MARKETING STRATEGIES OF TELE.SERVICES PROVIDERS – A COMPARATIVE STUDY OF RELIANCE COMMUNICATION AND TATA TELESERVICES

ABSTRACT OF THE THESIS

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SUMMARY:

A service product is a bundle of features and customer benefits. Sources are said to have four key characteristics which input on marketing programs. These are:

- Intangibility
- Inseparability
- Heterogeneity/variability
- Perishability

It is helpful to consider each of these characteristics briefly:

Service is an intangible product. It cannot be photographed, touched, verified and tried out. This can cause lack of confidence on the part of the consumers. As was apparent earlier, in considering pricing and services marketing services are perishable; they cannot be stored therefore an empty seat on a plane, for example, is a lost opportunity forever.

- There are essentially two ways of looking at the function of marketing. One way is to down the tasks, which are involved in the marketing process and to identity them individually. Marketing is not something to be done just by the marketing department. The tasks involved in marketing include the following:-

In developing marketing strategies, there are essentially two tasks:-

- The selection of target market.
- The formulation of an appropriate marketing mix to serve those targets market.
Abstract

New technologies, globalization, privatization and degregulation can be seen as a challenge to postal services but also offer opportunities to postal operators who use them to their advantage.

The Reliance Network when operational, will enable customers to catch their favourite TV programs make locals long distance telephone calls and use the internet in fiber-optic cables.

➢ Telecommunications is one of the fastest growing service industries in the world. The present era is described as ‘Information age’. The industry has achieved tremendous progress in the developed world. Telecommunication is one of the foremost infrastructures, which herald the growth of GDP of a country. It is one of the very few infrastructures which have seen so many evaluators of new technologies that are serving the mankind today.

Latest technology develop in the field of tele communications helps in:

Generating foreign direct investment, rising of internet penetration, improves standard of living, improve employment opportunities, expand productivity mobile banking service.

➢ Tata a teleservices limited (TTSL) is part of the Tata group of companies, an Indian conglomerate TTSL was incorporated in 1995 and was the first company to offer CDMA Mobile Service in India. In Dec. 2002, the company acquired the erstwhile Hugnes Telecom (India) Ltd., which was renamed Tata Teleservices (Maharashtra) Ltd. with the total investment of Rs. 19,924 crore

Reliance Infocom (RIC) is India’s largest mobile service provider with over 10 million customers. Reliance infocomm has pan India, high capacity, integrated (wireless & wireline) and convergent (voice, data & video) digital network to offer services.
In common parlance, research can be defined as a systematic plan of action to achieve pre-determined objectives by using certain scientific methods. According to Clifford Woody, research comprises defining and redefining problems, formulating hypothesis, suggested solutions, collecting, organizing and evaluating data, making deductions and reaching conclusions and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis. The significance of research lies in its quality and not in quantity.

Research in common parlance refers to a search for knowledge. One can also define research as a scientific and systematic search for pertinent information on a specific topic. In fact, research is an art of scientific, investigation.

The Advanced Learner's Dictionary of Current English lays down the meaning of research as "a careful investigation or inquiry especially through search for new facts in any branch of knowledge." Redman and Mory define research as a "systematized effort to gain new knowledge." Some people consider research as a movement, a movement from the known to the unknown. It is actually a voyage of discovery.

Everyone possesses possess the vital instinct of inquisitiveness for, when the unknown confronts us, we wonder and our inquisitiveness makes us probe and attain full and fuller understanding of the unknown. This inquisitiveness is the mother of all knowledge and the method, which man employs for obtaining the knowledge of whatever the unknown, can be termed as research.

Research is an academic activity and as such the term should be used in a technical sense. According to Clifford Woody research comprises defining and redefining
problems, formulating hypothesis or suggested solutions; collecting organizing and evaluating data, making deductions and reaching conclusions; and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis. D.Slesinger and M.Stephenson in the Encyclopedia of Social Sciences define research as "the manipulation of things, concepts or symbols for the purpose of generalizing to extend, or verify knowledge, whether that knowledge aids in construction of theory or in the practice of an art."

Research is, thus, an original contribution to the existing stock of knowledge making for its advancement. It is the pursuit of truth with the help of study, observation, comparison and experiment. Research is the process of systematic and in depth study or search for any particular topic, subject or area of investigation, backed by the collection, compilation, presentation and interpretation of relevant details of data.

