



A STUDY ON CAUSE AND IMPACT OF RE-BRANDING IN TELECOMMUNICATION INDUSTRY WITH REFERENCE TO AIRTEL

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Abstract:

Competitor pressures, plummeting sales revenue and outdated marketing strategy are some reasons behind a company's need to reposition itself and remain financially viable. India's telecommunication network is the second largest in the world based on the total number of telephone users (both fixed and mobile phone). It has one of the lowest call tariffs in the world enabled by the mega telephone networks and hyper-competition among them. This research sought to know the impact of rebranding on the loyalty of the network's subscribers and the general attitude of the People towards branding in the telephony business. A survey was carried out on subscriber attitude towards Airtel as a result of the multiple rebranding through which it emerged.

Keywords: Global Satellite Mobile (GSM); Branding; Rebranding; Brand Equity, Customer loyalty.

Cite This Article: Dr. Sarit Prava Das, and Prof. Shatabdi S Das. "A STUDY ON CAUSE AND IMPACT OF RE-BRANDING IN TELECOMMUNICATION INDUSTRY WITH REFERENCE TO AIRTEL." *International Journal of Engineering Technologies and Management Research*, 5(5), 76-92. DOI: <https://doi.org/10.29121/ijetmr.v5.i5.2018.229>.

1. Introduction

1.1. What is Rebranding?

Rebranding is the way or ways in which a place is re-developed and marketed so that it gains a new identity. It can then attract new investors and visitors. The purpose of rebranding is to develop a place economically, socially and even environmentally in some cases. Towns which are deprived are given a second chance at reliving through rebranding.

2. India's Telecommunication Network

India's telecommunication network is the second largest in the world based on the total number of telephone users (both fixed and mobile phone). It has one of the lowest call tariffs in the world enabled by the mega telephone networks and hyper-competition among them. It has the world's third-largest Internet user-base with over 137 million as of June 2016. Major sectors of the Indian telecommunication industry are telephony, internet and television broadcasting.

3. Literature Review

Airtel, the Bharti mobile telephone network rebranded itself recently to what it is known today, Airtel India. This research sought to know the impact of rebranding on the loyalty of the network's subscribers and the general attitude of the people towards branding in the telecommunication industry. A survey was carried out on subscriber attitude towards Airtel. Questionnaires were distributed based on cluster sampling. Pearson Chi-Square was used to test the validity of the final results (cross tabulations) on a value of 0.05 and above.

This research confirms communication as the vehicle for transferring brand equity; shows that multiple rebranding does not significantly affect attitude towards telecommunications brands; and that people do not really care about branding in telecommunication and/or the telecommunication companies are not doing a good job of branding. This study focuses on only a segment of the global satellite mobile (gsm) market – students of a higher education institution. The perspective of the students may not be representative of the whole global satellite mobile (gsm) market. This is an original work in the sense that there is no literature anywhere on the phenomenon of multiple rebranding, let alone its effect on customer loyalty.

Globalization has spread its wings across industries but the one industry that has been impacted the most is Telecommunication. The changes that have taken place in Airtel Wireless, the first mobile telephone company to start operations in India, epitomises this impact. It started business in 2001, became Vodacom for only three months, after that V-mobile, then became Celtel in 2006, then Zain in 2008 and finally became Airtel in 2009. The network that is today called Airtel in India has undergone five revolutionary rebranding (Muzellec& Lambkin 2006) exercises within eight years of operation. The whole essence of branding is to build brand equity (Aaker 1996). Renaming, a revolutionary rebranding, destroys the equity of the previous brand. By extension, multiple renaming may destroy even more equity than single renaming. However, rebranding enhances, regains, transfers and/or recreates brand equity (Muzellec& Lambkin, 2006). Brand equity consists of the assets and liabilities of a brand (Aaker 1992). Customer loyalty accounts for a sizeable part of a brand's assets. The purpose of this research, therefore, is to know customers' feelings and attitude (Rundle-Thiele 2001) towards the multiple rebranding of the network that was Airtel Wireless; hence, the question: What is the effect of multiple rebranding on customer loyalty?

3.2. Rebranding

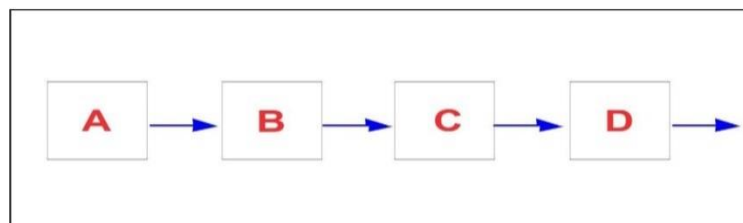


Figure 1: Model of Re-branding

This model is to show that multiple corporate rebranding happens when a business organization rebrands.

3.3. The Relationship between Rebranding and Customer loyalty



The interaction between rebranding and customer loyalty is mediated by communication.

3.4. Theoretical Framework of Hypotheses

Based on the factors involved in the model for the relationship between customer loyalty and rebranding, three hypotheses were developed for testing:

H1: Communication transfers brand equity in multiple rebranding.

