Chapter-3

Theoretical Background

3.1 Introduction

In this chapter, an attempt has been made to create a theoretical background as warranted by the objective of the study viz. to measure customer satisfaction by the service of cell phone companies. The brief outline of service quality dimensions and service features dimensions have been covered which helps to develop conceptual model. The model has been presented with justification.

3.2 Customer

Customer is that who receives a product or service from other who may be a person or group of people. Customer is defied as a person who buys a product
or service or uses a product or service. It may be possible that a customer may be a consumer but a consumer may not be a customer.

Customer is either internal or external. Internal customer refers to the staff or employees whereas external customer refers to stakeholders of organization, clients, consumers, and citizens. It is very important to identify the type of customer while measuring customer satisfaction.

Mahatma Gandhi\textsuperscript{12} says that “A customer brings us his wants. It is our job to handle them properly and profitability-both to him and us.”

In this study, customers are the users of cell phone services in South Gujarat.

3.3 Satisfaction

Satisfaction is a fulfillment of requirement, desire, and expectations. When experience meets expectations, it becomes satisfaction. Satisfaction is one type of pleasure after the experience. The concept of satisfaction itself needs to be defined. Some definitions of satisfaction are as follows:

Oliver (1981) defined satisfaction as a summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer’s prior feelings about the consumption experience.

Oliver (1997) pointed out that satisfaction encompasses more than mere fulfilment. It describes a consumer’s experiences, which is the end state of a psychological process. Satisfaction has become a central concept in modern

marketing thought and practice.

According to Boselie, Hesselink, and Wiele (2002) satisfaction is a positive, affective state resulting from the appraisal of all aspects of a party’s working relationship with another.

Bitner & Zeithaml (2003) stated that satisfaction is the customers’ evaluation of a product or service in terms of whether that product or service has met their needs and expectations.

### 3.4 Customer Satisfaction

In today’s competitive market, customer satisfaction is a key element of business strategy. It is a goal of all business activities. It is related to a specific product or services. It is based on customer’s expectation, experience and performance of the product or service.

Customer satisfaction is a feeling of satisfaction that comes from the process of comparing perceived performance of a product or service. The customer is satisfied if the perceived performance remains above the expectations and he/she is dissatisfied if the perceived performance remains below the expectations. And so it can be said that customer satisfaction is an outcome of a process of performance or consumption of service.

### 3.4.1 Definitions of Customer Satisfaction

The definitions of customer satisfaction given by various scholars are as follows:
According to Tse et al. (1988), “Customer satisfaction is defined as an evaluation of the perceived discrepancy between prior expectations and the actual performance of the product”.

Brown (1992) defines “Customer satisfaction as: the state in which customer needs, wants and expectations throughout the product or service's life are met or exceeded resulting in repeat purchase, loyalty and favorable word-of-mouth”.

Kotler (1997) defines Customer satisfaction as follows: Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations.

Cacioppo (2000) defines Customer satisfaction as the state of mind that customers have about a company when their expectations have been met or exceeded over the lifetime of the product or service.

According to Boselie et al. (2002) satisfaction is a positive, affective state resulting from the appraisal of all aspects of a party’s working relationship with another.

Bitner et al. (2003) stated that “Customer satisfaction is the customers’ evaluation of a product or service in terms of whether that product or service has met their needs and expectations”.

Khirallah (2005) defines customer satisfaction as “A customer's perception that
his/her needs, wishes, expectations, or desires with regard to products and service have been fulfilled”.

According to Schiffman et al. (2005) “Customer satisfaction is customer perception regarding a particular product / service according to his / her already set expectations”.

3.4.2 Perception of Customer Satisfaction

The term customer satisfaction may be either used from the point of view of service user or service provider. In the other words, one can say that this term may be use as “Customer Concern” or “Organization Concern”. While one want to measure customer satisfaction, he/she must be clear this term.

In this study, the term customer satisfaction is related to “Customer Concern”.

3.4.3 Characteristics / Nature of Customer Satisfaction

Before measuring customer satisfaction, it is very important to determine its characteristics / nature. The customer satisfaction depends critically on how satisfaction is conceptualised. Customer satisfaction may be transaction specific or cumulative. From the transaction point of view, customer satisfaction is based on a one time evaluation of a product or service. It exactly related with post-purchase evaluation decision of a service or product. And from the cumulative perceptive, customer satisfaction is conceptualised as an overall evaluation of a product or service. It is based on purchase and consumption experiences over a time period. Moreover to measure customer satisfaction, cumulative satisfaction is more useful and reliable than
transaction-specific as it is based on series of purchase and consumption occasions rather than just one occasion transaction.