The word ‘hypothesis’ literally means a tentative (hypo) statement(thesis). In other words, it is a proposition which is not yet final. The assertion which is made through it is yet to be confirmed. It is hypothesized that either Relaince Communication or Tata Teleservices is better in providing marketing services of Telecommunication in India, either Reliance communication or Tata Teleservices is providing greater satisfaction to the customer.

RESEARCH DESIGN

For the collection of data, I will go through
Field Research is the conducting of investigation by direct contact or observation to collect fresh information about the attitudes and behavior of consumer. In field research, primary data will be collected through following method:-

(1) Interviewing

(2) Questionnaire

DESK RESEARCH:-

For collecting secondary data:-

- Search trade journals, articles, buyer’s guide and directories.


In short, the search for knowledge through objective and systematic method of finding solution to a problem is research. The systematic approach concerning generalization and the formulation of a theory is also research. As such the term 'research' refers to the systematic method consisting of enunciating the problem, formulating a hypothesis, collecting the facts of data, analyzing the facts and reaching certain conclusions either in the form of solution(s) towards the concerned problem or in certain generalizations for some theoretical formulation.

The Purpose of research is to discover answers to questions through the application of scientific procedures. The main aim of research is to find out, the truth which is hidden and which has not been discovered as yet.
Abstract

- Availability of services on time at place that is convened is important when one compare Tata & Reliance on this parameter one finds out Tata is not taking due care in ensuring that the product/service reach the customers in time.

- Technical issues surrounding services in an industry like telecommunication can make an organizations prospects.

- Market demand is the demand for a given product that customers will purchase at time. Demand can be measured in physical or monetary terms. We will take the market demand as the $P_3$ like $P_1$- it is related to the population factor. $P_2$- Stands for purchasing power, purchasing power is the customer’s ability to pay. $P_3$- Stands for purchasing patterns or buying behavior. The number of mobile subscriber has raised more than fold to more than born from 4.5 m in 2008 & the number of landline has risen by 63% to 49 m. All there have become possible due to launching or introduction of various plans & schemes & value – added – services. Sometimes the consumer is highly involved in a purchase but sees little difference in brands the high involvement is based on the fact that the purchase is expensive infrequent & risky. In this case the buyer will shop around to learn what is available if the consumer finds quality difference in the brands, he or she might go for the higher price.

After studying the buying habits of customers they made many changes in their technology & services. They launched mobile telephony. The customer can use their phones wherever they are. New technologies & services are: STM rings, Intelligent Network (IN), Local Network Managed System, Micro tunneling, managed leased line, India Mobile personal communication service (IMPCS) centres, answering machine services (AMS) to the building inform.
Of RLV and DLU which has reduced the average copper loop length to less than 2 Km. Direct Internet access services (DIAS), Voice over IP (VOIP) Accident Less Internet, Internet Telephony (Webfone), Sam Park (IVRS based).

➢ Along with the Telecom and TV revolution accompanied with changed consumer behavior, the past decade has seen strong economic growth and an increasingly confident India. Tata & Reliance have launches various plans and schemes. Their plans have influenced the Tata Reliance product to a large extent. New subscribers are increasing speedily.

➢ Tata is taking a number of steps to achieve its mission to provide world-class state of art technology services on demand at affordable price and to provide world-class telecom infrastructure to develop our country’s economy. Reliance Infocomm entered the segment with varying focus, different strategies a not assorted aspirations. Discussed below are ten key strategic dimensions along which new entrants to the reliance infocomm have made their initial moves to position themselves in the newly opened sector.

There exists a large number of technological options in telecom field, each characterized by unique features, complexities, investment requirements, reliability and maintenance need.

➢ A decade ago, mobile phones were a luxury owned by the privileged classes. Today it has become a household product that suits all packets and tastes. Landline-a few years ago, one had to apply and wait for very long taking connection in a telephone exchange. One could not contact directly with their friends, relatives outdoors now it has been completely eliminated now. One
can call anywhere & anybody directly. It has become possible due to the introduction of new technologies.

The product life cycle is the sales pattern of growth and decline of a product over a period of time. This period may be the whole life of the product from its launch until it is withdrawn because it is no longer profitable or because it has been replaced.

