

CUSTOMER RELATIONSHIP MANAGEMENT (CRM) IN INDIAN TELECOM INDUSTRY: A CASE STUDY OF MTS INDIA

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ABSTRACT

Present case study aims to present before the learners a real-life Indian case as an example of a fearless service provider operating in India, who hardly cares for its clients/customers amidst 21st century marketing, where marketing top guns rate customer satisfaction to be insufficient and talk about customer delight for survival. This case explains the entire incident in chronological order and leaves certain important questions for marketing experts, Legal experts in consumer matters and strategy gurus to ponder.

Design Methodology/ Approach: *Secondary data was collected from the official website of MTS India Limited for the background of the company Author's own observations/experiences with the company is the basis of present case study.*

Findings & Strategic Implications: *The case tries to highlight the strategic aspect of the incident; i.e. the way MTS responded to the customer with the fearless attitude putting a customer in a helpless situation.*

Research Limitations: *The case is based on an incident occurred with the author who subscribed to the services of the company in New Delhi.*

Originality/Value: *The case intends to provide an understanding of brutal killing of the concepts of CRM eventually resulting into the winding of the company as a defunct company owing to different other reasons as well. The purpose of present case is purely academic and the case does not (in any manner) tries to defame the MTS or any other party involved in this matter.*

Keywords: CRM, Service Provider, Customer Delight, 21st Century Marketing.

Introduction

About the Company

The Sistema Shyam Teleservices Limited in the brand name of MTS (Mobile Tele Systems India) was established as a telecom company in December 2008 having its headquarters in New Delhi, India to offer broadband Internet, wireless messaging and data services. It offered mobile services on CDMA technology under the brand name MTS India.

If we look at the history of brand MTS, we find that Sistema, a Russian company acquired 10% share in Shyam Telelink with a purchase consideration of US\$11.4 million in September 2007 and applied for license in 22 telecom circles of India to start with. In the month of August 2008, the company received a start-up spectrum to commence their operations in India.

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Data indicate that MTS enjoyed a subscriber number of approximately 14.88 million across the country (TOI, 2013) when the company was ordered by the Supreme Court of India, in February 2012 by cancelling 21 licenses of the service provider owing to the 2G scam. Eventually the company was declared defunct on 31st October 2017 and was acquired by Reliance Communications of India.

- **The USP of the Company:** MTS entered the Indian Telecom market with the promise of offering high-speed services at an affordable cost. Data indicates that in a country like India on the question of how to increase income from non-voice services, MTS as a service provider had set a model in the past for other operators to follow.
- **Remarkable Achievement of the Company:** Data of the year 2014 proved that the contribution of non-voice services in total income of MTS was found to be the highest in India and stood at an average of 41 percent. This rank further percentage increased significantly to 51.1% in the first quarter of 2015 making a remarkable achievement for a small company like MTS.
- **Negative Word-of-Mouth:** Amidst all this success of exemplifying a unique revenue model, there was a negative word-of-mouth for MTS owing to consistent failure of company in keeping promises. This failure of MTS not only spoiled the relationship with its customers but also earned a tag of a 'liar' which was not good for the reputation of the company.

Real Experience of Services being offered and Promises made by the Company

Authors being a victim of the company's marketing gimmick tried to search the online reviews about the company and surprisingly they found that they were not the only ones who were dissatisfied with their services. Had they searched for the online reviews before subscribing to the services of this company, they must not have fallen prey to it. Here, it is imperative to say that word-of-mouth may also be of immense help to customers in present day marketing if referred before purchase decision.

