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Analysis of Marketing Strategies of Idea Cellular as Perceived by its Employees

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Abstract: In today's competitive world communication plays a very important role. Indian telecom sector has undoubtedly contributed in India's rapid economic growth and because of this India is recognized as emerging economic superpower. The intensified competition in the market has lead consumers to enjoy sumptuousness of choice and higher bargaining power. The 'freedom to choose' has made organizations customer centric. Telecom companies are striving for distinction in the way they provide service to its customers. The present study explores employee's insight of marketing strategies such as low cost strategies, non-pricing factors, Integrated Marketing Communication, customer relationship management, product distribution etc.

Different researchers have different opinion about the key factors that influenced the growth of players in telecom sector. The main purpose of the study is to find out the marketing strategies Idea Cellular have implemented in order to give quality of service to its customers, satisfy their needs, retain them and gain loyalty in return. This study investigates similarities and differences in adoption of marketing strategies and how customers perceive them.

Key words: Customer Relationship Management, Idea Cellular, Integrated Marketing Communication, Marketing Mix, Marketing Strategies.

I. INTRODUCTION

The liberalization brought transformation in telecom industry and economic growth of India. The demonopolization changed the entire structure of telecom industry. With the entry of private players it became multi-player market from single player market. The challenge of these private players was to break the monopoly and create awareness about their organization. A well designed marketing strategy supported them in captivating customer sensitivity. With this they were able to steal big share of market.

The increase in number of players in cellular telephony changed the expectation level of customers. Today customers have luxury of making choice according to their needs and expectations, exploit preferences and enjoy higher bargaining power. To gigantic task is to match expectation level of consumers by providing add-on services of good quality along with basic services.

Idea Cellular is India's first truly multinational corporation. ²The group operates in 33 countries, and is anchored by more than 132,000 employees belonging to 42 nationalities. Very few studies have been carried out to study the marketing strategies of Idea Cellular and analyze the behaviour of service users in context of their expectations and satisfaction level. Employee's discernment about products and services offered by its organization also plays an important role in sustainability and growth. Employee's acumen in this perspective is imperative. Therefore, an effort is being made to study the perception of employees with regards to marketing strategies adopted by Idea Cellular to sustain in business.

II. REVIEW OF LITERATURE

Kotler (2010) pointed that marketing strategy can be divided into low-cost strategy that enables business units to produce standard products in large quantities at lower price than competitors; differentiation strategy that adds unique and distinctive attributes in product, product design and product quality that helps organization surpasses competition; and focus strategy wherein a firm focuses on target market through low-cost or differentiation¹. **Reichheld and Sasser (1990)** emphasized that it is essential for an organization to satisfy customers else they will not be able to prevent customers from defecting. **Bei and Chiao (2001)** discussed that loyalty is directly proportion to customer satisfaction. If customer is satisfied he would not switch to competition. **Fornell (1992)** suggested that satisfied customer prevents customer turnover, lowers customer price sensitivity, helps in new customer acquisition, reduces operating costs thus improving image of organization and supports advertisements.² **Schiffman and Kanuk (2009)**³ affirmed that cost of acquiring new customers is higher than retaining old customers. Customers are also delighted when company does something special to retain them. If customer's defection list is small, so are the expenses. A satisfied customer becomes a loyal customer and shows significant increases in profits. Benefits of having an array of loyal customers are- They are less price sensitive and buy more products, Competitive advertising does not tempt them to switch, It cost less to service existing and satisfied customers and Loyal customers spread positive word-of-mouth and refer other customers. **Raghu et al. (2006)**⁴ summarized that service firms have a wide range of alternatives available to it when competing in a market place. They are: competing for market share; competing for reach; and competing for geography. **Kajale A. Ramesh (2012)**⁵ focused on understanding consumer needs and wants with the help of relationship marketing. Relationship Marketing helps in understanding customers and thus aids in customizing products and services fro them. It helps in handling unpredictable demands of customers. It is one of most powerful strategy to upheav competition.

III. OBJECTIVE OF THE STUDY

To study employee's perception of marketing strategies of Idea Cellular in Eastern Rajasthan.

To identify factors of marketing strategy those differentiate Idea Cellular from competitors.

IV. HYPOTHESIS OF THE STUDY

H₀: There is no significant marketing strategy adopted by Idea Cellular in Eastern Rajasthan.

H_a: There is significant marketing strategy adopted by Idea Cellular in Eastern Rajasthan.

