

Anthropological Marketing Strategies by Indian Telecom Operators

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Abstract: This article gives a brief introduction of the different strategies adopted by the Indian Telecommunication Operators which are largely based on Anthropological Theories, Tools and techniques. We will list out some of the well-known marketing campaigns and service offerings which are designed to touch the personal and social life of the users and this based on principles and practices of Anthropology. The strategies like unlimited calling within friends and family, cheaper call and SMS rates between a set of numbers, free social apps etc. are some of the examples of such strategies.

Keywords: Managerial Anthropology, Telecom Industry, Anthropology, Social Marketing, Social Campaign

I. INTRODUCTION

Background of the Study

Indian telecom industry is one of the fastest growing telecom industry in the world. It has a subscriber base of around 915.19 million (as of Dec 2013). The total revenue generation of the telecom industry stood at USD 33,350 million [2]. This sector is second largest in the world and has the third largest internet user base. This vast potential has attracted many multinational companies and is source of many major scams as well.

The margin in Indian telecommunication is too low owing to the fact that the costs associated with the bandwidth licencing are too high and the consumer is highly price sensitive. Thus the telecommunication companies in India have to rely on the higher market share to survive competition and to make decent revenues. Thus the players in the industry are devising many policies to attract the customers. This includes some strategies which include anthropologically influencing users to switch their service providers. The objective of current paper is to examine such anthropologically influencing strategies and marketing activities of telecommunication companies and the consumer response to those policies.

II. INTRODUCTION TO INDIAN TELECOMMUNICATION INDUSTRY

The beginning:

The history of Indian telecom can be started with the introduction of telegraph. The Indian postal and telecom sectors are one of the world's oldest. In 1850, the first experimental electric telegraph line was started between Calcutta and Diamond Harbour. In 1851, it was opened for the use of the British East India Company. The Posts and Telegraphs department occupied a small corner of the Public Works Department,[7] at that time.

Subsequently, the construction of 4,000 miles (6,400 km) of telegraph lines connecting Kolkata (then Calcutta) and Peshawar in the north along with Agra, Mumbai (then Bombay) through Sindwa Ghats, and Chennai (then Madras) in the south, as well as Ootacamund and Bangalore was started in November 1853. William O'Shaughnessy, who pioneered the telegraph and telephone in India, belonged to the Public Works Department, and worked towards the development of telecom throughout this period. A separate department was opened in 1854 when telegraph facilities were opened to the public.

In 1880, two telephone companies namely The Oriental Telephone Company Ltd. and The Anglo-Indian Telephone Company Ltd. approached the Government of India to establish telephone exchanges in India. The permission was refused on the grounds that the establishment of telephones was a Government monopoly and that the Government itself would undertake the work. In 1881, the Government later reversed its earlier decision and a licence was granted to the Oriental Telephone Company Limited of England for opening telephone exchanges at Calcutta, Bombay, Madras and Ahmedabad and the first formal telephone service was established in the country.[3] On 28 January 1882, Major E. Baring, Member of the Governor General of India's Council declared open the Telephone Exchanges in Calcutta, Bombay and Madras. The exchange in Calcutta named the "Central Exchange" had a total of 93 subscribers in its early stage. Later that year, Bombay also witnessed the opening of a telephone exchange.

Further developments and milestones:

Table 1: Milestones of Indian Telecommunication Industry. [8]

Pre1902	Cable telegraph
1902	First wireless telegraph station established between Sagar Island and Sandhead.
1907	First Central Battery of telephones introduced in Kanpur.
1913–1914	First Automatic Exchange installed in Shimla.
1927	Radio telegraph system between the UK and India, with Imperial Wireless Chain beam stations at Khadki and Daund. Inaugurated by Lord Irwin on 23 July by exchanging greetings with King George V.
1933	Radiotelephone system inaugurated between the UK and India.
1953	12 channel carrier system introduced.
1960	First subscriber trunk dialling route commissioned between Lucknow and Kanpur.
1975	First PCM system commissioned between Mumbai City and Andheri telephone exchanges.
1976	First digital microwave junction.
1979.	First optical fibre system for local junction commissioned at Pune
1980	First satellite earth station for domestic communications established at Sikandarabad, [[Uttar Pradesh U.P.] Noida Sector 62SCMS].
1983	First analogue Stored Programme Control exchange for trunk lines commissioned at Mumbai.
1984	C DOT established for indigenouse development and production of digital exchanges.
1995	First mobile telephone service started on non commercial basis on 15 August 1995 in Delhi.
1995	Internet Introduced in India starting with laxminagardelhion 15 August 1995[5]

Market share of different players pan India [8]:

