

## **IMPACT OF RELATIONSHIP MARKETING ON THE BUSINESS GROWTH OF MOBILE TELECOM INDUSTRY: AN EMPIRICAL STUDY FROM BANGLADESH PERSPECTIVES**

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***Abstract:** Bangladesh is a rapidly growing country in the context of mobile telecom service arena. Being a developing country, it has to go through a massive transformation of legal and economic issues to make a level playing field for the market players. The result of which is evident from the rising competition among the six mobile telecom operators. This has been manifested from the rising challenges and opportunities in the market. Towards this end, the present study endeavored to examine the impact of business growth of the mobile telecom industry through relationship marketing practice of the operators. From the reviewed literature and the findings of this study on 577 respondents through judgment sampling three major implications have been found namely trustworthy and committed service, interactive and affordable communication, and caring and customized value proposition for the marketers to ensure a stable growth of this industry.*

***Keywords:** Relationship Marketing, Legal and Economic Issues, Competition, Challenges and Opportunities.*

### **INTRODUCTION**

The growth and development of mobile telecom industry of Bangladesh is remarkable. With the commencement of its journey in a regulated environment, the industry has gone through a long way to liberalized market regime and witnessed a good number of joint ventures, acquisitions, takeover, measures of enacting telecom laws, rules, regulations and policy for good corporate governance and legally supportive customer service with the state-of-the-art mobile telecom technologies, etc. In this growth phase of the industry, one state owned and five private mobile operators have appeared in the market to approach the customers with their distinctive features, competitive advantages and innovative products and services. As a result, a fiercely competitive environment has been created among the existing market players and the new entrants as well. Together with this, business opportunities of many complementary products and

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services such as mobile phone set, internet modem, accessories, mobile commerce, mobile banking, mobile shopping, etc., have also been increased. In such a situation, stable growth of the mobile telecom industry of Bangladesh is encountered with tremendous challenges. In this regard, the present study is an endeavor to examine the impact of relationship marketing on the business growth of Mobile Telecom Industry of Bangladesh.

### **Background of the Mobile Telecom Industry of Bangladesh**

The year 1989 is considered as the turning point in the history of mobile telecom industry of Bangladesh because during this very year, the telecom sector was liberalized and private sector participation was allowed by issuing licenses for 20 years to Hutchison Bangladesh Telecom Limited (HBTL) for mobile and fixed wireless applications for all-Bangladesh (BTCL Web Site). In the same year, mobile telecom operator the Pacific Bangladesh Telephone Limited (PBTL) and the Bangladesh Telecom Limited (BTL) were awarded a license to operate cellular, paging, and other wireless communication networks. Then, in the next year in 1990, the HBTL was incorporated in Bangladesh as a joint venture with BTL although HBTL was acquired by PBTL in 1991 and commenced its operation with the brand name HBTL in the year 1993. Agreement with Bangladesh Telegraph and Telephone Board (BTTB) was made regarding PSTN links in 1993 and Bangladesh became the first South Asian country to adopt cellular technology by introducing Advanced Mobile Phone System (AMPS) and subsequently, HBTL began commercial operation in Dhaka using the AMPS mobile technology in the same year. This industry was regulated [licensing and spectrum management] by BTTB until the responsibility was transferred to Ministry of Posts & Telecommunications (MoPT) in 1995 and towards this end, Government awarded three GSM licenses to Grameen Phone (GP), Robi Axiata Limited (Robi) and Banglalink Digital Communications Limited (Banglalink) aimed at breaking the monopoly and making the cellular technology affordable to the general masses in 1996. In the same year, the HBTL was renamed as Pacific Bangladesh Telecom Limited (PBTL) and launched the brand name "CityCell Digital" to market its cellular products while the Grameen Phone and Telecom Malaysia International Bangladesh (TMIB) were offered cellular license in Bangladesh by the MoPT. In 1997, Grameen Phone launched its service on the Independence Day of Bangladesh, TMIB launched its GSM services in the brand name of Aktel and Sheba Telecom also launched its GSM services in the same year. In 1998, the said three GSM operators signed a revenue sharing agreement with BTTB, the National Telecommunication Policy of 1998 also came into force. Then, CDMA technology was first introduced by CityCell in the beginning of 1999. In April 2001, the MoPT licensed five companies (Omnicom Ltd, Coronet Corporation, Cosmos Telecom, Uttara Telecom and Formula One International) through competitive bidding to operate prepaid calling card services (PCCS) and in due course, the Bangladesh Telecommunication Act, 2001 was enacted to establish Bangladesh Telecommunication Regulatory

Commission (BTRC) and the Information & Communications Technology (ICT) Policy came into force in 2002. Mobile operators were awarded a USD 2 million turnkey contract for a switch to BTTB in the year 2003 and the first ever government owned mobile telecom company named the Teletalk Bangladesh Ltd. was awarded GSM license in 2004 which launched its brand 'Teletalk' in 2005. Egypt based Orascom acquired Sheba Telecom and launched the brand name 'Banglalink' in the year 2005 while Warid Telecom got GSM license in the year 2005 and commenced its business by launching the brand 'Warid' in 2007. Japanese NTT DoCoMO bought 30 percent stake in Aktel of TMIB and rebranded as 'Robi' in 2008 and the market leading telecom operator Grameen Phone was listed in the capital market in late 2009 while Bharti Airtel acquired 70 percent stake in Warid Telecom in January 2010 and established as Airtel Bangladesh Limited rebranded as 'Airtel'. Finally, 3G mobile service is introduced by state owned Teletalk in October 2012 and private mobile operators except the CityCell were awarded 3G license in 2013.

