

IMPACT OF ADVERTISING ON SALES OF AIRTEL BROADBAND SERVICES

S. SURYAPRAKASH

Lecturer in Commerce, Jagruthi Degree & PG College, Hyderabad (TS)

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Dr. I. ANAND PAWAR

Head, Dept. Of Commerce, Dr.B.R.Ambedkar Open University, Hyderabad-33 (TS)

ABSTRACT: *In the 21st century, broadband Internet access has emerged as more than just an information superhighway. It has become critical infrastructure to connect citizens, businesses, and communities alike to new opportunities. Yet for too many communities, the promise of fast, affordable, and reliable Internet access remains unrealized. Internet connectivity has been changing our lives today and reaching the right audience made easy by broadband services and customer satisfaction which converts into sales. In this advertising play vital role in reaching the unreached in terms of online services. In this context, an attempt has been made to analyze the impact of advertising on sales of Bharati Airtel broadband services. For this a sample of 100 active users from Hyderabad City has been approached based on random sampling. For analyzing the collected primary data statistical tools like, chi-square and test of correlation was used. It is concluded that there is a significant relationship between age group of users and sales promotional activities. Correlation result indicates that there is a positive relationship between the sales and promotional activities of the company.*

Keywords: *Service quality, after sale services, sales promotion, broadband services.*

INTRODUCTION

Advertising is a tool of marketing for communicating ideas and information about goods and services. It is an identified effort, which employs paid space or uses another communication vehicle to carry its message. It openly identifies the advertiser and his relationship to the sales effort (Aaker, David & Carman, (1982). Frank (2005) opined advertising as the aim to persuade people to buy and dissemination of information concerning an idea, service or product to compel action in accordance with intent of the advertiser. It is noted that an advertising is a controlled identifiable information and persuasion by means of mass communication media. Understanding and quantifying the benefits of advertising is a problem as old as advertising itself. The problem stems from the many purposes that advertising serves: (i) building awareness of products, (ii) creating brand equity, and (iii) generating sales (Cocktail, 1976). Many of these aims are not easily measured or related to the advertising that may have affected them. Moreover, today's marketers have to deal with several other important developments that have either made measurement more difficult or added pressure to getting it done. The first thing to recognize that advertising is only one of the important marketing strategies that affect sales. And other strategies include pricing, promotional offers, product attributes, and competitors reactions (Lilien, Kotler, and Moorthy, 1992).

In addition, external factors, such as macroeconomic trends and seasonality, are likely to affect response in the market. Consequently, the response to advertising can easily be evaluated by techniques that allow researchers to account for the marketing mix and other external variables. Econometric techniques, like time series and regression, provide a well-structured means of evaluating the impact of advertising on sales by isolating key explanatory variables and holding constant certain variables that may mask the effects of advertising (Clarke, 1976). According to Singh & Gupta (2004) viewed as the convergence of technologies and database services are expected to grow exponentially in the years to come. As we know, broadband services are

likely to take a lead in the development of Indian Telecom Sector. Broadband services are a growing market and offers immense possibilities for investment. In Broadband policy, India has envisaged a target of 40 million Internet subscribers and 20 million broadband subscribers by the year 2010. Another study by Amit Joshi & Hanssens (2010) measured the direct and indirect effects of advertising spending on firm's value. They investigated one important aspect of this impact, the long-term relationship between advertising spending and market capitalization. The empirical results across two industries provide support for the hypothesis that advertising spending has a positive, long-term impact on own firms' market capitalization. Further, it was found that it may have a negative impact on the valuation of a competitor of comparable size.