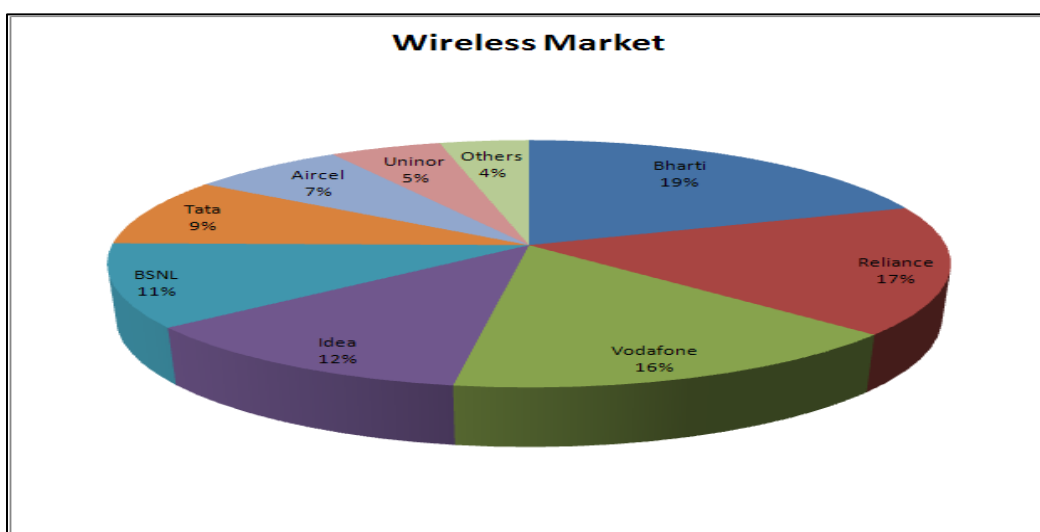


Figure 1: Market share of different players in wireless telecom Market in India [8]

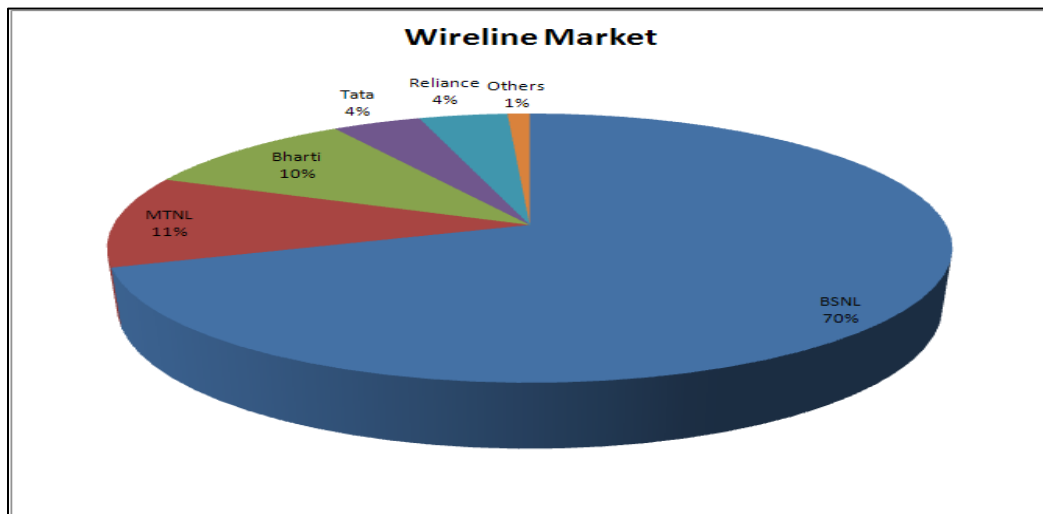


Figure 2: Market share of different players in wireline telecom Market in India [8]

Recent government policies and growth targets:

- All villages shall receive telecom facilities by the end of 2002.
- A Communication Convergence Bill introduced in the Parliament on 31 August 2001 is presently before the Standing Committee of Parliament on Telecom and IT.
- National Long Distance Service (NLD) is opened for unrestricted entry.
- The International Long Distance Services (ILDS) have been opened to competition.
- The basic services are open to competition.
- In addition to the existing three, a fourth cellular operator, one each in four metros and thirteen circles, has been permitted.[when?] Cellular operators have been permitted to provide all types of mobile services including voice and non-voice messages, data services and PCOs utilising any type of network equipment, including circuit and/or package switches that meet certain required standards.
- Policies allowing private participation have been announced as per the New Telecom Policy (NTP), 1999 in several new services, which include Global Mobile Personal Communication by Satellite (GMPCS) Service, digital Public Mobile Radio Trunked Service (PMRTS) and Voice Mail/ Audiotex/ Unified Messaging Services.
- Wireless Local Loop (WLL) has been introduced to provide telephone connexions in urban, semi-urban and rural areas promptly.
- Two telecom PSUs, VSNL and HTL have been disinvested.
- Steps are being taken to fulfill Universal Service Obligation (USO), funding, and administration.
- A decision to permit Community Phone Service has been announced.
- Multiple Fixed Service Providers (FSPs) licensing guidelines were announced.
- Internet Service Providers (ISPs) have been allowed to set up International Internet Gateways, both Satellite and Landing stations for submarine optical fibre cables.
- Two categories of infrastructure providers have been allowed to provide end-to-end bandwidth and dark fibre, right of way, towers, duct space etc.
- Guidelines have been issued by the Government to open up Internet telephony (IP).
- National Optical Fibre Network (NOFN), a project aimed to ensure broadband connectivity to over two lakh (200,000) gram panchayats of India by 2016.

