CHAPTER 3

CURRENT SCENARIO IN THE TELECOM INDUSTRY

3.1. Introduction: In the previous chapter we examined how advertising positions the brand, brand awareness, brand attitude, brand attitude, the communication / persuasion process and new strategic brand management. We also detailed the concepts of corporate communications and prosumers.

Researcher’s views: Product/ service categories have witnessed a big explosion in the number of brands that inhabit them. Despite the large number however few brands rule the category and others are just confined to a token presence. One thing that is a differentiating factor among the leaders and the others is the process that precedes their conceptualization and creation. Solid brands are products of vision whereas the other brands that crowd the category are creations of the sight. It is the ability of the brand creator to go beyond the obvious and uncover the latent consumer concerns that finds manifestation in the form of a product or service. Great brands originate as ideas which find expression in a product. Vision generally precedes brand and when the process is reversed only copies are created. The product element of a brand usually attends to the reason which may fall short of what the consumer expects a brand to deliver. The holistic approach demands that the business of brand is articulated to encompass those value aspects which may lay hidden but tend to be instrumental in driving consumption behavior. Therefore a look into the personal worlds of the consumers is necessary for giving the brand the mission that it is assigned to play. In this regard, we study the aspects of the product / service to understand the ends that are sought by consumers.

Let us move on to an overview of the industry selected for this study.
3.2: Telecom Advertising

Telecom advertising is an overlooked field. Almost all ad agencies would love to have a telecom operator client as they are among the top 10 advertising spenders in all countries; usually they regret that afterwards though due to the short lead times, long working hours, and over demanding clients (mostly from technical backgrounds); all of which result in a relatively low quality end product.

Telecom advertising is a very specific industry in many ways different from conventional advertising mostly due to the nature of the beast (it is a media within itself that is constantly expanding to include more and more industries) and constant evolution. Advertising agencies rarely have such experts though, due to the high turn-over of people on the accounts, mostly due to the reasons mentioned in the first paragraph.

Despite their differences all telecom operators require the same campaigns, usually in the following order from launch date (I will use a mobile operator for the sake of the example as they do the most advertising):

Let us now move on to an illustration how service providers operate the process of their advertising campaign.

1. A teaser I announcement to indicate their launch date
2. A brand launch campaign
3. Corporate Social Responsibility campaigns (showing that they care about the community)
4. Core Product campaigns (usually prepaid and post-paid)
5. Coverage Campaign (to show that their networks are now complete)
6. Payment methods campaign (listing the channels in which can pay their bills)
7. 3G campaign (focusing on their innovative technology, and claiming first to market)
8. Roaming campaign (mentioning how many operators they have roaming agreements with)

9. Airport campaigns (selling their 'visitor' lines, asking inbound roamers to switch to their networks, promoting their mobile internet roaming capabilities, and mentioning how you can feel at home while roaming on their network)

10. Store opening campaigns (indicating that new stores are opening and mentioning their locations)

11. International call rate reduction campaign

12. Tariff reduction campaign

13. Mobile Content campaign (focusing on the mobile portal and what content it includes, mostly music, ring tones, ring back tones, news etc.)

14. Value added services campaigns (these are dispersed throughout the communication plan depending on when a new service is rolled out)

15. Mobile Internet campaign (on both accessing the internet through your phone, or data cards that plug into your laptop)

16. Customer service campaigns

17. Business campaign (launching their business services division)

18. Business product campaigns (mostly data-cards, push email, and closed user groups)

19. Focusing on the Youth segment (through universities, and hip music)

20. High end packages (special numbers I elite services etc)

21. Loyalty programs

22. Bundling of products and services

23. Bouquet ads mentioning all of the offerings of the operator
Usually due to urgency, wanting to communicate so many messages at the same time, and the need to claim first-to-market (because innovation is a key platform); these operator end up with badly managed campaigns that are not fully integrated (mostly newspaper ads and mentions on their website and in stores), and sacrifice on the creative quality of their communications.

