

# Relationship Marketing Elements in the Telecom Sector of Jammu and Kashmir

Rafiq Lone\*

Assistant Professor, Islamia College of Science and Commerce (Jammu and Kashmir) and Research Scholar, Kashmir University, Jammu and Kashmir, India

## ABSTRACT

Relationship marketing is one of the most rapidly discussed concepts in the modern services marketing arena. With the advances in technology, Customer relationship marketing (CRM) and relationships in Business to business (B2B) settings also have gained importance. Various parameters have been employed by researchers to arrive at the antecedents and indicators of relationship marketing. The paper makes a thorough review of the literature to present the dimensions already expressed. **Theron and Terblanche (2010)** used analytic hierarchical process (AHP) method to make-out ten dimensions out of a pool of twenty-three dimensions previously categorized by the scholars who worked on similar topics; the study though was conducted from a financial services perspective.

From the primary data collected through a structured questionnaire and subjected to analysis, the paper aims to identify these dimensions in connection with the telecom service industry in the state of Jammu and Kashmir (JandK). Trust, commitment, communication, and customer-centricity were identified as the main dimensions. These four have also been identified in various other studies conducted elsewhere in the services sector.

**Keywords:** Commitment, Customer-centric, Relationship marketing, Telecom service sector, Trust.

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## INTRODUCTION

**Gronroos (1990)** defines relationship marketing as establishing, maintaining, and enhancing relationships with customers and other partners, at a profit, so that the parties' objectives are met. This is achieved by a mutual exchange and fulfillment of promises. **Berry and Parasuramen (1992)** defined it in a service perspective as attracting, developing, and retaining customer relationships. **Jackson (1985)**, in the context of industrial markets, defined it as marketing concentrated towards strong, lasting relationships with individual accounts. By mentioning individual accounts, this definition does not confine it only to consumers or any other particular stakeholder.

### Paradigm Shift in Marketing: Traditional Marketing vs. Relationship Marketing

**Christopher et al. (1999)** described the problem of traditional marketing as it assumes customers to be similar and passive. Relationship marketing (RM) focuses on the economics of customer retention and highlights the role of internal marketing in achieving external marketing success. Transactional marketing focuses on volume, product features, short time scale, moderate customer contact, and primary product quality concern. In contrast, relationship marketing focuses on customer value, long term associations, high customer contact, and relationship quality. One of RM's fundamental principles is maximizing customer lifetime value (CLV); the longer the association with the customer higher is the expected CLV. To acquire a new customer is more expensive than retaining an existing one. Satisfied and loyal customers are more likely to refer more customers, thereby making the competition very difficult. Modern marketing

**Corresponding Author:** Rafiq Lone, Assistant Professor, Islamia College of Science & Commerce (J&K) & Research Scholar, Kashmir University (India), e-mail: rajurafiq19@gmail.com

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strategists, therefore, link the role of RM to competitive marketing strategy. For the choice of relationship strategy, Treacy and Wierseman identified three generic strategies; operational excellence for providing customers with reliable products or services at competitive prices and minimal inconvenience, product leadership for providing products that continually redefine state of the art, and customer intimacy, aimed at selling a customer a solution, not just a product or service.

### Modern Indian Telecom Industry

The Indian mobile telecom industry has seen a sea change in the past few years. Before 2015, there were seven main players in the market, viz., BSNL, Airtel, Aircel, Vodafone, Idea, RIM, and Tata Indicom. The commencement of mobile telephony by Jio changed the market share game altogether. Aircel, RIM, Tata Indicom, etc., have stopped operations. Vodafone and Idea are looking for a merger.

Mobile telephony was introduced in the state of JandK in 2006, before which there was a monopoly of BSNL landline service. After the launch of Jio, there is fierce competition among the competitors to retain customers. Companies, therefore, employ various relationship marketing strategies

to ensure retention. Various studies have shown a positive effect of relationship marketing on customer retention across service sectors.

## REVIEW OF LITERATURE

In this paper, an attempt has been made to present the literature review in global, Asian, Indian, and state contexts.