In this study, those customers’ satisfaction is going to be measured who use cell phone service from at least last twelve months. And so this research treats customer satisfaction as cumulative perceptive.

3.4.4 Response of Customer Satisfaction
Some scholar believes that satisfaction is a cognitive assessment which involves a comparison of perceived product or service with expectations. On the other hand, some scholar says that satisfaction represents an emotional or affective state of mind. They believe that satisfaction is formed through the process of service delivery where customer encounters service experience which affects their emotions. While some scholars say that satisfaction is both cognitive and emotional. They believe that customer does not only mentally evaluate the service but also emotionally attach with service.

In this study, customer satisfaction is conceptualized as both cognitive and affective as researcher believes that customers express their satisfaction with cognitive and emotionally.

3.5 Significant of Customer Satisfaction
Looking at the competitive market, all types of organizations come to understand the importance of customer satisfaction. It is widely accepted that keeping an existing customer is far less costly than getting new customers. It is also strongly accepted that they can hold customers only when they are
satisfied.

On the contrary, dissatisfied customer tells more people about his/her dissatisfaction and divert others also towards other organizations. It is widely accepted that there is a strong link between customer satisfaction and customer retention. Customer satisfaction leads to customer loyalty which leads to recommendation and profitability. And so, customer satisfaction has therefore become the key operational goal for many organizations. It is a belief that investment in customer satisfaction, customer relationship and quality of products or services leads an organization to reach its goal.

3.6 Significant of Customer Satisfaction Measurement

Customer satisfaction measurement is an analytical and predictive tool for organization. It leads organization to evaluate its abilities and capabilities to meet customer’s expectation, desire and needs effectively. It is a process of getting into the customer’s mind and obtaining valuable feedback. So the organization can improve its weakness and give its best to the customers. It is used by the product or service provider (organization) to demonstrate its customer-centric philosophy to win customer’s attention so they talk in favor of an organization. It is also useful to compare the performance of business.

3.7 Customer Satisfaction Measurement Scales

Customer satisfaction is all about measuring attitudes. The method which researcher wants to use is an extremely important aspect. The most common and popular scales to measure customer satisfaction are “Liker scale” and
“Verbal scale”. Likert scale is designed to measure degrees of agreement with a statement.

On the other hand, similar in principal to likert scale, verbal scale uses to describe degrees of the attitude being measured. Likert scale starts from Strongly Disagree to Strongly Agree while verbal scale starts from Vary Dissatisfied to Very Satisfied or Very Unimportant to Very Important\(^\text{13}\).

In this research, both of the scales have been used. Verbal scale has been used to measure customers’ satisfaction and also to find out important factors whereas Likert scale has been used to measure customers’ perception.

3.8 Customer Satisfaction Measurement Dimensions

Customer satisfaction is related to different dimensions of multipul experience with product or service provider. Most of the definitions related to customer satisfaction focuse on quality of product or service offering. But satisfaction can related to other non-quality of product or services viz. business reputation, price performancee, polcies of an organaisation, outlook of an organization etc.

So, the selection of the dimensions depend upon the researcher and his/her purpose.

A number of studies have been done in the field of cell phone services in different countries to measure customer satisfaction. However, all this studies have mainly focused either on service quality or on service features. There is hardly any study that considered both of these factors to measure their impact

In this research, to measure customer satisfaction, both service quality dimension and service features dimensions have been taken into consideration. Service quality dimensions are related with employes’ performance and response whereas service features dimensions are related with company’s own policy and services. Five dimensions have been taken for each service quality and service features which are as follows.