Customers store information concerning a brand and reshuffle it when new information about the brand is received. This way, a consumer assimilates the changes that occur around a brand and determine his disposition towards the brand. This disposition may be loyalty, disloyalty or indifference.

H2: Rebranding does not affect customer loyalty.

Consumer loyalty is measured by behaviour or attitude. Behaviour is measured by repeat purchase and share of pocket; while attitude is measured by repurchase and positive recommendations based on services offered. The attitude of customers towards a brand is a very good measure of loyalty in the service industry (Rundle-Thiele 2001).

H3: Customers do care about branding in the mobile network.

A brand should stand for something in the minds of consumers. Their bond with the brand should go beyond its functional benefit to include an emotional attachment that makes them easily recall such brand properties as its tagline, brand ambassador, mascot, logo and other associations with the brand's positioning.

The tests for the hypotheses will be done empirically.

4. Research Methodology

The question to be researched through the methodology is: 'What is the effect of multiple rebranding on customer loyalty?'

4.1. Survey Design

To know the feelings and attitude of subscribers towards Airtel as a result of the rebranding through which it emerged, correlation survey design was adopted for this study. Cluster sampling technique was used to administer questionnaires.

4.2. Characteristics of Study Population

The population of the study is all gsm subscribers in general and those of Airtel in particular. However, sampling was carried out mainly in Navi Mumbai region. Navi Mumbai has the good number of gsm subscribers and a good representation of gsm users.

4.3. Sample Size and Sampling Procedure

110 questionnaires were designed for Airtel and other gsm customers. An online survey was done through this questionnaire. Nevertheless, in the process of administering the questionnaires some were either not filled at all or not completely. These account for the shortfall in the numbers recorded.

4.4. Type of Data and Data Collection

Primary data was collected through the instrumentality of a questionnaire. Some questions were closed-ended; using the Likert scale or requiring simple 'Yes' or 'No'. The data collected from Airtel customers was somewhat different from the one for the rest of the customers of the gsm companies, which was the same in every way, except company name. The data requested from the customers of other GSM companies apart from Airtel was essential to find out if they left Airtel for their present network, and whether or not they were loyal to their present network and the reason behind it. The data for both sets were divided into two halves: one, for psychographic questions and two, for demographic questions.

5. Data Analysis And Interpretation

5.1. Presentation of Data

Frequency Test

Table 1: How well you know airtel brand?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Well	62	62.6	63.3	63.3
	Fair Amount	27	27.3	27.6	90.8
	Just a little	8	8.1	8.2	99.0
	Know the name, but no detail	1	1.0	1.0	100.0
	Total	98	99.0	100.0	
Missing	99.00	1	1.0		
Total		99	100.0		

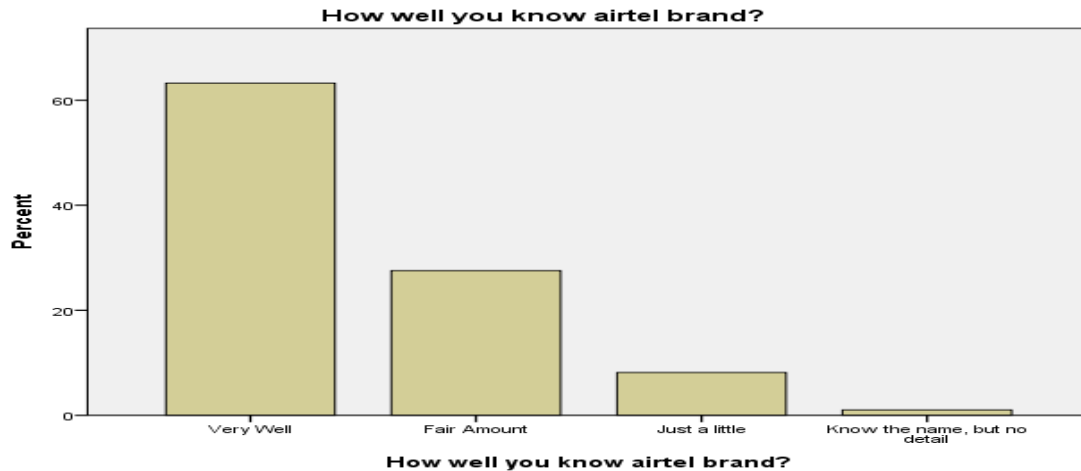


Table 2: How long have you been using this service?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	above 5 years	23	23.2	23.2	23.2
	3 - 5 years	25	25.3	25.3	48.5
	1 - 2 years	20	20.2	20.2	68.7
	Below 1 year	13	13.1	13.1	81.8
	Never used	18	18.2	18.2	100.0
	Total	99	100.0	100.0	