### Global Context

**Gummesson (1994)** stated that RM emphasizes a long-term interactive relationship between the provider and the customer, as well as, long-term profitability. **Morgan and Hunt (1994)** studied internal marketing and proposed the following: "Relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges."

**Ercis and Rasouli (2013)** investigated the relationship between the foundations of relationship marketing, including trust, communications, commitment, competence, and conflict handling, with customer satisfaction and relationship quality to bank services. Data were collected from 384 customers in commercial banks.

**Koi-Akrofi et al. (2013)** adopted four relationship marketing tactics (service quality, price perception, brand image, and value offered) typical of the service industry. They examined their impact on customer loyalty in the Ghanaian mobile industry. A self-completion questionnaire with a total of 40 closed questions was developed to gather field data. Results revealed a significant positive relationship between each of the four relationship marketing tactics (*viz.*, service quality, price, the value offered, and brand image) and customer loyalty. The study provided insight and significant feedback from mobile phone users to telecommunication operators. As the competitive environment increasingly becomes fierce, customers' voices and preferences are also becoming the priority.

### Asian Context

**Gafoor and Iqbal (2014)** assessed the role of relationship marketing strategies, like service quality, price perception, brand image, and value, to win customers' loyalty in Pakistan's mobile phone industry. The results showed a significant positive correlation between the variables.

**Velnampy and Sivesan (2012)** studied the determinants of customer relationship marketing of mobile service providers in Sri Lanka through exploratory factor analysis. One hundred and seven respondents completed the questionnaire. Trust, commitment communication, promise, cooperation, power, empathy, rapport, duration of relationship, accuracy emerged as extraction communalities. These variables were clubbed into three-factor extracts or groups, which are trust (includes trust, power, cooperation, promise, and communication), rapport (includes factors, such as, rapport, empathy, and durations of relationship), and accuracy (include two factors, such as, completeness and relevant). These three were found to be important dimensions underlying customer relationship marketing in mobile service providing companies.

**Rahman and Masoom (2012)**, in a case study on Grameen Phone Ltd. (GP), evaluated whether RM creates a competitive advantage and retain customers for businesses. To evaluate RM practices in GP, two hundred and sixty-five respondents were surveyed. Out of these, fifteen were GP employees responsible for marketing and other departments, fifty retailers, selling mobile phones, and providing related services, 200 general customers, mostly youth population using GP mobile service. Findings show three perspectives, i.e., of the employee, customer, and distributor. As per the employees' perspective, downsizing, job security, and abrupt changes in the hierarchy were concerns. The employees agreed that relationship marketing is in practice, but it is more aligned towards customers only and thereby hinting that it is actually CRM in practice. Being the first in Bangladesh to offer prepaid services and having a reliable network has helped the company to achieve a fair amount of loyalty among consumers. The creation of the post of customer manager has been appreciated by half of the respondents. However, according to the customer perspective relationship marketing efforts of the company are not up to the mark. Although a little less than half of the respondents still wish to continue with the service provider throughout their lifetime. Customers also showed discomfort where the operator offers lucrative benefits to attract new customers rather than retain old ones. The authors observe that compared to other operators, the distributors may be satisfied with the company but still have discrepancies, like not having clear communication with the company staff, which may force some of them to think of switching.

### Indian Context

**Gaurav (2016)** identified relationship marketing constructs and empirically investigated the impact of RM on customer loyalty in the Indian automobile industry. Four independent sets of underlying factors associated with relationship marketing, *viz.*, customer centricity, commitment, trust, and communication, were extracted with exploratory factor analysis. These constructs were found to be very significant in determining the strength of the marketing relationship. Multiple regression analysis has clearly revealed that all four relationship marketing constructs, *viz.*, customer centricity, commitment, trust, and communication, contribute significantly to customer loyalty and predict a substantial percentage of the variation in customer loyalty.

**Prahalathan et al. (2016)** discussed the impact of relationship marketing on customer retention in the banking sector. They measured relationship marketing through indicators, such as, trust, bonding, reciprocity, empathy, and responsiveness. Findings revealed that there is a strong correlation between relationship marketing and customer retention. Regression analysis revealed that the responsiveness dimension in relationship marketing contributes significantly to customer retention. Relationship marketing contributes significantly to customer retention.

