

Competitive strategies of telecom companies

[Business](#), [Marketing](#)



Page 1 of 50 A Project report On A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR SUBMITTED IN PARTIAL FULFILLMENT OF REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION AND MASTER OF BUSINESS LAWS For The Course: STRATEGIC MANAGEMENT SUBMITTED BY: MAYANK KUMAR AGARWAL M. B. A.-MBL SEMESTER 3RD ROLL NO-200 SUBMITTED TO: DR. ARCHI MATHUR FACULTY OF MANAGEMENT FACULTY OF MANAGEMENT STUDIES NATIONAL LAW UNIVERSITY, JODHPUR A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 2 of 50 TABLE OF

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3 of 50 ACKNOWLEDGEMENT This project work would never have been an achievable task, had I not been under the great shelter of guidance of

respected professor Dr. Archi Mathur. Her simplified teaching technique based on examples has helped me gain more understanding of the subject. The very essence of the project work is the linguistic precision which has an impact of conveying more details in least possible words. An ample use of various reference readings has been very frequently made while compiling data for this project. Such rich reading has been made available at hand by the treasure-like well maintained library of the National Law University, Jodhpur. I am very much grateful to the library staff of the university for their unfailing co-operation. I am very much under obligation to mention here, the contributions of my batch mates who have, knowingly or unknowingly, provided me the competitive edge which is the driving force of the whole labour and extra labour put into the project. I would also take an opportunity to thank all the respondents, who have taken pains in answering the questions and filled the place of true representatives for deciding the nature of the problem. Finally, I feel very much gratified to the administration of the National Law University, Jodhpur for providing comfortable environment and rich infrastructure which has always been a facilitating stuff. ----- MAYANK

KUMAR AGRAWAL A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI

MATHUR Page 4 of 50 CHAPTER-1 INTRODUCTION Exactly ten years ago, Jyoti Basu in Calcutta called Sukh Ram in Delhi in what was the first mobile phone call in India. Brick sized cell phones used to cost Rs. 45, 000 and each call costed Rs. 16. 5/minute. Back then, cell phone was a status symbol. Today, there are over 60 million mobile connections in India (expected to double in number in next 12 months). A local call costs around less than Rs

1/min and a cell phone can be purchased for less than Rs. 2000. TELECOM SECTOR: A GLOBAL SCENARIO The Indian telecom market has been displaying sustained high growth rates. Riding on expectations of overall high economic growth and consequent rising income levels, it offers an unprecedented opportunity for foreign investment. A combination of factors is driving growth in the telecom market, promising rich returns on investments. India is the fourth largest telecom market in Asia after China, Japan and South Korea. The Indian telecom network is the eighth largest in the world and the second largest among emerging economies. The Indian telecom market size of over US \$ 8 billion is expected to increase three fold by 2012. The expansion of the telecom industry in India has been fuelled by a massive growth in mobile phone users, which has reached a level of 10 million users in December 2002, an increase of nearly 100 per cent in 2002. This exponential growth of mobile telephony can be attributed to the introduction of digital cellular technology and decrease in tariffs due to competitive pressures. For the first time in India, the growth of cellular subscriber base has exceeded the fixed line subscriber base. However, cellular penetration is still 1 per cent as compared to world average of around 16 per cent. A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 5 of 50 INDIAN TELECOM SECTOR Indian Telecom sector, like any other industrial sector in the country, has gone through many phases of growth and diversification. Starting from telegraphic and telephonic systems in the 19th century, the field of telephonic communication has now expanded to make use of advanced technologies

like GSM, CDMA, and WLL to the great 3G Technology in mobile phones. Day by day, both the Public Players and the Private Players are putting in their resources and efforts to improve the telecommunication technology so as to give the maximum to their customers. The Indian telecom sector can be broadly classified into Fixed Line Telephony and mobile telephony. The major players of the telecom sector are experiencing a fierce competition in both the segments. The major players like BSNL, MTNL, VSNL in the fixed line and Airtel, Vodafone (Hutch), Idea, Tata, Reliance in the mobile segment are coming up with new tariffs and discount schemes to gain the competitive advantage. The Public Players and the Private Players share the fixed line and the mobile segments. Currently the Public Players have more than 60% of the market share.

DEMOGRAPHIC CHARACTERS :- According to the Vision 2020 document of the Planning Commission of India, the country will witness continued urbanization. The urban population is expected to rise from 28 per cent to 40 per cent of total population by 2020. Future growth is likely to be concentrated in and around 60 to 70 large cities having a population of one million or more. This profile of concentrated urban population will facilitate customized telecom offerings from operators.

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MARKET-SIZE, PLAYERS AND TRENDS: Both fixed line and mobile segments serve the basic needs of local calls, long distance calls and the international calls, with the provision of broadband services in the fixed line segment and GPRS in the mobile arena. Traditional telephones have been replaced by the codeless and the wireless instruments. Mobile phone providers have also

come up with GPRS-enabled multimedia messaging, Internet surfing, and mobilecommerce. The much-awaited 3G mobile technology has entered in the Indian telecom market. The GSM, CDMA, WLL service providers are all upgrading them to provide 3G mobile services. Radio services have also been incorporated in the mobile handsets, along with other applications like high storage memory, multimedia applications, multimedia games, MP3 Players, video generators, Camera's, etc. The value added services provided by the mobile service operators contribute more than 10% of the total revenue. The 2009 budget has brought further relief to the customers with the reduction in the tariffs, both local and long distance, and with slashing down the roaming rentals. This is likely to lead to even more people going for cellular services and more and more use of the value added services. However, landline telephony is likely to remain popular, too, in the foreseeable future. MTNL, the largest landline service provider, has recently taken some bold initiatives to retain its market share and, if possible, expand it.

A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 7 of 50 OPPORTUNITIES: India offers an unprecedented opportunity for telecom service operators, infrastructure vendors, manufacturers and associated services companies. A host of factors are contributing to enlarged opportunities for growth and investment in telecom: an expanding Indian economy with increased focus on the services sector population mix moving favourably towards a younger age profile urbanization with increasing incomes Investors can look to capture the gains of the Indian telecom boom and diversify their operations outside developed

economies that are marked by saturated telecom markets and lower GDP growth rates. COMPETITIVE LANDSCAPE: Demand is driven by technological innovation and by growth in business activity. The profitability of individual companies depends on efficient operations and good marketing. Large companies have big economies of scale in providing a highly automated service to large numbers of customers, and have the financial resources required to build and maintain a large network. Smaller companies can compete effectively only in small markets or by providing specialty services

RESEARCH INDUSTRY GROWTH RATING1: The First Research Industry Growth Rating reflects the expected industry growth relative to other industries:--: 1 Research forecasts are based on INFORUM forecasts that are licensed from the Interindustry Economic Research Fund, Inc. (IERF) in College Park, MD. INFORUM's "interindustry-macro" approach to modeling the economy captures the links between industries and the aggregate economy.