- **Let us know about the experience in a chronological order:** This case study was not sent for publication in the year of happening just with only motive of not to cause any financial loss to the company. Now, since company is not operational in India, this incident may be used to highlight the ins and outs of mismanagement of customer relationship of a company, though unintentional but causes great loss to the corporate image. We want to reiterate that this story is being presented before the budding managers to make them feel the way a customer struggles when promises are not being kept. This case study is presented for academic purposes only.
- **Subscription to the services in response to Mobile advertising:** Customer purchased an MTS data card bearing No. 8459899587 on 10th January 2016 on the basis of an SMS received from MTS followed by telephonic conversation with the executive and delivered by the Dealer (Matrix Marketing solutions, A 96 Saket New Delhi-110030). The data card was activated on 13.01.2016, three days after the purchase. Customer relied upon the advertisement due to the strong claim by the company '*if not satisfied with the speed and connectivity take refund within seven days*'.
- **Problem started with the Activation:** Customer started facing the issues in the operation of data card from the day one of purchase such as low speed and less connectivity. At the time of purchase, customer was assured by the MTS call centre regarding the performance of MTS data card (assured speed of 9.8mbps) and was further assured the refund of money (within 7 days from the date of activation) in case, not satisfied with the speed and connectivity as the company did not provide any demo before purchase.
- **Encounter with Pathetic Speed and connectivity:** When the client got his data card activated on 13.01.2016, he was shocked to see the speed (which was 468kbps without connecting any other device and opening any other website than search engine whereas MTS assured a speed of 9.8mbps even after connecting 5 devices) and fluctuating connectivity.

All this forced the customer to approach the service provider. He filed a complaint bearing No. 31669334 on 15th January 2016, with MTS customer care at 22:31:56 IST and received a reply that his request will be resolved by Jan 22 2016. (Dates are important because refund was assured within seven days only.)

In the light of urgent work of National Conference assigned to the client by his employer which required prompt response through e-mails, the customer made follow-up calls to MTS customer care on 18th January 2016 and 20th January 2016 but all in vain. On January 21st when the customer insisted

the executive of MTS to connect him with the senior officials of MTS, they got him connected and the person came up with a new formality of filing complaint through e-mail and mentioning the preferred timings of customer availability on phone (about which he was not at all informed earlier). After mailing and talking to the senior customer received two messages on his phone, one stating that his problem has been solved and the complaint has been closed and the second generating a new Request No. 3174262 registered on 21.1.2016 at 14:34:52 giving another date of January 28th, 2016 for resolving the issue.

Again on 27.01.2016, customer received a message that your complaint has been closed and if you are not satisfied, you may contract to Appellate Authority.

- **Contacting Appellate Authority:** Customer did not give up and sent a mail on 30.01.16 to Appellate Authority regarding his grievances but all efforts were fruitless. Perhaps the customer care centre and Appellate Authority of MTS were sitting not to support but just to harass the customers. It was reflected in their responses. Now a new chapter of technical visit was added to this service to verify and solve the problem of the customer.
- **Visit of Technician: A New Chapter:** A technical visit was also made by Mr. Rajesh (who was very vocal about hopeless speed and pathetic connectivity of MTS during his visit) from MTS to check the MTS data Card which was found and declared defective by him. Further, when he checked the speed of his MTS device at his laptop without connecting any other device and opening any other website, he found the pathetic average speed of 1.26 mbps.

When the customer demanded for a written comment from the technician which he wrote on his job sheet, the technician started denying by saying that it is an internal document of Company and can not be shared with the customers. It was very strange that on one side MTS is recording the performance of customer product and on the other side restraining the customer to access that information. This was enough to show the malafide intention of MTS.

However, after long discussion, somehow customer managed to take a picture of that job sheet. The copy of Job sheet which was filled by the technician of MTS itself was evidence of the low speed and connectivity which was the only base for this transaction.

Despite of his continuous sincere efforts, the issues remained unsolved. Again, when customer contacted customer care telephonically, they instructed him to visit a store of MTS to replace the faulty data card and company refused to refund the money as per the promise by simply writing that as per the policy of MTS money cannot be refunded in any case. It was nothing but the violation of the very right of compensation to a consumer. Customer care center also harassed him by their pathetic words and disgusting services.

Conclusion of technical visit was the device itself was faulty and there was the issue of connectivity and speed.

- **Generation of Bill without Service:** Without paying any heed to the observations of technician accepting that device was not functional along with speed and connectivity issue in the vicinity, MTS generated a bill of Rs.332.00(Rupees Three hundred thirty two) on account of data usage and started harassing the customer by repeated calls, mails and SMS on daily basis which was very disturbing for the customer.

