

Swot analysis of reliance infocomm and it's strategies

[Finance](#), [Financial Analysis](#)



Reliance Inform was the first service provider to introduce finance option on handsets. - Value Added Services: First Call Center of 2, 000 seats in Iambi - Aggressive roll out to capture dominant market share and create an entry barrier CDMA lax Technology Weakness: Marketing strategy. Restricted mobility through its WALL services. Hidden Cost- Not able to retain the roped in customers. It only catered to the needs of post paid customers. Fewer varieties of handsets available offering CDMA technology. Lacks Transparency at end user level Lacks to spread Technological Awareness

SOOT analysis of Reliance Inform and it's strategies to promote Reliance Inform. By err_PC Reliance Inform has timely and effectively used the technology where the Indian Telecoms Market was lacking behind-Broad Band technology (CDMA) at affordable prices, thus capturing the market significantly. Using the CDMA technology, it has revolutionized the data transfer rates and low cost tariffs. In the area of E-commerce, Video on Demand, Poi(Voice over 'P), Speech Recognition, Interactive Television, Intelligent Homes, Virtual Reality. Providing instant connection to the customers making a happy and satisfied customer base.

Reliance Signs Amalgamation Agreement To Acquire Flag Telecoms Group Limited-- Plans to acquire submarine network cables from FLAG Telecoms(\$220 million dollars) which will drastically reduce the KIDS rates. Reliance Inform and Microsoft TV to work together on Next-Generation - Indian's Largest Private Sector Enterprise to Prototype and Trial Next-Generation TV Services On a New End-to-End PIPIT Solution from Microsoft Threats: The threat from BOSS for the calls being blocked or barred at LUDA

level. Easy convertibility of the mobile handsets and reselling of lithium ion batteries.

Thefts and forgery regarding Handsets provided by company To face many legislative barriers from government as well as its competitors Risk involved in financing the handsets. (Defaulters/Bad debts) Threat from operators such as BOSS, Aircrew, Data Tell Services each with the expanding networks to sustain the competitive market situation. Strategies: STRATEGY TO PROMOTE INFORM VALUE CHAIN The operation, to be carried out under the aegis of Diarrhea Mambas Entrepreneur Program (DEEP), would offer Adds the attractive proposition of participating in future genuineness of Reliance like insurance, petroleum retailing, and ALP retailing.

Initially it was decided to appoint around ADS across the country, who in turn were required to rope in just 50 subscribers each to achieve the 10-million magical mark. For becoming a DADE, one has to provide a security deposit of Errs, OOH and buy a WALL (M) connection and undergo a training of one day and pass a test. Reliance Inform worked backwards by looking at what the customer could afford and came to the conclusion that he can support average revenue per user (ARPA) of RSI 450 to RSI 500 a month. Then it worked out what kind of investment would be required to sustain these revenues and makemoney.

It also leveraged economies of scale to reduce costs. Reliance realizes that the main capital investment in building a fiber optic backbone is the cost of digging. Reliance has put in eight ducts across the country. Its network is

future proof for the next 50 years. When new capacity is needed it has to only blow the fiber at a very small incremental cost which will be difficult to match. By using its own software specialists, Reliance was able to put up the Java platform on its mobile phones at virtually 10 per cent of what it costs companies in the US to do so.

By setting up a centralized security system based in Mumbai for the entire network Reliance Inform was able to reduce manpower needs from 10,000 to just 200 software engineers. TECHNOLOGY Reliance Inform uses Qualcomm Inc.'s Code Division Multiple Access (CDMA) 2000 1X technology. This technology handles better voice quality & higher data rates as compared to GSM. Reliance Inform has tied up with Crocker for supply of high end Pads. Reliance has procured around 50,000 Pads. The Pads will be focused for high end users whereby one can use it both as a phone as well as a PDA.

The phone will be used for making voice calls whereas PDA will be utilized to provide wireless data access for web clippings, HTML, SMS and e-mail. Using speakerphone facilities one can use PDA while one is making voice call.

ENTRY STRATEGIES to their services but also they have decided to cater for the segment where margins are high. - Infusion's strategy from the beginning was simple. It started operations late, after the market had stabilized to a degree. But eventually when it did, it did it with a splash.

Its aim was to acquire critical mass quickly by undercutting competition This was because it saw that the telecoms industry was heading towards an oligopoly. Although this meant huge losses in the short term, Reliance

understood that only a few telecoms operators would remain in the next few years. **MARKETING STRATEGY** Reliance preferred ADS over channel partners. The ADS model offers several advantages. Firstly, the ADS and his staff can do personalized, direct marketing--in a manner not achievable by channel partners--at no expense to Reliance.

Secondly, Adds are utilizing all tools like fax, e-mail, telephone, cable TV network, and one-to-one meetings to tell prospective customers about 'Reliance Modifiable'. Thirdly, this is also building more hype for the service and allowing Reliance to spend a lot less on advertisement, but more importantly, enabling it to reach out to the optimally potential audience. Fourthly, from customer acquisition to verification and validation of the supporting documents, to collection of cheques and depositing them at the Reliance collection center, Dates will handle all the back-end operations.

Reliance is thus saved of huge amount of time, effort and money. For becoming a DEEP, one has to provide a security deposit of RSI 10, 000 and buy a WALL (M) connection. He has to also undergo a training of one day and pass the test that follows.. The DADE will get RSI 10, 000 back if he is able to get 10 connections. For the next 14 transactions, he gets no incentives, but for 25-49 connections, the incentives are at the rate of RSI 100 per transaction; for 50-74 connections, the rate is RSI 200; and for 75-99 connections the rate is RSI 300. Thereafter, incentives are at the rate of RSI 400 per transaction.

In order to recover his investment, the DADE has to bag a minimum of 50 connections. The very appointment of a DADE ensures one connection for Reliance, as that's one of the conditions for becoming a DADE. Thus, even before the start of the service, the company has a base of around 200, 000 subscribers, whereas BOSS was able to get the same number four weeks after the launch of its Cyclone cellular services. The 'Mamma' model. Reliance gets a ready subscriber base of 200, 000 Dates by default. Moreover, a whole bunch of backbend operations is 'outsourced' to the Dates for no e.