

Evolution and Growth of the Indian Telecom Industry

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Abstract:

For the past few years, cellular service sector in India has been experiencing the highest growth rate in terms of subscribers and revenues. With the increasing demands of the customer, cellular service sector has become competitive. Despite this, most of the cellular service providers in India are primarily focusing on increasing their customer base and tend to overlook its capability to retain its customers and make them loyal.

Key Words: Communications, hyper-competition, telecommunication

Aircel

The Aircel Group is a joint venture between Maxis Communications Berhad of Malaysia and Apollo Hospital Enterprise Ltd of India, with Maxis Communications holding a majority stake of 74%. Aircel commenced operations in 1999 and became the leading mobile operator in Tamil Nadu within 18 months. The company gained a foothold in 9 circles including Chennai, Tamil Nadu, Assam, North East, Orissa, Bihar, Jammu & Kashmir, Himachal Pradesh and West Bengal. Aircel provides cellular operations in 10 of the 23 telecom circles in India, namely Chennai, Tamil Nadu, Assam, North-East, West Bengal, Orissa, Jammu & Kashmir, Bihar, Himachal Pradesh and Kolkata. Aircel stopped providing services in April 2018.

BPL Mobile Communications Ltd.

BPL Mobile Communications Limited offers GSM wireless facilities in three states of India besides offering broadband facilities. Based in Bangalore; the firm is the subordinate of Vodafone Essar Ltd. BPL Mobile had the opportunity of providing the communications requirements of the fiscal center of India for the past 13 years. Later, in the year 2009, BPL Mobile rebranded itself as Loop Mobile and has been operating since then in Mumbai but it ceased operations in November 2014 after its license expired.

BPL Mobile started its services in 1995 in Mumbai, Maharashtra, Goa, Pondicherry, Kerala & Tamil Nadu circles -with network spanning over 200 cities. Three of BPL Mobile circles excluding Mumbai were merged with Hutchison Essar Ltd., in 2005-06 and since then Mumbai circle has continued to be a single operation with over 1.2 million subscribers as of February 2008 under the holding company, viz. BPL Communications Ltd.

Bharti Airtel Limited

Bharti Airtel (Airtel) is one of the leading providers of telecommunications services in India. The company offers mobile, wire line, broadband and television services. It is also engaged in passive telecom infrastructure services business through subsidiary, Bharti Infratel. At the end of FY2009, it had a customer base of 93.9 million for mobile services and 2.7 million for telemedia Services. The Company primarily operates in India. It is headquartered in New Delhi, India and employs about 24,500 people.

The company recorded revenues of INR373, 520.8 million (\$8,150.2 million) during the financial year ended March 2009 (FY2009), an increase of 38.3% over 2008. Increase in revenues was mainly due to strong growth in customer base. The operating profit of the company was INR103, 219.3 million (\$2,252.2 million) in FY2009, an increase of 36% over 2008. Its net profit was INR78, 589.5 million (\$1,714.8 million) in FY2009, an increase of 22.9% over 2008. There are 385.41 million mobile subscribers of Bharti Airtel Limited in 2024 in India.

Vodafone Essar Limited

Vodafone Essar in India is a subsidiary of Vodafone Group Plc and commenced operations in 1994 when its predecessor Hutchison Telecom acquired the cellular license for Mumbai. Vodafone Essar now has operations presently in 16 circles covering 86% of India's mobile customer base, with over 42.5 million customers (as of end February 2008). By 2024, the company had become Vodafone Idea Limited (Vi) after the merger of Vodafone India and Idea Cellular in 2018.

Idea Cellular Limited

Idea Cellular (Idea) is one of the leading providers of wireless communication services in India. The company is part of the Aditya Birla Group. It provides wireless and long distance voice and internet services to consumer and enterprise markets. The company also has a presence in telecom infrastructure market through a stake in Indus Towers and other subsidiaries. The company primarily operates in India. It is headquartered in Mumbai, India.

The company recorded revenues of INR101, 484.1 million (\$2,214.4 million) during the financial year ended March 2009 (FY2009), an increase of 50.6% over 2008. The operating profit of the company was INR14, 314.3 million (\$312.3 million) in FY2009, an increase of 2.8% over 2008. Its net profit was INR9, 008.7 million (\$196.6 million) in FY2009, a decrease of 13.6% over 2008.

Idea Cellular Limited was no longer a separate telecom operator in 2024. It had merged with Vodafone India in 2018, creating Vodafone Idea Limited (Vi). For 2024, the relevant subscriber figure is therefore for Vodafone Idea Limited: 31 March 2024: 219.82 million wireless subscribers (21.98 crore) according to TRAI. 31 October 2024: 210.48 million wireless subscribers (21.05 crore), with an 18.30% market share.

Reliance Communication

Reliance Communications (RCOM) is an integrated communications service provider in India. The company is part of the Reliance Anil Dhirubhai Ambani Group. It operates a full spectrum of wireless, wire line, and long distance, voice, data, video and internet communication services. It also offers direct-to-home (DTH) TV services under the brand, Big TV (now Reliance Digital TV). The company also

participates in submarine cable network infrastructure, and owns, operates and develops telecom infrastructure, such as wireless communications sites and towers. The company mainly operates in India, where it is headquartered in Mumbai.