Here, it is pertinent to mention that this customer was not the only customer to be harassed and cheated by MTS by making false claims of 9.8mbps speed and refund policy. There were number of cases in Delhi and NCR reported in the form of negative reviews posted on different websites proving the fearless cheating by a company by making false claims.

The company completely failed to provide a fair solution of issues faced by the customer. It was a clear case of deficiency in service on the part of MTS. Company was not listening to the concern of the customer and additionally causing harassment by the way of repeated mails, calls, and messages for the payment of bill generated by them for the service which customer never availed. In the light of all this customer contacted his legal adviser. Customer got issued a legal notice through his counsel dated. 12.2.2016 thereby calling upon the opposite party to refund the cost of data card i.e. Rs. 1,299/- and also to pay the cost of legal notice but the opposite party was not worried even to send a reply the legal Notice.

For understanding the way company was communicating to the customer some selected conversations are presented here:

March ; The Month of Reminders and Recoveries (Letters as well as Threatening Calls)

Mon, Mar 21, 2016

Ref No: - MTS/March_ 2016**Mr. Aditya P Tripathi**

Address: -513, 514 Jhanda Colony Asola Fatehpur Beri Delhi Delhi 110074

Subject: Reminder Letter for Recovery of Outstanding Dues Amounting To Rs. 332/-**MDN No – 8459899587****Account ID – 1103579842****Dear Mr Aditya P Tripathi,**

Sistema Shyam Teleservices Limited, having its Delhi office at A 194, Okhla Industrial Area Phase 1, New Delhi - 110020, serves you this notice of demand, the contents whereof you may note as detailed herein below:

- Sistema Shyam Teleservices Limited is a leading Unified Access Service Provider in India and provides telecom and other services in various telecom circles in India by virtue of Licenses granted by Department of Telecommunications (DoT), Government of India.
- A connection was allotted and sanctioned to you on your request on a duly executed Customer Application Form and other related forms/documents ("Agreement" hereinafter). The aforesaid connection and account ID was allotted to you. You availed best of the service/s provided after activation of the said connection.
- As per the terms of the Agreement, you were under an obligation *inter-alia* to make payments of the periodic bills raised upon you in respect of the availed services. However, in spite of the receipt of the said bills, you have grossly failed to make the due payment in time. Due to the non-payment of your dues, Sistema Shyam Teleservices Limited was compelled to bar/suspend/disconnect your aforesaid connection.

We, therefore, call upon you to pay the outstanding amount of Rs. **332/-** latest by 21-March-2016.

In case of any queries, please contact Ms. Mandeep Kaur: 9873807646 between 10 Am to 6.30 Pm.

Sincerely,

Sistema Shyam Teleservices Limited.

April & May: The Month of Offers: Here comes the offer by the company for the customer.**Dispatch of bill to the customer:**

Dear Customer,

Please find your MTS E-bill attached along with this mail. Your E-bill comes in a password-protected PDF format. Given below is the summary of your MTS bill for this month.

ACCOUNT NUMBER	MTS NUMBER	BILL DATE	BILL AMOUNT	DUE DATE
1103579842	<u>8459899587</u>	01-May-2016	Rs. 332.00	18-May-2016

Offers and Discounts by the Company:**Offer of the April 2016**

chetan Sharma <Chetan.Sharma@mtsindia.in>

to me

To,

Dear, **Aditya P Tripathi,****Subject: MTS - Last Full & Final Settlement Offer (Only For 29th Apr To 30th Apr 2016)****Reference : PA 1103579842****Mob.No : 8459899587**

This is with reference to the discussion you have had with our collection representative in connection with settlement of your above mentioned account. Outstanding Dues **Rs. 332/-**

For Settlement of your said account, kindly make payment of an amount of **Rs. 232/-** Please note that Settlement Amount has been arrived at after adjusting all relevant charges and the Security Deposit, if any, paid by you to the Company.

Upon realization of payment of Settlement Amount through Demand Draft /Pay order/ Cash/ Credit Card, the outstanding amount in your account shall stand NIL. It shall be deemed to be a **full & final settlement** of your account and there after this communication may be treated as "**No Due Certificate**".