A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 8 of 50 CHAPTER-2 COMPETITIVE STRATEGIES: AN OVERVIEW

This chapter deals with the various kind of competitive strategies where in discussed with challenges faced by the organizations in this competitive environment while drafting their strategy and various aspects that should be considered for the same purpose.

COMPETITOR ANALYSIS Competitor Analysis is an important part of the strategic planning process. WHY BOTHER TO ANALYZE COMPETITORS? Some businesses think it is best to get on with their own plans and ignore the competition. Others become obsessed with tracking the actions of competitors (often using underhand or illegal

methods). Many businesses are happy simply to track the competition, copying their moves and reacting to changes. Competitor analysis has several important roles in strategic planning:

- To help management understand their competitive advantages/disadvantages relative to competitors
- To generate understanding of competitors' past, present (and most importantly) future strategies
- To provide an informed basis to develop strategies to achieve competitive advantage in the future
- To help forecast the returns that may be made from future investments (e. g. how will competitors respond to a new product or pricing strategy?)

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PORTER'S GENERIC STRATEGY Porter has identified three types of generic strategies that help a firm to cope with competitive forces and outperform other firms in the industry. These strategies are:

- Overall Cost leadership strategy
- Differentiation strategy, and
- Focus strategy

1. OVERALL COST LEADERSHIP STRATEGY:

- The Overall Cost leadership strategy is aimed at gaining a competitive advantage through lower costs.
- The low cost leader in any market gains competitive advantage from being able to produce at the lowest cost. Factories are built and maintained; labor is recruited and trained to deliver the lowest possible costs of production. 'cost advantage' is the focus.
- Financial considerations and budgetary constraints play a critical role here in shaping competitive price of the products.
- Besides the production efficiency, brand and marketing skills plays a important role in this kind of competition.
- For example:--Some organizations, such as Toyota, are very good not only at producing high

quality autos at a low price, but have the brand and marketing skills to use a premium pricing policy. 2. DIFFERENTIATION STRATEGY: -if~ A firm with a differentiation strategy attempts to achieve a competitive advantage by creating a product or service that is perceived as unique. if~ Differentiated goods and services satisfy the needs of customers through a sustainable competitive advantage. This allows companies to desensitize prices and focus on value that generates a comparatively higher price and a better margin. if~ The benefits of differentiation require producers to segment markets in order to target goods and services at specific segments, generating a higher than average price. A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 10 of 50 if~ For example, British Airways differentiates its service by providing focus on exceptional good quality of service rather than focusing on low price. if~ The differentiating organization will incur additional costs in creating their competitive advantage. These costs must be offset by the increase in revenue generated by sales. if~ There is also the chance that any differentiation could be copied by competitors. Therefore there is always an incentive to innovated and continuously improve. 3. FOCUS OR NICHE STRATEGY: if~ The focus strategy is also known as a 'niche' strategy. Where an organization can afford neither a wide scope cost neither leadership nor a wide scope differentiation strategy, a niche strategy could be more suitable. if~ Here an organization focuses effort and resources on a narrow, defined segment of a market. Competitive advantage is generated specifically for the niche. A niche strategy is often used by smaller firms. A company could use either a cost

focus or a differentiation focus. With a cost focus a firm aims at being the lowest cost producer in that niche or segment. With a differentiation focus a firm creates competitive advantage through differentiation within the niche or segment. There are potentially problems with the niche approach. Small, specialist niches could disappear in the long term. Cost focus is unachievable with an industry depending upon economies of scale e. g.

telecommunications. MARKETING WARFARE STRATEGIES:-Al Ries & Jack

Trout has given the four kind of marketing warfare strategies that are as follows: 1. The principle of defensive warfare, 2. The principle of offensive warfare, 3. The principle of flanking warfare, and 4. The principle of gurilla warfare

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11 of 50 THE MARKETING WARFARE STRATEGIES ARE AS FOLLOWS: Principle

of Principles Illustrations DEFENSIVE WAREFARE (Your organization is the clear market Leader). Only the market leader You strengthen your position by should consider playing introducing new products or services defense.

that obsolete your existing ones. defensive It's better to take business away The best strategy is the courage from to attack yourself. Yourself than have someone else do it for you(sacrifice short term profits and protects market share)

Strong competitive When you own the pie, you should moves should always be try to increase the size of the pie, blocked. rather than of your slice. The main consideration What's good strategy for the leader

OFFENSIVE WAREFARE is the strength of the is bad strategy for #2, and vice versa. leader's position. Find a weakness in the " Where absolute superiority is not (Your organization is leader's strength and Attainable,

you must produce a relative one at the decisive point by making skilled use of what you have. Launch the attack on as the leader's weakness in strength, if you narrow possible. a front as can find it. # 2 or 3 in the attack at that point. market, and you have the resources to sustain a challenge to the leader) A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR

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FLANKING WARFARE Your org. is 4-6 in the market, and you have the resources to pursue your flanking move, sewing up that market segment.

Page 12 of 50 A good flanking move The success of a flanking attack must be made into an often hinges on your ability to create uncontested area. and maintain a separate category. Tactical surprise ought Flanking skill requires exceptional to be an important foresight. The reason is that in a true flanking attack, there is no element of the plan. established market for the new product or service. The pursuit is as critical Reinforce success, abandon failures. as the attack itself. What if you don't have the resources to follow up the launch of a successful flanking attack (the "pour it on" principle)? Find a segment of the market a critical difference between

