From Communication to Conversation: How Tata DoCoMo Used Social Media as an Effective CRM Tool

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ABSTRACT

How have cutthroat competition and high growth compelled telecom service providers to innovatively use social media to outperform competitors, improve customer communication and maintain loyalty? Why have service providers made huge investments in social media for their CRM strategy? This case study analyses how Tata DoCoMo used social media to positively influence customer experience. The case study will help in understanding the role of social media in customer communication strategies and its impact on customer loyalty, and open up scope for future research.

Keywords: Brand Loyalty, CRM, Customer Communication, Customer Engagement, Customer Experience, DoCoMo Indian Telecom, Social Media, Tata

OBJECTIVES OF CASE STUDY

This case study aims to map the online brand communication strategies of Tata DoCoMo, and analyses the significance of social media in its overall customer communication strategy. The case study attempts to look at how, despite not being a market leader, Tata DoCoMo is acknowledged as one of the most successful and influential telecom brands on social media today, especially in CRM. Specifically, the case study will explore

- Market conditions at the time of launch
- Customer communication challenges faced by the brand
- Design and implementation of CRM strategies through social media
- Collateral outcomes in favour of the brand
- How the brand moved from ninth to the sixth position between 2009 and 2012

INTRODUCTION

India has witnessed a telecom revolution since the early Nineties when the government allowed private telecom service providers to set up infrastructure and offer competitive services,
and also by corporatizing state-owned service provider, Bharat Sanchar Nigam Limited. The market grew at a high rate, became highly profitable and also fiercely competitive. Intense competition forced tariffs to fall for all types of telecom services, and made it imperative for service providers to keep their flock of customers together, and continue to generate revenue through high volumes of usage (Haridasan and Venkatesh, 2011; Wang and Lo, 2002). The challenge became more severe when the government introduced Mobile Number Portability (MNP) in 2010, when customers could choose freely between service providers, while maintaining the same number.

These changes have had a cascading effect on the profits of service providers, prompting them to double their efforts at customer retention and ensure that customers are brand advocates (Seth, Momaya and Gupta, 2010; Johnson and Sirikit, 2002). In the highly competitive telecom market customer communication and engagement strategies are incomplete without the use of digital media, given its reputation as a cheaper, investment-effective, instantly reachable and more personal tool of communication (Leisen and Vance, 2001). With the demography of the country turning younger, more and more products and services have included digital media, especially social media, in their CRM strategy (Khaligh et al., 2012).

Online communication strategies take the form of third party blogs and forums, static website banner advertisements, embellishing and enhancing the corporate website experience, online promotions and of course, all forms of social networks. This strategy of online media more than complementing conventional media has shifted CRM objectives from ‘brand loyalty’ to ‘customer engagement’ (Wahab et al. 2011). This included in its ambit an entire spectrum of customer-centric activities such as addressing customer dissatisfaction, resolving complaints, turning customers into active brand advocates (Shendon and Xue, 2011).

Tata DoCoMo was one of the first new telecom brands to invest in social media campaigns, along with traditional marketing and communication strategies at a time when even established brands were not keen and sure of social media as a CRM and marketing tool. However as the case study will highlight Tata DoCoMo’s well-planned and precisely-implemented online strategy has certainly benefited them, and has become a trend-setter.

**METHODOLOGY**

The following methodology was adopted by the researcher in writing this case study.

1. **Primary Research - Interviews**: Six interviews were carried out; two with senior marketing and customer service executives of Tata DoCoMo and two interviews with Bangalore-based telecom analysts and two interviews with social media entrepreneurs, over three months. The interviews with the senior marketing executives of Tata DoCoMo were structured, in the form of a questionnaire, which was emailed to them, and their responses were recorded. The other interviews with social media entrepreneurs and telecom analysts were largely unstructured with the researcher having a freewheeling discussion on the social media strategies of major telecom service providers as well as Tata DoCoMo in particular.

2. **Secondary Research – Literature Survey**: Intensive secondary research was done to understand the structure and dynamics of the Indian digital media industry and the Indian telecom sector. Information from various published resources was used to perform a data validation cross-check.

**TATA DoCoMo, THE COMPANY**

Tata DoCoMo is Tata Teleservices Limited’s telecom service on the GSM platform—arising out of the Tata Group’s strategic alliance with Japanese telecom major NTT DoCoMo in November 2008. Tata Teleservices Limited received a license to operate GSM telecom...
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