### 3.8.1 Service Quality Dimensions

Five dimensions of service quality have been taken into consideration namely tangible, reliability, responsiveness, assurance and empathy. This dimensions are developed by parasuramana et al. in 1991 based on the results of an empirical study on five service companies including a telecommunication company too. This dimensions are as follows:

1. **Tangible**

Tangible refers to the physical appearance of the facility which includes materials, equipment and personnel. This enhances the image of the company and provides a more positive image in the way the customer perceives the service. Statements regarding tangible are as follows:

TA1:  They are well present.
TA2:  They are never too busy to respond to your request.
TA3:  They understand your problems.
TA4:  They are capable to solve your problems.
TA5:  Their Solutions to problems are appropriate.
2. Reliability

Reliability is the ability to perform service dependably and accurately. It means that the company fulfills its promises with regard to the delivery of the service, the price and solving the customer's problems. Statements regarding reliability are as follows:

RE1: They keep their promises in time.
RE2: They handle your problems sincerely.
RE3: You can fully depend on them.
RE4: They maintain accurate record of your service usage.
RE5: They perform the service right the first time.

3. Responsiveness

Responsiveness is willingness to help and respond to customers’ needs. Responsiveness includes paying attention to the customer, and dealing with the customer's complaints and problems in a timely manner. Responsiveness is being flexible with the customer and trying to accommodate the customer's demands and performing the service without delay. Statements regarding responsiveness are as follows:

RS1: They tell you exactly when service will be performed.
RS2: They provide service without delay.
RS3: They are always willing to help you.
RS4: They give their customer short waiting time or fast service rotate.

4. Assurance

Assurance is the ability of staff to inspire confidence and trust. Assurance includes the employee's knowledge and courtesy which inspires confidence in them. Having trust and confidence in the employee leads to the customer
having more trust in the company itself. Statements regarding Assurance are as follows:

AS1: They are honest.
AS2: Their behavior fills confidence in their customers.
AS3: They are consistently polite with their customers.
AS4: The company provides support so they can perform their job well.

5. Empathy

Empathy is the ability to understand customer needs and to give personal attention. Empathy includes the ability to show the customer that the service provider cares about him/her because they know how valuable he/she is to the business. It is very important to build a relationship with the customers to understand their needs and providing him/her with personalized services.

Statements regarding empathy are as follows:

EM1: They give individual attention on you.
EM2: They understand your specific needs.
EM3: They keep you informed about services.
EM4: They have their customer best interest in heart.

3.8.2 Service Features Dimensions

Five dimensions of service features have been taken named Brand Image, value offered, price, technical quality, and Value Added Services. This dimensions are developdby different scholars.

1. Brand Image

Brand is the personality that identifies a product or service or company.

The American marketing association defines a brand as a name, term, design,
symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers.\textsuperscript{14} It is based on the proposition that consumers buy not only a product (commodity), but also the image associations of the product, such as power, wealth, sophistication, and most importantly identification and association with other users of the brand. Statements regarding Brand Image are as follows:

BI1: I consider that this operator’s reputation is high.
BI2: I have a good feeling about the operator’s social responsibility.
BI3: The operator delivered a good brand image to its customers.
BI4: I give much attention towards brand before going to use the service.

2. Value Offered

The enhancement added to a product or service by a company before the product is offered to customers is considered as a value Offered\textsuperscript{15}. It is very easy to get benefits from the promotional offers. Statements regarding value offered are as follows:

VO1: The promotional offers from this operator were worth the money.
VO2: It was easy to get benefits from the promotional offers.
VO3: The proposed rewards from this operator were what I wanted.
VO4: It is highly likely that I will achieve the proposed reward.

3. Price

According to Kotler et al. (2010) price is the amount of money charged for a product or service, or the sum of the values that customers exchange for the benefits of having or using the product or service while Stanton et al. (1994)

\textsuperscript{14} http://en.wikipedia.org/wiki/Brand, accessed on 9\textsuperscript{th} April 2011, 08.56 pm
\textsuperscript{15} http://www.investorwords.com/5210/value_added.htm, accessed on 9\textsuperscript{th} April 2011, 09.02 pm
defined price as the amount of money or goods needed to acquire some combination of another goods and its companying services. But the price charge to the customers or clients will have a direct effect on the success of the business. Price is related to pricing policies, call rate, pricing schemes which are very important to attract and holding the customers. The statements related to price are as follows:

PR1: This operator took effective ways to help us know its pricing policies of products and services.
PR2: The pricing policies of products and services from this operator are attractive.
PR3: The calling rate offered by this operator is reasonable
PR4: This operator is offering flexible pricing for various services that meet my needs.