GURILLA WARFARE Appropriate for the other 94-96 organizations in an 100 market. org No matter how Try to pick a segment small enough market small enough to flanking and guerrilla warfare. A defend. flanking launched position. attack close is to deliberately the leader's successful you become, so that you can become the leader — never act like the leader. but never act like the leader. Be prepared to bug out Successful guerrillas operate with a at a moment's notice. different organization and a different timetable. Get as high a percentage of your personnel on the firing

line as possible. A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 13 of 50 CHAPTER-3 BHARTI AIRTEL: AN OVERVIEW This chapter deals with the organization and its market position. This chapter is also dissipated the history of the Bharti Airtel, its structure and mission and vision of the organization. Moreover this chapter also deals with, the organization works for the set new standards in the area of telecommunication. Bharti Airtel is one of Asia's leading providers of telecommunication services with presence in all the 22 licensed jurisdictions (also known as Telecom Circles) in India, and in Srilanka. They served an aggregate of 105, 195, 762 customers as of June 30, 2009; of whom 102, 367, 881 subscribe to their GSM services and 2, 827, 881 use Telemedia Services either for voice and/or broadband access delivered through DSL. They also offer an integrated suite of telecom solutions to their enterprise customers, in addition to providing long distance connectivity both nationally and internationally. They have launched DTH and IPTV Services also. All these services are rendered under a unified brand " Airtel". The company also deploys, owns and manages passive infrastructure pertaining to telecom operations under its subsidiary Bharti Infratel Limited. Bharti Infratel owns 42% of Indus Towers Limited. Bharti Infratel and Indus Towers are the two top providers of passive infrastructure services in India. A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 14 of 50 FACT SHEET OF THE COMPANY Name Business Description: Bharti Airtel Limited. Provides GSM mobile services in all the 22 telecom circles in India, and was the first

private operator to have an all India presence. Provides telemedia services (fixed line and broadband services through DSL) in 95 cities in India. Also provides DTH service named Airtel Digital TV July 07, 1995, as a Public Limited Company 1, 898, 373, 280 as at June 30, 2009 The Stock Exchange, Mumbai (BSE) The National Stock Exchange of India Limited (NSE) 102, 367, 881 GSM mobile and 2, 827, 881 Telemedia Customers (status as on June 30, 2009) Provides GSM mobile services in all the 22 telecom circles in India, and was the first private operator to have an all India presence. Established: Shares in Issue: Listings: Customer Base Operational Network

ORGANIZATIONAL STRUCTURE: As an outcome of a restructuring exercise conducted within the company; a new integrated organizational structure has emerged; with realigned roles, responsibilities and reporting relationships of Bharti's key team players. With effect from March 01, 2006, this unified management structure of 'One Airtel' will enable continued improvement in the delivery of the Group's strategic vision

A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 15 of 50 VISION By 2010

Airtel will be the most admired brand in India: if~ if~ if~ if~ Recruit MISSION & Maintain Calibre Working Staff Customer Specific Software if~ Provides Solution Loved by more customers Targeted by top talent Benchmarked by more businesses We at Airtel always think in fresh and innovative ways about the needs of our customers and how we want them to feel. We deliver what we promise and go out of our way to delight the customer with a little bit more if~ Continues Improvement in Software Quality if~ Not remain as Only Software Solution Provider, but be as Continues Service Provider if~ To

empower stakeholders in services and inventories to deal with associated A

STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 16 of 50

CHAPTER-4 DATA TABULATION if~ This Field Study was conducted on AIRTEL, Jodhpur to know the views of managerial personnel as well as employees of the organization on their competitive strategies if~ In this paper I shall try to analyze the competitive strategies adopted by the telecom companies. if~ The questionnaires were given to the following respondents:- RESPONDENTS if~

1. AIRTEL OFFICE (NEAR NAGORI GATE) TOTAL NO. OF THE RESPONDANTS= 10
 2. BRANCH MANAGER MARKETING HEAD 2 SALES PERSONNELS RELATIONSHIP MANAGER MARKETING PERSONNELS: 5 CUSTOMERS = 70
 10 Users of Vodafone 20 USERS OF AIRTEL 10 Users of Reliance prepaid(GSM) 10 Users of Reliance (CDMA) 10 Users of BSNL 10users of TATA NOTE:--The study was conducted at Jodhpur. A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 17 of 50 All of respondents of Jodhpur were selected at random for the furtherance of the field study, an indispensable part of the fieldwork; otherwise this project work would have been a nullity. DEMOGRAPHICS CHARACTERISTICS OF THE RESPONDENTS:

| No. of Base d on | Age Below 25 years | 25-40 years | Above 40 years | Sex Male | female | STUDENTS | Inco me | Occu pation | Up to Rs 10000 | PM 10000-25000 | PM Above 25000 | PM Government employee | Private employee | Entrepreneur |
|------------------------------|--------------------|-------------|----------------|----------|--------|----------|---------|-------------|----------------|----------------|----------------|------------------------|------------------|-----------------------------------|
| STUDENTS | 40 | 24 | 16 | 54 | 26 | 24 | 12 | 20 | 24 | 35 | 12 | 09 | 24 | Characteristics |
| respondents % of respon dent | 50% | 30% | 20% | 67% | 33% | 30% | 15% | 25% | 30% | 44% | 15% | 11% | 30% | INTERPRETATION & ANALYSIS OF DATA |

Here, I am going

to tabulate and analyze the data which I have gathered through my questionnaire and some of the data were collected through the internet and magazines. These tabulation and analysis are deduced with common question. Now, here we go

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MARKET SHARE AND REVENUES OF THE TELECOM COMPANIES;-A total of 391. 76 wireless subscribers were split between top wireless telecom operators. Bharti Airtel lead the way with 93. 92 million followed by Reliance (GSM + CDMA). 2 Top Wireless Operators in the country:

| Subscriber S. No. | Wireless Group | base in millions |
|-------------------|----------------|------------------|
| 1 | Bharti | 93.92 |
| 2 | Reliance | 72.67 |
| 3 | Vodafone | 68.77 |
| 4 | BSNL | 52.15 |
| 5 | Tata | 38.89 |
| 6 | IDEA | 35.12 |
| 7 | Aircel | 18.48 |
| 8 | Miscellaneous | 11.7 |

Revenue % Market share (%)

| Operator | Revenue % | Market share (%) |
|----------|-----------|------------------|
| Airtel | 23.97 | 18.56 |
| RIM | 17.55 | 13.31 |
| V'FONE | 13.31 | 9.93 |
| BSNL | 9.93 | 2.3 |
| Tata | 8.96 | 4.73 |
| IDEA | 8.96 | 2.99 |
| Aircel | 4.73 | 2.99 |
| Misc | 2.99 | 0.00 |

Revenues Million

| Operator | Revenues Million |
|----------|------------------|
| Airtel | 36962 |
| RIM | 12501 |
| V'FONE | 21742 |
| BSNL | 10873 |
| Tata | 96752 |
| IDEA | 97616 |
| Aircel | 3804 |
| Misc | 2717 |

of total market revenue 34 11.5 20. 7 10. 2 8. 9 9. 0 3. 5 2. 5

MARKET SHARE OF WIRELESS OPERATORS IN INDIA

| Operator | Market Share (%) |
|----------|------------------|
| Airtel | 25.00% |
| RIM | 20.00% |
| V'FONE | 15.00% |
| BSNL | 10.00% |
| Tata | 5.00% |
| IDEA | 0.00% |
| Aircel | 8.96% |
| Misc | 4.73% |

