

CUSTOMER RETENTION STRATEGIES IN BHARAT
SANCHAR NIGAM LIMITED – A STUDY WITH
PARTICULAR REFERENCE TO KERALA

Dr. Ajitharani Unnikrishnan^{*}

Prof (Dr.) B. Johnson^{**}

Dr. Ajitharani Unnikrishnan^{***}

Abstract

Bharat Sanchar Nigam Limited (BSNL) incorporated in the year 2000 as a wholly owned Central Government Company has become one of the largest public sector companies in India. BSNL through its varied services targets all sorts of customers and provides offers for the entire customer group. Along with customer attraction the company also stresses on customer retention as the industry is highly volatile having high customer churn and low customer loyalty. The importance of customer service for capturing business in service companies has become a focus point and there is an intense need to study the

Keywords: customised incentives; financial incentive; redressal; retention; social incentive; structural incentives.

*** HSST Commerce, Govt. Higher Secondary Secondary School, Pattikkad, Thrissur District, Kerala, India**

**** Professor and Head, Department of Commerce and Management Studies, School of Business Studies, Malappuram District, Kerala, India**

***** HSST Commerce, Govt. Higher Secondary Secondary School, Pattikkad, Thrissur District, Kerala, India**

Customer Retention Strategies of the company and identify the areas which are weak in customer retention and put forth suggestion for better retention. Kerala Circle one of the most profitable circle has been selected for the study.

1. Introduction

BSNL is a telecommunication company which is administered by the Ministry of Communication and Information Technology of the Department of Telecommunications of the Government of India. It is the largest service provider of fixed telephony service provider having more than 60 per cent market share. BSNL has a network of 24 circles all around the country through which it provides services to numerous customers. The Kerala Circle has a customer base of 12 lakh covering 14 districts 63 taluks and 1379 villages. It consists of 11 major Secondary Switching Areas (SSA) and a minor secondary switching area located at Lakshwadeep. Kerala telecommunication circle is the most profitable sector of BSNL. Kerala Circle is progressing in leaps and bounds, making history in telecommunication field. Kerala circle has a tele - density of 15.4 per 100 population including the mobile services.

2. Objectives of the study

1. To identify the strategies adopted by BSNL to retain its existing customers.
2. To evaluate the strategies adopted by BSNL to retain its existing customers.

3. Hypotheses of the study

1. There is no significant difference in the retention strategies of landline customers based on generation.
2. There is no association in the retention strategies of the mobile prepaid customers in respect of income.
3. There is no significant difference in the retention strategies of the mobile prepaid customers with respect to place of residence.
4. Retention strategies of mobile post paid customers are not independent of the circle.
5. There is no significant difference in the retention strategies of the landline, prepaid and post paid customers.

4. Methodology, Sample Size and Tools of Analysis

The study is analytical based on Survey method. Both primary and secondary data has been used. The primary data is collected from direct survey conducted through circulation of interview schedules among BSNL customers in selected circles. For the purpose of the study the three SSA having largest coverage namely Ernakulam SSA, Trivandrum SSA, and Kannur SSA was identified. From all of the three SSA certain cluster of urban and rural area was selected. The interview schedule covering three types of BSNL customers namely, the landline, the mobile prepaid and post paid customers was prepared and circulated in customers in these areas. A pilot survey was conducted with 50 respondents and the sample size proposed was 230 landline, 130 prepaid and 90 post paid respondents. However in the survey, responses of 243 landline, 256 prepaid and 90 post paid customers were found suitable and included for analysis. The statistical and mathematical tools like mean, Spearman's Rank correlation, Kruskal Wallis test, Mann-Whitney U test, Scheffe Multiple comparison test was used.

5. Analysis of the study

In service sector customer acquisition is very important. But acquiring a new customer can cost five times more than the costs involved in satisfying and retaining current customers. There is direct link between customer retention over time and profitability and growth. Customer retention becomes significant and it depends on satisfaction with services. It is a fact that satisfied customers will not switch away from their current suppliers easily. BSNL has different strategies to retain an existing customer. Various offers, telephone concessions, call centres and customer care services, complaint management and redressal system, advertising strategies, loyalty schemes etc. are introduced from time to time to attract and retain the existing customers. Customer satisfaction with these strategies will enable to know the overall satisfaction of the customer with the services of BSNL.