4. Network Quality

Network quality is the most important consideration when it comes to selecting a Service Provider. Geographical coverage, speed of connecting call, voice quality etc are depend upon network quality. In this competition word of telecommunication, each company has concentrate on network quality to compete with others. The statements related to network quality are as follows:

NQ1: They provide sufficient geographical coverage.
NQ2: Call gets connected during first attempt.
NQ3: I am able to make calls at peak hours.
NQ4: Voice quality is clear and undisturbed.

5. Value Added Services

Mobile Value Added Services (MVAS) are those services that are not part of
the basic voice offer and are availed separately by the end user. They are used as a tool for differentiation and allow mobile operators to develop another stream of revenue. Depicts the different MVAS categories

VA1: They provide good information Services like News alerts, stock, prices, air/rail ticket, status, bank, account balance, transaction alerts

VA2: They provide good Entertainment services like Songs, ringtones, caller ring back, tones, wallpapers, games, jokes

VA3: They provide good M-commerce services like transactions on mobile phones e.g. purchase of tickets and other goods, payment for purchases.

3.9 Customer Loyalty

Defined customer loyalty as a deeply held commitment to rebury or repertories a preferred product or service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.

Oliver (1996) defines customer loyalty as follows: Customer loyalty is a deeply held commitment to rebury or repertories a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior.

According to Aydin et al. (2005), Customer loyalty has been divided into attitudinal loyalty and behavioral loyalty. Attitudinal loyalty describes customer’s attitude toward loyalty by measuring customer preference, buying intention, supplier prioritization and recommendation willingness; on the other

16http://www.bostonanalytics.com/leading_thoughts_research/ba_mvas_in_india_research_report_10_07.pdf. accessed 9th April 2011, 09:32 pm
hand, behavioral loyalty relates to shares of purchase, purchasing frequency.

Reichheld et al. (1990) and Reichheld (1996) have studied customer lifetime value and the value of building customer loyalty by listening to their complaints, anticipating their defection, and understanding why customers move to competitors. Customers remain loyal because of the value they receive from the supplier.

3.10 Recommendation

Recommendation is a preference given by the customers to others to use the product or service which he/she has used. Recommendation is effected by customer’s satisfaction as well as customer’s loyalty. It may be possible that satisfied or loyal customer do not prefer to recommend others about the service or product which he/she has used. And it may also be possible that unsatisfied or disloyal customer recommend other about service or product which he/she has used.

3.11 Conceptual Framework

In mobile telecom market, customer pays much importance not only to functional quality but also to network quality, price, image, value offered as well as value added services. Moreover, it has been found from the literature that all this dimensions influence to customer satisfaction. It has also been derived that there is no precise model developed to measure customer satisfaction/dissatisfaction in telecommunication sector so far. By considering all this issues, a conceptual framework has been developed with the
justification which is shown in figure no 3.1.

Based on the literature review, a seven level analysis has been employed to draw causal inferences regarding the postulate relationship among the studied variables.

Level one investigated a relationship between overall service quality and service quality dimensions.

Level two investigated a relationship between overall service features and service features dimensions.

Level three spotlights on a relationship between customer satisfaction and service quality dimensions.

Level four focuses on a relationship between customer satisfaction and service features dimensions.

Level five investigated a relationship between customer satisfaction with overall service quality and overall service features.

Level six investigated a relationship between customer loyalty with overall service quality, overall service features and customer satisfaction,

Level seven investigated a relationship between recommendation with overall service quality, overall service features, customer satisfaction and customer loyalty.
Figure No. 3.1 Conceptual Framework

Overall Service Quality with Service Quality Dimensions

Customer Satisfaction with Service Quality Dimensions

Customer Satisfaction with Overall Service Quality and Overall Service Features

Customer Loyalty with Overall Service Quality, Overall Service Features and Customer Satisfaction

Overall Service Features with Service Features Dimensions

Customer Satisfaction with Service Features Dimensions

Customer Loyalty with Overall Service Quality, Overall Service Features and Customer Satisfaction

Overall Service Quality

Customer Satisfaction

Overall Service Features

Recommendation

Responsiveness  Reliability

Tangible

Assurance  Empathy

Value Offered  Price

Market Reputation

Value Added Services  Network Quality

Overall Service Quality

Customer Satisfaction

Overall Service Features

Customer Loyalty

Customer Satisfaction

Customer Loyalty

Overall Service Quality

Overall Service Features

Recommendation

Customer Loyalty

Customer Satisfaction
3.11.1 Justification for Conceptual Framework

1. The conceptual framework is formulated on the bases of those dimensions which are empirically validated to have significant impact on customer satisfaction and have been examined by various researchers. The use of these dimensions have been mentioned in table no. 3.1

2. The conceptual framework is comprehensive as it captures not only service quality but also service features (viz. brand image, price, network quality etc.), customer loyalty, recommendation etc.