ROLE OF ADVERTISING

Advertising as a promotional tool also tends to remind, reassure and influence the decisions of the consumers. It is because an advertisement itself enlightens, educates, and persuades consumers on their acceptability of the product offering. Longman (2000) says "advertising is an act of telling people publicly about a product or service in order to persuade them to buy it". Therefore, advertising play vital role in marketing as well as consumers' purchasing decisions towards their offerings. Most consumers have the erroneous impression that promotion is synonymous with advertising and vice-versa. The partnership between producers and consumers through advertisement is solely aimed at achieving certain mutually beneficial objectives (Adekoya, 2011). They are:

- **To introduce new product:** One of the roles of advertising is to inform consumers about the existence of a new product in the market i.e. creation of awareness.
- **Persuade customers to buy:** Advertising helps in arousing the customer's interest and by doing so persuades them to buy the product.
- **Creation of demand:** Advertising stimulates demand by constantly reminding potential consumers about the availability of product in the market.
- **To change consumer belief:** Advertisement is a very good instrument that can be used to change consumer mindset about a product or service. Hence, help to tap into their buying power and influence their thoughts.
- **To create brand loyalty:** The demand of the consumers can be maintained by constantly arousing their interest on a particular product and this will ultimately create brand loyalty.
- **Develop large market:** Advertising create large market segment which leads to the development of larger market.
- **To promote the image of the firm:** Advertising builds a corporate image for a company.

BROADBAND SERVICES: EXPANSION AND MARKET SHARE

Expansion of Internet Users: Expanding high quality Internet access in a community, whether large or small, can yield a multitude of benefits for resident users. High-quality Internet access is not only necessary infrastructure for the 21st century, but the collaborative process of expanding that access itself has civic benefits. As presented in table 1, out of 207 countries, only top 11 countries were considered for ranking in terms of internet users-wise ranking and percentage-wise ranking. China stood first rank, India second rank based on number of internet users but percentage-wise it stood at 100th rank, with 45.80% and 136th with 24.10% respectively. United States 3rd rank with 84.20%. Iceland country placed 144th rank in terms of number of internet users but first rank with 96.55%. From this, it can be inferred that India lagging behind several countries and network services has to be expanded further by using advertising as an effective communication tool.

Table-1 List of Countries by Number of Internet Users

Country	Internet Users	Rank	Percentage	Rank
China	618,110,314	1	45.80%	100
India	300,340,854	2	24.10%	136
United States	266,441,302	3	84.20%	22
Japan	109,755,777	4	86.25%	18
Brazil	103,720,965	5	51.60%	87
Russia	87,495,296	6	61.4%	67
Germany	68,131,244	7	83.96%	23
Nigeria	65,675,984	8	38.0%	116
United Kingdom	56,954,584	9	89.84%	14
France	54,027,428	10	81.92%	27
Iceland	304,394	144	96.55%	1

Source: www.wikipedia.org

Service Provider-wise Market Share of Broadband Services: Airtel becomes India's largest broadband service provider with 19.19 million subscribers (22.38% market share) pushing BSNL to the second place with 18.90 million (22.04% market share). As per the latest data released by TRAI, Airtel has become India largest broadband service provider and also the largest mobile operator in the country. Vodafone is at third spot with 16.65 million users (19.42% market share). Idea Cellular and Reliance Communications secured 4th and 5th position with 12.95 million (15.11% market share) and 7.11 million user base (8.29% market share).

Table-2 Service Provider-wise Market Share

Service Provider	Market Share (%)
Airtel	22.38%
BSNL	22.04%
Vodafone	19.42%
Idea	15.11%
Reliance	8.29%
Others	12.76%

Source: www.wikipedia.org

At the end of December 2014, India had 85.74 million broadband users, out of which 70.42 million are on wireless broadband and rest 15.32 million on wired broadband. BSNL had held the top position in the broadband segment for nearly a decade on the back of its pan-India wired broadband service. Due to a recent surge in mobile data usage both Airtel and Vodafone along with Idea saw massive growth in 3G data service over the year. This has helped Airtel take no: 1 spot in the broadband market in the country. Incumbent operators are pushing for 3G service by hiking 2G data rates. This has now translated into massive growth in 3G user base with both Vodafone and Airtel adding about 1 million users in the month of December 2014. This trend is likely to continue over the year with more and more users choosing 3G over traditional 2G data service. With the entry of Reliance Jio with 4G broadband service this year, wireless broadband space will witness more competition and exponential growth in the days to come.

