



## RETHINKING OF MARKETING: INSIGHTS FROM A PUBLIC SECTOR SERVICE PROVIDER (BSNL) IN INDIA

Dr Sreeekumar D Menon\*

**Abstract:** Marketing strategy is a method of focusing an organization energies and resources on a course of action which can lead to increased sales and dominance of a targeted market niche.

BSNL (old DOT) is the first telecom service provider in India and seventh largest one in the world have some marketing strategies for acquiring the market position at present. They are technology strategy, customer orientation strategy, restructuring of organization on business type and pricing strategy.

By following the strategies it achieved the following;

As on	Revenue ( in crore) approximate	Expense(in crore)	Loss/profit(in crore)
31-3-2011	29687	36002	6315(loss)
31-3-2012	27933	36886	8953 (loss)
31-3-2013	26396	34590	8194(loss)

BSNL market share as on including both land line and mobile	Percentage	All India position
As on February 2013	11.68 %	Fifth(5) position
As on April 2013	11.42%	Fifth(5) position

Source : TRAI site

Wire line base is reducing drastically day by day, All over India market share reducing, it is going on heavy loss and customer loosing their believes , scope and faith in BSNL.

To revoke from this position rethinking of policies and strategies is required. Marketing strategies to be redefined in cop up with present scenario.

Salary cost in 2007-2008 was 8809 crores. Staff cost(salary cost) in 2011-12 was about 13406 crores. It is about almost 50% of its revenue .But in a private company its expenditure range is from 5-10 % for salary.

Following rethinking is suggested for improving the market of BSNL.(1)Circle wise targets to be given to each circle. Output based salary and allowances to be implemented. (2)In BSNL 50% of the income is using for giving salary to the staff. As per Sam pitorda panel report VRS to be implemented so that the income can be utilized for other development activities.(3) Any type of medical allowances to be given through by tie up with some insurance companies. Age limit to be fixed for major medical expenses. (4)More propaganda to be given for marketing BSNL products as it is far better than any other operators tariffs.(5)Business diversification to be initiated like converting training centres to engineering colleges Free land is available in big cities to be effectively utilized. (6)External plant maintenance should be given to AMC like engine alternator, AC etc. This will arrest the closing of telephone, TRAI norms can be achieved in ARPU, fault clearance etc.

**Key words:** Marketing, strategies, customers, vision, mission, rethinking

\*Sub Divisional Engineer (E4), BSNL, Va kathanam Kottayam, Kerala



## **INTRODUCTION:**

BSNL is the first telecom service provider in India and it has the maximum market share in land line connection in India.

Planning and directing marketing mix in such a way to gain competitive market advantage is the aim of marketing strategy. Segmentation, positioning and targeting are the three main components of marketing strategy. Understanding the product, market, and customer behaviour is key to successful marketing strategy.

BSNL having a vision to become the largest telecom service provider in Asia by 2013. It has a mission to be the leading telecom service provider in India with global presence. To provide world class state-of-art technology telecom services on demand at affordable price.

BSNL is striving hard to get ahead of its competition. They have revamped all their strategies to increase their market share. However, they did not normally succeed always in implementing their new strategies because some of their proposed strategies experience heavy opposition from their staff unions. Unlike the private companies, the government owned BSNL could not implement the strategies so easily because they have a lot of protocols to be followed. This delay makes many good things from reaching people. There are also situations even after the completion of all the protocols successfully, they may fail to implement the plan because of opposition from the employees union.

In order to overcome the present crisis, BSNL have to rethink for new marketing strategies. Some of the strategies already thinking, but not implemented. They are, (1) Sam Pitroda panel recommendation for implementing VRS for one lakh employees. (2) In order to raise fund either Government should give fund or 30% strategic stake sale.

Customer orientation strategy to be formulated to retain existing customer and attract new one. Marketing strategy to be formulated so that service at door step, introducing flexible registration terms so that new customers are attracted. Educating the customer about services in details and respective tariff structure. Creating a service oriented culture within the organization by linking incentive satisfaction. Better performance monitoring. Output oriented /based salary and incentive to be given to employees.

No direct payment should be done by BSNL for medical treatment to staffs. It should be given by tie-up with some Government owned insurance companies. Business diversification to be launched for the survival of organization. In training centres engineering courses to be



started. In bear land /free lands ,multistoried buildings to constructed and giving on leased or rented basis etc.

### **OBJECTIVES OF THE STUDY:**

The main objectives of the study are how to achieve mission and vision of BSNL by adopting the new market strategies.

Other objectives are:

- 1, To be the leading Telecom service provider in India by achieving higher rate of growth so as to become a profitable enterprise.
- 2, To provide quality and reliable fixed telecom service to our customer and there by increase customer confidence.
- 3, To provide customer friendly mobile telephone service of high quality in its area of operation.