### Jammu and Kashmir State Context

Suhail and Darzi (2016) analyzed the role of employee perception towards customer relationship management practices and studied

**Table 1:** Total cases

<i>Case processing summary</i>			
		<i>N</i>	<i>%</i>
Cases	Valid	510	100
	Excluded <sup>a</sup>	0	0
	Total	510	100

**Table 2:** Reliability

<i>Reliability statistics</i>	
<i>Cronbach's alpha</i>	<i>N of items</i>
0.873	30

**Table 3:** KMO and Bartlett's test

<i>KMO and Bartlett's test</i>		
Kaiser-Meyer-Olkin measure of sampling adequacy		0.958
Bartlett's test of sphericity	Approx. chi-square	8,409.887
	Df	465
	Sig.	0

trust and commitment as factors. This research work is particularly significant in being from the state of J & K and that too in the service sector. The study touches almost all well-known variables of the relevant field. The study construes a positive relationship between relationship building and its impact on customer retention and has an implication for practicing managers.

## METHODOLOGY

Data has been collected utilizing a structured questionnaire administered to 524 respondents, who were consumers of telecom service. Out of which 510 were received duly filled (Table 1). It is, therefore, in business to customer milieu. The reliability of the questionnaire has been checked using Cron Bac's Alpha. Responses were codified and subjected to factor analysis as shown in Table 2.

## Objective

To identify the dimensions of relationship marketing in the context of the mobile telecom industry in the state of JandK.

## ANALYSIS AND INTERPRETATION

Kaiser-Meyer-Olkin measure of sampling adequacy was conducted and it was found that sample size was sufficient (Table 3).

After running factor analysis through Rotated component matrix Trust, commitment, communication, and customer-centricity were identified as the main dimensions. out of 30 items (Table 4).

## CONCLUSION

Trust, commitment, communication, and customer-centricity were identified as the main dimensions. The sentences provided next to the dimensions are the statements actually asked in the questionnaire.

**Table 4:** Rotated component matrix

	<i>Rotated component matrix<sup>a</sup></i>			
	<i>Component</i>			
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
VAR00021	0.730	-	-	-
VAR00022	0.668	-	-	-
VAR00027	0.629	0.309	-	-
VAR00016	0.582	0.410	-	-
VAR00019	0.567	0.470	-	-
VAR00017	0.540	0.330	-	0.301
VAR00028	0.532	0.446	-	-
VAR00025	0.532	-	0.306	-
VAR00018	0.530	0.415	-	-
VAR00024	0.469	-	-	-
VAR00029	0.311	0.577	0.382	-
VAR00009	-	0.569	-	0.427
VAR00011	-	0.559	0.358	-
VAR00031	0.305	0.547	-	-
VAR00020	0.326	0.497	-	-
VAR00010		0.495	0.369	0.309
VAR00030	0.402	0.462	-	-
VAR00026	0.405	0.445	-	-
VAR00001	-	-	0.758	-
VAR00002	-	-	0.754	-
VAR00004	-	-	0.730	-
VAR00003	-	-	0.642	-
VAR00013	-	0.454	0.520	-
VAR00012	-	0.362	0.477	0.365
VAR00007	-	-	-	0.737
VAR00006	0.350	-	-	0.642
VAR00005	0.380	-	0.364	0.613
VAR00015	0.300	0.356	-	0.540
VAR00008	-	0.355	0.440	0.463
VAR00014	-	0.304	-	0.428
VAR00023	-	0.43	-	-

Customer centricity covers the manifest variables, like friendliness, integrity, complaint handling, etc. Communication covers feedback, goodwill, and information technology use. Reliability, punctuality, and accuracy are covered under the broader category of trust. Commitment includes confidence, professionalism, and problem-solving.

## LIMITATIONS

Though, to some extent, the findings can be generalized in the case of the service sector, when it comes to these four dimensions, as has been evident from earlier studies; certain other factors can seem to play a role in the case of other services, like banking, hospitality, or insurance. Moreover, from a B2B standpoint, the



number of factors may increase. This provides for the scope of further research in the field.

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