

CHAPTER 7

CONCLUSION, DISCUSSION, RECOMMENDATIONS

This chapter concludes the survey methodology and its results, including the strategies formulated from the results and the highest potential telecommunication service. After that the feasibility study in terms of market, engineering, and financial study are concluded as well as the two recommended strategies in pursuing the service. Then the survey will be discussed about the distortion of expected benefits. Finally some recommendations that are very useful for further study will be raised.

7.1 Conclusion

The TT&T market survey was conducted due to the realization of customer-oriented concept and the difficulty of the company to sell the basic telephone line. The objectives and expected benefits were developed as well as the hypothesis. The framework of the survey was scoped and the population were targeted based on the prepared objectives and hypothesis. Then the process of appropriate sampling method was developed under the consideration of time and budget constraints. The sample size was determined by the rule of thumb that the total 1,200 samples will be surveyed. Executive interviewing was the approach we selected to apply with the business samples and a self-administered interviewing was chosen for the residential sample. After that, the cost of the survey was estimated as well as the questionnaire design that being attached in the Appendix A. Nominal scale and ordinal scale are mostly employed in the questionnaire in order to tabulate the data results by the frequency distribution and descriptive statistics.

The result of survey is divided in to two major parts, business samples result as presented in Chapter 4 and residential samples as reported in Chapter 5. Each part consists of ten major issues that are

1. Profile and behavior of customer
2. PABX, SPC, and Hunting group usage
3. Mobile phone effect
4. Promotion response
5. Tariff sensitivity
6. Existing telecommunication services
7. Payment channel
8. Image
9. Criteria in selecting telecommunication- service provider
10. Customer satisfaction and suggestion for improvement

After that, the primary analysis from both business and residential samples is combined to analyze in depth and then is changed to be the marketing strategy during a survival stage of one or two years ahead and the market opportunities in the next three years.

During the economy recession that is expected to recover in two years ahead, TT&T will develop the strategy that does not incur a big investment. Partial investment can be considered from management only with the high and fast return of TT&T benefits. Two actions are performed during the survival period, which are development of marketing mix and improvement of customer satisfaction.

A marketing mix, which consists of product, price, place, and promotion, is established following the mission statement, short-term objectives, and business strategy respectively. Product strategy is suggested as a quality improvement in product and

service that is explained deeply in the subject of satisfaction improvement. Pricing strategy can be done independently after liberalization. The survey result provides us the information for developing the pricing strategy effectively based on customers preferences, behavior, and satisfaction. Also it is found that changing the price or tariff can not motivate an application of new telephone line on business customer, but it is more effective for residential customer. Place strategy is recommended by increasing the TT&T's sales office and improving the office image which is described in the subject of satisfaction improvement. Finally, from the survey findings, various promotions cannot reach the highest result without matching the specific demand and behavior of target customer with a creative campaign.

By customer-orientation concept, understanding and anticipating the customer needs play the key roles to sustain the existing customers and to attract the potential customers. So, the improvement of customer satisfaction is the most effective strategy that we can implement abruptly without a big investment during a survival stage. Once an information of customers' root needs and values are obtained, the level of all services' performance and impact will be judged. Then the improvement subjects are prioritized that the first priority of improvement is addressed on the service that shows low performance and high impact and the last priority of improvement is the service that has high performance with low impact. After implementing the prioritized actions, certain measurement are recommended to performed periodically.

As mentioned earlier, a market opportunity in the future can be seen roughly from the survey. It is found that communications which is the daily basic activity reveals the trend of higher usage and higher significance, especially in business sector. Companies tend to have more and more remote workers and provincial offices. So, a telecommunication which is a communication over a long distance seems to be an interesting market opportunity that TT&T should grasp. The survey result indicates that

various types of telecommunication such as facsimile, satellite, modem, Internet, LAN, Intranet, and leased line are using in the day-to-day operations of business samples.

Further, SWOT analysis is employed to identify the most suitable telecommunication service for TT&T to provide it after the current economy recession that is expected to be two or three years ahead. The strengths and weaknesses are stated as an internal environment, while the opportunities and threats are determined as an external environment. To support a decision making effectively, the external environment are categorized in four issues. They are economy issue, technology issue, customer orientation, and politic issue which refers to the master plan of telecommunication development.