All of the above results in a confused customer who knows that an operator has many services but cannot indicate or quantify them.

Several global learning’s can be made from the above, these include:

1. Ideal campaign roll-out plans (starting with print and moving to ambient media, online ads etc)
2. Touch points management (deciding on what to communicate at which touch points)
3. Simple communications (mentioning the key benefit of a service and not listing all of its attributes)
4. More focus on PR and making most announcements through press releases that induce viral support
5. Updatable bulletins on new products and services
6. Developing more targeted advertising to specific segments
7. Focusing more on direct marketing and database building
8. Creating online forums in which customers can better express their views and usage patters

3.3: A look in to some of the strategies used by mobile phone service providers:

The past few years haven't been easy for wireless service providers. With 3 G and fee based data services a flop and a sagging voice business, not much seems to be going right for the mobile industry. But the situation is set to change.

After many false starts, wireless advertising is finally ready for primetime. Startups and major players alike are jockeying to see who can market most effectively through the wireless medium.
Here's a quick summary outlining seven of the most discussed strategies and their long term prospects:

1) **Marketing via SMS/MMS:** This is an easy one. Advertisers like Procter & Gamble work with carriers and companies such as Enpocket to sponsor audience polls. Think American Idol. It's quick and easy to implemental polls use existing messaging infrastructure and advertisers establish direct relationships through the mobile phone with customers who opt in to their programs. Unfortunately, there isn't much excitement here, and the potential is limited. Not to mention that consumers who participate often won't have any special affinity for the marketer.

2) **WAP Banner Ads:** The cousin of the internet banner ad is the grandfather of mobile advertising techniques. Guess what. It's surprisingly effective. Advertisers know that handset users who look at WAP sites fundamentally have time to waste. They're commuting by bus, waiting for a friend, or sitting in their doctor's office looking for ways to kill time. The problem is that W AP advertising inventory remains small because mobile web sites are relatively expensive to build. What's more, the value chain around WAP banners remains murky. Who deserves what share of the revenue and who really owns the ad inventory? Is it the carrier, WAP site owner, or WAP advertising facilitators like Third Screen Media? It's not clear, and by the time this one is figured out, the mobile marketing train will have left the station long ago. I think the way to go is off portal W AP banner ads to circumvent the issue.

3) **Location-Based Advertising:** Remember all the hub-bub about location-based services in 2000? Mobile phone users will merrily walk down the street as their mobile phone beckons them in to the nearest boutique or cafe with a well-timed advertisement. The scenario sounded nice until you actually thought about it for more than two seconds. Location based services don't work unless you have a critical mass of advertisers and willing consumers signed up to participate. Not to mention the considerable privacy issues. Don't expect this chicken and egg problem to sort it out anytime soon.

4) **Video Ads on Cell Phones:** Here's another extension of common advertising techniques to the mobile platform. Companies like MobiTV and Rhythm Networks are making good progress with carriers, but they face an uphill battle. Currently, only 10% of domestic mobile handsets are video-enabled, and it remains unclear if the average user is willing to pay for video...
services. Watching a video ad is a known quantity for consumers, but who really wants to pay for the "privilege" of watching low-quality video ads on tiny screens? Witness the recent failure of ESPN Mobile.  

5) **In Advertising:** Product placement isn't just for TV shows. Now advertisers are working with startups to insert their brands into your mobile games. Sounds simple enough, right? Wrong. Who owns the ad inventory? The carrier? The game publisher? It's not clear, and until the value chain is resolved, this method won't take off. Besides, is a sponsor's billboard in Mobile Grand Theft Auto really going to capture the attention of attention-deprived youth game players? 

6) **Online Coupons:** Paper coupons have been around for decades. The problem is you never have them when you're checking out at the store. Enter mobile coupons. It's a simple concept. People carry their phones, and their mobile coupons, everywhere. And now that startups like Cell fire have figured out how to eliminate the need for a coupon client on the handset, this is a space that holds considerable promise. 

