

SCHOOL OF BUSINESS MANAGEMENT

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RESEARCH

THE STUDY OF PUBLIC RELATIONS AND CUSTOMER SATISFACTION IN THE
WIRELESS TELECOMMUNICATION INDUSTRY IN MALAYSIA

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1.0 Introduction

1.1 Background of Studies

Telecommunication industry is among one of the fast growing industry in Malaysia. Telecommunication industry represents the technology related to communication in various form. The industry consist of several player but limited to Redtone-CNX Broadband Sdn Bhd (Redtone), Bizsurf Sdn Bhd (Bizsurf), MIB Comm Sdn Bhd (MIB), Asiaspace Dotcom Sdn Bhd (Asiaspace), Celcom (Malaysia) Berhad (Celcom), Maxis Communications Bhd (Maxis), DiGi Telecommunications Sdn Bhd (Digi) and Telekom Malaysia Berhad (Telekom). They all focuses on providing best communication service to as much as customers they could. Telecommunication can be in the form of audio signal transmission, broadband, audio broadcasting and so on which highly related and represent the technology. Telecommunication related technologies developing each and every day around the world. The technology development will never stop. This statement proved true by the recent telecommunication technology which is Worldwide Interoperability for Microwave Access (WiMAX). WiMAX is the newest technology for wireless telecommunication which able to provide high speed broadband access to mobile devices.

Although the industry consists of many players, the leading three players for wireless telecommunication industry in Malaysia are Maxis, Celcom and Digi. All of they are different in their own way. Some of them focus much on providing new technology to attract new customers, while some tries to increase their customer base which could be

the baseline of the marketing, and some tries to retain their customers by giving lots of benefits and so on.

The way they do business has many differences with each other. This is mainly because of their strength and weakness. In another name, we could classify it as their competitive advantages and disadvantage. Each of the company will try to over come their disadvantages by using their advantage as a factor of winning. The most visible disadvantage that this telecommunication industry and player has is they are limited to technology license.

As mentioned before, telecommunication industry represents the communication technology. These technologies are controlled by the government of Malaysia through out license. Malaysian Communications and Multimedia Commission (MCMC) is the Ministry that controls these licenses. MCMC has the full rights to release or not to release the technology license for those players in the industry. When a new communication technology introduced world wide, the technology will be brought into Malaysia by MCMC. MCMC will then officially opens for the players to apply for the license for the new technology. After a certain period spends on reviewing the applications, the MCMC will announce the winners that deserve the license. Not all the applicant will receive the license. The announcement will be final and all applicants should accept it.

Winning the license will bring the firm new competitive advantages to the firm whereas they will have more up to date technology in telecommunication industry to beat through the competitions. But not winning the license will result to disadvantage to the firm. The

company will then try to focus on their marketing skills to retain their customer base. Fighting for the market share is not a new activity in any industry but in this telecommunication industry, the fight will never ends as regularly new technology will come up putting in more forces into the company. This is an external force that pushes the company compete in the industry more active and fiercely.

Having the licenses for new technology will bring new advantages for the company. Besides this, the company also gains advantages from their customer base. The higher number of customer they have, the better they can earn out of their customers. Increasing and retaining this customer base is another mission of each and every player in the industry. They all knew that customer is the basic need to expenditure a company. A growth and success of the company is also based on their customer base. To retain and increase the customer base, the company will enhance their customer service and public relations activities. Customer service is nothing else than the way the company provides assistance and care for their customers in term of solving technical issues that the customer face in experiencing the company's products or services.

On the other hand, public relations are the activities that conducted by the company with motive of getting closer to the public to influence the public. The public relations can be a good medium to get publicity in wide view and the target audience is high. Although this sounds very interesting and similar to marketing, public relation is far from marketing. This is mainly because marketing and advertising will result to increase of publicity and revenue. But the public relations might result to good publicity or bad

publicity. The better the companies did their public relation activities, the closer the companies will reach to their customers. The public relation approaches are not limited to their customers only but it will go wider by reaching publics.

Good public relations and customer service will definitely make the customers happy. The happiness of customers will result to customer satisfaction. Customers' satisfaction will result to increase in the number of loyal customers toward the products and services provided by the company. Loyal customers will be the real reason for a company to grow bigger and stronger.

With high numbers of loyal customer, the company will gain high revenue. The revenue collect will be the profit earned by the company from their customers. These profits will turn to be a strong financial support for the firm. This financial support will enable the firm for a long run in their business. This long run will result to success for the firm and all the parties involved with the firm.