The business growth of the mobile telecom industry is exhibited in the following through a comparative statement in the table 1 [Appendix] on the basis of the number of subscribers in the months of January 2015 and January 2016.

## **LITERATURE REVIEW**

The impact of Relationship Marketing in the business growth depends on the positive influence of multi-farious factors. In this regard, the findings of the prominent research studies have been reviewed in the following section.

Karlsen et al. (2008) found that sincerity is a determinant and key factor for building customer relations. Tribbia (2006) found that sincere mobile telecom service providers constantly try to upgrade their services by improving basic features such as displaying callers' contact number, call log, SMS, etc., to make such services very convenient to the customers.

The findings of Lim et al. (2006) also recognize that the billing system factor is an important dimension of service quality. Bamfo (2009) reports that factors like accuracy of bills, competitive pricing, etc., may affect mobile telecom operators' relationship with customers. The results of Pezeshki et al. (2009) study indicate that customers require mobile communications service providers to provide accurate billing, understandable invoice, and convenient payment of invoice as these are important aspects of Billing System.

Mechael (2006) advocated that safety and security are the two aspects of mobile phone use that are gaining increased attention in low and middle income countries with growing numbers of mobile phone users.

In a study on the perceptions of mobile phone operators' service quality, Santouridis and Trivellas (2010) suggested that customers evaluate service quality of their mobile phone operators based on quality of six dimensions including network, value-added services, mobile devices, customer service,

pricing structure and billing system. This scale was administered to two hundred five residential non-business mobile phone users in Greece. Their findings show that customer service, pricing structure and billing system are the service quality dimensions that have the most significant positive effect on customer satisfaction, which in turn have significant positive impact on relationship with customers and thereby on customer loyalty.

From the study of Morgan and Hunt (1994), it is revealed that the interaction of cooperation and commitment results in cooperative behavior that enables the relationship to work and ensures that both parties receive the benefits of the relationship, and therefore, achieve mutual satisfaction.

A number of research studies suggested that relationship marketing through individual attention to customer specific needs in the mobile telecommunications industry would be a function of mobile telecommunications provider's service quality, service recovery, price fairness, brand image, and customer orientation of service employees (Michel and Meuter, 2008; Nimako et al., 2010; Herrmann et al., 2007; Minkiewicz et al., 2011).

Haghirian et al. (2005) found that the higher the informativeness of mobile advertising messages, the higher the perceived advertising value of the consumer. According to Tsang et al. (2004), perceived informativeness of mobile advertising has a direct positive effect on attitude toward mobile advertising. Consistent with this view, other studies identified information value as one of the strongest drivers of mobile advertising acceptance (Merisavo and Kajalo, 2007).

The previous research studies found that responsiveness is likely to have an important and positive effect on customer satisfaction (Jun and Cai, 2001; Diaz & Ruiz, 2002; Joseph et al., 2005; Glaveli et al., 2006). Griffith and Krampf (1998) mentioned that enough staff supports are needed with prompt responsiveness in order to improve their customer service and satisfy their customers.

To create long-term customer relationships, many organizations use customer service centers as important instruments for delivering their services, whether partially or totally (Anton, 2000; Holman, Batt, and Holtgrewe, 2007; Miciak and Desmarais, 2001), and the number of customer contact centers is increasing substantially (Whitt, 1999).

There is increasing evidence that mobile telecom companies are investing in call centers to build, maintain, and manage customer relationships by solving problems and resolving complaints quickly, having information, answering questions, and being available usually 24-hours a day, 7 days a week, 365 days of the year (Michell, 1998).

Ravald and Grönroos (1996) found that in a long-term relationship, attractive rewards are related to customer expectations. The other researchers shows that the reduction in communication costs associated with mobile phones has tangible

economic benefits, improving agricultural and labor markets efficiency and producer and consumer welfare in specific circumstances and countries (Jensen, 2007; Aker, 2008; Aker, 2010; Klonner and Nolen, 2008). Thus, relationship with customers is improved which increases business volume of the mobile telecom service provider.

Tsang et al. (2004) found that incentives have an impact on improving relationship with customers. They found that customers are more willing to accept incentive-based mobile advertising. On the contrary, Jupiter Research (2008) predicts that nearly 200 million mobile subscribers will use mobile coupons globally by 2013.

Saviga et al. (2012) referred to the techniques including greeting and remembering customers' names and profiles, giving advice and friendliness, facilitating major customers with special services, etc.

From the European Mobile Industry Observatory (2011), it is known that mobile operators provide advice and raise awareness regarding the safe use of mobile communications by children and support to fight against illegal content on mobiles.

In a study, Pine II (1992) found that firms talk to individual customers to determine the precise offering that best serves the customer's needs through personalized marketing and personal marketing orientation.

From the reviewed literature, it is seen that none of the above findings were conclusive and exhaustive in relating all the necessary factors to assess the maximum impact of relationship marketing in the business growth of an industry. So, there is research gap.

With the fastest growth of mobile telecom industry, there are already six operators in Bangladesh each of which offers both pre-paid and post-paid telecom services in the form of mobile telephony, mobile banking, mobile commerce, mobile internet, etc., through the state-of-the-art technologies like 3G, WCDMA, etc. As a result, an acute competition has been developed among the market players, which has given birth to both challenges and opportunities for them. Against this backdrop, relationship marketing can be an effective marketing approach to adopt by the operators to ensure stable growth of their business. However, it is a matter of limitation of this study that none of the study on the impact of relationship marketing was found directly related to the business growth of the mobile telecom industry of Bangladesh. So, there is a research gap and to mitigate this gap a rigorous research is yet to be systematically attempted.