This settlement offer is valid for a period of **2 days** starting from **29th-Apr-2016 to 30th-Apr-2016** and you are requested to ensure payment during this period. After the expiry of the said period, this offer shall be treated as null and void and the Company reserves it's right to take such actions, as it may deem fit, to recover the outstanding amount.

In case of any clarification, we would request you to contact **Ms. Aarti Sharma** on **9891003924** or **Mr. Rahul** on **7827323749** for any amicable resolution and clearance of dues accrued on your account.

This is without prejudice to any of our rights whatsoever.

Thanking you.

Yours faithfully

Sistema Shyam TeleServices Limited

Offer of the May 2016: (Another Mail proving that even the Last Full & Final Settlement Offer of the Company was not the last. Another last after April came in May)

Chetan Sharma <Chetan.Sharma@mtsindia.in>

to me

To,

Dear, **Aditya P Tripathi,**

Address: 513, 514 Jhanda Colony Asola Fatehpur Beri Delhi Delhi 110074

Subject: MTS - Last Full & Final Settlement Offer (Only for 03-May-16 To 05-May-16)

Reference: PA 1103579842

Mob. No: 8459899587

This is with reference to the discussion you have had with our collection representative in connection with settlement of your above-mentioned account. Outstanding Dues **Rs. 332/-**

For Settlement of your said account, kindly make payment of an amount of **Rs. 232/-** Please note that Settlement Amount has been arrived at after adjusting all relevant charges and the Security Deposit, if any, paid by you to the Company.

Upon realization of payment of Settlement Amount through Demand Draft /Pay order/ Cash/ Credit Card, the outstanding amount in your account shall stand NIL. It shall be deemed to be a **full & final settlement** of your account and there after this communication may be treated as "**No Due Certificate**".

This settlement offer is valid for a period of **3 days** starting from **03rd-May-2016 to 05th-May-2016** and you are requested to ensure payment during this period. After the expiry of the said period, this offer shall be treated as null and void and the Company reserves it's right to take such actions, as it may deem fit, to recover the outstanding amount.

In case of any clarification, we would request you to contact **Mr. Rajender** on **8505978555** or **Mr. Rahul** on **9891003924** for any amicable resolution and clearance of dues accrued on your account.

This is without prejudice to any of our rights whatsoever.

Thanking you.

Yours faithfully

Sistema Shyam Tele Services Limited

Although, customer thought of approaching and requesting consumer forum but before going there he was waiting for the reply of company

Finally Came October 2016: The Company sends mail for Zero bill without any clarification and reason thereof.

Dear Customer,

Please find your MTS E-bill attached along with this mail. Your E-bill comes in a password-protected PDF format. Given below is the summary of your MTS bill for this month.

ACCOUNT NUMBER	MTS NUMBER	BILL DATE	BILL AMOUNT	DUE DATE
1103579842	<u>8459899587</u>	16-Oct-2016	Rs. -0.01	03-Nov-2016

Thanking you

Sincerely yours

In view of the facts and circumstances, it was crystal clear that the company was indulged in an unfair trade practice in as much as they misrepresented to the customer regarding their data card services being of highest standard and then they provided deficient internet services. The opposite party/respondent has not considered any complaint made by the complainant and continued to harass by imposing their pathetic and disgusting services forcibly and sending bills for no services.

By discussing the happenings chronologically, the case leaves some important questions for researchers, brand managers and academicians to answer:

- **What could have been the right way of responding to customers' concern in place of what MTS did?**
- **Can a marketer survive for long with this attitude and behavior in Indian market?**

References

1. "MTS to shut down operations in 10 circles". The Times of India. Archived from the original on 24 February 2013. Retrieved 10th August 2021.
2. Pravin Prashant, '*Why Reliance Jio and Airtel Should Follow MTS Model?*'. Tele Analysis, June 4, 2015. Available at: <https://www.teleanalysis.com/why-reliance-jio-and-airtel-should-follow-mts-model/>
3. Mails received from Sistema Shyam Tele Services Limited.

