of Dhirubhai's 70th birthday, though sadly after his unexpected demise on 6 July 2002. Reliance Communications has a reliable, high-capacity, integrated (both wireless and wireline) and convergent (voice, data and video) digital network. It is capable of delivering a range of services spanning the entire infocomm (information and communication) value chain, including infrastructure and services — for enterprises as well as individuals, applications, and consulting. Today, Reliance Communications is revolutionizing the way India communicates and networks, truly bringing about a new way of life.

## VI. INDIA'S LEADING INTEGRATED TELECOM COMPANY

Reliance Communications is the flagship company of the Anil Dhirubhai Ambani Group (ADAG) of companies. Listed on the National Stock Exchange and the Bombay Stock Exchange, it is India's leading integrated telecommunication company with over 77 million customers. Our business encompasses a complete range of telecom services covering mobile and fixed line telephony. It includes broadband, national and international long distance services and data services along with an exhaustive range of value-added services

and applications. Our constant endeavor is to achieve customer delight by enhancing the productivity of the enterprises and individuals we serve. Reliance Mobile (formerly Reliance India Mobile), launched on 28 December 2002, coinciding with the joyous occasion of the late Dhirubhai Ambani's 70th birthday, was among the initial initiatives of Reliance Communications. It marked the auspicious beginning of Dhirubhai's dream of ushering in a digital revolution in India. Today, we can proudly claim that we were instrumental in harnessing the true power of information and communication, by bestowing it in the hands of the common man at affordable rates.

## VII. REVIEW OF LITERATURE

**Cygnus Business Consulting & Research Pvt. Ltd. (2008)**, in its "Performance Analysis of Companies (April-June 2008)" has analyzed the Indian telecom industry in the wake of recent global recession and its overall impact on the Indian economy. With almost 5-6million subscribers are being added every month, and the country is witnessing wild momentum in the telecom industry, the Indian telecom industry is expected to maintain the same growth trajectory.

**Internet service providers in India, Rao (2000)**, provide a broad view of the role of an Internet service provider (ISP) in a nascent market of India. Building local content, foreknowledge of new Internet technologies, connecting issues, competitiveness, etc. would help in their sustainability.

**The role of technology in the emergence of the information society in India, Singh (2005)**, describes the role that information and communication technologies are playing for Indian society to educate them formally or informally which is ultimately helping India to emerge as an information society.

**T.H. Chowdary (1999)** discusses how Telecom reform, or demonopolization, in India has been bungled. Shaped by legislation dating back to the colonial era and post Second World War socialist policies, by the mid-1980s India realized that its poor telecommunications infrastructure and service needed reform. At the heart of the problem lay the monopoly by the government's Department of Telecommunications (DOT) in equipment, networks and services. The National Telecom Policy 1994 spelt out decent objectives for reform but tragically its implementation was entrusted to the DOT. This created an untenable situation in which the DOT became policymaker, licenser, regulator, operator and also arbitrator in disputes between itself and licensed competitors. He discusses the question: 'Why did India get it so wrong? and What India should do now?'

**Thomas (2007)**, in his article describes the contribution made by telecommunications in India by the state and civil society to public service, this article aims to identify the state's initial reluctance to recognize telecommunications provision as a basic need as against the robust tradition of public service aligned to the postal services and finds hope in the renewal of public service telecommunications via the Right to Information movement. The article follows the methodology of studying the history of telecommunications approach that is conversant with the political economy tradition. It uses archival sources, personal correspondence, and published information as its research material. The findings of the paper suggests that public service in telecommunication is a relatively "new" concept in the annals of Indian telecommunications and that a deregulated environment along with the Right to Information movement holds significant hope for making public service telecommunications a real alternative. The article provides a reflexive, critical account of public service telecommunications in India and suggests that it can be strengthened by learning gained from the

continual renewal of public service ideals and action by the postal services and a people-based demand model Linked to the Right to Information Movement. All studies done by the researcher suggests that the right to information movement has contributed to the revitalization of participatory democracy in India and to a strengthening of public service telecommunications.

## VIII. OBJECTIVES OF THE STUDY

The following are the objectives of the study.

1. To study the problems faced by the respondents with Reliance Postpaid service.
2. To study customer satisfaction level on Reliance services.
3. To find out consumer preferences.
4. To analyze the level of awareness about Reliance products.
5. To make suggestions in the light of the findings of the study.

## IX. SCOPE OF THE STUDY

The scope of the study is limited to the post paid services offered by Reliance Communications. Study objective is to examine the various factors which play their part in customer buying behavior and the major dissatisfaction areas for the customers. The study considered the area of Dharmapuri district. The sample under consideration consisted of the existing customers of Reliance Communications.

