CHAPTER-2
TELECOM SERVICE PROVIDERS IN INDIA

Though fixed-line telephone services made their appearance in India way back in the second half of the nineteenth century, licenses for mobile phone services were issued only in the year 1995 and later. Mobile telephony is just about a 17-18 year old service in India. However, the presence of a large number of players in the market and decreasing tariffs are making the industry head towards possible consolidation. The bigger players have been eyeing the smaller players for mergers and acquisitions. The introduction of 3G (Third Generation) and 4G (Fourth Generation) services has further increased the costs of spectrum. The smaller players have to face the challenge of either increasing their efficiencies or joining hands with the bigger service providers.

2.1 HISTORY OF INDIAN TELECOM SECTOR

According to Sidhu and Dusanjh (2010), Indian economy came on the path to resurgence due to the reforms initiated by the Indian policy makers in the 1990s. The key emphasis of these reforms was to boost the financial, economic and the infrastructural foundations of the nation. Communication is considered to be the mainstay of development of any country. Information and Communication Technology (ICT) is leading the path of growth. In the 1990s, the scenario was not very pleasant in India. The telecom services were hardly affordable and reachable to the common masses. This in turn was acting as a hurdle for trade and industry. Keeping these in mind, the telecom sector was also kept under the purview of reforms and two national telecom policies were initiated in the 1990s – National Telecom Policy (NTP) of 1994 and 1999. Both these policies were supposed to revolutionize the telecom sector in this country. These policies aimed at reforming the target sector from the core, henceforth contributing to the development of the country.

Goyal and Suman (2005) have further sketched the environment of Indian telecom industry. The sector, sometimes considered the ‘poster-boy for economic reforms’, has been among the chief beneficiaries of the post-1991 liberalization. Market oriented reforms have also been facilitated
by lobbying from India’s booming technology sector, whose continued success depends on the quality of communications infrastructure. The authors have outlined below the evolution of the Indian telecom industry, with its important milestones as landmark years, in the Indian telecom history.

- 1851 – First operational land lines were laid by the government near Calcutta.
- 1881 – Telephone service was introduced in India.
- 1883 – The telephone service was merged with the postal system.
- 1923 – Indian Radio Telegraph Company (IRT) was formed.
- 1932 – IRT became the Indian Radio and Cable Communication Company (IRCC).
- 1947 – All telecom companies were nationalized to form the Posts, Telephone and Telegraph (PTT), a monopoly run by the government's Ministry of Communications.
- 1985 – Department of Telecommunications (DOT) was established. It was to be an exclusive provider and also regulator of domestic as well as long-distance services.
- 1986 – DOT was converted into two wholly government-owned companies: the Videsh Sanchar Nigam Limited (VSNL) for international telecom services and Mahanagar Telephone Nigam Limited (MTNL) for service in metropolitan areas.
- 1994 – National Telecom Policy was announced.
- 1997 – Telecom Regulatory Authority of India was created.
- 1999 – New National Telecom Policy was adopted.
- 2000 – DOT became a corporation in the name of BSNL. India’s internal long-distance market in 2000 was opened leading to a subsequent drop in long-distance rates, as part of TRAI’s tariff rebalancing exercise.
- 2002 – VSNL’s monopoly over international traffic was terminated, with the Tata group assuming a 25% stake and management control in it. The original duopoly licensing policy was gradually eased allowing a greater number of operators in each circle.
- 2002 – IP telephony was legalized.
- 2003 – Calling Party Pays (CPP) system was introduced for mobile phones, despite considerable opposition (including litigation) by fixed-line operators.

All of these events succeeded in creating an impressive forward-momentum in the Indian telecom domain making it a vigorously competitive and a fast growing sector.
2.2 DEVELOPMENTS IN THE INDIAN TELECOM SECTOR POST-1991

Successive governments have announced policies for the telecom sector in the years 1994, 1999 and 2012. A Telecom Regulatory Authority was formed in the year 1997. The policy and regulatory environment including developments related to the sector have been discussed below.

2.2.1 National Telecom Policy – 1994

According to Sidhu and Dusanjh (2010), the telecom sector in India remained a state monopoly of DOT and was opened for private players only after the announcement of National Telecom Policy in 1994 (NTP-94). It was after the implementation of this policy that value added and basic telecom services were opened for the private sector leading to the entry of the private service providers in the sector.

