Customer's Perception on MTNL Services: *An Indian Viewpoint*

Nitika Sharma
Sr. Officer - Marketing
KEC International Limited
nitikasharma@kecrpg.com

ABSTRACT

The need/wish of ubiquitous (anytime * anywhere) influence the telecom sector to provide the customer more than the best desired by them. Hyper competition within the market hinges the telecom sector to bring the innovative way to cater the existing customer and also clutch the new market.

In the earlier day's telephone/mobile was only the luxury to the people. Whereas now the same is necessity to them. Hence well structured & organized method should be adopted by the telecom sector fulfill the perceived value of the customer with their expectation. this study helps in highlighting the customer's expectation and their perceived value from the MTNL services.

KEYWORDS

| Customer's Expectations	Customer's Perceived Value
Mobile	MTNL Practices

Empirical Article

PREAMBLE

The telecom services have been documented the world-over as a significant instrument for socio-economic development for a nation. It is one of the primary support services needed for quick enlargement and transformation of a range of sectors of the economy. Indian telecommunication sector has undergone a foremost procedure of transformation through noteworthy policy reforms.

In the previous days there were no great difference in the telecom and many improvements in technology had been occurred if we compare with present days scenario. However, with hyper competition within the market we find more differences in the telecom sector. Aggressive marketing by telecom sector with hostile advertising, sales promotions, and Public relations focuses on the customer's individually. Major Competitors in Telecom sectors are bifurcated into three types in India:

• **State owned companies (BSNL and MTNL)**

• **Private Indian owned companies (Reliance Infocomm, Tata Teleservices,)**

• **Foreign invested companies (Hutchison-Essar, Bharti Tele-Ventures, Escotel, Idea Cellular, BPL Mobile, Spice Communications)**

Players	Last Price	Market Cap. (Rs. cr.)	Sales Turnover	Net Profit	Total Assets
Bharti Airtel	265.65	100,881.39	35,609.54	9,426.16	35,357.62
Reliance Comm	141.10	29,123.42	13,610.58	2,352.93	82,593.93
Idea Cellular	56.35	18,595.57	11,895.77	1,053.66	18,873.79
Tata Comm	247.75	7,060.88	3,749.43	515.95	9,125.92
Spice Comm	56.95	3,929.12	1,585.34	-1,015.22	1,875.94
Tata Tele service	20.60	3,908.23	2,249.10	-298.01	2,743.96
MTNL	61.55	3,877.65	3,770.41	-2,514.87	12,059.38
Tulip Telecom	890.00	2,581.00	1,608.28	249.58	1,802.84
Nu Tek India	33.45	115.46	159.09	14.48	171.93
Goldstone Infra	27.35	98.68	45.61	6.27	110.56

MTNL as a company, over last nineteen years, grew rapidly by modernizing the network, incorporating the State-of-the-art technologies and a customer friendly approach

MTNL   Tri Band

MTNL   3G
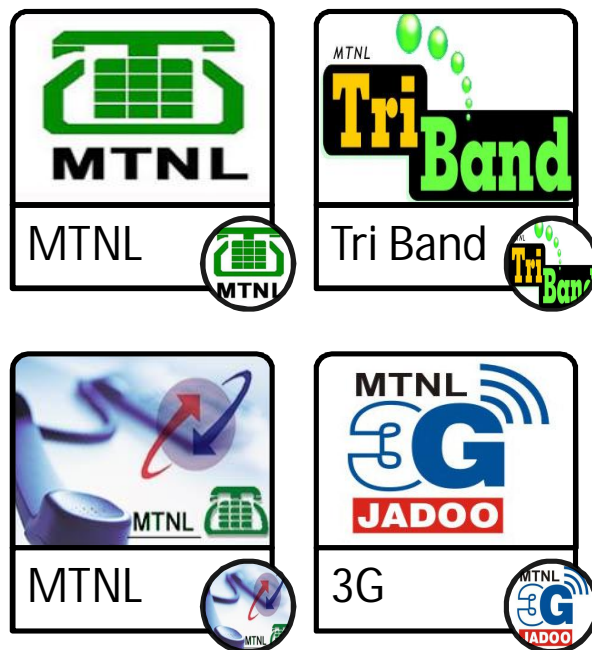
MTNL was set up on 1st April, 1986 by the Government of India to upgrade the quality of telecom services, expand the telecom network, and introduce new services and to raise revenue for telecom development needs of India's key metros. Delhi, the political capital and Mumbai, the business capital of India. In the past 23 years, the company has taken rapid strides to emerge as India's leading and one of Asia's largest telecom operating companies. Besides having a strong financial base, MTNL has achieved a customer base of 8.06 million as on 31st March 2009. The company has also been in the forefront of technology induction by converting 100% of its telephone exchange network into the state-of-the-art digital mode. The Govt. of India currently holds 56.25% stake in the company.

VISION FOR TOMORROW

▪ Become a total solution provider company and to provide world class telecom services at affordable prices.

▪ Become a global telecom company and to find a place in the Fortune 500 companies.

▪ Become the largest provider of private networks and leased lines.