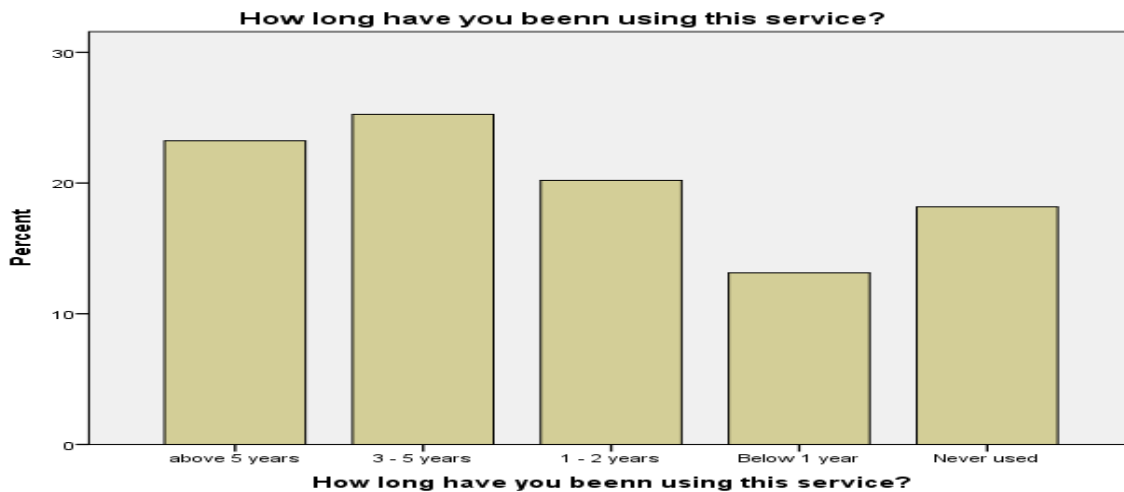


Table 3: What is your impression about airtel?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very favourable	15	15.2	15.2	15.2
	Mainly favourable	62	62.6	62.6	77.8
	Neither	16	16.2	16.2	93.9
	Mainly unfavourable	5	5.1	5.1	99.0
	Very unfavourable	1	1.0	1.0	100.0
	Total	99	100.0	100.0	

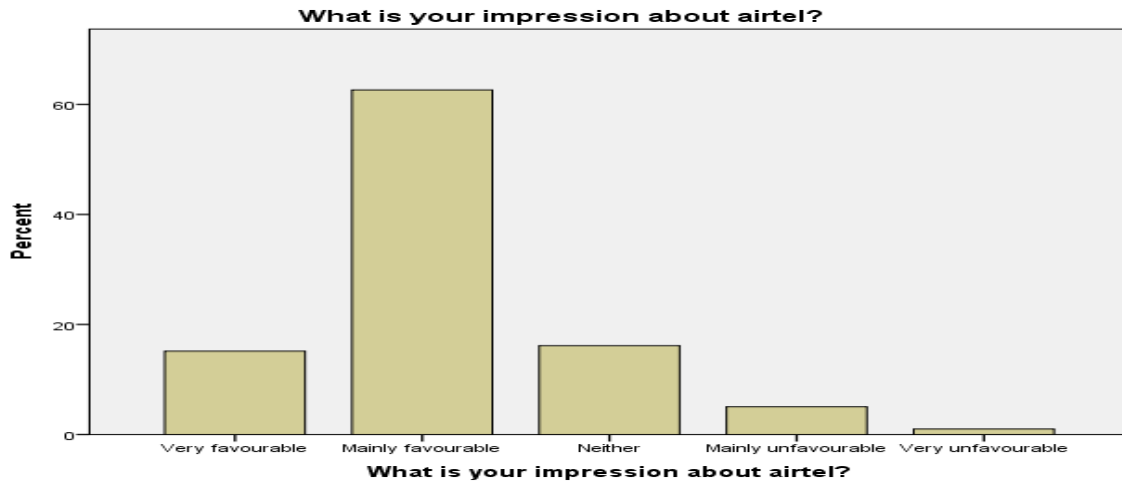


Table 4: Are you aware of rebranding of airtel?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	57	57.6	58.8	58.8
	No	40	40.4	41.2	100.0
	Total	97	98.0	100.0	
Missing	99	2	2.0		
Total		99	100.0		

