

CHAPTER VI

GENERATE ATTRACTIVE OPERATIONAL STRATEGY

6.1 Introduction

Mobile phone service operator industry is very fast changing, competitive and dynamic. Then it cannot be identified definitely what the exact type of buying behavior in the mobile market. The aim of this chapter to generate the attractive operational strategy, from the result of the QFD matrix in the last chapter, is to meet and satisfy target customers' needs and wants. The customer's change of requirements and expectations of a given product act as a mirror to reflect the image of a company to change its strategy in order to gain any competitive advantage over the arch rivals in today's world where the market place. These strategies will help the company to understand customers' information gathering and evaluation behavior. Moreover the key to generating high customer loyalty is to deliver high customer value. The company need to develop strategies that assist the customers in learning about the products and services' attributes and their relative importance, and which call attention to the high standing's brand on the more important attributes.

Because of One-2-Call! have been marketed and been made available in the Thai market for over six years now. The current position is number one growth of prepaid mobile phone operators in Thailand. Furthermore the market share of the product is continuing high when compared to the rivals.

The attractive operational strategy is needed to be implemented in order to maintain its highest market share and leadership position as Thailand's wireless communications market prepares for de-regulation. Considered necessary to give clear direction of what to expect and what action need to be taken to overcome the future hurdles that will occur in this market.

6.2 Right Solution to Delight Customer

The ever changing customer demands and behaviour is the key factors that drive the company to improve and cope with customers demand. Consequently, the company focused on right solution which base on the correlation of the QFD matrix to delight customer. Moreover, to increase market share and responds customer needs in every segment. To increase revenues from customer base expansion and fulfill customer satisfaction, the company is trying to increase efficiency of services in all coverage areas.

6.2.1 Customer Experience Management:

Customers are adjusting their behaviors to new market environment with operators increasingly using CEM efforts. CEM will provide One-2-Call! with the flexibility to route customers to the appropriate customer support representative based on customer value and preferences, resulting in greater efficiency and more effective call handling. One-2-Call! are turning to customer experience management systems strategies to gain a better understanding of their customer's wants and needs.

In order to enhance a positive experience for the customers when using One-2-Call!. Every method for refill airtime is continually developed in order to secure a refined experience for all One-2-Call! customers. This will, in turn, strengthen the relationship between the company and its customers, as well as its customers' desire to continue selecting One-2-Call! as their preferred choice of service provider.

Focuses on using customer interactions to promote and reinforce measurable changes in customer behaviors, leading to greater retention, increased revenue and lower transaction costs. Because of used CEM in order to develop outstanding customer relations through an understanding of our customers' ever-changing behaviors. This allows customers to gain an exceptional experience through One-2-Call' premium service. In appreciation of our customers' trust and loyalty, One-2-Call! organises numerous activities to show our gratitude in harmony with the preferences of each customer group on a continual basis. For example, the relationship activities will be target on target group lifestyle and definitely under concept of freedom such as Freedom Movie: Monthly movie preview for One-2-Call! customers. Freedom Music:

Occasionally nationwide One-2-Call! international and domestic concert through out the year.

Customer Experience Management's premise is almost the mirror image. It says that every time a company and a customer interact, the customer learns something about the company. Depending upon what is learned from each experience, customers may alter their behavior in ways that affect their individual profitability. Thus, by managing these experiences, companies can orchestrate more profitable relationships with their customers.

6.2.2 Customer Segmentation:

In markets where customers have different needs and wants, it is essential to understand those needs and wants better. It is a prerequisite for a successful company, to segment the market into different groups of customers with different behaviour. The main reason of using customer segmentation is to increase customer satisfaction and company's profits. Furthermore it can be said that it is not strategically feasible, or competitively substantial to target all consumers.

From the relation of QFD matrix, One-2-Call! has known that want supply more tariff customisation and variety of promotion that suit in each segment such as low income and high income. Serving additional customer groups or expanding into new geographic markets or product segment to meet a broader range of customer needs. The market opens to extend the company's brand name or reputation to new geographic area. For instance, Sawasdee campaign for the customers that have diminutive usage, up country and lower income market. This campaign is implemented with different tone and manner from what One-2-Call! has done before. The message "only 150 baht per month" is main message of the campaign. However, One-2-Call! has created VIP membership program to be the symbol of its aspiration and goodwill in delivering only the finest of things to the customer that have high usage with VIP membership's special privileges for special persons.