**THE FOUR DISTINCT STAGES IN PRODUCT LIFE CYCLE**

A typical product passes through distinct stages during the course of its life as shown below :-

1. Market pioneering stage
2. Market growth stage
3. Market maturity stage
4. Market decline stage.

➢ A service product mix is the set of services offered for sale by a company. One of the relatives of business is that most firms deal with multi-product. Tata product mix is the set of mobile service with wireless desktop phones, public book telephone, wireline service equipped with CDMA service, GSM service, Broadband Internet service, value added service new voice & data service. Reliance product mix is the set of mobile service, wireless desktop phones equipped with the facilities of R-world, Roaming, Broadband Internet service & data service etc.
Expansion of product line refers to the process of adding new product items in its existing product line. Reliance has expanded its product line by providing Reliance ITFS, Broadband, Reliance Tool free (RTF), Audio conferencing virtual audio bridge service, reservation based conference bridge service, video conferencing, global event call service, video call service. These services are discussed in product decisions. Tata provides services like broadband internet service, value added services, new voice & data services & VSNL provides ILD, NLD, Data Communication, Internet, Managed data network services, Data center services, T.V. uplinking video conferencing etc.

Modification is the process by which existing products are modified to suit the changing demand on account of fashion changes; these changes may be tangible or intangible and may be achieved by reformulation, redesign, changing unit sizes and adding features.

Roaming: Reliance has made roaming free in reliance to reliance call. National roaming is at zero rental with reliance mobile all over the country.

R-world: R-world provides MN news, cricket N more, movies masala, caller tunes, Games, PICS N fun, Astrology services like gries, Kizz world, shopping, travel guide, city guide T.V. guide, Dictionary, download devotional videos, finance (MCX Quotis, NCDEX QUOTES, BSE, QUOTES, NSE QUOTES, Mobile Bank news NTV, leased line, IPHC (International Private leased circuit, VPN (Virtual Private Network).

All these have enabled it to dominate in areas that previously had no connectivity, interconnection fees as well as just & fair fees for the licenses themselves. The wireless is not due to a shortage of copper wire.
Alteration of existing product refers to the change in the product according to the changes in the environment. Alteration of existing product includes change in the colour of the product, its design, the addition of a new feature, a change of package or a change of brand name.

Tata furnishes rural postmen with phones for use by customers along their routes. It is stimulating long distance traffic by encouraging long distance traffic by encouraging villagers to call friends and relatives who have migrated to the cities.

Reliance infocomm on June 14, 2004 announced that it will offer RIM postpaid customers the option to migrate to prepaid service.

Reliance Infocomm has announced the launch of world card, a prepaid rechargeable account based service that can be used from any RIM (Post paid & Prepaid) or Reliance India Phone (Fixed wireless phones & Terminals). Accomplished through clear strategy, installed by getting lines a better commission and better service. Reliance aims to equal Tata’s PCO business by March 2009.

Reliance has introduced 93 migrations, it is more of a perception in the minds of the customers.

Reliance the largest telecom company in telecom sector is positioned as a company offering good quality telecommunication service at a low price but reliance has spun further differences to dusting with itself from Tata reliance is offering mobile services at cheaper rates. They charges low prices than Tata. It offers R-world facility on the mobile. Market segments is dividing of heterogeneous market into segments.
Market segmentation involves aggregating prospective buyers into groups that (1) have common needs and (2) will respond similarly to a marketing action. The groups that result from this process are market segments a relatively homogeneous collection of prospective buyers.

It sells data capable phones to all such subscribers, even those who do not pass an Internet in India services. Reliance reasons that they can still become occasional data users. Reliance states that 30% are “hardcore” data users & 70% “occasional” users.

The idea of positioning relates to the way consumers perceive and evaluate products and services. Specifically, it relates to the way in which consumers rank the features and attributes of a service against those of competing services. Consumers will perceive certain brands as being higher or lower in quality, for example, or of being more or less expensive than other brands. These perceptions stem from a complex set of ideas and beliefs about products or services, which make up a consumer’s attitude towards them.

Reliance says that we are number two after TTSL. On the wireline front TTSL has been the incumbent leader if you look at household connections. The bulk of the market is the TTSL Reliance says TTSL is ahead of all of us. But we will be ahead soon as we have to take our services to the serious third and fourth layer of towards and beyond into the village, mandals etc. We are facing multi-pronged competition we are not fighting any one.

Sometimes the consumer is highly involved in a purchase but sees little difference in brands. The high involvement is based on the fact that the purchase is expensive, infrequent, and risky. In this case, the buyer will shop around to learn what is
available if the consumer finds quality difference in the brands, he or she might go for the higher price.