Berry and Parasuraman have developed a framework which suggests that retention marketing can happen at four different levels. Each of the level results to bind the customer closer. These bonds are the financial bond, social bonds, customised bonds and the structural bonds. A number of strategies are adopted by BSNL to retain its customers. BSNL also adopts the framework of bonds to retain its customers. These are usually in the form of incentives like financial incentive,

social incentive, customised incentives and structural incentives. Financial incentives are provided to customers for greater amount of purchases or for continuation of relationship for a longer time. Greater discount, favourable services, financial gains are some of them. Social incentives are created by providing family or group offers whereby BSNL provides offers for people who are closely associated. Customised incentives include every service of BSNL to the customers finger tip like online services, voice mail, call centre services etc. Structural incentives are the services provided for redressal of customers grievances. Apart from customer call centre there is a two tier redressal mechanism which provides solutions to all sorts of grievances of customer. Direct submission, online submission, telephone adalats, open house sessions are some examples. Further the selected independent variables like generation of customers, education, occupation, income, circle and place of residence are associated with each of the strategies. This will enable to know the overall satisfaction with the retention strategies of BSNL. The comparison of the association of these strategies with respect of each of the independent variable has been done with landline, prepaid and post paid customers.

5.1 Retention strategies of BSNL with respect to landline customers

The retention strategies like financial incentive, social incentives, customised incentives and structural incentives of BSNL have been compared with all the independent variables.

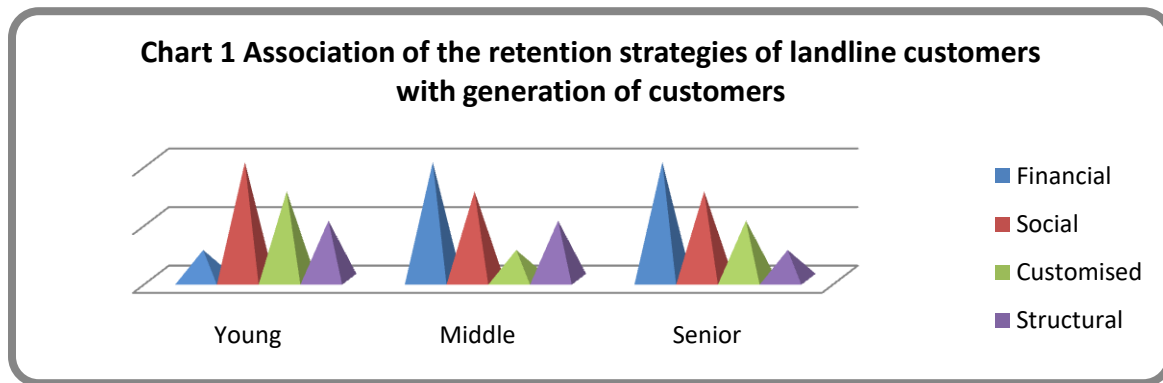
1. Retention strategies of landline customers with respect of generation of customers

Table 1 Association of the retention strategies of landline customers with generation of customers

Retention strategies	Young (A)		Middle (B)		Senior (C)		Kruskal Wallis Test	p
	Mean	Rank	Mean	Rank	Mean	Rank		
Financial incentives	2.3	4	2.8	1	2.9	1	8.34*	0.015
Social incentives	2.7	1	2.7	2	2.8	2	0.6	0.742
Customised incentives	2.5	3	2.7	4	2.7	3	1.38	0.502
Structural incentives	2.6	2	2.7	3	2.7	4	0.66	0.717

Source : Survey data

*Significant at 0.05 level



The chart exhibits the results very clearly that young customers are satisfied with social incentives, middle customers and senior customers with financial incentives. A significant difference is found in financial incentives with respect of landline, prepaid and post paid customers as the middle and senior generation customers have ranked financial incentives first while the young generation customers have given financial incentives the last rank. On analysis the hypothesis that “There is no significant difference in the retention strategies of landline customers based on generation” stands rejected.

Table 2 Distribution of the association of correlation coefficient of the retention strategies of landline customers with generation of customers

Generation customers	of	Correlation coefficient r	P Value
A & B		(-) 0.2	0.800
A & C		(-) 0.4	0.600
B & C		0.8	0.200

Source : Survey data

Table shows that there is a negative correlation between young and middle generation customers and young and senior generation customers. However no significant difference in the level of satisfaction with the various retention strategies exists between all the three categories of customers.

2. Retention strategies of landline customers with respect of education

Table 3 Association of the retention strategies of landline customers with respect of education

Retention strategies	Under Graduates (A)		Graduates (B)		PG & above (C)		Kruskal Wallis Test	p
	Mean	Rank	Mean	Rank	Mean	Rank		
Financial incentives	2.7	2	2.7	1	2.7	2	0.29	0.864
Social incentives	2.7	1	2.7	2	2.8	1	0.55	0.761
Customised incentives	2.5	3	2.7	4	2.7	4	1.5	0.472
Structural incentives	2.5	4	2.7	3	2.7	3	3.56	0.168

Source : Survey data

Table 3 shows that the under graduates and post graduates and above category have ranked the social incentives first, while the graduates have ranked financial incentives the first. However as per Kruskal Wallis test, no significant difference is found with the level of satisfaction of retention strategies with all the three categories of customers on the basis of education.

