

**MARKETING OF BSNL SERVICES -Through DSA (Direct Selling Agent)**

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**ABSTRACT:** BSNL known as Department of Telecommunications had been a near-monopoly during the socialist period of the Indian economy. During this period, BSNL was the only telecom service provider in the country. In spite of owning extensive and robust network across India and having leadership position in the telecom space till 2008, the present situation has become tough for state owned operator BSNL. Now BSNL is struggling to maintain the tempo and its foothold in the industry. Over a few past years the company's position is being deteriorated. BSNL's market share in 16 out of 22 circles not by a significant margin due to poor performances over past two to three years. In August 2010, more than 2 Lakh BSNL land line subscribers got their lines disconnected. While a good many mobile subscribers are also shifting to other service providers because of many reasons. In this connection, it is very important to study how the BSNL is marketing its services to sustain in the telecom industry.

**PRELUDE:** Indian telecommunication industry is the second largest in the world based on the total number of telephone users both fixed and mobile phones. It has one of the lowest call tariffs in the world enabled by the mega telephone networks and hyper-competition among them. The history of Indian telecom started with the introduction of telegraph. The Indian postal and telecom sectors are one of the world's oldest services. In 1850, the first experimental electric telegraph line was started between Calcutta and Diamond Harbor. 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, at that time. In 1880, two telephone companies namely The Oriental Telephone Company and The Anglo-Indian Telephone Company approached the government of India to establish telephone exchanges. 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 revised its earlier decision and a licence was granted to the Oriental Telephone Company of England for opening telephone exchanges at Calcutta, Bombay, Madras and Ahmedabad. The first formal telephone service was established in the country on 28<sup>th</sup> January 1882. The exchange in Calcutta named "Central Exchange" had a total of 93 subscribers in its early stage. Later that year, Bombay also witnessed the opening of a telephone exchange.

**Scenario of Indian Telecom Industry**

The telecom industry has been divided into different segments, that is, fixed and wireless, cellular services, internet services and value added services. In today's information age, the telecommunication industry has a vital role to play. Considered as the backbone of industrial and economic development, the industry has

been aiding the delivery of voice and data services at rapid increase in speed and thus, telecom industry has been revolutionizing human communication.

Although the Indian telecom industry is one of the fastest-growing industries in the world, the current tele-density or telecom penetration is extremely low when compared with global standards. Further, the urban tele-density is over 59.75%, while rural tele-density is 40%, as of September 2013. As the majority of the population resides in rural areas, it is important that the government takes steps to improve rural tele-density. No doubt the government has taken certain policy initiatives, which include the creation of the Universal Service Obligation Fund for improving rural telephony. These measures are expected to improve the rural tele-density and bridge the rural-urban gap in tele-density.

The Indian telecom industry is one of the fastest growing industry in the world and it is predicted that India will have a billion plus mobile users by 2015. Since the past decade, the telecommunication activities have gained momentum in India and required efforts have been made by both governmental and non-governmental platforms to enhance the infrastructure. This idea is to help modern telecommunication technologies to serve all segments of India's culturally diversified society. According to the Telecom Regulatory Authority of India (TRAI), India's total telephone subscriber base is 915.19 million which includes 886.30 million wireless and 28.89 million wireline connections as on October 2014.

In India mobile subscribers have grown from 7.56 million to 75.94 during December 2001-2005. Between 2005 and 2009 the subscribers grew from 75.94 to 525.94 million and by December 2010 the total mobile subscribers in India were 752.19 million and 870.58 million as on September 2013. About one and half decade ago there was only one organization which was monopoly in the market with regard to landline. In the year 2000 October 1<sup>st</sup> it was corporatized and named as Bharat Sanchar Nigam Limited (BSNL).

#### **Scenario of BSNL**

Bharat Sanchar Nigam Limited (abbreviated BSNL) is an Indian state-owned telecommunications company headquartered in New Delhi, India. It was incorporated on 15 September 2000. It took over the business of providing of telecom services and network management from the Central Government Departments of Telecom Services (DTS) and Telecom Operations (DTO), with effect from 1<sup>st</sup> October 2000 on going concern basis. It is the largest service provider of fixed telephony and fourth largest mobile service provider in India, and is also a provider of broadband services.

Department of Telecommunications, had been a near monopoly during the socialist period of the Indian economy. During this period, BSNL was the only telecom service provider in the country. MTNL was present only in Mumbai and New Delhi. During this period BSNL operated as a typical state-run organization, inefficient, slow, bureaucratic, and heavily unionized. As a result, subscribers had to wait for years to get a telephone connection. The corporation tasted competition for the first time after the liberalization of Indian economy in 1991 and facing stiff competition from the private telecom service providers, BSNL has subsequently tried to increase efficiencies itself.