III. MANAGERIAL ANTHROPOLOGY - AN INTRODUCTION

The Management Anthropology is a new developing branch of Anthropology which studies the application of different anthropological tools and techniques in management.[15] This branch studies the application in different areas of management – from Product lifecycle management to Employee life cycle management. Below diagram illustrates different anthropological areas and how they are used in Management:



Figure 3: Managerial Anthropology (Source: Unpublished work of Ravindra Kulkarni)

Marketing Management and Anthropology: (Excerpts from “Managerial Anthropology – An Introduction by Ravindra Kulkarni):

One of the most popular branch of management is Marketing management. The companies operating globally have now a popular motto of “Think Global, Act Local”. Big companies such as McDonalds and Honda are successful on a global scale, but their products have to be tailored to the requirements of individual countries. Julian Amey, Principal Fellow at Warwick Manufacturing Group, argues that the key is not only to 'think global, act local', but also to 'share and network totally'. The whole Product lifecycle management now a day is driven by the local market conditions. The 5 Ps of marketing mix quoted by Philip Kotler viz. Product, price, promotion, place and packaging concentrate on the human response to each of these Ps as stimuli to exert desired response towards their products. Anthropology as a study of human behaviour and cultural preferences, play a vital role in the marketing mix design and implementations.

IV. DIFFERENT STRATEGIES OF INDIAN TELECOM OPERATORS WHICH ARE DRIVEN BY ANTHROPOLOGICAL STUDY

Due to cut-throat competition, the telecom operators are offering many promotional packages to attract the users to their services. This ranges widely from Closed User Groups (CUGs) to extra toppings to free Instant messaging services. Let us list of some of the most popular such schemes.

- **Friends and Family Offers:** Indian families are fast moving from joint family to nuclear families. Though there is a shift in the family structure, Indian families still tend to be closely knit to their close relatives and hence try to seek most economical ways to be in touch with them. To bank on this drive, Reliance first offered Friends and Family special offers during its initial launch of CDMA service which was quickly adopted by the other operators. Till today this is one of the most popular extra the operators are providing to attract whole family towards their service together.

- **Closed User groups:** this is another manifestation of the friends and family where the operators provide 'free' calling between the users of CuG. Almost all major employers and now a days even SMEs have tied up with one or the other service providers for CuG.
- **Community Campaigns:** One of the most studied area in Anthropology is the study of communities and their preferences. Based on the community needs and issues faced by them, telecom operators are designing their campaigns. Companies like Idea are pitching their "Community" oriented services and advertise their community concerns rather than their services. They also pitch on how their services can be used for better community. There are varied topics of such advertising from Save tiger to how to save trees using the telecommunication services to catch the cheats using mobile internet.
- **Free Messaging services:** The younger generation in India is adopting to the technology faster and are continuously seeking more easier and cheaper ways to be in touch with their peer groups and kins. To tap this demographic segment, some operators are offering free messaging services like Whatsapp, facebook chat etc..for free if the subscribers use their prepaid services. Thus they advertise their services as "helping to be connected".
- **Low intra- network charges:** The operators also offer cheaper call and SMS charges within their own network. This encourages the social group or a family to use a single operator so that the calling charges within themselves is low and a saving on frequently called numbers.
- **Relationship based marketing communication:** Reliance started advertising their service based on relationship. Two significant advertising campaigns that can be quoted here are JijuSali recharge campaign and Engaged couple unlimited talking advertisement. These mainly concentrated on the free of charge calls between the spouses and families and how this free call helps them to bring the relationship closer.
- **Demography based packages and campaigns:** Some operators also started offering demographic specific packages like emergency recharge package for female users etc..to show their community oriented business approach and social responsibilities as well as to attract the users in that particular segment. This also extended to advertising campaigns like "We are the blackberry guys" which showed that the blackberry service is not only restricted to business community but also for young and cool populace.

V. CONCLUSION

India is one of the biggest markets in the world and everyone wants a piece of the pie in this market. This market is characterized by the relationship oriented decision making and a lot of sentimental factors are considered in buying decision making. Keeping this in mind, the Indian telecom operators are designing their Products, Promotional Campaigns, packages etc. which influences the sentimental factors in decision making. This sentimental factor are basically explained via different anthropological theories, tools and techniques and the corporates now a days do not shy away from using those to gain market share.

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