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A study on the value of promotion in the telecom industry of India

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ABSTRACT

(Gaj, 2022) Promotion is a type of marketing communication that is used in many sectors and in a variety of situations to help businesses achieve their goals, including bringing in new customers and retaining existing ones while also fostering customer loyalty. This research study offers a thorough examination of how promotion plays a role in influencing customers in India's evolving telecom market. This study delves further into the various promotional strategies employed by businesses like Airtel, BSNL, Vodafone Idea (VI), and Jio to attract customers and urge them to utilize their telecom services. The research looked at Jio's marketing approach of offering free internet and telecom service for three months after its start, and how this enabled Jio draw in a lot of customers and grow into a significant business following its arrival. The research study also concentrated on the relationship between successful promotion and the development of consumer loyalty and a positive brand image for the business. Therefore, the study looks after the importance of promotion in the telecom industry can lead to a significant change in the buying behavior of the consumers in India and also how it has helped the companies to gain a better position in the market by improving their market share.

Keywords: Promotion, Consumer Loyalty, Brand Loyalty, Marketing Communication

1. INTRODUCTION

(Alexandrescu & Milandru, 2018) Promotion is considered the set of marketing techniques or practices, marketing action, form of communication, aiming at overcoming a sales level by capturing the attention and by attracting potential buyers, through points of sale, information, belief, training and maintaining a customer interested in the product or service and the manufacturing company. In today's world each and every company across all industries are more consumer drive, where they focus on how to make their product or service known to the consumers.

Promotion is essential for firms in all industries (Bradley, 2019) to keep understanding and connecting with clients and customers. because customers' tastes are always changing, which leads them to switch brands when they buy products or use services. In order to keep their current customers and attract new ones, businesses everywhere thus engage in a variety of promotional activities, hoping to forge a bond between the public and the brand and hence, in the end increasing customer loyalty for businesses worldwide

Telecommunication is a very large sector in the Indian economy, (Tamil, 2022) whereas seen at the global level, the Indian Telecom industry is ranked 2nd worldwide with around 1.17 billion users in August 2022 with India having an overall tele density of 85.11%, with more than 9+ billion users worldwide. Retaining and attracting clients is the most challenging problem that telecommunication organizations face in the twenty-first century worldwide, and it is extremely important for this industry to carry out effective promotional methods to retain their existing consumers.

Companies in the telecom industry utilize a variety of promotional strategies, including YouTube advertising, TV ads, celebrity brand ambassadors, emails, and even social media, to draw in customers.

When Jio, one of the leading telecom firms in India, made its entry into the market in 2015, they adopted the marketing strategy of utilizing a famous person as their brand ambassador to draw customers. (Bhupta, 2015) Due to Mr. Mukesh Ambani's announcement that Shah Rukh Khan will serve as Jio's brand ambassador, the company was able to attract a large number of customers, and thanks to this marketing strategy, they are currently retaining a large number of those customers.

(Neogy, 2016) Airtel relaunched its "Har ek friend zaroori hota Hai" campaign in 2016 and used TV and YouTube advertisements to connect with current and new customers. This marketing strategy was successful since it appealed to Gen Z users.

Customers respond favorably to businesses that employ efficient marketing techniques, that makes use of good consumer promotional techniques, (Bewicke, 2022) such as certain telecom providers offer free OTT subscription with the purchase of their service, this helps in improving consumer relationships also and further leading to consumers consistently purchasing services from the telecom provider, hence leading to creation of consumer loyalty. By creating consumer relationship, the company's reputation is likely to be increased, hence a creating a chance of attracting new consumers also.

Through promoting telecom services, marketers will get more curious in what motivates customers to stay using that specific telecom provider's mobile and internet services. It will also assist marketers understand how customers behave toward the service so they can make improvements.

The Indian telecom sector will be the main focus of this study. It will examine how Indian telecom companies used successful promotion and marketing to attract new customers, retain existing ones, and ultimately, how these strategies helped the brands succeed.