The company recorded revenues of INR 222, 505.5 million (\$4,855.1 million) during the financial year ended March 2009 (FY2009), an increase of 18.2% over 2008. The operating profit of the company was INR 49, 993.5 million (\$1,090.9 million) in FY2009, a decrease of 3.3% over 2008. Its net profit was INR 60, 449.3 million (\$1,319 million) in FY2009, an increase of 11.9% over 2008. According to TRAI, Jio had 481.77 million subscribers and 40.17% of India's wireless subscriber market as of March 31, 2024. It added 42.42 million subscribers during 2023–24, the largest addition among operators. By December 2024, Jio had about 465.1 million wireless broadband subscribers and remained the largest wireless broadband provider.

Tata Teleservices

Tata Teleservices (TTSL), a Subsidiary of Tata Group, provides telecommunication services in India. The company offers GSM (Global system for mobile communications) services, CDMA (Code division multiple access) services and wire line services. TTSL provides a variety of options for wireless mobile broadband access through the brand, Photon. The company provides GSM services, through its joint venture with NTT DOCOMO of Japan, and offers products and services under the TATA DOCOMO brand name. The company along with Tata Teleservices (Maharashtra) serves over 58 million customers in more than 410,000 towns and villages across the country. By 31 December 2024, Tata Teleservices had about 2.36 million wireless subscribers, with approximately 0.20% market share.

Bharat Sanchar Nigam Limited

Bharat Sanchar Nigam limited popularly also known as BSNL. BSNL operates under the guardianship of the Ministry of Communication, GOI and Department of Telecommunication, GOI. Bharat Sanchar Nigam Limited operates according to the telecommunication policy laid as per the Indian Telecommunication Acts and Rules. Bharat Sanchar Nigam Limited was established on October 1, 2000 as a result of the revamping of the erstwhile Department of Telecommunication, Government of India. Bharat Sanchar Nigam Limited is world's seventh largest telecommunications company, with a huge bouquet of telecommunications services. The services offered by BSNL includes wire line, CDMA mobile, GSM Mobile, Internet, broadband etc. Bharat Sanchar Nigam Limited (BSNL) had approximately 88.25 million wireless subscribers and a 7.57% market share in India as of March 2024, remaining one of the country's major telecom operators.

Mahanagar Telephone Nigam Limited

Mahanagar Telephone Nigam Limited popularly known as MTNL .MTNL also operates under the guardianship of the Ministry of Communication, GOI and Department of Telecommunication, GOI. Mahanagar Telephone Nigam Limited operates according to the telecommunication policy laid as per the Indian Telecommunication Acts and Rules. MTNL enjoyed virtual market monopoly till the end of the year 2000.

Mahanagar Telephone Nigam Limited operates in two major metro cities of India, Mumbai and Delhi and this giant telecommunication company enjoyed complete market leadership till the aforesaid time.

With the entry of private players in the cities of Mumbai and Delhi, Mahanagar Telephone Nigam Limited lost its market monopoly. Competitive tariff schemes and lightening fast services are the main strengths of these private players and they took away with a major chunk of Mahanagar Telephone Nigam Limited market share of subscribers. This led to lowering of tariff by the Mahanagar Telephone Nigam Limited. Appendices-1 provides the list of area of operation of various cellular mobile service providers in India.

In this dissertation, the focus is on the mobile portable category. Of course, the user can also be stationary while using the service, but since the services are delivered via mobile networks, they belong to the mobile portable category. Service providers can deliver the ordered mobile content directly to the customer or offer their services via mobile service portals hosted by telecommunication companies. In the telecommunication field, the service provider is often referred to as the telecom cellular operator delivering the service to the end-customer, and the organization that develops and offers the mobile content is called a content provider,. However, the mobile service focus is changing from telecom operators to content providers, whose core competence is focused on creating and delivering innovative mobile content. Thus the organization providing the services can be any organization in any business field that uses the mobile channel to deliver services or interact with their customer.

Mobile handheld devices are needed to access mobile services. In general, ‘mobile device’ refers to the cellular phone or the other handheld device originally designed for communication, but as the technology has developed, the device have been equipped with different applications and access to external services. This dissertation concentrates principally on services that have been available in the focal market since 2001, and therefore most of the services studied in this dissertation were accessible with mobile phone type devices with text messaging capabilities. Some also required the capability to receive picture messages. With Java-enabled devices, customers can download small applications, such as games, to their devices on the move, these phone have been on the market since 2001. Mobile handled devices can be divided into pagers, PDAs and phones, as well as communicators, which are also a type of phone pagers. They were quite popularly used in the India, but are rare today. GPS devices with positioning techniques can also be seen as mobile handheld devices. Feldman (2005) defines these types of technology as mobile personal devices.

In mobile services, the customer interacts with the service provider in a given context and evaluates the service based on previous experiences and underlying values. The outcome of this evaluation should be a preference, i.e. a favourable assessment of the mobile service compared to other alternatives. Mahanagar Telephone Nigam Limited (MTNL) had approximately 4.10 million wireless subscribers and a 0.34% market share in India as of March 2024, with its operations primarily concentrated in Delhi and Mumbai.

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