Therefore, the success of any telecommunication company is the result from a strong customer base. Each and every company in telecommunication industry in Malaysia will focus and concentrate on public relations activities as serious as they involve in marketing activities. Although public relations function is not similar to marketing function, their result is almost same and contributes to the firm's long run success with promising financial profit besides creating goodwill.

1.2 Problem Statement

‘Public relations’ is not a new term in business management. It is an important function as marketing is. Each and every company will have strong marketing which promises a long run success to the organization and they also should have strong public relations. Marketing will focus only on generating revenue from sales while public relations on the other hand focus on generating goodwill and publicity in the community. Although publicity is a term related to advertising, public relations can also be a cause of publicity. But ‘public relations’ is a serious method of getting publicity whereas it can result to a good publicity or the other way around by resulting to a wrong publicity. Do public relations activities of telecommunication industry players contribute toward customer satisfaction?

1.3 Objective of the study

This research is conducted evaluate the influence of public relations activities toward improving and establish customer satisfaction in telecommunication industry of Malaysia. Telecommunication industry has drastic growth from last 10 years in Malaysia and public relations is yet another major factor that resulted to this growth and at this time, it is important to understand the position customer satisfaction on this growth. None of us can deny that telecommunication industry in Malaysia do invest a lot in public relation activities, therefore this study will roughly answer either this public relation activities is sufficient or not.

2.0 Literature review

Public Relations

The term public relations is not new to any business but somehow the importance of public relations would be questioned and more often ignored by small businesses. The situation is far different if compared to large industry players such as telecommunication industry player in Malaysia. Public relation is given enough priority and they willing to spend millions on it for best of their own firms as well as marketing is. Most people would agree that public relation is an information function (Jeo Marconi, 2004). By this mean, public relations activities conducted in purpose of providing information widely to public. Rather than calling it as a method of information spreading, we could classify it as activity of creating awareness toward an issue or product related to the firm. In each and every public relations activity, we could find an internal marketing related to the activity. According to Ali Moi, 2002, marketing is also playing minor function in public relations whereas marketing is targeted to potential clients while public relations activity is wide and rarely targeted. Furthermore, promoting their products and gaining publicity are other functions of public relations. In general, public relations is an umbrella term that covers a variety of areas and functions, including communications, community relations, customer relations, consumer affairs, employee relations, industry relations international relations, investor relations, issue management, media relations, member relations, press agency, promotions, publicity, public affairs, shareholder relations, speechwriting, and visitors relations (Joe Marconi, 2004). Public relations activity could benefit a firm in all way as it covers almost all the major functions of the firm. Conducting public relations activity will be beneficial and profiting to the growth of the firm.

The Public

Public is a self-explanatory term that means people. The public, the people is key of public relations. All public relations activity is directed to people around the firm as they were related to the firm regarding on directly or indirectly. In major public relation activities, we could understand that the activity is targeted to employee, customers, clients, and potential customer. There can't be any public activity without the people. People are the main purpose of conducting each and every public relation activity. It is important that the public relation activity conducting to bring in and spread over messages or information. Thus this information are directed to no one else than these people. A success or failure of any public relations activity is determined by how far the message was successfully send to these people. For any firm, conducting a public relations activity is a careful task to be handled by experts mainly because these public relations activity can result to bad publicity to the firm itself. No firm could guarantee that conducting a public relations activity could produce good publicity as there is risk involved in these public relations activity. It can be any activity but never escape of the risk. According to Jeo Marconi, 2004, public relations activity can be vise-versa whereas it can influence public and kill or recover bad publicity that exists. Resulting to good publicity or bad publicity is the risk involved in all public relations activity. Reaction of the people toward public relations activity is given high consideration. The motive of these activities is to influence the public but somehow it is impossible to predict the reaction of these people. There is no prefect guideline to predict their reaction. Different publics react differently to the same news, influenced by region, lifestyle, ethnicity and a host of other considerations (Jeo Marconi, 2004).

Message focused

Public relations activity will carry a message. The sender of the message is the organizer of the activity or the firm itself. The recipients of the message are the public. More often the message will be related to a new product that the firm had introduced. In another word, this message can be mentioned as the real promotion motive behind the public relations activity. In general, when new product or service is introduced, marketing team will focus to increase the sales while public relations experts team will focus on sending out this message to the public with purpose of creating the demand. The sales will increase as the demand increase. This is why public relations activities said to have marketing function either direct or indirect. In telecommunication industry, there is technology development force that pushed the industry players to introduce new services to their existing customers as new technologies found. This technology development is actually an external force to the organization that influences in producing new product or service. According to Jeo Marconi, 2004, clarity of the message is also very important. The message should be clear and straight forward. Unclear message will cause it to be confusing and the public might misunderstood. As result of it, the reaction of the public might differ and the firm could not see the result that they expected for. In another word, unclear message will make the whole public relations activity to be defective.

