

PROMOTIONAL MIX FOR TELECOM INDUSTRY

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ABSTRACT

Promotional mix is the specific methods which are used by the companies to promote their products and make customer aware about their businesses. Promotional mix is also known by communication mix. There are many methods which are used in promotional mix these are advertising, personal selling, direct marketing, sales promotion, discounts, public relations and event sponsorship. Every method has its own merits and demerits. Companies are very specific and careful during selecting the right promotional strategy for their product. A wrong selection can completely destroy the image of company and at the same time ruined the sale of the product.

Telecom sector is a service industry which has its own characteristics such as intangible, inseparable, heterogeneous, perishable. The customer base is also different. Some customer resides in urban areas and some are in remote areas. The requirements of customers are also vary from each other. Some of them prefer pre-paid plan other prefer post-paid plan. For some customers calling is important and for others value added service are the attraction points. Some of them prefer low tariff plan on the other hand some customers give preference to good network coverage. In such case telecom companies take extra care while selecting promotional mix for their services. These companies offer various products to their customers and one promotional activity is not fit for every product and to a large customer base. Most of the telecom companies use advertising, personal selling and direct marketing promotional strategies. Telecom sector is highly competitive so companies try to attract customers through various offers, discount and other methods of sales promotions. Some companies try to make their presence in the market through event sponsorship also. Due to high level competition in telecom industry companies try to attract and retain the customers. The selection of brand ambassador is equally important for the telecom companies. Customers are highly influence by these people and try to connect with them. A wrong selection can decrease the market share of the company. As the mobile number portability (MNP) facility is also available, it's easy to switch the telecom operator for unsatisfied customers. Companies should be proactive rather than reactive.

KEYWORDS: *Promotional Strategy, Intangible, Remote Area, Low Tariff, Mobile Number Portability.*

Introduction

What is Promotional Mix?

Promotional mix which is also known as communication mix has multiple components to sell company products. Through these components companies connect with their target customers and could explain their business and offerings to them. In this competitive world the connection with the customer is very important so these promotional components have much importance in marketing. In the ancient time the barter system was in practice after that various marketing concepts take place. There are five marketing concepts they are such as production concept, product concept, selling concepts, marketing concept and societal marketing concept. The production concept was mainly operation-oriented. In this era the availability of the product was much important. This concept was started in the mid of 1950s. In that era the companies were focused on the production of the product. Say's Law was fit in that era which

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could explain that era. According to Say's supply creates its own demand. The basic idea of that era was maximum production of cheap products. It was assumed that customers were more focused on product availability and price rather than quality of the product.

The product concept was focused more on the customers rather than production and business output. In this era customers were preferred quality and innovative products. The product features and performance were equally important. Now it was the time of selling concept where companies believed that customers didn't buy enough products themselves so companies need to force them to do so. After selling concept marketing concept has started where competition played the major role. It was believed that good business is depended on marketing efforts over competitors. In this era companies were focusing and understanding the need and want of the customers and try to deliver better products than competitors. The marketing concept entered into fifth and more refined stage known as societal marketing concept. This concept is the most developing and using in modern times as well. This concept is believes in giving back to society thinking. As companies are using natural resources of the society such as water, air, land etc. so it's their social responsibility to return it back. Companies need to serve the society with good quality products and try to make the world a better place to live. This also builds an image of the company.

The basic principle of marketing concept is to identify the need and want of the customer and develop the product accordingly. This is the work of marketing and communication department. This raised the need of communication mix. Companies generally use multiple promotional channels of promotional mix. This is required to make aware to customers regarding company and its products. The repetition of the message from multiple channels helps the customer to memorize the product in an effective manner. It creates brand recognition as well. There are majorly six types of promotional channels which collectively known as promotional or communication mix. These promotional channels are advertising, personal selling, direct marketing, sales promotion and discounts, public relations and event sponsorship. These promotional channels have their own pros and cons. These channels are as below:

- **Advertising:** Advertising is the mode of promotion where company can reach to its right prospects at the lowest possible cost. It is a paid form of non-personal presentation of company's goods and services. Through this mode of promotion company can reach out to the maximum number of target audience. Advertising is not only to sell the goods and services but company can introduce its other products and company itself. Advertising attract the customers first than it creates interest and desire and finally motivates the customer to purchase the product. Advertising is done by an identified sponsor. It can be in any form like oral, written or visual. Advertising can be done by various media such as TV, radio, internet, print media etc. the main function of advertising is to increase the demand of products.