BHARATI AIRTEL – AN EYE BIRDS VIEW

Telecom giant Bharti Airtel is the flagship company of Bharti Enterprises. The Bharti Group has a diverse business portfolio and has created global brands in the telecommunication sector. Bharti has recently forayed into retail business as Bharti Retail Pvt. Ltd. with Wal-Mart for the

cash & carry business at Amritsar, Punjab in May 2009. It has successfully launched an international venture with EL Rothschild Group to export fresh agro products exclusively to markets in Europe and USA and has launched Bharti AXA Life Insurance Company Ltd under a joint venture with AXA, world leader in financial protection and wealth management. Bharti Airtel Ltd started in July 7 1995 and their head quarter is at Delhi. In 1998 company started their first land line operation. Airtel is the name of their brand. AIRTEL stands for Affectionate, Interested, Respectful, Tolerant, Energetic and loving .Their logo is “Think fresh Deliver More”.

Their first company is Bharti Cellular Limited under the brand name of Airtel. Another one is Bharti Tele Sonic Ltd under the brand name of India One. Then Bharti Tele Net Ltd under the brand name of Touch Net and another one is Bharti broad band Ltd under the brand name of Mantra Online. The companies Bharti Telenet Ltd and Bharti Broadband Ltd combined together and form Bharti Broadband and Teleservices Ltd. After sometime the companies Bharti Telesonic Ltd and Bharti Broadband and Teleservices Ltd combined together and form Bharti Infotel Ltd., in September 2004 all the four companies combined together and form Bharti Airtel Ltd. Bharti Airtel is one of India's leading private sector providers of telecommunications services with more than 140 million subscribers as of January 2014. Bharti Enterprises, India's leading provider of state-of-the art telecommunications services is the power behind Airtel Broadband Services India. Bharti Airtel, as the company is known, directly manages three lines of businesses under its subgroup. They are: (i) broadband and telephone services, (ii) mobile services, and (iii) enterprise solutions.

Airtel Broadband Services on Offer

Airtel Telemedia Services: Airtel has been offering broadband & Internet services an over 100 cities in India. It is powered by DSL technology which gives you blazing-fast; secure Internet access as soon as you switch on your computer. It also gives you the power of limitless discovery on Internet – from shopping to banking, paying bills to making new friends and not to mention endless fun & learning for children. The special features of Airtel broadband services are: (i) Way wait to connect; (ii) Power Surfing; (iii) Surf while you talk; (iv) Robust installation; (v) 24x7 customer supports; (vi) Speed on demand; (vii) Airtel PC security and (viii) Payment options.

Plan Name	Browser 599	Browser 599	Downloader 1099	Steamer 1399	Steamer 1999	All rounder 2999	All Rounder 4999
Day	384 KPBs	512 KPBs	512 KPBs	1 MBPS	2 MBPS	8 MBPS	16 MBPS
Night	384 KPBs	512 KPBs	1 MBPS	1 MBPS	2 MBPS	8 MBPS	16 MBPS
Rental	699	899	1099	1399	1999	2999	4999
Call Rates							
Airtel Fixed Line to Airtel Fixed	0.6/Min	0.6/Min	1P/Sec	1P/Sec	1P/Sec	1P/Sec	1P/Sec
Airtel Fixed to others	0.75/Min	0.75/Min	1.2P/Sec	1.2P/Sec	1.2P/Sec	1.2P/Sec	1.2P/Sec
Broadband Details							
Broadband Download	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	50GB	100GB
Rate / Extra MB(Rs)	NA	NA	NA	NA	NA	0.4	0.4
FUP Limit	15 GB	15 GB	20 GB	25 GB	35 GB	NA	NA
FCV							
FCV Local & STD (Rs)	50	0	0	0	0	0	0
FCV AFL to AFL (Rs)	250	500	1000	1000	1000	1000	1000
Prepaid Mobile Talk Time	NA	NA	NA	NA	NA	NA	NA
Bundled VAS							
Parallel Ringing	Free	Free	Free	Free	Free	Free	Free
Airtelmail	Free	Free	Free	Free	Free	Free	Free
Website Builder (Basic)	NA	250	250	250	250	250	250
PC Secure	NA	NA	125	125	125	125	125
Unlimited Ggaming	NA	NA	NA	199	199	199	199
Online Storage	NA	NA	NA	NA	99	99	99
	0	250	375	574	673	673	673

