

# Impact of recession on telecom companies

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The cascading effect has made the companies think about the ways and means to handle the crisis. Saverio Romeo, the ICT analyst at Frost & Sullivan recently said that the IT sector is going to be hit mainly in two ways<sup>1</sup>;

Technology has brought about many changes in almost all spheres of life. Information technology, in particular, has proved to be a great influence towards transforming the way we communicate, listen to radio broadcasts, watch television broadcasts, impart education, search for information, track the movement of processes and services, etc. The telecom sector is the key beneficiary of the IT revolution. Today, a simple mobile instrument can be used for services like mobile-banking, storing songs, m-commerce, handy television receiver, net-surfing, etc. besides serving as a telephone instrument. Telecom companies are making the fullest use of this fusion in ICT by coming out with a number of schemes for retaining existing customers as well as for attracting potential customers. Reputed brands like 'Orange' has been investing in Research and Developmental activities as well. 'Orange Labs' from the France Telecom-Orange Group play a leading role in carrying this trend forward. With the help of a strong team of about 5,000 researchers, marketers, and engineers the company has been active on the way to provide the best available services to its customers. But the moot question is how long they can sustain such efforts if the recession continues longer. Efforts will be made through this study to figure out how companies are moving forward to contain the damage.

#### Objectives of the Study

This study is primarily being undertaken to study the telecom sector in general and how the recessionary trends are impacting the sector. With the <https://assignbuster.com/impact-of-recession-on-telecom-companies/>

help of examples like that of Orange, efforts will be made to find out concrete policies, if any, being undertaken by the companies in this direction. The study will try to seek answers to the following key objectives;

- i. Analyzing the growth of the telecom sector in the last couple of years
- ii. Analyzing some of the previous challenging situations that the telecom sector went through, and how the sector was able to pass thru
- iii. Analyzing how some of the leading telecom companies have been performing in the recent past.
- iv. Analyzing the policies being adopted by some of the governments in different parts of the world to help the telecom sector.
- v. What constructive role the Government, as well as other stakeholders, can play to see that the telecom sector is able to sustain the crisis-like situation.

#### Research Methodology

The research will be carried out with the help of;

- i. Existing literature on the subject from the government database, telecom sector companies, international organizations or other reliable sources available on the internet.
- ii. By going out in the field and assessing the ground reality by way of soliciting the views of users/ consumers in the sector.