An organization need to spend large amount on designing and release the advertisement. To cover this expenses company increase the cost of the product. No any company bears the cost of advertising. They don't take this burden on their pockets so ultimately its customer who bears the burden of extra price. Sometimes advertisement acts as an evil for social values. There are number of advertisements those have no connection with reality. But many times people influenced by them and try to connect with them which are actually not correct. Sometimes people can't afford some products but by any means they try to purchase the desired product increase the social evil. Advertisement shows the real picture of the products is not always true sometime these advertising mislead the customer by fake or false information. Many time companies use foul languages and objectionable pictures which decrease the social value. So companies should take care during designing their advertisements.

- **Personal Selling:** When a seller or sales person interact face –to-face with a buyer it called personal selling. The sales person tries to convince the potential buyer to purchase the product of the company which he is representing. Personal selling is a selling which takes place in personalized transaction. The sales person tries to explain the product, its usages, benefits etc. to convert the potential buyer into actual buyer. Personal selling provides the maximum chance of immediate feedback and recovers the mistakes if any. Personal selling is more convincing and important tool when compare with advertising. In personal selling the sales person interact with potential buyer face-to- face so he/she can interpret the verbal and non-verbal cues of potential buyer. Here sales person can customize the product explanation according to the mood of customer which is completely absent in advertisement.

On the other hand personal selling has its own limitations. To promote the products through personal selling companies need to maintain large sales force and it increase the cost so company needs

high capital cost. Before sending the sales persons into field to demonstration of the product company need to provide adequate training to the sales team. Company need to provide selling skills as well as knowledge about the product this is again a costly and time consuming effort for the organization. Personal selling is a face-to-face interaction so it's not easy for the company to reach a large number of customers. In comparison to advertising personal selling covers limited number of customers.

- **Direct Marketing:** Direct marketing is a method of promoting company product without any advertising and middleman. Direct marketing is a targeted form of marketing which target to those people who may like the product. There are number of methods which a company can use for direct marketing such as e-mails, phone calls, text messages, brochures, fliers, newsletters, catalogs, post cards, targeted online display adds, coupons etc. there are some promotional channels which educate the people regarding products but the goal of direct marketing goal is to motivate the target people to take action. Some customers who are targeted customers may not ready to buy the product on the spot but may visit the website, may make a call for more information, etc. and finally make a purchase.

Direct marketing is finding always useful it's not sure. Sometimes people find it intrusive and annoyed. Direct marketing through e-mails, text messages, and phone calls can be annoying for some people and it can create a negative brand image for them.

- **Sales Promotion and Discounts:** It is a short-termed method to raise the sale of the product. Sales promotion uses both media and non-media marketing. This is a method which pushes the customers towards the stores. It increases the footfall in the stores. These methods which can be used in sale promotion are coupons, premiums, contests, prizes, product samples, rebates etc. Sales persons, retailers, wholesalers, advertising promote the sales promotion by providing information to the customers. Most of the time sales promotion comes in the mode of discounts.

Sales promotion normally increases the price sensitivity. Once customers purchase the product during sales promotion he/she waits for next discount for further purchase. As the product is offered at reduced price customer can assume the quality is inferior. Sales promotion can increase the sale but it is a short term method.

- **Public Relations:** It is a method of deliberately managing the information, release and spread between a company and public. Public relation and publicity is differing from each other. Public relation is controlled internally on the other hand publicity is not controlled internally. It is controlled by external parties. The basic goal of public relation is to provide information to the public, investors, potential buyers, employees, partners and other stakeholders and finally establish a positive or favorable image about the company and other aspects. Companies have their Public relations professionals who typically work for public relation and marketing firms, businesses and companies, government, and public officials as public information officers and nongovernmental organizations, and nonprofit organizations.