Source: Printed Brochure of Airtel Broadband Services on offer, 2015.

Services: The services offered by Airtel Broadband & Internet are listed below: (i) Video Surveillance Solutions; (ii) In Touch; (iii) NetXpert; (iv) Online Tests and (v) Wi-Fi: Just like cell phones, televisions and radios, the wireless network also uses radio waves.

Promotional Strategy of Airtel Broadband Services

As competition in the telecom arena intensified, BHARTI AIRTEL took new initiatives to woo customers. Prominent among these were - celebrity endorsements, loyalty rewards, discount coupons, business solutions and talk time schemes. AIRTEL has used most number of

celebrities for advertisements. The list includes-Sachin, Shahrukh Khan, Rehmaan, Saif Ali Khan, Kareena Kapoor, Zaheer Khan, etc. The most important consumer segments in the cellular industry were the youth segment and the business class segment. The youth segment was the largest and fastest growing segment and was therefore targeted most heavily by cellular service provider. Bharti Tele-Ventures adopted celebrity endorsement as its chief promotional strategy. By 2004 it emerged the unprecedented leader commanding the largest market share in the cellular, fixed line and broadband service market. The popular techniques that are undertaken by Airtel Broadband for sales promotion in Hyderabad are: (i) Point of purchase displays; (ii) Tele calling; (iii) Consumer Approach by Sales Executives and (iv) By direct mail. Despite all these continuous market research of this kind by the company may ensure desired results.

NEED FOR THE STUDY

The significance of the study is viewed from the following three dimensions:

1. In a growing economy, it is often very difficult to have a regular and consistent increase in the sales volume of a product because of the political and socio-economic instability in the country which directly affect the standard of living and the purchasing power of the consumers (Rao, Amber & Miller, 1975).
2. Marketing problems often have far reaching effects on any company and if neglected can cause a great threat to the continued existence of the company, especially in the area of advertising as an aspect of corporate communication (Giles 1997). The market is such that consumer tastes are increasingly differentiated and maintenance of high speed internet and service quality in the face of rising cost of essential factors is needed.
3. Customer satisfaction helps every organization to keep the existing customer and to build new customer. This attempt is aimed at profiling the standard customer with an aim to increase the network and improve company-customer relations. The information gathered for this research can be used by the company to improve its services and became more customers friendly in order to increase the goodwill of the company and its overall performance. Thus, this study is aimed to provide the management with some knowledge about its status in market both in terms of (i) sales and customer awareness; and (ii) to provide some ideas to improve the company's present sales volume.

OBJECTIVES OF THE STUDY

The main objective of this study is to measure the impact of Advertising on sales of Bharati Airtel Broadband Services in Hyderabad City.

- To understand the role of advertising and consumers purchasing decisions;
- To study the promotional policies of Bharati Airtel with reference to broadband services; and
- To analyze the impact of advertisement on sales in terms of demographic factors and promotional activities.

HYPOTHESES

1. There is no relationship between age group of users and sales promotional activities.
2. There is no relationship between the sales and advertising as a promotional activity.

SCOPE OF THE STUDY

The present study is confined to measuring the effectiveness of advertising with special reference to Airtel Broadband Services and its users' perception of 100 active users from Hyderabad city.

