CHAPTER II\textsuperscript{nd}

PRODUCT DECISIONS

PROLOGUE:

Under this chapter following aspects will be discussed:

Product line decision, consumers performance, changes in the market demand, buying habits of consumers, marketing of product influences, companies objectives, elimination of obsolete product, product mix strategies, expansion of product mix, contraction of product mix, product modification, alteration of existing product, product differentiation and market segmentation, product positioning, brand establishing.

Services are provided to certain quality standard, they are frequently offered with guarantees and many service organisations have developed high level of brand name awareness (Hertz, McDonald, holiday Inns, for example). While it may not be appropriate to offer a range of size, many services are offered with a range of level of services cover. The Motoring association offers different levels of cover, and insurance policies operating in a siller way are good example of ranges of service offering developed to meet the varying needs of consumers.

The term ‘product’ is widely used to refer to a market offering of any kind. In its broadest sense this may be anything form the physical – a tin of baked beans of a television set – to the abstract – an idea or a normal issue. Generally, However, most products are made up of a combination of physical elements and services. This is true in service marketing, where the services offering can include tangible feature, such as food in a restaurants, or be a ‘pure’ service, intangible in nature.

THE LIFE CYCLE CONCEPT:

Products and services are often said to have ‘life cycles’. This idea is based on an analogy with natural life cycles: birth, growth, maturity and so on. The product life cycle is frequently illustrated as being comprised of four stages:

Launch, or introduction

\begin{itemize}
  \item \textit{Growth}
  \item \textit{Maturity}
  \item \textit{Decline}
\end{itemize}
The product life cycle is typically represented graphically in terms of sales over time. Plotting the level of sales over a period will result in a life cycle curve, which may look like this:

![Graph of Product Life Cycle](image)

**FIGURE No. 3**

Sales, or even usage rates, of a service can be plotted in the same way as sales of physical products, and monitored over a period. This can be useful in managing the organisation’s range of products or services, and in making decisions about promotion, for instance, or withdrawal of a service, which has become outdated. The product life cycle concept holds that the different stages of the product life cycle have certain characteristics, which are, more or less, common to all products or services.

Understanding and analyzing the various stages, therefore, can be helpful in determining the appropriate marketing action.

**INTRODUCTION:**

At the introduction stage the product or service is very new. Promotion will be intense and costly, and may need to be boosted if the service fails to meet initial targets. It will be aimed at getting users to try the service, and create interest. Television shopping is an example of a new service recently launched in the UK. This is a high-risk stage, because the service will not yet have proved that it will be successful, and the costs of pre-launch development may be very high. Close monitoring is required.
GROWTH:

As uptake of the service starts to grow, revenues will increase and profitability may be even achieved. The longer-term success of the service can be more easily assessed at this stage as market penetration increases. However, if the product appears to be doing well, it is likely at this stage that competitors will bring out rival offerings. This is the case with mobile telephones; when the market reaches near saturation they will have moved from the growth phase into the mature phase. Promotion may again need to be boosted to maintain the speed of growth and will focus on attracting more new users, and repeat purchase. Further investment may be required.

MATURE:

As growth slows down, the overall volume of sales may reach a fairly steady plateau, which continues over time. Competition will probably be well established, and promotion efforts reflect the battles between leading brands. Credit cards are an example of a mature service offering. New entrants may still be entering the market, as is the case with building societies offering their own cards. Marketing effort is aimed at keeping the level of sales high, thus ensuring continued profitability.

DECLINE:

At some stage, the popularity of a product or service will begin to die. Levels of sales will fall off, and profitability diminishes. This may be due to a number of reasons, as when services have been superseded by new technologies or when consumer tastes have changed. Facsimile machines have more or less replaced telex communication services, for example, and insurance services sold directly by telephone have started to replace the need for individual brokers on the high street. The main decision for management is whether to continue to produce and sell the product or service if it is still creating profits, or to delete it altogether, perhaps because the organisation has launched newer services to replace it, and deletion would enhance their chances of success, or possibly to cut the risk of it being a drain on resources.

SCOPE OF THE LIFE CYCLE CONCEPT:

These illustrate the basic ideas behind the life cycle concept, and its use as a management tool. There are many criticisms of the concept, mostly relating to the vast difference in the type of curves that can be seen (fads, for example, may grow sharply, but then drop off altogether, and never become mature). Cinema attendance in the UK all but died off altogether in the 1970s, resulting in the closure of many cinemas, but
The New Service Development Process is a systematic, staged process, which organisations should adopt to screen new service ideas and maximize their chances of success in the market. Typically it comprises the following stages:

**GENERATION OF IDEAS:**

- **Screening**
- **Testing the concept**
- **Business analysis/evaluation**
- **Practical development**
- **Market testing**
- **Launch**

The idea behind this stages process is that, at each stage, the new service must satisfy all relevant criteria absolutely before it should be allowed to progress to the next stage. Each stage will generally become more costly as the project takes on more substance and becomes more of a drain on company resources. The whole process can be viewed in terms of incremental costs; the investment payback will only start to occur after the product has been launched successfully in the market. Ideas may be withdrawn at any stage. These stages will now be explored in more detail:

Idea generation can come from any number of sources, both internal and external to the organisation. The following are suggestions for sources of ideas:

<table>
<thead>
<tr>
<th>Internal</th>
<th>External</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales staff</td>
<td>Customers</td>
</tr>
<tr>
<td>Front-line personnel</td>
<td>Experts in the field</td>
</tr>
<tr>
<td>The ‘suggestion box’</td>
<td>Market demand analysis</td>
</tr>
<tr>
<td>New developments arising from exiting services</td>
<td>‘Gap’ analysis</td>
</tr>
</tbody>
</table>

Ideas from any of these sources may end up being completely wasted if no system exists to ensure that any new ideas are looked at properly. Systematic collection and review of ideas can be carried out in a number of ways:

**Internal sources of ideas** Sales staff reports should allow for any new ideas, which might arise from their contacts outside to be fed back into the organisation for review. Similarly, any personnel who obtain ideas from customers or competitors should be able to report such information through the appropriate channels. This kind of formal and informal market intelligence can be extremely valuable. Sadly, many organisations, fail to monitor it effectively.
A suggestion box should be provided to encourage staff to come up with their own ideas. At a more formal level, sales staff and management might participate periodically in ‘brainstorming’ sessions to generate new ideas.

The performance of existing services should always be closely monitored within the competitive environment and this may lead to ideas for new versions of services, or incremental developments.

**External sources of ideas** As stated, organisations must feed back informal from customers in a productive way. This might be in the form of specific idea information about competitors or even simple offhanded remark, which can spark off ideas.

Organisations should keep abreast of developments in their field anew consult experts for ideas. They should follow the trade press, watch out for new trends or ideas and attend conferences and seminars related to their area.

Marketing research should be undertaken continuously to identify new areas of growing demand for services which they do not currently offer, to them whether the area is one they should enter. Gap analysis can also be undertaken which is research specifically undertaken to establish if there are any new areas of unfulfilled demand not being met by any players in the market.

All of these point to the importance of a well organized Marketing Information System within the organisation, to ensure routine information gathering and scrutiny especially in terms of market intelligence and internal and external information. The marketing information system is discussed further in this Chapter.

**SCREENING:**

The screening stage should be quite a ruthless filtering process for all new generated. Decisions should be made as to whether ideas should be:

- *Dropped completely,*
- *Considered as future possibilities,*
- *Allowed to precede further straightaway.*

The criteria for measuring an idea’s potential can be based on the followed questions:

- Is the idea compatible with the organisation’s overall objectives mission?
- Does it seem achievable in terms of the organisation’s resources?
- How well does it fit with the existing range of services offered? complement the existing range or, in fact, be a competitive offering which may harm the existing market position?
- Does it have the full support of management?
- What is known about current/likely demand for this service?
- How quickly can we develop it for launch? Are there significant constraints?
- Who are the main competitors in this market? What is their competitive reaction likely to be?

(Again, the marketing information system should be a valuable source of data here.)

It is important at this stage to be aware of possible pitfalls and to be quite ruthless, as costs will be incurred once ideas pass through the screening stage. A common problem is that of a 'pet project', where the idea is very close to someone's - usually a senior manager's - heart, and they push it through regardless of shortcomings in line with the key questions raised above. Such projects can be costly and damaging to the organisation. Sometimes a project may simply be too ambitious, and will place far too much drain on organisational resources, financial and otherwise.

TESTING THE CONCEPT:

Ideas, which have successfully passed the screening stage, need to be tested to establish their potential. What may seem attractive to the board of directors may not be so readily accepted by the buying public. Concept testing is usually done through marketing research. It involves presenting the idea, or concept, to the target market and studying their reaction. In product marketing, this stage may make extensive use of mock-ups, models and artists' impressions to get the idea across to the audience. Testing a new financial service concept, for example, might involve producing brochures and literature to illustrate the idea. More intangible services, however, might purely discussing the actual idea test concept. Typically focus groups might be used, and other small-scale surveys of existing or potential customers.

BUSINESS ANALYSIS/EVALUATION:

At this stage, ideas, which have been selected to be developing, further require in-depth exploration and evaluation. The key task is to produce a formal analysis of the idea's market potential in terms of forecasts and costing of all aspects of developing and launching the service. This analysis will focus on the following areas:

DEFINING THE MARKET:

- Market size and structure
- Consumer trends in the market
- Levels of demand, current and future
- External environmental factors likely to affect performance
- Competition
- Market share forecasts
- Financial forecasts, costing, breakeven analysis, etc.
PRACTICAL DEVELOPMENT:
At this stage it is virtually ‘all systems go’ as preparations are made for developing and launching the service. Service providers might not be faced with the need to set up new manufacturing plants and production facilities as such, but there is likely to be a lot of work to be undertaken at this stage in terms of designing and supplying literature and supporting materials. Supplies of the tangible elements of the new service will have to be sourced, or production established.

Full-scale marketing programs must be developed to encompass all aspects of the mix as necessary:

ADVERTISING AND PROMOTIONAL CAMPAIGNS:

- Channel selection (if appropriate)
- ‘Packaging’ the new service offering
- Pricing policy
- Staff training (and possibly recruitment)

Additionally, existing processes may need to be adapted to accommodate the new service and new premises may have to be provided, or existing ones upgraded.

MARKET TESTING:

Although extensive marketing research will have been carried out earlier in the process, and all the signs must be favourable for a product or service idea to have got this far, some sort of market testing can help reduce risk. This may be done artificially, perhaps using panels of consumers who will sample the product or service in their home, for example, or it may be done by testing in the actual market but in a small area, say one town or one television region.

Test markets can help organisations fine-tune the elements of the marketing mix to optimize the chances of success, and can also be a strong indicator of likely performance in the wider market. The main problem with test markets is that competitors will get to know of new ideas being developed, but they would find out pretty quickly at the actual launch in any case, so this risk has to be balanced against the risks of not using a test market. In very sensitive situations, where the risk of competitors copying ideas is high, the best strategy may be to stick to simulated test markets before going to full launch.

There are problems associated with the selection and use of test markets, as well as the threat of competitor reaction. It can be difficult to select a test market, which really is representative of the overall market. It is also sometimes hard to gauge over what period the test market should be allowed to run as it is repeat purchase - not trial - which is important to establish an indication of performance.
Sometimes a combination of test market methods will be most suitable, and these may culminate in a ‘rolling’ launch where the service is tried out in one market, and if successful extended to another market and tested there, and so on.

**LAUNCH:**

The final stage in the development process is the actual launch. It is at this stage that the life cycle is said to commence, and the new service moves from being purely a cost, to bringing in revenue. The launch may be on a rollout basis, as described above, or it may be done nationally, or even internationally. The launch is critical for future success and should not be regarded as the last stage in the development process, but rather as the first and most important stage in the life of a successful new product or service.

### 2.1 PRODUCT-LINE DECISIONS

Product mix consists of various products Lines. There are various product line managers in Reliance Info-com means for Reliance India Mobile.

In making a product line a company modify the product according to different customer requirements. Product line manager determines which items should be built, maintain and eliminated.

Either introducing can change the product line or deleting the product can change the product line. It depends on the following factors:

(i) The Preferences of consumers.
(ii) The Strategies of competitors.
(iii) The Cost structure of the firm
(iv) The Divert of demand from one product to another.

The product line may change over a longer period of time, according to the market demand. The changes may be in size, colour, therefore, flavour of one or several products or it may invoice a change in the quality.

For BSNL existing product is landline telephones. But now It has made change in the product line. It offers different product lines. Like mobile handset WLL, Tarang for capturing the market and making product more preferable among consumer. It provides many services like, Excel & Cellone, internet, on-line buy and selling video net, etc.

BSNL have to make change because of the strategies of competition. Its competitor is Reliance another biggest tele-communication company. The Reliance has
emerged as the largest cellular services. The Reliance product Cellular Mobile Telephone Services, internet services provider policy, International long distance
Services, National Long Distance Services, global mobile personal communication by satellite (GMPCS) Services, very small aperture Terminal (VSAT) Services.

Line consists of RIM camera phones (CDMA 2000 IX color camera phones GTRAN GCP 4020). Slimmest CDMA, Reliance wireless product such as RIM & Fixed Wireless phones to avail of internet connectivity of speeds that for exceed today’s dial up speeds, R World. CDMA IX.

The product line manager must review how the line is positioned against competitor’s lines. Consider Reliance’s company. It provides the services at low rate. While other cellular like BSNL charges one high Reliance offer the SMS Services Roaming Services free of cost while cellular player charge Rs.1.5 per SMS. The Reliance have subscriber within 2 years. Within such a short span of time. It has emerged as a largest cellular services provider. So, now BSNL should provide SMS facility and reaching services and charges, low rate for calls. BSNL should consider adding these facilities or services to its line.

VARIOUS PRODUCT LINE OF BSNL:

B.S.N.L. is producing basically three products. Landline, Mobile & internet. There is further classification in these three products:

![PRODUCT LINE](image)

Figure No. 4

Landline is one of the most popular products of B.S.N.L. Besides this B.S.N.L. provide mobile & internet service. It covers all over India.

