CHAPTER-1
INTRODUCTION

India took 60 years to become one of the fastest growing economies of the world. The Indian telecom sector took just 15 years to make its presence felt across the globe. In the year 1994 India announced National Telecom Policy (NTP) which brought a revolutionary change in the telecom space prior to NTP 1994, telecommunications was a state monopoly. India Telco’s despite operating in a low ARPU market have an Earnings Before Interest and Taxes (EBITA) margin to around 35% comparable to any other operator in the world.

MTN which is number 1 or 2 in the 21 countries it operate has a subscriber base of 103 million by the end of June of 2009. While Bharti Airtel operational in India and Sri Lanka only, stood at a whopping subscriber base of 108 mn by the end of August 2009. The credit goes to the robust telecom growth in India. Investors in India were also confident about Bharti Airtel despite the failure of talks. At 11.58.00on September 1, a after the deal was called off, the Bharti Airtel share was traded at 21.53 higher at Rs. 44.10 in Bombay Stock Exchange.

The Indian Telecom industry has attracted huge foreign investors as everyone wanted to be a part of telecom success story of India. In the span of just 15 years telecom industry has become the third largest sector attracting FDI investment. Since April 2000 to July 2009, the sector attracted $ 7,369 mn of FDI in country. Telecom is the largest sector in India to have the FDI inflow in country after the Service Sector and Computer Software and Hardware. It contributed 8% of the total FDI inflow in India for the period. Some of the know global names having FDI in India include Vodafone Plc, DOCOMO Etisalat, Virgin Mobile System a telecom.

Telecom is the exchange of information between two distant points in space. Telecommunications is a general term for a vast array of technologies that send information over distances Mobile phones, land lines, satellite phones and voice over internet protocol (VOIP) are all telephony technologies. The telecom industry is very important for the socio economic development of a nation. It is one if main architects for accelerated growth and progress of different segments of the economy. Post liberalization of telecommunication
industry has grown by leaps and bounds. The telecom industry is one of the fastest grown industries in India. India has nearly 200 million telephones lines it the third largest network in the world after China and USA. With a growth rate of 45% Indian telecom industry has the highest rate in the world.

History of India Telecommunications started in 1851 when the first operational land lines were laid by the government near Calcutta (seat of British power). Telephone services were introduced in India in 1881. In 1883 telephone services were merged with the postal system. Indian Radio Telegraph Company (IRT) was formed in 1923. After independence in 1947, all the foreign telecommunication companies were nationalized to form the Posts, Telephone and Telegraph (PTT), a monopoly run by the government’s Ministry of Communications Telecom sector was considered as a strategic service and the government considered it best to bring under state’s control.

The first wind of reforms in telecommunications sector began to flow in 1980s when the private sector was allowed in telecommunications equipment manufacturing. In 1985 Department of Telecommunications (DOT) was established. It was an exclusive provider of domestic and long distance service that would be its own regulator (separate from the postal system). Inn1986, two wholly government-owned companies were created the Videsh Sanchar Nigam Limited (VSNL) for international telecommunications and Mahanagar Telephone Nigam Limited (MTNL) for service in metropolitan areas.

In 1990s telecommunications sector benefited from the general opening up of the economy also, examples of telecom revolution in many other countries, which resulted in better quality of service and lower tariffs, led Indian policy makers to initiate a change process finally resulting in opening up of telecom service sector for the private sector. National Telecom Policy (NTP) 1994 was the first attempt to give a comprehensive roadmap for the India telecommunication sector in 1997. Telecom Regulatory Authority in India (TRAI) was created. TRAI was formed to act as a regulator to facilitate growth of the telecom sector. New National Telecom Policy was adopted in 1999 and cellular services were also launched in the same year.
Telecommunication sector in India can be divided into two segments Fixed Service Provider (FSPs) and Cellular Services. Fixed line services consist of basic services, national or domestic long distance and international long distance services. The state operators (BSNL and MTNL), account for almost 90 per cent of revenues from basic services. Private sector services are presently available in selective urban areas and collectively account for less than 5 per cent of subscriptions. However, private services focus on the business/corporate sector and offer reliable high-end services such as leased lines, ISDN, closed user group and videoconferencing.

Cellular services can be further divided into two categories: Global System for Mobile communications (GSM) and Code Division Multiple Access (CDMA). The GSM sector is dominated by Airtel, Vodafone-Hutch, and Idea cellular. While the CDMA sector is dominated by Reliance and Tata Indicom. Opening up of international and domestic long distance telephony service are the major growth drivers for cellular industry. Cellular operators get substantial revenue from these services, and compensate them for reduction in tariffs on airtime, which along with rental was the main source of revenue. The reduction in tariffs for airtime, national long distance international long distance and handset prices has been demand.