Series1 23. 97% 18. 56% 17. 55% 13. 31% 9. 93% 2 3

<http://www.indianomics.com/2009/07/15/top-12-wireless-operators-in-india-by-subscribers/> idbd

A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR

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Of the 391. 76 wireless subscribers GSM has a market share of 76% and here is how they are split:

MARKET SHARE OF TOP GSM OPERATORS IN INDIA

| Operator | Market Share (%) |
|----------|------------------|
| Airtel | 35.00% |
| Series1 | 30.00% |
| RIM | 25.00% |
| V'FONE | 20.00% |
| BSNL | 15.00% |
| IDEA | 10.00% |
| Aircel | 5.00% |
| Misc | 0.00% |

Series1 32. 00% RIM 7. 20% V'FONE 23. 00% BSNL 16. 00% IDEA 13. 00% Aircel 6. 00% Misc 2.

80% Reliance has registered a 7.2 % market share which is quite impressive for service which was launched only not more than one year ago. CDMA subscribers are at more than 100 million and here is how they are split:

MARKET SHARE OF CDMA OPERATORS IN INDIA

| Operator | Market Share (%) |
|----------|------------------|
| Series1 | 52.00% |
| RIM | 31.00% |
| TATA | 4.00% |
| BSNL | 10.00% |
| VIRGIN | 3.00% |
| MISC.. | 3.00% |

The CDMA Development Group (CDG) says that there are now over 100 million CDMA subscribers in India, making it the world's second-largest CDMA market. Reliance Communications and Tata Teleservices are placed among the top five CDMA operators globally, ranking second and fourth, respectively. <http://www.cellular-news.com/story/37761.php>

A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI

MATHUR Page 20 of 50 FACTORS THOSE ARE RESPONSIBLE FOR MARKET

SUCCESS OF AIRTEL: According to the responses obtained from the respondents, the factors that play a critical role in the market success of the Airtel are as follows:

| S. No. | Factor | Yes (%) | No (%) |
|--------|---|---------|--------|
| 1 | First mover advantage in the market | 60% | 40% |
| 2 | Concentrate on elite, up market professionals and entrepreneurs | 40% | 60% |
| 3 | Market leader benefit | 60% | 40% |
| 4 | Brand loyalty of the consumers | 60% | 40% |
| 5 | Proactive and innovative services | 50% | 50% |
| 6 | Highly Focused On Telecom | 40% | 60% |
| 7 | Various offers are available on the necessary goods for which you were planning for purchase..... | 50% | 50% |
| 8 | Attractive and innovative promotional advertisements | 20% | 80% |
| 9 | Advertisements | 40% | 60% |
| 10 | Shahrukh khan | 50% | 50% |
| 11 | ringtone composition | 40% | 60% |
| 12 | Indian brand | 50% | 50% |
| 13 | Huge network coverage | 60% | 40% |
| 14 | Newly introduced special 5 plan | 50% | 50% |
| 15 | Voice clearance | 80% | 20% |
| 16 | Status symbol | 30% | 70% |

8 Attractive and innovative promotional advertisements 60% 40% 60% 50% 40% 50% 20% 40% 50% 60% 50% 80%

9 Advertisements Shahrukh khan 10 11 12 13 14 15 A. R. Rehman's ringtone composition Indian brand Huge network coverage Newly introduced special 5 plan

Voice clearance Status symbol 40% 30% 80% 30% 70% 30%

60% 70% 20% 70% 30% 70% by Sachin Tendulkar, 80% 20% A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 21 of 50 CHAPTER-5 DATA ANALYSIS OBJECT 1:--TO IDENTIFY AND ANALYZE THE STRATEGIES ADOPTED BY THE TELECOM COMPANIES TO COPE WITH THE COMPETITIVE FORCES. CUSTOMER MARKET SHARE VS REVENUE MARKET SHARE. Bharti Airtel managed to grab the sweet spot. One good strategy about Airtel is Grow consolidate and then back to the Growth cycle and the spiral continues. if~ Bharti Airtel has 24. 3% customer market share and 33. 8% revenue market share. if~ Vodafone India has 18. 8% customer market share and 20. 7% revenue market share. if~ Reliance Communications has with 18. 9% customer market share and pathetic 11. 5% revenue market share. if~ BSNL has subscriber share of 12. 7% and mere 10. 2% of revenue share if~ Idea Cellular has 8. 96% subscribers market share and 9% revenue market share NOTE:--According to Mobile India, BSNL seems to have a turnaround in its operations as the company has added 81% more subscribers in July-2009, compared to June-2009. MARKET STRUCTURE MARKET LEADER Airtel Vodafone MARKET CHALLENGER BSNL Reliance Idea TATA MARKET FOLLOWER A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 22 of 50 PORTER'S GENERIC STRATEGY MODEL GENERIC STRATEGY ANALYSIS IN THE CONTEXT OF AIRTEL: if~ STRATEGIC TARGET:--TARGET ENTIRE INDUSTRY if~ STRATEGIC ADVANTAGE:--UNIQUENESS PERCEIVED BY THE CONSUMERS if~ GENERIC STRATEGY:--DIFFERENTIATION STRATEGY if~ ILLUSTRATIONS: if~ The responses of the Airtel officials and the consumers

reveal that Airtel attempts to achieve a competitive advantage by creating a service that is perceived as unique. The study shows it clearly that the elite people, entrepreneur, people belongs to upper-upper, upper middle and to those people for whom money is not an issue and they just want to get best service, have an Airtel connection. so this study shows that Airtel is more focused on the elite group people. Study clearly shows that Airtel is a status symbol because of the brand image in the mind of public due to their willingness to provide the best service. A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 23 of 50 Higher class people are not concentrated on price because 500-1000 or more is not a big deal for them. They concentrate on the quality of service, and some special services:- A person, having Airtel mobile connection, and don't have time to go the insurance company to take/renew car insurance so what he/she can do: - he/she can go for car insurance by Airtel mobile. Other example:- electricity bill payment; mobile to mobile top up, fund transfer, payment and purchase of airline as well as train reservation ticket. Airtel provided the customers with mobile phone communication requirements like better network coverage, network reliability, and charging customers for only what they use, instead of features like free phone calls, which even have a higher cost for provider. Therefore, a customer-focused " differentiation strategy" when implemented with a clear vision benefits the company in many ways including price premium, brand loyalty and sometimes even reduced costs. The branch manager of Airtel told that In order to effectively maintain a differentiation strategy, the firm have a very strong skills in R&D, product

engineering, change management, marketing, advertising, and HRM.