▪ Venture into other areas in India and abroad on the strength of our core competency

LATEST TECHNOLOGY: (VLSI & UVLSI)

- **With latest switching digital technology.**
- **Widespread transmission network upto 25gbps**
- **Web technology.**
- **DWDM system upto 80 gbps.**
- **Broadband and more than 400 000 data customers MTNL continues to serve this great nation.**
- **99.9% of its exchanges are digital.**
- **Over 400 000 route kms of OFC network, Bharat Sanchar Nigam Ltd. Is a name to reckon with in the world of connectivity.**
- **Consider the figure as they speak values on MTNL standing**
- **The Telephone Infrastructure alone is worth US $ 22.74 billion**
- **Turnover of rupees 31400 crore**

HISTORICAL DEVELOPMENT AND BACKGROUND

- *1911   Establishment of Delhi Telephone system with manual Exchange.*
- **1926 Opening of first automatic exchange.**
- **1949 First Manual Trunk exchange opened.**
- **1969 Trunk automatic exchange(TAX) commissioned.**
- **1971   Opening of exchange at Nangloi, Narala , Najafgarh , Bahadurgarh, Ballabhgarh.**
- **1977 Opening of STD services to Indore and Ambala on 05-10-77 by Mr. Brij Lal verma (Minister of communication).**
- **1986 Creation of Mahanagar Telephone Nigam Ltd.**
- **1987 Large scale introduction of push button telephone made dialing easier (use of DTMF tones).**
- **1992 Voice mail service introduced.**
- **1996 ISDN services introduced.**
- **1997 Wireless in local Loop introduced.**
- **1999 Internet services introduced (Use of satellite communication).**
- **2001 Launched GSM cellular Mobile service under brand name "DOLPHIN".**
- **2002 Launched prepaid GSM mobile services under the brand name**

"TRUMP".
- **2003 Introduced CDMA 1 x 2000 technology under the brand name Garuda-I.**
- **2005 Leading Market in GSM . Launched broad band services under the brand name "TRI BAND".**

NEED OF THE STUDY

To understand the following:

1. To ascertain the customer preference of Landline and mobile phones.
2. To ascertain the customer satisfaction level for mobile services as well as landline services.
3. To analyze the customer opinion and satisfaction with specific reference to MTNL.
4. To suggest some guidelines to MTNL in order to provide better focused services.
5. To determine the status of brand awareness and brand loyalty in order to conclude about brand equity.

RESEARCH OBJECTIVES

- To study the existing customer's satisfaction towards MTNL
- To know about new customers services and needs towards MTNL
- To know about customer's expectation & perception for MTNL services

HYPOTHESIS

- **Ho :Mean(expectation) Mean(perceived quality)=0**
- **Ha: Mean(expectation) ≠Mean perceived quality**
- **a= 0.05**

RESEARCH METHODOLOGY

SERVQUAL was originally measured on 10 aspects of service quality: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the customer and tangibles. It measures the gap between customer expectations and experience.

By the early nineties the authors had refined the model to the useful acronym RATER:
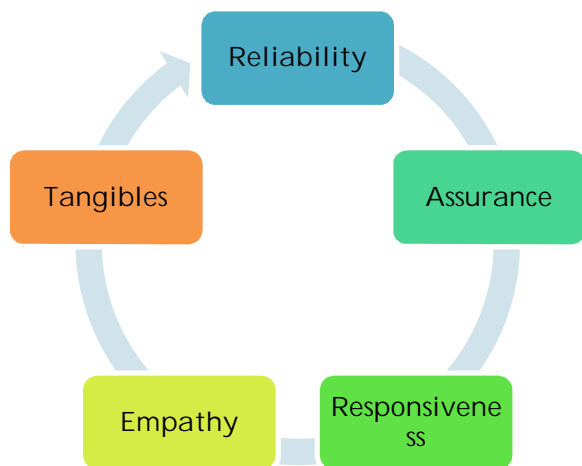

Figure-1: Model OF Rater

SERVQUAL has its detractors and is considered overly complex, subjective and statistically unreliable. The simplified RATER model however is a simple and useful model for qualitatively exploring and assessing customers' service experiences and has been used widely by service delivery organizations. It is an efficient model in helping an organization shape up their efforts in bridging the gap between perceived and expected service.

The five gaps that organizations should measure manage and minimize:

- *Gap 1 is the distance between what customers expect and what managers think they expect - Clearly survey research is a key way to narrow this gap.*

- *Gap 2 is between management perception and the actual specification of the customer experience - Managers need to make sure the organization is defining the level of service they believe is needed.*

- *Gap 3 is from the experience specification to the delivery of the experience - Managers need to audit the customer experience that their organization currently delivers in order to make sure it lives up to the spec.*

- *Gap 4 is the gap between the delivery of the customer experience and what is communicated to customers - All too often organizations exaggerate what will be provided to customers, or discuss the best case rather than the likely case, raising customer expectations and harming customer perceptions.*

- *Gap 5 is the gap between a customer's perception of the experience and the customer's expectation of the service - Customers' expectations have been shaped by word of mouth, their personal needs and their own past experiences. Routine transactional surveys after delivering the customer experience are important for an organization to measure customer perceptions of service*