1.1 Customer Retention

Customer Retention is the activity that a selling organization undertakes in order to reduce customer defections. Successful customer retention starts with the first contact an organization has with a customer and continues throughout the entire lifetime of a relationship. A company’s ability to attract and retain new customers, is not only related to its product or services, but strongly related to the way it services its existing customers and the reputation it creates within and across the marketplace.

Customer Retention is maintaining the existing customer base by establishing good relationship with all the buy company’s product. (Kotler, p. no-73)

Customer Retention is more than giving the customer what they expect, it’s about exceeding their expectations so that they become loyal advocates for your brand. Creating customer loyalty puts customer value rather than maximizing profits and shareholder value
at the center of business strategy. The key differentiator in a competitive environment is more often than not the delivery of a consistently high standard of customer service.

The aim of a business company is to obtain profit. This concept works for business having a long term approach towards satisfying customer needs. Customer retention is the purpose of their business. The trend in the market towards building relationship with customers continues to grow and marketers have become increasingly in retaining the customers over lone run. (K.N Lemon, 2002).

There’s a saying in the business world: customer acquisition is an investment, but customer retention delivers profitability. So, how do Cellular Operators retain their customers and earn their loyalty? It’s like any successful relationship: if they want customers to be loyal to them. Operators must be loyal to them and demonstrate that loyalty. S Gupta 2003 finds that a 1% improvement in retention can increase firms’ value by %.

The customers retention rte refers to the number of customers lost over a period of time. It is normally calculated by the percentage of lost customers versus existing customers over a quarterly or annual period, without tallying new customer acquisitions.

While there are obvious benefits to keeping customers loyal and maintaining high customer retention rates, it can be extremely challenging for management to keep retention rates up.

1.2 Customer Retention and Collections

Inflow of cash in any business makes functioning of it very smooth, so collection department of any Cellular operators of Punjab plays a key, vital and important role in the functioning of any organistion.

Collection is directly related to Retention if zero bucket collection ie (collection of payment to bill before due date) of any cellular operator is 100% or up to the mark then there is very less effort required on retention of churning customers, recovery department and hard collections which means if zero bucket collections is more than 98% then Churn of that operator would be less than 1% which will further lead to low bad debt and higher Revenue for any cellular Operator.
Since postpaid base of all cellular operators in Punjab is more than 2.5 lakhs it becomes very difficult to manage billing, bill delivery, collection, and recovery process for zero bucket as well other bucket. For this purpose, all these functions work under the department Collections which manages all the above-said functions systematically.

To make all the systems organized all the Cellular Operators have outsourced these functions to different agencies. This department is closely monitored by Top Management since it is directly connected to the revenue and plays major role in bringing down bad debt of any operator.

Collection controls Churn of any Operator Voluntary as well involuntary churn can only be managed if collection process of any operator is properly managed. On a whole Retention process is directly proportional to Collection.

1.3 Strategies for customer retention and collection

Positive and negative retention strategies

An Important distinction can be made between strategies that lock the customer in by penalizing their exit from a relationship and strategies that reward a customer for remaining in a relationship. The former are generally considered negative, and the latter positive, customer retention strategies. Negative customer retention strategies impose high switching costs on customers, discouraging their defection.

1.3.1 Positive customer retention strategies

In the following sections, we look at a number of positive customer retention strategies, including creating customers' delight, adding customer-perceived value, creating social and structural bonds and building customer engagement.

1.3.1.1 Customer delight

It is very difficult to build long-term relationship with customers if their needs and expectations are not understood and well met. It is a fundamental precept of modern customer management that companies should understand customers and the acquire and deploy resources to ensure their satisfaction and retention. This is why CRM is grounded on
detailed customer-related knowledge. Customers that you are not able to serve well may be better served by your competitors.

Delighting customers or exceeding customer expectations means going beyond what would normally satisfy the customer. This does not necessarily mean being world-class or best-in-class. It does mean being aware of what it usually takes to satisfy the customer and what it might take to delight or pleasantly surprise the customer. You cannot really strategize to delight the customer if you do not understand the customer’s fundamental expectations. You may stumble on to attributes of your performance that do delight the customers, but you cannot consistently expect to do so unless you have deep customer insight. Consistent efforts to delight show your commitment to the relationship. Commitment builds trust. Trust begets relationship longevity.

Customer delight occurs when the customer’s perception of their experience of doing business with you exceeds their expectation. In formulaic: CD =P > E

Where CD = customer delight, P = Perception and E = expectation

This formula implies that customer delight can be influenced in two ways by managing expectations or by managing performance. In most commercial contexts customer expectations exceed customer perceptions of performance. In other words, customers can generally find cause for dissatisfaction. You might think that this would encourage companies to attempt to manage customer expectations down to levels that can be delivered. However, competitors may well be improving their performance in an attempt to meet customer expectations. If your strategy is to manage expectations down, you may well lose customers to the better performing company. This is particularly likely if you fail to meet customer expectations on important attributes.