3. The dimensions which have been taken are also related to telecommunication sector and used by others.

4. From this conceptual framework, the association between service quality, service features, customer satisfaction, customer loyalty and recommendation can be also define.

3.11.2 Relevance Literature of Dimensions Used by Various scholars

Dimensions which have been considered in conceptual model have been already used by various researchers. The detail is presented in table no.3.1

<table>
<thead>
<tr>
<th>Broad Category</th>
<th>Dimensions</th>
<th>Relevance from literature</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service Quality</strong></td>
<td>Tangible</td>
<td>Parsuraman et al.(1988); Carvalho et al. (1999)</td>
</tr>
<tr>
<td></td>
<td>Reliability</td>
<td>Parsuraman et al.(1988); Rosen et al.(1994)</td>
</tr>
<tr>
<td></td>
<td>Responsiveness</td>
<td>Parsuraman et al.(1988); Salen et al.(1994)</td>
</tr>
<tr>
<td></td>
<td>Assurance</td>
<td>Parsuraman et al.(1988); Rosen et al.(1994)</td>
</tr>
<tr>
<td></td>
<td>Empathy</td>
<td>Parsuraman et al.(1988); Rosen et al.(1994)</td>
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<tr>
<td>Broad Category</td>
<td>Dimensions</td>
<td>Relevance from literature</td>
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<tr>
<td></td>
<td>Value Offered</td>
<td>Serkan aydin et al. (2005)</td>
</tr>
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<td></td>
<td>Network Quality</td>
<td>Gronross(1984,19982000), Rust et al. (1994)</td>
</tr>
<tr>
<td></td>
<td>Value Added Services</td>
<td>Serkan aydin et al. (2005), Peng and Wang (2006); Zeithaml (1988);</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>Overall Satisfaction</td>
<td>Spring et al.(1996); Sharma et al.(1999) Kem et al.(2004); Mouri (2005); Oliver (1997); Fornel (1992);</td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>Customer Loyalty</td>
<td>Johnson et al.(2002); Host et al.(2004); McDougall et al.(2000), Aydin and Özer, (2005); Wulf et al. (2001); Morgan and Hunt(1994);</td>
</tr>
<tr>
<td>Recommendation</td>
<td>Recommendation</td>
<td>Johnson et al.(2002); Host et al.(2004); McDougall et al.(2000)</td>
</tr>
</tbody>
</table>

3.12 About Telephone Regulatory Authority of India¹⁷

3.12.1 Mission

The mission of Telecom Regulatory Authority of India (TRAI) is to ensure that the interests of consumers are protected and at the same time to nurture conditions for growth of telecommunications, broadcasting and cable services in a manner and at a pace which will enable India to play a leading role in the emerging global information society.

3.12.2 Aims and Objectives

The goals and objectives of Telephone Regulatory Authority of India are focused towards providing a regulatory regime that facilitates achievement of

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the objectives of the New Telecom Policy 1999. The goals and objectives of
Telecom Regulatory Authority of India are as follows:

1. Increasing tele-density and access to telecommunication services in the
country at affordable prices.

2. Making available telecommunication services which in terms of range,
price and quality are comparable to the best in the world.

3. Providing a fair and transparent policy environment which promotes a
level playing field and facilitates fair competition.

4. Establishing an interconnection regime that allows fair, transparent,
prompt and equitable interconnection.

5. Re-balancing tariffs so that the objectives of affordability and operator
viability are met in a consistent manner.

6. Protecting the interest of consumers and addressing general consumer
concerns relating to availability, pricing and quality of service and other
matters.

7. 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.

8. Preparing the grounds for smooth transition to an era of convergence of
services and technologies.

9. Promoting the growth of coverage of radio in India through commercial
and noncommercial channels
10. Increasing consumer choice in reception of TV channels and choosing the operator who would provide television and other related services.

