

## Customer relationship management (Telecommunication Industry) Comparison between (Airtel) and (Zain)

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### Abstract

The Indian telecom sector has been met with competitive pressure after deregulation. Many key developments took place in the early 2000. The telecom service providers are expected to struggle with complex issues of new technologies, and value added services through continuous innovations. Though many service industries are affected by the churn phenomenon, the problem is extremely acute in the telecom industry with customers joining and quitting in short periods. According to a survey, with churn of 2 per cent a month an operator is losing 24 per cent of its customers every year, the fact remains that the telecom industries bottom line is getting affected significantly due to the high churn rate. Customers switch over for various reasons. The ultimate goal of CRM in telecom sector is to provide a comprehensive suite of software applications that enable them to increase revenue, productivity and customer satisfaction by managing, synchronizing and coordinating customer interactions across all touch points including web, customer contact centre's, field organization and distribution channels. This research explores the kind of relationship marketing strategies that Indian telecom industries is pursuing in today's rapidly changing and highly competitive environment, and to study their effect on the service quality and satisfaction of customers, which represent Through This research by comparison between the Indian telecom sector at (Airtel) and the Iraqi telecom sector at (Zain).

**Keywords:** airtel, crm, company profile, zain

### 1. Introduction

Relationships are the essence of life. It is difficult to think about any society or organization to survive without relationships. They are the invisible threads, which build a unique bond between individuals and organizations. On the one hand these bonds may be as strong as iron pillars lasting for lifetime, whereas on the other hand they are as delicate as feather which may be broken within no time. Managing relationships is a very difficult and complex phenomenon. Organizations are realizing the importance of the vital role played by relationships in achieving and maintaining the cutting edge at the marketplace. Long ago Peter F. Drucker had advocated that the purpose of any business is to create customers. It is the customer, which gives an opportunity to the organization to serve him or her. The success of any organization primarily depends upon the sustaining the customer advantage that is retaining the customers for lifetime. Growing complexities and uncertainties at the market place along with intensifying global competition are forcing the business organization to invest in building customer relationships. New and sophisticated marketing tool kits are being designed to attract, satisfy and retain customers for achieving sustainable competitive advantage. CRM has recently emerged as a strategic solution to modern business problems. It has its roots in the age old business philosophy which recognizes that all business activities must revolve around customers.

The term CRM was first coined in the early eighties by academics at various business schools. One of the first on the scene was Dr. Jagdish Sheth who was at the Goizeta Business

School at Emory University in Atlanta. CRM: Customer relationship management as coined by the Gartner Group, it compasses sales, marketing, customer service, and support applications. While the CRM term is fairly recent, it grew from a combination of terms like Help Desk, Customer Support, ERP, Data mining. It evolved because none of the previous terms could cover the topic well enough and because some of the terms (ERP) have grown to be met with a great deal of distaste in the mouths of the business world. CRM DEFINED: Customer Relationship Management (CRM) is the strategic application of people, processes, and technology in an organization-wide focus on improving the profitability of customer relationships - DM Martin and AM Peel, The Pace Setter Group, 2001 The infrastructure that enables the delineation of and increase in customer value, and the correct means to motivate valuable customers to remain loyal, to buy back again. - Jill Dyche, The CRM Handbook, 2000 CRM (Customer Relationship Management):

A strategy (technology-enabled) in response to, and in anticipation of, actual customer behavior. From a technology perspective, CRM represents the systems and infrastructure required capturing, analyzing and sharing all facets of the customer's relationship with the enterprise. From a customer care perspective, it represents a process to measure and allocate organizational resources to those activities that have the greatest return and impact on profitable customer relationships.

### 2. The Benefits of Customer Relationship Management (Crm)

A recent article by the Harvard Business Review reported that

increasing customer retention rates by 5% increased profits by 25% to 95%! In fact, it determined that customer retention is the key to increasing profits. The article continued by stating that quality customer support is one of five primary determinants of loyalty. The number one reason why customers defect is the perception of poor service. Customer Relationship Management is, however, even broader in scope than improving customer service: CRM is also about increasing revenue. In years past, businesses were scrambling to implement costly Enterprise Resource Planning solutions (ERP), which were mainly about the bottom line, cutting costs by improving the flow of data and interaction between business and customer. But understanding how technology can increase revenues through better customer interaction is far more difficult. The right CRM solution enables data to flow easily and quickly within an organization, and in most cases includes the entire organization. The net result is higher sales, happier customers and a much-improved bottom line. The reduction in costs due to improved personnel productivity, better sales follow up, improved marketing and service, and an overall impressive growth in general organizational efficiency sometimes produces almost immediate economic benefits. The figures that corporations report of increased profits due to successful CRM implementations range from 25% to 95%, attributable in many cases to less wasted time and double work, and better organized schedules and data flows from staff in every division of the company.