Basic phone service remained a govt. monopoly for a further five years. Even with nominal dissolution of the newly entering private operators to provide service.
CELLULAR MOBILE SERVICES:

CELLONE:

Cellone cellular services have made possible the dream of B.S.N.L the largest telecommunication company of India. B.S.N.L is providing postpaid mobile services under the branch name of ‘Cellone’. It bears an international mobile station identity that is linked to a mobile phone no.

EXCEL:

B.S.N.L is providing prepaid mobile service under the brand name of ‘Excel’. The Bharat Sanchar Nigam Limited cellular mobile service welcomes you as a new privileged mobile customer in our network. B.S.N.L have introduced unmatched.

INTERNET SERVICE:

This is a set of technologies that make up the fabric of the network cloud including circuit switching, traditional packet frame relay, and ATH & INTERNET protocol popularly known as simply I.P.

SANCHARNET:

It is a prepaid card for internet access through country’s largest internet called “National Internet Backbone, (NIB).

DATAONE:

Presently a data connection having download speeds 256 kbps or more is classified as broadband. Such a connection allows surfing or downloading much faster than a deal-up or any other narrowband connections.
BASIC PHONE SERVICE:

BSNL is the no. one telecom operator in India, largest in Asia and 7th largest in the world. It is in existence for over 150 years and 3.8 crores satisfied landline customers.

Phone-Plus Facilities (Free facilities):
(i) Dynamic Lock : Safeguard against misuse of telephone.
(ii) Morning Alarm : Wake-up-call
(iii) Call-waiting : Say ‘No’ to missed call.
(iv) Hotline : No Dialing, No hassles
(v) Call transfer : Your calls follow you
(vi) Abbreviated dialing : Least dialing efforts
(vii) Clip : Know the caller.

SULABH PLAN:
The best available only incoming plan.

ITC (India telephone Card):
Phone is pocket makes the life easier. Best suited to the people on the move, students living in hostels, corporate houses etc. You can make any type of calls (local/STD/ISD) from any telephone having pulse dialing.

WLL (Wireless in Local Loop):
Available in two versions – WLL fixed (FWT) & WLL (mobile).

Sanchar Net: (The Internet service.)
India’s No.1 with more than 12 lacks subscribers connecting over 550 cities throughout the country under the brand name of Sancharnet. BSNL has also launched Sancharnet cards, which is a prepaid internet access card and is available in several denomination values.

WEB FONE:
Talk globally and pay nominally through your PC. IT is a prepaid internet telephonic card.

MOBILE SERVICES:
BSNL has enrolled over 55 lacks cellular customers within one and a half year of launch of service. UP (w) has crossed 419478 nos. of mobile connections, out of which 1,00,431 are post-paid while the rest as prepaid.
BASIC PHONE SERVICE:
BSNL is the no. one telecom operator in India, largest in Asia and 7th largest in the world. It is in existence for over 150 years and 3.8 crores satisfied landline customers.

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SULABH PLAN:
The best available only incoming plan.

ITC (India telephone Card):
Phone is pocket makes the life easier. Best suited to the people on the move, students living in hostels, corporate houses etc. You can make any type of calls (local/STD/ISD) from any telephone having pulse dialing.

WLL (Wireless in Local Loop):
Available in two versions – WLL fixed (FWT) & WLL (mobile).

Sanchar Net: (The Internet service.)
India’s No.1 with more than 12 lacks subscribers connecting over 550 cities throughout the country under the brand name of Sancharnet. BSNL has also launched Sancharnet cards, which is a prepaid internet access card and is available in several denomination values.

WEB FONE:
Talk globally and pay nominally through your PC. IT is a prepaid internet telephonic card.

MOBILE SERVICES:
BSNL has enrolled over 55 lacks cellular customers within one and a half year of launch of service. UP (w) has crossed 419478 nos. of mobile connections, out of which 1,00,431 are post-paid while the rest as prepaid.
Cell One: (The post paid mobile)
Special Features –
(a) Only 15 seconds pulse rate.
(b) No security deposit/monthly rental for rational reaming in Plan 325 & 525.
(c) Voice-mail recording and receiving facility free.
(d) Facilities like Clip, call waiting and call holding are free.

Excel Prepaid Mobile:
Special Features:-
(a) Only 30 second pulse rate
(b) All India roaming including MTNL Delhi w.e.f. 12-05-2004.

ISDN:
It has emerged as powerful tool worldwide for providing different services – voice, data and image transmission over the telephone line.

BROADBAND SERVICES:
BSNL is launching broadband service under the brand name “Data one Broadband”. It is a revolutionary communication technology which will be brought to you on your own telephone line to use services like internet, video, cable TV, video conferencing and host of other interactive service at a very nominal charges of Rs.699/- P.M.

RELIANCE PRODUCT LINE:
Reliance Infocomm was awarded the most promising service provides of the year 2003 (Asia Pacific) at Asia Pacific Technology Awards instituted by frost and Sullivan, Singapore.

Reliance Infocomm is ready to start services in three concrete phases:
First, with a mobile revolution, in the form of the Reliance IndiaMobile service through a nationwide wireless network that will reach out to 90% of India’s population and eventually to every Indian. This revolution will enable every individual talk, learn, shop, bank, transact, entertain and be informed, while on the move.

Second, in mid 2003, with an enterprise netway revolution by providing 100 mbps Ethernet links to every desktop and device to half a million enterprise buildings initially and eventually to 10 million buildings. This revolution will empower every enterprise by making transactions efficient, functions seamless and new economic opportunities abundant.
Third, in end 2003, with a consumer convergence revolution by providing high speed Ethernet links to 80 million homes initially and eventually to every home. This revolution will enlighten every home with an entire range of television channels, high-speed telephony, audio conferencing, videoconferencing and video on demand.

**RELIANCE INDIAMOBILE SERVICE:**

*Reliance IndiaMobile* service will revolutionaries the consumer mobile experience by offering a host of applications on the mobile phone such as enhanced messaging in Indian languages, email access, internet surfing, access to real time political, financial and sports news, games and video streaming.

This will enable users to send text messages in Indian languages, access their email and other internet accounts, surf the net at speeds of up to 144 kbps, be the first to get breaking news, view and listen to scenes from the latest movies and experience many other exciting applications.

The *Reliance IndiaMobile* service will be available only on CDMA 2000 IX handsets specially imported by Reliance. These are light, sleek, Java enabled, multimedia ready phones with polyphonic sound and with features like 3-way conferencing, call forwarding, in-built phonebook memory, special lifestyle features such as organizers, calendars, world clock and lithium ion battery for long talk time. Premium handsets have a colour screen and PC synchronisation support.

All handsets and in-box accessories will be home delivered free of cost, have a 12-month warranty and are covered by insurance, absolutely free, for a period of 3 years.

The Reliance IndiaMobile service will offer an incredible value proposition to users with abundant minutes for a limited spend, long distance calls to any phone in the country at low rates, a pan-India presence, superior voice quality and data capabilities, state-of-the-art handsets, 24 hour high speed internet access and a host of unique applications.

### 2.2 CONSUMER’S PERFORMANCE

As we know the telecom industry entails a cut through competition where product as matched with better products from the competition an offer are matched with better counter offer. The challenged before the marketer of telecommunication service that the customers should stick to its offers & products because the larger one stage with a product or an offer it became highly unlikely for him to move to the competition as the exits light if we look at the customers relations of BSNL and Reliance of the figure look under.
Up-to-date installation of the ones at Ghaziabad

<table>
<thead>
<tr>
<th>Mobil Connections Pre paid / Post paid</th>
<th>Broadband</th>
<th>Land Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/07/04 to 30/06/05</td>
<td>01/07/04 to 30/06/05</td>
<td>01/07/04 to 30/06/05</td>
</tr>
<tr>
<td>BSNL 11677 to 15517</td>
<td>NA</td>
<td>215000</td>
</tr>
<tr>
<td>RELIANCE 17516 to 24827</td>
<td>NA</td>
<td>107500</td>
</tr>
</tbody>
</table>

Table No. 3

(Source: based on information taken from BSNL and Reliance office.)

For the understanding of consumers buying behavior we get to know that acquiring the customers is at least 5 times as difficult as retaining one. A research in consumers behavior shows that it takes 4 time as much cost to acquire a customers than to retain one that’s why in any industry the firms lure the customers with competitive products offers the same time they where no efforts to retain the customers if we Reliance it because evident that BSNL is clearly out to Reliance.

Customers relationship is an area where lot of companies are focusing because the principal of relationship marketing says that the brand loyal customers is not only the most profitable customers but it offers a wonderful opportunity of gross selling.

So it is clear from the discussion that companies reap rich dividend for effective customers relationship and customer’s retention.

So it is became very important for firms to explore what factors are responsible for effective customers retentions that reflect in the bottom line of the company.

FACTORS GOVERNING ABOVE PERFORMANCE:

1. Availability of services on time at place that is convened is important when one compare BSNL & Reliance on this parameter one find out that BSNL is not taking due care in ensuring that the product/service reach the customers in time. When as Reliance takes special care in ensuring the same they’re billing counters & service centers have grown in numbers over the years. Reliance web world outlets provide the customers with the physics evidence (that is considers to be very important P in 7 ps of service marketing.)

2. Technical issue surrounding services in an industry like telecommunication can make or marks an organisation prospects, for example – consider
Reliance WLL service in remotest corner of the city or distt. and compare at with a regular BSNL connection the quality of voice is a lot better in Reliance. It so happen that reliance has invested heavily in laying the cable on the strength of its own cable network an information get way. Reliance can provide the facility of phone internet cable and other fame of data transfer at a better speed a much better quality level as compare to BSNL. Since BSNL choice not to invest in its infrastructure & technology it is legging behind Reliance in this technology intensive business.

(3) If we look at today’s customers it has depended from a joint family systems to nuclear families with supposedly higher disposable Incomes with no or few kind they want a hassle face services as they don’t have enough time to pursuer the companies etc. with regard to service that the erectable customers. Now BSNL with age-old systems of consumer’s grievance handling is conceding ground to a more smarts player like Reliance.

(4) Change in market demand we will discusses this factors in next contents of this chapter.

(5) Buying habit of consumers this will also discusses in next contents of this chapter

2.3 **CHANGES IN MARKET DEMAND**

Demand is the degree to which the market accepts a market offering.

Market demand is the demand for a given product that consumers will purchase at time. Demand can be measured in physical or monetary teems.

The shape of a demand curve will be downward sweeping. This is because the consumer will buy more units of a product at lower price and fewer units at higher price. Figure 6. Shows that when the Reliance Infocomm offered there mobile approximately at the price of Rs.5000 their demand for the product was around crores but now when their prices are reduced. To Rs. 2000 the demand for the product is thirteen crores equal, higher prices makes more product available in the market. Fig.6 shows how changes in price or supply affect the quantity of product demanded.
From the economic point of view demand is only a starting point. It does not take account of many important factors, including product features, promotion & distribution. As well as social, economic & political for as. We will take the different analyzing of demand to take there other factors into account.

We will take the market demand an the P3 like
P1-> It is related to the population factor
P2-> stands for purchasing power purchasing power is the ability to pay of the customer.
P3-> stands for purchasing patterns or buying behaviour. It includes life style, tastes, attitudes, and other psychological factors. While analyzing the market demand one must identify the specific force within the 3 P’s Nature and size of each force should be determined. If any one of P’s changes the others will be affected.
CHANGE IN MARKET DEMAND:

Five year ago, private mobile telecom operators were still too small now they have also increased.

The number of mobile subscriber has raised more than 13- fold to more than born from 4.5m in 2000 and the number of landlines has risen by 63 percent to 49m.

All these become possible due to launching or introduction of various plans & schemes & value-added-services same of them are given below:

1. 90% of the new subscribers enrolling for the 2-3 years and life time-free mobile schemes are very low-end subscribers or first-time users.

2. Nearly 30% of the demand comes from rural and semi-urban Indian. New subscribers in their areas have started looking at mobile phones as a necessity and buy very basic phones.

3. Despite record growth and increase of 58.13y, in the subscriber base in 2005, India’s mobile user. Population is well below projections. The country finished 2005 with close to 76 million mobile users and a broadband base of 840,000 users, falling well short of the year.

More importantly, the country, which increased its mobile subscribers base by 27.91 million in2005, will now have to grow at double this pace over the next two year to meet the government’s target of 200 million users by December 2005.

4. This year is set to spell good news for all- manufacturers, operators and most importantly consumers –

   What are the things to watch out for:-
   - 3G and spectrum: spectrum policy likely in the first quarter of “06.
   - The year of IPOS Reliance Infocomm.
   - Top the hinterland: Telcos heading to semi-urban and rural markets.
   - Tariffs and VOIP: one India and VOIP will put pressure on tariffs.
   - Wireless replacing wireline: 36 lacks fixed-line surrenders last year.
   - Cell phone users “manage more” entertainment device with music and video.
   - Sex and the cell phones: MMS racket is here to stay, with same help from 3G too.

5. BSNL Launches low cost wi-fi- services.

6. BSNL drops Broadband rates--> it has also influence the product to a large extent one to this market demand has been changed

7. BSNL the telecom titan is expanding its base network to provide affordable and defective communication facilities to all citizens and at the same time offering a variety of value added services to meet the needs of the changing economy.

8. BSNL has redefined the term telecom service by introducing value-added services in the form of intelligent network (IN). These affects-cost-effective
solutions to meet the precise needs of customers. IN presents a framework to create various services in a centralized place independent of the switch.

The demand of BSNL mobile is also changing. In the case of other cellular services there are more pre-paid than post-paid customers. But in the case of the cell one more than 50% present of post-paid customers. This is attributed to the attractive tariff plans offered by BSNL with lower entry barriers especially for these owning BSNL landline too. In addition to the attraction tariff plan, the simplicity of the nationwide reach of BSNL, the facility of one number roaming across the country and the value-added service like voice mail service, short messaging service, Intelligent Network service, unified messaging service and wireless application protocol, have also contributed to the popularity of cellone.

According to the change in demand the internet is another segment in which BSNL has shown its mettle. It is providing internet service under the brand name “Sancharnet” throughout the country except in Mumbai and Delhi where Mahanagar Telephone Nigam Limited is operating. With Seven Lac connections in place, BSNL has emerged as the biggest internet service provider (ISP) in the country. It provides free all-India roaming and enables its users to access their accounts using the same access code and user-identification (ID) from any place in the country. To cover the entire length and breadth of the country, Internet Dhabas are being commissioned at all the block headquarters. It recently started the direct internet access service (DIAS) and the accounts free internet access facility in some selected cities. BSNL also provides Web hosting services to its customers. It has also launched internet Telephone services under the name web phone.