1.3.1.2 Add customer-perceived value

The second major positive customer retention strategy is to add customer-perceived value. Companies can explore ways to create additional value for customers. The ideal is to add value for customers without creating additional costs for the company. If costs are incurred then the value-adds may be expected to recover those costs. For example club may be expected to generate a revenue stream from its membership.
There are three common forms of value-adding programme loyalty schemes: customer clubs and sales promotions.

### 1.3.1.3 Loyalty schemes

Loyalty schemes reward customers for their patronage. Loyalty schemes or programmes can be defined as follows. A loyalty programme is a scheme that offers delayed or immediate incremental rewards to customers for their cumulative patronage. The more a customer spends, the higher the rewards Loyalty programme provide added value to consumers at two points, during credit acquisition and at redemption. Although the credit have no material value until they are redeemed they may deliver some pre-redemption psychological benefits to customers, such as a sense of belonging and of being valued, and an enjoyable anticipation of desirable future events. At the redemption stage, customers receive both psychological and material benefit. The reward acts to positively reinforce purchase behavior. It also demonstrates that the company appreciates its customers. This sense of being recognized as valued and important can enhance customers overall sense of well-being and emotional attachment to the firm. However, customers can become loyal to the scheme, rather than to the company or brand behind the scheme. In telecom sectors also various additional packs, gifts, schemes are offered to the loyal and old customers as well loyal customers have segments to that they can be taken proper care of.

### 1.3.1.4 Sales promotions

Whereas loyalty schemes and clubs are relatively durable, sales promotions offer only temporary enhancements to customer value. Sales promotions can also be used for customer acquisition. Retention-oriented sales promotions encourage the customer to repeat purchase, so the form they take is different. Here are some examples:

- **In-pack or on-pack voucher:** Customers buy the product and receive a voucher entitling them a discount off one or more additional purchases.
- **Rebate or cash back:** Rebates are refunds that the customer receives after purchase. The value of the rebate can be adjusted in line with the quantity purchased, in order to reward customers who meet high volume targets.
• **Patronage awards:** Customers collect proofs of purchase such as store receipts or barcodes from packaging, which are surrendered for cash or gifts. The greater the volume purchased the bigger the award.

• **Free premium for continuous purchase:** The customer collects several proofs of purchase and mails them in or surrenders them at retail outlets to obtain a free gift. Sometimes the gift might be part of a collectable series. For example, a manufacturer of preserves and jams developed a range of collectable enamel badges. Customers collected proofs of purchase and mailed them in to receive a badge. There were 20 different badges in the series. This promotion was so popular that a secondary market was established to that collectors could trade and swap badges to obtain the full set.

• **Collection schemes:** These are long-running schemes where the customer collects items with every purchase Kellogg’s ran a promotion in which they inserted picture cards of carefully chosen stars into packets of cereals. Customers didn’t know which card they had until they bought and opened the pack. These became collectable items.

### 1.3.1.5 Build customer engagement

The final positive strategy for building customer retention is to build customer engagement. Various studies have indicated that customer satisfaction is not enough to ensure customer longevity. For example Reichheld (1998) reports that 65 to 85 per cent of recently defected customers claimed to be satisfied with their previous brand. Another study reports that one in ten customers who said they were completely satisfied, scoring ten out of ten on a customer satisfaction scale, defected to a rival brand the following year. Having satisfied customers is increasingly, no more than a basic requirement of being in the game. Highly engaged customers have levels of emotional or rational attachment of commitment to a brand, experience or organization that are so strong that they are highly resistant to competitive influence. The terms engagement attachment and commitment tend to be used interchangeably to describe this phenomenon.
1.3.2 Negative Strategies:

One of the debt collection strategic experts says that Proven and successful debt collection strategies are used by third party collection agencies.

Once you have exhausted all your internal efforts at recovering your past due accounts its best (and with better odds of recovering of your money) to outsource your collection efforts early, rather than later. Conventional wisdom dictates that after you’ve sent a couple of statements and made telephone attempts without successful recovery or communication from your customer, its time to employ the debt collection strategies of an outside agency.

Collection agencies have the experience, expertise and business processes in place to handle problem accounts. They make use of a number of tactics explained below.

1.3.2.1 Mail

Debt collection agencies typically send out a series of letters, called a demand letter. A demand letter will include the debtor’s name, address, original creditor, total amount due, address and contact information for the collection agency and agent. While the first communication with the debtor will likely be a courtesy reminder, the language to remind and encourage the customer to honor his/her obligation.