### 2.1 CRM, Sales and Marketing

The phrase, "know your customer, help your business," certainly applies to marketing and CRM. Without a doubt, a key component of CRM database analysis and implementation is marketing. To be effective, one would hope to have marketing that reaches the right customer with the right message at the right time using the right medium. But without having the data available regarding one's public and buying patterns, marketing often becomes a black hole for wasted money. So an effective CRM application, one that enables an organization to easily gather critical sales and marketing information, not only pays for itself very quickly, it becomes a valuable resource for improving both the top (revenue) and the bottom (profit) lines. The top line is improved by increasing sales through better data management, and improving marketing effectiveness by collecting, analyzing, and using valuable customer information. The bottom line is improved by reducing service times and costs, and by improving the general productivity of the staff as a direct result of the CRM solutions of task management and contact management and, in some cases, the interface to other software programs, such as accounting applications. Today's economy is demanding: as margins get squeezed, quality can deteriorate. Customers don't want to spend hours on hold. Prospects often want a quote or invoice on the spot. Without accurate record storage and quick access to information, sales reps get far behind on their call lists and once "hot prospects" turn ice cold. Speed of particle flow and speed of delivery is vital factors for survival, so access to data -- the same data, from a variety of positions -- is a must. Sales, shipping, service, accounting and even the executive branch must all have the same data, and often at the same time. CRM dictates that anyone who touches a customer shares the same information and that information should be easy to access by others.

### 2.2 CRM and Service

Regarding service in general, the size of the organization has nothing to do with the need to give its customers improved service. Although larger corporations do seem to "get away" with poor service more easily than small to medium-sized businesses, most of whom are battling stiff competition as the world becomes more automated and the choices more plentiful, even some of the near monopolies will get the wake-up call from smaller, more aggressive, more service-oriented companies who may wind up taking away significant shares of their business. People love friendly, prompt, and courteous service. It's what keeps customers coming back year after year. And CRM software does play a significant role in not only providing timely and effective service, but in doing so at a price that most organizations can easily afford. When a service call is handled the specific problem and its solution can be added to the database. Next time the same incident occurs the service rep can locate the item and quickly provide the solution.

CRM software enables you to record each customer service as a Service Work Order, including detailed records of how the Service Work Order was resolved. The system provides flexible methods of billing, including by the hour, the month, the year, or by the Work Order (service incident).

### 3. Literature Review

Christopher Bull (2010) Customer Relationship Management systems continues to evolve, there is still much to learn. This paper offers some relatively rare insights on the use of CRM systems and the strategic impact on the processes of intermediation and disintermediation in order to improve customer service. The author conducted case study from April 2007 to 2008 using an interpretative approach. The research highlights some design characteristics and philosophical insights regarding CRM system approaches and also offers some useful practical insights on the impact of CRM in changes to the deployment of some intermediaries. Bhisham Ramkelawon (2010) <sup>[2]</sup> expressed that one of the approaches which are creating the buzz in the banking sector is Customer Relationship Management. Banks are realising that the magical formulae for attaining success in such a competitive environment is to focus on maintaining relationship with customers leading to customer loyalty and retention. In fact customer relationship management involves organising activities around the sole customer which can ensure differentiation at each point of sales by creating a unique customer experience to customer.

R.K.Uppal and Bishnupriya Mishra (2011) he analyzes the widening gap between desirability and availability regarding reliability, accuracy, confidentiality, flexibility, e-channels, high attention to customers, low service charges and overall satisfaction of customers in three bank groups i.e. public sector banks, Indian private sector banks and foreign banks. Also recommends some measures to bridge this gap between the D/A of service quality parameters in the banking sector in the emerging competition. Banks should reliable to win the confidence of potential customers and to retain the old ones. The various procedures of banks should be transparent and accurate e.g. working of bank employees with computers should also be displayed to customers sitting on front chair and money counting machines should be available for customers also. Phavaphan Sivarasks and Donyaprueth Krairit (2011) examines and measures the outcomes of electronic customer

relationship management system implementation in the with banking industry from customers' perspectives. Though most e-CRM implementations cannot be directly seen or recognised by customers, a literature review and interviews with experts in banking industry were used to develop a new construct called customer-based service attributes' to measure e-CRM outcomes from customers' perspectives. The e-CRM implementation has a statistically significant positive relationship with customer-based service attributes and with the quality and outcome of customer–bank relationships as well as an indirect effect on relationship quality and outcome through customer-based service attributes.