2. REVIEW OF LITERATURE

(Nainawat & Sharma, 2020) investigated concerning however most of the telecommunication corporations in India use varied promotional activities like advertising, exploitation whole ambassadors, word of mouth promotion. because the telecommunication sector is incredibly competitive, telecommunication corporations in India use these ways to draw in new customers. It conjointly talks concerning choice of name ambassadors is equally necessary for telecommunication industries as customers square measure extremely influenced by them.

(Singh & Garg, 2020) focuses on client behaviour towards telecommunication corporations like Jio, Airtel, Vodafone plan square measure exploitation varied promoting policies to market their services, few years when Jio's arrival within the telecommunication business, like Jio introduced Jio tv free subscription at the side of purchase of their subscription packs.

(Sharma, R., 2012) focuses on however customers square measure glad because the corporations like Airtel and BSNL is attempting to market themselves by providing subscribers price intercalary services and conjointly higher service quality.

(Krishna et al., 2020) focussed on however Airtel promoted themselves to extend their broadband sales in Coimbatore and applied varied sales promotional activities to draw in customers and be a section of the Airtel family.

(Mittal & Goswami, 2014) focuses on varied promotional activities of telecommunication corporations on varied dimensions. It includes the behaviour of client towards promotional activities applied by Airtel, Vodafone and BSNL.

(Nune, 2020) focuses on a study supported promotional activities of Airtel within the Indian telecommunication market, concerning however promotional activities have helped the corporate not solely in enhancing their client base however conjointly build the simplest way for a more robust whole image.

(Makwana et al., 1970) focuses on distinguishing factors influencing client switch behaviour in telecommunication business. On the idea of questionnaires administered to customers in telecommunication business, the study reveals that by providing price intercalary services and effective rating strategies; telecommunication service suppliers will management client whole switch behaviour and may retain the purchasers.

(Shekhar, 2015) focuses on offers suggestions to the large conglomerate BSNL to enhance client service, ways for client retention, ways to handle customers complaints and methods to get back customers and retailers confidence.

The analysis can deeply concentrate on how valuable promotion is to telecom companies in India and how it effects them in a certain wat

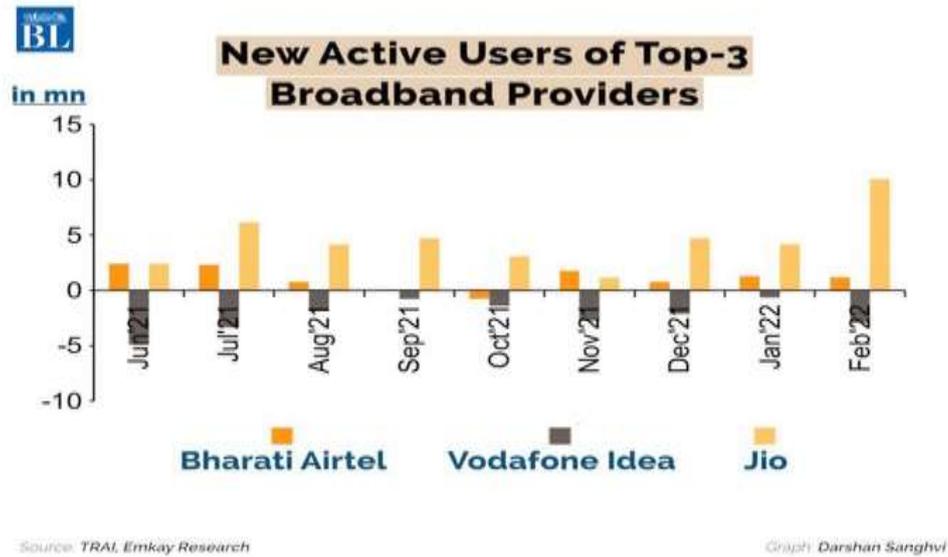
3. RESEARCH METHODOLOGY

This research study is a descriptive research. Intensive Secondary data was collected by exploring various sources such as articles and reviews from network sources. Graphs were used and analysed to see the trend in the subscriber base of certain India telecom companies and how their certain promotional methods have affected their subscriber base

