

# Customer Relationship Management Practices and Service Quality of Telecommunication Service Providers: A Review of the Indian Telecommunication Sector

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**Abstract-** The telecommunication industry in India has gone through significant changes in growth, market share, and technological advancement in the last decade. Such momentum and rapid growth of the telecommunication sector has invited more players into the industry, leading to an increase in competition. Concurrently, the expectations of users have also increased due to the rise in awareness of services and bargaining power, caused by the service providers' urge to capture the market share. Any decline in service quality results in customers' dissatisfaction, coercing them to switch to other service providers. In order to curtail customer attrition, service providers adopt a relationship-marketing tool known as Customer Relationship Management (CRM). Evidence of the role of CRM in improving the service quality helps providers to retain customers. Therefore, this paper aims to review the role of CRM in improving the service quality of telecommunication network providers in India. The in-depth review revealed skeptic views on the effectiveness of CRM in improving the service quality. Further, it was found that the impact of CRM varied with demographic backgrounds of customers. Based on these findings, the present paper suggests more studies spanning across India. The inclusion of customers from different demographic backgrounds is suggested to comprehend the role of CRM practices in improving the service quality of telecommunication network providers.

**Keywords-** Customer Relationship Management, Service Quality, Telecommunication Industry in India, Telecommunication Service Providers in India

## I. INTRODUCTION

Telecommunication industry is one of the key drivers of rapid growth of any developing economy, as the world is increasingly driven by information transfer (Arora, 2016). Fueled by the liberalization policies and corresponding de-monopolization, the telecommunication industry witnessed a rapid growth in the last decades and it currently stands as one of the fastest

developing sectors in India. Furthermore, the industry has become one of the key employment generators of the nation and provides a lot of value addition to the society through its diversified services. However, this rapid growth of the telecommunication sector has invited more players into the industry, which in turn increased competition among players to capture the market share. All these companies are providing a wide range of services as a part of winning customers and capturing the market share. Along with the normal services, other additional services, such as high-speed internet facilities, free roaming, and other value added services, are provided by these players. However, the quality of these services has declined year after year, which is not noticed by a majority of providers. The decline in service quality causes dissatisfaction among customers and they switch to other service providers. This attrition creates a huge impact on the profitability of providers. Hence, in order to curtail customers' attrition, service providers adopt a relationship-marketing tool, such as customer relationship management (CRM), which helps them to maintain a strong and long-lasting relationship with their customers.

CRM is a business strategy to understand and manage the requirements of potential customers of the organization. It is defined as "the practice of analyzing and utilizing marketing databases and leveraging communication technologies to determine corporate practices and methods that will maximize the lifetime value of each individual customer" (Kumar & Reinartz, 2006). CRM is a strategy that enables organizations to use personality account information and develop an association with every valued customer to provide outstanding customer service (Kotler & Keller, 2006). CRM functions as a differentiator among customers for providing a sustainable competitive advantage to organizations. These strategies aim at building and maintaining strong relationships with customers and hence bridging the gap between the company and its customers. This enables organizations to identify the shifting pattern of customer behavior and formulate proactive strategies of retaining their customers.

In today's increasingly competitive market, a majority of customers make purchasing decisions based on how they are being treated by organizations or service providers. In this context, CRM focuses on understanding customers' requirements and designing suitable strategies. CRM plays a vital role in the formulation of organizational strategies, which have become relationship-centric, and the relation-based differentiation has become the need of the hour (Arora, 2016). CRM targets customers who always search for a value in their transactions and are willing to pay for such values. Organizations bet on this knowledge as it enables them to design appropriate marketing and promotional strategies to capture the attention of customers. Proper CRM practices help organizations to create value, which binds customers to the company and prevents them from switching to products of other companies. Further, companies sell their products effectively by building long-lasting relationships with their customers through CRM. In other words, the whole purpose of practicing proper CRM strategies is to enhance the quality of services through interactions with customers, which increases customers' loyalty and satisfaction.