Table 4 Distribution of the association of correlation coefficient of the retention strategies of landline customers with respect to education

Category of customers	Correlation coefficient r	P Value
A & B	0.6	0.400
A & C	0.8	0.200
B & C	0.8	0.200

Source : Survey data

Table shows that there is a positive correlation among the retention strategies between under graduates, graduates and post graduates and above category in respect of education and no significant difference is found on analysis.

3. Retention strategies of landline customers with respect of occupation

Table 5 Association of the retention strategies of landline customers with respect of occupation

Retention strategies	Govt. employees (A)		Private employees (B)		Professionals (C)		Others (D)		Kruskal Wallis Test	p
	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank		
Financial incentives	3.0	1	2.5	4	2.7	1	2.6	4	9.22*	0.026
Social incentives	2.9	2	2.7	1	2.6	3	3.0	1	7.94*	0.047
Customised incentives	2.7	4	2.6	3	2.6	4	2.7	2	2.81	0.421
Structural incentives	2.8	3	2.6	2	2.6	2	2.7	3	1.29	0.730

Source : Survey data

*Significant at 0.05 level

The table reveals that Govt. employees and professionals have ranked financial incentives first while private employees and others group have ranked social incentives first. The analysis reveals that as per Kruskal Wallies test there is a significant difference in the opinion of financial incentives in respect of occupations at 0.05 level where the p value is 0.026. Again a significant difference in opinion is also observed in association of social incentives in respect of all occupation at 0.05 level where the p value is 0.047.

Table 6 Distribution of the association of correlation coefficient of the retention strategies of landline customers with respect to occupation

Category of customers	Correlation coefficient r	P Value
A & B	(-) 0.2	0.800
A & C	0.8	0.200
A & D	(-) 0.4	0.600
B & C	(-) 0.4	0.600
B & D	0.8	0.200
C & D	(-) 0.8	0.200

Source : Survey data

Table 6 shows that there is an opposite correlation between retention strategies of Govt. employees and private employees, Govt. employees and others category, private employees and professionals, professionals and others category. However there is no statistical difference in the level of satisfaction with respect of correlation of the classification based on occupation with the retention strategies.

4. Retention strategies of landline customers with respect of income

Table 7 Association of the retention strategies of landline customers with respect of income

Retention strategies	Low income (A)		Middle income (B)		High income (C)		Kruskal Wallis Test	p
	Mean	Rank	Mean	Rank	Mean	Rank		
Financial incentives	2.6	4	2.9	2	2.7	1	7.13*	0.028
Social incentives	2.8	1	2.9	1	2.6	3	5.05	0.080
Customised incentives	2.6	2	2.8	4	2.6	4	3.54	0.171
Structural incentives	2.6	3	2.8	3	2.7	2	2.25	0.325

Source : Survey data

*Significant at 0.05 level

Table 7 shows that the low income group and the middle income group have ranked the social incentives first but the high income group gave the first preference to financial incentives. As per Kruskal Wallis test, there is a significant difference in the level of satisfaction in case of financial incentives with all the three categories of customers on the basis of income.

Table 8 Distribution of the association of correlation coefficient of the retention strategies of landline customers with respect to income

Category of customers	Correlation coefficient r	P Value
A & B	0.2	0.800
A & C	(-) 0.8	0.200
B & C	0.4	0.600

Source : Survey data

Table 8 shows that there is a negative correlation between low income and high income customers, however there no significant difference in association of the retention strategies of different income groups.

5. Retention strategies of landline customers with respect of circle

Table 9 Association of the retention strategies of landline customers with respect of Circle

Retention strategies	Trivandrum (A)		Ernakulam (B)		Kannur (C)		Kruskal Wallis Test	p
	Mean	Rank	Mean	Rank	Mean	Rank		
Financial incentives	2.7	3	2.8	2	2.7	1	0.32	0.853
Social incentives	2.8	1	2.9	1	2.5	2	6.96*	0.031
Customised incentives	2.8	2	2.7	4	2.5	4	4.21	0.122
Structural incentives	2.7	4	2.8	3	2.5	3	3.42	0.181

Source : Survey data

*Significant at 0.05 level

From the Table 9 it is clear that there is a significant difference in the level of opinion in respect of social incentives with all the three categories of customers on the basis of circle at 0.05 level where p value is 0.031.

