STRATEGY VS. TECHNOLOGY: THE LINE OF ASSAULT DEFINES THE FATE

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ABSTRACT: The Marketing strategy employed by a brand directly affects its market share and the strategic mix must have a positive impact on the business generated by the brand; needless to say that they have to compete under stringent preconditions and thus employ aggressive marketing strategies to gain market share for themselves. The region chosen for this study is Dharmanagar subdivision of Tripura comprising of the district headquarter town and it’s surrounding rural areas. It is observed that engaging efficient technology without proper emphasis on marketing strategies cannot achieve the desired market share. Moreover the tariff should be maintained at an affordable rate. Again, offering services to the target users in the rural areas with an average service, can also give a good share in the market. But irregular network coverage and signal strength with a stumpy customer service leads to loss of business. A feasible mix of reasonable coverage with network strength, at a reasonable tariff rate, along with strong marketing and customer service is the way to succeed in the mobile SIM Card business. If any of these factors are underestimated, the business unit in concern is bound to lose its market share in spite of its technological prowess. This paper establishes the above statement.

KEYWORDS: Marketing Strategy, Market Share, Strategic Mix, Technology.


INTRODUCTION: The dynamism in the Sim Card market is the SIM card revolves around three broad strategic mixes- Value Added Services, 3G Services and Replacement cycle. The study predominantly explores the technologies the SIM card companies employ and the marketing strategies they formulate to achieve the desired results; and their market share in Dharmanagar, Tripura which is the headquarters town of the North Tripura district of Tripura.

According to census 2011, the total population of North Tripura district was 6, 93,281; males were 3, 52,456 and Females were 3, 40,825. By population, it is the 3rd largest district in the state and the 495th largest district in the country. Its literacy rate is 88.29% and the number of literate people are 4, 58,675. By literacy rate, it is the 2nd highest district in the State and the 37th highest district in the country. Its total area is 2821 sq. km. By area, it is the 2nd largest district in the state. (One Five Five) In the picture of the map of Tripura Dharmanagar is marked ‘red’ to identify. The study and market survey is concentrated only in the town and rural areas of Dharmanagar sub-division, at an altitude of 12.80 m from the sea level, lying at latitude of 22°56’ and 24°32’ North and longitude of 91°09’ and 92°20’ East and having a population of 32,917. (Tripura Info & Tip Top Globe).

Review of literature: There were very few literatures available on the specific area and a very limited number of studies were conducted on the marketing strategy and market share of mobile as stated below. Organized retailers are large and small outlets owned and operated either by the company or by a franchisee. Organized retailers sell about 15% of SIM cards. They provide SIM activation, bill payments, DTH services, Broadband services, mobile top-ups and customer care. General trade accounts for about 85% of the SIM card market.

They sell pre-paid SIM cards and top-ups and also provide related services such as SIM card activation. Such operators have extensive distribution networks. (IPSOS, 2014) India is one of the fastest growing mobile phone markets in terms of penetration. Indians adapt to newer technology faster which makes it so much more exciting to unveil new products. (Girirakshak, 2014) International Data Corporation’s (IDC) APEJ Quarterly Mobile Phone Tracker points out that the Indian mobile phone market has a 7% growth quarterly and a 12% growth annually. (Bhusan, 2013) Mobile subscribers have increased from 0.2 Crore in 2000 to 93.9 Crores in 2012, and sales increased from 1.75 Crores in 2003-04 to 22.1 Crores in 2012. (IPSOS, 2014) Cellular Operators Association of India (COAI) has forecasted that the handset market will reach 124 Crores— one mobile phone for every person living in the country—by 2015. (IPSOS Business Consulting, 2014)  