In the beginning stages the agency will often give the debtor the benefit of the doubt, stating that the past due balance could have been an oversight, and not an intentional disregard of an obligation. Even though the business hasn’t so far been able to collect the debt, many times merely receiving that first demand letter from a third party collection agency is enough to rectify the matter.

Even the customer has repeatedly ignored the creditor, getting a demand letter can be incentive enough to get them to pay the debt. The fear of damaging one’s credit rating, plus the psychological impact of hearing from a third party often does the trick.

Each successive demand letter gets more intensive as required collection agencies have to act with federal and state laws in how they communicate with debtors. They are forbidden from using abusive threatening and obscene language. Make sure you choose a reputable agency and ask to see sample of demand letters used. Since the agency is acting as
an extension of your business, it is important to know how they’re communicating with you customers. Ideally, agencies will act in a manner that both satisfies recovering your money, but also keeps customer relationships intact.

If after a number of demand letters don’t succeed (and no collection agency recovers 100 per cent of your money), agencies will step up the intensity by employing more collection strategies.

1.3.2.2 Phones

Another debt collection strategy used is verbal demands. The agency will attempt to contact the customers at home or at their place of employment. They might call several times a day, to establish the debtor’s work schedule and patterns. Collection agencies may contact family members, neighbors, or friends to ascertain the debtor’s whereabouts. They can not disclose personal information about the debt to anyone besides the debtor, or the debtor’s spouse.

1.3.2.3 Skip Tracing

Sometime it is difficult to reach delinquent customers. They may have moved to another part of the city, relocated to another city or state and/or changed jobs. The increased use of cell phones, instead of landlines and Po boxes make accurate locating more challenging.

Third party collection agencies have the requisite search capabilities databases software, and other tools at their disposal to help locate these clients oftentimes, them success in collecting a debt is locating the whereabouts of the debtor, especially since we live in a very mobile society.

1.3.2.4 Legal Options

Collection agencies have the option to pursue a case legally, if they deem it necessary, if earlier attempts haven’t reaped the right result, and if after the agency’s investigation, it can be determined that the debtor has assets enough to pay they have the right to go after the order legally.
Businesses that are the most successful are the ones that use effective debt collection strategies. This enables them to know that accounts are being paid and delinquent debts are being satisfied. This improves cash flow to the business.

David P Montana suggests Collection Strategies and recovery Management. Scientifically designed collection strategies are critical for consumer lending businesses, where managing collections is a tricky business with severe cost and customer relationship implications. Collection strategies need to content with the constraint of time and budgets. Therefore, collection strategies need to make optimal resource allocation and yet recover the maximum amount of dollars from delinquent account. Fractal collection and recovery solutions help generate maximum returns on your collection programs through superior collections based around optimal allocation of resource.

We use predictive analytics technology to make accurate estimates of a customer’s propensity to repay as well as the likely amount that the customer will repay. Our collections models help distinguish between self-cures and potential long term delinquent accounts. Armed with this knowledge we design optimum collection strategies and Dunning schedules for our clients. Through our proven predictive analytics technology we create collection strategies that allow you to collection the most out of you delinquent accounts. Preserve valuable customer relationship and control costs.

Collection Strategies: When Good Customers Go Bad By Ray Silverstein for The Business Journal (Phoenix). What do you do when your customers do not pay their bills? With so many companies signing the financial blues these days, It’s happening more and more often.

According to Denise Ice, “The current economic situation is putting increasing financial pressure on utilities”. Rising delinquencies and charge offs are occurring across the country. As more customers struggle to pay their bills, utilities must discover new methods and practices to maintain payments, stem delinquencies and assist customers-many of whom have never been delinquent before it’s happening in every region of the country and utilities must compete with other creditors for a share of the consumers’ shrinking wallet, while creating a new balance between customers serve and consistent recoveries.
1.4 Brief Profile of Selected Telecommunication Companies

1.4.1 AIRTEL

1.4.1.1 Profile

Bharti Airtel Limited, commonly known as Airtel, is an Indian multinational telecommunications services company headquartered in New Delhi, India. It operates in 20 countries across South Asia, Africa, and the Channel Islands. Airtel has a GSM network in all countries in which it operates, providing 2G, 3G and 4G services depending upon the country of operation. Airtel is the world's fourth largest mobile telecommunications company by subscribers, with over 275 million subscribers across 20 countries as of July 2013. It is the largest cellular service provider in India, with 192.22 million subscribers as of August 2013. Airtel is the Second largest in-country mobile operator by subscriber base, behind China Mobile.