Telecommunication industry is highly customer-centric and any decline in the service quality results in the mass attrition of customers, thereby resulting in the collapse of service providers. Hence, the implementation of efficient CRM practices is essential in the telecommunication industry (Shanthi, 2005) to prevent such shifts. Thus, CRM evolved as an important aspect in the telecom sector for building and retaining relationships with customers. In this backdrop, the present paper reviews the existing service quality of telecommunication providers in India and

the role of CRM practices in improving the service quality of the telecommunication service providers in India.

## II. DETERMINANTS OF SERVICE QUALITY OF TELECOMMUNICATION PROVIDERS

In the services sector, specifically in customer-centric telecom services, it is important for a service provider to focus on the multiple dimensions of service quality from the perspective of customers. Rapidly changing technologies and the corresponding changes in customers' needs regarding the quality of services provided have forced operators to review the quality of service parameters for mobile communication. In this backdrop, the present section reviews studies that have examined the service quality parameters of mobile service providers.

Selvarasu et al. (2006) studied the service quality of Indian telecommunication providers and pointed out the significance of responsiveness, a parameter based on proper communication with the customers, in the determination of service quality. Rahman (2006) highlighted that parameters, such as tangibility (which represents physical service store), interior and other equipment (which constitutes physical service environment), and assurance (which represents the capability of employees to build trust among customers through appropriate communication and behavior), played a significant role in determining the quality of service. Seth et al. (2008) demonstrated responsiveness as the most important determinant of service quality of telecommunication network providers. Furthermore, Joshi, Khurana and Khurana (2010) conducted a study among customers of Chandigarh, Panchkula, and Mohali, and demonstrated that responsiveness and network quality are the two key parameters that predict the service quality of providers. Another study by Sharma (2011) pointed out several parameters, such as reliability, access, responsiveness, courtesy, competence, security, communication, credibility, tangibles, and understanding the customers, as the potential determinants of the service quality of MTNL services. Surarchith and Singh (2013) demonstrated the role of courtesy and competence along with reliability, tangibility, responsiveness, and communication in determining the service quality. Meanwhile, according to Choudhary and Upreti (2013), the service quality of service providers was determined by technological expertise of employees, approach of employees towards customers, sincerity of service providers, information provided to understand the products, timely delivery of services, timeframe to solve grievances, network quality of service providers, and trust of service providers. A study by Gourav Vats (2014) carried out to examine the customers' satisfaction towards mobile operators in Punjab demonstrated responsiveness as the key determinant of service quality, followed by reliability. Jain and Madan (2015) exhibited the role of reliability, assurance, and tangibility in determining the service quality of mobile network providers in Delhi and the National Capital Region. Furthermore, the role of employee performance in determining the service quality of network providers was highlighted by Singh (2015). The author ranked employee performance at the top and tangibility at the bottom of the determinants of service quality. Sugunanthi and Shanthi (2017) conducted a study to examine the customers' perception regarding the service equality of network providers in India and pointed out that service quality was determined by using parameters, such as reliability, responsiveness, assurance, tangibility, perceived network quality, and empathy. Dhingra et al. (2019) analyzed the needs of telecommunication customers and suggested that some parameters determine the service quality of providers. The parameters include strong network connectivity, timely delivery of services, high end network coverage, high internet speed with outstanding voice and video call quality, customer helping mentality, quick response to request, answering customer's queries,

providing personal attentions as per the needs, and staff courtesy. The service quality of providers has an impact on the customers' satisfaction. Another study by Jain (2019) attempted to assess the key determinants of service quality of mobile providers in India. The author highlighted assurance, service delivery, tangibles, empathy, and technical quality as the potential determinants of service quality of mobile network providers.

### III. SERVICE QUALITY EXPECTATIONS AND PERCEPTIONS OF TELECOMMUNICATION SERVICE PROVIDERS IN INDIA

Due to the importance of service quality in retaining customers, this paper reviews studies carried out on different aspects of service quality and attempts to map out the differences between expectations and perceptions of mobile customers regarding the service quality rendered by service providers.