Table 10 Distribution of the association of correlation coefficient of the retention strategies of landline customers with respect to circle

Category of customers	Correlation coefficient r	P Value
A & B	0.4	0.600
A & C	0	1.000
B & C	0.8	0.200

Source : Survey data

In the Table 10 it is evident there is a positive correlation between opinion on retention strategies of customers of Trivandrum circle and Ernakulam circle and Ernakulam circle and Kannur circle. But there is no correlation between customers of Trivandrum circle and Kannur circle. However there is no significant difference in the correlation on satisfaction of the retention strategies of all customers with different circle.

6. Retention strategies of landline customers with respect to place of residence

Table 11 Association of the retention strategies of landline customers with respect to place of residence

Retention strategies	Rural (A)		Urban (B)		Mann-Whitney Test	U	p
	Mean	Rank	Mean	Rank			
Financial incentives	2.7	2	2.8	2	0.91		0.363
Social incentives	2.7	1	2.8	3	0.26		0.797
Customised incentives	2.6	3	2.7	4	0.49		0.624
Structural incentives	2.5	4	2.8	1	2.62**		0.009

Source : Survey data

**Significant at 0.01 level

Rank correlation A & B $r = (-) 0.4$, $p = 0.600$

Table shows that a significant difference is observed in respect of opinion on structural incentives between all the customers at 0.01 level as urban customers have ranked it as first while rural customers have ranked it as last. Hence a high difference of opinion is found among customers. Further the rank correlation coefficient exhibits that there is a negative correlation between the rankings of the customers of both the Circles.

5.2. Retention strategies of BSNL with respect to mobile prepaid customers

In case of prepaid customers the association of the retention strategies with each of the independent variables was examined.

1. Retention strategies of mobile prepaid customers with respect to generation of customers

Table 12 Association of the retention strategies of mobile prepaid customers with generation of customers

Retention strategies	Young (A)		Middle (B)		Senior (C)		Kruskal Wallis Test	p
	Mean	Rank	Mean	Rank	Mean	Rank		
Financial incentives	3.6	1	2.9	4	3.2	3	21.54**	0.000
Social incentives	3.1	4	3.2	3	3.2	4	0.09	0.958
Customised incentives	3.5	3	3.3	1	3.3	2	1.09	0.580
Structural incentives	3.5	2	3.3	2	3.4	1	4.55	0.103

Source : Survey data

**Significant at 0.01 level

As per the table, Kruskal Wallis test reveals a significant difference in the level of satisfaction of financial incentives with the three categories of customers at 0.01 level p value 0.000 in the rankings of young and middle generation customers as young customers have ranked it first and middle generation last.

Table 13 Distribution of the association of correlation coefficient of the retention strategies of prepaid customers with respect to generation of customers

Category of customers	Correlation coefficient r	P Value
A & B	(-) 0.4	0.600
A & C	0.4	0.600
B & C	0.6	0.400

Source : Survey data

Table 13 shows that there is a negative correlation between young and middle generation customers, but there is no significant difference in the level of satisfaction between the three generations of customers.

2. Retention strategies of prepaid customers with respect to education

Table 14 Association of the retention strategies of prepaid customers with respect of education

Retention strategies	Under Graduates (A)		Graduates (B)		PG & above (C)		Kruskal Wallis Test	p
	Mean	Rank	Mean	Rank	Mean	Rank		
Financial incentives	3.3	4	3.2	3	3.1	4	1.24	0.538
Social incentives	3.3	3	3.0	4	3.2	3	3.88	0.143
Customised incentives	3.5	2	3.2	2	3.4	1	3.85	0.146
Structural incentives	3.5	1	3.3	1	3.4	2	2.78	0.250

Source : Survey data

Table 14 shows that there is no significant difference in the correlation of retention strategies with all the three categories of customers on the basis of education.

Table 15 Distribution of the association of correlation coefficient of the retention strategies of prepaid customers with respect to education

Category of customers	Correlation coefficient r	P Value
A & B	0.8	0.200
A & C	0.8	0.200
B & C	0.6	0.400

Source : Survey data

Table 15 shows that there is a positive correlation between the opinion on the retention strategies of under graduates, graduates and post graduates and above customers in respect of education.

3. Retention strategies of mobile prepaid customers with respect to occupation

Table 16 Association of the retention strategies of mobile prepaid customers with respect of occupation

Retention strategies	Govt. employees (A)		Private employees (B)		Professionals (C)		Others (D)		Kruskal Wallis Test	p
	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank		
Financial incentives	3.0	4	3.3	4	3.0	4	3.3	2	7.27	0.064
Social incentives	3.1	3	3.3	3	3.2	3	3.1	4	1.75	0.626
Customised incentives	3.3	2	3.4	2	3.4	1	3.3	3	1.86	0.603
Structural incentives	3.4	1	3.4	1	3.3	2	3.4	1	0.67	0.880

Source : Survey data

Table 16 shows that no significant difference in the opinion of all the categories of customers.