Airtel is the largest provider of mobile telephony and second largest provider of fixed telephony in India, and is also a provider of broadband and subscription television services. It offers its telecom services under the "airtel" brand, and is headed by Sunil Bharti Mittal. Bharti Airtel is the first Indian telecom service provider to achieve Cisco Gold Certification. It also acts as a carrier for national and international long distance communication services. The company has a submarine cable landing station at Chennai, which connects the submarine cable connecting Chennai and Singapore.

Airtel is credited with pioneering the business strategy of outsourcing all of its business operations except marketing, sales and finance and building the 'minutes factory' model of low cost and high volumes. The strategy has since been copied by several operators. Its network base stations, microwave links, etc. is maintained by Ericsson and Nokia Siemens Network whereas IT support is provided by IBM, and transmission towers are maintained by another company (Bharti Infratel Ltd. in India).

1.4.1.2 Vision

By 2015 Airtel will be the most loved brand, enriching the lives of millions. “Enriching lives means putting the customer at the heart of everything they do. Company will meet their needs based on deep understanding of their ambitions, wherever they are. By
having this focus they will enrich their own lives and those of their key stakeholders. Only then will they be thought of as exciting, innovation, on their side and a truly world class company”.

1.4.1.3 Worldwide presence
Airtel is the one of the largest mobile operator in the world in terms of subscriber base and has a commercial presence in 20 countries and the Channel Islands.

Its area of operations include:

- The Indian Subcontinent:
  - Airtel Bangladesh, in Bangladesh
  - Airtel, in India
  - Airtel Sri Lanka, in Sri Lanka
- Airtel Africa, which operates in 17 African countries:
  - Burkina Faso, Chad, Democratic Republic of the Congo, Republic of the Congo, Gabon, Ghana, Kenya, Madagascar, Malawi, Niger, Nigeria, Rwanda, Seychelles, Sierra Leone, Tanzania, Uganda and Zambia.
- The British Crown Dependency islands of Jersey and Guernsey, under the brand name Airtel-Vodafone, through an agreement with Vodafone.

Airtel operates in the following countries:

<table>
<thead>
<tr>
<th>Country</th>
<th>Site</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>Airtel Bangladesh</td>
<td>Airtel Bangladesh had about 8 million customers as on Sep 2013.</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>Airtel Burkina Faso</td>
<td>Airtel Burkina Faso is the dominant player with 1,433,000 customers representing 50% market share.</td>
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<tr>
<td>Chad</td>
<td>Airtel Chad</td>
<td>Airtel Chad is the No. 1 operator with 69% market share.</td>
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<tr>
<td>Democratic Republic of the Congo</td>
<td>Airtel DRC</td>
<td>Airtel is the market leader with almost 5 million customers at the end of 2010.</td>
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<tr>
<td>Gabon</td>
<td>Airtel Gabon</td>
<td>Airtel Gabon has 829,000 customers and its market share stood at 61%.</td>
</tr>
<tr>
<td>Ghana</td>
<td>Airtel Ghana</td>
<td>Airtel Ghana had about 1.76 million customers at the end of 2010.</td>
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<tr>
<td>Country</td>
<td>Operator</td>
<td>Description</td>
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<tr>
<td>India</td>
<td>Airtel</td>
<td>Airtel is the market leader with almost 193.4 million customers as on 30 Sep 2013.</td>
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<tr>
<td>Kenya</td>
<td>Airtel Kenya</td>
<td>Airtel Kenya is the second largest operator and has 4 million customers.</td>
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<tr>
<td>Madagascar</td>
<td>Airtel Madagascar</td>
<td>Airtel is the market leader in Madagascar with 39% market share and 2.5 million customers.</td>
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<tr>
<td>Malawi</td>
<td>Airtel Malawi</td>
<td>Airtel Malawi is the market leader with a market share of 72%.</td>
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<tr>
<td>Niger</td>
<td>Airtel Niger</td>
<td>Airtel Niger is the market leader with a 68% market share.</td>
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<td>Nigeria</td>
<td>Airtel Nigeria</td>
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<tr>
<td>Republic of the Congo</td>
<td>Airtel Congo</td>
<td>Airtel Congo is the market leader with a 55% market share.</td>
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<tr>
<td>Rwanda</td>
<td>Airtel Rwanda</td>
<td>Airtel launched services in Rwanda on 30 March 2012.</td>
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<tr>
<td>Seychelles</td>
<td>Airtel Seychelles</td>
<td>Airtel is the leading comprehensive telecommunications services providers with over 55% market share of mobile market in Seychelles.</td>
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<tr>
<td>Sierra Leone</td>
<td>Airtel Sierra Leone</td>
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<tr>
<td>Tanzania</td>
<td>Airtel Tanzania</td>
<td>Airtel Tanzania is the market leader with a 38% market share.</td>
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<tr>
<td>Uganda</td>
<td>Airtel Uganda</td>
<td>Airtel Uganda stands as the No. 2 operator with a market share of 38%.</td>
</tr>
<tr>
<td>Zambia</td>
<td>Airtel Zambia</td>
<td>Airtel Zambia is the market leader with 69% market share.</td>
</tr>
<tr>
<td>Channel Islands:</td>
<td>Airtel Jersey and Guernsey</td>
<td>Airtel operates in the Channel Islands under the brand name Airtel–Vodafone through an agreement with Vodafone.</td>
</tr>
</tbody>
</table>
1.4.2 VODAFONE