7) **Interstitial Ads:** Of all the techniques I've evaluated, the most promising is interstitial ads. Interstitials are ads that play during the dead time during downloads. They're unobtrusive watching an ad during a WAP page download is certainly no worse than watching a progress bar. When implemented effectively, they actually provide information that is both useful and immediately actionable. Imagine downloading a WAP-based movie review and getting an interstitial with show times and locations for every movie in your town. What's more, there's no argument about who owns the dead space between downloads. It's the carriers. And with new technologies like Flash Lite (Adobe), uiOne (Qualcomm), and MIDAS (Open wave) that greatly simplify interstitial implementation, you can bet that Verizon, Sprint, and Cingular will be increasingly focused on generating revenue with interstitial advertising. 

3.4.: **Advertising Trends in Indian Telecom:** 

The way telecom firms advertise, gives an approximate idea about the telecom trends. At the initial launch of the mobile services, they were advertised as lifestyle products. The message that sought to be conveyed was that if you have a mobile phone, you have arrived in life. A few well-healed people could afford the high call rates at that time. It was in no way for the masses.
Perhaps for the first time, Indians were exposed to concepts alien to them: Customer Care Support. It saw a booming of the ancillary services and fresh graduates, stunted in mental development though, came out in droves for the well-paid jobs.

Airtel then sought the services of Sachin Tendulkar. He was the brand ambassador and saw his earnings sharply increasing. After the initial publicity passed away, A. R. Rahman gave his now Famous tune. All the other companies have variously tried other gimmicks to sell their connections. However, the landscape changed after Reliance came in the mobile services. Mukesh Ambani was seen telling people about his father’s dream. The initial launch was lackluster.

The icing on the cake goes to Hutch. They designed the simple ad with the kid and cute Chinese Pug. It was a hit of all sorts. It conveyed the effectiveness of the message succinctly.

As the title goes, advertising trends are reflective of the current scenario in telecom. Airtel has been advertising its group card labeled as Friends. In fact, until now, the market was treated as homogenous. Over the period, classification has been sought to target the specific customers with specific needs.

Reliance has realized early on about targeting the businesses. Its offer of flat rate for making STD calls to anyone across its network is unparalleled. This way it can ensure that there would be higher converts towards it services. R-Connect is its portal that differentiated Reliance early on from other operators.

It knows that future revenues are going to come from value added services. This way it has foreseen the development in the industry.

**Following this, Airtel introduced its Airtel Live.**

The voice calls would not yield much as much as revenue as would the value added services. Hence, for the same reason they have introduced value added cards, which would help to download ring tones and other fancy stuff.

3G mobile services look good as technology demonstrator until the time, the prices for the 3G enabled handsets fall down to manageable levels, it would not take off.
3.5.: Promotional Strategies of Cellular Service Providers in India:

The case gives an insight into the various promotional strategies implemented by the major cellular service providers in the Indian cellular market. The Government’s decision to liberalize the telecom sector in 1994 transformed the entire telecom industry, with many private companies foraying into the sector. With the consequent grant of licenses for providing cellular services, there was a surge in the number of cellular services providers which continued till the late 1990's. By the year 2000, stiff competition between players in the cellular market prompted each player to formulate more novel strategies in order to retain their market share.

Most of the promotional strategies revolved around capturing the younger generation who formed a major part of the target market. Celebrity endorsements, special season offers, festival discounts, and innovative advertisement campaigns were used by the cellular service providers as tools to push back the competition and increase their market share.

Vodafone

Vodafone Essar in India is a subsidiary of Vodafone Group Plc and commenced operations in 1994 when its predecessor Hutchison Telecom acquired the cellular license for Mumbai. Vodafone Essar now has operations in 16 circles covering 86% of India's mobile customer base, with over 49.1 million customers*.

Over the years, Vodafone Essar, under the Hutch brand, has been named the 'Most Respected Telecom Company', the ‘Best Mobile Service in the country' and the 'Most Creative and Most Effective Advertiser of the Year'.