Table 17 Distribution of the association of correlation coefficient of the retention strategies of mobile prepaid customers with respect to occupation

Category of customers	Correlation coefficient r	P Value
A & B	1	-
A & C	0.8	0.200
A & D	0.4	0.600
B & C	0.8	0.200
B & D	0.4	0.600
C & D	0	1.000

Source : Survey data

Table 18 shows two important things. One that there is a perfect correlation between retention strategies between Govt. employees and private employees and second there is no correlation between professionals and other category. All the other employees are positively correlated to each other.

2.4. Retention strategies of mobile prepaid customers with respect to income

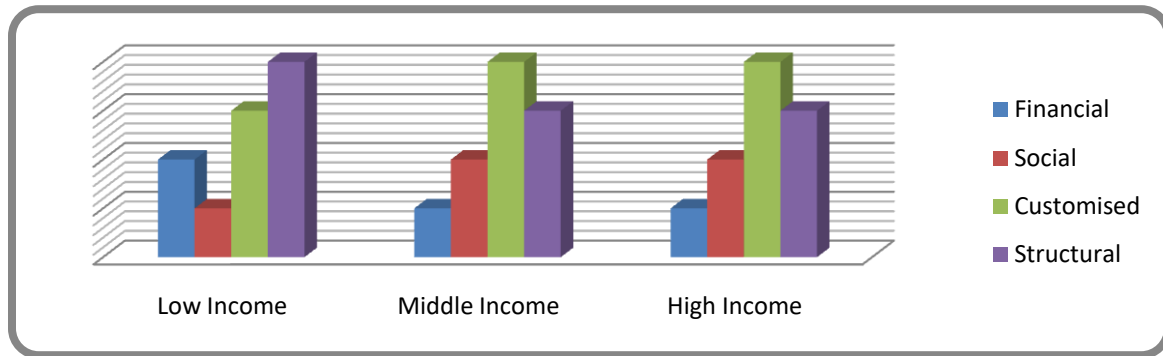
Table 19 Association of the retention strategies of mobile prepaid customers with respect to income

Retention strategies	Low income (A)		Middle income (B)		High income (C)		Kruskal Wallis Test	p
	Mean	Rank	Mean	Rank	Mean	Rank		
Financial incentives	3.3	3	3.0	4	2.9	4	11.23**	0.004
Social incentives	3.2	4	3.1	3	3.1	3	0.9	0.637
Customised incentives	3.4	2	3.3	1	3.3	1	1.66	0.436
Structural incentives	3.5	1	3.2	2	3.3	2	7.49*	0.024

Source : Survey data

*Significant at 0.05 level

**Significant at 0.01 level



On analysis the hypothesis that “There is no association in the retention strategies of the mobile prepaid customers in respect of income” is accepted.

Table 20 Distribution of the association of correlation coefficient of the retention strategies of mobile prepaid customers with respect to income

Category of customers	Correlation coefficient r	P Value
A & B	0.6	0.400
A & C	0.6	0.400
B & C	1	-

Source : Survey data

Table 20 shows that there is a positive correlation between retention strategies of low income and middle income group and low income and high income group, while there exists a perfect correlation between middle income and high income group. However there is no significant difference in the level of satisfaction in the opinion on retention strategies of different income groups.

5. Retention strategies of mobile prepaid customers with respect to circle

Table 21 Association of the retention strategies of mobile prepaid customers with respect of circle

Retention strategies	Trivandrum (A)		Ernakulam (B)		Kannur (C)		Kruskal Wallis Test	p
	Mean	Rank	Mean	Rank	Mean	Rank		
Financial incentives	3.1	4	3.0	3	3.2	4	1.31	0.519
Social incentives	3.2	3	3.0	4	3.3	3	5.02	0.081
Customised incentives	3.2	2	3.3	2	3.5	2	7*	0.030
Structural incentives	3.3	1	3.3	1	3.5	1	5.48	0.065

Source : Survey data

*Significant at 0.05 level

From the Table 21 it is clear that the customers of Trivandrum and Kannur circle have same rankings. On analysis it is observed that there is a significant difference in the level of satisfaction of the customised incentives with the customers of all three circles at 0.05 level p value is 0.030.

Table 22 Distribution of the association of correlation coefficient of the retention strategies of mobile prepaid customers with respect to circle

Category of customers	Correlation coefficient r	P Value
A & B	0.8	0.200
A & C	1	-
B & C	0.8	0.200

Source : Survey data

In the Table 22 it is evident there is a positive correlation between the opinion on the retention strategies of customers of Trivandrum and Ernakulam circle and Ernakulam and Kannur circle. However there is perfect correlation between customers of Trivandrum and Kannur circle. But there is no significant difference in the association of the correlation of retention strategies of prepaid customers of different circles.