4. ANALYSIS AND DISCUSSION

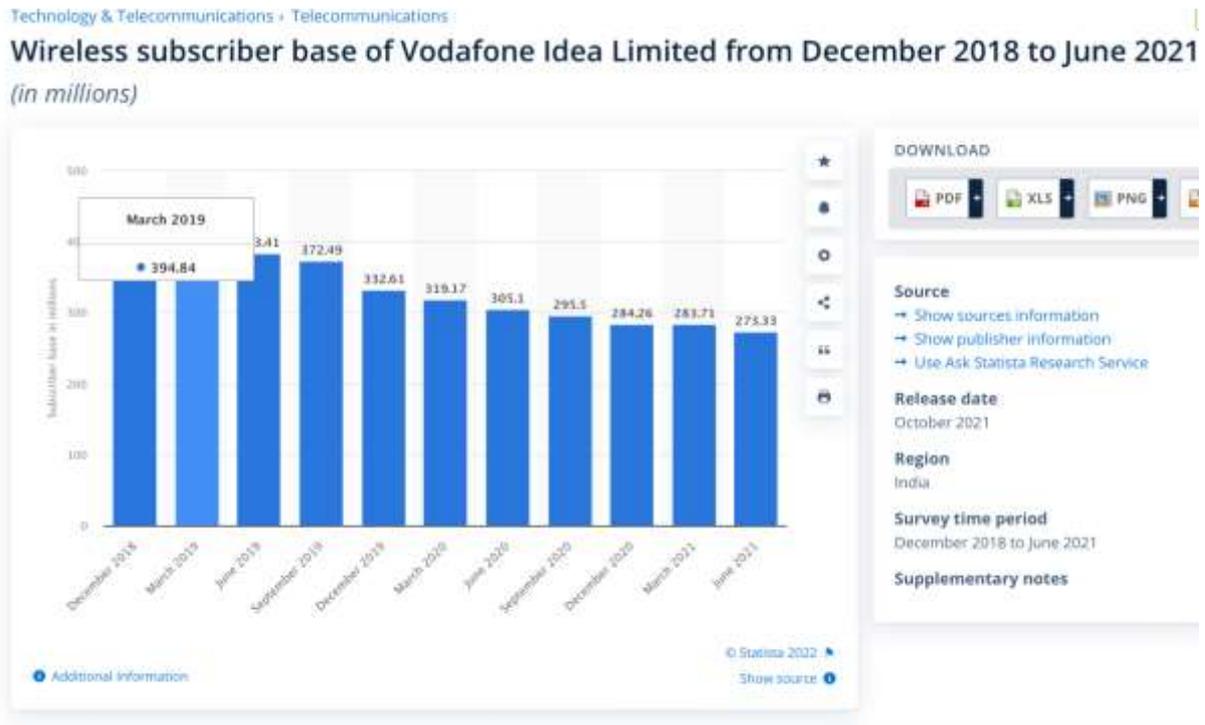
Prior to Jio's launch in 2016, Reliance appointed Shah Rukh Khan as its brand ambassador. Jio used this as a very successful marketing strategy to lure people. Jio made a free high-speed data guarantee to its users for the first three months of its existence. (Sengupta & Khan, 2016) As a result, 50 million people joined Reliance Jio in the 83 days that followed the debut of its 4G network.

Due to its aggressive marketing strategy of offering free services to customers, it attracted a huge customer base while its competitors, Airtel and Vodafone, saw a fall in the number of their users