Keeping pace with the global trend to provide value added service based on the latest technology, BSNL has launched its virtual private network (VPN) service based on Multi Protocol label switching (MPLS) technology. This technology allows the service provider like BSNL to have complete control over the parameters that are critical to offering service guarantees to its customers with regard to bandwidth throughputs, latencies and availability. It also enables BSNL to offer assured growth to its customers without having to make significant investments. BSNL will not be able to offer bandwidth on demand, video conferencing, voice over IP and a host of other value-added services that could revolutionize the way corporate business functions.

BSNL came out with some promotional schemes for all its services, to increase the demand the mobile service it has offered a special package for students. The landline connection is now available to defense personnel and was widows without any registration or booking charges. For Sancharnet users, it has offered a free 50 hours internet service for 60 days. It has proposed to provide SMS
facility over fixed line telephones too. For this, special instruments will be provided to the customers.

(12) Under number portability, a subscriber can retain has number even while switching to a new operator. This could be big news for the Indian telecom industry and its users. With number portability operators loose their biggest stickiness factor number locking. This is good in general for the consumer since the operator has to do more to please him.

2.4 BUYING HABITS OF CONSUMERS

USERS BEHAVIOUR-

COMPLEX BUYING BEHAVIOUR:
Complex Buying behavior involves a three steps process. First, the buyer develops beliefs about the product. Second, he or she develops attitudes about the product. Third, he or she makes a thoughtful choice. Consumers engage in complex buying behavior when they are highly involved in a purchase and aware of significant differences among brands. This is usually, the case when the product is expensive, bought in frequently, risky and highly self-expressive like an automobile.

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

HABITUAL BUYING BEHAVIOUR:
Many products are bought under conditions of low involvement and the absence of significant brand differences. Consider salt. Consumers have little involvement in this product category. They go to the store and reach for the brand. If they keep reaching for the same brand, it is out of habit, not strong brand, and loyalty.

VARIETY – SEEING BUYING BEHAVIOUR:
Some buying situations are characterized by low involvement but significant brand differences. Here consumers after do a lot of brand switching.
BSNL:

28th Jan. 1882 is a Red letter, Day in the history of telephone in India. BSNL opened telephone exchange. It that time BSNL launched a telephone instrument, which was patented by Alexander Graham Bell. The wire connected these phones since 2002: After studying the buying habits of customer, they made many changes in their technology and services. They launched mobile. The customer can use their phones wherever they are. New Technologies and services are: STM rings, intelligent Network (IN) Local Network Managed System, Micro-tunneling, managed leased line (myself Network, Wireless in Local Loop – WLL), India Mobile personal communication service (IMPCS) centers, answering machine services (AMS) to the building inform of RLV and DLU which ha reduced the average copper loop length to cell than 2 Km Direct internet access service (DIAS), Voice over IP (VOIP) Accident Less internet, Internet telephony (Wehfone), Sam Park (IVRS based).

The buying habits of consumer can also be studied when the products are characterized into high consumer involvement and low consumer involvement.

HIGH CONSUMER INVOLVEMENT:

Consumers have complex buying behavior when they are highly involved in a purchase. Consumer are highly involved characteristic of high involvement product:-

(1) High Price
(2) Complex features
(3) Large differences between alternatives
(4) High perceived risks
(5) Reflects self-concept of buyer.

When the product is costly hazardous purchased infrequently and reflect self-concept of buyer. To buy such products consumers need to learn more about the product. The buyer will have to pass through a process, first he must develop beliefs about the product, and then he must make purchase choice. For Eq.: While purchasing a costly mobile se, a consumer has to think about the facilities it provides. Whether a mobile have internet, camera, entertainment, good sound, good batteries, or not what is the brand of the product such as Nokia, Samsung, LG and Motorola.

LOW CONSUMER INVOLVEMENT:

Consumers have low involvement with most low-cost frequently purchased products. In such cases consumers do not think about the brand. They do not evaluate brand characteristics, and make weighty decisions about which brand to buy.
Consumer selects the brand because it is familiar. Ad-repetition makes brand much popular. Consumers do not characteristic of low involvement product.

1. Does not reflect buyer’s self-concept.
2. Alternatives within the same product class are similar.
3. Frequent brand switching behavior.

EVALUATE THE CHOICE EVEN AFTER PURCHASE:

The choice before the customers are increasing rapidly, as more and more foreign commerce operations in India. The market has changed from a sellers market to a buyers market. The customer has become very demanding companies are facing tough competition to retain the customer because when a member of close substitutes are available, it is very difficult for the companies to return brand loyal customer for a long period of time. The consumer buying habits is influenced by cultural, social, personal and psychological factors. The consumer develops a set of brand he life about where each brand stands on each attribute. Then he forms preferences among the brands in the choice set. The generally has an intention to by the most preferred brand. Furthermore, decision-making varied with the type of buying decision.

BSNL

1. Consumer are smarter and they expect more: As the general population becomes better educated, as is the case in this region, consumer approach purchase decisions with greater scrutiny and they have occurs to more data for companies shopping. For example is the telecommunication education, though not mandatory in India, Undertaken by companies especially in the mobile phones segment. These companies provide detailed information on every package. This allows consumers to compare the specific features of every mobile with a specific category. Also the internet the growing popularity of consumer publication (publications in the mobile sector) and T.V. shows given consumers greater access to product information. Due to this the buying habits of consumer have been changed. The consumer purchases a mobile after scrutinizing all the information about it. A consumer considers the following information such as coverage of network, voice quality, sound, entertainment battery capacity, etc.

2. The internet as a distribution channel for product sales and information has caused many consumers to change buying habits. Researchers report records, low consumer loyalty in the internet environment. As and online customer, sometimes consumer cheaper options, not necessarily branded products and services. This is not common in the airlines and hotel industries. For instance for trip to consumer searched the internet for the best deals on airlines and hotels. They give reference to those combined deal of airlines and hotel, which are cheaper than other.
(3) Some times tempting offers are given to customer to switch their cellular or landline telephone service. Switch your cellular phone service to the company that’s calling and it will send you a free incoming call facility for three months. Some of these offers are worth USD 200, some USD 300 and during extremely competitive periods up to USD 600. These price or cash based offers have taught consumers to be on the lookout for the next best offer. Consumers are contemplating to make a switch to the BSNL cellone service and Reliance Infocomm who offer cheaper the buying habits of consumer.

4) Almost every hotel chain, airlines and credit card company offers some type of frequent customer program: Customer have come to expect them and compare benefits and rewards of competing companies. As a result, competitors are racing to introduce new perks, better benefits and some other element or twist that no other company offers consumers contemplate all these offers and make choice according to their desire.

2.5 PRODUCT – INFLUENCES

10 years ago today, on August 22, 1995 the first commercial call on a mobile phone was made in India. The call was made from Kalkota on Modi Telstra networks; it was under the then Telecom Minister Sukhram that mobiles were introduced in India. Along with the Telecom and TV revolution accompanied with changed consumer behaviour, the past decade has seen strong economic growth and an increasingly confident India.

PLAN:
BSNL launches various plans and schemes. Their plans have influences the BSNL product to a large extent. Now subscribers are increasing speedily.

BSNL LAUNCHES LOW COST WI-FI SERVICES –
The tariff of a minimum of Rs.20 per session for pre-paid and Rs.10 for post-paid members will not be applied on the users of the service. The company’s offering pre-paid service and has on offer coupons ranging from Rs.100 to Rs.1,100 and usage charges per minute ranging from 67 paisa (for a Rs.1,102 coupon value card) to Re.1 for a Rs.100 card with usage minutes offered between 100 minutes to 1500 minutes respectively.

BSNL also has a post-paid option available for Rs.15,00 monthly charges for unlimited plan. In addition, another plan is targeted at ‘Netone’ customer with ‘Nil’ monthly charges and 50-paisa per-minute (Rs.30 per hour). The company plans to
provide 300 wiifi hot spots in 24 cities by the end of August. In addition, they would also be setting up 10 base stations for the under trial technology Wimax to cover larger areas.

The product of any company is influenced whenever

(a) New plans are introduced.
(b) New schemes are introduced.
(c) New recharge coupons are introduced (full talk time, chota recharge-puri baat).
(d) New technology is introduced (like CDMA, GSM, JAVA, etc.)
(e) New services are launched (Broadband, R-world etc.)
(f) Tariffs are reduced.
(g) Any change occurs in roaming & network.

All the points given above are discussed below:

RELIANCE LAUNCHES ‘ZERO RENTAL’ PLANS WITH LOWEST CALL RATES:

On May 18, 2005 Reliance Infocomm introduced two zero Rental Plans – New Joy 299 ZR and New Joy 649 ZR offering subscribers free intra-circle calls worth the entire monthly rental plans making them virtually zero-rental. The company has also announced that from now on all new subscribers will automatically get STD (subscribers Trunk Dialing) facility immediately on address verification.

From October 12, 2005 the R-connect tariffs have 4 new Times based plans:

(i) Freedom (Available only with sierra card) & Swift 72.
(ii) Freedom Plus (available only with Sierra Card) Swift 100
(iii) Platinum (available any with Sierra card) swift 180, swift 40.
(iv) Freedom at night.

RIM POSTPAID PLAN:

(ii) N J149 (Adv. Rental NJ 149 free 6 months).
(iii) N J149 Adv rental free 12 months,
(iv) N J 399, NJ299 ZR NJ 6492 R.

All these plans are discussed in the pricing chapter.

BSNL Excel Prepaid Plans are –

Rechargeable coupons – 70, 150, 300, 500, 1000, 2000, 3000

BSNL Cellone postpaid plan –


SCHEMES OF RELIANCE INDIA MOBILE ARE:

(1) Talk free from your RIM to any other RIM within your state. Both on postpaid and prepaid.
(2) Full money back offer purchase a new LG 2340 in Rs.2500 and avail full talk time of Rs.2500 for all calls.

(3) Salaam Namaste to Melbourne Download a Salaam Namaste ringtone on R world and you could win an all expenses paid Melbourne trip for two clicks on R world shuts new Salaam Namaste.

(4) Enjoy free incoming calls for Lifetime validity voucher at just Rs.995.

(5) India One Scheme
One India
One Million People
One Dream
One Network
One Rupee

BSNL SCHEMES ARE:
(1) Buy one Get one free.
(2) Student power only in Rs.99 monthly Rent.
(3) Raksha Bandhan Scheme, Buy one connection for sister free.
(4) Scheme for Govt. Employee Rs.100 rental No security charges.
(5) Under 949 prepaid card, whole life validity for increasing is available and the talk time will be of Rs.99/-. 
(6) BSNL offer a new scheme to those subscriber whose telephone has been disconnected due to the nonpayment of bill under this scheme, the subscriber is not required to pay rent of the disconnection period.

New recharge coupons are introduced full talk-time, Chota recharge puri Baat.

BSNL:
BSNL introduced recharge coupons of Rs.100 to Rs.500 having full talk-time.

RELIANCE:
Reliance introduced e-recharge having full talk-time and no access fee. The range from Rs.10—198 and offer full talk time if the customer options to recharge the prepaid account within the validity period without paying an extra access fee. This coupon ensures the user pays access charges only once a month.

NEW TECHNOLOGY:
GSM operators were the first to enter the market. There was a time when a call through a cell phone would cost the subscriber around Rs.16. Handsets which cost around Rs.30,000 or more were a Luxuries only the Privileged were entitled to use a wireless phone in India earth the entry of players like Reliance Infocomm (RIC) with
2.6 COMPANY OBJECTIVES

B.S.N.L.

B.S.N.L. is taking a number of steps to achieve its mission to provide world-class state of art technology telecom services on demand at affordable price and to provide world-class telecom infrastructure to develop our country’s economy. Recently, B.S.N.L. commissioned an additional capacity of 1 million CellOne lines in west zone, with 4.5 lacks lines for Maharashtra & Goa. In addition BSNL will introduce high and value added services such as GPRS, MMS and EDGE. One of the objectives of B.S.N.L. is to build customers confidence through quality and reliable service and provide bandwidth on demand. In order to give new value added services to customers of bfone at Pune, BSNL have rolled out their ADSL Broadband services in the month of Jan.2005, with this their customers can enjoy high speed internet. Access (minimum 256 kbps), Rich voice and video services with always a facility. The response to broadband has been over whelming. BSNL are constantly striving to give the best to their customer.

BSNL’s national internet backbone is a TCP/IP – based (Transmission control protocol/ Internet protocol) network currently comprising about 400 nodes distributed across India and supporting over one million subscribers with PSTN and & SDN internet access services. The second phase of the project includes deployment of remote access services (RAS) and related equipment across 71 cities in 25 telecom regions in India.

“BSNL is currently India’s largest service provider with over one million subscribers its dominance in the fixed line segment with more than 35 million subscribers presents a tremendous growth opportunity for BSNL in the rapidly growing data services market in India.

With its lowest tariff, wide coverage, extensive network, the nation’s largest telecom service provider Bharat Sanchar Nigam Limited is heading towards phenomenal growth. And the cherry on the pie is the AP Telecom Circle’s
contribution. This was disclosed at a Press Meet held on August 8, 2005 at Hyderabad. Chairman and Managing Director (CMD) of BSNL, Shri AK Sinha informed the media about BSNL’s objectives and future plans in making telecommunication network stronger.

“AP Telecom Circle is one of the largest circles of BSNL, in terms of revenue, services and competition. This is more specific in areas such as Basic phones, WLL and GSM. I appreciate this competitive spirit. We need to exhibit the same zeal and vigour in other areas as well” said Shri AK Sinha.

He also maintained that the target for AP Telecom circle is to reach 14 lakh connections by March 2006. BSNL shall commission a new GSM system in Andhra Pradesh. This will make the proposed mobile-connection-on-demand quite easy and hassle-free. With this system in place, customers could get mobile connection on demand at franchisees, customer service centers and post offices as well.

BSNL has been acclaimed for its rural reach. Rural connectivity has been BSNL’s USP. Elaborating on this front, AK Sinha expressed confidence that in the next two years, BSNL shall provide 6 lakh connections in rural areas. Three lakhs connection have been provided this year.