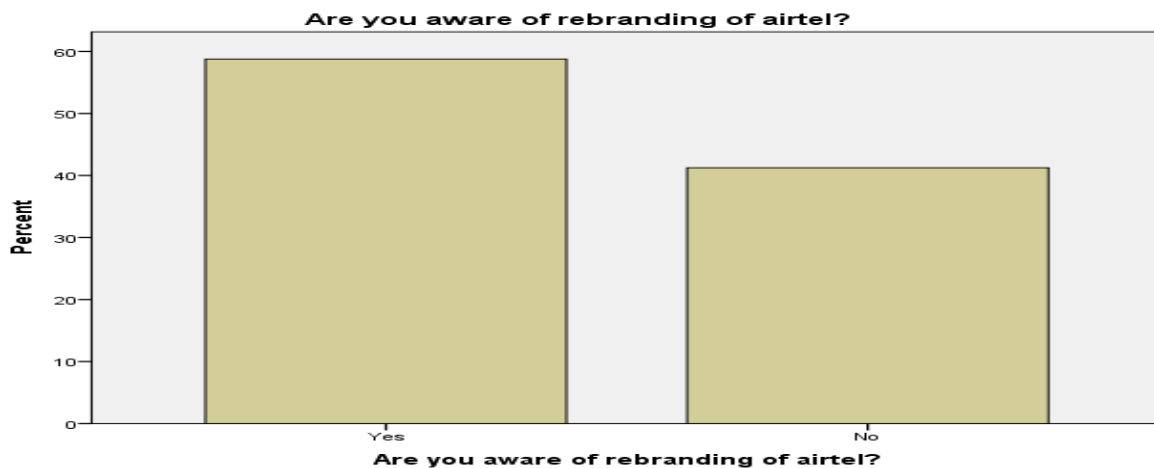


Table 5: \$information Frequencies

		Responses		Percent of Cases
		N	Percent	
How do u get to know about rebranding? ^a	Through media	48	44.9%	48.5%
	Word of mouth	25	23.4%	25.3%
	Through retailers	14	13.1%	14.1%
	No option	20	18.7%	20.2%
Total		107	100.0%	108.1%

a. Dichotomy group tabulated at value 1.

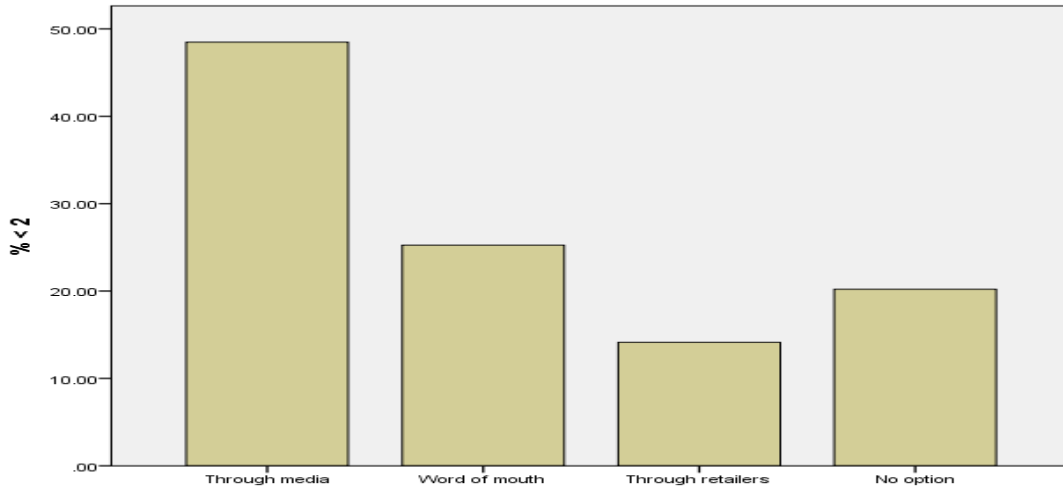


Table 6: What was your reaction to the rebranding of airtel?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very happy	17	17.2	18.3	18.3
	Happy	35	35.4	37.6	55.9
	Indifference	33	33.3	35.5	91.4
	Unhappy	6	6.1	6.5	97.8
	11.00	2	2.0	2.2	100.0
Total		93	93.9	100.0	
Missing	99.00	6	6.1		
Total		99	100.0		

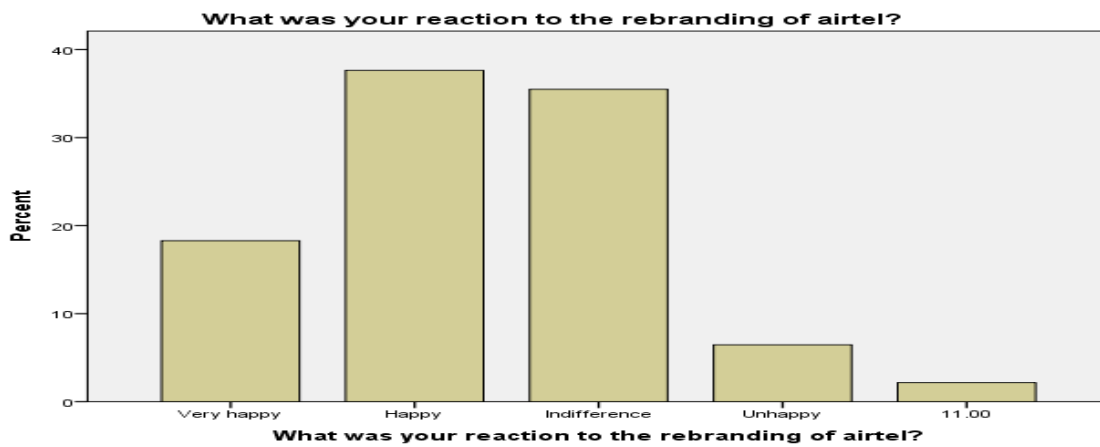


Table 7: Would you recommend Airtel to someone getting a gsm line for the first time?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	68	68.7	73.1	73.1
	No	25	25.3	26.9	100.0
	Total	93	93.9	100.0	
Missing	99.00	6	6.1		
Total		99	100.0		