From the identified research gap it can be stated that the previous studies focused on one or, some specific factors other than the maximum factors of relationship marketing influencing the business growth of the mobile telecom industry of Bangladesh. So, it is important to identify the relevant factors of relationship marketing that may enable the concerned to take necessary policy measures and

actions in order to ensure business excellence of this very industry. Furthermore, the present study may contribute to further research for innovative and academically enriched study in the concerned arena.

## **THEORETICAL FRAMEWORK**

**Meaning of Relationship Marketing:** Relationship Marketing is company behavior with the purpose of establishing, maintaining and developing competitive and profitable customer relationship to the benefit of both the parties (Hougaard and Bjerre, 2002). It is also a business strategy that entails the development of long-term partnerships with customers (Lamb, Hair and McDaniel, 2002). The idea with this concept was that organizations should focus on customer relations to better be able to meet with customer demand (Hughes, 2003). Thus, relationship marketing enables companies to communicate in a more effective way by using more qualitative messages to reach existing and potential customers and to get a better understanding what they might expect from the company (Doole and Lowe, 2008). Relationship Marketing is a method that is pursued to better understand and identify the needs of these customers in order to offer their best products and services in return (Liou, 2009). Relationship marketing is considered as an intermediate outcome measure along the way to achieving sustainable business financial performance in terms of return on investment, a crucial end point marketing performance measure (Matear et al., 2003).

**Dimensions of Relationship Marketing:** Bansal, Taylor and James (2005) suggested that relationship marketing practices can be executed through service quality, price perception, value offered, alternative attractiveness, and so on. Peng and Wang (2006) also examined the application of relationship tactics in service quality, reputation (brand), price perception, value offers. Tseng (2007) discussed that tactics as direct mail, tangible rewards, interpersonal communication, preferential treatment and membership which could enhance long-term relationship and increase relationship satisfaction, trust and commitment.

**Meaning of Business Growth:** Kruger (2004) defined business growth in terms of revenue generation, value addition, and expansion in terms of volume of the business. It can also be measured in the form of qualitative features like market position, quality of product, and goodwill of the customers. Gilbert et al. (2006) highlighted business growth as a function of the decisions an entrepreneur makes, like how to grow internally or externally and where to grow in domestic market or international market. According to Morone and Testa (2008) addressed the influence of enterprise size and age on business growth. While Freel and Robson (2004) found that business growth is the result of the influence of variables such as strategy, organization, and the characteristics of the enterprise's owners.

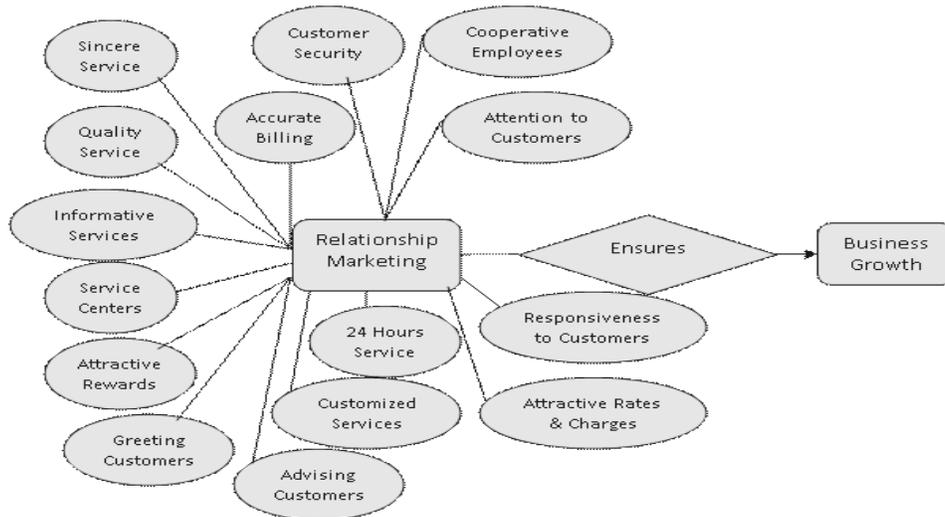
Mateev and Anastasov (2010) have found that an enterprise's growth is related to size as well as other specific characteristics like financial structure and productivity. They further added that the total assets which is one of the measure of the enterprise size has a direct impact on the sales revenue, but the number of employees, investment in R&D, and other intangible assets have not much influence on the enterprise's growth prospects. Lorunka et al. (2011) have further highlighted that apart from human capital resources, the growth of a business can be predicted on the basis of commitment of the person starting a new enterprise. Some countries use turnover of the business to determine the size of an enterprise, whereas some use fixed investment or the number of employees (Lokhande, 2011), sales volume, and worth of assets (Rahman, 2001)

**How does Business Growth Take Place?:** Masurel and Montfort (2006) cited Greiner (1972) to conclude that business moves through five distinguishable stages of growth which are chronologically creativity, direction, delegation, coordination, and collaboration. Applying the findings of Greiner to the small entrepreneurial business situation, Churchill and Lewis (1983) have developed a model of business growth having five stages including existence, survival, success, take-off and resource maturity.