1.4.2.1 Profile

Vodafone Group is a British multinational telecommunications company headquartered in London and with its registered office in Newbury, Berkshire. It is the world’s 2nd-largest mobile telecommunications company measured by both subscribers and 2013 revenues (in each case behind China Mobile), and had 434 million subscribers as of 31 March 2014.

Vodafone owns and operates networks in 21 countries and has partner networks in over 40 additional countries. Its Vodafone Global Enterprise division provides telecommunications and IT services to corporate clients in over 65 countries.

Vodafone has a primary listing on the London Stock Exchange and is a constituent of the FTSE 100 Index. It had a market capitalisation of approximately £89.1 billion as of 6 July 2012, the third-largest of any company listed on the London Stock Exchange. It has a secondary listing on NASDAQ.

1.4.2.2 Vision

Vodafone can help to transform societies by bringing innovative products and services to our 404 million customers, 68% of whom live in emerging markets.

Mobile technology is already a vital tool in people’s lives and our ambition is for Vodafone’s mobile services to further improve people’s livelihoods and quality of life.

At the same time, we aim to help consumers, governments and businesses tackle some of the significant challenges they face – from food shortages and ageing populations, to lack of access to communications, healthcare and financial services.

Our business focus on emerging markets, enterprise, data and new services gives us the ability to achieve our ambition to contribute to global development in this way, while continuing to grow our business at the same time, by developing commercially viable, scalable services that support sustainable development.
1.4.2.3 Brief History and Worldwide Presence

The headquarters of Vodafone Romania in Bucharest. On 28 July 2000, the Company reverted to its former name, Vodafone Group plc.

In 2001, the Company acquired Eircell, the largest wireless communications company in Ireland, from eircom. Eircell was subsequently rebranded as Vodafone Ireland. Vodafone then went on to acquire Japan's third-largest mobile operator J-Phone, which had introduced camera phones first in Japan.

On 17 December 2001, Vodafone introduced the concept of "Partner Networks", by signing TDC Mobil of Denmark. The new concept involved the introduction of Vodafone international services to the local market, without the need of investment by Vodafone. The concept would be used to extend the Vodafone brand and services into markets where it does not have stakes in local operators. Vodafone services would be marketed under the dual-brand scheme, where the Vodafone brand is added at the end of the local brand. (i.e., TDC Mobil-Vodafone etc.)

In 2007, Vodafone entered into a title sponsorship deal with the McLaren Formula One team, which traded as "Vodafone McLaren Mercedes" until the sponsorship ended at the end of the 2013 season.

In May 2011, Vodafone Group Plc bought the remaining shares of Vodafone Essar from Essar Group Ltd for $5 billion.

On 1 December 2011, it acquired the Reading based Bluefish Communications Ltd – an ICT consultancy company. The acquired operations formed the nucleus of a new Unified Communications and Collaboration practice within its subsidiary – Vodafone Global Enterprise, which will focus on implementing strategies and solutions in cloud computing, and strengthen its professional services offering.

In April 2012, Vodafone announced an agreement to acquire Cable & Wireless Worldwide (CWW) for £1.04 billion. Vodafone was advised by UBS AG, while Barclays and Rothschild advised Cable & Wireless. The acquisition will give Vodafone access to
CWW’s fibre network for businesses, enabling it to take unified communications solutions to large enterprises in UK and globally; and expand its enterprise service offerings in emerging markets. On 18 June 2012, Cable & Wireless’ shareholders voted in favour of the Vodafone offer, exceeding the 75% of shares necessary for the deal to go ahead.

On 24 June 2013, Vodafone announced it would be buying German cable company Kabel Deutschland. The takeover is valued at €7.7 billion, and was recommended over the bid of rival Liberty Global.

On 2 September 2013, Vodafone announced it would be selling its 45% stake in Verizon Wireless to Verizon Communications for $130 billion, in one of the biggest deals in corporate history.

In October 2013, Vodafone began its rollout of 4G to provincial New Zealand, with the launch of the system in holiday hotspots around Coromandel.

In February 2014, Vodafone made an offer to acquire Spain’s largest cable operator, ONO, in a deal rumoured to be around €7 billion.

