"Telecom Branding in Pakistan: Network Coverage or Value Added Services"

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Telecom Branding in Pakistan: Network Coverage or Value Added Services

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Abstract

Purpose – *This study explores the factors of telecom branding in Pakistan.* **Design/methodology/approach** – *Survey methodology was used to collect the data and a total of 238 mobile phone users were interviewed for their telecom brand preferences.* **Findings** – *Exploratory factor analyses and cross tabulations were used to measure the results, four major antecedents were extracted, Brand Association, Brand Premium, Brand Communication and Brand Loyalty. Cross tabs show wider differences in male and female customers for their perceptions towards bases of telecom branding. Secondly, three factors were identified as shaping the telecom branding i.e. Network coverage, Value added services and Pricing strategies while in subsequent quests value added services were emerged as major factor for retaining consumer mindset for telecom branding.*

Research limitations/implications – *A few strengths of social research; the universal use of self-reporting questionnaires, and use of students in the research process, which make the process robust and economically feasible, are actually highly criticized in different non-academic quarters.*

Practical implications – *The findings point to various implications for practicing managers especially those who are responsible for segmentation, targeting and positioning their services.*

Originality/value – *Although there are many studies on brand preferences; research on telecom brand antecedents is very limited. This research adds significant value by dissemination of knowledge on the subject area.*

Key words: Telecom, Mobile Phone, Services, Branding, Marketing, Pakistan

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1. Introduction

This study presents the customer perceptions shaping the antecedents of telecom branding in Pakistan. During the last decade, the tremendous growth in Pakistan telecom sector made it a good candidate to study its branding issues. Having a higher Teledensity (72%) in its neighboring countries with annual cellular subscribers over 100 million (till December 2014 – PTA) made a good background for an academic quest. Companies are striving hard to make their brands stronger.Differentiation is vital for brand strength which could be created through proper branding (Siddiqui, 2007).

2. Literature Review

Literatures suggest that branding antecedents can be classified into two categories, one what you can see, second, what you can't see (Davidson, 1998). The first contains name, advertising, packaging, promotion, and price. The second contains selling/marketing skills, efficient production, high quality, superior freshness, heavy investment, low supply chain costs. While brand value creation antecedents discussed by Chu & Keh(2006) are advertising, promotional and R&D expenses. To provide the value to customers for enhancing the relationship with the brands, Schmitt(1997) has labeled the brand as Sense, Feel and Think. On the other hand corporate branding differs among shareholders, employees, customers and journalist (Fiedler, 2007). The customers have more effect in the success or failure of the brand. Tangible and intangible attributes unanimously create unique brand, which stays in customers' mind due to being different that affects a lot to perceived value (Puligadda, 2010). Company and community have the communication which affects the brand (Hatch, 2010). This can either create problem or an opportunity, but if the brand or its antecedents are as per that community, brand will get strength.

Narrowing down the discussion to the antecedents of telecom branding, very thin literature is available. For instance; branding strategies in telecom sector are normally pushed by brand identity, values, personality, architecture, positioning & communication (Alamro, 2011). Furthermore, he also highlighted that the impact of branding efforts in the telecom sector are directly proportional to brand expansion and increase in market share. He also discussed re-branding in telecom sector, which was done as per customer's perception and was proved successful for Orange and Zain mobile operators in Jordan.

It was further highlighted in the literature that for accessing log-term brand potential, brand vision needs to be set; brand actualization is to be analyzed, only then brand valuation could be forecasted. For this, brands have to make the association through antecedents, as Virgin's customer advocacy and orientation, Apple's innovation and Airtel's expression and music (Keller & Lehmann, 2009).

After skimming through literature, three generalization could be made; Firstly, various branding studies are conducted in Pakistan on different industry sectors like Fertilizer branding (Siddiqui, Ahmad, Manan, & Choudhary, 2013); Islamic branding (Jumani & Siddiqui, 2012) or on various branding aspects such as intergenerational influences on brand preferences (Siddiqui, Bashir, Sarki, Jaffari, & Abbas, 2012) but there is no formal academic research conducted on telecom branding in Pakistan or in neighboring countries. Secondly, there is not a single factor which could make a brand famous or cause for its failure in telecom branding (Khakhan & Siddiqui, 2013). Lastly, this subject area is found interesting but very few academic researches addressed the issue, rather this is considered as a corporate issue.

3. Methodology

Primary data was collected from the Pakistan; the questionnaire was developed with the help of factors of branding already available in literature and in-depth focus group discussion. The instrument was prepared to include all important factors for telecom branding, i.e. tangible, intangible, and those which become key success factors of a brand. The support services, premium pricing, quality of calls, value added services as main factors of telecom brands which affect the satisfaction of

customers (Keller, 2009 & Ali et al., 2010); Advertising, promotion, price, name, high quality and heavy investment as factors for next generation brands (Davidson, 1998); Social media, Advertising and brand as a sign or logo (Caccamo, 2009); Publicity, which could be positive and negative for brand (Pullig, 2006); Value of company with and without brand (Salinas & Ambler, 2009); Call quality, call clarity, network coverage, value added services, customer support (Abdolvand et al.,2008); Word of mouth can have positive and negative effects on brand through satisfied and dissatisfied customers (Richins, 1983; East, 2005 &Alamro, 2011); the effect of country of origin on brand (Hubal, 1996 & 2006); differentiation increases the brand loyalty, which indeed matter for a brand (Tremblay & Filho, 2001 & Keller, 2009).