Vodafone is the world's leading international mobile communications company. It now has operations in 25 countries across 5 continents and 40 partner networks, with over 260 million customers worldwide. Vodafone has partnered with the Essar Group as its principal joint venture partner for the Indian market.

The Essar Group is a diversified business corporation with interests spanning the manufacturing and service sectors like Steel, Energy, Power, Communications, Shipping & Logistics and
Construction. The Group has an asset base of over Rs 400 billion (US$ 10 billion) and employs over 20000 people.

*Figures from Cellular Operators Association of India, June 30, 2008.

**BPL**

Having started its services in 1995, BPL Mobile currently operates in Mumbai city with more than 1 million happy and satisfied subscribers. In the latest The VOICE&DATA Mobile User Satisfaction Survey 2007 revealed that in overall satisfaction BPL Mobile has surpassed the TRAI benchmark of 90%. In MUMBAI, BPL Mobile is the only mobile service provider to have surpassed this benchmark. Being in the service industry and customer centricity being at the core, BPL Mobile has once again proved that we are “Best in the Business” having ranked first in Customer Care and Sales/Presales.

This achievement is a result of BPL Mobile's philosophy to give the consumer a truly world class experience through technology, services and a network that gives Superior Coverage and Amazing Clarity. BPL Mobile has revolutionized the mobile communications industry in India with its state of the art technology, which includes the unique network design, the Qualnet Camel Phase 2 Intelligent Network (IN) platform and GPRS providing cutting edge services like Multimedia Messaging (MMS), mobile browsing, Java based mobile games amongst others.

**AIRTEL**

Telecom giant Bharti Airtel is the flagship company of Bharti Enterprises. The Bharti Group has a diverse business portfolio and has created global brands in the telecommunication sector.

Bharti has recently forayed into retail business as Bharti Retail Pvt. Ltd. under a MoU with Wal-Mart for the cash & carry business. It has successfully launched an international venture with EL Rothschild Group to export fresh agri- products exclusively to markets in Europe and USA and has launched Bharti AXA Life Insurance Company Ltd under a joint venture with AXA, world leader in financial protection and wealth management.

Airtel comes to you from Bharti Airtel Limited, India’s largest integrated and the first private telecom services provider with a footprint in all the 23 telecom circles. Bharti Airtel since its
inception has been at the forefront of technology and has steered the course of the telecom sector in the country with its world class products and services. The businesses at Bharti Airtel have been structured into three individual strategic business units (SBU’s) - Mobile Services, Airtel Telemedia Services & Enterprise Services. The mobile business provides mobile & fixed wireless services using GSM technology across 23 telecom circles while the Airtel Telemedia Services business offers broadband & telephone services in 94 cities. The Enterprise services provide end-to-end telecom solutions to corporate customers and national & international long distance services to carriers. All these services are provided under the Airtel brand.

**BSNL**

Bharat Sanchar Nigam Ltd. formed in October, 2000, is World's 7th largest Telecommunications Company providing comprehensive range of telecom services in India: Wireline, CDMA mobile, GSM Mobile, Internet, Broadband, Carrier service, MPLS-VPN, VSAT, VoIP services, IN Services etc.

Within a span of five years it has become one of the largest public sector units in India. BSNL has installed Quality Telecom Network in the country and now focusing on improving it, expanding the network, introducing new telecom services with ICT applications in villages and winning customer's confidence.

Today, it has about 47.3 million line basic telephone capacity, 4 million WLL capacity, 20.1 Million GSM Capacity, more than 37382 fixed exchanges, 18000 BTS, 287 Satellite Stations, 480196 km of OFC Cable, 63730 RKM of Microwave Network connecting 602 Districts, 7330 cities/towns and 5.5 Lacs villages.