**RESEARCH METHODOLOGY:** Business Research can be described as a systematic and organized effort to investigate a specific problem encountered in the work setting, which needs a solution. According to Clifford Woody, research comprises defining and redefining of problems. Formulating hypothesis or suggested solution, collecting, organizing and evaluating data; and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis.

**RESEARCH DESIGN:** A research design is the selection of methods for collection and analysis of data in a manner that aims to combine relevance to research purpose with economy in procedure. It constitutes the blue print for the collection, measurements and analyze of data. The research design for this study is Descriptive Research. This research is undertaken with an idea to assess the level of customer satisfaction and factors affecting customer satisfaction. The main aim of such a design is to ensure that the required data are collected objectively, accurately and economically.

## X. DATA COLLECTION

➤ **PRIMARY DATA:** Data regarding the topic is collected directly by interacting with the customers by using structured questionnaire and interview method.

➤ **SECONDARY DATA:** The secondary data was collected from the existing data sources, company records, internet and World Wide Web.

## XI. SAMPLE SIZE

The scope of the study was limited to customers of Reliance Communications. The number of respondent in this category was 500.

## XII. STASTICAL TOOLS USED IN STUDY

Here weighted average and percentage method is used for analysis and interpretations of the collected data.

These are cases were to relative importance of the difference items is not the same. When this so, the research can use the weighted average mean same. The weight stands for the relative importance of the different items.

The formula is:

$$\text{W.A.} = \frac{W_1X_1+W_2X_2+\dots+W_nX_n}{N}$$

Where

W.A = the weighted average, X = the variable values,

W = Weighted allotted to each factor (Excellent 5.....4.....3.....2.....1 poor)

N = the total no. of respondents

### RESULTS TABLE: 1 PHONE/INTERNET IS BEING USED FOR

Usage	No. of Respondents	Percentage
Business	270	54%
Official	50	10%
Personal	180	36%
<b>Total</b>	<b>500</b>	<b>100%</b>

Source: Primary data

It is found from the above Table that 54% of the respondents are using Phone/internet for business purpose, 10% of the respondents are using Phone/internet for official purpose, and 36% of the respondents are using Phone/internet for personal purpose

### TABLE: 2 CUSTOMER AWARENESS ABOUT RELIANCE POST PAID PRODUCTS

Products	No. of Respondents	Percentage
RIM Post Paid	460	92%
FWP	300	60%
Broadband	370	74%
HSDC	235	47%
<b>Total</b>	<b>500</b>	<b>100%</b>

Source: Primary Data

It is noted from the above Table that 92% of the respondents are aware of RIM Post Paid, 60% of the respondents are aware of FWP. 74% of the respondents are aware of Broadband. 47% of the respondents are aware of HSDC.

**TABLE: 3 AWARENESS CREATED THROUGH**

Medium	No. of Respondents	Percentage
Television	260	52%
Print	170	34%
Sales Executive	25	5%
Friends & Existing users	45	9%
<b>Total</b>	<b>500</b>	<b>100%</b>

**Source: Primary Data**

It is inferred that that 52% of the respondents came to know about the products through television.34% of the respondents came to know about the products through print. 5% of the respondents came to know about the products through sales executives. 9% of the respondents came to know about the products through friends and existing users.

**TABLE: 4 USAGES OF PRODUCTS**

Products	No. of Respondents	Percentage
RIM Post Paid	65	13%
FWP	205	41%
Broadband	100	20%
HSDC	130	26%
<b>Total</b>	<b>500</b>	<b>100%</b>

**Source: Primary Data**

It is identified from the above Table that 13% of the respondents were using RIM Post Paid. 41% of the respondents were using FWP. 20% of the respondents were using Broadband.26% of the respondents were using HSDC.

**TABLE: 5 LEVEL OF SATISFACTION AGAINST THE COMPANY'S SERVICES**

Level	No. of Respondents	Percentage
Fully Satisfied	190	38%
Partially Satisfied	255	51%
Not Satisfied	55	11%
<b>Total</b>	<b>500</b>	<b>100%</b>

**Source: Primary Data**

It is found from the above Table that 38% of the respondents were fully satisfied with the services.51% of the respondents were partially satisfied with the services.11% of the respondents were not satisfied with the services.