Nyeck, Morales, Ladhari, and Pons (2002) stated the SERVQUAL measuring tool "remains the most complete attempt to conceptualize and measure service quality" (p. 101). The main benefit to the SERVQUAL measuring tool is the ability of researchers to examine numerous service industries such as healthcare, banking, financial services, and education (Nyeck, Morales, Ladhari, & Pons, 2002). The fact that SERVQUAL has critics does not render the measuring tool moot. Rather, the criticism received concerning SERVQUAL measuring tool may have more to do with how researchers use the tool. Nyeck, Morales, Ladhari, and Pons (2002) reviewed 40 articles that made use of the SERVQUAL measuring tool and discovered "that few researchers concern themselves with the validation of the measuring tool"
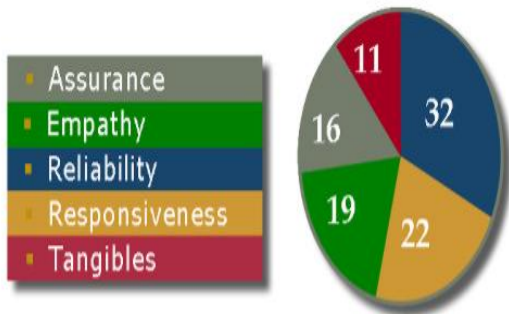
Figure-2: Model OF Rater

Qualitative research is done for the study by adopting survey method for collecting relevant information to analyze the behavior and attitude of respondents towards MTNL connection. The sampling design followed in the survey is random sampling and convenience sampling in which each population elements has a known and has equal chance of selection. Generally customers as a source of primary data collection have been surveyed for the purpose of obtaining information. For this research work Corporate/ General Public are considered as customer's, the sample size of customer's is 50. Consumers have been surveyed through the questionnaire through mail/ Personal visit.

SOURCES OF DATA

Primary data regarding customer's satisfactions and other feedbacks for the study were collected with the help of a questionnaire. Survey was taken by direct interview

ANALYSIS AND INTERPRETATION

-1: **Telecommunication organizations should have up-to-date equipment**

Table 1

Sample Size 50	Expectation	Perceived Quality
Difference of means	5.92	3.76

Analysis:
From the above table we can see:
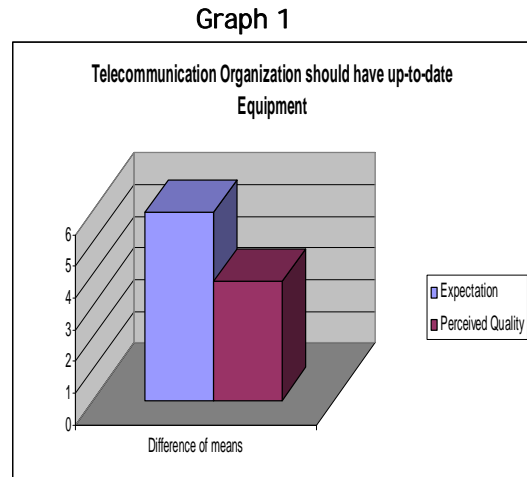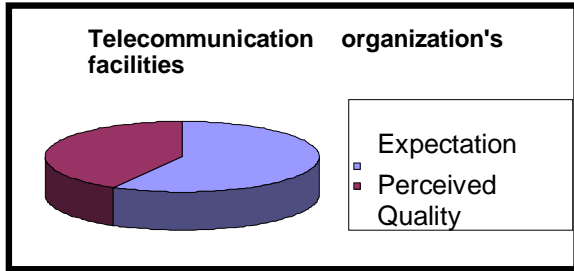Expectation of Telephone users is high whereas perceived value from MTNL's Perceived Value is low

Graph 1

- **2: Telecommunication organization's facilities should be visually appealing**

Table 2

Sample Size 50	Expectation	Perceived Quality
Difference of means	4.84	3.46

Analysis: From the above table we can see that:
Expectation of Telephone users is high whereas perceived value from MTNL's Perceived Value is low

Graph 2

Telecommunication organization's facilities

- Expectation
- Perceived Quality

-3: Employees of Telecommunication organizations should be well dressed and appear neat

Table 3

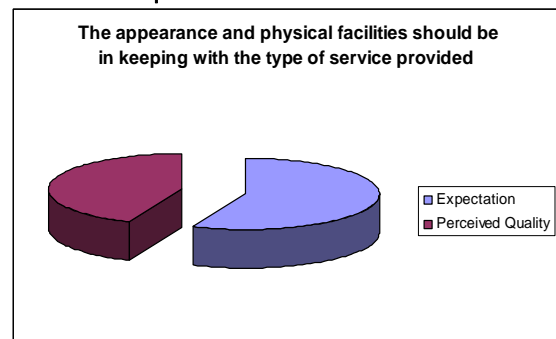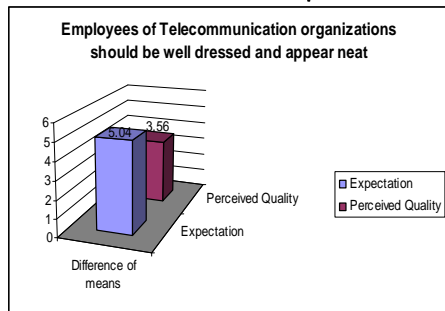| Sample Size 50	Expectation	Perceived Quality
Difference of means	5.04	3.56