BSNL is the only service provider, making focused efforts and planned initiatives to bridge the Rural-Urban Digital Divide ICT sector. In fact there is no telecom operator in the country to beat its reach with its wide network giving services in every nook & corner of country and operates across India except Delhi & Mumbai. Whether it is inaccessible areas of Siachen glacier and North-eastern region of the country. BSNL serves its customers with its wide bouquet of telecom services. BSNL is number one operator of India in all services in its license area. The company offers vide ranging & most transparent tariff schemes designed to suite every customer.
BSNL cellular service, Cell One, has more than 17.8 million cellular customers, garnering 24 percent of all mobile users as its subscribers. That means that almost every fourth mobile user in the country has a BSNL connection. In basic services, BSNL is miles ahead of its rivals, with **35.1 million Basic Phone subscribers** i.e. 85 per cent share of the subscriber base and 92 percent share in revenue terms. BSNL has more than 2.5 million WLL subscribers and 2.5 million Internet Customers who access Internet through various modes viz. Dial-up, Leased Line, DIAS, and Account Less Internet CLI). BSNL has been adjudged as the NUMBER ONE ISP in the country.

BSNL has set up a world class multi-gigabit, multi-protocol convergent IP infrastructure that provides convergent services like voice, data and video through the same Backbone and Broadband Access Network. At present there are **0.6 million Data-One Broadband Customers**. The company has vast experience in Planning, Installation, network integration and Maintenance of Switching & Transmission Networks and also has a world class ISO 9000 certified Telecom Training Institute.

Scaling new heights of success, **the present turnover of BSNL is more than Rs.351, 820 million (US $ 8 billion) with net profit to the tune of Rs.99, 390 million (US $ 2.26 billion) for last financial year.** The infrastructure asset on telephone alone is worth about Rs.630, 000 million (US $ 14.37 billion). BSNL plans to expand its customer base from present 47 million lines to 125 million lines by December 2007 and infrastructure investment plan to the tune of Rs. 733 crores (US$ 16.67 million) in the next three years.

The turnover, nationwide coverage, reach, comprehensive range of telecom services and the desire to excel has made BSNL the No. 1 Telecom Company of India.

**Reliance**

The Late Dhirubhai Ambani dreamt of a digital India — an India where the common man would have access to affordable means of information and communication. Dhirubhai, who single-handedly built India’s largest private sector company virtually from scratch, had stated as early as 1999: “Make the tools of information and communication available to people at an affordable cost. They will overcome the handicaps of illiteracy and lack of mobility.”
It was with this belief in mind that Reliance Communications (formerly Reliance Infocomm) started laying 60,000 route kilometers of a pan-India fiber optic backbone. This backbone was commissioned on 28 December 2002, the auspicious occasion of Dhirubhai’s 70th birthday, though sadly after his unexpected demise on 6 July 2002.

Reliance Communications has a reliable, high-capacity, integrated (both wireless and wire line) and convergent (voice, data and video) digital network. It is capable of delivering a range of services spanning the entire infocomm (information and communication) value chain, including infrastructure and services — for enterprises as well as individuals, applications, and consulting.

Today, Reliance Communications is revolutionizing the way India communicates and networks, truly bringing about a new way of life.

3.6.: An overview of the telecom subscriber base in India:

The telecom industry is one of the fastest growing industries in India. India has nearly 200 million telephone lines making it the largest network in the world after China and USA. With a growth rate of 45%, Indian telecom industry has the highest growth rate in the world.

Much of the growth in Asia Pacific Wireless Telecommunication Market is spurred by the growth in demand in countries like China and China.

India’s mobile market in Asia Pacific with a subscriber base is growing at a rate of 82.2%.

China is the biggest market in Asia Pacific with a subscriber base of 48% of the total subscriber in Asia Pacific. Compared to that India’s share in Asia Pacific Mobile Phone market is 6.4 %. Considering the fact that India and China have almost comparable population, India’s low mobile penetration offers huge scope growth.

Let us now study the Telecom Subscriber Base in India

Indian telecommunication industry is one of the fastest growing telecom markets in the world. The mobile sector has grown from around 10 million subscribers in 2002 to reach 150 million by early 2007 registering an average growth of over 90 %. The two major reasons that have fuelled this growth are low tariffs coupled with falling handset prices.
Surprisingly, CDMA market has increased its market share up to 30% thanks to Reliance Communication. However, across the globe, CDMA has been losing out numbers to popular GSM technology, contrary to the scenario in India.