6. Retention strategies of mobile prepaid customers with respect to place of residence

Table 23 Association of the retention strategies of mobile prepaid customers with respect to place of residence

Retention strategies	Rural (A)		Urban (B)		Mann-Whitney U Test	p
	Mean	Rank	Mean	Rank		
Financial incentives	3.3	3	3.0	4	2.93**	0.003
Social incentives	3.3	4	3.0	3	2.04*	0.041
Customised incentives	3.5	2	3.2	2	2.49*	0.013
Structural incentives	3.5	1	3.2	1	2.32*	0.020

Source : Survey data

**Significant at 0.01 level

*Significant at 0.05 level

Rank correlation A & B $r = 0.8$, $p = 0.200$

On analysis it is found that significant difference is found in respect of each of the retention strategies when associated with place of residence. This difference aroused as the mean values and rankings are different in case of each type of customer. As per Mann-Whitney U test there is a positive correlation between the rural and urban area customers. In this study the hypothesis that “There is no significant difference in the retention strategies of the mobile prepaid customers with respect to place of residence” stands to be rejected. Further there exists a positive correlation between the opinion of rural and urban customers.

5.3. Retention strategies of BSNL with respect to post paid customers

The satisfaction of post paid customers with regard to the retention strategies of BSNL in respect of each independent variable is also examined.

1. Retention strategies of mobile post paid customers with respect to generation of customers

Table 24 Association of the retention strategies of mobile post paid customers with respect to generation of customers

Retention strategies	Middle (A)		Senior (B)		Mann- Witney U Test	p
	Mean	Rank	Mean	Rank		
Financial incentives	3.1	3	2.9	4	0.67	0.504
Social incentives	3.0	4	2.9	3	0.36	0.718
Customised incentives	3.3	1	3.2	1	0.48	0.629
Structural incentives	3.3	2	3.2	2	0.37	0.708

Source : Survey data

Rank correlation A & B $r = 0.8$, $p = 0.200$

Table shows that no significant difference exists in the level of satisfaction with the various retention strategies exists between the categories of post paid customers.

3.2 Retention strategies of mobile post paid customers with respect to education

The association of the retention strategies for mobile post customers with respect to education is shown in Table 25

Table 25 Association of the retention strategies of mobile post paid customers with respect to education

Retention strategies	Under Graduates (A)		Graduates (B)		PG & above (C)		Kruskal Wallis Test	p
	Mea n	Ran k	Mean	Ran k	Mea n	Ran k		
Financial incentives	3.1	3	2.9	4	3.1	3	1.65	0.439
Social incentives	2.9	4	3.1	3	3.0	4	0.66	0.719

Customised incentives	3.4	2	3.4	1	3.1	1	1.19	0.552
Structural incentives	3.6	1	3.3	2	3.1	2	2.45	0.293

Source : Survey data

Table shows no significant difference in the level of satisfaction of retention strategies with all the three categories of customers on the basis of education.

Table 26 Distribution of the association of correlation coefficient of the retention strategies of mobile post paid customers with respect to education

Category of customers	Correlation coefficient r	P Value
A & B	0.6	0.400
A & C	0.8	0.200
B & C	0.8	0.200

Source : Survey data

Table 26 shows that there is a positive correlation between retention strategies of under graduates, graduates and post graduates and above customers in respect of education.

3.3. Retention strategies of post paid customers with respect to occupation

The association of the retention strategies for post paid customers with respect to occupation is shown in Table 27.

Table 27 Association of the retention strategies of post paid customers with respect to occupation

Retention strategies	Govt. employees (A)		Private employees (B)		Professionals (C)		Others (D)		Kruskal Wallis Test	p
	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank		
Financial incentives	3.0	4	3.0	4	3.1	3	2.9	4	0.5	0.919
Social incentives	3.1	3	3.0	3	2.9	4	3.0	3	1.15	0.765
Customised incentives	3.3	2	3.5	1	3.2	2	3.2	2	1.37	0.713
Structural incentives	3.3	1	3.3	2	3.2	1	3.2	1	0.09	0.993

Source : Survey data

Table 27 shows no significant difference in the opinion with regard to occupation.

Table 28 Distribution of the association of correlation coefficient of the retention strategies of post paid customers with respect to occupation

Category of customers	Correlation coefficient r	P Value
A & B	0.8	0.200
A & C	0.8	0.200
A & D	1	-
B & C	0.6	0.400
B & D	0.8	0.200
C & D	0.8	0.200

Source : Survey data

Table 28 exhibits that there is a positive correlation of retention strategies between all occupational groups except between the Govt. employees and the others category where there is perfect correlation. However in spite of this, there is no statistical significance in the level of satisfaction with correlation based on occupation with the retention strategies.