**Relationship Marketing can Contribute to the Growth of an Industry:** As the competitive environment becomes more turbulent, the most important issue the sellers face for their business growth is no longer to provide excellent, good quality products or services, but also to keep loyal customers who will contribute long-term profit to organizations (Tseng, 2007). As a part of marketing strategy, relationship marketing (RM) seeks to acquire and retain customers by providing good quality customer services, and therefore RM has become one of the keys to success in acquiring strong competitiveness in the present markets, because of its implications for access to markets, generation of repeat purchase, creation of exit barriers, and the view that it benefits all parties (Andaleeb, 1996). To ensure sustainable business growth, mobile phone telecommunication firms are forced to make innovation and do the best for customer satisfaction. Due to this, relationship marketing plays an important role in telecommunication industry. It demands a relationship-oriented strategy in marketing (Grönroos, 2004). So, telecom companies must keep improving their quality of service to retain their loyal customers and in order to increase their brand share and profitability (Khattar, 2006).

**Analytical Model of the Present Study:** From the light of the extensive literature review the following Figure 1 has been developed for the present study to exhibit the analytical (i.e., graphical) model of the business growth through relationship marketing.

**Figure 1: Research Model of Business Growth through Relationship Marketing**



## OBJECTIVE

The objective of the study is to examine the impact of relationship marketing in the business growth of mobile telecom industry of Bangladesh.

## RESEARCH QUESTION HYPOTHESIS

The present study investigates the research question: “Does Relationship Marketing have any impact on the business growth of Mobile Telecom Industry of Bangladesh?”

The hypotheses derived from the research question of relationship marketing exhibit the appropriate answers to the research question is as follows:

H<sub>0</sub>: Relationship marketing does not have positive impact on the business growth of Mobile Telecom Industry of Bangladesh.

H<sub>1</sub>: Relationship marketing has positive impact on the business growth of Mobile Telecom Industry of Bangladesh.

## METHODOLOGY

The present study is the result of the collection of both primary and secondary data and their analysis. In order to make the study effective, the primary data have been collected from the sample size of 577 respondents including 454 customers and 123 employees of six mobile phone telecom service operating companies using ‘judgment sampling’ method through survey on customers and employees (i.e., population) of mobile phone telecom service in Bangladesh. A

structured questionnaire comprising of open-ended and non-forced, balanced and odd numbered non-comparative itemized questions using a 5-point Likert scale (1= strongly disagree, 5= strongly agree) based self-administered questionnaire has been used for the survey. On the other hand, secondary data have been collected through extensive literature review. In this regard, recently published articles and research papers in the referred journals and peer reviewed international conference proceedings, online resources and reports of the operators, web sites, newspapers, etc., relevant to the literature of the subject matter have also been studied. The study has been endeavored through quantitative analysis and as a part of this, the popular statistical tools of reliability and validity measurements, factor analysis using Principal Component Analysis (PCA) with orthogonal varimax rotation, etc., have been utilized to conduct necessary assessments using SPSS version 21. To conduct factor analysis, the independent variables have been identified which are exhibited in the table 2 [Appendix].

Finally, on the basis of the statistical analysis results, the technique of Entity Relationship (E/R) Diagram has been used to develop an effective model of relationship marketing for the stable business growth of mobile telecom industry of Bangladesh.

The research was intended to evaluate the role of relationship marketing in the stable business growth of mobile telecom industry of Bangladesh. Using a study of the literature as a framework, the relationship between business growth and relationship marketing has been studied. This study covers all the six mobile operators and their pre-paid and post-paid mobile telephony, data (i.e., internet), mobile commerce, mobile banking and other value added services. The survey mainly covers the respondents of Dhaka and Chittagong divisions.

## **FINDINGS AND ANALYSIS**

**Sampling Adequacy to Validate Relationship Marketing Factors for Business Growth:** The Bartlett Test of Sphericity and Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy have been used to validate the relationship marketing factors for business growth through factor analysis. Table 3 [Appendix] exhibits that the value of KMO is .905 which is 'marvelous' (Kaiser, 1974) suggesting the adequacy of the sample size for the factor analysis. While from the results of the Bartlett's Test of Sphericity in this table, it is seen that the approximate chi-square statistics is 3946.745 with 105 degrees of freedom, which is significant. Calculated value 3946.745 is greater than table value. This means that the null hypothesis that the population correlation matrix is an identity matrix, is rejected by Bartlett's test of sphericity. So, the result of Bartlett's test of sphericity is significant suggesting that the population was not an identity matrix. Therefore, the Bartlett's Test of Sphericity is significant.

**Correlation of Relationship Marketing Activities for Business Growth:** The following correlation matrix, constructed from the data obtained to understand the impact of relationship marketing in the business growth of mobile telecom industry of Bangladesh. This matrix exhibits sufficient coefficients above 0.3 to allow Factor Analysis. In this table, there are 94 coefficients, the correlations of which are greater than 0.30 and they are highlighted in grey. So, the highlighted coefficients in the table 4 [Appendix] exhibit that the above variables are correlated with each other. These variables may also be expected to correlate with the same factors.

**Communalities of Relationship Marketing for Business Growth:** The “Initial” column of the table 5 [Appendix] exhibits that the communality for each variable, v1 to v15, is 1.0 as unites which were inserted in the diagonal of the correlation matrix. Moreover, the table 6 also exhibits that the average communality of the variables after extraction is above 0.50 except .440 for the variable v7 which is highlighted in grey.