That is the other reason that has pushed for last 10 years by successive Indian governments. According to Telecom Regulatory Authority of India (TRAI) the rate of market expansion would increase with further regulatory and structural reforms. Even though the fixed line market share has been dropping consistently, the overall (fixed and mobile) subscribers have risen to more than 200 million by first quarter of 2007. The telecom reforms have allowed the foreign telecommunication companies like Vodafone have entry into Indian market in a big way. Currently, the Indian Telecommunication market is valued at around $100 billion (Rupees 400,000 crore). Two telecom players dominate this market – Bharti Airtel with 27% market share and Reliance Communication with 20% along with players like BSNL (Bharat Sanchar Nigam Limited).

The Ministry of Communications and Information Technology (MCIT) has very aggressive plans to increase the pace of growth, targeting 500 million telephone subscribers by the end of 2010. Let us now examine Advertising by Telecom Industry on Television from 2007 to 2010.

- **2007**: Telecom sector advertising on Television grew by 61% percent during 2007 compared to 2006. Telecommunication Services segment had more than 60 per cent share of overall Telecom sector advertising on TV. Telecommunication Services has seen a rise of 108 per cent in Television advertising, Whereas Telecommunication Equipments saw a rise of 17% percent during 2007 over 2006. Bharti Airtel Ltd. was the number one advertiser under Telecommunication advertising on television during 2007.

Ltd ‘was number one advertisers for ‘Telecommunication Services ‘on Television during January – August 2008.


Sony Ericsson ( India ) ‘ was the top advertisers under ‘ Telecommunication Equipments ‘ and ‘ Bharti Airtel Ltd. ‘ leads in ‘ Telecommunication Services ‘ advertising on Television during 2009.

Sony Ericsson W595 ‘and‘Sony Ericsson F305 ‘were top two brands advertised under ‘ Telecommunication Equipments ‘ on Television during 2009. Virgin vGlide Phones (slider) topped the chart of new ‘Telecommunication Services ‘ advertised on Television during 2009.

➢ 2010: Telecom sector advertising in print rose by 64 per cent during January – May 2010, as compared to January – May 2009. Nokia Corporation was the top advertiser for telecommunication equipment advertising in print during this period, while Bharat Sanchar Nigam Ltd. contributed the maximum in advertising of telecommunication services in print. More than 55 % of Telecom sector advertising on National Channels during January – May 2010. Maximum advertising share of ‘Telecommunication Services ‘ under Telecom sector on television during January- May 2010. 27 % increase in Television advertising of Telecom sector during January – May 2010 compared to January – May 2009.

3.7.: SWOT Analysis of the Telecom Industry:

3.7.1. COMPETITION: The telecom industry which is faced with new challenges everyday in fierce competitive environment. The Porter’s five forces are:

1) Threat of entry
2) Industry Competitors
3) Threat of substitutes
4) Bargaining Power of Buyers
5) Bargaining Power of Suppliers

1) Threat to New Entrants:

Indian telecom companies facilitate opportunities to foreign companies in different companies in different fields like: satellite phone calls, 3G, international calls, and value added services.

Market for Growth Avenue:
- Rural telephony
- Enterprise telecom service
- VAS (Value added Services)
- 3G (third generation)
- Wimax
- Infrastructure sharing
- Virtual private network
- Managed services

In India a big amount of player’s up- and –coming in the market national level from its state level existence like:
- Aircel
- Virgin
- Spice
- Idea
- Vodafone

2) Threat of Rivalry/Industry Competitors:

Today there is tremendous amount of competition between telecom companies to stay ahead of one another. The market is flooded with government companies like BSNL (Bharti Sanchar Nigam
Limited), MTNL (Mahanagar Telephone Nigam Limited), private companies like Tata, Reliance, and foreign companies like Vodafone, Spice etc.