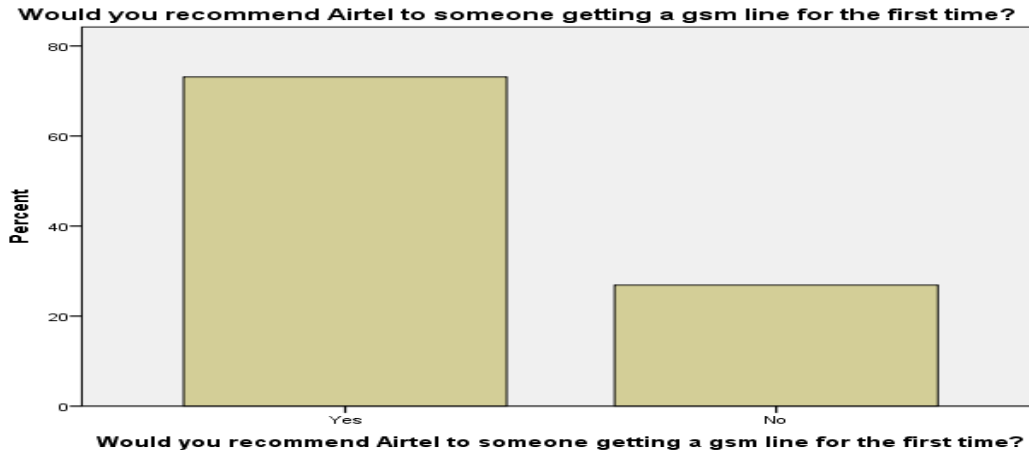


Table 8: If it were possible to shift to another network with your airtel line, would you have done that?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	41	41.4	42.3	42.3
	No	42	42.4	43.3	85.6
	Not applicable	14	14.1	14.4	100.0
	Total	97	98.0	100.0	
Missing	99.00	2	2.0		
Total		99	100.0		

If it were possible to shift to another network with your airtel line, would you have done that?

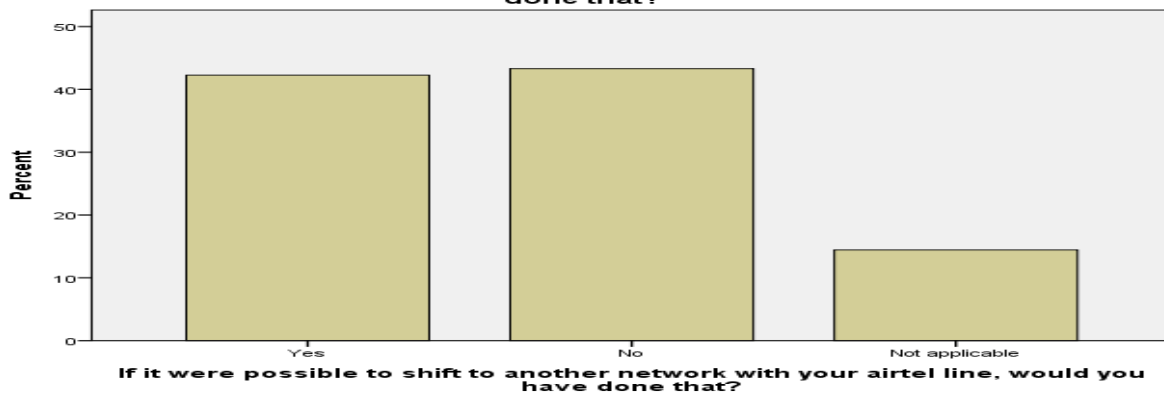


Table 9: Do you think airtel's current image is reflecting its objectives & priorities well?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very well	18	18.2	18.2	18.2
	Fairly	60	60.6	60.6	78.8
	Not very	19	19.2	19.2	98.0
	Not at all well	1	1.0	1.0	99.0
	No option	1	1.0	1.0	100.0
	Total	99	100.0	100.0	