Analysis:

From the above table we can see that:
Expectation of Telephone users is high whereas perceived value from MTNL's Perceived Value is low

Graph 3

Employees of Telecommunication organizations should be well dressed and appear neat

-4: The appearance and physical facilities should be in keeping with the type of service provided

Table 4

Sample Size 50	Expectation	Perceived Quality
Difference of means	4.94	3.84

Analysis:

From the above table we can see that:
Expectation of Telephone users is high whereas perceived value from MTNL's Perceived Value is low

Graph 4

The appearance and physical facilities should be in keeping with the type of service provided

-5: When these firms promise to do something by a certain time, they should do so

Table 5

Sample Size 50	Expectation	Perceived Quality
Difference of means	6.08	3.44

Analysis:

From the above table we can see that:
Expectation of Telephone users is high whereas perceived value from MTNL's Perceived Value is low

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Graph 5

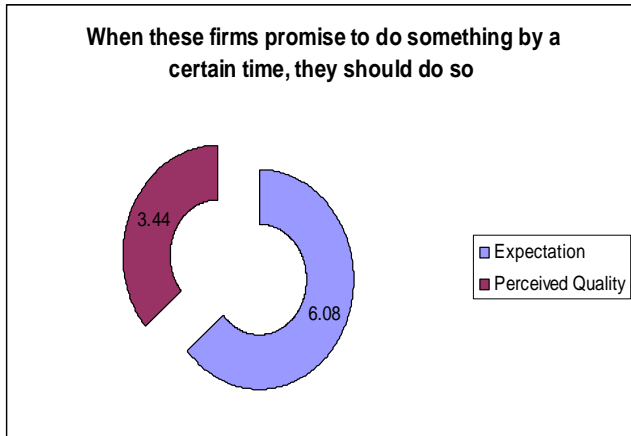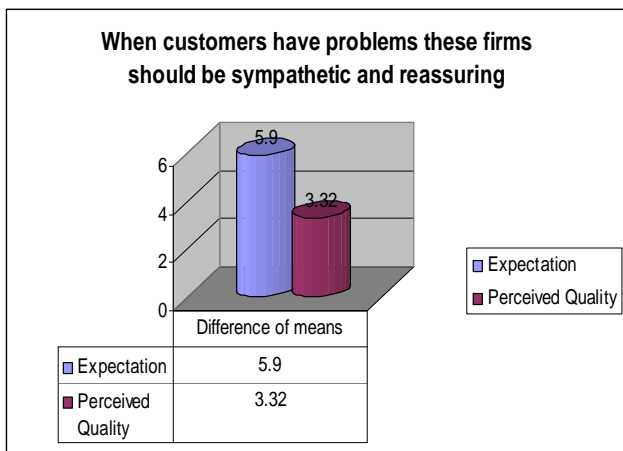**When these firms promise to do something by a certain time, they should do so**

3.44
6.08
- Expectation
- Perceived Quality

-6: When customers have problems these firms should be sympathetic and reassuring

Table & Graph 6

When customers have problems these firms should be sympathetic and reassuring

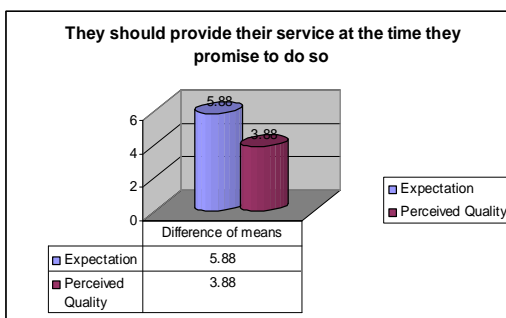| Difference of means	
■ Expectation	5.9
■ Perceived Quality	3.32

Analysis:

From the above table we can see that:
Expectation of Telephone users is high whereas perceived value from MTNL's Perceived Value is low

-7: **these firms should be dependable**

Table & Graph 7
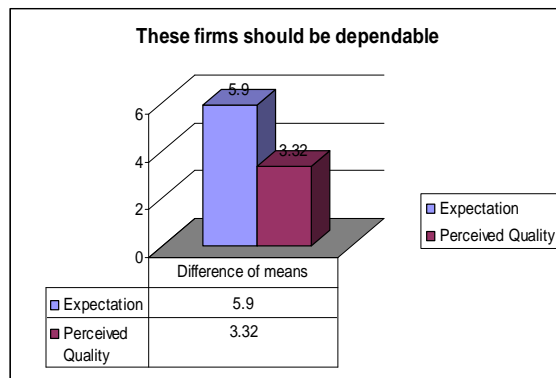
These firms should be dependable