**Total Variance:** In the table 6 [Appendix], “Initial Eigenvalues” in column B exhibits the eigenvalues in its sub column entitled “Total”. The eigenvalues for the components are exhibited in decreasing order of magnitude from component 1 to component 15. The eigenvalue for a component indicates the total variance attributed to that component. The total variance accounted for by all fifteen (15) components is 15.00, which is equal to the number of variables (i.e., 15). Each of the 15 variables has a sample variance in column entitled “% of Variance”, the sum of which equals the total variance in column entitled “Cumulative %”. According to the eigenvalues criterion, the exact number of components is 15 which is exhibited table 6. As demonstrated in the table 6: the first principal component (component 1) accounted for 46.57% of the total variance, the second principal (component 2) component, accounted for 11.19% whilst the third principal (component 3) component, accounted for 7.40%. The cumulative proportion of variance criterion, which says that the extracted components should together explain at least 60% of the variation, shows that the 3 extracted components cumulatively accounted for 65.15% of the variation in the data set. Scores are numbers that express the influence of an eigenvector on a specific sample. Thus, the ‘Component 1’ accounts for a variance of 6.985, which is  $(6.985/15) \times 100$  or 46.57% of the total variance. Likewise, ‘Component 2’ accounts for  $(1.678/15) \times 100$  or, 11.18% of the total variance. Similarly, ‘Component 3’ accounts for  $(1.110/15) \times 100$  or, 7.4% of the total variance. Thus, the first 3 (three) components combined (i.e., cumulative) account for 65.15% of the total variance.

**Correlation between the Relationship Marketing Activities for Business Growth:** The table 7 [Appendix] of “Component Matrix” exhibits that Component 1 is correlated with all the 15 variables (an absolute value of component loading greater than 0.3). Likewise, Component 2 is at least somewhat correlated with 8 of the 15 variables. Similarly, Component 3 is at

least somewhat correlated with 7 of the 15 variables. Moreover, variables v1, v2, v3, v4, v11, v12, v13 and v14 load at least somewhat on both the components 1 and 2 whereas variables v7, v8, v9, v10, v13, v14 and v15 load at least somewhat on both the components 1 and 3. Again, variables v13 and v14 load at least somewhat on all the 3 components. So, it is seen that the “Component Matrix” in the following table is not ideal option to interpret the components properly instead it is difficult to interpret or seldom results in components that can be interpreted.

**Rotation of Components:** Now, by comparing the Rotated Component Matrix in the table 8 [Appendix] with the Initial or Unrotated/Component Matrix in the above table, it is seen that how rotation achieves simplicity and enhances interpretability. From the comparison, it is seen that whereas all variables correlated with Component 1 in the unrotated matrix, only variables v1 (Sincere Service), v2 (Accurate Billing), v3 (Customer Security), v4 (Quality Service), v5 (Cooperative Employees) and v6 (Attention to Customers) correlate with Component 1 after rotation. Likewise, v7 (Informative Services), v8 (Responsiveness to Customers), v9 (Service Centers), v10 (24 Hours Service) and v11 (Attractive Rates and Charges) correlate highly with Component 2. Similarly, the remaining variables, v12 (Attractive Rewards), v13 (Greeting Customers), v14 (Advising Customers) and v15 (Customized Services) also correlate highly with Component 3. Furthermore, no variable commonly correlates highly with all the 3 components. This can be clearly seen in the table 8.

**Component Loadings:** The rotated component matrix forms the basis for interpretation of the components. In this study, loadings of 0.50 or more are considered practically significant. In the rotated component matrix:

1. Component 1 has high coefficients for variables: v1 (Sincere Service), v2 (Accurate Billing), v3 (Customer Security), v4 (Quality Service), v5 (Cooperative Employees) and v6 (Attention to Customers). Therefore, this component may be labeled or named as ‘Trustworthy and Committed Service’ Component. Thus, relationship marketing creates positive impact on the business growth of mobile telecom industry of Bangladesh by providing trustworthy and committed service.
2. Component 2 is highly related with variables: v7 (Informative Services), v8 (Responsiveness to Customers), v9 (Service Centers), v10 (24 Hours Service) and v11 (Attractive Rates and Charges). Therefore, this component may be labeled or named as ‘Interactive and Affordable Communication’ Component. Thus, relationship marketing creates positive impact on the business growth of mobile telecom industry of Bangladesh by offering interactive and affordable communication service.
3. Component 3 has high coefficients for variables: v12 (Attractive Rewards), v13 (Greeting Customers), v14 (Advising Customers) and v15

(Customized Services). Therefore, this component may be labeled or named as 'Caring and Customized Value Proposition' Component. Thus, relationship marketing creates positive impact on the business growth of mobile telecom industry of Bangladesh by assuring caring and customized value proposition.

From the above findings of this study in table 9 [Appendix], it is evident that sustainable development of the mobile phone telecom industry of Bangladesh is ensured through Relationship Marketing for three reasons namely 'Trustworthy and Committed Service', 'Interactive and Affordable Communication' and 'Caring and Customized Value Proposition'. Components loading of the variables and percentage (%) of variance of the factors as exhibited in table 9 rejects the null hypothesis (H<sub>0</sub>: Relationship marketing does not have positive impact on the business growth of Mobile Telecom Industry of Bangladesh) and proved the alternative hypothesis (H<sub>a</sub>: Relationship marketing has positive impact on the business growth of Mobile Telecom Industry of Bangladesh). The following is a brief discussion of each component in the order of its contribution to the total variance.