Telecom Regulatory Authority India (TRAI, 2008) conducted a survey among 1318 mobile phone users across India and pointed out that only 5 out of 11 operators achieved the 90% service quality benchmark (Survey, 2008). The role of service quality in the selection of service providers was further studied by Paul Rajan and Rajkumar (2011). However, the authors fell short in clarifying whether consumers were satisfied with the service quality of service providers. Nevertheless, the authors highlighted the significant role of service quality in the selection of service providers. Munshi (2011) analyzed the expectations and perceptions of mobile phone customers, regarding the service quality of network providers in New Delhi. The authors demonstrated a significant gap in the expectations and perceptions of mobile phone customers, indicating the dismal service quality rendered by the service providers. Farid and Jha (2013) demonstrated that customers were not satisfied with the quality of services provided by their mobile network service providers. The authors cited lack of proper communication with customers to understand their requirements, as the major reason for their dissatisfaction. Hence, the authors suggested that service providers must take the initiative for a better communication. This finding is reaffirmed by Arora (2013), who indicated that poor service quality of mobile service providers in India affected their customer base and hence these providers were taking measures to establish better communication to understand their customers' requirements. Srikumar (2014) examined the gap between the expectations and perceptions regarding the service quality provided by network providers in Kerala and highlighted a significant gap. Kushwah and Bhargav (2014) indicated a similar gap existing in the expectations and perceptions of mobile customers regarding the service quality of service providers. Ghosh (2014) pointed out that customers residing in the metro areas of West Bengal were highly dissatisfied with the service quality of mobile service providers. The author indicated that customers were dissatisfied towards customer care and value-added services rendered by providers. Prasannakumar et al. (2014) analyzed the dissatisfaction of customers about the service quality of mobile network providers and recommended the execution of efficient customer-based services. Moreover, Kannan and Thomas (2015) determined a gap between the customers' expectations and perceptions of service quality. Sharma and Jhamb (2017) in their study carried out in Northern India also demonstrated the mismatch between the expectations and perceptions of mobile customers in terms of service quality provided by mobile companies. Sugunanthi and Shanti (2017) highlighted that the telecommunication providers were not focused in facilitating good quality services to their customers. Keerthi et al. (2017) supported these arguments by highlighting that the Indian telecommunication industry has to be strategically positioned to

provide quality services and satisfy its customers. The emphasis of the existing gap between the expected and perceived service quality and the importance of bridging this gap was further highlighted by Boora (2017), who suggested that the telecom operators should focus on improving the service quality and on retaining their customers. However, Kalpana and Chinnadurai (2006) countered the arguments of low service quality by revealing that customers in Coimbatore were satisfied with the services provided by the telecom service providers. Bhanumathy and Kalavani (2006) highlighted the overall satisfaction of mobile customers in Coimbatore regarding the service quality of providers. Similarly, Amulya (2013) indicated in her study carried out among mobile consumers of Mysore that the minimum quality of service was assured by providers in the study area. Srikumar and Devaprasanna (2017) also illustrated the satisfaction of customers of Airtel and Vodafone in Coimbatore and Nilgiris with respect to services, such as voice quality and network coverage, offered by service providers. However, all these authors also hinted the requirement of adopting more efficient customer relationship techniques to retain the service quality.

#### IV. CRM PRACTICES AND SERVICE QUALITY OF TELECOMMUNICATION SERVICE PROVIDERS

Numerous studies, as cited in the above section, argued the application of appropriate CRM as a measure to increase the efficiency of the service quality of providers. Seth et al. (2008) pointed out the design of an instrument to gather feedback from customers regarding their perceptions towards the service quality. The findings indicated improvements in the service quality because of the modifications in their service, with respect to feedbacks received from customers. However, Desai et al. (2007) argued that THE implementation of CRM could also create negative effects regarding the performance of mobile network providers in the absence of dynamic capabilities. Haridasan and Venkatesh (2011) demonstrated that proper implementation of CRM helped mobile operators in Chennai to stay connected with their customers. However, the restricted study area and small sample size limited the generalization of the findings. Reddy et al. (2012) examined the nature of relationship marketing strategies and its impacts in the Indian telecom industry. The authors revealed that relationship management strategies significantly affect the service quality of service providers, which in turn have an impact on customer satisfaction. Further, a CRM index was developed by Agariya and Singh (2012) to identify the role of CRM in improving service quality of mobile service providers. The authors argued that the implementation of the CRM index would enhance customer retention, acquisition, and profitability of mobile network service providers. However, the authors could not demonstrate the improvement in the above-mentioned factors. Meanwhile, Swarnkar et al. (2013) illustrated that the Indian mobile service providers were extensively using CRM to identify the needs of customers and demonstrated that their CRM practices helped service providers to improve their service quality. Furthermore, Mohammed (2013) proved the role of CRM practices in Airtel and Zain for improving the service qualities. The author indicated that appropriate implementation of CRM practices helped providers to understand customers' needs and react appropriately, which in turn led to the improvement in the quality of service providers. Arora (2013) conducted a study on 262 respondents across India and proved that service quality is positively related to CRM. Another study by Cotian et al. (2014) developed a decision supporting system to get insights about the requirements of customers. The authors cited the improvement in quality service provided by mobile network providers was due to the