3.12.3 Organization

The Telecom Regulatory Authority of India is a body corporate by the name aforesaid, having perpetual succession and a common seal, with power, subject to the provisions of Telecom Regulatory Authority of India Act, to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall, by the said name, sue or be sued. The Authority consists of a Chairperson, and 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. The Secretariat of Telecom Regulatory Authority of India is headed by the secretary who works through ten functional divisions – mobile network, interconnection & fixed network, converged network & it, quality of service, broadcasting & cable services, economic regulation, financial analysis, legal, regulatory enforcement & international relation and administration & MTNL personnel.

3.12.4 Mobile Network Division

The mobile network division handles issues relating to compliance of terms and conditions of various licenses issued to mobile operators; recommendations related to various issues/aspects of mobile services; ensuring compliance of matters relating to universal service obligations and efficient management of available spectrum for telecom services and preparation of quarterly PMR pertaining to mobile services.
3.12.5 Wireless Segment (GSM, CDMA & FWP)

Total Wireless subscriber base increased from 752.19 million in December 2010 to 771.18 Million at the end of January 2011 registering a growth of 2.52%. The share of Urban Subscriber has declined to 66.42% from 66.65% where as share of Rural Subscribers has increased from 33.35% to 33.58%. The overall wireless Tele-density in India reaches 64.74. Wireless subscription in urban areas increased from 501.30 million in December 2010 to 512.26 million at the end of January 2011. Rural subscription increased from 250.89 million to 258.93. This shows higher growth in Rural Subscription (3.20%) than Urban Subscription (2.19%). The urban wireless tele-density has increased from 140.53 to 143.36 and rural tele-density increased from 30.11 to 31.05. Detailed statistics is at annexure-I. Private operators hold 87.78% of the wireless market share where as BSNL and two PSU operators hold only 12.22% market share.

3.13 Profile of Selected Cell Phone Companies Under Study

3.13.1 Vodafone Group

Symbol No. 3.1 Vodafone Group

Vodafone Group Plc (LSE: VOD, NASDAQ: VOD) is a global telecommunications company headquartered in London, United Kingdom. It is the world's largest mobile telecommunications company measured by revenues and the world's second-largest measured by subscribers (behind China Mobile), with around 341 million proportionate subscribers as of November 2010. It
operates networks in over 30 countries and has partner networks in over 40 additional countries. It owns 45% of Verizon Wireless, the largest mobile telecommunications company in the United States measured by subscribers. The name Vodafone comes from voice data phone, chosen by the company to reflect the provision of voice and data services over mobile phones”\(^ {18}\).

### 3.13.2 Reliance Communication Limited

![Reliance Communication Limited](image)

Reliance Communication Limited (RCOM) is an Indian broadband and telecommunications company headquartered in Navi Mumbai, India. Reliance Communication Limited is the world's 16th largest mobile phone operator with over 144 million subscribers. Established on 2004, a subsidiary of the reliance group.

The company has five segments: wireless segment includes wireless operations of the company; broadband segment includes broadband operations of the company; global segment include national long distance and international long distance operations of the company and the wholesale operations of its subsidiaries; investment segment includes investment activities of the group companies, and other segment is consists of the customer care activities and direct-to-home activities\(^ {19}\).

\(^{18}\) [http://en.wikipedia.org/wiki/Vodafone](http://en.wikipedia.org/wiki/Vodafone), accessed on 16\(^{th}\) October 2011, 10.05 am