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Along with the Telecom and TV revolution accompanied with changed consumer behaviour, the past decade has seen strong economic growth and an increasingly confident India.

➢ A basic decision in marketing products is branding, in which an organization uses a name. The first decision is whether to develop a brand name for a product. In the part, producers and intermediaries and cases, without any supplier identification. Today, branding is such a strong force that hardly anything goes unbranded.

Since the early 1990, the service sector in India has been paying a lot of attention, or so it would seem, to delivering customer services and satisfaction. Services brands across categories from banks and credits card companies to airlines and retailers have been jumping on the customer is important to us bandwagon. This is most evident in service brands attempting to impress their
target group through brand positioning that uses customer’s services as a differentiator.

Reliance infocomm has been allotted an exclusive ‘level 3’ prefix for its 18-circle basic services numbering plan. Top sources in the union communications ministry confirmed that all “Reliance infocomm fixed-line numbers would be prefixed with the digit 3”.

Many service providers offer a range of services at various price levels to meet the needs of different target segments that may have different levels of spending power. There are many alternative pricing concepts and techniques available to marketing organizations.

The price skimming approach can help speed up the payback period. Frequently, the price reduces after a period as the products become more popular and sales volume increases.

In this case the price is set at a low level in order to attract high volume sales, thus penetrating the market and gaining substantial market share. For new products and services the payback period is lengthy but with the advantage of establishing a strong market position.

This is particularly relevant in industrial and business to business markets where individual contracts are priced according to specification. Service providers such as architects and consultants quote a price according to the needs of the project.

Sales promotion techniques often use tactical pricing reductions as a means of increasing sales over a short period. Discounts, special offers, vouchers, rebates and even ‘buy now pay later’ schemes and interest free credit are all examples of promotional pricing.
Breakeven analysis is a basic tool which can be used to calculate the minimum quantity of a service which must be sold in order to cover the costs of producing and delivering that service; in other words, to break even. Organizations need information about competitors’ prices in order to make pricing decisions.

Market share is the ratio of the firm’s sale those of the industry (competitors plus the firm itself). Companies often pursue a market share objective when industry sales are flat or declining they want to get a larger share.

TTSL & Reliance want to maximize their market share. They believe that a higher sales volume will lead to lower unit costs & highest long-run profit. They set the lowest price assuming the market is price sensitive.

TTSL did this in India recently when each cut their prices to increase their respective market share.

Now TTSL have also cut the prepaid cellular charges for intra-circled (local) to Rs. 0.50 per minute from Rs. 2.40.

In December, Reliance slashed them to Rs. 0.40. Other operators were compelled to follow. In little more than three years, competition reduced per minute charges by 90%. Access, prepay, roaming & messaging tariffs, likewise, fell.

TTSL & reliance did this in India in telecom sector recently when each cut their prices to increase their respective market share.

India’s telecommunications sector, like the broader economy, has the potential to grow rapidly, but it remains underdeveloped and poorly regulated.
It has invested over Rs. 2,000 crore ($ 20 billion) and it hopes 15 lacks (1.5 million) customer will be using its cellular services by March 2003. That’s 10 percent to 15 percent of the entire cellular market.

Cellone was hopping to get about 8,100 subscribers in Lucknow initially. What happened was far beyond their wildest hopes. The first 8,000 subscribers signed on in two days. One the third day the company closed advance bookings after touching the 10,000 marks.

About ten percent of the total is from enterprises, but in terms of revenue I believe it would be higher than 15% or so market share in the broadband network coverage area.

➢ A firm may set an annual target of a specific Rupees volume of profit, which is called target profit pricing. Suppose Reliance infocomm owner wishes to use target profit pricing to establish a price for a Samsung mobile and assumes the following :-

- Variable cost is a constant Rs. 517 per wire.
- Fixed cost is a constant Rs. 6, 11,000.
- Demand is insensitive to price up to Rs. 1410 per unit.
- A target profit of Rs. 1, 64,500 is sought at an annual volume of 500 units.

For most products, different demand levels & and sales volume may materialize at different price levels. And different volume levels have different associated cost levels.

Reliance Infocomm are moving into the hinterland with a target of setting up infrastructure across 5,000 towns in the current fiscal.

TTSL will to go to rural since they are not concerned about profit and loss.
Reliance Infocomm’s wireless business, feels that the target of 250m by 08 is achievable at Rs. 1,000 or less. His rivals in other cellular companies do not share the same confidence.