### **RESEARCH METHODOLOGY:**

The study is based on both primary and secondary data. Response of the BSNL employees is taken as the primary data. SPSS used for analysis.

### **RESPONDENT FILE:**

A total of 250 questionnaires were served among BSNL employees across the Kerala state. Out of this 150 employees filled the questionnaire and returned. Questionnaire served among both executives and non executive employees.

### **SWOT ANALYSIS OF BSNL:**

**Strength:** Service in rural areas, Experienced telecom service provider, Total telecom service provider.

**Weakness:** Poor marketing strategy, Huge and aged man power, social obligation, Political interference.

**Opportunities:** Tremendous market growing at 20 lakhs customers per month, under tapped BB services.

**Threats:** Competition from private operators, High bargaining power of customers, Policies of government.



### Hypotheses:

1. There is no significance for implementing VRS as per Sam Pitroda panel package as 50% of the BSNL income spending for paying salaries to staffs.
2. There is no significance to achieve vision and mission of BSNL without implementing marketing strategies.
3. There is no significance to achieve higher rate of growth so as to become a profitable enterprise.
4. There is no significance to increase customer confidence by providing quality and fixed reliable telecom service
5. Classification based on age group:

### Tables:

Age group	No of respondent	percentage
20-29 years	06	4
30-39 yrs	44	29.3
40-49 yrs	72	48
50and above yrs	28	18.7
total	150	100%

Based on educational qualifications:

Qualifications	No of respondents	percentage
Upto class X	70	46.7
Upto X11/ITI	24	16
Degree/diploma	40	26.7
P.G and above	16	10.6
total	150	100%

Based on number of dependent

Number of dependent	No of respondents	percentage
Nil	8	5.3
1-2	14	9.4
3-4	110	73.3
Above 4	18	12
total	150	100%

Based on working experiences

Number of years	No of respondents	percentage
1-10 yrs	32	21.3
10-20 yrs	45	30.0
20-30 yrs	68	45.3
30 and above	05	3.4
total	150	100%



Based on sex

sex	No of respondents	percentage
male	102	68
female	48	32
total	150	100%

## RESULTS:

1. Majority of the employees are in the age group of 40-49 years and having 20-30 years of experiences.
2. Majority of the employees are willing to take VRS if they get a better offer as it is very difficult to work presently irrespective of cadre.
3. Lack of maintenance materials in time ,poor signal coverage are some of the reason for loosing customers base for BSNL

## LIMITATIONS OF THE STUDY:

This study is conducted among the BSNL employees of Kerala telecom circle only. Out of 26 telecom circle data collected from one circle only. Kerala telecom circle is the only telecom circle in BSNL making profit from its formation irrespective of crores of loss making by BSNL as a whole..This indirectly pointed out that employees are hard working and have positive mentality which leads to success. The ITS officials are not included in my survey as they are still continuing deputation in BSNL since 2000 October (from BSNL formation).

## REFERENCES:

- 1 trai site
- 2 coai site

## QUESTIONNAIRE FOR SURVEY FOR IIM ARTICLE-1

- 1 Number of people working in different age group  
20-30-yrs ( ), 30-40 yrs( ), 40-50 yrs( ), 50-60 yrs( )
- 2 , Sex of the employee: male( ) female( )
- 3, Marital status: single ( ), Married ( ), Divorced ( ), widow(er) ( )
- 4, Number of dependents: nil( ), 1-2 ( ), 3-4 ( ), more than 4 ( )
- 5, Working experience in the company: experience in years  
1to10 yrs ( ), 10-20 yrs ( ), 20-30 yrs( ), above 30yrs( )



6 Educational Qualifications: up to class x( ), up to class X11/ITI ( ), degree ( ), post graduation and above ( )

Write your opinion about

	Opinion	Strongly agree	Agree	No opinion/neutral	disagree	Strongly disagree
7	Achieving of mission and vision of BSNL					
8	Achieving higher growth rate to become a profitable business					
9	To provide quality and reliable services to customers and increase the confidence					
10	Giving customer friendly mobile telephone service of high quality in its area of operation.					
11	About implementing VRS					
12	About business diversification by BSNL					
13.	About claiming medical allowances through some insurance companies/agencies					
14	About providing salary and allowances based on performance and output					
15	Skilled training required or not to cop up with present situation					
16	Opinion about selling of BSNL share					

Write your opinion about the following

	Opinion	Very well	well	Some what	bad	worst
17	About present marketing strategy of BSNL					
18	Providing BSNL service at door steps to customers, educating about service					



	details, tariffs etc					
19	Able to tell/explain customers about the present problems like call cut of in mobile, lack of ,materials in maintenance work etc					

Your name

Designation

mobile number