RESEARCH METHODOLOGY

The success of any research depends on the methodology through which it is carried out. An appropriate methodology will improve the validity of findings. For this study both primary and secondary sources of data has been gathered by using a structured questionnaire through online among the sample respondents of 100 Airtel Broadband Users from Hyderabad city. Sample respondents consisting of salaried, businessmen, professionals, households and students and they are belonging to the age group of 18-60 years were considered as sample unit based on random sampling method. The collected primary data has been analyzed with the help of simple percentages and Chi- Square test to know the relationship between two variables; correlation analysis has been used to measure the impact of advertising on sales. In this study, Sales = f (Market Trends, Seasonality, Own Prices, Competitors' Prices, Product Attributes, Promotions, and Advertising). Where: Advertising includes variables for each media type to separate the effects of TV, Radio, Print, Direct Mail, Online Banners, and Outdoor advertising.

RESULTS AND DISCUSSION

Most of the people are using the internet at Home and Workplace. The analysis considered only users of broadband services and none of them were using other type of connection at their place. Most of people are aware of Airtel Broadband Services. Majority of respondents (45%) are educated by the advertising medium, 27 percent of them are through sales men, 22 percent through friends and 7 percent of them by other sources. Consumer referred as existing customers because they have more firsthand information and are capable of giving required responses. It is observed that only 13 percent of the customers preferred Airtel broadband services because of attractive offers. Majority of respondents (37%) have preferred Airtel because of the quality of service, 40 percent preferred the speed of internet services.

Table -3 Source of information

SOURCE OF INFORMATION	FREQUENCY	PERCENT
Advertising	45	45
Salesmen	27	27
Friends	22	22
others	07	07
TOTAL	100	100

Source: Field data

Table -4 Reasons for Preference

REASONS FOR PREFERENCE	FREQUENCY	PERCENT
Quality service	37	37
Speed of Internet	40	40
Attractive offers	23	23
TOTAL	100	100

Source: Field data

Table-5 Satisfaction level of Users and Broadband Services

SERVICES	Highly satisfied	Satisfied	Dissatisfied	Total
Service quality	46	22	32	100
Staff responses towards customer queries	60	26	14	100

Data Speed	18	55	27	100
Usage experience	37	38	25	100
After sales service	38	35	27	100
Pulse rate when competitors	45	35	20	100
Average	40.67	35.16	24.16	-

Source: Field data

Table 5 presents the level of satisfaction towards broadband services of Airtel such as: (i) Service quality and it is observed that most of the respondents (68%) are satisfied whereas 32 percent of them are dissatisfied. (ii) Staff responses towards customer queries found satisfactory with 86 percent and rest of them are dissatisfied. (iii) Speed of data transmission, there are 73 percent of users have felt satisfied and 27 percent are dissatisfied. (iv) Customer ranking after usage experience found 75 percent satisfied and 25 percent of them and dissatisfied. (v) Customer rating towards the after sales service found 73 percent of respondents opined as satisfied and 27 percent of them are dissatisfied. (vi) Pulse rate when compare to competitors, it is revealed that 80 percent of respondents have given as satisfied and 20 percent of them are dissatisfied. The overall satisfaction levels of Airtel Broadband services by considering all six factors and presented it an average, almost 41 percent of respondents are highly satisfied, 35 percent are satisfied and rest of them are dissatisfied accounted for 24 percent and which cannot be ignored.

Service quality plays an important role in keeping the existing customers and to bring new customers. In most of the organization, Internet plays an important role in the day to day activities. Most of the organizations prefer broadband connection over other type of connection because of speed and other compatibility of service. A number of the users preferred Airtel because of the quality of service provided and also for the speed of data transmission. Many customers have rated the speed of data transmission is very good and at the same time some customers had complaints regarding the speed. This is mostly due to number of systems connected by single broadband connection. The safety and security of Airtel network is rated very well by most of its customers. Safety of data is very important in any type of organization and Airtel with its own PC security suite helps organizations protect its data from theft and prevents it from harmful attacks. After sales service is an essential part of customer satisfaction and only 10% customers out of 27% had complaints regarding the after sales service. However, a large number of customers have reported it as excellent. Customers also felt Airtel broadband was considered much better than other competitive products of the same category. It indicates that the place of Airtel has achieved success, the overall satisfaction level is high and positioned in the minds of the urban customers of Hyderabad city.