BSNL’s targets in the coming years include
- 125 million telephone connections by December 2007
- Expansion of 4 million phone lines in the South Zone (Chennai, TN, AP, Karnataka, Kerala Circles)
- Target of 10 million GSM customers in three years
- World’s biggest satellite network to be launched in February - March 2006
- Rural areas to get telephone connections in a span of two weeks
- Re-train the staff to make Customer Service Centres more effective
- Creation of massive IP Backbone network
- Value added services on landline phones

**BSNL News**
- New Plan 725 under postpaid cellular services
- Call charges from cellular to BSNL phones reduced
- CellOne services through WAP Portal of BSNL
- Migration of plan under prepaid services
- BSNL revises tariff for call charges from ITC
- BSNL reduces rentals on One India Plan
- BSNL charts ambitious growth plans
- Tariff for India Telephone Card revised
- Tariff for Hot Spot B type services revised
- More discount on 64 kbps and 128 kbps leased lines
MARKETING OF TELECOMMUNICATION SERVICES IN INDIA
-A Comparative study of BSNL & Reliance Infocomm Ltd.

CHAPTER II
PRODUCT DECISIONS

- Bfone, WLL intra-circle tariff cut by 25 pc
- BSNL cuts charges for GPRS download, MMS
- Unlimited internet access, SMS in rural areas
- Promotional schemes under CellOne this summer
- New Recharge Coupon under Prepaid services
- Unlimited usage on DataOne at Rs 900 per month
- Promotional schemes under Cellular Mobile Services
- New ISD, PSTN dial-up charges under ‘One India’
- Plan-100 scheme extended to all customers
- BSNL announces ‘One India’ tariff
- Free upgrade to broadband from dial-up extended
- DataOne installation charges waiver extended
- Free local phone facility for Haj pilgrims
- BSNL’s landmark achievements
- BSNL revises Basic, WLL packages
- New prepaid lifetime validity card from BSNL
- BSNL cuts landline rental to Rs 180
- CellOne ‘Plan 100’ offer period reduced
- 25% more talk time on recharge coupons
- ‘Dial-up to Broadband conversion’ scheme extended
- Hot Spot–A tariff period extended
- Toll-free numbers of 18X series changed to 158X
- Full talk time on Rs 1,000 recharge coupons
- New recharge coupon under Prepaid Services
- Security deposit under Plan 100 revised
- New postpaid SMS plan under cellular services
- BSNL introduces top up cards of Rs 50 and Rs 100
- BSNL to re-launch Student Power Scheme-99
- 15 hours free internet for CLI-based subscribers
- CellOne Plan 100 extended to state PSUs staff
- Free upgrade to Broadband for dial-up users
- BSNL introduces two more MMS/GPRS based VAS
- BSNL offers full talk time on recharge coupons
- BSNL offers free short-duration Sancharnet cards
- Trial dial-up VPN for MPLS VPN customers
- BSNL revises call-forwarding charges
- Free PC per week with bundled broadband connection
- BSNL offers free ITC under festival offer
- VPN tariff for non-corporate customers revised
- BSNL: saga of success continues
- BSNL reduces tariff of MPLS VPN & IP VPN services
- STD/PCOs to sell BSNL recharge coupons
- BSNL offers new post-paid plan for govt, PSU staff
- BSNL reduces grace period under pre-paid service
- BSNL to connect tsunami hit Andaman
- BSNL launches new offer for prepaid customers
- BSNL makes 'Come back' easy for customers
- BSNL revises tariffs for leased lines
- BSNL signs a deal with SLT. Connecting 2 countries
- BSNL to provide WiMax in five cities by 2006
- ISDN to have CLI-based internet Service
- BSNL to spend Rs500cr on infrastructure upgrade
- BSNL extends Plan 100 & Plan 799 for WLL-M
- BSNL to offer PCs on monthly installments
- BSNL announces tariff for CDMA 2000 1X
- BSNL waives off call forwarding charge
- Waiting list system for faster Excel connections
- BSNL launches promotional offers in mobile service
- Student power plan extended for one year
- Chennai airport gets its first BSNL Hotspot
- 40 lakh new CellOne connections soon in South
- BSNL introduces Rakshabandhan & Janmashtami scheme
- Season's greetings and special offers from BSNL
- BSNL introduces revised tariff for DataOne
- BSNL APTC honours employees with Sanchar awards
- BSNL-AP extends 12555 services to landlines
- BSNL announces introductory tariff for Wi-Fi
- BSNL to introduce videotones
- BSNL targets to add 1 mn mobile connections in AP
- BSNL announces SMS Chutti winners
- BSNL extends F&F talk scheme beyond the LSA
- BSNL cuts down the addtl grace period for Excel
- Shifting charges for Dataone waived off.
- BSNL slashes minimum hiring period for ISDN
- BSNL announces winners of dream holiday contest
- BSNL makes international calls easier
- BSNL, MTNL to provide radio news on phones
- Sarkar on CellOne
- SMS to win a dream holiday
- Top up cards for Excel subscribers
BSNL to invest Rs 360 crore for Caltel expansion
BSNL likely to get Navaratna status
BSNL mobile base crosses one-crore mark
BSNL introduces Super Mega Plan for ISDN PRIs
Payment of telephone bills at PCOs
Slash in Dataone charges
BSNL and Big B strike back with KBC 2
BSNL expands cellular services in north India
Price cut in BSNL’s internet access tariff
Calls between metros and tel circles to cost less
Slash in tariff for leased lines above 2mbps
BSNL reduces ISD charges for rest of the world
CMD greets on the World telecom day
BSNL-AP launches e-Pin service
Reactivation of Excel SIM card
BSNL extends ITC facility to Tarang subscribers
BSNL-AP launches IVRS for CellOne subscribers
HTD adds glitter to colours with more offers
BSNL adds colours for Holi
BSNL west zone to have 1 mn mobile connections
BSNL Portal & DOTSOFT win national award
BSNL launches sale of IT cards in Post Offices
BSNL launches DataOne for Pongal
BSNL announces the tariff for DataOne service
DoT’s vigilance cell to curb grey mkt operations
New Year Message from CMD, BSNL
Plan 140 extended to Kerala &Karnataka tel circles
Season’s greetings & offers for New Year from BSNL
Brand BSNL rings in trust: Brand Equity
Southern Telecom Region - AP is now ISO certified

RELIANCE INFOCOMM:
Reliance Infocomm entered the segment with varying focus, different strategies
a assorted aspirations discussed below are ten key strategic dimensions along which
there new entrants to the reliance Infocomm have made their initial moves to position
themselves in the newly opened sector.

Needless to say, such initial choices will facilitate or constrain framing of future
strategies and also performances of Reliance infocom.
SCOPE – BUSINESS PORTFOLIO:-

Reliance additionally has eyes on the data services segment, which is stated to exceed the voice traffic very soon. As against this BSNL mobile see themselves essentially as focused players with strong commitment in the cellular segment. Reliance infocom, which had entered the telecom sector rather cautiously in mid-nineties through the cellular route in the non-metro segment, came to the conclusion that cellular market was soon going to become a game of diminishing returns and changed its tack to focus on wire line business, where investments required to cover the entire Indian market would be very high (implying that not many companies will be able to make large scale entry).

This investment in the wire line backbone can then be leveraged to attack incumbent players in cellular segment through using low cost code division Multiple Access (CDMA) powered wireless in local loop (WLL) Limited mobility technology.

SCOPE-GEOGRAPHICAL:

Reliance Infocomm of geographical sector where a new entrant to the demerits telecom sector wishes to be presents also a key decision. The range of choice available can include local, regional and national. Reliance Infocomm gives its big bang approach plans to cover all the 18-telecom circles in India.

VALUE PROPOSITIONS:

Reliance infocom, which is investing US$5 billion in backbone infrastructural to connect 115 towns and cities and advice economies scale, has also put in major investments for setting up as many as total solution on data services to both corporate and individuals.

They have built teams of software professionals who are working in groups to develop innovative products and services in killer applications in such areas as streaming videos, films, news, sports, cartoons etc. While all these applications are aimed to create differential positioning in favour of Reliance Infocomm in the minds of customers, an additional value will be that a single strands fiber will make available “always on” broadband service and access to data/knowledge center, fixed telephone line and virtual private network.

VALUE CHAIN CONFIGURATION:

Configuration of value chain depends on the generic strategy being pursued and critical capabilities the firm has or proposes to have. Reliance Infocom, to whom a key value proposition will be to provide customers with an opportunity to experience and taste their information’s products and services, proposes to set up thousands of company owned web stores, where customers can buy mobile phones and accessories, play online games, hold video-conferences and use
internet. For customers who will place orders for phones online, deliveries will be made through courier services.

They have also put in place a consumer-marketing group to sell the company’s products and services, as an FMCG COMPANY would do.

While Reliance InfoComm have plans to have the entire backbone infrastructure as well as manufacturing facility for CDMA handset and CDMA compatible PC Cards in house (objective being to be present in all segments of industry value chain and appropriate bulk of the industry profit pool), other major players may go for a combination of in-house and shared for networked facilities.

Configuration of value chain depends on the generic strategy being pursued and critical capabilities the firm has or proposes to have.

TECHNOLOGY PLATFORM:

There exist a large number of technological options in telecom field, each characterized by unique features, complexities, investment requirements, reliability and maintenance need. In Reliance InfoComm where technology is fast changing, service provider will need to be extra cautious before making irreversible commitment to a particular type or generation of technology.

Reliance InfoComm followed this strategy and waited for Govt. to come strategy and waited for Govt. to come up with policy guidelines that allows basic service providers to offer WLL. Limited Mobility. While Reliance InfoComm could hedge their technological risk this way, companies like Hutchison got exposed to competition from basic service providers with WLL Limited mobility technology particularly in low proceed, standard value proposition segment.

The Global system for mobile communication (GSM) technology – a type of Time Division Multiple Access (TDMA) Cellular network prevalent in Europe, even with General package Radio Services (GPRS) technology, deployed by “pure” cellular players will have Limitations in offering a range of broadband services. Which CDMA 2000 1X technology that powers WLL, will be able to provide.

STRATEGIC ALLIANCE PARTNER:

When faced with the daunting task of mobilizing resources, technology and marketing capabilities needed to face formidable competitors having all these inputs, Reliance InfoComm lacking these resources to required degree often enter into strategic alliances with partners having complementary skills, resources and geographical price, the aim being to improve the chance of success in the unfolding industry. The choice of alliance partners can be critical to future success.

A series of strategic alliances both formal and informal, have already been entered into in the Indian telecom sector by companies who are either constrained by shortage of resources or do not have adequate Reliance InfoComm will enter into a
technology agreement with Samsung of South Korea to manufacture CDMA handsets in hours.

LEGAL STRUCTURE:

Reliance Infocomm planning to make a big foray into the Indian telecom sector in is the kind of legal structure it should have, to drive its strategy and business plan. For example should it have separate legal entities for servicing wireless and data services? Should it have an independent company for running the backend infrastructure and a separate outfit for providing the information and related services, should the long distance (both national and international) be kept separate from basic services?

Reliance Infocom, the Original plan was to have two separate legal entities for wire lines and wire lines business. But realizing that such a separation of the two activities will not extract full value of mega investment proposed in information and communication segment, it is now proposed to have one single entity viz. Reliance Infocom, to oversee both the business.

MODE OF ENTRY:

Reliance Infocomm follow different entry strategies for entering different segments of the industry, based on their respective assessment of how the chosen route would provide specific advantages like lowering the cost of and time of entry and access to markets being targeted.

In wireline business Reliance Infocomm mainly adopt the organize route, the reason being non-availability of acquisition candidates and green field projects.

Reliance Infocomm proposed to Fiber Link Across the Globe (FLAG) as a step to complete the network with an international gateway.

Reliance is also reported to be considering purchase of SIFY, an intern company, which will give the company access to a large base of corporate customer besides the internet gateway license for 15 cities and net telephone.

TIMING OF ENTRY AND ROLL OUT:

Timing of entry and roll out is a major strategic decision. Too early an entry involving irreversible commitments may turn out to be wrong while delayed entry may mean lost opportunities.

Reliance Infocomm too entered the Cellular market but they chose to keep a low profile, as can be derived from their focus on Non Metro segment the going rate for license was for lower than the for metros.
Reliance Infocom, which kept low profile in wire line business even in late nineties, once the Govt. also agreed in principal to allow basic service provides to offer limited mobility.

Reliance Infocom could effect this change of focus, because it understood that the last words in either regulations or technology were not told in Midnineties & hence the decision they took at that time, of having just a foothold in the cellular segment, the objective being to have an option on the future. Their planned delay in taking the full-scale plunges in the telecom sector was no doubt strategic.

Reliance Infocom objected to put the massive investment of 5 million & us. When most advanced economies were under several opportunities to do hard bargaining with suppliers & lower effective cost of the project.

PACE OF EXECUTION:

The speed at which a project will be executed is a major decision that can have important cost implications. It is well known that longer the execution time more will be the over all cost of the project. The delay will also imply loss of opportunity to use the investments being made.

The decision taken by reliance Infocom to accelerate the execution work not just in terms of buying the fiber but also putting up data centers & software development facility is likely to help the company position itself more strategically than other players.


- Reliance Infocom object transform thousands of villages & hundreds of towns & cities across the country.

- Reliance Infocom object pave the way to make India a global leader in the knowledge age.

- Reliance Infocom object to reach 90 percent of the country’s population.

- Reliance Infocom object extend its efforts beyond the traditional value chain to develop & display telecom solutions for India’s farmers, business, hospitals, Govt. & public sector organisations.
Reliance Infocomm with time their ambitions have become larger & their deadlines, even more aggressive soon we can take pride in the fact that they are not only the largest networks in India.

2.7 **ELIMINATION OF OBSOLETE PRODUCT**

A decade ago, mobile phones were a luxury owned by the privileged cases. Today is has bounced a household product that suits all packets and tastes.

Landline a few years ago, one has to ask for taking connection in exchange. One cannot contact directly to their friends, relatives etc. now it has been completely eliminated now. One can calls anywhere & to anybody directly. It has become possible due to the introduction of new technologies.