Deepak Salve and Anil Adsule (2011) <sup>[8]</sup> Consumers are the focal point in the development of successful marketing strategy. Marketing strategies both influence and are influenced by consumers affect and cognition, behavior, and environment. Marketing strategy from customer point of view is a set of stimuli placed to influence them. Banking institutions today face several challenges like global competition for deposits, loans and underwriting fees, increasing customer demands, shrinking profit margins, the need to cope with new technologies. Banks need to be careful when they spend CRM budget on smart, fast and focused initiatives that will satisfy more customers, more of the time. Uma Sankar Mishra, Bibhuti B. Mishra and Swagat Praharaj (2011) Indian banking sector faces enormous challenges of attracting and retaining customers. The author revealed that the public banks are ahead of the private banks in attracting and retaining customers because of good personal relationship with the customers. Reasons for opening accounts with a bank by the customers are factors like convenient location, overall reputation, etc. Babin Pokharel (2011) <sup>[1]</sup> Many banks already practice private banking and priority banking but in order to incorporate CRM to the highest, it should be strong player in private market. One of the main aim and ultimate goal of CRM is to retain and acquire most profitable customers, which affect overall the profitability of bank. To attract more private banking customers, banks must offer more individualize and attractive products and services to these customers. And its advertisement and packing must be done well.

#### 4. Objectives of the Study

- To identify the customer relationship management programs being run by Airtel and Zain.
- To study the comparison between Airtel and Zain.

#### 5. Research Methodology

The method used for data collection is Survey Research, which is Exploratory in nature.

##### 5.1 Data Collection Procedure

This study is based on secondary data which is collected through different websites, journals and newspapers.

- a) Basis of Sampling: Convenient Sampling and judgmental sampling

##### 5.2 Data sources

**5.2.1 Primary Data:** The information was obtained by means of the following tools for data collection:

- Interview Schedule
- Structured Questionnaires

**5.2.2 Secondary Data:** Relevant data collected from:

- a) Journals and Business Magazines.
- b) Text books
- c) World Wide Web, Company Brochures, pamphlets etc.

#### 6. Data Analysis

- **Corporates**-These include the top 200 Corporates, which form about 40% of the segment of the client base.
- **Enterprise**- These are the customers from the enterprise.
- **VIP's**- These include the top-notch people, the ministers, actors and other famous people.
- **Club**- These include all the general customers other than those included in the corporates and the High profile customers with whom around 60% of the business is done.
  - **The customer care** cell has been divided into **four** departments:
- **Hotline**- This department handles the start-up customers.
- **Care Touch**- This department takes care of the Corporates and Executive Class for maintaining Customer Relationships.
- **Retention**- This department takes care of the churn and takes special care to retain the existing customers.
- **Outbound**- This department takes care of the back-end processing.
  - The CRM is implemented through the customer Care Executives. The effectiveness of CRM is measured through CSMM (Customer Satisfaction Management and Measurement), an external research agency, IMRB has been given the task of doing this.
  - **Special Loyalty Programs** and incentive schemes are designed for the privileged and the regular customers. Initially these programs were for the Upper Base of Customers, Usually the one's from whom the billing was of more than Rs. 1500 but now these are for all the customers. One of the recent CRM programs includes —Rewarding Relationships.
  - There is a special complaint handling system, The Customer Help and the response time for handling these complaints varies depending on the nature of the complaint. The maximum time that can be spent on handling a complaint is 10 days.
  - Regular suggestions and feedback is incorporated in their service offering. The people from the Retention Department call up the customers from time to time to find out their view points.
  - A special Training is given to the employees at the time of induction.
  - Also a 4-5 Day training is given to these people on using the e-CRM systems.

#### 6.1 CRM at ZAIN

Almost all large companies have a formal CRM program. However, CRM programs may be implemented in a variety of ways due to the large number of tools available. Zain's commitment goes beyond developing the telecom market, but seeks to have an active participation and contribution in developing areas, nurturing the communities and reaching out for the disadvantaged. Zain actively supports projects and initiatives that contribute to the development of various sectors and benefit young people, particularly in the area of education, sports, and health. In order to increase its market share, Zain

tries to improve its capabilities to compete with rivals, acquire new customers and to retain the best of them. Zain implemented online and off line CRM activities. Zain in Jordan built a convenient website for customer development that saves time and increases productivity by providing quick information access and efficient transaction processing. Each customer that registers to Zain's website, needs to submit his/her personal information. The type of personal information that the company collects includes, for example, person's name, address, date of birth, gender, telephone and fax number, e-mail address.