Sales promotional activities: Majority of respondents opined that promotional activities are successful (71%) and rest of them (29%) felt as unsuccessful as presented in table 6. Accordingly the hypothesis framed and put for test by suitable statistical tests to find out the relationship between age group of users and promotional activities and sales of broadband services.

Table -6 Age group and sales promotional activities

Age group/ Sales	Successful	Unsuccessful	Total
20-35	43	7	50
36-50	28	22	50
Total	71	29	100

Source: Field data

H_0 = *There is no relationship between age group of users and sales promotional activities.*

By Chi-square test-

Here a=43, b=7, c=28, d=22

$$\begin{aligned} X^2 \text{ cal} &= \frac{N (ad-bc)^2}{(a+b)(c+d)(a+c)(b+d)} \\ &= \frac{100 (946-196)^2}{(50)(50)(71)(29)} \\ &= 56250000/5147500 \end{aligned}$$

$$X^2 \text{ cal} = 10.93$$

Degree of freedom is 1, Test of significance is 5% and K = 3.84

As calculated value of chi-square is greater than table value and hence the null hypothesis is rejected and alternative hypothesis is accepted. So it can be concluded that there is a significant relationship between age group of users and sales promotional activities. Further, an attempt has been made to find out the relationship between the sales and advertising as a promotional activity.

H_0 = There is no relationship between the sales and advertising as a promotional activity.

Test of Correlation

Sales (X) Advertising (Y)

x=X- X

y=Y- Y

x²

y²

xy

Y- is in 000s and both the values X and Y are on a monthly basis.

$$\text{Mean X} = 520/8 = 65$$

$$\text{Mean Y} = 144/8 = 18$$

So Correlation 'r' is as follows-

$$\frac{\sum xy}{\sqrt{\sum x^2 \sum y^2}} = \frac{77}{\sqrt{352 \times 34}} = 0.704$$

= 0.704

Result indicates that there is a positive relationship between the sales and promotional activities of the company. Hence, it can be inferred that the doses of advertising and promotional activities are increased then the sales of the company also increase.

SUGGESTIONS

1. From the users of broadband internet point of view service quality is the most relevant factor and hence Airtel Broadband services should highlight the same in its promotional activities. Some customers are planning to discontinue because of high billing and poor after sales service. Though it is a small percentage, the company should focus on these to keep the brand image in the minds of people.
2. Customers' complaints should be dealt quickly and as faster as possible. This will reduce the chance for dissatisfaction. Many dissatisfied customers have asked for more information about other plans or change of plans. So the dissatisfaction towards the broadband services may be due to providing wrong plans by the sales people. However, the company can make use of this opportunity to retain its customers by providing the right plans and or alternative plans.

3. It is also suggested that dissatisfied customers should be identified, other measures may be taken for and if possible they can be converted into satisfied customers by designing suitable packages, service quality and prompt after sale services.
4. It is also imperative study for other service providers to shape/redesign their marketing strategies in order to overcome this type of issues and market forces in the competitive environment.

CONCLUSION

Advertising has really played an important role in increasing the sales volume of Airtel Broadband Services; in fact, it has contributed immensely to increasing growth of this company when compared to other companies. The role of celebrity endorsements, loyalty rewards also played vital role in promoting its services and because it has placed positive image of the company's product in mind of the potential consumers and this can influence buying behaviours. Airtel is one of the powerful brands in India and it has been successful in creating a strong impression on the consumer minds with its varied products and offerings to consumers on a huge scale to deliver its customers at its best. The overall objective of the study was to find out how the customer's impact on sales promotional activities of Airtel broadband services and to find out their satisfaction towards the service against its competitors was achieved. The study revealed the picture of customers' perception and satisfaction which help Airtel broadband to encourage more people to its folder.

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