GENERIC STRATEGY ANALYSIS IN THE CONTEXT OF VODAFONE: Strategic

TARGET:--TARGET ENTIRE INDUSTRY Strategic Generic Strategy

ADVANTAGE STRATEGY:--UNIQUENESS PERCEIVED BY THE CONSUMERS

DIFFERENTIATION A STUDY OF COMPETITIVE STRATEGIES IN TELECOM

SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI

MATHUR Page 24 of 50 Illustrations: The responses of the

consumers reveal that Vodafone is also attempts to achieve a competitive advantage by creating a service that is perceived as unique. The study

shows it clearly that Vodafone have a huge market share due to its better service and good network. But the thing that differentiate it from the

competitors that it provide the more and more number of the value added services. Latest advertisement of Vodafone: Zoozoos" is very attracting

and it increases the sales of the Vodafone , the marketing manager of

Vodafone reveals that statement. Study clearly shows that Vodafone is a has a brand image in the mind of public due to their willingness to provide

the best service. GENERIC STRATEGY ANALYSIS IN THE CONTEXT OF

RELIANCE: Strategic TARGET:--TARGET ENTIRE INDUSTRY Strategic

ADVANTAGE:--ARRIVED AT LOW COST POSITION Generic Strategy:--

OVERALL LOW COST LEADERSHIP STRATEGY Illustrations: Reliance

is providing the better quality in the lowest cost in the market. The study

clearly shows that reliance has the approx 18% of the total consumer base while enjoys only 10% of the total telecom market revenue. So this study

clearly indicates that reliance is meant to provide the better quality at the

lowest possible price. " MANSOON HUNGAMA OFFER" of reliance made a

tremendous history in the field of telecom. In that plan reliance provide a mobile handset along with connection(CDMA) in just 500/- Rs. Which was A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 25 of 50 almost unbelievable in market? So in another words we can say that reliance bring the mobile revolution in India at the lowest possible cost. if~ Besides that the GSM launch of the reliance creates a history that with in 6 months it takes 7. 2% of the GSM mobile segment in India due to the low price. In that plan reliance give 900/- free talk time in just 25/-. OVERALL ANALYSIS OF TELECOM MARKET IN CONTEXT WITH GENERIC STRATEGIES if~ Cost leadership strategy is not the most desirable strategy in this event, as competitors may put intense price pressures, such that all companies would end up reducing their prices drastically. if~ Differentiation would be a viable strategy in this case as there is a likelihood that the loyal customers would stay with the company. It would also be hard for competitors to cope with the specialised needs of customers who are part of a niche segment in the market. if~ High customer loyalty towards a company's brands, which is true for the differentiation strategy, can play a vital role in discouraging potential entrants. if~ Threat of substitutes is reduced in case of the differentiation strategy due to customer loyalty to the unique aspects of a particular product or service, which no substitute product can offer in the customer's mind. if~ Buyers in case of differentiation strategy would have less power as there are few alternatives available to them. MARKETING WARFARE STRATEGIES: According to Al Ries and Jack Trout, there are four kinds of marketing warfare strategies:-1. Principle of defensive strategy: --Market

leader adopts 2. Principle of offensive strategy:-- Market challenger adopts 3. Principle of flanking strategy:-- Market follower adopts 4. Principle of gurilla strategy :---- Market follower adopts

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PRINCIPLE OF DEFENSIVE WARFARE: if~ ADOPTED BY MARKET LEADER: AIRTEL SUBPRINCIPLE: 1:--Only the market leader should consider playing defense. ¶ Illustration: - You strengthen your position by introducing new products or services. ¶ For Example: if~ Airtel as a market leader already occupied the highest position, have a strong relationship with the customer and intermediary, customers have the brand loyalty so Airtel being a market leader go for defensive strategy just to maintain its market share. if~ Introduce the concept of minute tariff (125 Rs and 200 Rs STD free) which replaces the lower down rates plan (STD in 2 Rs or 1.5 Rs) from the market. SUBPRINCIPLE: 2:--The best defensive strategy is the courage to attack yourself. ¶ Illustration: - it's better to take business away from yourself than have someone else do it for you. (Sacrifice short-term profits and It protects market share) ¶ For Example: if~ Initially Airtel was also involved in establishment of own tower business but later it shifted its business to the "Industrial". if~ Airtel replaced the Post paid mobile concept by prepaid mobile connection this example can be better understood in the context of foresightness and to meet the consumer demands and need. SUBPRINCIPLE: 3:--Strong competitive moves should always be blocked. ¶ Illustration: - When you own the pie, you should try to increase the size of the pie, rather than of your slice.

A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT

UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 27 of 50 ¶ For Example: ¶ Airtel introduced various value based service just after Vodafone : for example: ¶ " Chota Recharge" concept and " Night Calling" concept were introduced by hutch (now Vodafone) and then immediately followed by Airtel to take in to account that this move may create big difference in the market so Airtel immediately launched the same offer in the market. PRINCIPLE OF OFFENSIVE WARFARE: ¶ ADOPTED BY MARKET CHALLENGERS:--VODAFONE, RELIANCE, BSNL SUBPRINCIPLE: 1:-- The main consideration is the strength of the leader's position. ¶ Illustration: - What's good strategy for the leader is bad strategy for #2, and vice versa. ¶ For Example: ¶ Airtel concentrates for the value added services which are of premium use so here what Vodafone did: Vodafone concentrated more on the different kind of value added services i. e. " cricket commentary suniye", fashion tips, voice sms, beauty tips, caller tunes, ringtones download rather than Airtel is more concerned about the services that really be much more useful i. e. car insurance, electricity & ¶ mobile bill payment, reservation. So we can say that market leader is involving in premium use service to attract the elite people whereas the Vodafone adopted to provide the entertainment services to attract the youth. A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 28 of 50 ¶ Airtel , being a market leader, is following the differentiation strategy so reliance creates a big difference by providing the service as compare to the very low price. ¶ Airtel is market leader in the GSM sector; here reliance came with CDMA technology and cover the large chunk of market. SUBPRINCIPLE: 2:--The Find a weakness in the leader's