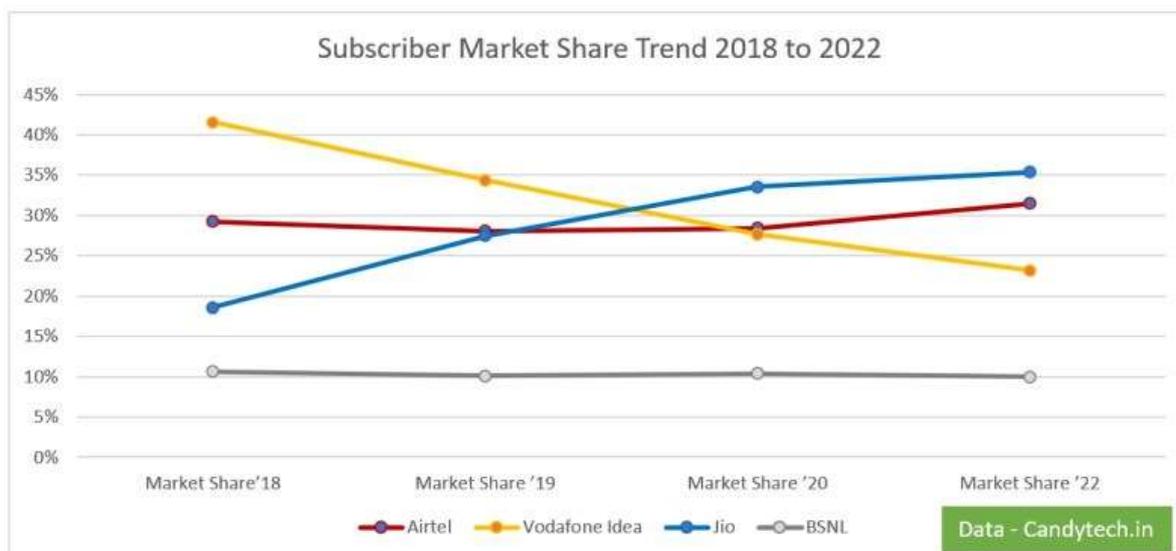
The graph (Kar, 2022) above shows how important marketing is in the telecom sector showing the active users of top 3 broadband providers ; as a result of effective promotion, both Bharti Airtel and Jio had a strong and stable subscriber base from June 2021 to February 2022, with (Sharma, 2022) Airtel having 358.1 million subscribers, Jio having 402.7 million subscribers, Vodafone Idea having 263.6 million subscribers, and BSNL having 113.8 million subscribers. During this time, Airtel launched a new initiative to provide (Thakur, 2022) OTT subscriptions to its customers on their recharge , including Amazon Prime Video. In contrast, Jio was in much better shape as evidenced by the graph because it released numerous apps for users to download on their smartphones, including Jio TV, Jio Mart, Jio Cinema, and many more. These apps helped Jio win over many customers, and it also announced that its prepaid customers would receive a Disney+ Hotstar subscription when they subscribed to the service. According to the graph, Vodafone Idea was losing subscribers as a result of ongoing consumer complaints and a lack of incentives to advertise its telecom services and draw in new customers.

There was a huge and steady growth in the consumption of packaged snacks, therefore Airtel came up with a solid promotional plan to draw in new customers and retain old ones. (Soni, 2020) Airtel has expanded its collaboration with PepsiCo India, offering free 2GB broadband to Airtel members who buy Lays, Kurkure, Uncle chips, or Doritos. This form of advertising may assist telecom firms promote themselves, gain new customers, and keep existing customers happy.



Certain companies, such as Vodafone Idea, are losing their customer base due to ineffective promotional campaigns, as seen in the graph above where the customer base has dropped from 394.84 million subscribers in March 2019 to 273.33 million subscribers in June 2021. Vodafone Idea after their merger had seen a constant decrease in their customer base due to poor promotional methods, their certain ad campaigns were a failure as viewers used to get irritated while watching the ads, as discovered from certain reviews,

Another interpretation of this downfall could be that competitors were using better promotional methods to promote their services, such as Jio using various ad campaigns with collaboration with superstars such as (Srivastava, 2020) Ranveer Singh and Deepika Padukone, as a result of which consumers became attracted towards the company and started purchasing their services on a regular basis and became loyal to the brand, thereby increasing their customer base and thus revenue.