4. Retention strategies of mobile post paid customers with respect to income

Table 29 Association of the retention strategies of mobile post customers with respect to income

Retention strategies	Low income (A)		Middle income (B)		High income (C)		Kruskal Wallis Test	p
	Mean	Ran k	Mean	Ran k	Mea n	Ran k		
Financial incentives	3.1	4	3.0	4	3.0	3	0.33	0.849
Social incentives	3.2	3	3.0	3	3.0	4	0.92	0.630
Customised incentives	3.4	2	3.2	2	3.3	1	0.85	0.655
Structural incentives	3.5	1	3.2	1	3.2	2	1.87	0.392

Source : Survey data

From the table it is found that there is no significant difference in the level of satisfaction with the retention strategies in respect of all the three categories of customers on the basis of income.

Table 30 Distribution of the association of correlation coefficient of the retention strategies of post paid customers with respect to income

Category of customers	Correlation coefficient r	P Value
A & B	1	-
A & C	0.6	0.400
B & C	0.6	0.400

Source : Survey data

Table 30 shows that there is a perfect correlation between retention strategies of low income and middle income group and positive correlation with the other two groups. However there is no significant difference in the level of satisfaction in association of the retention strategies of different income groups.

3.5. Retention strategies of mobile post paid customers with respect of circle

Table 31 Association of the retention strategies of mobile post paid customers with respect of circle

Retention strategies	Trivandrum (A)		Ernakulam (B)		Kannur (C)		Kruskal Wallis Test	p
	Mean	Ran k	Mean	Ran k	Mean	Ran k		
Financial incentives	2.7	3	3.1	4	3.2	3	2.11	0.348
Social incentives	2.7	4	3.2	3	3.0	4	2.54	0.281
Customised incentives	2.9	1	3.3	2	3.6	1	6.45*	0.040
Structural incentives	2.8	2	3.4	1	3.5	2	7.9*	0.019

Source : Survey data

*Significant at 0.05 level

From the Table 31 it is clear that a significant difference is observed in respect of customised incentives at 0.05 level, p value being 0.040. The mean satisfaction is different in respect of each group. The mean value is less in case of Trivandrum circle and highest in case of Kannur customers. Even in case of structural incentives a significant difference is observed in case of structural incentives at 0.05 level, p value being 0.019. In the study the hypothesis that “Retention strategies of mobile post paid customers are not independent of the circle” was rejected.

Table 32 Distribution of the association of correlation coefficient of the retention strategies of mobile post paid customers with respect to circle

Category of customers	Correlation coefficient r	P Value
A & B	0.6	0.400
A & C	1	-
B & C	0.6	0.400

Source : Survey data

In the Table 32 it is evident that there exists perfect correlation between customers of Trivandrum circle and Kannur circle. There is positive correlation between retention strategies of customers of Trivandrum circle, Ernakulam circle and Kannur circle. However there is no significant difference in the level of satisfaction in association of the retention strategies with different circle.

6. Retention strategies of mobile post paid customers with respect to place of residence

Table 33 Association of the retention strategies of mobile post paid customers with respect to place of residence

Retention strategies	Rural (A)		Urban (B)		Mann-Whitney U Test	p
	Mean	Rank	Mean	Rank		
Financial incentives	3.2	3	2.9	4	1.75	0.080
Social incentives	3.1	4	2.9	3	0.9	0.371
Customised incentives	3.4	2	3.1	1	1.31	0.191
Structural incentives	3.5	1	3.1	2	1.78	0.075

Source : Survey data

Rank correlation A & B $r = 0.6$, $p = 0.400$

Table 33 shows that there is no significant difference in respect of the opinion on retention strategies with place of residence. As per Mann-Whitney U test there is a positive correlation between the customers with respect to the place of residence.