This stupendous growth in the mobile phone sales will result in simultaneous similar or more growth in the SIM card sales because both are ‘Made for each other’. Nielsen Groups, a leading global provider of information and insights into what consumers watch, conducted a survey namely “The Rise of Multi-SIM users: Customer Shifting to dual SIM Phones to have effective control over Costs” where it reveals that 71 million subscribers use Multiple SIM cards across India. Moreover, 4 out of every 5 multi SIM card users own a single handset; over 7 out of 10 multi SIM card users polled intend to acquire a dual SIM phone. They found that customers are eagerly ready to jump in to the new SIM Company if they get more benefit. Besides that, the company which is more active in advertisement field is more popular to customers and easily reaches them. Micromax Mobile company also conducted a survey on “Micromaxmobile: Nothing like anything”, in 2011 where it found that it is more easy to reach urban consumers than rural.
It attempted to focus on rural consumers because India lives in rural sectors as a result. Micromax is the third largest manufacturer in India, dominating the rural market of India. Time to time it tied up with different SIM Card Companies to expand their business which helps to attract the rural customers, because they get both mobile phone and SIM card together.

The study revealed that the strategy of providing free SIM card with handset attracted consumers much more. This plan incorporates innovative strategies that will utilize opportunities and address weakness as outlined in the Situation Analysis. Majority of the youth make their own decision while buying mobile handsets and only about 15% consult their parents before making the decision. 40% of Indian youth hold price as the most important factor for buying a mobile device and more than 97% use pre-paid services.

Pre-paid services are still common across the developing world as exactly opposite in UK, US, Germany where more people use post-paid services. (Rastogi, 2011)

Research objectives/Hypotheses:

The objectives decided are:

a) Study the market strategy and the existing market share of the various SIM card companies.

b) Compare the market strategies employed by the SIM card companies.

c) Compare the satisfaction level of the customers about the technology provided by various SIM card companies.

d) Study the brand awareness of the customer base of the target region.

The Null hypotheses presumed are:

a) There are no separate market strategies of the available SIM card companies.

b) There is no different brand awareness amongst the consumers.

c) The consumers are not influenced by the advertising and pricing policies of the SIM card companies.

RESEARCH METHODOLOGY: A cross-sectional survey design was applied for investigating the marketing strategy and market share of the SIM card companies in the concerned region.

The six Branch Head Offices of SIM card companies like BSNL, Vodafone, Airtel, Aircel, Reliance and Idea customers formed the population of the study. These Six Branch Head Offices of SIM card companies were directly approached to investigate the technology on offer and respective market shares of the companies. Through Simple Purposive Random Sampling, consumers of the mobile SIM cards were selected for the study. Keeping in view the objectives the following tools has been used.

(i) For the Branch Head Offices of SIM card companies, structured questionnaire was used. [Appendix I]

(ii) For the consumers, interview schedule was used. [Appendix II]

The primary data were collected through structured interview schedule and questionnaire from the company offices, about the technology, marketing tasks, marketing mixes, market shares and future demands were collected. Primary data were collected from the consumers by interview schedule about the offers of the various SIM card companies and the deciding factors and satisfaction level of the consumers.

The secondary data are collected through different research papers, online journals and magazines. The Branch Head Office of mobile SIM companies was visited to collect essential information relating to technology, market strategy and market share of SIM card companies. 200 consumers, 100 from both town area and 100 from rural areas were interviewed to know about the services of the SIM card companies, brand awareness of the consumers and their satisfaction level about the services. Here, the term ‘consumer’ is used instead of ‘customer’ as Mobile SIM card users are regular consumers and not one time customers or buyers.

Analysis and Interpretation: Data is collected by approaching the company offices and the consumers / consumers with questionnaires (Appendix I & II). The structured questionnaire provided different types of information like types of network facilities, types of SIM sizes, annual sale of SIM card, offers provided by the SIM card companies, their marketing strategies, strengths and weaknesses, advertisement facilities, etc.

The interview schedule collected the data of satisfaction level of consumers, their awareness level about the SIM card companies, their services, recharge facilities etc. are received.

The data obtained about type of plan and SIM card as well as network coverage and strength are shown in the Table 1 and the data about the number of SIM cards sold in the last three years are shown in the Table 2 below.