To fulfill the goal of public relation that is to provide timely newsworthy information company often issue press release for grand openings, employee requirement, product launching etc. To come up with interesting press release is not easy always. Many times companies are unable to measure the success of campaign. Companies release their press release it goes in number of journalists and it's a chance that they use it as newsworthy story. While making a story may be its not accurate, misleading, incomplete and inappropriate. A negative thought of a writer can damage the image of company. It will not stop here the company representatives have to give number of interviews to the reporters it will kill their time. Selecting right media is also a time taking process.

- **Event Sponsorship:** It is a critical source of funding for all kinds of events where nonprofit organizations, small businesses and companies provide a certain amount of cash or incentives for visibility and brand awareness of the sponsor at an event.

Sponsoring the unsuccessful event can destroy the image of the organization. There is no guaranteed return for the company after investing in any event.

Objectives

The objectives of this research article is to:

- To discuss about the promotional mix
- To define the characteristics of telecom industry and
- To identify the promotional mix for telecom industry

Characteristics of Telecom Industry

Telecom industry is a service industry. Telecom industry is a group of those companies which provide communication facilities on a global scale. These companies provide number of means like phone (wires or wireless), internet etc. The telecommunication companies facilitate to send the message from one place to another place through words, audio, voice and video. The largest companies in telecom industry are included internet services providers, cable companies, telephone operators (both wired and wireless) and satellite companies. After early 2000s the telecom sector faces major innovations and deregulations. Earlier government was in monopoly but entry on private companies create competitive environment. BSNL was in the monopoly then in 1995 Airtel entered in Indian market and changed the telecom market. The major players are BSNL, Airtel, MTNL, Reliance communication, Vodafone-Idea. This competitive environment gave the birth to price war. Telecom companies use to fight with each other on price. They try to attract the customers by offering low price services and other value added services. The customer of this sector is also very smart and switch to one operator to another operator in little price difference. The switching cost is more increased after the introduction of MNP (Mobile Number Portability). This facility is in favor of customers. If a customer is not happy with the services of his current telecom operator and want to change the operator without changing his contact number than he can port his same number with another telecom operator. The customer characteristic of telecom sector is wider. They can be from remote area and urban area or both. They can be professional, businessman, student, government employee, retired person etc. Their user rate is also vary some of them are high rate user other may be middle or low rate user. For some customers making call and connectivity is important for others value added services are important and for other customers both can be of equal importance. Some customers are pre-paid users and others are post-paid users. In simple words the characteristics of telecom customers are very wide.

Promotional Mix in Telecom Industry

Telecom industry is facing huge competition. Every telecom company is trying to attract the new customers and retaining the existing one. In this line promotional mix or communication mix plays important role. Companies select different types of promotional strategies to market their products. Some companies use TV, print media, hoardings, online etc. for advertising their products. Some of them use personal selling, direct marketing, promotion and discount etc. Companies don't use single promotional strategy they go for combination of different channels to reach large target market in small time. Through communication companies not only market their products but also make a presence of their own. Company communicates itself with its customers through promotional mix. Companies communicate almost all its 7P's through promotion. These 7P's are such as product, price, place, promotion, people, process and physical evidence. When a company design its promotional strategies it covers its offerings that is product, the price of the product, the location from where people can avail the services, how they can avail the services.

Examples of Effective Marketing Promotion of Telecom Companies

We have public as well as private telecom companies in India. And these companies use different channels for promotion. Here we will discuss the promotional strategies of telecom companies.

- **Promotional Mix of BSNL**

BSNL is an Indian state owned telecom company, headquarter is situated in New Delhi. BSNL has its own base of loyal customers. BSNL don't go for heavy promotion. BSNL use many modes for its advertising such as print media, online, TV commercials, hoardings etc. In recent time as competition has increased so now company also use different promotional strategies. BSNL changed its logo, come up with new and catchy tag lines time to time, new brand ambassadors, different names for different services. Its current tag line is 'Connecting India faster'. Company tries to connect with its target customers through brand ambassadors. Abhinav Bindra the ace shooter, actor Preity Zinta, Deepika Padukone was associated with BSNL as its brand ambassadors. Currently the legendary boxer MC Mary Kom is appointed as its brand ambassadors. She won world boxing champion five times. Such people increase the credibility of BSNL. To maintain the presence in this digital era BSNL has started its promotion on various social media sites as well. Company use sales promotion strategies to boost up the sale.