3.13.3 Idea Cellular Limited

In 2000, Tata Cellular was a company providing mobile services in Andhra Pradesh. When Birla-AT&T brought Maharashtra and Gujarat to the table, the merger of these two entities was a reality. Thus Birla-Tata-AT&T, popularly known as Batata, was born and was later branded as Idea. Then Idea set sights on RPG’s operations in Madhya Pradesh which was successfully acquired, helping Batata have a million subscribers, and the licence to be the fourth operator in Delhi was clinched. In 2004, Idea (the company had by then been rechristened) bought over the Escorts group’s Escolot gaining Haryana, Uttar Pradesh (West) and Kerala — and licences for three more — UP (East), Rajasthan and Himachal Pradesh. By the end of that year, four million Indians were on the company’s network. In 2005, AT&T sold its investment in Idea, and the year after Tatas also bid good bye to pursue an independent telecom business. And Idea was left only with one promoter, the AV Birla group. When the company’s stock listed on the bourses in March 2007, its subscriber base was 13 million with presence in 11 circles. In less than three years, the subscriber numbers have more than quadrupled. The public issue was oversubscribed 50 times and raised Rs 2,450 crore. In June 2008, Idea Cellular Limited bought out BK Modi’s stake in Spice Communications for Rs 2,700 crore adding Punjab and Karnataka circles. Modi’s joint venture partner,
Telekom Malaysia, invested Rs 7,000 crore for a 14.99% stake in Idea. Just around then, Idea’s subsidiary, Aditya Birla Telecom sold a 20% stake to US-based Providence Equity Partners for over Rs 2,000 crore.\textsuperscript{20}

### 3.13.4 Bharti Airtel Limited

**Symbol No. 3.4 Bharti Airtel Limited**

Bharti Airtel Limited commonly known as Airtel is an Indian telecommunications company that operates in 20 countries across South Asia, Africa and the Channel Islands. It operates a GSM network in all countries, providing 2G or 3G services depending upon the country of operation. Airtel is the fifth largest telecom operator in the world with about 230.8 million subscribers across 19 countries at the end of June 2011. It is the largest in India, with over 171.85 million subscribers as of August 2011. Airtel is the 3rd largest in-country mobile operator by subscriber base, behind China Mobile and China Unicom. Airtel is the largest provider of mobile telephony and second largest provider of fixed telephony in India, and is also a provider of broadband and subscription television services. It offers its telecom services under the Airtel brand and is headed by Sunil Bharti Mittal. Bharti Airtel Limited is the first Indian telecom service provider to achieve this Cisco Gold Certification. To earn Gold Certification, Bharti Airtel Limited had to meet rigorous standards for networking competency, service, support and

\textsuperscript{20} \url{http://en.wikipedia.org/wiki/Idea_Cellular}, accessed on 16\textsuperscript{th} October, 2011 10.12 am
customer satisfaction set forth by Cisco.[4] The company also provides land-line telephone services and broadband Internet access in over 96 cities in India. It also acts as a carrier for national and international long distance communication services. The company has a submarine cable landing station at Chennai, which connects the submarine cable connecting Chennai and Singapore. The company also provides land-line telephone services and broadband Internet access in over 96 cities in India. It also acts as a carrier for national and international long distance communication services. The company has a submarine cable landing station at Chennai, which connects the submarine cable connecting Chennai and Singapore.21

3.13.5 Tata Indicom/Docomo

Symbol No. 31 Tata Indicom & Tata DOCOMO

Tata Teleservices Limited is an Indian broadband and telecommunications provider based in Mumbai, India. It is a subsidiary of the Tata Group, an Indian conglomerate. It operates under the brand name Tata Indicom in various telecom circles of India. In Nov 2008, Japanese telecom giant NTT Docomo picked up a 26 per cent equity stake in Tata Teleservices for about Rs 13,070 crore ($2.7 billion) or an enterprise value of Rs 50,269 crore ($10.38 billion). In Feb 2008, TTSL announced that it would provide CDMA mobile services targeted towards the youth, in association with the Virgin Group on a Franchisee model basis. Tata Teleservices Provides mobile services under 4 Brand names: 1. Tata DoCoMo (CDMA Mobile operator) 2. Tata DoCoMo (GSM Mobile operator). 3. Virgin Mobile (CDMA

Mobile operator). 4. Virgin Mobile (GSM Mobile operator)

3.13.6 Bharat Sanchar Nigam Limited

Bharat Sanchar Nigam Limited (abbreviated BSNL) is a state-owned telecommunications company headquartered in New Delhi, India. BSNL is one of the largest Indian cellular service providers, with over 90 million subscribers as of July 2011, and the largest land line telephone provider in India. However, in recent years the company's revenue and market share plunged into heavy losses due to intense competition in Indian telecommunications sector. BSNL is India's oldest and largest communication service provider (CSP). It had a customer base of 90 million as of June 2008.[6] It has footprints throughout India except for the metropolitan cities of Mumbai and New Delhi, which are managed by Mahanagar Telephone Nigam Limited (MTNL).