Behaviouristic is the major factor used to segment prepaid mobile phone market, as the need of prepaid mobile phone market has been influenced significantly by the benefits that customers want from the usage of mobile phone. The consumption

behaviour of the user groups in order to see the demand for the product. The segmentations of mobile phone customers for One-2-Call! have been identified mainly in term of their usage of mobile phone as shown in figure 6.1. Due to One-2-Call! has realised the need to fully understand different groups of customers in more depth level.

Total Net Tariff Revenue Range	Total Active Sub		Total Net Tariff Revenue Range	Total Active Sub	
0.01 - 100	920,700	45%	1500.01 - 1600	108,760	
100.01 - 200	1,208,670		1600.01 - 1700	85,894	
200.01 - 300	2,308,760		1700.01 - 1800	87,540	
300.01 - 400	1,345,690		1800.01 - 1900	74,623	
400.01 - 500	846,980		1900.01 - 2000	83,908	
500.01 - 600	636,780		2000.01 - 2500	75,436	
600.01 - 700	487,065		2500.01 - 3000	84,768	
700.01 - 800	376,590		3000.01 - 3500	57,980	
800.01 - 900	365,835		3500.01 - 4000	69,087	
900.01 - 1000	267,908		4000.01 - 4500	29,783	
1000.01 - 1100	209,878	4500.01 - 5000	29,045	3%	
1100.01 - 1200	210,980	> 5000	324,870		
1200.01 - 1300	110,256				
1300.01 - 1400	109,000				
1400.01 - 1500	107,680				
			Total	11,524,466	

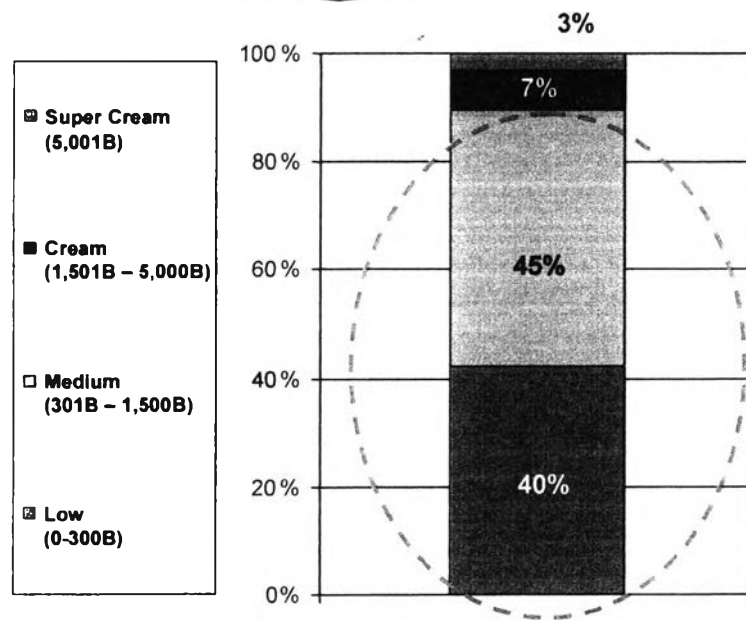


Figure6.1: Customer segmentation (Usage-based)

Customer segmentation is the effective way to see that sales and marketing time is made as productive as possible in the area of implement airtime discount, non voice



usage discount and discount of lifestyle (shopping, dining, and travel). The customer type has been used for segmenting consumer markets. The One-2-Call! customer type will be divided into four groups based on usage which are low, medium, cream, and super cream users. All of these resulting segments might be accessible to the company's marketing efforts.

6.2.3 Airtime refill

According to prepaid concept, refill channels play an important role to all customers for keeping their mobile active. Calling time value and validity represent customer's status. Normally, to get 30 days active mobile, each customer has to refill 300 baht to their balance. There are two types of refill channels, which are traditional scratch card and electronic refill. Eight varied refill value (40, 50, 100, 150, 300, 500, 800, 1500 baht) with different validity are offered as choices for customers. Refill card is the most popular channel. It takes more than 90% of all. For electronic refill, there are 5 choices, which are ATM, IVR (Interactive Voice Response), phone banking, internet and AIS branch & outlet. ATM comes the first rank as the ease of use. Like withdraw money, customers can easily choose refill money, key in mobile number and refill value and then press confirm. The money will add up to mobile balance immediately. However, other electronic refills have the low portion. Only small customers have chosen it as a part of their lifestyles.

Using distribution channel to expand market, company might locate more branches in the potential area. The next process is allocate tasks to the responsible group; whereas, a budget will be set and distributed to each department.