- **Promotional Mix of Airtel**

Bharti Airtel is the flagship company of Bharti Enterprises. Bharti Airtel was incorporated in the year 1995, headquarter is situated in New Delhi. Company has enjoyed the preferred telecom brand among elite class people in its introduction days. Later on it changed the mindset of people and provided

the services to the large number of customers. Company has established its image in 4G era as the fastest internet provider telecom company. Airtel is involved in heavy promotion activities. Time to time company come with new TV commercials which are very attractive and informative for customers. Other than TV Commercials Company do its advertisement through print media, hoarding, social sites etc. Event sponsorship and sales promotion are another mode of promotion. Company taglines are very popular among customers as well. Company changed its taglines and logos time to time. Now the tagline is switch to my plan becoming popular. In its logos company usually highlight its first line 'A'. In the case of brand ambassadors company try to take advantage of youth of the country. Company has introduced Shahrukh Khan, Saif Ali Khan, Kareena Kapoor, Gautam Ghambir and many others. Currently Sachin Tendulkar the former Indian cricketer is the brand ambassador of Airtel.

- **Promotional Mix of RCom**

Reliance Communication Limited is an Indian Mobile network provider. It was founded in 2004 and headquarter is situated in Navi Mumbai. Company has its maintained and well-designed website. Company use social sites like face book, you tube, twitter and linked in to promote the brand image. For advertising Reliance Communication go for TV commercials, hoardings, print media, online etc. Company uses event sponsorships, sales promotion, roadside stalls etc. to make its presence in market. With the trends company also introduced new taglines and logos. The current tagline of RComm is 'Growth is Life'. Company has its new venture Reliance Jio which has success and changed the entire telecom market with its low price strategies. Bollywood actor Anushka Sharma is the brand ambassador of Reliance Communication and Shah Rukh Khan is the brand ambassador of Reliance Jio.

- **Promotional Mix of Vodafone Idea**

Vodafone India and Idea Cellular merged and formed Vodafone Idea on 31 August 2018. Company headquarters are based in Mumbai and Gujarat. The merged company continues using their brand Vodafone and Idea. Company aggressively promotes its products through TV commercials, billboards, print media, hoardings and online etc. Company sponsors the sport event. Vodafone Idea has its campaign 'Stronger Every Hour'.

Conclusion

Promotion is the key success of any business. Whether company is producing goods or services company need to market its products. In simple words promotion and marketing both are important for any organization. So communication and marketing department formed communication or promotional mix. This communication mix or promotional mix is use to market the product and to build a brand image among customers. For promoting the products companies using multiple channels like advertising, personal selling, direct marketing, promotion and discounts, event sponsorship etc. Companies can switch from one channel to another channel of promotion mix according to their promotional policies. At a single time company mostly use more than one or two promotion channels to make strong presence in target market. Telecom companies are also use promotional mix to promote their products. This sector is belongs to service sector which has its own unique characteristics. The telecom sector is facing huge competition in recent past so companies need to do aggressive promotion to their products for attract and retain the customers. The customers of this sector are also very in characteristics. Their need and wants are very from each other. Companies need to keep this in mind before choosing the channel of promotion. BSNL which is a state-owned telecom company is less aggressive than other telecom companies in terms of promotion. The telecom companies mostly invest in advertising. The mode of advertising can be TV commercials, hoardings, print media, online etc. Sometimes telecom companies go for event sponsorship. Most of the time companies' sponsor sport event where large audience collect at a place. Telecom companies set small roadside stalls to make their presence in market. Promotion mix for telecom industry plays an important role. As it is a competitive sector companies need to make their target customers aware regarding products as soon as possible. Once competitor offer low price product with better network customer take no time to switch him telecom operator. So companies need to act proactively rather than reactively.

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