strength and attack at that point. ¶ Illustration: - Where absolute superiority is not attainable, " you must produce a relative one at the decisive point by making skilled use of what you have. " ¶ For Example: ¶ Value added services were not too much popularized and the mobile were meant to call only. But Vodafone changed the concept. It started to give more and more value added service (youth targeted) and now value added service is the main source for revenue for telecom companies. ¶ At one time Airtel was charging 50 RS as the customer got entered into the roaming so here what BSNL did:--it attacked at the weakness of Airtel and this move proved a very beneficial for the BSNL. BSNL was the first which made the roaming charge to zero (before this minimum 50 Rs were deducted as soon as you entered in roaming) SUBPRINCIPLE: 3:-- Launch the attack on as narrow a front as possible ¶ Illustration:- There's weakness in strength, if you can find it. ¶ For Example: ¶ BSNL captures a very big market by giving the mobile SIM free of cost. The concept behind that was when a person has the SIM, he/she will go to recharge that SIM, that time revenue generates. And at least you can get a very high amount of customers. ¶ Vodafone focused more and more on the value added service and marketing. Recently Vodafone gave its whole concentration by a series of A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 29 of 50 advertisements of ZOOZOO series. This move of Vodafone proved very successful to attract the more and more number of the customers. PRINCIPLE OF FLANKING WARFARE:--if ADOPTED BY THE MARKET FOLLOWERS:--TATA, IDEA SUBPRINCIPLE: 1:-- A good flanking move must be made into an uncontested

area. Illustration:- The success of a flanking attack often hinges on your ability to create and maintain a separate category. For Example: Airtel is primarily concentrated on the elite class people and mainly in the urban areas. So idea found creates its market in the rural cities, where they found the lesser competition. Idea was the first mobile service provider launched the 3 years validity scheme which got a great consumer response. And by the both above stated idea managed to grab a big market share in a short while. Here we can say that idea move was in uncontested area. Virgin and spice got a huge market in south India where no mobile company was targeting and by this move they were in a position to manage a good number of customers.

SUBPRINCIPLE: 2:- Tactical surprise ought to be an important element of the plan. Illustration: - Flanking skill requires exceptional foresight. The reason is that in a true flanking attack, there is no established market for the new product or service. For Example: Idea launch with a great 3 years validity along with plan 0-1-2-3 (Tata to Tata-zero: Tata to other-RS 1: Tata to basic-RS 2: Tata to STD Rs 3) was a great surprise at that time. Tata provided one hand set free with buying of one handset along with unlimited free talk time in between both. This scheme took a huge consumer response.

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SUBPRINCIPLE: 3:- The pursuit is as critical as the attack itself. Illustration: - Reinforce success, abandon failures. What if you don't have the resources to follow up the launch of a successful flanking attack Perhaps you shouldn't have launched a flanking attack in the first place. Perhaps you should have waged

guerrilla warfare ¶ For Example: ¶ Idea concentrates to upgrade the position by launching the new schemes time to time to maintain its flanking move. PRINCIPLE OF GURILLA WARFARE:-- ¶ ADOPTED BY THE MARKET FOLLOWERS:--VIRGIN* *NOTE: - Virgin Is The New Market Entrant In The Mobile Service Provider Which Captures Huge Market In A Very Short Time. SUBPRINCIPLE: 1: Find a segment of the market small enough to defend. ¶ Illustration:--There’s a critical difference between flanking and guerrilla warfare. A flanking attack is deliberately launched close to the leader’s position. The objective warfare is to bleed or unravel the leader’s share. ¶ For Example: ¶ Somehow the virgin concentration on youth (as target segment as the name itself suggest) and payment on incoming facility can be classified in this category. The theme is that the virgin doesn’t concentration the leaders market share as Airtel was concentrating on the elite group and knowing the fact that in India there are 55% youth. So they were very focused and launched their mobile service with attractive plan(pay for first 3 min and free for whole day). A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 31 of 50 SUBPRINCIPLE: 2No matter how successful you become, never act like the leader. ¶ Illustration: -- Try to pick a segment small enough so that you can become the leader — but never act like the leader. ¶ For example: ¶ Virgin got a huge youth response and the figure stated clearly says the success story of virgin as its shown in their advertisements also which all were targeting youth only. SUBPRINCIPLE: 3 Be prepared to bug out at a moment’s notice. ¶ Illustration: -- Successful guerrillas operate with a different organization and

a different timetable. Get as high a percentage of your personnel on the firing line as possible. ¶ For example: ¶ In this competitive scenario, whenever any big company (market leader or challenger) will come into this segment with same or better plan, the they might lose their market share so it is advised to the company , not to invest huge amount in it and be prepare for bug out. A STUDY OF COMPETETIVE STRATEGIES IN TELECOM SECTOR

STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 32 of 50 OBJECT 2:--TO IDENTIFY AND ANALYZE THE FACTORS RESPONSIBLE FOR THE SUCCESS OF THE MARKET LEADER OVER THE COMPETITORS.

FACTORS RESPONSIBLE FOR MARKET SUCCESS OF AIRTEL: ¶ According to my analysis, the Airtel is very keen with their marketing strategy in the competitive world. ¶ There are certain parameters which tell us about that how Airtel became the market leader. 1. FIRST MOVER ADVANTAGE: ¶ In the initial days due to high tariff rates cellular players had to impose high call charges on their customers and the handsets were costly. ¶ Naturally, they targeted the elite, up market professionals and entrepreneurs as customers. Airtel was positioned as an asp rational and lifestyle brand. ¶ It was pitched not merely as a mobile service, but as something that gave consumer a badge value. The Brand was developed to connote leadership in network, innovations, offerings and services. ¶ The taglines like " Airtel celebrates the spirit of leadership" and " The first choice of the corporate leaders" emphasized that stance. ¶ The „ Leadershipâ€™ campaign was reportedly successful and resulted in a marginal improvement in Airtel performance A STUDY OF COMPETETIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 33 of 50 2.