BSNL has installed Quality Telecom Network (QTN) in the country and now focusing on improving it, expanding the network, introducing new telecom services with ICT applications in villages and winning customer's confidence. Today, it has about 43.74 million line basic telephone capacity, 72.60 million GSM capacity, 37,885 fixed exchanges, 68,162 GSM Towers, 12,071 CDMA Towers, 197 Satellite Stations, 50,430 Km. of microwave network connecting 623 districts, 7330 cities and 5.8 lakhs villages . BSNL has customer base of 121.65 million as on 31st March, 2013 and further plans to increase it to 189 million customers by March, 2017. However, in recent years the company's revenue and market share plunged into heavy losses due to intense competition in the Indian telecommunications sector.

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#### **Vision of BSNL**

- Be the leading telecom service provider in India with global presence.
- Create a customer focused organization with an excellence in customer care, sales and marketing.
- Leverage technology to provide affordable and innovative telecom services products across customer segments.

#### **Mission of BSNL**

- Generating value for all stakeholders - employees, vendors and business associates.
- Maximizing return on existing assets with sustained focus on profitability.
- Becoming the most trusted, preferred and admired telecom brand.
- To explore international markets for global presence.

#### **Objectives of BSNL**

- To be the leading telecom services provider by achieving higher rate of growth so as to become a profitable enterprise.
- To provide quality and reliable fixed telecom service to our customer and thereby increase customers confidence.
- To provide customer friendly mobile telephone service of high quality and play a leading role as GSM operator in its area of operation.

#### **Services provided by BSNL**

BSNL provides almost every telecom service in India. Following are the main telecom services provided by BSNL:

- **Managed Network Services** : BSNL is providing complete Telecom Services Solution to the Enterprise Customers i.e. MPLS Connectivity, Point to Point Leased Lines and Internet Leased Lines
- **Universal Telecom Services**: Fixed wireline services and landline in local loop (WLL) using CDMA Technology called bfone and Tarang respectively.
- **Cellular Mobile Telephone Services**: BSNL is major provider of cellular mobile telephone services using GSM platform under the brand name Cellone & Excel (BSNL Mobile).
- **WLL-CDMA Telephone Services**: BSNL's WLL (Wireless in Local Loop) service is a service giving both fixed line telephony and mobile telephony.
- **Internet**: BSNL provides Internet access services through dial-up connection as Sancharnet through pre-paid net, Post-paid net and ADSL broadband as BSNL Broadband. Top 12 Dial-up service providers, based on the subscriber base, It Also provides Online Games via its Games on Demand (GOD).
- **Intelligent Network (IN)**: BSNL offers value-added services, such as Free Phone Service (FPH), India Telephone Card (Prepaid card), Account Card Calling (ACC), Virtual Private Network (VPN), Tele-voting, Universal Access Number (UAN).
- **3G**: BSNL offers the '3G' or the '3rd Generation' services which includes facilities like video calling, mobile broadband, live TV, 3G Video portal, streaming services like online full length movies and video on demand etc.
- **IPTV**: BSNL also offers the 'Internet Protocol Television' facility which enables customers to watch television through internet.
- **FTTH**: Fibre to the Home facility that offers a higher bandwidth for data transfer. This idea was proposed on post-December 2009.
- **Helpdesk**: BSNL's Helpdesk (Helpdesk) provide help desk support to their customers for their services.
- **VVoIP**: BSNL, along with Sai Infosystem - an Information and Communication Technologies (ICTs) provider - has launched Voice and Video over Internet Protocol (VVoIP). This will allow to make audio as well as video calls to any landline, mobile, or IP phone anywhere in the world, provided that the requisite video phone equipment is available at both ends.
- **WiMax**: BSNL has introduced India's first 4th Generation High-Speed Wireless Broadband Access Technology with the minimum speed of 256kbit/s. The focus of this service is mainly rural customer where the wired broadband facility is not available.

**Quality of Service**: BSNL goes by the motto "Connecting India, faster" and displays the same at their homepage. BSNL offers seamless coverage in almost all urban and rural areas of India.

**Censorship**: BSNL enforces censorship of online content as per orders of Indian Department of Telecom.

**Growth Plan**: BSNL has continued its growth story ever since its formation and presently it is one of the largest and leading public sector units in India, providing a bouquet of telecom services: Wireline, GSM

mobile, CDMA mobile, Internet, Broadband, Carrier service, MPLS-VPN, VSAT, VoIP, IN Services, etc. BSNL has customer base of 121.65 million as on 31st March, 2013 and further plans to increase it to 189 million wireless customers by March, 2017.