**TABLE: 6 MAJOR REASONS FOR DISSATISFACTION**

	No. of Respondents	Percentage
Poor quality of signals/network	75	15%
Poor voice quality	20	04%
Higher cost	135	27%
Slow speed	65	13%
Billing errors	95	19%
Poor customer care service	110	22%
<b>Total</b>	<b>500</b>	<b>100%</b>

**Source: Primary Data**

It is inferred from the above Table that 15% of the respondents were dissatisfied by poor signals/network, 4% of the respondents were dissatisfied by poor voice quality, 27% of the respondents were dissatisfied by higher cost of services, 13% of the respondents were dissatisfied by slow speed, 19% of the respondents were dissatisfied by the billing errors, 22% of the respondents were dissatisfied by poor customer care service

**TABLE: 7 CHANNEL PREFERENCE TO BUY A TELECOM/INTERNET SERVICE**

Channel	No. of respondents	Percentage
Home delivery	90	18%
Customer care	285	57%
Online	45	09%
Franchisee & utility shops	80	16%
<b>Total</b>	<b>500</b>	<b>100%</b>

**Source: Primary Data**

It is found from the above Table that 18% of the respondents would prefer to buy the service through home delivery, 57% of the respondents would prefer to buy the service through customer care, 9% of the respondents would prefer to buy the service online, 16% of the respondents prefer to buy the service through franchisee & utility shops.

**TABLE: 8 SERVICES CUSTOMER LOOK BEFORE CHOOSING THE PRODUCT**

Service	No. of respondents	Percentage
Price	420	84%
Connectivity	230	46%
Speed	255	51%
Value added service	115	23%

After sales service	310	62%
<b>Total</b>	<b>500</b>	<b>100%</b>

**Source: Primary Data**

It is found from the above Table that 84% of the respondents consider price before choosing the product, 46% of the respondents consider connectivity before choosing the product, 51% of the respondents consider speed before choosing the product, 23% of the respondents consider value added services before choosing the product, 62% of the respondents consider after sales service before choosing the product.

**TABLE: 9 CUSTOMER WILLINGNESS TO RECOMMEND RELIANCE SERVICES TO OTHERS**

Opinion	No. of respondents	Percentage
YES	315	63%
NO	185	37%
<b>TOTAL</b>	<b>500</b>	<b>100%</b>

Source: Primary Data

Services	Excellent	Very Good	Good	Average	Poor	Total	Weighted Average	Weighted Average	Rank
<b>Network</b>	55	90	105	160	90	1360	2.72	6	
<b>SMS Rates</b>	25	135	205	90	45	1505	3.01	4	
<b>New Schemes &amp; Offers</b>	30	100	135	170	65	1360	2.72	6	
<b>Internet Speed</b>	45	75	230	85	65	1450	2.9	5	
<b>Cost</b>	10	70	80	315	25	1225	2.45	7	
<b>Customer Care</b>	0	70	115	155	160	1095	2.19	8	
<b>Recharge Outlets</b>	50	95	255	65	35	1570	3.14	2	
<b>Call Rates</b>	35	55	295	115	0	1530	3.06	3	

<b>Value Added</b>	215	195	55	35	0	2100	4.2	1
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### WEIGHTED AVERAGE METHOD

**TABLE: 10 CUSTOMERS RATING ON SERVICES ON THE BASIS OF SATISFACTION**

It is found from the above Table that 63% of the respondents would recommend reliance services to others, 37% of the respondents would not recommend reliance services to others.

#### Source: Primary Data

Services as a major reason for satisfaction followed by recharge outlet, call rates , sms rates ,internet speed, network coverage, new schemes & offers are the other reasons for customer satisfaction occupies next five ranks.

### CONCLUSION

The following facts are identified as findings of the study. The major factors of customer satisfaction are customer care service, billing errors and cost so the company should train their employees properly so that they have sufficient knowledge about the products and the bills should be made more transparent so that the customers could easily understand them The sales executives are not properly trained as they could not explain the schemes properly so they just try to tell to the customer about their RIM post paid service and not about other three services. This is the main reason for the lack in sales of their internet services. A majority of the customers look for the price and after sales services before choosing the products. So the company should plan accordingly to increase their sales. As seen from the survey results, more of the population prefers to buy a mobile based on GSM technology. So the newly launched GSM based mobile phones should be promoted accordingly

As there is a healthy competition given by the existing players in the industry, lack or degradation in any of the services may affect the company badly. With the excellent rural awareness and rural market share in telecom services, the company should also try to boost up their urban market share. This could only be done with the help of a team of properly trained and dedicated employees. Moreover there is a huge market for the internet sector which can be captured by giving the customer, the services according to their needs.

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