Difference of means	
■ Expectation	5.9
■ Perceived Quality	3.32

Analysis:
From the above table we can see that:
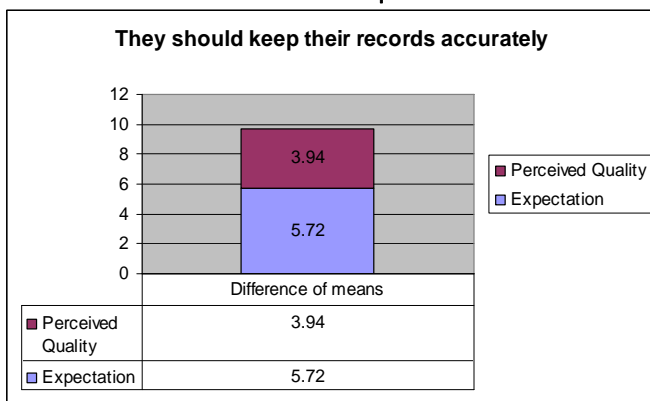Expectation of Telephone users is high whereas perceived value from MTNL's Perceived Value is low

-8: **They should provide their service at the time they promise to do so**

Table & Graph 8

They should provide their service at the time they promise to do so

Difference of means	
■ Expectation	5.88
■ Perceived Quality	3.88

Table & Graph 10

They shouldn't be expected to tell customers exactly what services will be performed

	Difference of means
■ Expectation	3.68
■ Perceived Quality	5.24

Analysis:

From the above table we can see that:
Expectation of Telephone users is low whereas perceived value from MTNL's Perceived Value is high

Analysis:

From the above table we can see that:
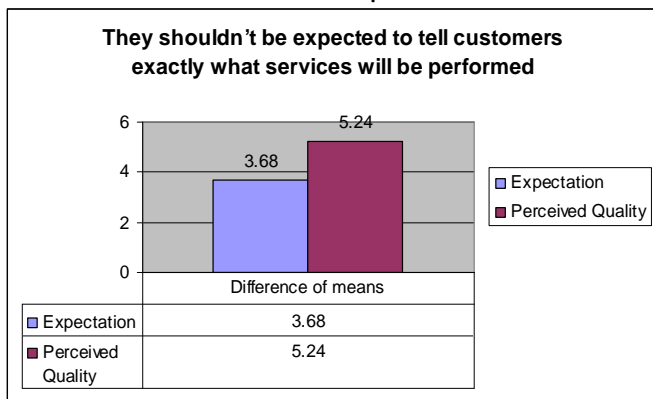Expectation of Telephone users is high whereas perceived value from MTNL's Perceived Value is low

?-9: **They should keep their records accurately**

?-11: **It is not realistic for customers to expect prompt services**

Table & Graph 9

They should keep their records accurately

	Difference of means
■ Perceived Quality	3.94
■ Expectation	5.72

Table & Graph 11

It is not realistic for customers to expect prompt services

	Difference of means
■ Expectation	2.92
■ Perceived Quality	4.68

Analysis:

From the above table we can see that:
Expectation of Telephone users is high whereas perceived value from MTNL's Perceived Value is low

?-10: They shouldn't be expected to tell customers exactly what services will be performed

Analysis:

From the above table we can see that:
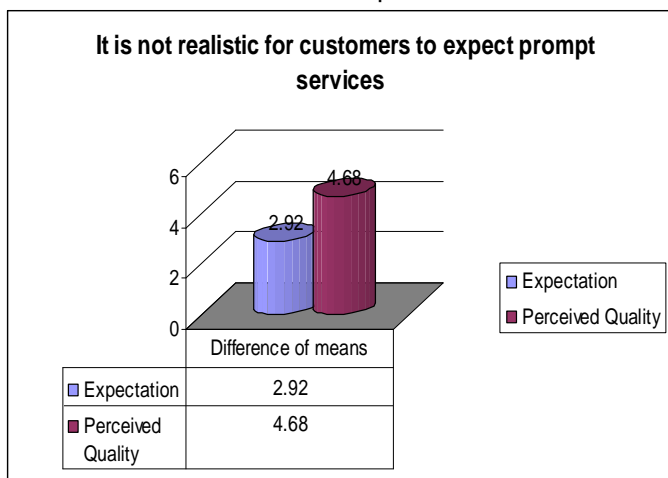Expectation of Telephone users is low whereas perceived value from MTNL's Perceived Value is high

-12: **It is not realistic for customers to expect prompt services**

Table & Graph 12

There employee's don't have to be always willing to help customer

Difference of means	
Expectation	3.26
Perceived Quality	4.52

Analysis:

From the above table we can see that:
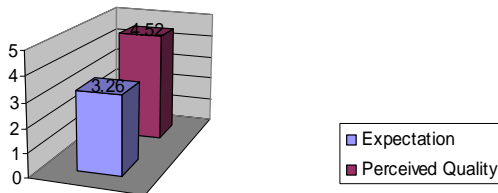Expectation of Telephone users is low whereas perceived value from MTNL's Perceived Value is high

-13: **It is okay if they are too busy to respond to customer requests promptly**

Table & Graph 13

It is okay if they are too busy to respond to customer requests promptly

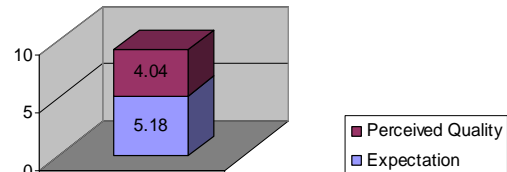| Difference of means	
Expectation	3.48
Perceived Quality	4.76