According to Goyal and Suman (2005), the NTP-94 allowed private fixed-line operators to take part in the Indian market for the first time. Under the government’s new policy, India was divided into 20 circles, roughly corresponding to state boundaries, each of which would contain two fixed operators (including the incumbent DOT), and two mobile operators. As ground-breaking as NTP-94 was, its implementation was unfortunately marred by regulatory uncertainty and over-bidding. A number of operators were unable to live up to their profligate bids and, confronted with far less lucrative networks than they had supposed, pulled out of the country.

2.2.2 Telecom Regulatory Authority of India (TRAI) – 1997*

According to Goyal and Suman (2005), a significant problem with India’s initial attempts to introduce competition was the lack of regulatory clarity. Many operators, mobile players in particular, complained about the difficulties of gaining access to the incumbent’s (BSNL) network. Private operators complained that the licensor, the DOT, was also the incumbent operator. Many stringent conditions attached to licenses were thus seen by many as the DOT’s attempt to limit competition. It was in response to such concerns that the government set up the Telecom Regulatory Authority of India (TRAI), the nation’s first independent telecom regulator.

*Information about TRAI has been taken from its website, www.trai.gov.in, unless a reference is given otherwise.
The Telecom Regulatory Authority of India (TRAI) was established on February 20, 1997 by an Act of Parliament, called the Telecom Regulatory Authority of India Act, 1997. The objective of its formation was to regulate telecom services, including fixation/revision of tariffs for telecom services which were earlier vested in the Central Government. It is a body having perpetual succession and a common seal. The Authority consists of a chairperson, not more than two whole time members and not more than two part-time members, to be appointed by the Central Government. The office of the Authority is at New Delhi.

TRAI's mission is to create and nurture conditions for growth of telecom in the country in a manner and at a pace which will enable India to play a leading role in emerging global information society. One of the main objectives of TRAI is to provide a fair and transparent policy environment which promotes a level playing field and facilitates fair competition. In pursuance of the above objective, TRAI has issued, from time to time, a large number of regulations, orders and directives to deal with issues coming before it. It has provided the required direction to the evolution of Indian telecom market, from a Government-owned monopoly to a multi-operator, multi-service, competitive market. The directions, orders and regulations issued cover a wide range of subjects including tariff, interconnection and quality of service as well as governance of the Authority.

The goals and objectives of TRAI are focused towards providing a regulatory regime that facilitates achievement of the objectives of the New National Telecom Policy (NTP-1999). The goals and objectives of TRAI are as follows:

- Increasing tele-density and access to telecom services in the country at affordable prices
- Making available telecom services which in terms of range, price and quality are comparable to the best in the world
- Providing a fair and transparent policy environment which promotes a level playing field and facilitates fair competition
- Establishing an interconnection regime that allows fair, transparent, prompt and equitable interconnection
- Rebalancing tariffs so that the objectives of affordability and operator viability are met in a consistent manner
• Protecting the interest of consumers and addressing general consumer concerns relating to availability, pricing and quality of service and other matters
• Monitoring the quality of service provided by the various operators
• Providing a mechanism for funding of net cost areas/public telephones so that Universal Service Obligations are discharged by telecom operators for spread of telecom facilities in remote and rural areas
• Preparing the grounds for smooth transition to an era of convergence of services and technologies
• Promoting the growth of coverage of radio in India through commercial and noncommercial channels
• Increasing consumer choice in reception of TV channels and choosing the operator who would provide television and other related services

The Secretariat of TRAI is headed by the Secretary who works through ten functional Divisions – Mobile Network, Interconnection and Fixed Network, Converged Network and IT, Quality of Service, Broadcasting and Cable Services, Economic Regulation, Financial Analysis, Legal, Regulatory Enforcement, International Relations and Personnel.

The TRAI Act was amended by an ordinance, effective from 24 January 2000, establishing a Telecom Dispute Settlement and Appellate Tribunal (TDSAT) to take over the adjudicatory and disputes functions from TRAI. TDSAT was set up to adjudicate any dispute between a licensor and a licensee, between two or more service providers, between a service provider and a group of consumers, and to hear and dispose of appeals against any direction, decision or order of TRAI. It was not until 2000, with the passing of the TRAI Amendment Act, that the regulatory body really came into its own. Coming just a year after National Telecom Policy – 1999 (NTP-99), the act marks something of a watershed moment in the history of India’s telecom liberalization.
2.2.3 National Telecom Policy – 1999