3) Threat of substitute Product and Service:

The services like ; GSM ,Internet,CDMA mobile, Wire line , broadband, carriers ,VSAT, MPLS-VPN are provided by telecom industry. While talking about internet telephony, it is increasing as a good alternative. With cheaper rate it offers video conferencing.

4) Bargaining Power of Customers:

As telecom companies are offering services at cheap rates bargaining power of customers is very low. New mobile companies launch mobile services at such low rates that customers have many options.

5) Bargaining Power of Suppliers:

Telecom companies consume iron, aluminum, electric wires, for tower making. They purchase these raw materials in bulk quantities that every supplier wants to sell their product, thus, the bargaining power of suppliers is very less.

3.7.2: OPPORTUNITIES:

- Increasing number of cellular phones.
- Starting of 3G services.
- Vendor-atheist consultancy services.
- Internet connectivity.
- Integration with IBM for IT works.

Increase in the number of mobile phones is an opportunity because it can be a reason for increase of consumers in services. 3G technology is a new technology in mobile world. It is costly to set up but once it is set up then it gives profit in the speed, quality and coverage. People are moving to 3G. Mobiles are also being manufactured with 3G. Mobile manufacturers are working with service providers to develop business models, effective systems, and technologies.
a) Threats:

- Competing brands of other companies.
- Force by courts to reduce tariff.
- New players Promotional prices.
- Increased network costs.

There are very big players in the market with reputed brand image who are threats to one another. Force by courts to reduce tariff has resulted in lowering of service tax of service provider. New players are charging as low as one paisa per second, resulting into difficulty of reducing call rates. To survive in this cut-throat competition it is necessary to adopt new technologies.

3.8: Role of advertising in building brands:

It has been observed that mobile advertisers have a larger impact on brands that originally thought. Mobile advertisements directly impact consumer’s intent to purchase and their favorability of the brand.

Business travelers use their mobile phone to access to the internet at least once every day, and visit different business sites via their mobile.

Most consumers feel more favorable towards the brand that they are exposed to through their advertisements. Mobile WAP campaigns are being noticed and can have a positive impact on key brand measures. While mobile is still a developing advertisement platform, studies indicate that mobile advertisements will soon have a greater impact on the ROI (Return in investment) of advertiser campaigns. This is also an indication that advertisers should begin their own research into mobile advertising campaigns. By leveraging the platform now, advertisers have the chance to work the bugs out of their potential campaigns while the user – base is also working through the early stages.
3.9. Let us examine the factors suggesting bright future for advertising in India.

1) **Industrial Growth**: The rate of industrial growth has been fast particularly from 1960. Capital goods industries and consumer goods industries are fast growing and expanding in India. Per capita income of the people has increased because of agricultural and industrial development. The markets are now flooded with different varieties of consumer goods, consumer durables and fashion goods. With the entry of Multinational corporations and joint ventures global brands are now openly available in the Indian market. Because of stiff competition, manufacturers have to make extensive advertising to attract customers.

2) **Urbanization**: Urbanization process has been quite fast in the recent years. There is migration of rural population to the cities in search of employment. Urbanization process has led to the creation of new demand and to capture this demand manufacturing companies have to make elaborate advertising.

3) **Rise of Middle Class**: The rise in the number of middle class has also been fuelled by greater urbanization. In the 1950s India was about 85% rural. Today this figure would stand roughly at about 65%. The numbers that live in villages but work in urban areas have also increased. The 300 million strong Indian middle class has often disturbed marketers and demographers. Through sheer size and purchasing power they lead to public opinion and indicate future trends. The middle class may be defined culturally through consumption patterns. Middle class is an attitude and a state of mind. Income provides an objective standard to determine middle class status.

4) **Popularity of Credit Cards**: ‘Buy now, Pay later’. Credit card companies in India motivate innumerable customers to spend more than their income. Credit cards entered into the Indian market in the eighties. The taboo associated with ‘credit’ is fast disappearing. These cards are no longer status symbol. The use of plastic money is an instrument of marketing. It is estimated that soon India would be the second largest credit card market next only to United States of America.