BSNL STD all over India. But now they have altered the STD plan. Now customer can make call at Rs. only anywhere in India. It means STD charges have been completely eliminated. They have made ‘one India’.

Reliance has also followed the same policy. They have also altered the STD plan & introduced “India one”. Under this plan one can make call at Rs. 1 only all over the country. All the plans will be discussed in the promotion decision chapter.

2.8 **PRODUCT MIX STRATEGIES**

**PRODUCT MIX STRATEGIES:**

A product mix is the set of all products and items that a particular seller offers for sale. One of the relatives of business is that most firms deal with multi-product. This helps a firm diffuse its risks across different product groups. Also, it enables the firm to appeal to a much larger group of customers or to different needs of the same customer groups. So when telecommunication industry chose to diversify its product like land line, fixed phone, mobile etc. It sought to satisfy the needs of the middle and upper middle-income group of consumers.

A company’s product mix has a certain width, length, depth, and consistency.

The width of a product mix refers to how many different products line the company carries.

- The length of a product mix refers the total number of items in the mix.
- The length of a product mix refers to the total number of items in the mix.
The consistency of the product mix refers to how closely relate the various products are in end use. Production requirements, distribution channels, or some other way. 

The depth refers to number of product items and their variations (like size, packaging, colours, etc.) offered in each product line.

**BSNL PRODUCT MIX:**

BSNL product mix is the set of cellone, excel b-fone, tarang sancharnet and webfone BSNL offers all the set for sale. We are shortly discussed all their products in the product line. Now we discussed all the product mix of B.S.N.L in detailed they are as follows-

**b-fone:** b-fone means basic fone or landline phones which customers like internet service international long distance service & local service. it is an existence for over 150 years & 3.8 crores satisfied landline customers.

Phone facilities to a customer are-

1. Dynamic Lock – safe guard against misuse of telephone.
3. Call waiting – Say no to missed call.
4. Hot Line – No Dialing, No handles
5. Call Transfer – Your calls follow you
6. Abbreviated dialing – least dialing efforts
7. Clip – Know thy caller.

**PRODUCT MIX OF BSNL**

![Diagram of Product Mix of BSNL]

**Figure No. 8**

When it comes to connecting the four corners of the nation, and much beyond, one solitary name lies embedded at the pinnacle- BSNL. A company that has gone past the number working round the clock to take Indian into the future by providing world
class telecom services for people of India. BSNL is India’s no-1 Telecom brand of the nation.

Driver by the very best of telecom technology from chosen global leaders, it connects each inch of the nation to the infinite corners of the glob, to enable you to step into tomorrow.

B-FONE:-

The plan old, Countrywide telephone Service through 32,000 electronic exchanges. Digitalized Public Switched Telephone Network (PSTN) WITH A HOST OF phone plus value additions.

BSNL launched Dataone broadband services in January 2005, which shall be, extend to 198 cities very shortly. The service is being provided on existing copper infrastructure of ADSL2 technology.

The minimum speed offered to customer is 256 Kbps at Rs.500/- per month only. Subsequently, other services such as VPN, Multicasting, Video Conference, Video-on-Demand, Broadcast application etc will be added.

Keeping the global network of Networks networked, the countrywide internet services of BSNL under the brand name Sanchar-net includes internet dial up/leased line access, CLI based access (no account is required) and DIAS service, for web browsing and E-mail applications. You can use your dialup sancharnet account from any place in India using the same access no ‘172233’ the facility, which no other ISP has. BSNL has customer base of more than 1.7 million for sancharnet service.

Internet telephony service is also started under the brand name WEBFONE, using this you can make calls to a person in UK.

Now days BSNL provide many facilities on the landline on the landline phones like billing enquiry, caller id free facilities. Complained on line & now they have wide coverage area without STD. With help of the dialing 95 in all U.P.

WLL.(wireless in local loop):-

It is available in two versions WLL fixed (FW5) & WLL (mobile) this is helpful only with in the local loop.

SANCHAR NET:-

The internet service India’s no.1 with more than 12 lacks subscribers connecting over 550 cities throughout the country under the brand name of sancharnet. BSNL has also launched Sanchar net cards, which is a prepaid internet access card & is available in several denomination values.

The basic fone have other new technologies & new services also:-

- Sim rings
Intelligent network (IN) (first city to launch the service)
Local network managed system (first city to launch the technology)

- Microtunnelling (first city to launch the technology)
- Managed leased line Network (MLLN, GSM)
- Wireless in Local Loop (WLL) COMA.
- India Mobile Personal Communication service (AMS).
- Fiber to the Building in the form of RLV and DLC, which has reduced the average copper loop length too less than 2Km.
- Direct Internet Access Service (DIAS).
- Voice Over IP (VOIP)
- Account Less Internet
- Internet Telephony (Webfone)
- Sampark (IVRS based).

CUSTOMER CARE STEPS:-
- Different modes of bill payment.
- Changed number enquiry service 1951/1952/1953.
- Billing information system 1501/1502/1503.
- Telephonic reconnection service.
- Telephonic address correction.
- Fault docketing through IVRS
- CTD web site.

WEB FONE:
It is a prepaid internet telephone card. Talk globally’s pay nominally through your PC. It is a card system, which is, provide for the purpose of internet.

**Intelligent Services**

From BSNL

BSNL's intelligent network (IN) is deployed to provide services for telecom network more conveniently, effectively, rapidly and economically, it offer integrated network solution for fixed lines and wireless. The IN service numbers can be reached from any 007 the BSNL/MTNL Telephones.

Serviced Offered:
- Free-Phone service (FPS)
- Premium Rate Service (PRS)
- Universal Access Number (UAN)
- India Telephone Card (ITC)
Account Card Calling (ACC)
- Virtual Private Network (VPN)
- Tele-voting

**Free-Phone service (Toll-free service)**

This service shows the new function in charging. The called party will pay a call to a service subscriber. All charges are lived on the service subscriber. For the calling user the service is free of charge. Ideal for hotels and the whole business community in general, who want their customers to call them free of cost? It is ideal for about their product; allow customers to place orders and even register complaints through this service.

**Premium Rate Service (PRM)**

In an information society acquisition of plentiful information affects our life greatly – from daily life to financial investments from shopping to travelling.

The PRM service enable service subscribers to provide such information at a premium calling rates to user it is a quick and accurate way to get the latest information – anywhere, any time.

The service subscriber can be reached though a PRM number and all calls rout to the detonation he registered. The service subscriber may have incoming calls routed to his installation or rejected according to the set of feature.

**Features:**

- Revenue sharing between the service provider & BSNL.
- PRM service accessible though ITC card.
- Origin Dependent Handling.
- Date/Time Dependent Handling.
- Call Distribution line Hunting.
- Activity Period.
- Call Queuing.
- Call Rerouting.
- Call Limiter.
- Time limit per call.
- Incoming gray list.
- Detailed billing.

**Universal Access Number (UAN):**

Always in touch never away from home. A service wherein the service subscriber can be reached national wide under a unique UAN number and all calls are rout to the destination he registered. The service subscriber may have incoming calls to rout his installation or rejected according to a set of feature.
Totally convened for the subscriber who has multiple offices in multiple cities of location. The subscriber can retain the UAN number even after the office location changes. Be Smart Keep in Touch!

Features:
- Split charging possible
- Origin Dependent Handling.
- Date/Time Dependent Handling.
- Activity Period.
- Call Queuing.
- Call Rerouting.
- Call Limiter.
- Time limit per call.
- Incoming gray list.
- Detailed billing.

India Telephone Card (ITC):
This convenient prepaid card gives the customers the freedom to make Local, STD, ISD barred phone. Simply the customers can dial his card number and secret code from any telephone set nearby to make calls without paying the call fee onsite. India telephone card are available at all customers service centers of BSNL and his franchisee. ITC card purchased in one city can be in any other city.

Features:
- TC card available in various denominations to suit a customer’s need and pocket.
- No free calls, all calls are chargeable @ Rs. 1.10 per unit for calls origination from PSTN and as per tariff charts for calls origination from mobile.
- No registration charges.
- Expire period: 18 months from the date of printing and validity period of 3-9 months.
- ITC card can be used to make PRM calls and calls from BSNL mobiles.

Account Card Calling (ACC):
This service allows the user to make a phone call from any normal phone to any destination number and have the cost of these calls charged to the account specified by the Account Calling Card. This card is ideal for cooperates & executives.
Economical card convenient, customers need not worry about consumption out of budget and help executive control their calling:

Feature:
- Four simultaneous calls possible from same Account card.
- Local, National and International dialing is possible.
- National & International calls restriction.
- Calls restriction also possible according to origin & destination.

**Virtual Private Network (VPN):**

This service for providing a private network for same institution and business using public network composed of the PABXs of institution, businesses and communities interconnected through the resources of the PSTN or a single user may access the virtual Private Number.

**Features:**
- Translation of multiple private numbers to one public directory number mechanism.
- Multi-site Organisation.
- Short Group Numbers is external number defined for the whole group located at multiple sites.
- Exception List.
- Date/Time Screening.
- Call Duration Controls.
- Multiple Account Code.
- Dual Invoicing.
- Call Forwarding from one VPN number to another.
- Hunting List.
- Substitution.
- Preferred External Destination (PED).
- No call charges for management function.

**Tele-voting (TVT):**

Tele voting – voting by telephone is a service for comments collection or public opinion pool. The enterprises or commercial companies who need this service can apply one or several number for telephone voting. The user, who would like to vote, can dial the specific voting number or register his vote of his/her will. Large numbers of TV companies are using this service to increase or retain viewers through incentive based programs. Tele voting is also possible from telephone not having STD facility.

**Features:**
- Each call complete to each of the choice of the cote number increase a counter related to the dialed VOT number and that choice.
- Validity period/Time band for allowing voting.
- On demand, partial results can be given to the service subscriber while Tele voting is in progress.
- Specified nth winner calls routing possible to a number in studio.
- Certain telephone number may be put in Black list/Gray list.
- Origin Dependent Handling.
- Attractive Revenue sharing between the service provider and BSNL.
MOBILE SERVICES OF BSNL ARE:

CELL ONE –

The Post paid mobile – BSNL is providing post paid service under the brand name of CellOne. It consists of SIM card subscribers identity mobile (SIM) card is a link to the Cellone BSNL Mobile network. It bears an international mobile station identity that is linked to a mobile phone number (MS short message service) Mobile to Mobile messaging is a revolutionary new means of communication that allows cellone mobile subscribers to send a short text message unstintingly to any other with when BSNL has roaming agreements with you can type down the message and send it to any mobile CellOne, which bring cellular telephony to the masses, through innovative technology and strategic pricing.

This ambitious service uses state of the art GSM technology to attain global excellence and leadership in business. Our entry into this sector has brought GSM cellular service of an affordable cost to the common man. All serving a single objective, to provide better communication to millions across India.

Why should you choose CellOne

- For the first time in country, all major towns and cities are covered through our network.
- All nation and states highways are covered.
- The facility of one number roaming across the country.
- Appropriate and reasonable tariff packages to suit every packet.
- Absolute transparency in billing.
- All regular feature of cellular telephony, such as SMS as well as advantage feature likes MMS available.

As a cellular subscriber you will enjoy benefits like:

- No security deposit if you are an existing BSNL subscriber.
- No security deposit or monthly rental for national roaming in plan-325 & 525.
- CLIP free.
- Call waiting and call holding facility free.

BSNL Service Plus:

CellOne supports a number of value added services. These enhance communication and transform a simple service to a great advantage. Thereby bringing global connectivity to your doorstep.

(1) VMS (Voice Mail Service):
Through you may miss a call; you will never miss what the caller has to say with cellone voice mail. It is truly mobile voice mail. The receipt of a mail message results in the generation of message waiting indicator on the customer's mobile phone.

(2) SHORT MESSAGE SERVICE (SMS):
SM network provide the advantage of ending and receiving short text message, to and from mobile handsets.

(3) INTELLIGENT NETWORK SERVICE:
- Premium rate e.g. information lines & entertainment.
- Universal Access Number
- Pre-Paid service
- Personal Numbering IMPCS (main) Project
- Virtual Private Network (VPN)

ROAMING:
At Cellone, we believe you should be able to talk to whenever you want, whenever you want and wherever you want. That's why cellone offers you roaming services designed to meet your needs. International roaming facility to more than 300 networks.

Cellone have other features also like cheap tariff, this will discuss in the pricing chapter, call forward, call conferencing, call waiting, clip and activation of SIM, etc.

EXCEL:
Excel is the prepaid service of the cellone cellular service of BSNL. It offers you a host of value added services and unmatched features not found in any other cellular service. All India roaming facility is also available on Excel service.

Excel, which bring cellular telephony to the masses, through innovative technology and strategic pricing.
This ambitious service uses state of the art GSM technology to attain global excellence and leadership in business. Our entry into this sector has brought GSM cellular service of an affordable cost to the common man. All serving a single objective, to provide better communication to millions across India.

Why should you choose CellOne
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- The facility of one number roaming across the country.
• Appropriate and reasonable tariff packages to suit every packet.
• Absolute transparency in billing.

All regular feature of cellular telephony, such as SMS as well as advantage feature likes MMS available.

BSNL SERVICE PLUS

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(3) Intelligent Network Service:
• Premium rate e.g. information lines & entertainment.
• Universal Access Number
• Pre-Paid service
• Personal Numbering IMPCS (main) Project
• Virtual Private Network (VPN)

BSNL providing prepaid mobile service under the brand name of ‘Excel’, special features are—
- Total cost control.
- No rentals
- No Deposits
- STD/ISD activated.
- Caller line identification free.
- Calling facility till the last rupee.
- Balance on screen & Balances on Demand.
- Enhanced voice mail service
- 24 hour easy remote recharge facility
- Short Messaging service (SMS)
- Call divert, call hold scull wait.
- Widest Network Coverage.
BASIC PHONES OR FIXED WIRELESS TERMINAL:
In January 2003, Reliance Infocomm introduced a call forwarding mechanism that the factor provided roaming. This enabled full mobility on a par with that offered by the GSM based CMSPs, it aggravated the already continuous arguments between the CMSPs & basic Telephone service providers1 over “just & fair” interconnection fees as well as just & fair fees for the licenses themselves.