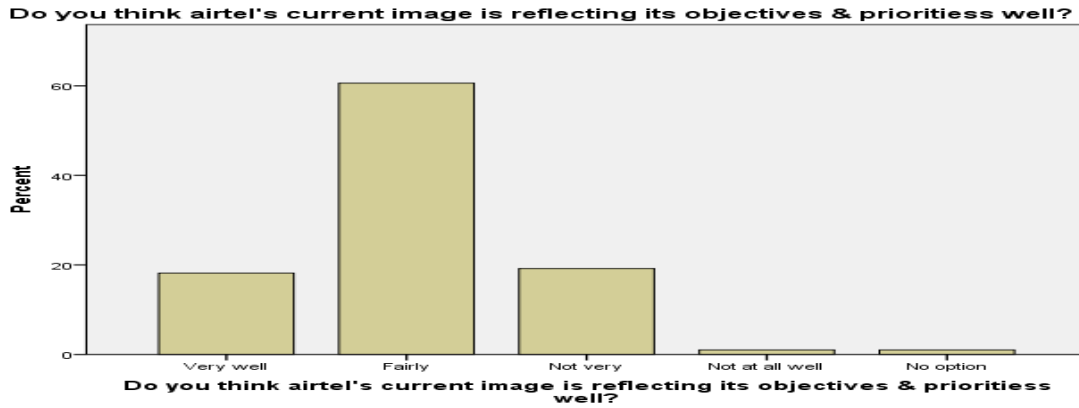


Table 10: How do you feel about Airtel's customer relation?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very happy	13	13.1	13.3	13.3
	Happy	60	60.6	61.2	74.5
	Indifference	20	20.2	20.4	94.9
	Unhappy	5	5.1	5.1	100.0
	Total	98	99.0	100.0	
Missing	99.00	1	1.0		
Total		99	100.0		

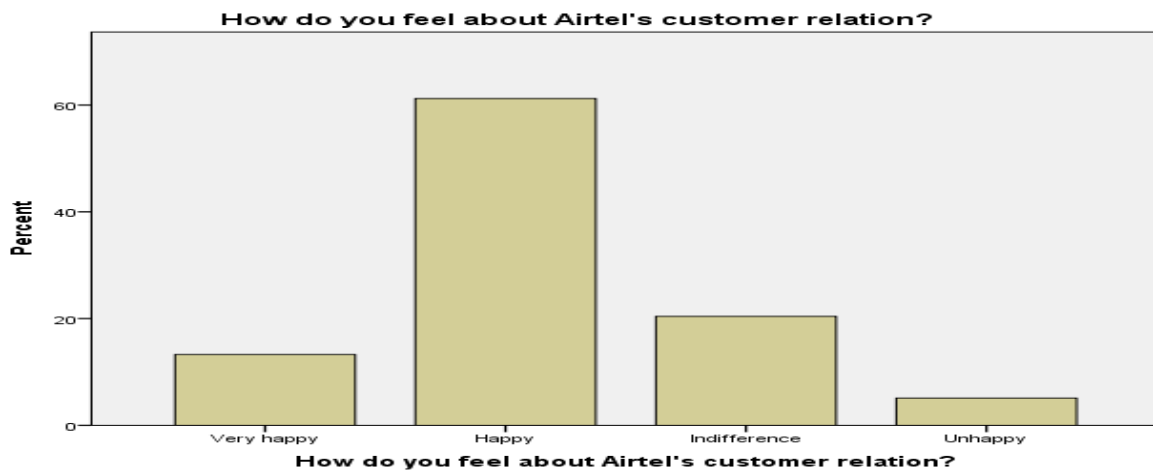
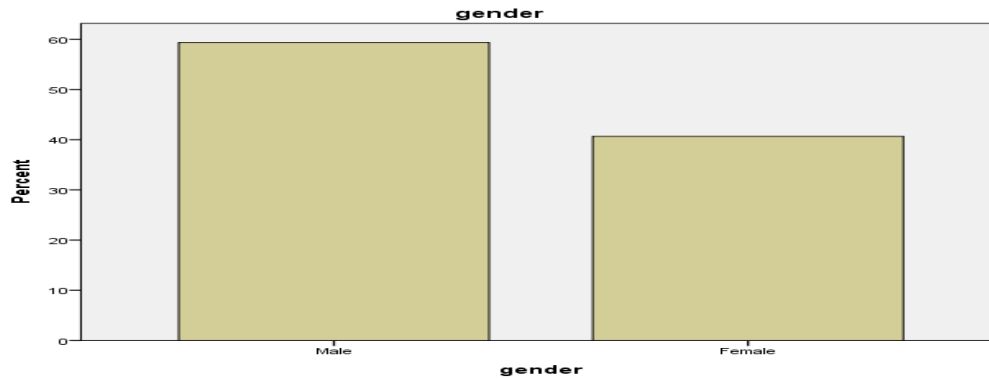


Table 11: gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	54	54.5	59.3	59.3
	Female	37	37.4	40.7	100.0
	Total	91	91.9	100.0	
Missing	99.00	7	7.1		
	System	1	1.0		
	Total	8	8.1		
Total		99	100.0		



Chisquare Test

Table 12: How long have you been using this service? * How well do you feel you know Airtel brand? Crosstabulation

			How well do you feel you know Airtel brand?				Total	
			Very well	Fair amount	Just a little	Know the name but no detail		
How long have you been using this service?	Above 5 years	Count	19	3	1	0	23	
		Expected Count	14.6	6.3	1.9	.2	23.0	
	3-5 years	Count	18	5	1	0	24	
		Expected Count	15.2	6.6	2.0	.2	24.0	
	1-3 years	Count	14	6	0	0	20	
		Expected Count	12.7	5.5	1.6	.2	20.0	
	Below 1 year	Count	4	7	2	0	13	
		Expected Count	8.2	3.6	1.1	.1	13.0	
	Never used	Count	7	6	4	1	18	
		Expected Count	11.4	5.0	1.5	.2	18.0	
	Total		Count	62	27	8	1	98
			Expected Count	62.0	27.0	8.0	1.0	98.0

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.707 ^a	12	.022
Likelihood Ratio	23.255	12	.026
Linear-by-Linear Association	15.244	1	.000
N of Valid Cases	98		

a. 12 cells (60.0%) have expected count less than 5. The minimum expected count is .13.