Table 1 shows data of six SIM card mobile companies. Firstly, BSNL provides both pre-paid and postpaid connections with 3G and 2G network plan. BSNL provides its customers both standard and micro SIM cards which are integral part of smart phones, android phones, i-phones, etc.

Its coverage of network service is good but the availability of network is average as informed by both the consumers. Aircel, Airtel, Reliance and Idea provide only pre-paid connections. But Aircel and Reliance has the service of only 2G Network whereas Airtel, Vodafone, BSNL and Idea have both the 2G and 3G connectivity.

All of the six SIM card companies provide standard size of SIM cards but Airtel, Reliance and Idea does not provide micro SIM card which necessitates the cutting of the SIM cards into micro size to use it in smart phones. On the other hand, Vodafone has both the pre-paid as well post-paid connectivity with 2G and 3G network services. Beside Reliance and Idea, the coverage of network of other SIM card companies is good; in case of Reliance it is average and in case of Idea poor. Moreover, availability of network is good for Airtel and Vodafone and average for Aircel and BSNL. Whereas, Reliance provide weak network service and Idea is very irregular in this aspect though both of them offer a wide coverage especially in the rural areas.

Table 2 shows the number of SIM cards sold in the last three years, 2011-2012, 2012-2013 and 2013-2014, received from the local branch offices of the SIM card companies.

Every year the sale of mobile SIM of each company has been increasing day by day as a rule; Reliance being an exception.

It means mobile phone is part and parcel of every individual for his personal as well as professional life. BSNL is leading with both the pre-paid and post-paid connectivity in
In this race, Airtel is leading last position yet having the best technology providing good network availability and coverage, and 3G internet; may be because of its high call rates and less offers along with complacent marketing. For the fulfilment of first objective, Figure 1 shows the business trends of the companies.

From the figure 1; it is clear that BSNL is more popular because of its low tariffs, cheaper call rates and all round offers starting from pre-paid and post-paid telephony to GSM and CDMA internet facility with both 3G and 2G Network service. Secondly, Aircel is in second position by dint of good network facility and Pocket Internet facility with good coverage targeting the rural areas with cheaper tariffs. Market share of all the SIM Card Companies is shown by the following pie diagram Figure 2.

From the above Figure 2; it is clear that during last three years BSNL has captured the highest market share among all the SIM Card Companies due to its service and facilities. Other mobile SIM companies like Aircel, Vodafone, Reliance, Idea and Airtel possess 2nd, 3rd, 4th, 5th and 6th position in market share respectively.

For the fulfillment of second objective, the different strategies from the companies are studied. Each of the companies introduces new schemes and offers in every occasion. Compared to other mobile SIM companies Airtel is interested more on technology offered to its customers. Beside that Vodafone, Reliance, Idea, Aircel are very active in marketing strategy offering different schemes or plans.

Again BSNL is totally silent in this aspect as because it was Government organization though 4 years back it became a corporation. But still it is very popular and giving steady business due to the widespread publicity that it is the cheapest with no hidden tariffs. Moreover, grown up professionals prefer BSNL connection because of its authenticity. On the other hand, there are certain common markets strategies are found among all the SIM card companies likely extra talk time offers, extra internet usages, roam free, SMS offers, other value added services, etc.

The first null hypothesis stands rejected as different SIM Card companies are giving emphasis to different factors to gain market share. Airtel banks upon technology and quality, and not on price, marketing and service whereas Vodafone relies upon technology, quality and service at the expense of price. BSNL relies on its variety of offers at reasonable price and not on service and quality.

Aircel banks upon marketing and targeting untapped rural areas and not much on technology and quality. Reliance and Idea have both targeted the untapped rural areas though with poor technology, quality and services doled out at a very cheap rate. And it proves that there are distinguished separate market strategies or plans of different SIM card companies.

For the fulfillment of the third objective, the consumer from the town and rural areas were individually interviewed to investigate their satisfaction about the services doled out by the SIM card companies which is important while continuing with a SIM Card.