6.2.4 Improvement of Technology:

One-2-Call!, must keep up with technology, continuing evolution of mobile phone technology and service, inherent in their nature as mobile network systems company that One-2-Call! must keep up with technological changes which occur and continue their leading-edge approach to technological development. It continues to integrate the latest in advanced technology and deliver more than just voice communication, with non voice technology, whilst keeping abreast of consumers' growing demands and needs.

By improving of technology is the best way to increase their revenue stream and retain customers. One-2-Call! offers services that help company to reduce cost and more convenient to customer, for example:

- Fast check: Instead of calling *121 and listen to voice tells customer of how much balance and validity they have left, customer can dial *121# and system will send an notification on their remaining balance and validity to their handset and they do not have to delete this notification from SMS inbox because this notification will disappear once customer hit any key
- Fast refill: Instead of calling *120 to top up their airtime, customer can top up by using Fast Refill by dialing *120*13 digits PIN (On the back of refill card)#
- E-Top up: Customer can top up from their mobile phone and have it deduct from his/her debit or credit account. It saves customer's time to look for One-2-Call! refill card in the market

6.2.5 Call Center Performance:

The heart of mobile phone service operator business lies in providing an outstanding level of service. Defined by advanced technology, teamwork and the input of dedicated One-2-Call! personnel, aims to generate customer satisfaction and happiness. For every question there is an answer, AIS Call Center 1175 always ready to answer questions whether about promotions, supplementary services or even the phone operation of each model. With information and services provided by our experienced and well-trained professionals. Offer total solution services and develop all services process with global standard. Fulfill customer's delight with excellent customer relationship and create loyalty. As part of its strategy to offer best value services, and through integration with other services from the One-2-Call!

The services must be delivered with speed and simplification, and most importantly, with sense of customer in mind. The recent corporate restructuring combining IT and network communications technology, and dividing into solutions and operations, allows AIS to offer precise and effective services in response to its customers demand. The new structure also enables the Company to offer unlimited services and become a genuine leader in providing wireless telecommunication services.

The education, training and experiences of employees determine the skills available to the AIS Company, the adaptability of staffs contributes to the strategic flexibility of the firm, and the commitment and loyalty of staffs determine the capacity of the firm to attain and maintain competitive advantage. Additionally, motivation is a key factor leading to high-performance of workers and of an organisation as a whole.

6.2.6 Price:

Price is a key element to create the strategy as it represents what a company receives for its products. It can be seen that since the company is providing with so many promotional offers it can select its price a bit lower, for example Bt1 lower than its competitors. Pricing strategy is the most potential factors that customers often consider, but not only the cheaper products can retain customers. If not, buyer will turn to competitor's product or service. The most important influences of pricing strategy are consumer characteristics, organisation characteristics, and competitive characteristics. Therefore, in setting pricing strategies, it is important to identify the competitor's prices switching rates, customer value and cost to serve. If these factors are weighed and balanced correctly, the company could charge a premium rate comparing to its competitors and continue gaining profitability.

Price competition is expected to continue since cheap calls have emerged as the prime consideration for mobile users. One-2-Call!'s strategy of providing "the best value for money", forcing its larger rivals to try similar approaches. From serve all of the need of customer, One-2-Call! have many promotion tariff to the pricing strategy of the product is wide-variety. The strategy frameworks will be use to how One-2-Call! responds such as by putting more promotion or by introducing new strategy such as cutting price. Pricing strategy theory shall be applied with the company's pricing strategy. Moreover, this strategy is very much needed to investigate and determine the right and appropriate marketing mixes for the One-2-Call! to powerfully survive in the Thai market.

In a dimension of implement airtime and non voice usage discount, One-2-Call! is determined to develop network quality and efficiency in order to create confidence among its customers. In addition to network coverage, accessibility and reliability, One-2-Call! has also developed the managing and regulating network quality by network

quality management and network management centre units, which control and monitor network operations in order to maximise efficiency both in areas of voice and non-voice services 24-hours a day. The network quality assurance process ensures network quality to guarantee that our customers receive the highest quality services beyond their expectation.

One-2-Call! has continuously enhanced and expanded its network in order to respond to the market and technological advances, whilst keeping abreast of consumers' growing demands and needs. Expand network capacity by increasing the number of data ports, maintaining a high quality network and upgrading infrastructure, where appropriate, to cater to an expanding base of One-2-Call! customers.

6.2.7 Promotion:

Promotion strategy is includes all activities that the company undertakes to communicate and promote its products to the target market. Good promotion strategies increase brand awareness, consumer's knowledge of product and brand, short-term and long-term advertising, change consumers attitude about brand, builds corporate image, brand image and positioning. One-2-Call! offers a varieties of sale promotion program based on customer income, lifestyle and market situation.