HIGHLY FOCUSED ON TELECOM Bharti Airtel is largely focused on the telecom; around 93% of the total revenue comes from telecom (Total telecom revenue Rs 3, 326). 3. LEADERSHIP SEGMENT If Airtel is holding leadership position in cellular market.. Bharti Airtel is one of India's leading private sector providers of telecommunications services based on an aggregate of 27, 239, 757 customers as on August 31, 2006, consisting of 25, 648, 686 GSM mobile and 1, 591, 071 broadband & telephone customers. IN FAST GROWING CELLULAR 4. PAN INDIA FOOTPRINT If Airtel offers the most expansive roaming network. Letting you roam anywhere in India with its Pan-India presence, and trot across the globe with International Roaming spread in over 240 networks. If The mobile services group provides GSM mobile services across India in 23 telecom circles, while the B&T business group provides broadband & telephone services in 92 cities. 5. HEAVY BRAND PROMOTION STRATEGY If Hence Bharti decided to „ humanize the brand „ Airtel to gain competitive advantage. If In august 2000 Bharti launched its new „ Touch Tomorrow campaign which aimed at strengthening its relationship with its customers and make the brand „ softer to cater a wide variety of people across the society. A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 34 of 50 PROMOTIONAL EFFECTIVENESS: Most of the respondents said that Promotional campaign influenced their decision to shift to the Airtel If Airtel basically uses two appeal to connect to the users If Emotional If Humorous If attracting If Brands stray when they try to be different for the sake of being different. The desire to be different is pretty common in advertising. If In 2002, Airtel

signed on music composer A. R. Rehman and changed its tune to "live every moment": rah man's signature tune for Airtel is the most downloaded ringtone in India. But that was just part of the ongoing communication. The following year Airtel adopted the "express yourself" positioning, which is also its current tagline. Youth icons like Shahrukh Khan and Sachin Tendulkar were brought in as brand ambassadors to attract youngsters. Add campaign with an eye on the rural market

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6. HUGE NETWORK COVERAGE: A combination of the following 4-key performance indicators largely determines the overall service quality: system coverage; call blockage; voice quality; and dropped call rate. System coverage Call blockage Voice quality Dropped call rate Source:--According to the national survey report Airtel minimum complaints of all of these above stated problems were found to be minimum in case of Airtel. So we can say that Airtel is providing comparatively far better service to the users.

7. PROACTIVE AND INNOVATIVE SERVICES:--According to the responses obtained the most critical factor in this regards is the fresh experience which Airtel provides to its consumers time to time. Black berry Start or stop service at any time Facilities provided News services Car insurance Fund transfer Bill payment system Payment for ticket Payment of electricity bills Bharti Airtel Launches „ Special Fiveâ€™ to Empower Its Customers* *NOTE:--Bharti Airtel, Asia's leading integrated telecom services provider announced a new add-on feature called „ Special 5â€™ for all its 100 million customers. The consumer usage analysis indicates that our

customers make majority of their calls to a very few numbers which are the most special, near & dear in their lives. A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 36 of 50 OVERALL ANALYSIS OF STRATEGIES ADOPTED BY THE AIRTEL IN THE COMPETITIVE ENVIRONMENT TO GET MARKET SUCCESS if~ After evaluating the overall market trends of the organizations , we can concluded the strategy adopted by the Airtel1. MARKET EXPANSION STRATEGY— The analysis of the given strategy clearly shows that Airtel is trying to achieve their marketing goals by expanding their market by two ways:-Grow Products Marketers are trying to provide on the existing services to increase their sales. Sales with Existing Grow Sales with New and innovative services Airtel is trying to increase their market by providing regularly updated versions or refinements to existing plans or services and by introducing new plan or service. This strategy is majority adopted by organization because they are very keen to make a better performance of their existing plan or service. The example given in product variants category is fall under this category also. Examples:-- Black berry Examples:--Various kinds of sales promotion techniques are given by the organization on their existing plan or service to enhance the market of that one. Start or stop service at any time Facilities provided News services Car insurance Fund transfer Bill payment system A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 37 of 50 2. MARKET SHARE GROWTH STRATEGY— According to my analysis, in the competitive environment, every market player is losing his profit margin, so the organizations are

trying to give more emphasis market share growth. So Airtel is emphasising on the market share growth by providing: if~ NEW USAGE STRATEGY:-Airtel is trying to increase the new usage strategy by providing various new usage of the Airtel connection (through value added services)for example:-- Start or stop service at any time, News services, Car insurance, Fund transfer, Bill payment system. if~ MORE USAGE STRATEGY:- Airtel is emphasising on the increase the use of the product. For example: In the post paid connection , as the fixed amount per month increases , the call rate decreases simultaneously In prepaid connections, various types of STV vouchers are available to promote the use of the service, so that customers will frequently use the service more and more. Bharti Airtel Launches „ Special Fiveâ€™ to Empower Its Customers to promote them to make more and more call.

NOTE: if~ In many cases this can only be accomplished by taking sales away from competitors. if~ Consequently, this strategy often relies on aggressive marketing tactics. 3. STATUS QUO STRATEGY— This strategy looks to maintain the current position in the market, such as maintaining the same level of market share. A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 38 of 50 OBJECT 3:--TO IDENTIFY THE LACUNA WITHIN THE EXISTING STRATEGY AND PROVIDE AN ALTERNATIVE COURSE OF ACTION. THE LACUNA WITHIN THE EXISTING STRATEGY:-if~ Untapped Rural market, if~ Only concentrated on elite group and on value service, if~ Youth are not much responding to our existing schemes, if~ South India is not covered :-- (where Aircel and Tata has the huge market), if~ Higher price than the competitors. NOTE:-Airtel has a very good market brand value. So it should

capitalize its brand in the rural areas also, where they can get, good number of customers by replacing TATA and BSNL. As well as Airtel should concentrate in the south India where Aircel and Virgin has a very good market share. So move to south India will be of great value. SUCCESS MANTRA OF TODAY'S MARKET: SURVIVAL OF THE CHEAPEST" NOTE:--RCOM could become the largest telecom company in India in terms of the number of subscribers by adding both its GSM and CDMA numbers, if the present growth rate continues. So this is the time to wake up for the Airtel and it should not ignore this success mantra. MY ANALYSIS:--According to my analysis, in the competitive environment, every market player is losing his profit margin, so the organizations are trying to give more emphasis market share growth. So " low profit and high turnover" is the market success mantra for market. SITUATION OF DILEMMA: -- " WHAT TO DO WHAT NOT TO DO":-If Airtel shifts to the lower price plans than it may probably lose the confidence of elite people and higher class. So the main challenge behind the Airtel is to retain its main consumers and simultaneously increase the rural, backward class and mainly the youth. A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 39 of 50 RECOMMENDATIONS:- AN ALTERNATIVE COURSE OF ACTION STRATEGY TO BE ADOPTED: - NEW USER STRATEGY:-ENTER INTO A NEW MARKET SEGMENT if~ Rural market:-- Although Airtel have strong Presence throughout the country but still they are far away from the Indian rural part and generally this part is covered by BSNL so indirectly Airtel is losing revenue from the rural sector. so by tapping the rural sector, Airtel can pull a huge market share from that of

BSNL and IDEA, thus he can increase its market share. If Airtel should introduce a new venture named "SABKA AIRTEL" in which Airtel will provide basic features of mobile service (rather than providing too much facility as given under brand, "Airtel") at a very cheaper call rate and it should target rural areas and economic backward class. From where Airtel can generate comparatively lower revenue but it can keep other market followers like IDEA and BSNL out of the market and can grab a large chunk of share from them and can pursue as a market leader for forever. Benefit with this move:--Airtel will not lose its popularity amongst the elite group from where it is earning handsome amount of revenue and on the other hand, under the umbrella of Airtel, there are great chances of huge customer response. If Airtel has enough strength to provide such kind of scheme where they probably not getting the higher return but they can enjoy the high public response because the consumer will have the chance to get connected with the India's largest mobile service provider.