Competition appeared in the fixed-line services in the year 1997, while the same was encountered in the year 1995 for the cellular services. The next phase of reforms introduced other services with the announcement of New National Telecom Policy (NTP-99). According to the Annual Reports on the TRAI website (www.trai.gov.in), the main guiding policy for the telecom sector for the last decade has been the New National Telecom Policy (NTP-99). The objectives of the policy were to:

(i) Generate access to other people and businesses which is of utmost importance for achievement of the country’s social and economic goals. Availability of affordable and effective communications for the citizens was at the core of the vision and goal of the telecom policy,

(ii) Strive to provide a balance between the provision of universal service to all uncovered areas, including the rural areas, and the provision of high-level services capable of meeting the needs of the country’s economy,

(iii) Encourage development of telecom facilities in remote, hilly and tribal areas of the country,

(iv) Create a modern and efficient telecom infrastructure, taking into account the convergence of IT, media, telecom and consumer electronics and assist emergence of India as an IT superpower,

(v) Convert PCOs, wherever justified, into Public Tele-info Centers having multimedia capability like ISDN services, remote database access, and assist emergence of community information systems,

(vi) Transform the telecom sector in a time bound manner to a greater competitive environment in both urban and rural areas providing equal opportunities and level playing field for all players,

(vii) Strengthen research and development efforts in the country and provide an impetus to build world-class manufacturing capabilities,

(viii) Achieve efficiency and transparency in spectrum management,

(ix) Protect defense and security interests of the country,

(x) Enable Indian telecom companies to become truly global players.
According to Sidhu and Dusanjh (2010), as per the NTP-99, one of the targets was to make telecom services affordable and effective for the citizens to attain social and economic goals. The telecom tariffs have been reduced drastically in the past years to make these services affordable to the common masses. Another target laid down under this policy was to bring the element of competition to transform the telecom sector. This objective has also been met as till date an unrestricted and unlimited entry for private and foreign players was allowed. Another important policy initiative was to provide Internet access to all district headquarters by the year 2000. This target has also been achieved. The new telecom policy also emphasized to create an environment which enables continued attraction of private investment in the sector. India has already created a far more liberal regime than its commitments to the World Trade Organization (WTO) in 1997. An example to this was the announcement of increasing the Foreign Direct Investment (FDI) cap in the sector to 74% from 49%, whereas the commitment made under the WTO was only of 25% of foreign equity participation in joint venture projects. Not only this, but also an FDI up to 100% is allowed for Internet Service Providers (ISPs) without providing gateways and electronic mail.

According to Malik (2008), under NTP-99, the private sector was allowed to provide National Long Distance (NLD) and International Long Distance (ILD) voice services, with no limits placed on the number of participants. Wireless-in-local-loop (WLL) based limited mobility was allowed for private fixed-line service providers. Data services were fully opened to the private sector. Cellular service providers were permitted to carry their own long distance traffic within their service area. The duopoly in cellular service was broken to allow for unlimited competition and public sector entities entered as third cellular operator in their respective circles.

2.2.4 Telecom Sector Developments in the Last Decade

According to Malik (2008), in January 2001, the Government announced guidelines for the fourth cellular operator to provide cellular services in the country. The TRAI consultation paper on the TRAI website (www.trai.gov.in) related to the cap on the access providers, sketches some important milestones policy and regulations in the Indian telecom sector, post NTP-99, as follows:
• Government changed the prevailing fixed annual license fee to a revenue share regime in 1999.
• BSNL was corporatized in October 2000.
• BSNL/MTNL was allowed to enter as the third cellular service provider in all the circles.
• National long distance market was thrown open for competition.
• Wireless Planning and Coordination Committee was created to review and enforce spectrum allocation policy.
• IUC (Interconnection Usage Charges) regime was established in 2003 which specified the interconnect charges clearly.
• Calling party pays (CPP) regime was introduced. The subscribers no longer had to pay for incoming calls, making the mobile phone highly affordable to the low usage customers who used it for mainly for incoming calls.
• The termination charges were made uniform for all types of calls – cellular mobile, fixed and WLL (M).
• Unified License was introduced which allowed an operator to provide fixed and/or mobile service using any technology. The objective was to allow the technological developments to provide new applications and services to the fullest extent.
• The first phase of implementation, the Unified Access Service License, was readily adopted by most of the major operators.
• Roaming rental was reduced to zero and roaming tariffs were reduced to the extent of 22%-56% in January, 2007.