- In several industries, competition oriented pricing methods are followed competition based pricing, or competitive a pricing does not, however, mean exactly matching competition.
  - Premium Pricing
  - Discount Pricing
  - Going rate Pricing

TTSL locals cell rates have dropped up to 50 percent.

All fixed line subscribers of B.S.N.L. will benefit from a 33 percent reduction in STD call charges.

Among the fixed line subscribers, those making calls 1-00 km will be charged Rs. 1.00 per minute for a 30 minutes pulse in place of Rs. 3.60 per minute for a 20 minutes pulse.

Under the revised rates for fixed line phone users, the call charges for a distance beyond 100 km will be Rs. 1.50 against the existing Rs. 1.80 a minute. The call charges for distance beyond 200 km would be Rs. 2.40 per minute in place of Rs. 3.60 a minute.

Calls made from a PCO to a mobile subscriber of Private operators such as airtel and Hutch will also cost Rs. 2 for a two minute call at present.

Tariffs have continuously dropped. At first this was driven by increasing competition among the original full mobility operators. Later it was driven by the greater competition from the limited mobility operators with expanded competition, tariff declines are spreading beyond the entire telecom industry.
Tariff wars began with reliance Infocomm bringing down pre-paid tariffs on all intra circle calls to 99 paisa per minute.

Reliance Infocomm claims that it can drop prices for international bandwidth by up to 50 per cent using spare capacity on its Flag Telecom undersea cable.

➢ A basic idea in business, economics and indeed everyday life is marginal analysis. In personal terms, marginal analysis means that people will continue to do something as long as the incremental return exceeds the incremental cost. This same idea holds true in marketing and pricing decisions. Anticompetitive pricing whose sole purchase is to harm competitors (by putting them out of business) and to harm competition (by reducing the number of competitors until monopoly like conditions are credit/restored). It consists specifically or setting the unit price of a product or service below an applicable price floor. Pricing below that price floor cannot possibly enable the prices predatorily to recovers its variable costs (let alone its fixed).

Tariff wars began with reliance Infocomm bringing down pre-paid and postpaid tariff on all intra-circle calls to 99 paisa per minute. Decline in tariffs has stimulated subscribers and revenue growth. For maximizing profit, Reliance has reduced their price and has launched new schemes to earned more revenue.

➢ There is an increasing trend to price the product on the basis of customer’s perception of its value. This method takes into account other elements of marketing mix and the positioning strategy of firm. For the value of the product is a function of all these variables. This method helps the firm in reducing the threat of price wars. In fact, it cans helps the firm steer out of the ugliest of price wars.
CHANNEL DECISIONS:

- A marketing channel or channel of distribution is defined as a path traced in the direct or indirect transfer of ownership of a product as it moves from a producer to ultimate consumers.

- Manufacturers use a combination of channels depending upon the products and the territories. The intermediaries (Middlemen) differ considerably in their capabilities, operational sizes, operating costs and their role in the marketing system. Channel decision is, therefore a complex issue for the manufacturer who has a large area to be covered with many products. The marketing channels fulfill the function of matching the segments of demand. The choice of channel is, therefore, dependent upon the size and capacity of the supplier and the market demand. It is also related to the complexity of the marketing operations.

- Developing suitable marketing channels for distribution is a long-term activity and cannot be achieved overnight. The channels should provide adequate market coverage to ensure that the users get the products at the right time keeping in mind the distribution costs. The selection of middlemen like distributors, dealers and agents is another important activity in marketing the business interests of the company and are expected to build goodwill for the manufacturer. They have an important but also in portraying the image the company to the ultimate user. Financial resources, necessary experience to handle the products, warehousing and showroom facilities and local reputation are all factors requiring careful consideration for choice of intermediaric several alternative channels of distribution are usually identified by manufacturers and a balance of cost and distributional efficiency forms a basis
of choosing the marketing channel. After choosing the channel, it is necessary to motivate channel members on a regular basis and also evaluate their performance periodically. Review of channel decisions is generally done by mngts with a view to improve the distribution system and enlarge the coverage of products to the users.

➤ Marketing channels can be compared with a pipeline through which water flows from a source to terminus marketing channels make possible the flow of goods from a producer through intermediaries, to a buyer.