5) **Rural Development**: Rural development is due to government policies and special concessions and facilities offered to manufacturers to shift their production activities to rural areas. Agro based industries have developed in rural areas. This has created new employment
opportunities in rural areas. New demands are developing in rural areas along with increase in the standard of living of people. Every manufacturer is interested in the pushing of products in the rural markets. For this; large scale advertising is done in rural areas.

6) **Rising literacy Rate:** The scope for advertising through television and other media is fast increasing in general literacy rate. Companies advertise on a massive scale in urban and rural areas. This is due to positive response to advertising from consumers.

7) **Changes in Social Structure and Lifestyle:** Joint family is fast splitting in urban areas. Educated couples desire to lead independent lives. As both husband and wife are earning, their purchasing power has doubled. They earn more, to spend more. They wish to lead quality life and not merely survive. This social change has proved a boon to advertising.

8) **Market Competition:** In recent years, market competition is increasing at an alarming rate. Indian markets are becoming buyer’s market and naturally sellers have to run after the consumers. For attracting more and more buyers and also encouraging them to purchase specific brands of products, advertising is necessary.

9) **Expansion of Markets:** Improved transport and communication facilities have led to expansion in the size of the market. Business concerns have to work hard to sell to widely scattered consumers. Large quantity of goods can be economically and conveniently taken to all parts of the country. Markets for consumer goods are slowly becoming national and to take advantage of expanding markets, advertising is vital.

10) **Sophisticated Printing Technology:** Printing and technology are the main tools used in advertising. In both these areas revolutionary changes have taken place. Attractive multi color advertising is possible through press, magazines, posters and films. The products can be shown in pleasant and attractive formats.

11) **Popularity of Internet:** With the use of satellite, television has reached in the nook and corner of our country. Internet was started in India in the late 80’s. On line business has provided tremendous opportunity to popularize internet advertising.

12) **Introduction of SMS:** Just like the internet, Short Messaging Service (SMS) has the advantage of global reach. SMS is the most effective and innovative way to reach customers. SMS advertising offers a unique communication channel that is:

1. Direct
2. Personalized
3. Target
4. Interactive
5. 24 hours a day, 7 days a week

SMS is a powerful marketing tool which is clutter free as compared to traditional media channels. It is an emotional medium. It has a strong association with the audience in the age group of 16-25. SMS advertising is believed to be more effective than some forms of traditional mass media advertising, simply because it encourages interactivity with users – although it varies on a case to case basis. The ultimate aim of SMS marketing is to provide customers with personalized, location based information. The concept of SMS took shape in early 90’s and soon became a phenomenon.

3.10. Summary: As illustrated above, the telecom industry is a developing industry in India with a huge scope for developing consumer base. A large chunk of the population is yet to acquire mobile phones providing tremendous potential for mobile service to tap the market. Established brand leaders are studied to understand the advertising strategies that have taken them to this position. Advertising, without doubt plays a key role in building the preferred brands in the minds of the target consumers .Consumers develop a faith in their preferred brand and become fiercely loyal to their preferred brand.

An area explored in the study is the crucial role played by the creation and designing of a good advertising campaign in building brands and brand management. The top brands have employed some of the best creative minds in the field which have resulted in some memorable advertising. Advertising agencies are working tirelessly to churn out creative advertising campaigns to meet the demands of the telecom industry which has new innovations, schemes, offers, promotional strategies regularly to offer its consumers.

The study also examines the role media namely-- television channels, radio stations, newspapers plays in building brands and brand management. The impact of the advertising can be fully explored only with the selection of the correct media to approach the target audience. Media selection is one of the most crucial decisions in advertising. Approaching the right audience at the right time will yield the optimum results for strengthening brands and brand management.
Finally, the study explores the point of view of the service providers who are competing with one another to gain higher market share. The nature of this industry is fiercely competitive, with a huge existing telecom subscriber base in India and a large potential yet to be tapped. The study attempts to understand the survival strategies used by the service providers in the current scenario.
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