V. METHODOLOGY

Rajasthan has been chosen as sample frame for the study. The four cities that have been taken as sample units are Jaipur, Alwar, Bharatpur and Dausa. Respondents were drawn on the basis of simple random sampling. Total 25 Employees from sales and marketing department were chosen as respondents from Rajasthan Circle office based in Jaipur City. The research was limited to 25 respondents employed in the region of study.

Primary Data was collected using structured questionnaire comprising of 12 questions for employees. Secondary data has been collected from books, internet, magazines, journals and annual reports of Idea Cellular.

VI. RELIABILITY ANALYSIS

Cronbach's alpha was used to measure internal consistency ("reliability") of questionnaires and was found to be strong and reliable. The reliability score for questionnaire of employees was found to be 0.897.

¹ Kotler, P. (2010). *Principles of Marketing: A South Asian Perspective* (13th Edition ed.). Pearson Education India.

² Lowenstein, M. W. (1997). *Customer Retention*. OXFORD University Press.

³ Schiffman, L. G. (2009). *Consumer Behaviour* (Ninth ed.). Pearson Education.

⁴ The ICFAI University, 2. (2009). *Journal of Marketing Management*.

Source: ⁵ Kajale, A. R. (March ; 2012). *Importance of Relationship Marketing in Competitive Marketing Strategy*. Indian Streams Research Journal.

VII. DATA ANALYSIS AND INTERPRETATION

Analysis of marketing strategies of idea cellular as perceived by its Employees has been done using chi-square analysis. Tables have been used to show the analysis.

A. Non – Pricing Factors - Consumer’s Preference of Non-Pricing Factors at the Time of Selecting Telecom Service

Table I

Chi-square Test for consumer’s preference of Non-pricing factors

Test Statistics					
	Good brand image	Better quality of service	Better customer care	Reliability	Privacy and security
Chi-Square	7.760 ^a	21.440 ^a	17.400 ^b	17.400 ^b	11.000 ^b
Df	2	2	3	3	3
Asymp. Sig.	.021	.000	.001	.001	.012
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 8.3.					
b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 6.3.					

Table I shows different values of chi square test for Non-pricing factors those are important to Idea customers at the time of purchasing telecom products and services. The chi-square analysis of non-pricing factors shows that there are significant factors which customers’ preferred when they looked for TSP. According to employees, customers wanted good brand image of the company, good customer care to resolve their issues, trustworthiness, and respect for privacy and security of customers. In case of Idea customers, all attributes of non-pricing factor were virtuous.

B. Low Cost Strategy - Effect of Price Reduction

Table II

Chi-square Test for Effect of Price Reduction

Test Statistics					
	Less Process Time	Increased Product Usage	Increased Market share	Increased Consumer base	Increased Revenues
Chi-Square	25.200 ^a	14.520 ^b	11.960 ^b	17.400 ^b	8.760 ^b
Df	4	3	3	3	3
Asymp. Sig.	.000	.002	.008	.001	.033
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 5.0.					
b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 6.3.					

Table II shows different values of chi square test for effect of price change on the consumption of products and services by Idea customers and its effect on the growth of company. According to employees of Idea, positive change was observed as result of price reduction. Customers started using telecom service more than before which in turn increased revenue. Because of low rates new customers were added thus increasing market share and consumer base.

C. Employees Sensitivity of Telecom Services - as a Consumer

Table III

Chi-square Test for Employees Sensitivity of Idea services as a consumer

Test Statistics							
	Network	SMS Rates	New schemes and offers	Customer care	Recharge outlets	Call rates	Value added services
Chi-Square	7.800 ^a	2.240 ^b	2.240 ^b	13.560 ^a	8.720 ^b	7.760 ^b	17.400 ^a
Df	3	2	2	3	2	2	3
Asymp. Sig.	.050	.326	.326	.004	.013	.021	.001
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 6.3.							
b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 8.3.							

Table III shows different values of chi square test for employee's sensitivity of Idea services as a consumer. The chi-square analysis revealed that Network, customer care, recharge outlets, call rates and VAS were highly appealing: SMS rates and new schemes and offers were not preferred by customers. They found these two factors less appealing for creating differentiation in the market. All other factors have been rated high. Idea has grown many folds in short span of operation on the basis of significant factors.

D. Switching Subscriber - Factors those Influence Idea customers to switch to competitive telecom service provider

Table IV

Chi-square Test for Factors Influencing Customers to Switch from Idea to Competitors

Test Statistics							
	Network	Price Package (low SMS Rates, low call rates)	Process time	Customer care	Recharge outlets	Advertisement	Value added services
Chi-Square	6.080 ^a	1.080 ^b	7.200 ^c	8.400 ^c	4.400 ^c	4.000 ^c	10.040 ^b
Df	2	3	4	4	4	4	3
Asymp. Sig.	.048	.782	.126	.078	.355	.406	.018
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 8.3.							
b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 6.3.							
c. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 5.0.							