Same intermediaries – such as wholesalers & retailers – buy, take title to & resell the merchandise, they are called merchants, others brokers manufacturers representatives, sales agents reach for customers & may negotiate on the producer’s behalf but do not take title to the goods they are called agents still others transportation companies, assist in the distribution process but neither take title to goods nor negotiate purchases or sales they are called facilitators.

Accessibility refers to the case and convenience with which a service can be purchased, used or received.

Service providers can choose where to locate their service outlets, or where to provide their service in order to maximize their market opportunities, in all cases except those where to service is location specific (tourist destinations and historic sites, for example). Factors influencing such decisions include:

- Market size and structure by geographical region
- Location of potentially attractive consumer segments
- Organizational objectives
- Level of market coverage desired
Abstract

- Number and type of competitors in region
- Local infrastructure; good road access, facilities, public transport network
- Distribution method

For direct distribution to be a feasible option, certain considerations must be taken into account.

Whilst it has been established that services organizations will not necessarily use channels in the same way as manufacturers of physical products, various types of intermediaries are used in many service situations.

Many services are offered via networks of agents or brokers.

Franchising involves sale of a successful business formula to an external buyer or franchisee that runs the operation in a specified location.

Franchisess can find that the promised profits do not materialize and become demotivated and let the business slide. Some may even have been the victims of the kind of unscrupulous trading practices, which have been exposed from time to time.

- The number of ‘levels’ determines the length of the channel. The more the tiers the longer is the channel. The number of ‘channel members’ does not determine the length of the channel.
  - A Zero-Level Channel
  - A One-Level Channel
  - A Two-Level Channel
  - A three – level channel

ROLE OF REGULATION OF TRAI

The crucial role that the regulator and government play in the communications in most telecommunications markets is often forgotten. Unlike the markets for fast
moving consumer goods (FMCGs) - detergent, cool drinks or cars – it takes more
time, money and approvals to enter service markets like telecommunications. There
are conditions to be met before a company is allowed to set up any infrastructure.
Operators sometimes pay large license fees, have fixed service areas, must comply
with ownership rules, conform to technology stipulations, and accept controls on
tariffs. These conditions frequently make or break a telecommunications business.
Several major Indian and foreign companies had, in fact, quit the telecommunications
business in India, before 1999 when the licensing rules were liberalised.

Regulation performs one absolutely critical role. Users on one company’s network
would be unable to speak to a person on another network, if the networks were not
interconnected. This is possible because sector regulators like TRAI mandate that
companies interconnect at a place and price of TRAI’s reckoning.
The low price of services and the resultant phenomenal growth in the market is
because government and the regulators have worked to bring down costs incurred by
the service providers.

Major initiatives/action plans envisaged are-

1) To achieve a target of tele-density of 9.91 by March 2007 about 650 lacks new
   telephone connections need to be provided during the plan period.

2) Telecom sector needs to be treated as an infrastructure sector for the next
decade or so in order to achieve the targets of tele-density in line with the
   objectives laid out in the NTP 1999

3) Government’s broad policy of taxes and regulation for the telecom sector has
to be promotional in nature with a view to ensuring optimum growth in the
   coming years.
4) Ensuring fair and timely interconnection in the multi operator scenario is one of the major inputs for sustaining high growth.

5) The existence of an independent and effective regulatory body is crucial for ensuring optimum growth and free and fair competition. The basic principles that need attention in this regard are:

   - Specify time limits for various regulatory procedures.
   - Establish a clearly specified schedule of penalties for not meeting the license conditions and the conditions under which they apply.
   - Developing a framework for interaction between regulator and consume bodies so as to ensure continuous flow of information and feedback from the consumers in order to achieve desired standards of service quality and regulations.
   - The policy governing development of rural telecom services need to be promotional in nature with a view to boost tele-density in these areas in line with the objectives of NTP 1999.

RESEARCH & DEVELOPMENT ACTIVITIES

RESEARCH & DEVELOPMENT ACTIVITIES OF BSNL

C-DOT seeks lost glory with WiMAX

NEW DELHI: WiMAX may revive the old glory of centre for development of telematics (C-DOT), India’s premier telecom research and development organisation. C-DOT Alcatel Research Centre (CARC), a joint venture between C-DOT and Alcatel, has started lab trials for indigenously developed WiMAX technology. By the end of this financial year, the technology will be ready for transfer to equipment manufacturers.
The finance ministry has earlier objected to the grant given to C-DOT saying that C-DOT should earn its own funds so that it can support its activities. Presently, the government largely funds it. Once, the finance ministry was of the view that it should be closed down or public sector undertakings like Bharat Sanchar Nigam (BSNL) and Mahanagar Telephone Nigam (MTNL) should fund it.
Abstract

The Future Scenario: The Telecom Equipment Manufacturing Sector

The main objective of the 10th five-year plan is to make available reliable telecom services on demand even in rural areas at reasonable prices and to improve the teledensity in tune with NTP-99. NTP-99 emphasizes the importance of convergence and the desirability of encouraging all technologies to achieve these objectives. A substantial part of the telecom equipment deployed in the network is still imported. The post-liberalization scenario posed many challenges to the telecom R&D and manufacturing sectors.