After that, a feasibility study is generated in terms of market, engineering, and financial study. Market study explains about the methodology of sales forecasts, which reflect directly to the revenue. Engineering study refers to equipment used to provide the service, manpower required, monitoring system, all expenses of repairing, maintenance and administration overheads. All assumptions are replaced in the model of financial study with a variety of exchange rates to support a decision making of management. Rationally, the most potential service is determined to be a leased-line service. The BCG matrix is raised to assist in a marketing strategy development. Realizing in a customer satisfaction is also suggested in the leased-line business to gain more market share and retain the existing customers. Understanding how the companies select their telecommunication technology is the competitive advantage of TT&T as well as targeting a customers precisely.

7.2 Discussion

As known that customer satisfaction is the key competitive weapon in current economy situation. Implementing satisfaction improvement programs can reduce costs, retain customers, and increase market share. The key to make such benefits as mentioned

above is conducting a market research that enables the company determine the types and forms of quality that a target market prefers.

Since the result from market research is a fundamental information of strategy development and market opportunity. Accurate and reasonable result of the research can be distorted by many factors below.

1. Non-response error due to refusals

This error was found only in the residential customer resulting in the lower number of samples than the expectation in the design stage. They refused to answer the questionnaire mainly due to their hastiness. The research should add some amount of expected refusals into the sample size. Probably, some respondents thought that questions asking about education, marriage status, or household income invade their privacy. Therefore, such questions should be placed at the end of the questionnaire.

2. Inaccuracy in response

Some respondents didn't know the answer correctly because of their memory distortion, questioned misunderstanding, and ignorance. So, errors were created when such respondents attempted to answer such questions to please the interviewers. However, interviewers were reminded to judge the probability of a response inaccuracy by measuring the time between the question was asked and answered. The faster the answer comes out, the higher the accuracy level.

3. Unwillingness to respond accurately

Because of various needed information, the TT&T's questionnaire seems to be lengthy and boring. Some respondents, mainly the business customers that were busy, became anxious and fatigue during the interviewing, resulting in the accuracy declination. Moreover, some question that implied for prestige were biased in ways that would enlarge

their prestige in the eyes of interviewer. To minimize such a problem, an unnecessary question should be eliminated and the appointment with the selected respondent should be arranged.

4. Interviewer error

Due to the time and human resources constraints, proper selection of interviewers and good training were distorted. Our interviewers has various in characteristics, experience, and interviewing styles. The most common interviewer error in TT&T's market survey is the insufficient probing because of the interviewer's own feeling and the expectation of suitable answer. Some extensive courses of interviewer's training should be well-organized to diminish this kind of error.

5. Few number of sample size

An inadequate sample size affects an accuracy level of the research results. The more the sample size, the more the accuracy, and then the more the resources required. The sample size should be determined under the estimation of potential respondents who do not qualify or who do not complete the interview.

6. Less sensitive scales

The ordinal scale used in TT&T's questionnaire is prepared with a less sensitive scales. A measurement of satisfaction provided only two choices of yes and no, that might be a source of measurement error or bias. Using more scales is recommended to eliminate such error or bias. For instance, a Likert scale may be set up as (a) Strongly agree, (b) Agree, (c) Undecided, (d) Disagree, (e) Strongly disagree. These type of answer enable the researcher to probe the depth of feeling among respondents. In addition, they may serve a management as guidelines to make either major changes or just fine-tuning the existing policy.

7.3 Recommendations

For a further study, certain actions are recommended.

1. Building a customer satisfaction measurement system

As mentioned above, customer satisfaction have become an important analytical tool in day-to-day management. The measurement system of customer satisfaction should be performed periodically, at least once a year. Then the obtained information is changed into the effective strategies. Ideally, this system should be standardized for different customers to ensure comparability. Also, the system should be able to detect meaningful change in satisfaction and also be flexible to the changing of market conditions. Ultimately, the system should estimate the consequences of increased or decreased customer satisfaction such as cancellation, or complaint rate.

2. Developing the questions supporting an accurate demand forecast

Before making a decision of leased-line investment, top management may require an accurate financial feasibility based on the information received from market research. The questionnaire should be developed as asking in depth enough about the leased-line requirement in order to transform that qualitative data into a quantitative data. Consequently, the management can judge more precisely whether it is worth to invest more in the leased-line business or not.

3. Employing more statistical analysis

In addition to frequency distribution, central of tendency, and cross-tabulation, the hypothesis test should be performed in the analysis of survey result. It can test about associations or differences between the mean of two variables. Also, the differences between more than two means should be introduced by an analysis of variance and covariance. The regression analysis may be used further for explaining variation in marketing parameters.