

## **Enhanced Telecom Services for the new Generation**

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### **Abstract**

With the rapid advancement taking place in the telecom Sector, India will further witness some trends like rising use of tablets and data usage amongst the consumers as well as the service providers offering cloud services to enterprise customers. The tremendous deployment of 3G services act as a boon to service revenue for telecom companies across the Asia Pacific region. The growing awareness of the business models and tools developed on the promise of continued expansion of the subscriber base is neither sustainable, nor particularly profitable. The telecom markets are moving towards saturation in terms of penetration of addressable markets. Growth has to come from new and enhanced services and finding innovative ways to add more value to the existing customer base.

On one hand the mobile subscriber acquisition has stooped down to as much as 6 million a month from 3 million, while on the other, telecom companies are investing on enhanced services to keep the existing customers engaged and propel them to retain, by way of planning, innovating and diversifying the existing network to make most of the scarce spectrum available. This further provides opportunity for telecom gear makers that would want to extend their capacities in passive infrastructure.

Service providers will as well focus on increasing return on capital as the industry battles a combined debt of more than Rs. 275,000 crore besides ever-increasing pressure on margins and profitability. To combat this, the telecom companies will have to provide customers with enhanced services to get the cash registers ringing again. This would mean, they will have to find ways to increase the average revenue per user, (ARPU). This indicates that the telecom services providers come up with new additions and offers that would excite the customers to stay tuned to their services through Enhanced services.

**While, the basic services are the offerings of a** pure transmission capability over a communications path that is virtually transparent in terms of its interaction with customer supplied information.

**Enhanced service** includes the services that are offered with any level of enhancement, to retain, attract and engage the customers.

**Key words** : Enhanced service, telecom, and Average revenue per user.

## Introduction

The term enhanced services defines the services offered by the telecom service provider to services, offered over common carrier transmission facilities. Few of them to name include the voice mail, electronic publishing, bulletin boards, video dialer tone.

As per the Telecommunications Act of 1996, which states that the Information service is the offering of a capability in order to generate, acquire, store, transform, process, retrieve, utilize, and make the information available through telecommunication process.

The basic services that were delivered to the customers, that included the mere scope of establishing contact within two individuals, and is the service that the customer expected as the basic one. This no more suffices since the expectations from the customer today, are far more than the mere basic services. The telecom service provides spend a huge chunk of their budget on the Research and development of exploring into new facets of providing the innovative services to the customers.

It was with the establishment of the Telecommunications Act that had created a non-symmetrical dichotomy between a service and the technology that enables the telecom service provider to provider better and the best of services to the customers.

According to the report from ABI Research, Mobile Subscriber Usage and Traffic Market Data (April 2011), it is confirmed that the average revenue per user (ARPU) has dipped, a development that is linked to the use of multiple SIM cards. The total mobile service revenue growth per quarter is at the rate of 2.2%. This evidently adds on to the pressure on the telecom service providers to look or options to generate revenues and secure competitive edge by ensuring the higher levels of customer satisfaction.

## Objective

The research paper focuses on understanding the significance of enhanced services on the new generation, and an attempt is been made to explore the relation of the value added, enhanced services with that of the service provider.

### **Trends in Telecom Sector in providing Enhanced services to the customer.**

1. The Subscriber growth rate: The subscriber growth rate was 3 million per week in the year 2010, which has slipped to 6 million per month by the year 2012. Telecom service providers are more and more disconnecting the inactive customers; thereby the number of subscribers is diminishing per

service provider. Though, there lies adequate potential in the rural segments, the growth rate is slow. Steps to attract new and retain existing customers are to be taken by the service providers.

2. Network issues: The resources to deliver the best of the services to the customers are to be optimized to the fullest. The cost cannot be ignored at this point. Strategies towards Innovation and diversification falling in place with many service providers.
3. Regulatory norms: The Government regulations and norms from Government are not easily acceptable. There occur fluctuations in the issues on spectrum regulations and liberalization from time to time.
4. Customer engagement: More emphasis on engaging the customer are in place by the service providers. Introduction of new and advanced services to keep the customers engaged with direct or indirect usage of value added services is the call for the hour.
5. Maximum Profitability: The slow growth rate as well is responsible for the low investments and expenditure and network. Questions are been raised on the services, quality of product etc. These aspects are to be worked upon by the service providers.

Source ET Bureau

## Methodology

The research comprised of 95 respondents across Pune and it was ensured that these respondents were familiar with terms like the enhanced services, value added services.

Secondary data was collected through articles and research papers from various journals.

### Hypothesis:

**H0:** There exists no relationship between the generation (old/new) and service provider

**H1:** There exists a relationship between generation (old/new) and service provider

### Case Processing Summary

Cases						
Operator * generation	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
	95	96.0%	4	4.0%	99	100.0%

## Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.604	5	.027
Likelihood Ratio	15.108	5	.010 Linear-by-
Linear-by-Linear Association	4.094	1	symp. Sig. (2-sided)
N of Valid Cases	95		
a. 6 cells (50.0%) have expected count less than 5. The minimum expected count is .47.			

**Inference:** The significance of the Chi square test is less than 0.05. It can be inferred that the relationship between generation (old /new) and operator is statistically significant.

**H0:** There is no relationship between VAS spent and service provider

**H1:** There exists a relationship between VAS spent and service provider

## Case Processing Summary

Cases						
Service provider*VAS spent	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
	95	96.0%	4	4.0%	99	100.0%

**Inference:** The significance value is greater than 0.05, null hypothesis gets accepted, proving that there is no relationship between the monthly spent on VAS and the service provider chosen.

**H0:** There is no relationship between usage of VAS and bill generated.

**H1:** There exists a relationship between usage of VAS and bill generated.

### Case Processing Summary

Cases						
	Valid		Missing		Total	
Bill generated * VASspend	N	Percent	N	Percent	N	Percent
	95	96.0%	4	4.0%	99	100.0%

Since the p-value < 0.05, H<sub>0</sub> is rejected, which infers that the VAS changes per month per customer and monthly bill generated are dependent on each other.

### Discussion

The outcome of the study reveals clear facts stating that the Value added services, enhanced services form an important cluster and are considerably significant in satisfying the customers across generations.

The service providers are of full knowledge that their entire focus is not solely on revenue generation, but is more towards keeping the customer engaged through enhanced services.

This further helps us define the strategy to retain and attract new customers by way of innovation and diversification tools. The customer experience management is an important aspect to be understood in developing the new tools to satisfy the customer. Since the subscriber growth is slowing, the mantra is to add on fresh and innovative services and have the customer intact. Since the rural segment as well promises tremendous growth potential, the methods to customize the plans as per the requirement of the rural customers would prove to be beneficial. The basic to advanced services can be clubbed and offered to these set of customers as per the expectations.

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