It is found that the scenario is just the opposite in town and rural areas. From table 3, it is evident that, the consumers of town areas are less satisfied as it is evident that 64% of them are not happy with the services provided by the SIM Card companies. In rural areas the consumers are more satisfied as their demands and expectations are comparatively less. It is found that in town areas 28% of consumers are happy with their connection and remaining 8% of consumers are undecided and not bothered with the facilities provided by the different SIM card companies. In rural areas 60% of consumers are satisfied with their connection, 16% are annoyed with their SIM Card Connections and remaining 24% of consumers are not bothered much.

For the fulfillment of the fourth objective the brand awareness among the consumers was probed; consumer of town and rural areas are individually interviewed.

The consumers are given a choice between quality and price, and brand. From table 4, it is evident that, 76% of urban consumers and 80% of rural consumers bother about the brand and price. 76% consumers of urban areas and 80% consumers of rural areas are not interested in the technology on offer but are influenced by the marketing strategy. It means that the difference among the rural and urban consumers about their brand awareness is not high. Table 5 gives a picture of the decisive factors dictating the choice of SIM cards.

From table 5 it is evident that 36% consumers of town areas and 44% of those from rural areas consider price and advertisement as important decisive factors while choosing SIM cards. Consumers of town area are more bothered about marketing strategy as the technology offered by various SIM card companies is similar while consumers of rural areas are more bothered about price, advertisement and recharge card availability. Thus, the second null hypothesis stands accepted as because there is not much difference found among the consumers of town and rural areas regarding their brand awareness and the third null hypothesis stands rejected as consumers are very much influenced by advertising and pricing policies of the SIM card companies. The alternative hypothesis may be “Marketing strategy has great influence on business compared to the technology offered”.

Findings: The technology offered and strategy employed by the various market players in market segmenting, targeting and positioning as well as marketing mixes were investigated. The marketing approach of all the companies is very aggressive compared to that of Airtel. Though BSNL has the best base and offers all the services for the customers yet BSNL’s failure in not becoming a bigger market player is due to lack of proper marketing strategies, compared to other SIM card companies and non-availability of recharge vouchers in rural areas and less-availability of the same in town areas. Airtel has one of the best technologies which is its Unique Selling Proposition (USP).

The high quality of product along with low service and higher tariff has let Airtel down. It has a very low market share even though it delivers a good network and one of the best internet services. This is because of higher tariff and complacent marketing efforts. Vodafone also can boast of good technology and is the only company with a Walk-in Customer Service Centre. Vodafone offering similar technology as that of Airtel along with a better marketing strategy is gaining grounds in the market. Idea is one of the cheapest services in the market but with no service or fixed office. Lack of post-sale service is the cause of downfall of Idea as it is losing market share to other companies in spite of its network coverage.
Service is a marketing strategy of prime importance and providing reasonable quality at reasonable prices can do no good as Idea has been gradually losing market share because customers are losing faith in this company because of lack of service. Reliance is one of the cheapest but their services are limited and rely mostly on its marketing strategy of cheap tariffs. Reliance is losing market share due to lack of quality; cheaper price and marketing can’t compensate for the lack of quality. Aircel banks on cheap tariffs and good technology. Aircel also has a great marketing team that toils hard to win market share from the other companies. Aircel has a good market share because of its reasonably good quality and service; cheap tariffs and internet browsing called Pocket Internet; and aggressive marketing.

The trends of sale of mobile SIM cards by the various companies in 2011-12, 2012-13 and 2013-14, are shown in Figure 3. Moreover, the consumers are not much annoyed with the services and offers provided by the SIM Card Company. As basic phone is a rarity-only confined to government offices and few residences so mobile phone consumers are happy that they have mobile.

Limitations of the study:
The present study is limited as:
1. Only one district (North Tripura District) out of 8 districts of Tripura is under study which is too small to give a perfect view of the market.
2. The study covers only Branch Head Offices of the referred 6 SIM card companies. The absence of some players results in absence of some better offers also in the market under study.
3. A Random sample of total 200 consumers are interviewed; among them 100 are from urban areas and remaining 100 from rural areas. Sample size being medium may miss some important points.

