

# Airtel – introduction essay

Environment, Air



Need For the Study As a student of Business Administration a need is felt to understand the Overview of an Organization in its Financial, Marketing and Human resource Performance examining the overview of the above factors will help a student like me to gain insight in the Mission, Vision and Operational Goals and Strategies of Organization to perform well to the satisfaction of its stake holders. Objectives of the Study The Indian communications scenario has transformed into a multiplayer, Multi product market with varied market size and segments.

Within the basic phone service the value chain has split into domestic/local calls, long distance players, and international long distance players. Apart from having to cope with the change in structure and culture, Airtel has to gear itself to meet competition in various segments- Basic services, long distance, International Long Distance and Internet Service Provision. It has forayed into mobile service provision as well. Objectives are: What are strategies that Airtel is implementing to defend and increase the market share ? To know about the telecom industry. ? To know the present scenario of telecom industry. To know the factors affecting the growth of telecom industry. ? To analyze the Different statements of Balance sheet, Profit and loss account. Cash flow statement and HR Information Scope of the study The Scope of Company analysis is limited to one company Bharti Airtel, to know its performance, by analyzing the secondary data from various sources and understanding them. Limitations of the study The study is carried completely by considering data. As the study is carried completely relying on secondary sources no first hand Information have been gathered or collected from company officials relating to research.

INDUSTRY PROFILE A midst all the talk of slowdown in the Indian economy, telecom is one sector that has had a fairly good year in terms of subscriber additions and revenue growth in 2008. Mobile service companies have managed to add subscribers at the rate of eight million a month in 2008. This makes India the second fastest growth for mobile services in the world. However, even as this gives some reason to cheer for the telecom incumbents, there are a few trends in key metrics of the companies that suggest increasing pressure on margins.

This is not the situation only this year the subscriber base of Indian telecom industry is increasing day -by-day and year -by - year. If we just have a glance on the Indian telecom industry it is divided into 23 circles spread all over the country with 9 Operators in the country. A large population, low telephony penetration levels, and a rise in consumers' income and spending owing to strong economic growth have helped make India the fastest-growing telecom market in the world. The first and largest operator is the state-owned incumbent BSNL, which is also the 7th largest telecom company in the world in terms of its number of subscribers.

BSNL was created by corporatization of the erstwhile DTS (Department of Telecommunication Services), a government unit responsible for provision of telephony services. Subsequently, after the telecommunication policies were revised to allow private operators, companies such as Bharti Telecom, Tata Indicom, Vodafone, MTNL, Idea, Vodafone and BPL have entered the space as Major Operators in India. However, rural India still lacks strong infrastructure. In 2007, an article by Business week magazine reported that

India's mobile phone market is the fastest growing in the world, with companies adding some 6 million new customers a month.

The total number of telephones in the country crossed the 300 million mark on June 18 2008. The overall tele-density has increased to 36.98% in March 2009. In the wireless segment, 15.87 million subscribers have been added in March 2009. The total wireless subscribers (GSM, CDMA & WLL (F)) base is more than 391.76 million now. The wire line segment subscriber base stood at 38.22 million with a decline of 0.13 million in October 2008. Growth of mobile technology India has become one of the fastest-growing mobile markets in the world. ]The mobile services were commercially launched in August 1995 in India.

In the initial 5-6 years the average monthly subscribers additions were around 0.05 to 0.1 million only and the total mobile subscribers base in December 2002 stood at 10.5 millions. However, after the number of proactive initiatives taken by regulator and licensor, the monthly mobile subscriber additions increased to around 2 million per month in the year 2003-04 and 2004-05. Although mobile telephones followed the New Telecom Policy 1994, growth was tardy in the early years because of the high price of hand sets as well as the high tariff structure of mobile telephones.

The New Telecom Policy in 1999, the industry heralded several pro consumer initiatives. Mobile subscriber additions started picking up. The number of mobile phones added throughout the country in 2003 was 16 million, followed by 22 million in 2004, 32 million in 2005 and 65 million in 2006. The

only country with more mobile phones than India with 246 million mobile phones is China – 408 million. India has opted for the use of both the GSM (global system for mobile communications) and CDMA (code-division multiple access) technologies in the mobile sector.

In addition to landline and mobile phones, some of the companies also provide the WLL service. The mobile tariffs in India have also become lowest in the world. A new mobile connection can be activated with a monthly commitment of US\$0. 15 only. In 2005 alone 32 million handsets were sold in India. The data reveals the real potential for growth of the Indian mobile market. In March 2008 the total GSM and CDMA mobile subscriber base in the country was 375 million, which represented a nearly 50% growth when compared with previous year.

In April 2008 the Indian Department of Telecom (DoT) has directed all mobile Phone service users to disconnect the usage of unbranded Chinese mobile phones that do not have International Mobile Equipment Identity (IMEI) numbers, because they pose a serious security risk to the country. Mobile network operators therefore planned to suspend the usage of around 30 million mobile phones (about 8 % of all mobiles in the country) by April 30. Revenue and growth The total revenue in the telecom service sector was Rs. 86, 720 crore in 2005-06 as against Rs. 71, 674 crore in 2004-2005, registering a growth of 21%.

The total investment in the telecom services sector reached Rs. 200, 660 crore in 2005-06, up from Rs. 178, 831 crore in the previous fiscal.

Telecommunication is the lifeline of the rapidly growing Information

Technology industry. Internet subscriber base has risen to 6.94 million in 2005-2006. Out of this 1.35 million were broadband connections. More than a billion people use the internet globally. Under the Bharat Nirman Programme, the Government of India will ensure that 66,822 revenue villages in the country, which have not yet been provided with a Village Public Telephone (VPT), will be connected.