The wireless is not due to a shortage of copper wire. Rather, it was due to the recognition by the providers of “Basic Telephone service” that mobile telephony was more cost-efficient to deploy than was conventional landline.

Reliance basic phones are without wire that is the main difference between Reliance & B.S.N.L. landline phones. In case of Reliance customer has to charged their landline phone as they charged their mobile. While in BSNL this is not so.

MOBILE PHONES OR WIRELESS POSTPAID:
It is the alternation of the landline. It uses2 its CDMA network for voice & data.

To support its r world platform, Reliance requires that all of its CDMA handsets include java capabilities. Reliance Telecom operates CDMA networks. They are India’s largest mobile operator with more than 7.2 million subscriber.

CDMA technology is a 1996 technology. Whereas the GSM technology is a 1990’s technology. This six years gap in technology has resulted in difference in quality. This technology mostly used in the postpaid mobile phone with this technology customers having java enabled handsets can experience a bouquet of state-of -the art voice & data offers. Internet & national coverage, along with better deliverance than any other network.

In postpaid services customers get their bill at home & marks payment of bill monthly. Mobile is a product that appeals to all. An individual can acquire it through his company or in his own capacity. There are many facilities on postpaid mobile services to their customers like R world. This is the most famous service of Reliance Infocomm.

Infocomm launches TN-Chennai postpaid roaming pack. This unique RIM postpaid Roaming pack (RIMPRP), launched in Chennai on feb.16, 2005.

PREPAID MOBILE SERVICES:
Reliance Infocomm launched their prepaid product on Feb 9-2004.rim prepaid there afer went on to establish itself as a market leader in just a few weeks. Today, Rim has one of the largest prepaid subscribers base in India with the largest range of innovative recharge products like-E-recharge, top up cards & vouchers like unlimited on-net voice & unlimited SMS.

They choose converse to supply both prepaid & voice mail services came after long & rigorous technical examination. They put the converse system through the
paces & they came up a winner on all counts. Leading the list of pros for converse was the platform's ability to support the IS-826 IN (intelligent network). Converse prepaid system supports more than 30 different languages & currencies & could be easily adapted to the multi-language needs of India.

In the prepaid they have world card, a prepaid rechargeable account-based service that can be used from any Rim (post paid & prepaid).

Reliance Infoscomm have top up-card facilities. Top up card gives subscribers the convenience of sending any number of SMS messages, to any reliance phone in the country.

While on other hand B.S.N.I don't have these facility now-a-days. But other functions are same like SMS, VMS expect R world. R world is the most important features of reliance India mobile. Roaming facilities are so cheapest no monthly charging.

Sustain! Everybody used to say in the early days that reliance network nahi chasta hai. Today. Nobody talks about it. Reliance network is taken for granted, reliance phone calls always nature, reliance calls very seldom drops.

BROADBAND SERVICES:

From the broadband side, they think competition does not exist. It is all limited by their ability & the speed at which they are able to extend their broadband network. Unless wireless network, setting up the broadband network which is based on optical fiber connectivity is very efforts, time & capital intensive. It takes enormous investment & effort to did, lay new cables, obtain right of way, building permission & a flawless integrated BSS-OSS system for integrated CIOU operations. Reliance is excelling over the competitions legacy network & back-end systems.

Reliance penetrates the market place with broadband & once they see broadband coming from reliance player- a unique, single, over all comprehensive Infoscomm service provider is the place where they belong.

Reliance says the broadband service is the backbone of which is next generation optical data centric network architecture.
The fiber are connected to most of the business complexes & building early the power of one gigabit per second capability & the full suite of multi-media & voice service on broadband. It is the probably be one of the most modern networks not only in India but also across the world. Reliance have all kinds of collaborate applications- video conferencing, even video telephony, extremely high speed data connection, virtual private network for corporate houses to link up with the extended enterprise chain, as they are all their branches to be connected with trans parent LAN services, VPN services etc.
2.9 EXPANSION OF PRODUCT

Expansion of product refers to the process of adding new product items in its existing produce lines.

Adding a product line, upwards is done due to the structural change in the market place – the most important being customer life styles and demographic characteristic like rising incomes and lower proportion of consumer income being spent on landline phone product. Development in phone contributing to increase awareness may also motivate a firm to stretch the product line. Today we are seeing the expanding role of mobile:-

- BSNL provides many services like B-fone, WLL, Sancharnet and in Web fone they provide cellone one, Excel and Broadband Services.
- Reliance Infocomm provides like – Wireless services, Prepaid services, postpaid services and Broadband services.

Hence more consumers are becoming aware of new products ideas. This awareness also exists now in the rural area markets.

Competitive pressure may also drive a Telecommunication company to extend its product line to include hi-tech products. Cut throat competitive pressure may also drive a telecommunication company like Reliance Infocom, BSNL, Airtel, and Tata Indicom, to take hi-tech produces and vacate low-tech product areas. Besides, telecommunication strength in the Market place like brand image, distribution network and sales force strengthens its resolve to stretch product lines upward.

BSNL plan to increase cellular base by March

*2004-01-28* the state-owned Bharat Sanchar Nigam Ltd. Is on an expansion spree. The company expect to increase is 48-lacks cellular subscriber base by adding another 10-15 lacks subscribers, taking the total cellular base in the country to about 62 lacks by march 31,2004.

“Our current cellular subscriber base stands at close to 48 lacks users. During the current year itself we have added 26 lacks customers, till now. We expect to add any where between 10-15 lacks more customers between now and march 31,2004,” BSNL chairman and managing director VP sinha told PTI.

Commenting on the outlook for 2004-05, Sinha said. “We are looking at adding one to on erores for cellular, WLL and fixed line service combined.” Of this, the cellular service providing expect as much as 70% to come from the cellular segment. We expect our cellular subscriber base to reach 135 to 140 lacks by March 31,2005,” inha added.
2.10 **CONTRACTION OF PRODUCT**

Contraction of product refers to the deletion of existing product in its product lines. Further, a firm may go up in its technology and use state of the art technology or decide to stretch the product line downwards toward a more simple technology.

Downwards is done due to the structural change in the market place—the most important being customer life styles and demographic characteristics like rising incomes and lower proportion of consumer income being spent on telecom.

The decision to stretch the product line downwards is often dictated by the firm’s desire to be present in all market segments. Marketing capabilities, strengths in the distribution channel and a gap in the market place are some of the key factors that drive firms down-wards in their product line. Many a time, competitions and customer preferences can act in combination, driving the firm to launch low priced or less sophisticated products.

But, at times a firm may stretch its product line downwards become it has a brand image in a particular market segment and would now like to expand its market share in the target market.

2.11 **PRODUCT MODIFICATION**

Modification may be required in the existing product line or product item. These changes may be tangible or intangible and may be achieved by reformulation, redesign, changing unit sizes and adding features.

**BHARAT SANCHAR NIGAM LTD. (BSNL):**

Product modifications are the new telecom policy of 1999 mandates that BSNL provide full telecommunications services to the country outside operator. BSNL launched mobile services in Nov.2002, with more extensive coverage than any other operator. This has enabled it to dominate in areas that previously had no connectivity.

India prides itself on the quality of its postal service, even in its remote areas. Starting in December 2002, rural postman began to carry BSNL handsets to offer calls along their delivery routes, for which they received a 25 percent commission, initially; this brought basic mobile service to 8,000 villages, reaching people, who otherwise could not afford a phone. As of April 2004, BSNL’s coverage remained more extensive than that of any other operator.

With the migration from rural to urban areas, numerous villagers have friends and relatives in the cities, recognizing this, BSNL has promoted long distance calling over its cellular network. In so doing, it utilizes its 400,000 kilometers (250,000 miles) of optical fiber backbone.
RELIANCE INFOCOMM

In Jan. 2003, some of the Limited mobility licenses, notably Reliance Infocomm introduced call forwarding mechanism that de facto provides roaming. This enabled full mobility on a par with that offered by the GSM-based CMSPs.

As late as April 2004, reliance had intended to begin charging for data as of June 30. This date has since slipped toward the end of 2004. Reliance has made no indication of how it would charge or how it anticipates that subscribers would respond. Among the most popular application are voice announcements in the native languages of different regions and ring tones in native music.

POST PAID TO PREPAID MIGRATION:

Reliance Infocomm on June 14, 2004 announced that it will offer RIM postpaid customers the option to migrate to prepaid service. Those migrating get a promotional recharge voucher with free talk time of Rs.200 pre-loaded on the prepaid account.

2.12 ALTERATION OF EXISTING PRODUCT

Alteration of existing product refers to the change in the product according to the changes in the environment.

Alteration of existing product includes change in the colour of the product, its design, the addition of a new feature, a change of package or a change of brand name.

The need for responding to changes and the need for new profits are not the only factors that persuade business firms to go in for Alteration of existing products. There is a more compelling need—the need is combat the threats arising from the environment. In fact, on the environment front a firm has to combat economic, social, political, legal and technological threats. These threats make some of their current products highly vulnerable. And to reduce the vulnerability of their business as a whole they stake out alteration of existing products.

Alteration of existing products offers new growth and thus secures the overall viability of the firm. The risk also gets spread over several products existing as well as Alteration products, existing as well as alteration products, so that the firm does not face the threat of sudden extinction. A business firm is vulnerable to many factors, such as changes in general economic conditions, social/political/legal press, technological changes & supply problems. This is in additions to the ever present vulnerability from completion National & International economic trends do affect business in India in the recent past several companies that had entered into collaborations with Japanese firms found their profitability getting adversely affected due to the value of Japanese yen going up steeply. Forces within the country like
drastic changes in the fiscal & monetary policies of the country also affect the companies & their business seriously.

Social & political pressures also contribute to the vulnerability of business. Legal restrictions prevent several companies from expanding their capacities in their existing product lines. Technological changes make several products absolute over a period of time. At times problems of supply of raw materials, Utilities, etc. also sender existing business /products risky.

BSNL ALTERATION OF EXISTING PRODUCT:

BSNL furnishes rural postmen with phones for use by customers along their routes. It is stimulating long distance traffic by encouraging long distance traffic by encouraging villagers to call friends and relatives who have migrated to the cities. It collects 14 percent of India’s landline telecom revenues from 11 percent of the fixed access lines. In light of this, BSNL appears more focused on its landline heritage than its for smaller mobile services. This focus includes accelerating capital spending & upgrading customer services although it is using its fiber transmissions lines for cellular as well as landline.

As example of its landline focus in early August, BSNL announced that it would use Rs.2.5 billion of its cash reserves to build to broadband network in direct competition with Reliance it hopes to offer 1,00,000 broadband connections by the end of Nov.2004 & 278000 by the end of March 2005 Notwithstanding BSNL nominal privatisations, this move implicitly supports the Govt. policy to encourage greater use of the internet & broadband.

As we discussed in the earlier chapter that it launched mobile services in Nov.2002 with more extensive coverage than any other operator. This is the Alteration of existing product of BSNL.

BSNL promoted long distance calling over its leverages this not only to connect its mobile network but to increase its long distance revenue as well BSNL. Broadband service is just coming in nine cities in the circle. These are Agra, Ghaziabad, Meerut, Noida, Sharanpur, Mathura, Aligarh, Moradabad, Bareilly.

(1) GPRS/MMS LAUNCHED A B.S.N.L. MOBILE:-

The much--awaited General Packet Radio Switching (GPRS) & Multimedia Messaging service (MMS) to used to be a weakness in the B.S.N.L. MOBILE SERVICE, has now been started.
Now speedy surfing of internet /data connectivity & video /audio message can easily be exchanged using there services.

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M.K. JAIN

[CHoudhary]
(2) BILLING OF MOBILE THROUGH SMS:-
The billing information of Cellone subscribers is being given on SMS he
subscribers have been given the choice of depositing the bill by nothing this
amount.

(3) B.S.N.I. LAUNCHED DATA ONE BROADBAND SERVICES:-
Presently a data connection having download speeds of 256 kbps or more is
clarified as broadband much faster than a dial-up or any other narrowband
connections. It is a technology ADSL (Asymmetric Digital Subscriber Line) is a
technology that allows copper telephone pairs to be used to provide broadband
connection. It provides always on internet.

Benefits of this new technology are:-
(a) At least 4.5 times and upto 140 times faster than dial-up always on connection.
(b) Telephone and Internet access can be used together.
(c) No telephone calls charges.
(d) Cost effective way to access Internet.
(e) A lost of free content on the web can be down loaded faster.

(4) CELLULAR MOBILE TELEPHONE SERVICE:
There are 25 private companies providing cellular services in 19 telecomm
circles and 4 metros cities, covering 1500 towns across the country, presently,
there are five private service operators in each area, and an incumbent state
operator. Almost 80% of the cellular subscriber base belongs to the prepaid
segment.

(5) INTERNET SERVICE PROVIDER (ISP) POLICY:
Internet had become very easily accessible with cyber cafés /kiosks increasing
their density, not only in the metro towns but also in semi-urban towns. There is
no restriction on the number of internet companies and more than 200
companies are operational.
Internet telephony has been allowed officially from 1 April 2002. The growing
demand of corporate for applications such as electronic commerce, Internet
leased line, ISDN, VPN etc is driving the growth of the internet service market.
However, the industry continues to face a number of bottlenecks in terms of
regulatory treatment of ISPs, high bandwidth prices, low PC penetration, high
cost of telephone access etc

(6) INTERNATIONAL LONG DISTANCE SERVICES:
The sector has been opened to competition from April 2002. The ILD market is
worth about Rs 54440 m (£680 million) and is projected to be 7.5 billio
and worth £1.44 bn. By 2010, in 2002-2003, the total international tar
pegged at 3,700 million minutes. The ILD prices have a fallen by at le
40%-60% leading to a decrease in the grey market tariff. However, grey market still stands at around 1.5 bn. Minutes.

(7) NATIONAL LONG DISTANCE SERVICE:
In August 2000, the NLD service was finally opened to unrestricted competition. Due to the initial lack of clarity on critical issues like equal access, interconnectivity and last mile access, there were not many takers. With the opening up of the basic services and ILD, companies are now gearing up to the provide integrated service. The NLD market thus saw significant competition in 2002-03, resulting in more choices and lower prices for consumers.