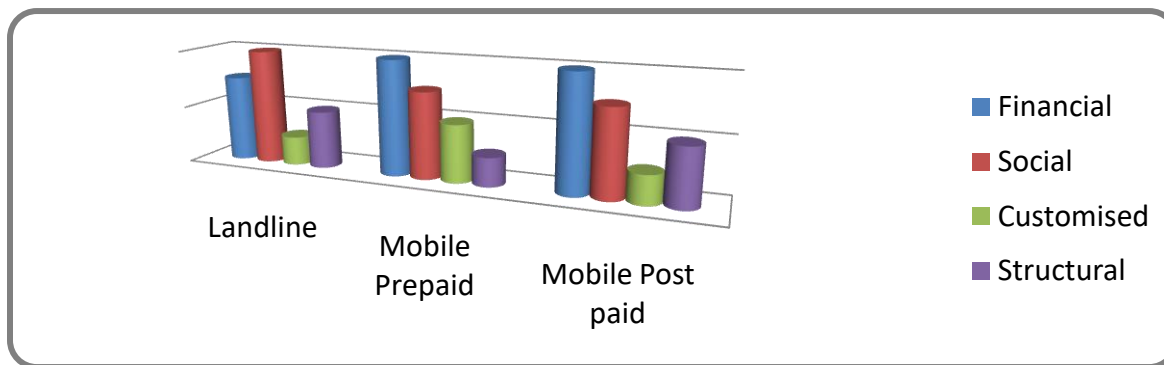
5.4. Comparison of the retention strategies of customers

It is very clear that BSNL adopts various retention strategies to retain customers. It is necessary to compare the ratings of these strategies between the BSNL landline, prepaid and post paid customers and this is exhibited in table 34

Table 34 Comparison of the ratings of the various retention strategies of landline, prepaid and post paid customers

Retention strategies	Landline (A)		Prepaid(B)		Post paid(C)		Kruskal Wallis Test	p
	Mean	Rank	Mean	Rank	Mean	Rank		
Financial incentives	2.73	2	2.86	1	2.98	1	5.02	0.081
Social incentives	2.77	1	2.84	2	2.98	2	3.92	0.141
Customised incentives	2.65	4	2.66	3	2.72	4	0.32	0.853
Structural incentives	2.68	3	2.64	4	2.73	3	0.55	0.760

Source : Survey data



From the chart it is evident that landline customers have ranked social incentives first, while prepaid and post customers have ranked financial incentives as first rank. The hypothesis that “There is no significant difference in the retention strategies of the landline, prepaid and post paid customers” is accepted.

6. Findings and Conclusion

The prepaid and post paid customers have ranked the financial incentives as best, while the landline customers have ranked social incentives as first. The last rank is given to customised incentives by landline and post paid customers while structural incentives are ranked last by prepaid customers. In the light of the above findings it is suggested that BSNL should take care to modify the customised incentives as majority landline customers are dissatisfied with it. BSNL has a good range of value added services but ignorance about these services leads a customer to dissatisfaction, so a good publicity should be given about these services. Popular personalities may be used for the purpose. In case of prepaid mobile services, there are groups who are dissatisfied with the structural incentive. Ignorance about the two tier complaint redressal mechanism of BSNL leads to more dissatisfaction among customers. Knowledge about open house sessions, telephone adalats, and appeal to appellate authority should be provided to customer to remove the dissatisfaction. More satisfactory social incentives may be included to satisfy the customers. Family offers and scheme, group SMS schemes should be provided to increase the customer satisfaction. Offers to family and friends group should be retained for longer periods. Financial incentives can be improved by combo plans which are cost effective and having long validities. BSNL should ensure that proper information about these services is made available to all customers on time to retain and satisfy its customers.

References

- [1] Formant, C., “Customer Acquisition and CRM. Customer Relationship Management”, New York: John Wiley and Sons Canada, Ltd, 2000.
- [2] Gitomer, J., “Customer Satisfaction is Worthless, Customer Loyalty is Priceless”. Austin, Texas: Bard Press, 1998.
- [3] Gummensson, E., “The new marketing: A developing long-term interactive relationship”, *Long Range Planning*, vol. 20(4), pp. 10-20, 1987.
- [4] Menon, S. D., “Customer Attitudes towards a Public Sector Telecom Company (BSNL) in Land Line”. *International Journal of scientific research and management (IJSRM)*, 2(8), 1293-1304, 2014.

[5] Mimouni-Chaabane, A., & Volle, P., “Perceived Benefits of Loyalty Programs: Scale Development and implications for Relational Strategies”. *Journal of Business Research*, vol. 63(1), pp. 32-37, 2009.

[6] Parasuraman, A., Berry, L., & Zeithaml, V., “A model of service quality and its implication for future research”, *Journal of Marketing*, vol. 49(4), pp. 41-50, 1985.

[7] Peppers, D., & Rogers, M., “Managing Customer Relationships: A Strategic Framework”, New Jersey: John Wiley and Sons, 2004.

[8] Shahzad, K., & Saima, A., “Determinants of Customer Satisfaction in Telecom Industry A Study of Telecom industry Peshawar KPK Pakistan”. *Journal of Basic and Applied Scientific Research*, 2(12), 12833-12840, 2012.

Websites

- www.kerala.bsnl.co.in
- www.keralatelecom.info