Creating Image

Company image is very important for all firms. Especially in telecommunication industry, the players do care a lot about their image and do their best to protect it. Their company image means a lot as brand awareness is increasing among the customers.

Creating a strong solid brand name is very important to retain existing customers and to gain new customers. Image of the firm is nothing else than the customers' perception toward a firm. When good talk about the firm spreads around widely among customers, they willing to buy products or services related to firm's brand although if they have not experience any product of the firm. Retaining a good image is important to retain the existing customers and encourage to customer loyalty. This will build a strong customer base. Public relations activity can build a good image. On the other hand, it can also spoil existing image if in case the public relations activity turn to be failure or disaster.

Telecommunication industry players conduct public relations activity with purpose of bringing their brand closer to public. The public relations events will create popularity and publicity for the said brand. This ensures that the better the message spreads positively, the better the brand will be recognized by public. Brand is just representing the reputation of the company or firm. And it is very important for the firm to stand hold their reputation.

Media as medium

Media is first option that public relations event organizer has to communicate with the public in effective way. Mass media target audience in large scale and this ensures that the message send to the public. The message will be the time and date the event will be held and invitation to public to join in the public relations event. An event should be planned conveniently for the public as the time and date of the event should be set at publics convenient whereas they can attend. This is why most of the public relations event held on Saturday night or Sunday evening as they assume most of the public will be

on holiday on weekends and able to attend the event. The invitation should be sent out through mass media. There are several options or choices of media that a firm should select properly to communicate with the public. The choice must be done wise and carefully to avoid the firm from wasting a lot of fund into this as mass media communication will never been cheap. The right media should be chosen according to the need and budget of the public relations event. This could be a hard task and need to be done professionally. Therefore, large firms would always look into the best option that they have which is to hire a PR agency. This PR agency will be responsible for the whole public relations task especially budget controlling which also includes choosing the right media wisely without waste. The event should be handled professionally by the PR experts to avoid the PR event from turning into a real disaster which will be a bad publicity to the firm. If the determination is that the company or organization has sufficient in-house staff and experience to run the program, then it is probably not necessary to hire a PR agency. But even if an outside firm is only brought in to assist, it is important that every one have a clear understanding of the value of such relationship (Joe Marconi, 2004)

Stand out of disasters

PR disasters are something very common for the PR agencies and PR experts whereas they know that lack or careless in handling a public relations event could result a disaster to the whole organizer firm and its reputations. Therefore in each every public relations event, the main thing that everyone concern is to stand out of disasters. The plan should be perfect and not resulting to any disaster. But in many cases, although they had planned

everything perfectly, the disaster will still happen in many ways. And the smart way to plan it is, do not try to escape a disaster but get ready to face it. Preparing for the disaster is the key of solving unexpected disasters. A charge of racial or sexual or age discrimination, price gouging, or unfair business practices – even if proved to be wholly unjustified – can damage the reputation of everyone associated with an organization (Jeo Marconi, 2004).

3.0 Methodology

This is a quantitative research which classified as causal research. A causal research design is concerned with determining cause-and-effect relationship (Churchill, 1999). This research will analyze cause-and-effect relationship on public relations and customer satisfaction in telecommunications industry in Malaysia.

Primary data

Primary Data will be collected to be analyzed. The instrument that will be used to collect those primary data is survey. The survey will be focusing on a questionnaire that prepared in general. The questionnaire will consist of 20 questions including the demographic question. This questionnaire will be asked to those responders through face to face survey. There questionnaire will be distributed and the survey is conducted through face-to-face interview and also online survey.

Face to face interview survey

The interviewer will read those questions to respondents and their responds will be written down on the survey questionnaire by the interviewer himself. This type of survey is often called as person administrated survey. This method will save time and hassle of the responders. At the same time, this method will be more accurate whereas the seriousness of respondent can be roughly predicted to avoid research error. The face-to-face survey will be conducted a few shopping malls and business centre in Klang Valley. The respondent is not targeted and will be chosen in random without applying any criteria to the respondent. 40 respondents' input will be collected from this method.

Online survey

This research is about public relations and customer satisfaction in telecommunication industry in Malaysia. Therefore this research need input from Malaysia wide rather than focusing on Klang Valley. Due to limited budget in this research, to target for respondent through Malaysia wide, online survey is the only option available. The survey questionnaire is uploaded online and invitations to participate in this survey is send out in bulk to contacts available in Malaysia. Online survey is convenient for both respondent and survey administrator as it is saving a lot of time and fast way to receive the input. 60 respondents' input will be collected from this method.

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