(8) GLOBAL MOBILE PERSONAL COMMUNICATION BY SATELLITE (GMPCS) SERVICE:
Government of India introduce GMPCS service in Aug 98 on certain terms and conditions such as FDI cap 49%, location of Gateways in India /maintenance of Gateways with organisation designated by the government; award of licenses on a “first-come-first serve basis” without any limit after clearance of individual proposal for security angle.

(9) VERY SMALL APERTURE TERMINAL (VSAT) SERVICE:
VSATs in India used to operate on the INSAT service of satellite on the extended C-band but now the Government has allowed Ku-band and also a foreign satellite on the Ku-band.

RELIANCE INFOCOMM ALTERATION OF EXISTING PRODUCT:

(1) POSTPAID TO PREPAID MIGRATION:
Reliance Infocomm on June 14, 2004 announced that it will offer RIM postpaid customers the option to migrate to prepaid service. Those migrating get a promotional recharge voucher with free talk time of Rs.200 pre-loaded on the prepaid account. The offer is valid till July 31, 2004.

(2) INFOCOMM LAUNCHES WORD CARE:
Reliance Infocomm has announced the launch of world card, a prepaid rechargeable account-based service that can be used from any RIM (Post paid & Prepaid) or Reliance India Phone (Fixed wireless phones & Terminals). The card, which costs Rs.108, carries Rs.100 worth of talk time, Rs.8 being the mandatory service tax. The card is valid of 60 days. After 60 days, the balance talk-time can be carried forward for another fortnight after recharge.

(3) RELIANCE INFOCOMM INTRODUCES THE SMS TOP UP CARD:
An unlimited on net SMS Top up card has been launched at a cost of Rs.55/- for RIM prepaid subscribers, the top up card gives subscribers the convenience of sending any number of SMS messages, to any Reliance phone in the country.
(4) INFOCOMM BRINGS MANDI ON MOBILE PHONE:
Reliance Infocomm has tied-up with National commodity and Derivatives Exchange Limited to disseminate its spot and future commodity prices through its R-world suit of mobile applications towards benefiting the huge farmer? Trader community of India

(5) INFOCOMM INTRODUCES NOKIA 6225:
The spiffy 9.4-gram color camera handset, launched on Dec.15, 2004 that comes with an integrated VGA camera and FM radio is available at an MRP of Rs.11,729/-. 

(6) RELIANCE INFOCOMM CONNECTS 572 ISLANDS:
Reliance Infocomm launched its telecom services in the Andaman & Nicobar Islands on June 15, 2005 employing a sophisticated satellite link to provide high-tech voice and data services to the Union Territory. The satellite Links the archipelago of 572 islands with the mainland. 

(7) PREPAID TO POSTPAID TRANSITION MADE EASY:
Prepaid to Postpaid Beginning June 28, 2005 RIM prepaid customers can opt for a postpaid connections and yet retain their existing numbers by paying a charge of Rs.550/- (inclusive of taxes) towards number retention.

(8) COMICS ON R-WORLD:
RIM subscribers who are ardent comic readers can now read their favorite comics on their RIM phones. The mobile comics application launched on R-world presently features Chacha Chowdhary, Billo & Pinki and these entertaining mobile comics are presently available on a weekly update basis.

(9) PCO OPERATIONS ON APRIL 1, 2004:
Reliance has one-lack lines in 32 cities, which Reliance achieved in just five months. In just under one year-a record for fastest acquisition for any operator in the PCO business.

BSNL & RELIANCE PCO COMPARISON:
Accomplished through clear strategy, install lines, gives better commission and better service. Reliance AIM to equal BSNL’s PCO business by March 2006.
Reliance is the largest in the private Sector; only BSNL is larger than Reliance with nine lacks STD & Eleven Lack's local lines in the common circles where Reliance doesn’t have lines. Against that Reliance Infocomm has 3.5 Lack's STD lines. Reliance has started the Local PCO lines just a few days back.
Reliance major challenges stem from competition from BSNL Reliance success lies in how fast Reliance takes their service to all the corners of India. This in twin depends upon the number of points of interconnect (POI) Reliance get if BSNL give POI soon, then Reliance can rapidly expands.
NETWAY ID SELIVER VIDEO, VOICE, MUSIC DATA INTERNET:
Residences using broadband. Video includes television and video, on demand. The unique thing about it is the delivery on broadband. This makes it interactive and enables a lot of different things on TV than ever before, like distance learning, ordering a pizza from TV whom the commercial is on etc.

93 MIGRATIONS IN THE MOBILE SERVICE:
Reliance introduces 93 migrations it is more of a perception in the minds of the customers. Customers think that as migration will eliminate the doubt regarding whether it is a landline \ number, limited mobility or fully mobile in the odd numbers one generally cannot make out if it is a mobile number. Numbers beginnings from 93 are more easily understood ad mobile numbers, leaving no scope for confusion. The greatest challenge in this regard is establishing the point of inter-connect with BSNL.

2.13 PRODUCT DIFFERENTIATION

Differentiation goes beyond positioning to spin a complex web of differences characterizing that entity. We define differentiation as the process of adding a set of meaningful & valued differences to distinguish the company’s offering from competitor’s offerings.

CONSIDER B.S.N.L & RELIANCE:
Reliance the largest telecom company in telecom sector is positions as a company offering good quality telecommunication service at a low price but reliance has spun further differences to dusting with itself from B.S.N.L. reliance is offering mobile services at cheaper rates. They charges low price than BSNL free call services from reliance to reliance. It offers R-world facility on the mobile. It also offers T.V programs on mobile. All this creates a highly differentiated picture of reliance Infocomm in the largest market’s mind.

PRODUCT DIFFERENTIATION:
The technique employed by firms to render their product brand distinct & different from the competing brands, is termed product differentiation can be based on product, channel & promotion. Product however lands the maximum scope for differentiation. Those who take it product differentiation an now their product brand with uniqueness & distinction in every possible way. They also make ‘product’ their number one strategic weapon.

(Ace to Rama swami) “Physical products vary in their potential for
differentiation. Here the seller faces an abundance of design parameters, including form, features, performance quality, conformance quality, durability, reliability, reparable, style, & design’.

FORM:

Many products can be differentiated in form- the size, shape, or physical structure of a product. Consider the many possible forms taken by products such as reliance Infocomm although reliance Infocomm it can be differentiated by size, shape, color.

FEATURES:

Most products can be offered with varying features that supplement the product’s basic function. Being the first to introduce valued new features is one of the most effective ways to complete. Reliance managed to differentiate its mobile by introducing R world services. R world services consists of internet services, T.V etc.

RELIANCE INFOCOM:

Reliance has launched Railway Ticket Booking as part of R world in New Delhi. Reliance Infocomm brings bus routes on R world, Reliance Infocomm has launched air Tickets booking also as part of R world, Reliance Infocomm has started a unique real estate service on its R world suite of applications that works like a personal agent broker for any real estate requirement. The advertiser can benefit from the application by reaching out to millions of reliance users across the nation who can read the ads posted on the R world. While B.S.N.L does not provide all these facilities at present. How can a company identify & select appropriate new features? It can ask recent buyers: how do you like the product? Are there any features we could add that would improve your satisfaction? How much would you pay for each? How do you feel about the following features that other customers have suggested?

The company would also need to consider how many people want each feature, how long it would take to introduce each feature, & whether competitors could easily copy feature.

Each company must decide whether to offer feature customisation at a higher cost or a few standard packages at a lower cost.

PERFORMANCE QUALITY:

Performance quality is the level at which the product’s primary characteristics operate. The important question here is: does offering higher product performance produce higher profitability. High-quality business units earned more because premium quality allowed them to charge a premium price: they benefited from more repeat purchasing, consumer loyalty, & positive word of mouth; & their costs of
delivering more quality were not much higher than for business units producing low quality.

Quality’s link to profitability does not mean that the firm should design the highest performance level possible. The manufacture must design a performance level appropriate to the target market & competitors’ performance levels. A company must also manage performance quality through time. Continuously improving the product often produces the highest return & market share. The second strategy is to maintain product quality at a given level. Many companies leave quality unaltered after its initial for mutation unless glaring faults or opportunities occur. The third strategy is to reduce quality through time. Some companies cut quality to offset rising costs; others reduce quality deliberately in order to increase are current profits, although this course of action often hurts long run profitability.

CONFORMANCE QUALITY:
Buyers expect products to have a high conformance quality, which is the degree to which all the produced units are identical & meet the promised specifications.

DURABILITY:
DURABILITY, a measure of the product’s expected operating life under natural or stressful conditions, is a valued attribute for certain products. Buyers will generally pay more for vehicles & kitchen appliances that have a reputation for being long lasting.

REPARABILITY:
Buyers prefer products that are easy to repair. Reparability is a measure of the ease of fixing a product when it malfunctions or fails. Ideal Reparability would exist if users would fix the product themselves with little cost in money or time.

Reliance Infocomm and BSNL is telecom companies providing landlines and mobile. Their customers often need answers to question about its product (telephone). To handle the problem, they provide customer care services. Reliance customer can call on 333 about their problems. BSNL landline and 9412024365 for mobile excel prepaid.

RELIABILITY:
Buyers normally will pay a premium for more reliable products. Reliability is a measure of the probability that a product will not malfunction or fail within a specified time period.
STYLE:

Style describes the product, look and feel to the buyer. Style has the advantage of creating distinctiveness that is difficult to copy on the negative side, strong style does not always mean high performance.

We must include packaging as a styling weapon, in mobile products; the packaging is the buyer’s first encounter with the product and is capable of turning the buyer on or off.

DESIGN: THE INTERATING FORCE:

As competition intensifies, design offers a potent way to differentiate and position a company’s product and services. In increasingly fast paced markets, price and technology are not enough. Design is the factor that will often give a company its competitive edge. Design is the totality of features that affect how a product looks and functions in terms look and functions.

Design is particularly important in making and marketing retail services, apparel, packaged goods, and durable equipment. All the qualities we have discussed are design parameters. The designer has to figure out how much to invest in form, feature development performance, conformance, durability, reliability, reparable, and style.

To the company, a well-designed product is one that is easy to manufacture and distribute. To the customer, a well-designed product is one that is pleasant to look at and easy to open, install use, repair, and dispose of. The designer has to take all these factors into account.

2.14 MARKET SEGMENTATION

Market segmentation involves aggregating prospective buyers into groups that (1) have common needs and (2) will respond similarly to a marketing action. The groups that result from this process are market segments, a relatively homogeneous collection of prospective buyers.

WHY SEGMENT MARKETS?

A business firm segments its market to it can respond more effectively to the wants of groups of prospective buyers and thus increase its sales and profits. Market segmentation confers several benefits on the marketing man. It helps him distinguish one customer group from another within a given market and thereby enables him to decide which segment of the market should form his target market. Market segmentation helps a firm compete in a highly competitive market.
Segmentation brings benefits no only to the firm but also to customers. When market segmentation reaches higher levels of sophistication and perfection, customers and companies can choose each other for mutual benefit and satisfaction. The firm can anticipate the future wants of customer and the customers can anticipate the future capabilities of the firm.

METHODS OF MARKET SEGMENTATION:
Basic for segmentation market –

GEOGRAPHIC SEGMENTATION:
Segmentation based on region, continent, country, state, district, urban and rural characteristics and climate of the area comes under geographic segmentation. The company can operate in one or a few geographic areas, or operate in all but pay attention to local variations.

BSNL & RELINACE:
Reliance & BSNL, telecommunication companies implemented company implemented customer care center or call center that enables employees all over the country to access and analyze data.

DEMOGRAPHIC SEGMENTATION:
In Demographic segmentation, the market is divided into groups on the basis of variables such as age, family life cycle, gender, income; Reliance has segmented its market GSM network for voice and SMS and its CDMA network for voice and SMS and its CDMA network for voice and data. In this regard, Reliance’s segmentation is the same as Shyam’s. This enables it to focus on procuring the lowest cost phones available for voice-centric GSM subscribers and higher cost, more feature, rich phones, for more data centric CDMA subscribers.

Reliance states that most middle and high-income subscribers have little interest in handsets that lack data capabilities. It sells data capable phones to all such subscribers, even those who do not profess an internet in India services. Reliance reasons that they can still become occasional data users. Reliance states that 30% are “hardcore” data users & 70% “occasional” users.

GEOGRAPHICALLY:
BSNL charges different rent for their product. In case of landline BSNL charges 220 Rs. As rent for rural areas and free calls are 150 for rural areas while for urban areas rent is Rs 500 and free calls are 50 only. While Reliance info-com has some criteria for rents calls all over the country.
DEMOGRAPHIC:

Occupation, education, religion, race, generation, nationality, & social class. Demographic variables are most popular bases for distinguishing customer groups; one reason is that consumer want, preferences, & unsafe rates are often associated with demographic variables. Another is that demographic variables are easy to measure.

Consumer wants an ability to charge with age. Based on this factor, one can have
the: In fain’s market (newly born-up to 1 year)
Child market (1 year-12 year)
Teens market (13 years-19 years)
Ad descent market (20 years-35 years)
Elders or seniors market (50 years & above)

INCOME:
The next commonly used variable is income. For it is believed that, as the consumer’s income increases, his/her conception behavior changes.

While considering & income either the customer’s income or his or her family’s income. A more reliable basis is family income. On the basis of income, the market can be segmented as being;

* Low income
* Low middle income
* Middle income
* Upper middle income
* Higher income

Reliance has launched varieties of product to the customer. Low-income consumer can purchase Motorola Samsung mobile costing nearly Rs.900 middle-income purchase L.G, Nokia 2280 (cost Rs.3000). Higher income group can purchase above 5000 while.

OCCUPATION:
The occupation of the consumer is also an important variable in segmenting the market. Whether a person is self-employed or works full or part-time & his or her position in an enterprise, affects his or her consumption behavior. On the basis of consumption, one may find segments like professionals (Like a doctor, chartered accountant, consultant, etc.), traders or shop keepers, businessmen or industrialists, sales personnel, teachers, university professors, self-employed people, students, housewives & the like.
EDUCATION:
The education profile of the customer will also affect his or her preferences & the level of awareness. It is a known fact that as literacy increases & people get educated, they become more aware about the environment & different products. Based on education, the Indian market can be segmented as illiterates, literates, high school educated & secondary or university educated persons.