### **Important Projects under Implementation**

- BSNL is augmenting its GSM network by 15 million lines to meet its capacity requirement, through phase VII GSM expansion project.
- Augmentation of broadband network by additional 3.2 million ports.
- Migration of wireline customers from legacy network to Next Generation Network (NGN).
- Augmentation of optical fibre network.
- Implementation of Enterprises Resource Planning ( ERP) system country wide in BSNL.
- Executing DoT's work of building alternate communication infrastructure for defense.
- Executing BSNL's project of high speed Broadband connectivity to Panchayaties.

### **Social Commitment**

BSNL is committed to provide quality telecom services at affordable price to the citizens of the remotest part of the country. BSNL is making all effort to ensure that the main objectives of the new telecom policy 1999 are achieved. Access to telecommunications is of utmost importance for achievement of the country's social and economic goals. Availability of affordable and effective communications for the citizens is at the core of the vision and goal of the new telecom policy 1999. BSNL strive to provide a balance between the provision of universal service to all uncovered areas, including the rural areas, and the provision of high-level services capable of meeting the needs of the country's economy, encourages development of telecommunication facilities in remote, hilly and tribal areas of the country. BSNL transform in a time bound manner, the telecommunications sector to a greater competitive environment in both urban and rural areas providing equal opportunities and level playing field for all players.

### **Marketing of BSNL Services**

Marketing is an art of performing various activities so as to attract new customers as well as retaining the existing customers. Marketing plan or strategy is defined as the application of various techniques adopted for establishing a lucrative marketing feedback– rendering a unique strategy plays a crucial role in maintaining marketing stability. There is a remarkable difference between marketing o products and services. The latter requires more interactive marketing strategies. Marketing strategies are formulated through three dimensions namely as a culture, as a strategy, as a tactics. As a culture, it develops firms overall value prepositions. As a strategy, it gives emphasis at market segmentation and positioning. As a tactics, customer relationship as well as various functional levels of managers are given importance. In globalizing economy, marketing of services have become more strategic than marketing of products.

BSNL creates a dynamic environment and takes to revise and review the steps never losing the focus being its ultimate objective to satisfy the customers and even a step ahead delighting the customers, for they are offered something beyond their expectations from the service or the product and they are getting more value of the money they are departing with. Quite strategically its marketing will focus greater attention on how to deliver customer satisfaction and organization will begin to structure itself around customer segments and not product lines. The process of marketing is broad and includes all of the following

'Bharath Sanchar Nigam Limited' is one of the largest public sector in India which provides various telecom services in India and its service area spreads all over India. Moreover, a large number of new services are also catered by this telecom giant after the DOT (Department Of Telecommunication) became BSNL. The various new services are

- Broad Band services internet access in broad band region . The salient features include the speed is very high (ranges between 256 Kbps to 2Mbps), 4 to 32 multiples of ordinary internet speed; simultaneous use of internet access and telephone etc.).
- Mobile services, especially GPRS and MMS facilities, Location based services in addition to the existing facilities such as calling, SMS, call forwarding, voice mail box etc. provided for postpaid as well as prepaid subscribers.
- ITC (Indian Telephone Cards) – for calling anywhere in the world even without the help of telephones which have no ISD facilities.
- INP platform (Intelligent Network platform): With the help of this network, we can create virtual private networks, toll free numbers etc.
- WLL phones (fixed as well as Tarang), video conferencing, internet telephony etc. Bharat Sanchar Nigam Limited has always been an organization making aggressive moves in marketing strategies, selling business developments and marketing share. Identifying what legacy has to be left and what is to be achieved, it has a marketing vision based on overall mission and vision of organization. Mission of BSNL is to provide world class state- of-art technology telecom services on demand at affordable price and to provide world class telecom infrastructure to develop country's economy. The vision of BSNL is to become the largest telecom service provider in South East Asia by diversifying in to all spheres of communication services with more value added operations.

The process of marketing is broad and includes all of the following

- Discovering what product, service or idea customers want.
- Producing a product with the appropriate features and quality.
- Pricing the product correctly.
- Promoting the product, spreading the word about why customers should buy it.
- Selling and delivering the product in to the hands of the customer.

Brand equity of BSNL services can be built with good equity of quality of services at the affordable price. Continuous innovation in product and delivery of services with the appropriate pricing is the key strategy for developing the trust in customer so that he keeps his loyalty with BSNL. Ultimately it is the quality, customer care and timely availability apart from price which will matter. BSNL is the most trusted telecom brand in the past years and has been accolade for best corporate social responsibility. To leverage these distinctions, these achievements need to be highlighted through public relation exercise like press meet and it will help marketing image.

The Direct Selling Agent (DSA) shall market and sell the BSNL services door to door to customers. As per the terms and conditions agreed upon in this agreement. It is specifically agreed by the Direct Selling Agent that it shall, at no point of time, use the BSNL name, logo, space and services under this agreement for selling of the only mentioned services, by the parties in writing.