#### **Component 1: Trustworthy and Committed Service**

It is the most important component since the eigenvalue and percentage (%) of variation explained by this component are 6.985 and 46.565 respectively. This component contains 6 (six) variables, of which the first three (v1, v2, and v3) with component loading .859, .852, and .823 respectively have relevance to the trustworthiness of the customers and the remaining three (v4, v5, and v6) with component loading .757, .725, and .580 respectively are related to commitment to the customers. The examination of the impact of relationship marketing activities on business growth of mobile telecom industry of Bangladesh reveals that all these six variables are significant [Table 9]. Sincere service by the employees, for example, can build trustworthy relations with customers through their honesty, sincerity, truthfulness, etc. It is because customers feel comfortable with such service and trust the company employees who motivate them to repeat their purchase and usage. Accurate billing is also a sensitive issue among the customers because much dissonance often arises due to ghost billing, bogus billing, erroneous call charges, etc. It is because customers favor that company which has trustworthy and authentic billing for which s/he will not be looser. Customer security, for example, is an important issue to protect their personal and transactional privacy because customers want to be secured. In the services like blocking disturbing numbers, mobile banking, balance recharge, etc., trustworthiness of the company to their customers is very important. On the other hand, quality service, cooperation and attention of the employees to customers need fulfillment, for example, are very important to attract new customers as well as retain the existing customers. It is because committed quality service can not only ensure customer satisfaction by reducing their switching tendencies but also ensure business growth through profitability. Customers expect that they will be served by the cooperative employees with individual attention to them.

### **Component 2: Interactive and Affordable Communication**

It is the second most important component since the eigenvalue and percentage (%) of variation explained by this component are 1.678 and 11.185 respectively. This component contains 5 (five) variables, of which the first four (v7, v8, v9, and v10) with component loading .616, .580, .752, and .763 respectively have relevance to the interactive communication with the customers and the remaining one (v11) with component loading .572 is related to affordability of the customers. The examination of the impact of relationship marketing activities on business growth of mobile telecom industry of Bangladesh reveals that all these 5 (five) variables are significant [Table 9]. In this age of information and communication technologies (ICT) customers want to communicate uninterruptedly for which anytime and anywhere interaction service is highly valued. Informative services, for example, are highly desired by the customers or users because they can update themselves with the latest news, new policies, changes in rules and regulations, alters, reminders, etc. Modern customers have many queries regarding their service requirements and they want prompt response to such queries because many of their service needs require instant resolution through interactive discussion with the concerned customer service executive. To provide technical services throughout the daytime, service centers, for example, play important role since these centers render services to the customers through face to face interactive process where many of the customers' problems may be resolved within short span of time. But customers today prefer those companies which offer round the clock services so that any of their queries, problems and requirements can be met whether it is midnight, early morning or late evening. Due to this 24 hours service is very important. Now-a-days, third party or company owned call centers are playing this important role of providing interactive customer service at day and night. Attractive rates and charges, for example, may enable the companies to go for mass marketing as mass people want to buy a product or service at an affordable price within their budget. This is also true for the companies to keep the costs within their budget or affordability.

### **Component 3: Caring and Customized Value Proposition**

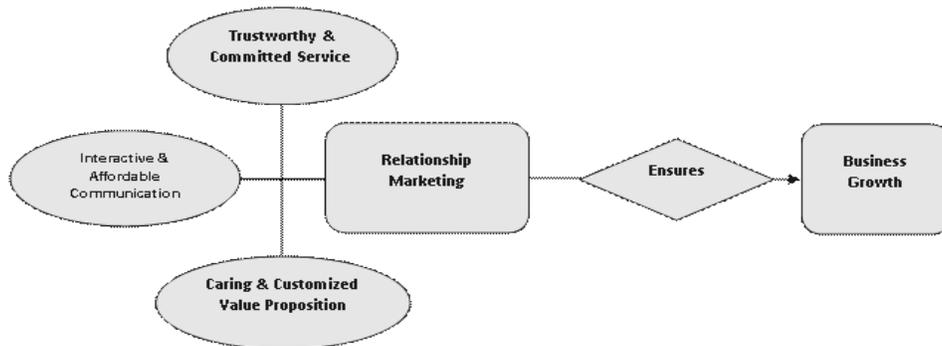
This is the third most important component since the eigenvalue and percentage (%) of variation explained by this component are 1.110 and 7.402 respectively. This component contains 4 (four) variables, (v12, v13, v14, and v15) with component loading .610, .818, .817, and .656 respectively have relevance to the caring and customized value proposition or benefits. Of them the first one that is 'attractive rewards' is related to value offer. For example, customers who use mobile phone up to a given amount of talk time, they may be offered bonus talk time, free short message service (SMS), etc. On the other hand, the next two variables namely 'greeting customers' and 'advising customers' are the instances of customer care. Since, customers favor the company which care its customers most and based on such caring customer satisfaction is also dependent, 'greeting customers' and 'advising customers' may act as effective customer care

strategies of relationship marketing. Finally, customers want that their requirements will be met in the ways appropriate to them and for this they expect 'customized services' from the concerned service provider. Such service may extend maximum value or benefits to meet the very requirements of each individual customers provided that the concerned organization shall develop necessary capabilities in this regard. In support to the aforesaid discussion, the table 9 proves that relationship marketing has positive impact on business growth of mobile telecom industry of Bangladesh through assured caring & customized value proposition where all the identified 4 (four) variables are significant.

From the above discussion, it is clearly evident that relationship marketing has positive impact on business growth of mobile telecom industry of Bangladesh through 'trustworthy and committed service', 'interactive and affordable communication' and 'caring and customized value proposition'.