Analysis:

From the above table we can see that:
Expectation of Telephone users is low whereas perceived value from MTNL's Perceived Value is high

-14: **Customers should be able to trust employees of these firms**

Table & Graph 14

Customers should be able to trust employees of these firms

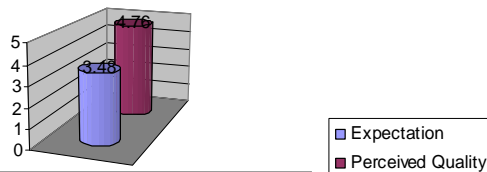| Difference of means	
Perceived Quality	4.04
Expectation	5.18

Analysis:

From the above table we can see that:
Expectation of Telephone users is high whereas perceived value from MTNL's Perceived Value is low

-15: Customers should be able to feel safe in their transactions with these firms

Table & Graph 15

Customers should be able to feel safe in their transactions with these firms
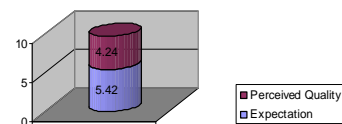
Difference of means	
Perceived Quality	4.24
Expectation	5.42

Analysis:
From the above table we can see that:
Expectation of Telephone users is high whereas perceived value from MTNL's Perceived Value is low

?-16: **Their employees should be polite**

Table & Graph 16

Their employees should be polite

Difference of means	
Expectation	6.02
Perceived Quality	4.2

Analysis:

From the above table we can see that:
Expectation of Telephone users is high whereas perceived value from MTNL's Perceived Value is low

?-17: Employees should get adequate support from the firms

Table & Graph 17

Employees should get adequate support from the firms

Difference of means	
Expectation	5.58
Perceived Quality	4.34

Analysis:
From the above table we can see that:
Expectation of Telephone users is high whereas perceived value from MTNL's Perceived Value is low

?-18: **These firms should not be expected to give individual attention**

Table & Graph 18

These firms should not be expected to give individual attention

Difference of means	
Expectation	3.38
Perceived Quality	4.66

Analysis:
From the above table we can see that:
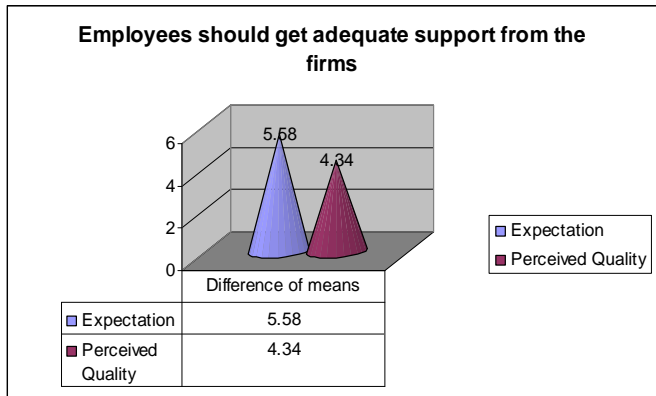Expectation of Telephone users is low whereas perceived value from MTNL's Perceived Value is high

-19: **Employees cannot be expected to give personal attention**

Table & Graph 19

Employees cannot be expected to give personal attention

	Difference of means
■ Perceived Quality	4.44
□ Expectation	3.46

Analysis:

From the above table we can see that:

Expectation of Telephone users is low whereas perceived value from MTNL's Perceived Value is high

-20: **It is unrealistic to expect employees to know needs of customers**

Table & Graph 20

It is unrealistic to expect employees to know needs of customers

	Difference of means
□ Expectation	2.98
■ Perceived Quality	4.5

Analysis:

From the above table we can see that:

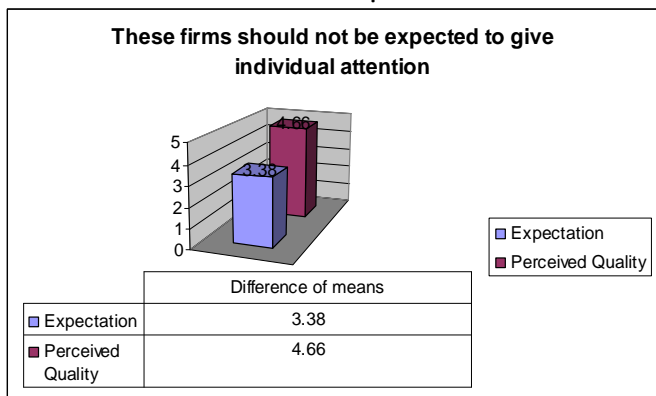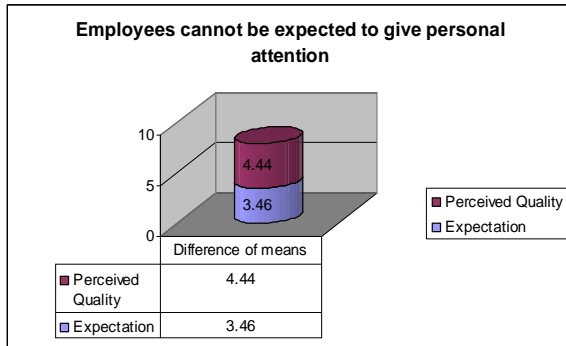Expectation of Telephone users is low whereas perceived value from MTNL's Perceived Value is high