RESEARCH AND DEVELOPMENT ACTIVITIES OF RELIANCE INFOCOMM Ltd.

In the present time, research & development activities are very necessary for every business for especially form service providing business organizations. Reliance Infocomm is also a survey providing organic in the field of IT. It has built solid foundation of total quality services to domestic as well as industrial consumers in the following point. The researcher has appraised the research & development activities of Reliance Infocomm Ltd.

Research & Development (R&D) activities are an integral part of Reliance's overall operations and are directed towards the corporate objective of growth and excellence. FY 2002-03 saw a surge in Reliance's R&D efforts across various manufacturing sites and research center.
Reliance has recently entered into an agreement under the new millennium Indian Technology Leadership Initiative (NMITLI) along with the Council of Scientific & Industrial Research (CSIR) for developing breakthrough technology in key areas.

**TARIFF PLANS ARE NOT COMFORTABLE & CUSTOMER ORIENTED:**

While going through my research I found that these companies (BSNL & Reliance) introduce tariff plans that are not customer oriented. Their plans bind the customers and customers don’t know about it. Due to the time soon when the customers want to surrender it. Reliance ask them to pay the remaining amount of the hand set (example-under the 501 plan) they always introduce schemes which promote such their products only like they gave free outgoing calls to their own customers they make fool of customers by giving life-time free incoming plan applying to condition that they have to recharge the no. after every six months.

**LACK OF PROMOTION IN RURAL AREAS:**

Most of the population is living in the rural areas of our country and they need mode of communication. But these companies don’t have any scheme for rural areas. There is a big market for them but they are not showing any interest. Their mode of promotion is television but most of the villages don’t have electricity to this activity doesn’t suit. They can reach them by face-to-face contact. This will take time, money and manpower.

Large population of India lives in rural areas. The promotional method adopted by BSNL & Reliance is not as per needs of the rural segment. Their level of Education, old traditional & culture require special type of promotions, but these companies don’t come up to their expectation.
NO PROPER INTIMATION OF NEW PLANS:

These companies required introduce new plans, which are not intimated to the customers. For example—recently Reliance introduced one scheme in which customers shall buy own handset and get the reliance connection, but this plan was not promoted and hardly any customers known abut their plan by media but the employees don’t give any proper information to the clients. This way they lose a big No. of target customers.

Promotion Decisions

Promotion is another part of the company’s total communication function. Effective Communication with potential customers is a prerequisite to successful marketing, but the company must communicate with the right people at the right time in the right place for otherwise the message will be like the sound of that tree falling down in an empty forest, there will be no one there to here. The company needs, therefore a communications strategy & promotion of the company site products must be part of that. Strategy.

OBJECTIVE OF SALES PROMOTION OF TATA TELESERVICES:

The objectives of sales promotion of Tata Teleservices are to increase Sales, to maintain or improve the company’s market share, to create or improve brand recognition acceptance or preference, to create a favourable climate for future Sales, to inform & educate the market, to create a Competitive difference, to improve the promotional efficiency and effective Communication facilities to all citizens.
TATA PROMOTION ACTIVITIES SALES PROMOTION ACTIVITIES

Tata’s future plan include a fast expansion programme of increasing the present …………………. million lines to twice that number by 2010 & some ……………. million lines by 2010.

The shift in demand from voice to data domination, and from wireline to wireless has revolutionized the very nature of the network. Tata has already set in place several measures that should enable it to evolve into a fully integrate.

Reliance India mobile and film star Kamal Hassan today announced that as part of the Reliance India show time platform for film promotion the company had tied up with the tamil blockbuster movie Virumaandi starring the actor in the lead role. The tie-up with “Rajkamal films” will bring in various elements of the movie such as the video clips songs movie trailers and wall papers into the Reliance India Mobile through R-world Kamal Hassan said this was the beginning available band width in exciting areas like watching full length feature films through pay channels of mobile phones and the internet which would revolutions the film industry bringing in honest rewards and eliminating piracy.