1.4.3 BHARTI SANCHAR NIGAM LIMITED (BSNL)

1.4.3.1 Profile

Bharat Sanchar Nigam (abbreviated BSNL) is an Indian state-owned telecommunications company headquartered in New Delhi, India. It was incorporated on 15 September 2000. It took over the business of providing of telecom services and network management from the erstwhile Central Government Departments of Telecom Services (DTS) and Telecom Operations (DTO), with effect from 1 October 2000 on going concern basis. It is the largest provider of fixed telephony and fourth largest mobile telephony provider in India, and is also a provider of broadband services. However, in recent years the company's revenue and market share plunged into heavy losses due to intense competition in the Indian telecommunications sector.
BSNL is India's oldest and largest communication service provider (CSP). It had a customer base of 117 million as of Jan 2014. It has footprints throughout India except for the metropolitan cities of Mumbai and New Delhi, which are managed by Mahanagar Telephone Nigam (MTNL). According to Department of Telecommunication (DoT), India’s strong telephone network is the second largest wireless network in the world. India is also the fastest growing telecom market in the world with an average addition of over 18 million connections every month in the network; the mass market growth in India is led by the mobile segment. This rapid growth in the telecom network has resulted an overall teledensity of 70%. This growth in the telecom sector is attributable not only to the proactive and positive policy initiatives of the Government but also to the entrepreneurial spirit of the various telecom service providers both in public and private sector.

1.4.3.2 Vision

Vision of Bharat Sanchar Nigam Limited is to :

- Be the leading Telecom Service Provider in India with global presence.
- Create a customer focused organisation with excellence in sales, marketing and customer care.
- Leverage technology to provide affordable and innovative products/services across customer segments
- Provide a conducive work environment with strong focus on performance
- Establish efficient business processes enabled by IT

1.4.3.3 Background

BSNL, then known as the Department of Telecommunications, had been a near monopoly during the socialist period of the Indian economy. During this period, BSNL was the only telecom service provider in the country. MTNL was present only in Mumbai and New Delhi. During this period BSNL operated as a typical state-run organization, inefficient, slow, bureaucratic, and heavily unionised. As a result subscribers had to wait for as long as five years to get a telephone connection. The corporation tasted competition for the first time after the liberalisation of Indian economy in 1991. Faced with stiff competition
from the private telecom service providers, BSNL has subsequently tried to increase efficiencies itself. DoT veterans, however, put the onus for the sorry state of affairs on the Government policies, where in all state-owned service providers were required to function as mediums for achieving egalitarian growth across all segments of the society. The corporation (then DoT), however, failed to achieve this and India languished among the most poorly connected countries in the world. BSNL was born in 2000 after the corporatisation of DoT. The corporatisation of BSNL was undertaken by an external international consulting team consisting of a consortium of A.F. Ferguson & Co, JB Dadachanji and NM Rothschild - and was probably the most complex corporatisation exercise of its kind ever attempted anywhere because of the quantum of assets (said to be worth USD 50 Billion in terms of breakup value) and over half a million directly and indirectly employed staff. Satish Mehta, who led the team later confessed that one big mistake made by the consortium was to recommend the continuation of the state and circle based geographical units which may have killed the synergies across regions and may have actually made the organisation less efficient than had it been a seamless national organisation. Vinod Vaish, then Chairman of the Telecom Commission made a very bold decision to promote younger talent from within the organisation to take up a leadership role and promoted the older leaders to a role in licensing rather than in managing the operations of BSNL. The efficiency of the company has since improved, however, the performance level is nowhere near the private players.

The corporation remains heavily unionised and is comparatively slow in decision making and its implementation, which largely acts at the instances of unions without bothering about outcome. Management has been reactive to the schemes of private telecom players. Though it offers services at lowest tariffs, the private players continue to notch up better numbers in all areas, years after year. BSNL has been providing connections in both urban and rural areas. Pre-activated Mobile connections are available at many places across India. BSNL has also unveiled cost-effective broadband internet access plans (DataOne) targeted at homes and small businesses. At present BSNL enjoy's around 60% of market share of ISP services.
1.4.3.4 Challenges

During the financial year 2008–09 (from 1 April 2008 to 31 March 2009) BSNL has added 8.1 million new customers in various telephone services taking its customer base to 75.9 million. BSNL's nearest competitor Bharti Airtel is standing at a customer base of 62.3 million. However, despite impressive growth shown by BSNL in recent times, the Fixed line customer base of BSNL is declining. In order to woo back its fixed-line customers BSNL has brought down long distance calling rate under OneIndia plan, however, the success of the scheme is not known and BSNL faces bleak fiscal 2009-2010 as users flee. Presently there is an intense competition in Indian Telecom sector and various Telcos are rolling out attractive schemes and are providing good customer services. But situation as on 2012, BSNL will be third largest operator (Service) and No 1 access operator in the country. As per the TRAI Report 2011-12, BSNL became the most trustworthy brand due to its loyalty towards customers and its rule.