-21: **It is unrealistic to expect these firms to have customers best interests at heart**

Table & Graph 21

It is unrealistic to expect these firms to have customers best interests at heart

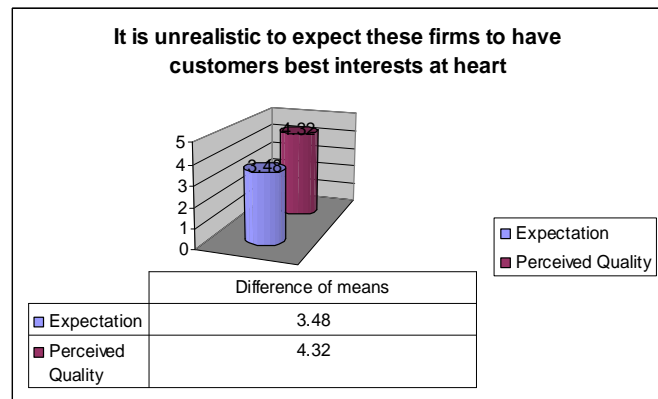|	Difference of means
□ Expectation	3.48
■ Perceived Quality	4.32

Analysis:

From the above table we can see that:

Expectation of Telephone users is low whereas perceived value from MTNL's Perceived Value is high

-22: **Firms should not be expected to have operating hours convenient to all customers**

Table & Graph 22

Firms should not be expectd to have operating hours convinient to all customers

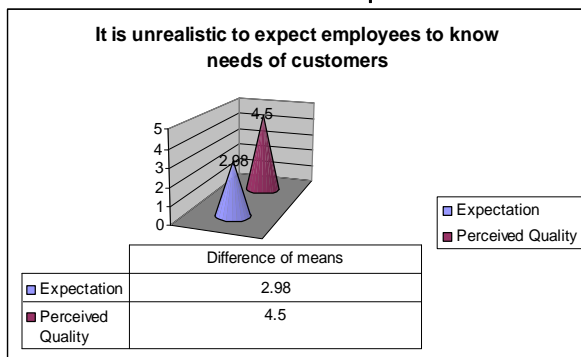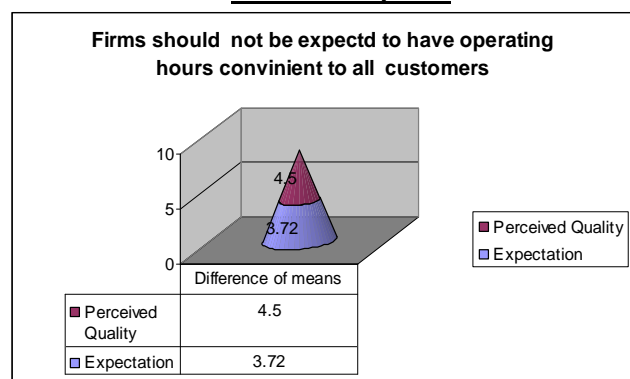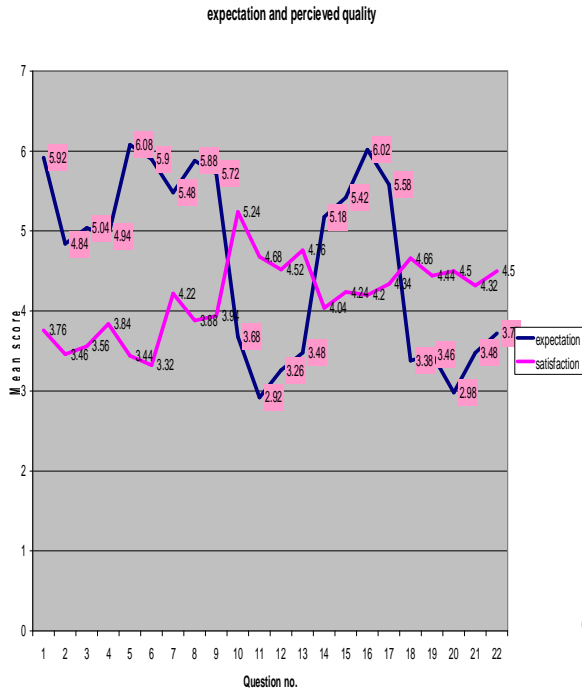|	Difference of means
■ Perceived Quality	4.5
□ Expectation	3.72

Analysis:

From the above table we can see that:

Expectation of Telephone users is low whereas perceived value from MTNL's Perceived Value is high

Mean values of expectation and satisfaction

expectation and percieved quality

○ There are immense opportunities for International collaborations with advantages to both the parties in terms of technology and service transfers

○
○ **WEAKNESSES**
  ○ No Initiative has been made by the Company to provide quality services
  ○ Poor marketing strategies – right from their vision to their advertising
  ○ Array of services added in competition with other players in the field with limited employee technical competence and support
  ○ The company has an unclear positioning – It has been trying to copy others rather than creating a position for itself
  ○ Entering into all arenas with no market identification
  ○ Internal bureaucratic system
  ○ Has not been able to communicate its services to employees effectively
  ○ Has not been able to maintain quality of services at par with customer expectations
  ○ The processes are at place but the implementation of processes are poor