A R-World contest on the movie is being undertaken for RIM customers where in the winners are entitled for prizes such as tickets to the movie, audio, CDs and the biggest prize in winning goodies like the costumes of the star cast of the movie and a video chat with the star cast and crew of move.

Growth is the primary aim for any company. With the changing times and growing competition, it has become essential for the technology driven companies to identify their core competencies and have a competitive edge over others. The growth also
depends upon consumers perception regarding product. And the consumer perceptions can be studied only through the consumer buying behaviour. Therefore in the study, the researcher has been forced to incorporate the study of consumers buying behaviour regarding the teleservices in Reliance Communication Ltd. and Tata Teleservices Ltd. etc.

To study the consumer's buying behaviour, a survey was held in the state of Delhi, Gujarat, Haryana, Himachal Pradesh, Punjab, Rajasthan etc.

Primary data has been collected to measure the level of satisfaction (Los) of the Indian Telecommunications customers. The Los was determined for various factor like network coverage, tariff rates, plans, accountability of Bill, Customer Service, Schemes, Value Added Service, Quality, Recharge Facility/ Bill payment convenience, maximum amount to be spent, Accessibility of call centre, Resolution of Billing/Charging/Validity complaints, Accountability of bill etc.

To achieve this objective an empirical study has been done and conclusion has been brought out on the basis of the data collected.

With the help of structured questionnaire during the survey the respondents have been contacted at Dealer's point, Retails Outlets, Parking of Cinema Halls, Hotels & Restaurants, Malls & Colleges, Chain Store, Multiple shops, Departmental stores etc.

EMPIRICAL RESEARCH SAMPLING

In this process 500 questionnaires in selected states were distributed randomly, out of which 200 respondents did not replied, 100 questionnaires were incomplete and 100 were having contradictory responses which were not found fit for analysis purpose, therefore these questionnaire were rejected for study purpose.
In this way only 100 questionnaires have been found valid for the analysis purpose.

Out of which 56 respondents were using Reliance Telecommunication services while 44 were the users of Tata Telecommunication Services

1. As per the survey, the age of respondents make difference in selecting the Teleservices of Reliance or Tata. Age - factor is playing a significant role 72% respondent fall in the age group of 16-25 years.

2. As per the survey, occupation of the respondent is responsible to choose the brand 53.85% businessman gives preference to Reliance Communication Ltd. or 37.50% to Tata Teleservices Ltd.

3. After the study the research found that the tariff rates of Reliance Communication Ltd. are affordable to customer than Tata Teleservices Ltd.

4. After the study, the researcher found out that the maximum amount to be spent on the teleservices effect the decision of consumer 20% of the respondents are ready to spend Rs. 20,000 or more for mobile services but majority of the respondents are spending Rs. 2000 to 20,000.

5. Network coverage of Reliance is excellent as compared to the network coverage of Tata Teleservices Ltd. The customers get more satisfaction from the network of Reliance Communication Ltd.

6. After analysis the data, it has also become clear that the plans of Reliance Communication Ltd. provide more satisfaction to consumer.

7. Quality of Reliance Communication Ltd. is better than the quality of Tata Teleservices Ltd. according to the survey. Reliance Teleservices provides more satisfaction to the customer.
8. The study reveals that the Reliance Communication Ltd. provides different or wide variety of schemes to the customer. The schemes of Reliance are excellent.

9. Now-a-day's telecom companies also provides value-added services. The study shows that the value added services of Reliance Communication Ltd. provides more satisfaction to the customers.

10. Bill payment convenience or recharge facility is also an important factor to be considered while determining the level of satisfaction of consumer. After research I found that the reliance provides more satisfaction to the consumer in case of bill payment convenience or recharge facility.

11. Customer care or accessibility of call centre of reliance comm. is more satisfactory.

As per the report of TRAI (According to the report of TRAI also Reliance has covered large market share. Reliance wireless subscriber base is more than that of Tata Teleservices Ltd.

- Reliance urban subscribers are 112 millions where as Tata have only 73.73 million subscribers.

- Reliance rural subscribers are 23.37 millions whereas Tata Teleservices Ltd. has only 15.37 million subscribers. It clearly indicates that Reliance provides more satisfaction to the customer.