Table 13: How long have you been using this service? * Are you aware of rebranding of Airtel?
Crosstabulation

			Are you aware of rebranding of Airtel?		Total
			Yes	No	
How long have you been using this service?	Above 5 years	Count	15	8	23
		Expected Count	13.5	9.5	23.0
	3-5 years	Count	13	11	24
		Expected Count	14.1	9.9	24.0
	1-3 years	Count	11	9	20
		Expected Count	11.8	8.2	20.0
	Below 1 year	Count	8	4	12
		Expected Count	7.1	4.9	12.0
	Never used	Count	10	8	18
		Expected Count	10.6	7.4	18.0
	Total	Count	57	40	97
		Expected Count	57.0	40.0	97.0

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.107 ^a	4	.893
Likelihood Ratio	1.119	4	.891
Linear-by-Linear Association	.090	1	.764
N of Valid Cases	97		

a. 1 cells (10.0%) have expected count less than 5. The minimum expected count is 4.95.

Table 14: What is your reaction to the rebranding of Airtel? * Are you aware of rebranding of Airtel? Crosstabulation

			Are you aware of rebranding of Airtel?		Total
			Yes	No	
What is your reaction to the rebranding of Airtel?	Very happy	Count	9	8	17
		Expected Count	10.5	6.5	17.0
	Happy	Count	25	10	35
		Expected Count	21.7	13.3	35.0
	Indifference	Count	16	16	32
		Expected Count			

		Expected Count	19.8	12.2	32.0
	Unhappy	Count	5	1	6
		Expected Count	3.7	2.3	6.0
	11.00	Count	2	0	2
		Expected Count	1.2	.8	2.0
Total		Count	57	35	92
		Expected Count	57.0	35.0	92.0

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.251 ^a	4	.181
Likelihood Ratio	7.072	4	.132
Linear-by-Linear Association	.999	1	.318
N of Valid Cases	92		

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is .76.

Table 15: Are you aware of rebranding of Airtel? * Would you recommend Airtel to someone getting a gsm line for the first time? Crosstabulation

Expected Count

		Would you recommend Airtel to someone getting a gsm line for the first time?		Total
		Yes	No	
Are you aware of rebranding of Airtel?	Yes	42.1	14.9	57.0
	No	25.9	9.1	35.0
Total		68.0	24.0	92.0

Chi-Square Tests							
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	3.581 ^a	1	.058				
Continuity Correction ^b	2.715	1	.099				
Likelihood Ratio	3.511	1	.061				
Fisher's Exact Test				.086		.051	
Linear-by-Linear Association	3.542	1	.060				
N of Valid Cases	92						

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 9.13.
b. Computed only for a 2x2 table

Table 16: Are you aware of rebranding of Airtel? * If it were possible to move to another network with your Airtel line, would u have done that? Crosstabulation

			If it were possible to move to another network with your Airtel line, would u have done that?			Total
			Yes	No	Not applicable	
Are you aware of rebranding of Airtel?	Yes	Count	22	26	8	56
		Expected Count	23.6	24.2	8.3	56.0
	No	Count	18	15	6	39
		Expected Count	16.4	16.8	5.7	39.0
Total		Count	40	41	14	95
		Expected Count	40.0	41.0	14.0	95.0

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.615 ^a	2	.735
Likelihood Ratio	.616	2	.735
Linear-by-Linear Association	.153	1	.695
N of Valid Cases	95		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.75.

Table 17: How long have you been using this service? * How do you feel of Airtel’s customer relation? Crosstabulation

			How do you feel of Airtel’s customer relation?				Total	
			Very happy	Happy	Indifference	Unhappy		
How long have you been using this service?	Above 5 years	Count	5	11	4	3	23	
		Expected Count	3.1	14.1	4.7	1.2	23.0	
	3-5 years	Count	3	19	3	0	25	
		Expected Count	3.3	15.3	5.1	1.3	25.0	
	1-3 years	Count	0	15	3	2	20	
		Expected Count	2.7	12.2	4.1	1.0	20.0	
	Below 1 year	Count	2	7	4	0	13	
		Expected Count	1.7	8.0	2.7	.7	13.0	
	Never used	Count	3	8	6	0	17	
		Expected Count	2.3	10.4	3.5	.9	17.0	
	Total		Count	13	60	20	5	98
			Expected Count	13.0	60.0	20.0	5.0	98.0

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.451 ^a	12	.133
Likelihood Ratio	21.374	12	.045
Linear-by-Linear Association	.047	1	.828
N of Valid Cases	98		

a. 14 cells (70.0%) have expected count less than 5. The minimum expected count is .66.