2.2.5 National Telecom Policy – 2012
According to Press Information Bureau, Government of India (www.pib.nic.in), the Union Cabinet has approved the National Telecom Policy – 2012 (NTP-2012) in May, 2012. The policy envisions providing secure, reliable and affordable converged telecom services anytime, anywhere for an accelerated, inclusive socio-economic development. The main thrust of the policy is on the multiplier effect and transformational impact of such services on the overall economy.
The thrust areas of NTP-2012, according to the bureau, are:

- Increasing rural tele-density from the current level of around 39 to 70 by the year 2017 and to 100 by the year 2020

- Repositioning of mobile phone as an instrument of empowerment

- Providing ‘Broadband-for-all’ at a minimum download speed of 2 Mbps

- Making India a global hub in domestic manufacturing

- Moving towards convergence of Network, Services and Devices

- Liberalizing spectrum for any service and any technology

- Simplifying licensing regime – Unified licensing, delinking of spectrum from license, online real-time submission and processing

- Focusing on consumers – Achieving ‘One Nation-Full Mobile Number Portability’ and working towards ‘One Nation-Free Roaming’

- Providing for resale of services

- Increasing focus on ‘Voice over Internet Protocol’ (VOIP) and also ‘Cloud Computing’

The National Telecom Policy – 2012 policy seeks to provide a predictable and stable policy regime for a period of about ten years. It will enable smooth implementation of the policies for providing an efficient telecom infrastructure taking into account the primary objective of maximizing public good, by empowering the people of India. The policy will further enable suitable measures being taken to encourage the existing service providers, to rapidly migrate to the new regime in a uniformly liberalized environment, with a level playing field.
2.3 CURRENT SCENARIO OF TELECOM SECTOR IN INDIA*

The telecom sector in India has been witnessing one of the highest growth rates in the world. The growth in the subscriber base has happened particularly because of unprecedented growth in mobile telephony. It is particularly impressive, considering that during this period, the entire world was affected by the global economic meltdown and recessionary trends.

During the year 2011-12, the number of telephone subscriptions increased from 846.32 million to 951.34 million, registering a growth of 12.41%. The overall tele-density in the country registered an increase from 70.89 at the end of March, 2011 to 78.66 at the end of March, 2012.

The growth of subscriber base, from 2006 to 2012, is shown in Figure 2.1.

Figure 2.1
Growth of Subscriber-base (in millions)

Source: Adapted from Annual Reports on the TRAI website (www.trai.gov.in).

* Note: Information in the section 2.3, including 2.3.1, 2.3.2 and 2.3.3, has been extracted from the Annual Reports on the TRAI website (www.trai.gov.in), unless specified otherwise.
2.3.1 Tariffs and Trends

Telecom Regulatory Authority of India, through appropriate regulatory policies and measures, has succeeded in facilitating competition and thereby achieving affordable tariffs with sustained growth. This has succeeded in providing financial sustainability to the operators, promoting efficiency in the sector and meeting social objectives. The results are evident from the phenomenal growth in subscriber base and decline in tariffs, which has benefited the consumers. The Authority has followed a light touch approach towards regulating the telecom tariff.

Recent years have witnessed a sharp decline in telecom tariff in India, particularly in the Mobile, National Long Distance and International Long Distance segments, which started with the notification of Telecommunication Tariff Order in 1999 by the Regulator and continued thereafter. For example, a local mobile call which used to cost ₹15/- per minute now costs only around ₹0.5/- to ₹0.6/- per minute. There is no charge for incoming calls. Similarly, a domestic long distance call which used to cost more than ₹37/- per minute in the pre-1999 period, is now available virtually at the cost of a local call. In the case of international long distance calls, for example, a call to the American continent from India has come down from ₹75/- per minute to less than ₹7/- per minute.

There are a large number of products and service options available to consumers depending upon their usage and need profile. One unique option is the availability of a set of tariffs generally referred to as ‘Lifetime’ plans which enable consumers to enjoy the same tariffs without any adverse rate changes for the entire license period of the service provider. The implementation of Mobile Number Portability (MNP) has also encouraged the telecom service providers to introduce innovative tariff offers to attract subscribers from other telecom service providers while retaining their own. The per-second pulse tariff schemes introduced by the mobile service providers have become a regular feature of tariff offers. Almost all service providers now offer at least one per-second tariff option in both the post-paid and pre-paid segments. Some service providers have even offered per-second plans with lifetime validity. The subscribers thus continue to enjoy low tariffs in the form of a variety of discounted offers in most service segments across all service areas and service providers.
2.3.2 Revenue Growth and Current Focus Area

The total revenue of telecom service sector has gone up from ₹1,711.719 crore in the financial year 2010-11 to ₹1,954.42 crore in the financial year 2011-12, indicating a growth of 13.82%. The focus of the TRAI, during the year 2011-12, has been primarily towards putting in place a new policy framework for licensing, spectrum management, consumer protection and migration to digital addressable systems in broadcasting.