○ **THREATS**
  ○ Other private players with marketing strategies
  ○ Profit orientation of other players resulting in fierce competition for market share
  ○ Rising levels of customer expectations
  ○ Fast pace changing technology and innovation

FINDING AND DISCUSSION

STRENGTHS

  ○ MTNL is a PSU enjoying Government Patronage
  ○ Major factor for prevention or a cushioning against losses
  ○ Can therefore afford providing services at a cost lower than others
  ○ Has a wide array of products/services
  ○ Has a wide coverage area – national and international level

OPPORTUNITIES

  ○ Telecom industry is undergoing a phase of rapid growth, arrival of new services and increasing customer base adapting to new technology very quickly
  ○ Abundant technical knowledge is available in the industry

TANGIBLES

Character	Mean (Expectation)	Mean (Perceived quality)	Difference of means
They should have up-to-date equipment.	5.92	3.76	2.16
Their physical facilities should be visually appealing.	4.84	3.46	1.38
Their employees should be well dressed and appear neat.	5.04	3.56	1.48
The appearance of the physical facilities of these firms should be in keeping with the type of services provided.	4.94	3.84	1.1
	5.185	3.655	1.53

Value of t test= 2.94
For a=0.05, t at 3 degrees of freedom= 2.353
Tcal>t expected. So null hypothesis is rejected

Reliability

Character	Mean (Expectation)	Mean (Perceived quality)	Difference of means
When these firms promise to do something by a certain time, they should do so.	6.08	3.44	2.64
When customers have problems, these firms should be sympathetic and reassuring.	5.9	3.32	2.58
These firms should be dependable	5.48	4.22	1.26
They should provide their services at the time they promise to do so.	5.88	3.88	2
They should keep their records accurately.	5.72	3.94	1.78
Mean	5.812	3.76	2.052

Value of t test= 3.18
For a=0.05, t at 4 degrees of freedom= 2.132
Tcal>t expected. So null hypothesis is rejected

Assurance

Character	Mean (Expectation)	Mean (Perceived quality)	Difference of means
Customers should be able to trust employees of these firms.	5.18	4.04	1.14
Customers should be able to feel safe in their transactions with these firms' employees.	5.42	4.24	1.18
Their employees should be polite.	6.02	4.2	1.82
Their employees should get adequate support from these firms to do their jobs well.	5.58	4.34	1.24
Mean	5.55	4.205	1.345

Value of t test= 3.647
For a=0.05, t at 3 degrees of freedom= 2.353
Tcal>t expected. So null hypothesis is rejected

Responsive

Character	Mean (Expectation)	Mean (Perceived quality)	Difference of means
They shouldn't be expected to tell customers exactly when services will be performed.	3.68	5.24	1.56
It is not realistic for customers to expect prompt service from employees of these firms.	2.92	4.68	1.76
Their employees don't always have to be willing to help customers.	3.26	4.52	1.26
It is okay if they are too busy to respond to customer requests promptly.	3.48	4.76	1.28
Mean	3.335	4.8	1.465

Value of t test= 5.29
For a=0.05, t at 3 degrees of freedom= 2.353
Tcal>t expected. So null hypothesis is rejected

Empathy

Character	Mean (Expectation)	Mean (Perceived quality)	Difference of means
These firms should not be expected to give customers individual attention.	3.38	4.66	1.28
Employees of these firms cannot be expected to give customers personal attention.	3.46	4.44	0.98
It is unrealistic to expect employees to know that the needs of their customers are.	2.98	4.5	1.52
It is unrealistic to expect these firms to have their customers' best interests at heart.	3.48	4.32	0.84
They shouldn't be expected to have operating hours convenient to all their customers.	3.72	4.5	0.78
	3.404	4.484	1.08

Value of t test= 3.08
For a=0.05, t at 4 degrees of freedom= 2.132
   Tcal>t expected. So null hypothesis is rejected

CONCLUSION

- ○ MTNL is falling short on perceived quality of customers on all the **5 determinant of quality**:
  - Responsiveness
  - Assurance
  - Reliability
  - Empathy
  - Tangibles

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SUGGESTIONS

- ○ MTNL has to cover GAP – 3 i.e.
  - Gap between service design and standards and the services actually delivered.

- ○ ***To overcome this Delivery gap:*** MTNL needs to **ensure service performance meets standards**
- ○ **Employee development**
  - Technical training- Latest technological developments, delivery of technical services, overcoming technical faults, innovation, designing, etc.
  - Supportive trainings-priority setting, time management, communication skills, understanding customers
  - Clarify employee roles – reducing bureaucratic set ups
  - Develop good reward system – rewards based on performance and not years in service, seniority, etc.
- ○ **Organizational development**
  - Learn from mistakes, develop service standards and ensure delivery of timely services
  - Provide quality services instead of quantity services
- ○ **Communication channels**
  - Clear positioning among customers – better advertising, better public relations
  - Open communication between employees
  - Prompt customer complaint redressal system

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