Table 18: Do you believe that the Airtel’s current image and branding reflects its objectives and priorities well? * Are you aware of rebranding of Airtel? Crosstabulation

			Are you aware of rebranding of Airtel?		Total
			Yes	No	
Do you believe that the Airtel’s current image and branding reflects its objectives and priorities well?	Very well	Count	11	7	18
		Expected Count	10.6	7.4	18.0
	Fairly	Count	35	24	59
		Expected Count	34.7	24.3	59.0
	Not very	Count	9	9	18
		Expected Count	10.6	7.4	18.0
	Not at all well	Count	1	0	1
		Expected Count	.6	.4	1.0
	No option	Count	1	0	1
		Expected Count	.6	.4	1.0
	Total	Count	57	40	97
		Expected Count	57.0	40.0	97.0

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.022 ^a	4	.732
Likelihood Ratio	2.737	4	.603
Linear-by-Linear Association	.000	1	.986
N of Valid Cases	97		

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is .41.

6. Hypothesis Analysis

The question to be answered through the results of the data analysed was: ‘What is the effect of rebranding on customer loyalty?’

The results will now be used to confirm or refute the hypotheses

H1: Communication transfers brand equity in multiple rebranding.

From the result of the cross tabulation, more than half of qGSM subscribers were well aware of the rebranding exercises (60%). It is also clear that most subscribers got to know through the media (44.9%); based on Integrated Marketing Communications employed during each exercise or the word of mouth it generated (23.4%). The equity of a brand revolves around its brand name. Ultimately, all the desirable associations are eventually built around the brand name.

H2: Multiple rebranding does not affect customer loyalty.

Results show that more than half the subscribers, no matter how long they have been on the network, were happy about the rebranding (37.6%) and indifference toward it (35.5%). Results also show that total of 43.3% subscribers were loyal to the network (will not move from the network even if they have the opportunity) after the rebranding. While 42.3% have negative feelings towards the network. While out of 48 who are aware of rebranding, 26 of them would stick with airtel while 22 will like to switch from airtel. 73.1% of the subscribers will recommend the network. Only 26.9% have negative feelings towards the network. Therefore, the results suggest indifference to multiple rebranding. It confirms the hypothesis.

H3: Customers do not care about branding in the People mobile telephony.

From the results, about half the respondents for all networks do not care about rebranding in telephony ; and close to half do not associate their networks to anything as judged by the lack of information on that question; and, for those who do, there was little or no association with brand slogan, icons, symbols, colours, or any such brand property. The impression here is either that people do not really care about branding in mobile telephony or the telecommunications companies have not done a good job of positioning their brands in the minds of subscribers. It confirms the hypothesis.

7. Summary of Findings

This research confirms communication as the vehicle for transferring brand equity; shows that rebranding does significantly affect attitude towards telecommunications brands; and that people do care about branding in telecommunications and/or the telecommunications companies are doing a good job of branding.

8. Discussions

The findings on each hypothesis will now be looked at more closely in the light of factors internal to the research, and the result of similar works done around the world.

H1: Communication transfers brand equity in multiple rebranding.

The work of Daly and Moloney (2004) confirm the ability of integrated marketing communication to register a new brand name in the minds of customers. Customers who recognise the brand by its new name and continue to do business with it are part of transferred brand equity. The equity of a brand revolves around its name.

H2: Multiple rebranding does not affect customer loyalty.

The model Muzellec and Lambkin (2006) created for rebranding shows the need for good customer relations on the part the staff of any organization undergoing corporate rebranding. The works of Roberts-Lombard (2011) and Sathish, Naveen & Jeevanantham (2011) have pointed out customer relations as a key factor in customer loyalty or the acceptance of a new brand.

H3: Customers do not care about branding in the People mobile telephony.

From the results, people were more concerned with functional issues like brand awareness, reliability of network, service price, keeping of contacts, etc., which have been suggested as good antecedents for customer loyalty in emerging markets (Kim & Lee, 2010). Although each of the networks has had consistent logo, slogan, colours, etc., over the years, these were not associated with the brands un-prompted. They do not seem to be as important to the people as the ability to communicate. It would seem that people just want to communicate, not minding who provides the services. The use of gsm and cdma lines as the available means of telephony for the majority of the people can also be an explanation for this

9. Conclusion

Based on the results of this research, it is clear that in India, where GSM and CDMA lines are the source of telephony to the majority of the people, subscribers are aware of such phenomenon as rebranding, but are indifferent to it, in so far as the network gives them the needed telecommunication services and has good customer relations. Furthermore, none of the GSM networks stand for anything distinct in the minds of the subscribers, except the names of the networks.

10. Recommendations

From this study, the following recommendations can be made:

- 1) It is better not to rebrand very often in the telephony business, but if that must happen, the functional benefits of such a network should remain very good or even better. Plus, excellence should be maintained in customer service on the part of company staff. All these will help keep subscribers loyal in spite of multiple rebranding

- 2) Telecommunications companies should spend less on product advertisement, and divert more money into building quality networks with low call tariff. The present practice of promotional activities and the creation of products that require huge advertising spend should be either scrapped or curtailed. And the efforts in brand building should be geared towards making the network stand for something in the minds of subscribers.

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