Reliance provides Hindi or English version. Illiterate people can purchase Hindi version mobile. Literate persons can purchase English version mobile. Mobiles are also useful for high school & secondary or university students can become aware of the exams time exams results, syllabus, fees etc. They can also read news on the mobile.

MARTIAL STATUS:
Another demographic basis used for segmentation is the marital status of the customer the assumption is that the behavior & consumption pattern of single & married people differs.

GENDER:
Men & women tend to have different attitudinal & behavioral orientations, based party on genetic makeup & party on socialisation practices. Women tend to be more communal-mined & men tend to be more self-expressive & goal directed. Women tend to take in more of the data in their immediate environment; men tend to focus on the part of the environment that helps them achievement a goal.

SOCIAL CLASS:
Social class has a strong influence on preference in cars, clothing, home furnishing leisure activities, reading habits & retailers. Many companies design products & services for specific social classes. The tastes of social classes can change with the years. The classifications are based on customers actual usage pattern, ability to pay, promptitude In payment & tenure with us. Acc. To reliance wireless customers are generally classified into prepaid, postpaid, PCO & corporate wireless lines of business.

PSYCHOGRAPHICS SEGMENTED:-

LIFE STYLE:-
People differ in attitudes, interests, & Activities,& these affect the goods & services they consume. Lifestyle is shaped party by whether consumers are time constrained or money constrained. Consumers who experience time famine are prone to multitasking that is doing two or more things at the same time. They will phone or
eat while driving, or bicycle to work to get exercise. They will also pay others to perform tasks because time is more important than money.

PERSONALITY:
Marketers have used personality variable to segment markets. They endow their products with a brand personality that corresponds to a target consumer personality. A brand may wish to appear sincere (gateway computer) exciting (Nike) competent (Hewlett Packard) sophisticated (Lexus) or rugged (Timberland).

VALUES:
Some marketers segment by core values the belief systems that underlie consumer attitudes & behaviors. Core values go much deeper than behavior or attitude & determine, at a basis level peoples choices & desires over the long term.

OCCASIONS:
Buyers can be dusting wished according of the occasions when they develop a need, purchase a product. For example to certain plans or schemes free calls on purchasing mobile, bonus talk time, get one free connection for sister on the of Rakshabandhan. Purchase 3 coupons get one free on Diwali occasion etc were established party to increase the sale of mobile connection of reliance & BSNL.

BENEFITS:
Buyers can be classified according to the benefits they seek people vary considerably in the benefits they seek from the same product.
Examples:- BSNL companies product like mobile provide certain benefits to the consumer mobile identified five different benefits segments.

- COVERAGE:- Good coverage
- VOICE:- Good voice
- ROAMING:- Available or not available
- PRICE:- Reasonable price or high
- FACILITIES:- Internet, audio- video.
- USERS STATUS:- Markets can be segmented into nonusers, ex-users, potential users, first-Time users, & regular users of a product.

TELECOMMUNICATION COMPANIES:
Cannot rely on regular customers (post paid customers) sometimes they may not pay their dues companies must also search for pre paid customer this will require different marketing strategy.
2.15 PRODUCT POSITIONING

POSITIONING THE SERVICE

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

The way in which service providers differentiate their offering impacts on its position in the consumer’s mind. The aspects of differentiation referred to with regard to the augmented service can all contribute to this. Thus a service provider may be seen as being more caring, or offering more value for money. Promotion often centres on positioning. Examples of this are seen in advertisements for Stella Artois lager - ‘reassuringly expensive’ - and Midland Bank’s ‘the listening bank’ campaign.

Different attributes of a service reflect different values, which can be attached to that service in the consumer’s perception. A high price, for example, can reflect an idea of quality or luxury when other features also reflect these values. If other features do not reflect these values, a high price might translate as being not good value for money, or being overpriced in the consumer’s view. In developing service positioning, organisations must understand aspects of consumer behavior. Answers to the following questions must be sought:

- What attributes of the service do our consumers rate most highly?
- How do they rank our competitors’ performance against ours with regard to these attributes?
- Who makes the decision, and how do they establish criteria for such a decision?

The answers are often highly variable, according to the circumstances and situation of individual consumers at the time. A family might decide to stop for a quick lunch at a fast food restaurant, but choose a restaurant for a celebratory family gathering. The main criteria for selecting the lunch venue might be cost and convenience, whereas these may actually be relatively minor factors in selecting a restaurant for a special family outing. Similarly, when choosing a hire car, price and availability might be the prime attributes considered, whereas when choosing dental care or legal advice, professional reputation and the personality of the provider may be the key attributes.

The key task is to select a positioning strategy, which will most closely correspond to the consumer’s selection criteria within selected segments, thus maximizing the chances of success. An organisation should play to its strengths and
not try to create a positioning strategy which is unattainable, or which will not hold credibility. This holds true for commercial service providers as well as not-for-profit or public sector organisations.

A university, for example, may be rated only average academically, but may have close links with industry and an excellent record of graduate employment.

The may be the main selection criteria for a large segment of the student market, and the university can position itself specifically to attract this segment it would be unwise to try to position itself as a center of academic excellence it potential student would rate it poorly against its competition on solely academic attributes.

Positioning is very impotent for service marketing as it involves careful tailoring of the service offering to the needs of target segments, which underpins marketing success. Additionally, however, positioning enable the origination to respond to the competitive environment positively, highlighting market opportunity and fulfilling environment positively, highlighting market opportunity and fulfilling specific market need better than its completion.

When company offers a product commercially, a decision critical to its long-term success is how to position it in the market on introduction. Product posting refers to the place on offering occupies in consumer’s minds on important attributes relative to competitive offerings. As described in the ethics & social responsibility posting is the act of communicating company’s after so that it occupies a district valued place in the customers mind.

The end result of positioning is the successful creation of a customer-focused value Preposition, a cogent reason why the forget a market should buy the product shows how two companies reliance Infoomm & B.S.N.L defend their value preposition given their target customers, benefits, & prices.

**Positioning according to Ries & Trout:** “Two advertising executives, Al Ries & Jack Trout, popularized the word positioning. They see positioning as a creative exercise done with on existing product. Positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect.”

Ries & trout argue that well. Known products generally hold a distinctive position in consumer’s minds.

**A COMPETITOR HAS THREE STRATEGIC ALTERNATIVES:**

1) The first is to strengthen its own current position in the consumer’s mind.
2) The second strategy is to grab an unoccupied position.
3) The third strategy is to do position or reposition the competition in the customer’s mind.
USE SITUATIONS:
The marketer can identify use situations for his brand or product & analyze customers perception of existing competitor brand in this analysis the firm can position its brand.

Consider the example of the Reliance Infocomm name of the mobile brands offer convenience, economy & range of service that Reliance does.
It's positioning as a mobile when one is outside the home or where one does not find P.C.O. somewhere. Or when our dose not finds P.C.O somewhere or when you want to do an urgent call. The brand claims that it's so simple to use that even a child can operate it easily BSNL was the first to position itself in this manner.

EMPHASIZING TANGIBLE BENEFITS:
The brand may even be position on the basic of tangible benefits that it offers to the customers. These are in the form of specific feature & distribution,

RELIANCE OFFERS A SPECIFIC BENEFIT OF R-WORLD:
The slogan of Reliance is so because it provide internet facilities, T.V., Entertainment program through R-world. It offered the benefit of low price over BSNL mobile & because a success R-world service has been quite popular.

LINKING TO USES:
Another approach to position the brand is to identify the possible uses to which the firm's brand can be put to. In a way it may appear to be the same as use situations, but it is different here as we are talking about all the possible uses of a product or brand.

BASIC PHONES (FIXED LINES) OF BSNL:
BSNL can be used only while sitting a home while mobile can be used anywhere (whether you are at home or outside the home) at any time.

HEAD ON COMPETITIVE POSITIONING:
This is the strategy of placing a firm's brand next to the leader in the market and trying to uproot it on a specific tangible variable. BSNL is the largest telecommunication company of India. In the PCO business BSNL was the original player. Reliance says that we are number two after BSNL. On the wireline front, BSNL has been the incumbent leader if you look at household connections. The bulk of the market is with BSNL Reliance Says BSNL is ahead of all of us. But we will be head soon we have to take our services to the serious third and fourth layer of towards and beyond into the village, mandals etc. We are facing multi-pronged competition we
are not fighting any for today. The battles of tomorrow and the day after are also being planned and fought today.

BSNL, a key customer & a company well positioned to consolidate its leadership position in the intensely competitive in Indian telecommunications area.

LIFE STYLE POSITIONING:

A firm may even position the brand as a life style contemporary or futuristic. Many of today’s new Basic phones, cellone, Excel, Service etc are positioned resoundingly.

BENEFITS OFFERED:

Another way to position the brand is to highlight the benefits that customers get in using the product. Emotional relationship is one of the strong reasons to buy a brand. So Reliance has launched a papa kehte hain scheme as part of their HR Policy. Under this scheme, employees above a particular grade can utilize 60 minutes of their weekly schedule for narrating bedtime stories to their kids. This is to facilitate this employer who work for more than 14 hrs/day, and are eventually in the company itself during the bedtime.

That the HR policy would also say: employees can avail this scheme for not more than 2 kids during their association with the company. The companies will also fact the bill for their calls, as long as they are within the prescribed duration.

That is easy to envisage that this would be followed by a kahlo Bacchha Mutti Mein recognition award, for those papas who manage to put their kede to sleep within the allotted time.

2.16 BRAND ESTABLISHING

WHAT IS A BRAND?

A basic decision in marketing products is branding, in which an organisation uses a name. Phrase, design, symbols, or combination of these to identify its products and distinguish them from those of competitors. A brand name is any word, “device” (design, sound, shape, or color), or combination of these used to distinguish a seller’s goods or services.

A trademark identifies that a firm has legally registered its brand name or trade name so the firm has its exclusive use, thereby preventing other from using it. A well-known trademark can help a company advertise its offerings to customers and develop their Brand loyalty.
Companies need to research the position their brand occupies in the customer’s minds. There are three commonly used research approaches to get at brand meaning:

1. **WORD ASSOCIATIONS** –
   People can be asked what words come to mind when they hear the brand’s name. For example, when we hear the name of celltone or excel, it comes in the mind that the product is mobile and related to the BSNL.

2. **PERSONIFYING THE BRAND** –
   People can be asked to describe what kind of person or animal they think of when the brand is mentioned. For example:- they may say that the Reliance Infocomm brand makes them think of person who is reliable.

3. **LADDERING UP TO FIND THE BRANDS ESSENCE** –
   Brand essence relates to the deeper, more obstruct goals consumers are trying to satisfy with the brand. Ask why someone wants to buy a Nokia Cellular phone. “They look well built” (attribute), “Why is it important that the phone be wellbuilt it suggests that the Nokia is reliable” (a functional benefits). Why must you be available to them at all times?" I can help them if they are in trouble” (Brand essence). The brand makes this person feel like a Good Samaritan, ready to helps other.

That’s “Why” questions constitute a techniques known as laddering up. They help the marketer get a deeper understanding of the person’s motivation. The answers suggest some possible campaign. The campaign can center on the brand essence, or the marketer can ladder down and feature Nokia at a more can concrete level, such as its emotional benefit (early to be reached), functional benefit (reliability), or attribute (well built).

**BRAND ESTABLISH** –

The first decision is whether to develop a brand name for a product. In the part, producers and intermediaries and cases, without any supplier identification. Buyers depended on the seller’s integrity. The earliest signs of branding were the medieval guilds’ efforts to require crafts people to put trademarks on their products to protect themselves and consumers against inferior quality.

Today, branding is such a strong force that hardly anything goes unbranded. So-called commodities do not have to remain commodities. Oranges are stamped with growers’ names; Reliance Mobile is packaged in distinctive bags.
Distributors and retailers want brand names because brands make the product easier to handle, hold production to certain quality standards, strengthen buyer preferences, and make it easier to identify suppliers. Consumers want brand names to help them identify quality differences and shop more efficiently.

**B.S.N.L.:**
Since the early 1990s, the services sector in India has been paying a lot of attention, or so it would seem, to delivering customer services and satisfaction. Services brands across categories from banks and credit card companies to airlines and retailers have been jumping on the bandwagon. This is most evident in service brands attempting to impress their target group through brand positioning that uses customer's services as a differentiator. ICICI Bank says 'we make banking a pleasure. Sahara Airlines signs off all 'Emotionally yours' and BSNL releases an ad on Consumer Rights Day that states, we may have decided not to make any tall claims on Consumer Rights Day. Because at BSNL, every day is a Consumer Rights Day.

The other evidence that service brands in India have begun to pay attention to customer's satisfaction and loyalty is the growing number of rewards. Programmers being afforded by airlines, hotels, retailers' credit cards. Yet, one wonders if service brands in India have been the fact that true customer service goes beyond polite personal friendly ads and reward programmers.

Once a customer is acquired most marketers of service brands seem to presume that the intrinsic quality of the product and service will take care of customers satisfaction and if at all the customer has a problem, the customer relations department carries the responsibility of ensuring that the customer's remains satisfied. While the aforementioned facts may be true, the marketing function in a service organisation can add tremendously to customer satisfaction through developing marketing and communications strategies with the sole aim of ensuring customer satisfaction and retention. And in doing so add significantly to meeting customer acquisition objectives through positive word-of-mouth from satisfied customers. This is rudimentary to service businesses yet most service brands in India (with a few notable exceptions) seem to focus purely on customer acquisition with very little evidence of customer retention marketing and practices.

One would imagine that such monitoring exercises are invaluable to marketers of service brands not just in terms of ensuring that product and service design are in line with customer expectations but also because the effort contributes to building on image of here's a brand and service company that cares' **RELIANCE INFOCOMM:**
Reliance Infocomm has been allotted an exclusive 'level 3' prefix for its 18-circle basic services numbering plan. Top sources in the union communications
ministry confirmed that all “Reliance Infocomm fixed-line numbers would be prefixed with the digit 3”.

Actually all of the company’s basic telephone numbers (be it, pure wireline, WLL fixed or WLL mobile) will now be prefixed with the digit ‘3’.

Information available suggests that department of development approved the ‘level 3’ numbering prefix since reliance Infocomm is the country’s largest private basic telephones operator with a pan-India service footprint like BSNL.
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