2.3.3 Growth Patterns of Wireless and Fixed-line Segments

The wireless segment continues to dominate as compared to the fixed-line segment. While the wireless subscription-base has been increasing over the last few years, the fixed-line base has been recording a decline.

The wireless subscriber base was 919.17 million as of March, 2012 in comparison to the subscriber base of 811.59 million as of March, 2011. 107.58 million subscribers got added in the financial year 2011-12, registering an annual growth rate of about 13.26%.

The total subscriber base of wireless services has grown from 90.14 million in March, 2006 to 919.17 million in March, 2012 as depicted in Figure 2.2.
The fixed-line segment has been stagnating or declining in the last few years. As of March, 2012, the total subscriber-base of fixed-line line subscribers stood at 32.17 as against 34.73 million on March, 2011. This translates to a decline of 2.56 million (7.4%) subscribers in one year.

The trend of the fixed-line subscribers, from 2006 to 2012, has been depicted in Figure 2.3. It has declined from 41.5 million to 32.17 million in this period.

Source: Adapted from Annual Reports on the TRAI website (www.trai.gov.in).
2.4 MOBILE NUMBER PORTABILITY

One of the greatest barriers for a mobile phone subscriber to change one’s telecom service provider had always been the change in one’s mobile number which accompanied the change in operator. The number had to be changed because all operators had been allocated specific series of numbers in advance. For example, mobile numbers beginning with 94 were issued only to BSNL, and numbers starting from 93 had been given only to Reliance.

Under the Mobile Number Portability (MNP) regime, consumers can choose to have any service provider of their choice while keeping their mobile number unchanged. The MNP facility has been offered at a very low price of ₹ 19/-, so that cost does not become a barrier to a consumer who wants to switch his service provider.

Source: Adapted from Annual Reports on the TRAI website (www.trai.gov.in).
The facility of MNP service was introduced on a trial basis in the service area of Haryana on November 25, 2010. After a successful trial, it was introduced across India with effect from January 20, 2011. This facility is available to both the pre-paid and post-paid subscribers. One restriction, however, is that one can change one’s operator, without changing one’s number, only within the current service area. Also, a consumer is required to continue with an operator for a minimum period of three months, in order to avail the MNP service. This condition has been imposed to prevent the fresh subscribers from being wooed by the competing service providers.

While launching the service, the Prime Minister had remarked that the service providers, who had been competing to acquire new subscribers, would now be forced to offer innovative and quality services to retain their existing subscribers, with the advent of MNP. The service, however, made a slow start in India, with only about 1% of subscribers opting for the service, within three months of its launch in late November, 2010. (timesofindia.indiatimes.com)

According to tribuneindia.com, companies like Idea Cellular and Vodafone had started marketing their services, even before the nationwide roll-out of MNP, to woo subscribers from other networks that were already looking at switching operators. Surprisingly, operators were enticing subscribers from other networks to join their network with little or no advertising directed at retaining their existing subscribers. State-owned BSNL was the biggest looser of customers to other operators. Though the company has been reportedly working on a strategy to counter its losses and has maintained that this short-term trend will soon stabilize, it clearly shows the need for telecom service providers in general, and BSNL in particular, to brush up on their service quality and CRM approach.