#### **Marketing of BSNL Services through DSA (Direct Selling Agent)**

- The DSA shall be responsible for marketing and selling the BSNL Services or products door to door to customers at his own cost and risk. BSNL shall be under no obligation to market and advertise the services defined under this Agreement. BSNL shall not be liable to pay any cost under any circumstances whatsoever.

- The Direct Selling Agent can use logo and name of BSNL for selling the BSNL Services, during contract period.
- The Direct Selling Agent will get flat rate commission or discount as mentioned in Annexure A (subject to deduction of TDS if any) for selling BSNL services under this Agreement. Payment of commission or discount will be made after receipt of payment of the services marketed under this Agreement by DSA as per the terms mentioned in the agreement. Further, in case the BSNL fails to recover the dues from its customers, then no commission or discount shall be paid by BSNL to the DSA. The commission or discount would be payable only after the dues and payments are received from its customers. If the payment is received on monthly or quarterly or half yearly basis then in the same fashion commission or discount payment will be done automatically by BSNL after receipt of the said payment. In case of advance annual rental payment the Direct Selling Agent will be given outright discount provided further that customers brought by DSA continues to subscribe to the services with BSNL for full one year. In case of discontinuance of service by customer before expiry of one year period, no discount shall be payable by BSNL to DSA and discount, if any, already paid shall be deducted from DSA's any subsequent payment.
- The merchandise will be sold at the premises by DSA, if required, and it is clarified
- That BSNL shall not be liable for any loss, pilferage or damage to the goods stored and sold at the premises and the merchandise shall be the entire responsibility of the DSA
- That it shall be the responsibility of the DSA to affect the sales through proper invoicing detailing the material particularly of the BSNL's services.
- That the DSA shall not have authority, to sell, store or in any way dispose of the merchandise except as provided in this agreement.
- The targets for minimum BSNL's products sale or marketing would be fixed on start of operations by the BSNL which will be reviewed keeping in view of performance of DSA vis-à-vis market development etc. The achievement of these sales targets by the DSA will be a material obligation under this Agreement. If in the opinion of BSNL, the DSA is at any time not adequately meeting the sales target, then without prejudice to any of its other rights, the BSNL may at its option vary this agreement, so as to exclude, reduce, modify, and suspend or cancel the agreement.

#### **Duration of Agreement**

This agreement shall be valid for a period of two years from the date of signing the Agreement unless revoked earlier for whatever reasons. If at any stage during the tenure of this agreement, it comes to the notice of BSNL, directly or through some other complaint, that the Direct Selling Agent had misrepresented the facts or submitted any false information or hidden any information, which could have affected the signing of this agreement with the Direct Selling Agent this agreement shall stand terminated immediately under intimation to the Direct Selling Agent.

#### **General terms and conditions**

- Any sum of money due and payable to the DSA shall be appropriated by BSNL and the same may be set off against any claim of BSNL for payment of a sum of money arising out of this agreement or under any other agreement or contract made by the DSA with BSNL.

- Engagement by BSNL as DSA for providing service under the contract in the company will not impose upon BSNL any obligation to provide them any employment in the company.
- The liability to insure the merchandise, if any, in the outlet(s) and in the possession of the DSA will be of the DSA and the liability for any loss or damage due to any fire, burglary, theft, etc. will be that of the DSA.
- That DSA hereby confirms that he or she or they shall abide all duties, regulations, circular, notification, orders etc regarding appointment of DSA issued by BSNL from time to time.
- The DSA shall be fully responsible for the employment or payment of wages to its employees and shall fully comply with all laws, rules, regulations, notifications, directions orders etc. of the Govt. whether Central, State, Local or Municipal relating to such employment, payment of wages etc. and all others matter connected therewith and hereby indemnifies and agrees to continue indemnifying BSNL in this regard.
- In the event of termination of this agreement consequent upon breach of any of the terms of this agreement by DSA, or if DSA fails to perform or execute the contract, DSA shall be debarred by BSNL for a period of 3 years for all future dealings with BSNL.
- DSA shall endeavor to service customers at their doorsteps to meet the objective of serving customer in two hour or less and progressively in real time basis so that the customer is delighted.
- DSA shall receive promotional material from BSNL, and distribute it to customers to educate them on the schemes of BSNL.
- DSA shall also promote all BSNL brands at their own cost. The amount spent shall be reimbursed, restricted to 50% of actual expenses incurred on production of proof in original. Claim shall be submitted within 30 days of expenditure which shall be undertaken with prior information to BSNL.
- DSA shall submit all bills and claims within the stipulated time to the nodal officer head to co-ordinate all matters related to the franchisees or retailers or DSAs etc.
- The BSNL shall have the right to refuse to subscribe or accept application for subscription recommended or procured through DSA. The DSA shall not be entitled to any commission or discount or service charges in respect of any such refusal of application for subscription or part thereof.

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