Zain is collecting customers' demographic data and other information in order to use data mining and data warehousing tools that convert this huge volume of data into useful information, which can be used for making business decisions later. The company may use such information to notify Zain customers about: new features, products, services, special offers, and to inform customers of any products and services offered by other companies that Zain thinks may be of interest to them. Customers can choose to opt in this service and to receive this information. Other usages of personal information that the company provides is personalized services. that meet customers' needs on their website. Subscribers reach the application from the account page of Zain's website using their mobile phone numbers and a password that can be easily obtained via SMS for free. Once they enter, the system greets them by their name and informs them about offers available

### 6.2 CRM benefits to Zain and its customers

ICT is replacing humans especially in areas of labor-intensive business activities across industries. The emergence of ecommerce has changed business processes, business models, and business opportunities, therefore rivals in the industry are challenged to rethink the relationship between their organization and its customers. Companies have realized benefits and opportunities created by CRM concepts such as enhanced customer interaction, and the open possibilities for personalization and creation of competitive advantage. CRM enhances customer relationship and interaction and creates a competitive advantage in the marketplace. Also, more efficient and fast ways to market products through the website are available. Finally, great reduction in cost is achieved through the CRM activities. On the other hand, customers will benefit from CRM through the improved level of satisfaction, convenience and improved service quality. Also, the speed of processing transactions will save customers time and effort. Finally, trust is the sole of CRM, where customers will be pledged with secured service and trustworthy service provided.

### 6.3 Building customer loyalty

Zain also implemented customer loyalty programs to strengthen the ties with frequent users of its products and services. The ' Z-Bonus' campaign, which targets the youth below 25 years old, provides subscribers with 200% free ongoing bonus free SMS upon recharge, per second billing, and surprises advantages. Besides mass loyalty programs, Zain runs several other campaigns to increase customer loyalty like Zain's Internet campaign, which provides customers with Internet at home, work, cafe, and on the move. Also, Z Internet which targets students and it has many features in terms of price, speed, free download and extra Gigabyte.

### 6.4 Comparison between Airtel and Zain

Some of the important points for the comparison between the two companies to know the position and strength of the companies and to find out which company is performing better.

### 6.5 Customer Base

Bharti Airtel has about 243.336 million subscribers worldwide—232.95 million in India and South Asia and 50.949 million in Africa as of the end of December 2011. The numbers include mobile services subscribers in 19 countries and Indian Telemedia services and Digital services subscribers. Zain has commercial presence in 8 countries across the Middle East and North Africa with about 42.7 million customers as of 31 December 2012

### 6.6 Revenue

- Total Revenue 2971.34 billion in 2012. (Airtel)
- Total Profit 47059.39 million in 2012. (Airtel)
- Total Revenue 4.58 billion in 2012. (Zain)
- Total Profit 902 million in 2012. (Zain)

### 6.7 Area Served

- Zain has its presence in 8 countries in the Middle East and North Africa.
- Airtel has its presence in South Asia, Africa and channel Island.

### 6.8 Employment

- Zain company has 6000 employees.
- Airtel provide employment to 21300 people.

In March 2010, Bharti struck a deal to buy the Zain's mobile operations in 15 African countries, in India's second biggest overseas acquisition after Tata Steel's \$13 billion buy of Corus in 2007. Bharti Airtel completed its \$10.7 billion acquisition of African operations from Kuwaiti firm, making the Airtel the world's fifth largest wireless carrier by subscriber base.

Airtel has reported that its revenues for the fourth quarter of 2010 grew by 53% to US\$3.2 billion compared to the previous year, newly acquired Zain Africa division contributed US\$911 million to the total. However, net profits dropped by 41% from US\$470 million in 2009 to US\$291 million 2010 due to a US\$188 million increase in radio spectrum charges in India and an increase of US\$106 million in debt interest.

### 7. Findings

1. Airtel implement CRM in their company whereas Zain also implemented CRM and e-CRM in their company to retain their customer's because the both of the companies know the value of customer.
  2. For their Customer's Airtel divided its CRM into four parts according to the profile of the customer Whersay in Zain they had no divided it CRM.
  3. Zain provide free SMS to it's customer on every recharge whereas Airtel do not provide such facility to its customer
  4. According to customer base and revenue, Airtel is way ahead from Zain.
  5. Zain provide employment to 6000 people while Airtel provide employment to 21300 people.
  6. Airtel purchased Zain mobile operation in 15 countries.
- From the Study it can be compared that Airtel is way ahead in employment, customer base, review and has divided its CRM

with four parts hence is better than Zain. Zain and Airtel understands the importance of being aware of customer needs and reacting to them effectively. The CRM and e-CRM projects help Zain and Airtel to understand, foresee and respond to the needs of its customers which ultimately will lead to improved customer performance. Zain and Airtel now offers diversified services to customers with diverse needs and expectations; the result is strengthened customer loyalty. From the above comparison and study it is clear that Airtel is doing good from customer base but Zain providing good services to the customer and it's customer loyalty is more and less people leave the service because Zain not only provide good service to their customer but also provide extra benefit at no cost. While in Airtel if we see that the customer are sometime irritate from their problem which they are facing and customer care executives are not able to help them and they didn't provide the solution to their customer immediately. If we talk about CRM Zain is good then Airtel. But in whole Airtel is far away from Zain because it is third largest telecommunication service in the world and it also purchase Zain operation in some of the countries.

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