CONCLUSIONS: This study puts forth the difference in the strategies employed by the various companies dealing in SIM cards and their market shares. This study is useful to understand which offers and what kind of pricing strategies work in the market. This research puts forth the view that only a combination of quality, price, service, and marketing can make a SIM card company successful. Only providing good technology without proper marketing strategy can lead to very low market share. Marketing strategy, i.e. how one sale dominates over technical prowess.

SCOPE OF FUTURE WORK: The study can be expanded to more cities, towns and villages to get more rational results. This will also bring in other SIM card companies competing in other markets with their various marketing strategies which will no doubt enrich the data and findings.

REFERENCES:

Notes:

Table 1: Type of plan; type of SIM card; network coverage & strength

<table>
<thead>
<tr>
<th>SIM card company</th>
<th>Plan Type</th>
<th>SIM card type</th>
<th>Coverage of network</th>
<th>Availability of network</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSNL</td>
<td>√</td>
<td>Pre-paid 2G</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Airtel</td>
<td>√</td>
<td>Post-paid 3G</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Aircel</td>
<td>√</td>
<td>Pre-paid 2G</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Vodafone</td>
<td>√</td>
<td>Pre-paid 2G</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Reliance</td>
<td>√</td>
<td>Pre-paid 2G</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Idea</td>
<td>√</td>
<td>Pre-paid 2G</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 2: Number of SIM cards sold in the last three years

<table>
<thead>
<tr>
<th>SIM card company</th>
<th>Total Post-paid SIM cards sold 2011-12</th>
<th>Total Pre-paid SIM cards sold 2011-12</th>
<th>Total SIM cards sold 2011-12</th>
<th>Pre-paid/Post-paid Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>BSNL</td>
<td>3244</td>
<td>3904</td>
<td>4872</td>
<td>119/10.1</td>
</tr>
<tr>
<td>Airtel</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td>Aircel</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td>Vodafone</td>
<td>71</td>
<td>966</td>
<td>1206</td>
<td>18.9/22.8</td>
</tr>
<tr>
<td>Reliance</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td>Idea</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td>×</td>
</tr>
</tbody>
</table>
### Table 3: Satisfaction vs. Dissatisfaction

<table>
<thead>
<tr>
<th>Consumer Type</th>
<th>Satisfied</th>
<th>Dissatisfied</th>
<th>Undecided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town Area</td>
<td>56</td>
<td>128</td>
<td>16</td>
</tr>
<tr>
<td>Rural Area</td>
<td>120</td>
<td>32</td>
<td>48</td>
</tr>
</tbody>
</table>

### Table 4: Brand Awareness Vs. Price & Quality

<table>
<thead>
<tr>
<th>Consumer Type</th>
<th>Quality</th>
<th>Price</th>
<th>Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town Area</td>
<td>48</td>
<td>104</td>
<td>48</td>
</tr>
<tr>
<td>Rural Areas</td>
<td>40</td>
<td>128</td>
<td>32</td>
</tr>
</tbody>
</table>

### Table 5: Decisive Factor in Choosing a SIM Card

<table>
<thead>
<tr>
<th>Consumer Type</th>
<th>Quality</th>
<th>Network Coverage</th>
<th>Network Strength</th>
<th>Price</th>
<th>Internet Browsing</th>
<th>3G Dongle</th>
<th>Recharge Cards</th>
<th>Advertisements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Town Area</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>16</td>
<td>24</td>
<td>24</td>
<td>8</td>
<td>56</td>
</tr>
<tr>
<td>Rural Area</td>
<td>8</td>
<td>32</td>
<td>24</td>
<td>56</td>
<td>8</td>
<td>0</td>
<td>40</td>
<td>32</td>
</tr>
</tbody>
</table>

### Figures

**Figure 1:** Graphical Representation of Total number of SIM cards sold by the various market players during last 3 years

**Figure 2:** Market share of all the SIM card companies for the last three years

**Figure 3:** Trends of business by the various SIM card companies