**Relationship Marketing Model for Business Growth:** On the basis of the factor analysis, a model of Business Growth through Relationship Marketing is proposed in the above Figure 2. In the model, business growth is dependent variable and 'Component 1: Trustworthy and Committed Service', 'Component 2: Interactive and Affordable Communication' and 'Component 3: Caring and Customized Value Proposition' are the independent variables.

**Figure 2: Research Model for Business Growth through Relationship Marketing**



The model has been derived on the basis of statistical evidence. Hence, it is validated. It can be further used and developed for similar other researches.

## CONCLUSION

From the light of the above findings, it is evident that three components of relationship marketing have impact on the stable business growth of mobile telecom industry of Bangladesh. This implies that mobile telecom operators will be considerably benefitted by adopting the identified components of relationship marketing in their business operation for a consistent and stable growth. With

this end in view, the operators firstly have to emphasize on developing trustworthy and committed service providing capabilities through sincere and quality service, accurate billing, cooperative employees, security and attention to customers. Secondly, the operators also have to focus on interactive and affordable communication to provide informative and fast responsive service to customers through 24 hours service centers with attractive rates and charges. Finally, the operators can provide caring and customized value proposition by offering customized services and attractive rewards. In this regard, greeting and advising customers will also add further value to their customer service. Thus, by satisfying the very requirements of customers through the above three ways a stable business growth rate of the mobile telecom industry may be accelerated. From the analysis of this study, it is proved that relationship marketing has positive impact on business growth of the mobile telecom industry of Bangladesh. So, the mobile telecom operators should adopt relationship marketing approach to ensure their business success. This study will help the policy makers of the concerned mobile telecom operators in understanding the impact of relationship marketing on their business and thereby formulating and implementing appropriate customer centric marketing strategies to further expand their business. So, it is clearly evident from this study that there is a causal effect of business growth of the mobile telecom industry of Bangladesh by adopting relationship marketing approach.

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**APPENDIX****Table 1: Active Mobile Phone Subscribers in Bangladesh**

Rank /Sequence	Operators	Business Growth			
		January 2015 Market Size	January 2015 Market Share	January 2016 Market Size	January 2016 Market Share
01	GP	51.549	42.30%	56.204	42.59%
02	Banglalink	31.145	25.56%	32.368	24.53%
03	Robi	26.283	21.57%	27.795	21.06%
04	Airtel	7.716	6.33%	10.510	7.96%
05	Citycell	1.276	1.05%	0.867	0.66%
06	Teletalk	3.890	3.19%	4.211	3.20%
<b>Total</b>		<b>121.860</b>	<b>100%</b>	<b>131.956</b>	<b>100%</b>

Source: BTRC Web Site

\* Market size indicates subscribers in millions

\*\* Market share represents % of subscribers

**Table 2: Identification of Variables**

Code	Independent Variables	Sources
V1	Sincere Service	Karlsen et al., 2008; Tribbia (2006)
V2	Accurate Billing	Bamfo (2009), Lim et al. (2006); Pezeshki, Mousavi, and Grant's (2009)
V3	Customer Security	Mechael (2006)
V4	Quality Service	Santouridis and Trivellas (2010)
V5	Cooperative Employees	Morgan and Hunt (1994)
V6	Attention to Customers	Herrmann et al., 2007; Michel and Meuter, 2008; Minkiewicz et al., 2011; Nimako et al., 2010
V7	Informative Services	Haghirian et al. (2005); Merisavo and Kajalo (2007); Tsang et al. (2004)
V8	Responsiveness to Customers	Jun & Cai, 2001; Diaz & Ruiz, 2002; Joseph et al., 2005; Glaveli et al., 2006; Griffith and Krampf (1998)
V9	Service Centers	Anton (2000); Holman, Batt, and Holtgrewe (2007); Miciak and Desmarais (2001); Whitt (1999)
V10	24 Hours Service	Michell, P.J. (1998)

Code	Independent Variables	Sources
V11	Attractive Rates & Charges	Ravald, A. & Gronroos, C. (1996); Jensen (2007); Aker (2008, 2010); Klonner and Nolen (2008)
V12	Attractive Rewards	Tsang et al. (2004), Jupiter Research (2008)
V13	Greeting Customers	Saviga Unhanandana and Teerayout Wattanasupachoke (2012)
V14	Advising Customers	European Mobile Industry Observatory (2011)
V15	Customized Services	Pine II (1992)

Source: Literature Survey

**Table 3: KMO and Bartlett's Test to Validate Relationship Marketing Factors for Business Growth**

Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy.		.905
	Approx. Chi-Square	3946.745
Bartlett's Test of Sphericity	df	105
	Sig.	.000