implementation of this supporting system, which helped to provide proper services, based on the customers' inputs. Rajini and Sangamaheswary (2016) argued that the knowledge regarding preferences and choices of customers help telecom companies to improve service quality, relationship development, brand image, price perception, trust, and customers' expectations. Arora (2016) concluded that effective implementation of CRM-centric strategies by network service providers in the National Capital Region helped them to yield higher quality services, which in turn resulted in greater customer satisfaction and increased loyalty. The significant role of CRM practices in providing effective service quality was also indicated by Jadav (2018) through his study on mobile customers in Mysore. Sekhar and Malyadri (2019) pointed out that CRM practices played a vital role in helping service providers to maintain a two-way communication with customers, which in turn lead to the improvement in the service quality of service providers. In addition, Raina and Pazir (2017) stated that the implementation of CRM services is a lifeline to telecom companies for tapping the maximum market share with the help of a strong relationship with their customers.

## V. CONCLUSION

The present paper conducted an in-depth review and examined the role of CRM practices in improving the service quality of telecommunication service providers in India. The paper reviewed customers' expectations and perceptions of the service quality of telecommunication providers in India. Further, a comprehensive review was carried out to examine the role of CRM practices in the improvement of service quality.

The reviews revealed that a number of studies (TRAI, 2008; Farid & Jha, 2013; Arora, 2013; Kushwah & Bhargav, 2014) highlighted the poor service quality of telecommunication providers in India. Among these studies, a majority pointed out several drawbacks in the adoption of communication measures to understand the needs of customers (Farid & Jha, 2013; Arora, 2013; Sharma & Jhamb, 2017) as the reasons for poor service quality. Even though Kalpana and Chinnadurai (2006) and Bhanumathi and Kalavani (2006) countered the argument of poor service quality by service providers, these authors also hinted the requirement of adopting efficient customer relationship techniques to retain the service quality. Furthermore, it was also inferred that customer relationship parameters, such as assurance, responsiveness, reliability, and communication, played a significant role in determining the service quality of network service providers (Seth et al., 2008; Sharma, 2011; Surachith & Singh, 2013; Choudhari & Upreti, 2013; Sugunanthi & Shanthi, 2017). Hence, the role of implementation of CRM practices for improving the service quality of telecommunication providers in India was reviewed. Several studies have supported the significant role of CRM practices in the improvement of service quality of service providers. However, certain doubts are cast on the effectiveness of CRM in improving the service quality because of the arguments of Desai (2007) and the failure of Agariya and Singh (2012). Desai (2007) argued that the implementation of CRM could create negative effects regarding the performance of mobile network providers in the absence of dynamic capabilities. Agariya and Singh (2012) failed to show the improvement of service quality because of the implementation of CRM. Further, the studies also indicate that the impact depends on the nature of customers. The impact of CRM varies with different demographic backgrounds of customers (Desai, 2007; Haridasan and Venkatesh, 2011). Along with this, a dearth was evident in studies that explored the role of CRM practices by network service providers in North-East India. In the wake of these findings, the paper suggests further studies

that span across India, including customers from various demographic backgrounds to get a comprehensive idea regarding the role of CRM practices for improving the service quality of telecommunication network providers.

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