A focus group was conducted in the earlier phases of the research, comprised of six respondents and moderated by an experienced researcher. More factors like GPRS/EDGE, International Roaming & Text messaging facility were included as a result of focus group discussion on antecedents of telecom brand by keeping in view the culture, needs and preferences of Pakistani customers.

The questionnaire was developed to get the in-depth perception of telecom customers, for this, four open ended questions were included while five point likert scale was as well used to measure the impact of branding from very low to very high.

The questionnaires were distributed to business schools and the students selected were specialized in marketing or studied the subject of brand management. Total 238 respondents out of 500 have willingly participated in the study. After initial screening, 185 questionnaires were found appropriate for analysis. A sample size of 185 university students was believed to be adequate for the current study (Siddiqui, 2013). The sample size, demographic mix and response rate are considered sufficient for fruitful results. Both rural and urban customers were appreciated to participate in the study, 75 percent were urban telecom users and 25 percent were rural. Study received the participation of 66 percent male while 34 per cent are female. 53 percent users were using only one connection, 29 per cent were using two, 10 per cent three, 3 per cent four and 5 percent were using the five or more connections. 47 percent were not using the internet services, 36 percent were having limited use while 17 per cent customers were having unlimited usage of mobile internet.

Data was analyzed after computation of descriptive statistics; crosstabs and factor analysis have been used to measure the results.

4. Results and Discussion

Exploratory factor analysis and cross tabs are used to investigate the main factors of telecom branding. The 20 items of telecom branding factors are analyzed separately using the principal component analysis method of extraction and varimax form of rotation with Kaiser Normalization. Four main factors have been extracted; a) brand association comprises of country of origin, company name, innovation, support services, value added services and differentiation. b) Brand Premium, consists of premium pricing, publicity, word of mouth and brand logo, all factors are loaded positive except publicity, which is due to certain issues like unauthorized ownership cases and fake sales; for unauthorized ownership (PTA, 2014) has launched a campaign to get those numbers registered on real customers. c) Brand Communication contains, wide network coverage, advertising, international roaming and sales promotion; international roaming is found inversely related to brand communication due to its seasonal advertising nature (i.e. Pilgrimage for Hajj or Umrah). d) Brand Quality encompasses, quality of sound, quality of calls, text messaging facility, technology and social media marketing; customers interested in the quality of sound and calls are found less interested in text messaging facility so it results inversely, in telecom branding value added services are the fore front side for new technologies that is why technology by itself has been found inversely related in

the factors. Social media is selected by companies after establishing reputation in the quality so it is found with the quality.

Ranking the priorities: Respondents were asked to prioritize influencing factors.In first priority, network coverage, value added services and pricing strategies, in second priority, value added services, quality of services and pricing strategies and in third priority, value added services and pricing are considered as main factors of a telecom brand.

Gender differences in telecom services: Open ended questions were asked to solicit free choice of expression. By analyzing factors of branding and gender cross tabulation, it is found that male customers have value added services as first priority and second is pricing while female customers have higher priority for network coverage than value added services.

5. Conclusions

The study has explored the factors of branding through open and close ended questions. In factor analysis, four main factors are extracted, brand association, brand premium, brand communication and brand quality. The brand association consists of country of origin, company name, innovation, support services, value added services and differentiation. Brand premium includes premium pricing, publicity, word of mouth and brand logo. Brand communication comprises wide coverage network, advertising, international roaming and sales promotion. Brand quality means the quality of call, quality of sound, text messaging facility, technology and social media marketing. People are more interested in network coverage, value added services while pricing, quality and promotional activities are of less priority for them. Gender differences show clear contrast in the choice of factors, female needs the basic service features while male require value added services in a telecom brand.

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Table-I

Summary of Factor Analysis of Antecedents of Telecom Branding

	Factors			
	Brand Association	Brand Premium	Brand Communication	Brand Quality
Country Of Origin	0.85			
Company Name	0.83			
Innovation	0.55			
Support Services	0.52			
Value Added Services	0.51			
Differentiation	0.40			
Premium Pricing		0.50		
Publicity		-0.48		
Word Of Mouth		0.44		
Brand Logo		0.39		
Wide Coverage Network			0.51	
Advertising			0.44	
International Roaming			-0.41	
Sales Promotion			0. 39	
Quality Of Sound				0.64
Quality Of Calls				0.63
Text Messaging Facility				-0.47
Technology				-0.34
Social Media Marketing				0.30
Eigenvalue	2.74	1.55	1.52	1.33
Variance Explained	13.69	7.77	7.61	6.68
KMO	0.64	0.53	0.51	0.54

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

Exhibit I : Gender differences in Telecom branding elements: