

The Impact of Advertisement on Customer Perception: A Case of Telecom Sector of Pakistan

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Abstract

The study was conducted on the topic “The impact of advertising on customer perception: A case of telecom sector of Pakistan”. The objective of this study was to evaluate the advertising of Mobilink and Warid (Jazz Company). The purpose was to observe the correct views of subscribers concerning diverse advertisements of individual companies. The objectives of the current study were obtained by means of primary and secondary data collection that was collected from users of these companies through questionnaires and from internet, the media and earlier accomplished case and research studies on related topics. Convenience sampling technique was used to collect the data from respondents. Data was analyzed with the help of SPSS 22. Frequency distribution and Chi-square were applied to measure the relationship between variables. The finding of results shows that all independent variables Advertising, Customer Service, Sales Promotion, Coverage, Signal Strength, Colour Perception and Quality have significant relationship with dependent variable Customer Perception. It was also observed that Mobilink and Warid ads came through the whole day for several times that was enjoyed by the customers. Mobilink and Warid ads convey a clear and meaningful message. It was also observed that Mobilink and Warid ads motivate the users to purchase their product and remain loyal with Jazz.

Keywords: Advertisement, customer Perception, Telecom Sector, Pakistan

Introduction

Telecommunication is defined as to “communicate over a distance by telegraph, telephone or broadcasting. In other words, the transmission of information is known as telecommunication. Customer service, pricing, sales promotion, coverage, signal strength and promotion these factor impact on customer satisfaction. If a company wants to create long-term relationship with customers then they should satisfy their customers (Shahzad Khan, 2012) Advertising is a procedure of communication anticipated to persuade an audience to buying or take some action about products, information, or services etc. Using sample of 200 respondents those are using telecom services. Environmental and emotional responses are with attitudinal and behavioral characteristic of consumer buying behavior affect independent variables. People emotionally attached with brands and they purchase only those brand. This study search new facts in the area of consumer buying behavior. Warid is the combined project between SingTel and Abu Dhabi Group. Abu Dhabi Group came into a planned grouping with the Singapore Telecom. Succeeding to this contract in July 2007, telecom giant SingTel attained 30% shares in Warid Telecommunication, for US\$758 million. This step was taken to enhance the growth and market position of Warid telecommunication in Pakistan. The Abu Dhabi is one of the dominant business groups from Middle East and the only one foreign group investing money in Pakistan. It has expanded business concentrations, offering durable economic resources and broad management skills that consequence in commercial achievements for numerous establishments. SingTel’s venture in mobile progressions includes the Globe Telecom from Philippines

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with 44.5% shares, Warid Telecom in Pakistan with 30% shares, Pacific Bangladesh Telecom (PBTL) in Bangladesh with 45% shares, having 21.4%, Advanced Info Service (AIS), Thailand, Bharti Telecom Group, India with 30.5% shares, 35% in Telkomsel, Indonesia and 100% in Optus Telecom, Australia. The objective of this research paper is to find the impact of advertising on customer perception. A case of telecom sector Vehrai Pakistan.

Literature Review

Communicate our message by telegraph, telephone or broadcasting over distance is called telecommunication. Furthermore, the transfer of information from one place to another is known as telecommunication. The role of telecommunication in Pakistan was established in 1962. Pakistan PTCL telecommunication provides huge service. Multi-national company launched in 1994 PTCL has launched its Ufone mobile services in 2001. Mobilink, Ufone, Telenor, Warid, and Zong are operating today in cellular industry.

Customer service, pricing, sales promotion, coverage, signal strength and promotion these factors impact on customer satisfaction. If a company wants to create long-term relationship with customers then they should satisfy their customers. Advertising is a procedure of communication anticipated to persuade an audience to buy or take some action about products, information, or services etc. Using sample of 200 respondents those are using telecom services. Environmental and emotional responses are with attitudinal and behavioral characteristics of consumer buying behavior affect independent variables. People emotionally attached with brands and they purchase only those brands.

Advertising (Pvt) Limited (IAL) SAATCHI & SAATCHI are international services that are used by Mobilink. Furthermore, Mobilink uses electronic and print media to promote its products. For the advertisements of these brand representatives come from the fields of acting, modeling, singing and cricket like Shahid Afridi and are few of the famous and talented stars of Pakistan. Warid Mobilink have used modernity and newness tool of advertisement says Rabia Garib. The Mobilink Company was the first to experiment with a female model as per a brand representative, thus starting the Jazz Girl concept, other brands follow this concept” recalls Rabia. Mobilink’s competitor with Ufone, its cellular facility brand presented by the state-owned PTCL in 2001 Consumers’ was dissatisfied with existing cellular service brands, and claimed. Telenor had gotten 20 percent of the market share in three years; Telenor has become the biggest winners over the last few years. Warid also launched in the same year and its market share of 17 percent. Positioned around simplicity and attracted people through word of mouth rather than with advertising. Unfortunately, Warid wasn’t able to get benefit on its great start, and has not been able to get position itself as a premium brand in the industry; rather, it provides best services and cheap affordability rates. Mobilink creating its brand equity: brand representatives, and an exclusive classy look. Mobilink for advertising purpose used models such as Zainab Qayum, and movie stars like Shaan.

Promotion

Promotion is a key element of marketing mix. Many things play their role to promote the product like Media plays key role to promote a product in different areas. Sale of specific product increases because sometimes companies offer discount packages. Promotion means “right” product to the distribution channels or other target market. Promotion cannot be effective but it attracts the attention of the people.

Customer Service

Customers don’t think you to be perfect. They do think about you to fix things when they go wrong (Shahzad Khan, 2012). The duties clearly mention of the customer service staff. The duties are

how is to be able to manage their problems about product or service, to communicate the suitable information, to examine the customer need and wants, to provide the information about new offerings, and to manage the call time duration. Successful tool of business is Customer services. Significant factor of marketing mix is a Customer service for any product or service. Company should provide high quality services for generating customer loyalty.

Sales Promotion

(Khan, 2012) is defined as consumer's brand choice, purchase time, and purchase quantity decision affected by sales promotion. Consumer demand and quality of the product are increasing when companies offer some incentive that can be defined as sale promotion. Traditional advertising and quantified with figures and data could not be easily understand by customer but procedure of Sales promotion changes and offerings certainly can be identified easily. (Khan, 2012) is defined as the consumers' buying decision like brand choice and brand switching affected by sales promotion. Furthermore sales promotion uses by companies as a tool to persuade customer to buying any goods or service. Cellular companies wanted to increase their customer so; sales promotion is to increase the cellular subscribers however cellular companies offer different packages like free minutes and limited offer to get double balance etc.

Coverage

As Communication to get coverage and to stay connecting all over the world therefore in Pakistan. Different companies in different urban and rural areas play good role. Urban areas mobile phone coverage is better than rural areas. Customers are not satisfied if any cellular company fails to deliver coverage where customer needs (Grönroos, 1984).

Signal Strength

Signal strength is very important element for consumer that can affect the customer satisfaction. Because consumer cannot be able to make a call without signal. The voice distortion, call hanging etc are causes of bad signal (Kim, Park, & Jeong, 2004).

Colour perception

Colours' is a basic part of business and advertising communications. Consumers' perceptions and behavior influence by colours and It also persuades moods and emotions. Colour help companies' position and it distinguish a company from the competition (Hynes, 2009). Colour is one component of a brand's forecast able with essential sense and provides a valued recovery (Tavassoli, 2001). Colours play an important role in a persuasive communicative device (Meyers-Levy & Peracchio, 1995). Colour influences human feelings or emotional state, different colours create different moods some colours may create happiness for people, although some colours create depression for people. Concurrently, colour itself has some features, like warm, cool, light, dark, soft and hard, etc. colour emotion mean the semantic words describing the features of colours .and human's emotional moods responses on colours (Nakamura et al, 1994)

Quality

Quality can be defined by different terms. In Business Dictionary (2010) "quality is a measure of excellence observable and interpretable attributes; or the adherence to measurable and verifiable standard". So, we can understand the service quality until it relates to users and customers' requirements (Praxiom Research Group, 2010). Quality is the feature and characteristics to satisfy the customer needs (Haider, 2001, p.8). Quality has defined in many terms as service and product quality. Organizations having high service quality put pressure to other firms. Many scholars and researcher has defined consumer response to the perception of service quality. Organizations can perform well by quality control services (Shahin, 2010). Gronroos (2000) defined service as "A services is a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employees and/or

physical resources or goods and/ or systems of service provider, which are provided as solutions to customer problems”.

Customer Perception

“Customer perception refers to the process by which a customer selects, organizes, and interprets information/stimuli inputs to create a meaningful picture of the brand or the product”. “In simpler terms, it is how a customer see's a particular brand with whatever he or she has been able to understand by watching the products, its promotions, feedback etc. It is the image of that particular brand in the mind of the customer”.

Theoretical framework

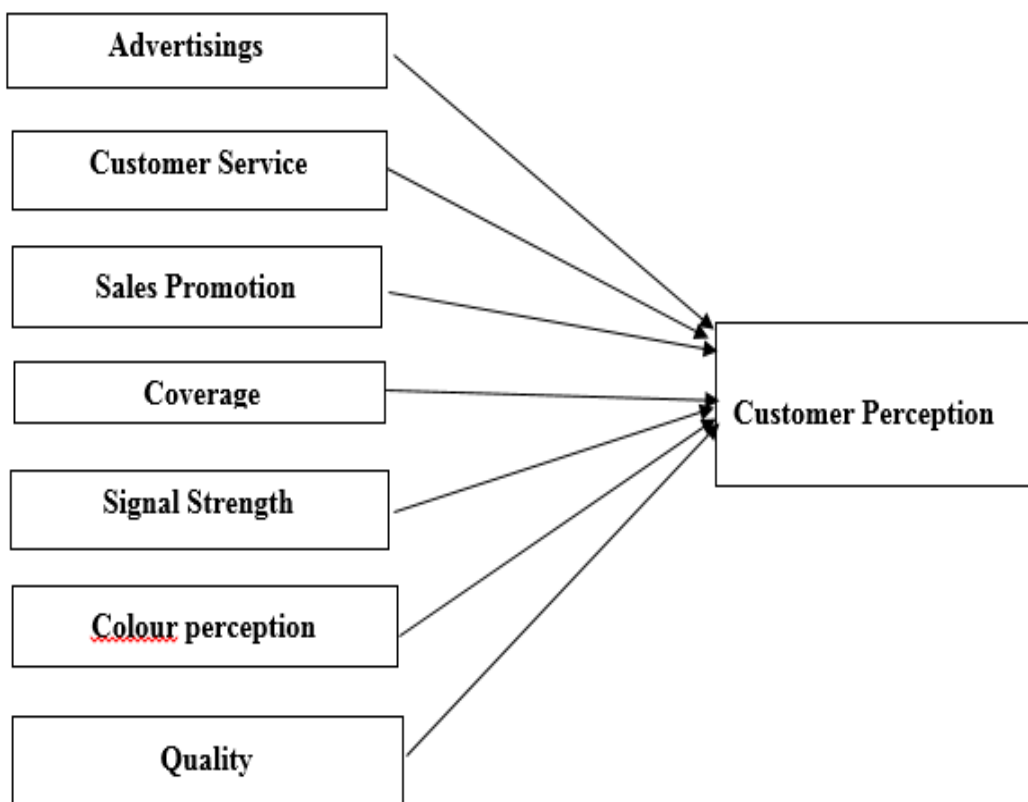


Figure 1: Dimensions of Jazz Advertising

Hypotheses

- H1 “There is positive significant relationship between advertising and customer Perception”
- H2 “There is positive significant relationship between customer Service and customer Perception”
- H3 “There is positive significant relationship between sale promotion and customer Perception”
- H4 “There is positive significant relationship between coverage and customer Perception”

H5 “There is positive significant relationship between signal strength and customer Perception”

H6 “There is positive significant relationship between colour perception and customer Perception”

H7 “There is positive significant relationship between quality and customer Perception”

Methodology

In this research two types of data sources were used i.e. (i) primary sources of data, (ii) secondary sources of data to execute objectives of the study. Description of both data source types is given as: The primary sources for data will be collected from telecommunication customers using Mobilink and Warid Jazz Company. For this purpose we will use a questionnaire having different questions that may helpful to get our objectives. This secondary type of data includes previous published newspapers, articles, internet sources, and other supporting material. Official data of Warid and Mobilink(Jazz) newspapers and websites related to different telecommunication will be secondary data sources for this research. Self- administered questionnaires were used for collected data adopted questioners with 5 -Likert scale were used .Respondents for this research are customers of telecommunication companies i.e. Warid and Mobilink (Jazz) in Vehari Pakistan. A total of 200 customers were selected for getting information regarding the research. In this research we were used convenience sampling technique to get the response of the respondent concerning advertising strategy. The basic reason to select this method is that this provides the option to researcher in accessing the data from those respondents who are more suitable to find. Data was analyzed with the help of SPSS 22.Frequency distribution and Chi-square was applied to measure the relationship between variables.

Results

Chi-Square Values

Table 1 Table of Chi-Square

DV IV (Advertising Dimensions)							
Customer Perception	Advertising	Customer Service	Sales Promotion	Coverage	Signal Strength	Colour Perception	Quality
	93.489 > 15.507	69.147 > 12.592	14.800 > 9.488	87.067 > 12.592	80.440 > 12.592	85.055 > 12.582	83.466 > 12.572

Hypothesis Testing:

H1: There is relationship among advertising and customer Perception in Telecom Sector of Vehari Pakistan.

Table 1 shows the values of chi-square 93.480 > 15.507 which means that means there is a relationship among advertising and customer Perception in Telecom Sector of Vehari Pakistan.

H2: There is relationship among customer service and customer Perception in Telecom Sector of Vehari Pakistan.

Table 1 shows the values of chi-square 69.147 > 12.592 which means that means there is a relationship among customer service and customer Perception in Telecom Sector of Vehari Pakistan.

H3: There is relationship between sales promotion and customer Perception in Telecom Sector of Vehari Pakistan.

Table 1 shows the values of chi-square $14.800 > 9.488$ which means that means there is a relationship among sales promotion and customer Perception in Telecom Sector of Vehari Pakistan.

H4: There is relationship between coverage and customer Perception in Telecom Sector of Vehari Pakistan.

Table 1 shows the values of chi-square $87.067 > 12.592$ which means that means there is a relationship among coverage and customer Perception in Telecom Sector of Vehari Pakistan.

H5: There is relationship between signal strength and customer Perception in Telecom Sector of Vehari Pakistan.

Table 1 shows the values of chi-square $80.044 > 12.592$ which means that means there is a relationship among signal strength and customer Perception in Telecom Sector of Vehari Pakistan.

H6: There is relationship among colour perception and customer Perception in Telecom Sector of Vehari Pakistan.

Table 1 shows the values of chi-square $85.055 > 12.582$ which means that means there is a relationship among colour and customer Perception in Telecom Sector of Vehari Pakistan.

H7: There is relationship among Connection Quality and customer Perception in Telecom Sector of Vehari Pakistan.

Table 1 shows the values of chi-square $83.466 > 12.572$ which means that means there is a relationship among quality and customer Perception in Telecom Sector of Vehari Pakistan

Conclusion

The aim of this study is to check the “impact of Advertising on customer perception” A case of telecom sector Pakistan. In this study it is found that all the proposed hypothesis (H1, H2, H3, H4 and H5, H6, H7) are accepted and they have positive significant impact on Customer Perception. The existing study is an effort to check the impact of advertising on customer perception .It is also conclude that the advertising strategies of Mobilink and Warid Company have positive impact on customer perception. It means that if Mobilink and Warid advertising strategies are good then the customer perception about their products and services also good. Through SPSS and Chai-square, data was analysis. The results of this research explain that all the hypothesis are accepted and have positive impact on Customer Perception. Similarly results explain that advertising strategies of Mobilink and Warid increased their sales and customers become loyal for the long term.

Recommendation

- Mobilink and Warid (Jazz) must bring in advertisements having maximum information's concerned with their products, call and SMS packages and offers.
- Mobilink and Warid (Jazz) must improve ad frequency in such a way that maximum users/people can watch and get its message.
- Mobilink and Warid (Jazz) must incorporate the funny ads that can entertain the people.
- Mobilink and Warid (Jazz) must clear the messages of their ads in such a way that it should be more simple to understand by their users.

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