Research suggests that the real reason for consumers to opt for a change of service provider is to access better quality of service, improved customer care and of course, the proposition of a lower tariff package. This, however, may occur only if operators believe that the churn out of their subscriber base will be high enough, for them to continue focusing on improving their service quality and other CRM practices. (timesofindia.indiatimes.com)

However, the global experience of number portability, nearly the same across countries, suggests otherwise. Surveys have revealed that the net effect of number portability is practically
negligible. It has been found that service providers rarely suffer big losses, or gains, on account of number portability especially in markets which are seeing cut-throat competition and price wars. Most research finds that the churn, on account of MNP, has been less than 1% in various countries. This means that most of the large operators gain and lose, roughly the same number of subscribers. This takes away any incentive for operators to dramatically change their quality of service or customer care for the threat of losing subscribers or the lure of gaining subscribers. There is some expectation that a larger number of subscribers may shift from Code Division Multiple Access (CDMA) operators to Global Systems for Mobile (GSM) operators than vice-versa. This belief is purely based on relative Average Revenues per User (ARPU) and subscriber growth of GSM versus CDMA. In anticipation, some of the CDMA operators are offering significant benefits to their existing subscribers as a part of their retention strategy. (timesofindia.indiatimes.com)

Whatever be the percentage of subscribers opting for MNP globally, it has led to some perceptible improvement in service quality and CRM practices of telecom service providers in India, till date. In future also, this freedom for consumers is expected to enhance the service quality of the service providers, as retaining a highly floating subscriber base shall remain a major challenge for the service providers.

The global and Indian experiences so far suggest that the technical service quality may not improve dramatically, as it is already at a significantly high level. However, the functional dimension of service quality is definitely expected to improve, especially in the earlier stages. This may lead to some improvement in the CRM approach and practices of telecom service providers in India. Efficiencies are slated to go up and the focus on relationship aspect is expected to get sharper. However, tariffs may not fall any further as the telecom sector has seen a lot of price-wars already.
2.5 MAJOR TELECOM SERVICE PROVIDERS IN INDIA

The market shares, as on March 31, 2012, of the major wireless telecom service providers in India are shown in Figure 2.4.

As is evident from the figure, the top seven wireless telecom service providers are Airtel, Reliance, Vodafone, Idea, BSNL, Tata and Aircel.

Figure 2.4

Telecom Service Provider-wise Market Share as on March 31, 2012

Source: TRAI Annual 2011-12 on the TRAI Website (www.trai.gov.in)
2.6 MAJOR TELECOM SERVICE PROVIDERS IN PUNJAB

Between the years 1995 and 1997, paging was the only option of mobile communication available to the consumers of Punjab. Department of Telecommunications (DOT) remained a monopoly telecom service provider in Punjab till the year 1997, when it first saw competition in the form of Spice Telecom which launched mobile phone services. Though licenses for mobile telephony were issued to two telecom service providers in various metropolitan and state circles, the launch of other mobile service provider was delayed in Punjab by about three years.

In the area of fixed-line services, BSNL is the oldest player in Punjab. With the opening up of the telecom sector, four more private players have been active in the field of fixed-line telephony. These players are Videocon (Connect), Tata group, Bharti and Reliance. However, the scope of the present study is limited only to the mobile telecom service providers of Punjab.

Since the opening of the sector to private players in the year 1997, there are nine major mobile telecom service providers which are active in the Punjab Telecom Circle today. The service providers, in the decreasing order of market shares in the circle, are Airtel, Idea, Vodafone, BSNL, Reliance, Docomo, Tata Indicom, Videocon (Connect) and Aircel. All these players have been covered in the present study.

2.7 CRM IN TELECOM SECTOR – CURRENT SCENARIO AND THE FUTURE

Telecom service providers in India have been vying with each other to improve their relationship with their consumers. Customer retention has become the buzzword of the industry. Most service providers have been making plans to thwart any attempt from competitors to erode their customer base. They have been offering incentives like insurance covers and gifts to channels as well as consumers.

The telecom service providers have also focused on the technical dimension of their service quality because of the advent of MNP regime. They have upgraded their infrastructure in the process. To prevent mass exodus to competition, they have put systems in place to prevent customers from churning. They have been collating their CRM databases, and have been identifying various segments of their consumers, based on revenue and profit contribution to the
organization. Greater effort has gone in retaining consumers who have been on the network for a longer time and who have been contributing more to their top line. The industry has visualized that the newer subscribers would be the ones who would switch loyalties faster, especially since the MNP can be availed for ₹ 19/- only.

There are not many ways to differentiate between the offerings of various telecom service providers. CRM is one of the few tools in the hands of telecom service providers by which they can differentiate themselves from the clutter. Based on their relationship with the consumers, the service providers are able to position themselves as ‘friendly’ and ‘accessible’. This has increased the importance and criticality of the relationship approach further. Therefore, at present, most of the telecom service providers are focusing their energies and efforts on CRM. The focus on CRM is expected to remain strong in the foreseeable future also due to increase in competition, rise in spectrum costs and intensification of tariff wars.