Source: Field Survey

**Table 4: Correlation Matrix of Relationship Marketing for Business Growth**

	v1	v2	v3	v4	v5	v6	v7	v8	v9	v10	v11	v12	v13	v14	v15	
Correlation	v1	1.000	.787	.739	.630	.631	.508	.273	.440	.360	.358	.328	.263	.345	.447	
	v2	.787	1.000	.777	.626	.610	.497	.244	.383	.317	.357	.368	.321	.267	.320	.432
	v3	.739	.777	1.000	.641	.639	.475	.347	.436	.348	.392	.345	.320	.356	.379	.467
	v4	.630	.626	.641	1.000	.733	.577	.317	.446	.385	.369	.335	.374	.392	.358	.450
	v5	.631	.610	.639	.733	1.000	.621	.387	.470	.455	.427	.388	.388	.397	.375	.464
	v6	.508	.497	.475	.577	.621	1.000	.462	.365	.370	.375	.359	.330	.382	.295	.419
	v7	.273	.244	.347	.317	.387	.462	1.000	.381	.371	.369	.322	.354	.289	.268	.298
	v8	.440	.383	.436	.446	.470	.365	.381	1.000	.517	.460	.322	.272	.286	.335	.409
	v9	.360	.317	.348	.385	.455	.370	.371	.517	1.000	.641	.427	.397	.382	.371	.386
	v10	.358	.357	.392	.369	.427	.375	.369	.460	.641	1.000	.533	.439	.373	.337	.392
	v11	.328	.368	.345	.335	.388	.359	.322	.322	.427	.533	1.000	.680	.438	.352	.401
	v12	.263	.321	.320	.374	.388	.330	.354	.272	.397	.439	.680	1.000	.543	.430	.391
	v13	.250	.267	.356	.392	.397	.382	.289	.286	.382	.373	.438	.543	1.000	.650	.520
	v14	.345	.320	.379	.358	.375	.295	.268	.335	.371	.337	.352	.430	.650	1.000	.627
	v15	.447	.432	.467	.450	.464	.419	.298	.409	.386	.392	.401	.391	.520	.627	1.000

Source: Field Survey

**Table 5: Communalities of Relationship Marketing for Business Growth**

	Initial	Extraction
v1	1.000	.783
v2	1.000	.772
v3	1.000	.759
v4	1.000	.688
v5	1.000	.703
v6	1.000	.519
v7	1.000	.440
v8	1.000	.506
v9	1.000	.651
v10	1.000	.671
v11	1.000	.568
v12	1.000	.609
v13	1.000	.741
v14	1.000	.736
v15	1.000	.626

**Extraction Method:** Principal Component Analysis.

Source: SPSS v21 on Field Survey Data

**Table 6: Total Variance of Relationship Marketing for Business Growth**

A	B			C			D		
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.985	46.565	46.565	6.985	46.565	46.565	4.139	27.591	27.591
2	1.678	11.185	57.750	1.678	11.185	57.750	2.932	19.545	47.135
3	1.110	7.402	65.152	1.110	7.402	65.152	2.702	18.017	65.152
4	.878	5.853	71.005						
5	.823	5.486	76.491						
6	.595	3.966	80.457						
7	.508	3.385	83.843						
8	.469	3.126	86.968						
9	.374	2.494	89.462						
10	.350	2.336	91.798						
11	.297	1.981	93.778						
12	.278	1.850	95.629						
13	.250	1.667	97.295						
14	.221	1.472	98.767						
15	.185	1.233	100.000						

**Extraction Method:** Principal Component Analysis. **Source:** SPSS v21 on Field Survey Data

**Table 7: Component Matrix<sup>a</sup> of Relationship Marketing Activities for Business Growth**

	Component		
	1	2	3
v1	.741	-.480	-.059
v2	.736	-.468	-.105
v3	.768	-.398	-.102
v4	.765	-.316	-.060
v5	.798	-.257	.034
v6	.695	-.163	.096
v7	.539	.145	.359
v8	.635	-.009	.321
v9	.650	.266	.397
v10	.659	.284	.395
v11	.634	.396	.098
v12	.622	.467	-.059
v13	.626	.440	-.394
v14	.621	.338	-.486
v15	.694	.153	-.347

**Extraction Method:** Principal Component Analysis.  
a. 3 components extracted  
Source: SPSS v21 on Field Survey Data

**Table 8: Rotated Component Matrix<sup>a</sup> of Relationship Marketing Activities for Business Growth**

Variables	Component		
	1	2	3
v1	.859	.170	.128
v2	.852	.139	.163
v3	.823	.186	.216
v4	.757	.248	.234
v5	.725	.358	.222
v6	.580	.385	.184
v7	.221	.616	.110
v8	.402	.580	.094
v9	.204	.752	.208

Variables	Component		
	1	2	3
v10	.198	.763	.224
v11	.135	.572	.472
v12	.094	.477	.610
v13	.156	.220	.818
v14	.237	.109	.817
v15	.404	.180	.656

**Extraction Method:** Principal Component Analysis.  
**Rotation Method:** Varimax with Kaiser Normalization.  
a. Rotation converged in 5 iterations.  
Source: SPSS v21 on Field Survey Data

**Table 9: Component Loadings**

Name of Components	Variables	Component Loading*	Eigenvalue**	Component Interpretation (% of Variance Explained)**
<b>Component 1:</b> Trustworthy & Committed Service	v1: Sincere Service	.859	6.985	46.565
	v2: Accurate Billing	.852		
	v3: Customer Security	.823		
	v4: Quality Service	.757		
	v5: Cooperative Employees	.725		
	v6: Attention to Customers	.580		
<b>Component 2:</b> Interactive & Affordable Communication	v7: Informative Services	.616	1.678	11.185
	v8: Responsiveness to Customers	.580		
	v9: Service Centers	.752		
	v10: 24 Hours Service	.763		
	v11: Attractive Rates & Charges	.572		
<b>Component 3:</b> Caring & Customized Value Proposition	v12: Attractive Rewards	.610	1.110	7.402
	v13: Greeting Customers	.818		
	v14: Advising Customers	.817		
	v15: Customized Services	.656		
		<b>Total Variance</b>	<b>65.152</b>	

Source: \*Table 8, \*\*Table 6