The above graph (Sharma, 2022) shows the subscriber market share of the Indian telecom industry from 2018 to 2022, where it can be seen that there is a constant decline in the market share of VI from being a market leader in 2018 with a market share of 42% to 23% in 2022 and an increase in the market share of Jio and Bharti Airtel, and BSNL being more or less with the same amount of market share, this market share result would be only due to consumer preferences, and them being attracted to the telecom service providers due to the various promotional offers offered by them. Jio's market share increased to 35% in 2022 from 18% in 2018 as a result of their engagement with notable personalities such as Ranveer Singh, as well as its sponsorship of IPL teams (Carp, 2018) In 2018, they launched the Jio Dhan Dhana Dhan campaign and many other promotional offers, which drew many people to them and thereby grew their subscriber base. Airtel was also increasing its market share from 30% in 2018 to 32% in 2022 as a result of regular commercials and promotions on billboards, and in order to catch consumers' attention and promote themselves, they began offering several Airtel Thanks incentive programmes.

Jio to attract consumers and promote themselves adapted a new way of offering its consumers a 2 year plan of 1999Rs INR in which they benefit by getting a Jio Phone (Chakravarti, 2021), this was an aggressive strategy by Jio in order to attract more consumers and also be loyal to their existing consumers also, while on the other hand Airtel was offering broadband services and promising 5G services to attract many consumers towards themselves, Airtel is carrying out ad campaigns of 5G (Thakur, 2022) becoming available for its users through Virtual Reality and hence trying to attract more users through those ad campaigns. (Dutt, 2022) Vodafone Idea started promoting themselves by offering consumers unlimited 12-6 am data on their recharge to attract more subscribers towards them.

4. CONCLUSION

The study focuses on how important promotion is in the Indian telecom industry and how certain promotional strategies have assisted enterprises in growing their subscriber base. Promotion is a key component of marketing that firms must improve. Based on the findings, there is very close rivalry among companies in the Indian telecom sector, therefore everything depends on how telecom providers sell their services to their target clients. Furthermore, telecom companies must remain vigilant in the market about the promotional techniques used by their competitors, so that they can get an idea of what kind of promotional strategy the company can use to attract more consumers in comparison to its competitors' findings. The findings essentially show how there was a movement in the subscriber base of telecom firms in India, as well as a study of how marketing will affect the subscriber base of telecom enterprises. The market share graph demonstrates how distinct advertising strategies helped individual firms make an impression in the market and increase their client base. According to the study, if efficient advertising is carried out, the firm's brand image will consistently improve, and consumers will continue to purchase services from the company. This study may help telecom firms understand how they are performing in the industry and how they can improve by implementing a stronger promotional plan.

5. FURTHER SCOPE OF STUDY

In this research study, extensive secondary data was utilised to determine the value of marketing for firms in the Indian telecom sector and how some companies gain from it. Primary research might be carried out by delivering questionnaires to individuals and asking them which telecom operator they use and how it impacts their decision to acquire their services. This, in turn, will give more reliable statistics, as secondary investigation revealed that the data was obsolete and that different locations had varied findings.

6. LIMITATIONS OF THE STUDY

Secondary data may not be reliable since various sources have different values, and original research may have been modified to be more accurate for the data and how customers feel about the telecom companies they use. Primary research would have allowed for far more extensive analysis and, as a result, interpretation of changes in consumer behavioural patterns.

7. SUGGESTIONS FOR THE TELECOM COMPANIES

Most telecom businesses utilize basic sales promotion efforts to entice customers, such as billboards, sales offers with a fringe benefit, TV advertisements, and so on. As a proposal, firms could focus more on advertising their services on social media platforms such as Instagram, Facebook, and Twitter, as there will be 755.4 million social media users by 2022. As a result, there are increased possibilities that people will be drawn to them. Creating a short Instagram reel takes very little time, and Instagram reels are now hot. By marketing their offerings on Instagram reels, companies may attract more customers. Word-of-mouth advertising may also be employed by chatting to customers and convincing them to buy your product. BSNL's market position had hardly improved due to a lack of good promotional strategies; therefore, to improve, they can invest in digital marketing; there are also few commercials to be seen, and the company is thus dying in the market; therefore, digital marketing is the way to go ahead as consumers are always drawn like a magnet towards technology.

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