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If There may be a problem that the rural customers may not be aware of the Airtel so Airtel should try to penetrate the rural market by heavy TV promotion of the new brand "SABKA AIRTEL".

ADVERTISEMENT CAMPAIGN:-- The whole advertisement and promotion is designed by taking urban youth in focus but there are large no of youths in rural sector as well and they can be their future consumers. Taking big stars as brand ambassador is good decision. But organizations can further use recent bronze medallist Boxer Vijendra kumar as there endorsement. Vijendra is having good looking personality and he belongs to

rural area so in this way rural people will start associating themselves with that brand " SABKA AIRTEL". Airtel can also use BALIKA VADHU fame " ANANDI" (Avika gaur) targeting rural women and rural youth Youth to Drive Growth:--Airtel should more concentrate towards the youth. As the increasing market share of rivalry brand Virgin, clearly shows that youth can play a major role in this competition. Attracting the Youth:-To attract more youth community Airtel can go for more and more plans for youth under the same brand " SABKA AIRTEL". In this plan Airtel can give SMS pack (itâ€™s for SMS generation), cheaper call rates schemes only for school and college going students. In this plan Airtel should go for the heavy youth promo with fast dance track and cute guys and gals.

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STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE

GUIDANCE: DR. ARCHI MATHUR Page 41 of 50 CHAPTER-6 CONCLUSION

In the next two years, India is expected to become the 3rd largest mobile market in the world, after the US and China and soon be in a position to overtake the US as well. The number of service provider might come down to around five from the present six to seven as the next phase of consolidation will take place shortly. I see a buoyant and strong Indian telecom sector in the coming years and every major player in the world in the telecom space trying to take his share in this pie. Some businesses think it is best to get on with their own plans and ignore the competition. Others become obsessed with tracking the actions of competitors (often using underhand or illegal methods). Many businesses are happy simply to track the competition, copying their moves and reacting to changes. Competitor analysis plays an important role in strategic planning. It is helpful for the management to

understand their competitive advantages/disadvantages relative to competitors and to generate understanding of competitors' past, present and future strategies. So competitive move decides your position in the market.

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STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 42 of 50 CHAPTER-7 RECOMMENDATIONS 1. Consideration to Rural Area 2.

Attracting the Youth 3. Launching of " SABKA AIRTEL" 4. Taking Vijendra kumar and " Balika Vadhu" fame " ANANDI" (Avika gaur) as brand ambassador targeting rural women and rural youth Miscellaneous:-if

Efficiently utilize the sales force of the organisation. if Company should take note of its key customers and shall shift them from sales force to their best managers. if Company should look carefully at its distribution network in order to evaluate whether it has grown out of proportion. if Company should also selectively attack the key customers of the competitors without regard to the possible loss of unprofitable customers of its own. A STUDY OF

COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR. ARCHI MATHUR Page 43 of 50 CHAPTER-7

LIMITATIONS OF THE STUDY The study has following limitations: if Lack of contact with company personnel acted as hindrance in the study. if The study is based on the limited knowledge & information provided by the marketing personnel's and individuals who were available for interview.

if The size of the sample is too small looking to the nature of the study and due to time and money constraints relatively smaller sample was chosen. if The basis of selection of sample for the study was vague. Randomly individuals were picked up to provide their responses on the questionnaire.

Keeping in mind these constraints, best efforts were made to represent the whole view of competitive strategies prevailing in telecom sector. A STUDY OF COMPETITIVE STRATEGIES IN TELECOM SECTOR STRATEGIC

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TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE GUIDANCE: DR.

ARCHI MATHUR Page 45 of 50 Annexure A STUDY OF COMPETITIVE

STRATEGIES IN TELECOM SECTOR STRATEGIC MANAGEMENT UNDER THE

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CUSTOMERS Personal information: Name :-- _____ Contact no.

_____ Occupation _____ Monthly income:-

_____ 1. Do you have any mobile connection i, Yes i, No 2. How

many mobile connections do you have i, i, i, i, One two three more than

three 3. Which mobile connection currently using i, Airtel i, Idea i, BSNL i,

Vodafone, Reliance, Tata indicom 4. Since from you are using Airtel?

One month, 1-3 months, 3-6 months, More than 6 months

5. Rating of your mobile services over the parameters:

1best Call charges Roaming facility Schemes Customer care 2good 3 average 4 poor 5 worst

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Coverage Quality of service Problem of call drop or connectivity

6. How much monthly expense on your mobile?

500

7. In future if you wish to buy Airtel connection?

Yes, No

8. If you are permitted to retain the current mobile number that you have, would you change your current service provider?

Yes, No

9. If so, which brand would you select?

Airtel, Vodafone, BSNL, Idea, Reliance

10. Rank the following factors according to your perception for a particular factor (1 for most preferred and 4 for least preferred)

Airtel Network Call cost Customer care Vodafone BSNL others

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11. Tick the following;-(for the market leader Airtel)

S. No. 1 2 Factors responsible First mover advantage in the market Concentrate on elite, up market professionals and entrepreneurs 3 4 5 6 7 Market leader benefit Brand loyalty of the consumers Proactive and innovative services Highly Focused On Telecom Various offers are available on the necessary goods for which you were planning for purchase.....

8 Attractive and innovative promotional advertisements 9 Advertisements Shahruxh khan 10 11 12 13 14 15 A. R. Rehman's ringtone composition Indian brand Huge network coverage Newly introduced special 5 plan Voice clearance Status symbol by Sachin

Tendulkar, 12. Any special comment or suggestion for Airtel?

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FOR THE MANAGERIAL PERSONNELS OF AIRTEL INTERVIEW TECHNIQUE

Personal information: Name :-- _____ Contact no.

_____ Designation _____ Monthly income:-

_____ The following questions were asked to the managerial

personnel's in the interview:- 1. Who are your competitors