Table IV shows different values of chi square test for factors that influence customers to switch from Idea to competitors. The chi-square analysis revealed factors that compelled customers to switch from one subscriber to another. The switching factors of Idea were network and VAS. Customers switched from Idea to competitors because of weak network and cost of VAS.

E. Integrated Marketing Communication - Company's focus on IMC tools for driving sales

Table V
Chi-square Test for Integrated Marketing Communication Tools

Test Statistics						
	Advertisin g	Sales Promotion	Personal Selling	Direct Marketing	Events	Public Relations
Chi-Square	9.680 ^a	3.920 ^a	11.960 ^b	14.800 ^c	15.480 ^b	3.000 ^b
Df	2	2	3	4	3	3
Asymp. Sig.	.008	.141	.008	.005	.001	.392
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 8.3.						
b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 6.3.						
c. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 5.0.						

Table V shows different values of chi square test for Integrated Marketing Communication tools that affected customers' purchase decision while buying Idea products and services. The chi-square analysis revealed those factors that drew sales. Idea employees perceived that their organization focused on advertisement, direct marketing, personal selling, and events to drive sales. These tools influenced customers purchase decision and thus bought sales and revenue to company. They noticed that sales promotion and public relation were not much influential and thus company did focus on these two aspects.

F. Customer Relationship Management - factors that help in sustaining business

Table VI
Chi-square Test for Customer Relationship factors

Test Statistics					
	Set satisfactory service standards	Gives training to employees	Has a customer complaint monitoring cell	Gives attention to the changing requirement of Customers	Makes product according to the paying capability of the customer.
Chi-Square	26.040 ^a	13.240 ^a	7.280 ^b	12.280 ^a	22.520 ^a
Df	3	3	2	3	3
Asymp. Sig.	.000	.004	.026	.006	.000
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 6.3.					
b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 8.3.					

Table VI shows different values of chi square test for variables of Customer Relationship Management of Idea that help in sustaining business. The chi-square analysis infers that Idea focused on maintaining healthy relations with customers by providing them plethora of services. Employees opined that their company developed service standards in various processes such as activation of new number, internet service etc. to provide better service. Also customer complaint cell has been developed to register complaints and resolve them within stipulated time. The employees of Idea deemed that Idea took care of customer needs and kept price of products and services affordable. The economic and technological requirements of customers change every day and Idea developed strategies to meet those needs and satisfy them.

G. Product Distribution

Table VII
Chi-square Test for Product Distribution

Test Statistics					
	Sales growth with existing products	Sales growth with new products	Sales growth by entering new markets	Sales growth by giving new and better products to the existing markets	Sales growth by introducing new category of products/Technologies such as 3G and mobile phones,
Chi-Square	10.160 ^a	2.960 ^a	12.600 ^b	12.280 ^b	8.960 ^a
Df	2	2	3	3	2
Asymp. Sig.	.006	.228	.006	.006	.011
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 8.3.					
b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 6.3.					

Table VII shows different values of chi square test for different variables of 'Product Distribution' of Idea. The chi-square analysis of product distribution reveals that Idea made all efforts in providing product to customers by various ways. Idea provided popular products that have been well accepted by masses for a longer duration, designed products for different segments of market, introduced new and better products to the existing customers and bought new products that supported new technology.

VIII. CONCLUSION

Customers were inclined towards good brand image of the company, good customer care to resolve their issues, trustworthiness, and privacy and security of customers, better quality of service were virtuous. Because of low rates new customers were added thus increasing market share and consumer base. Employees opined that telecom services like availability of network; low rates for SMS, schemes and offers, good customer care, large number of recharge outlets and affordable VAS were excellent. Customers switched from Idea to competitors because of weak network and high rates of VAS. Idea employees perceived that their organization focused on advertisement, direct marketing, personal selling, and events to drive sales. These tools influenced customers purchase decision and thus bought sales and revenue to company. Idea focused on maintaining healthy relations with their customers. They have developed service standards in various processes such as activation of new number, internet service, etc. to provide better service. Also customer complaint cell has been developed to register complaints and resolve them within stipulated time. Idea also takes care of customer needs and keeps price of products and services affordable. Idea provided popular products that have been well accepted by masses for a long duration, designed products for different segments of market, introduced new and better products to the existing customers and bought new products that supported new technology.

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