Access Deficit Charges (ADC, a levy being paid by the private operators to BSNL for providing service in non-lucrative areas, especially rural areas) has been slashed by 20% by TRAI, w.e.f. 1 April 2009. The reduction in ADC may hit the profits of BSNL.

BSNL has started 3G services in 290 cities and acquired more than 600,000 customers. It has planned to roll out 3G services in 760 cities across the country in 2010-11. According to users and big sources BSNL's 3G data speed is much higher than other operator and also it is competitively cheap.

Broadband services: The shift in demand from voice to data has revolutionized the very nature of the network. BSNL is poised to cash on this opportunity and has planned for extensive expansion of the Broadband services. The Broadband customer base of 3.56 Million customer in March’2009 is planned to be increased to 16.00 million by March 2014. On 13 June 2012, BSNL employees participated called off an earlier planned nationwide strike against discriminatory policies of BSNL management upon promise by Management to resolve the Demands of the protesting unions.
1.4.4 RELIANCE

1.4.4.1 Profile

Reliance Industries Limited (RIL) is an Indian conglomerate holding company headquartered in Mumbai, Maharashtra, India. The company operates in five major segments: exploration and production, refining and marketing, petrochemicals, retail and telecommunications.

The group is present in many business sectors across India including petrochemicals, construction, communications, energy, health care, science and technology, natural resources, retail, textiles, and logistics.

RIL is the second-largest publicly traded company in India by market capitalisation and is the second largest company in India by revenue after the state-run Indian Oil Corporation. The company is ranked No. 99 on the Fortune Global 500 list of the world's biggest corporations, as of 2013. RIL contributes approximately 14% of India's total exports.

1.4.4.2 Vision

By 2015, be amongst the top 3 most valued Indian companies, providing Information, Communication & Entertainment services, and being the industry benchmark in Customer Experience, Employee Centricity and Innovation.

1.4.4.3 Background

Reliance Group, an offshoot of the Group founded by Shri Dhirubhai H Ambani (1932-2002), ranks among India’s top three private sector business houses in terms of net worth. The group has business interests that range from telecommunications (Reliance Communications Limited) to financial services (Reliance Capital Ltd) and the generation and distribution of power (Reliance Infrastructure Limited).

Reliance Group’s flagship company, Reliance Communications, is India's largest private sector information and communications company, with over 150 million subscribers.
It has established a pan-India, high-capacity, integrated (wireless and wireline), convergent (voice, data and video) digital network, to offer services spanning the entire infocomm value chain.

Other major group companies — Reliance Capital and Reliance Infrastructure — are widely acknowledged as the market leaders in their respective areas of operation.

Reliance Communications Ltd. (commonly called RCOM) is an Indian Internet access (commonly called "broadband") and telecommunications company headquartered in Navi Mumbai, India. RCOM is India's second largest telecom operator, only after Bharti Airtel. It is the 15th largest mobile phone operator with over 150 million subscribers. Established in 2004, it is a subsidiary of the Reliance Group. The company has five segments: Wireless segment includes wireless operations of the company; broadband segment includes Internet access operations of the company; Global segment includes national long distance and international long distance operations of the company and the wholesale operations of its subsidiaries; Investment segment includes investment activities of the Group companies, and Other segment consists of the customer care activities and direct-to-home (DTH) activities.

It ranks among the top 5 telecommunications companies in the world by number of customers in a single country. Reliance Communications corporate clientele includes 2,100 Indian and multinational corporations, and over 800 global, regional and domestic carriers. The company established a pan-India, integrated (wireless and wireline), convergent (voice, data and video) digital network that is capable of supporting services spanning the entire communications value chain, covering over 24,000 towns and 6,00,000 villages. Reliance Communications owns and operates the IP-enabled connectivity infrastructure, comprising over 1,90,000 kilometres of fibre optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region. Reliance Tech Services is the IT services wing of Reliance Anil Dhirubhai Ambani group. It provides IT consultancy, business process outsourcing and software development for Reliance Communications and other ADA group companies. It provides services to industry sectors such as telecommunications, financial services, utilities, entertainment, infrastructure, BPO operations and health care.
Reliance Communications Limited is the flagship Company of Reliance Anil Dhirubhai Ambani Group, India's third largest business house. The company is India's largest private sector information and communications company, with over 100 million subscribers. They have established a pan-India, high-capacity, integrated (wireless and wireline), convergent (voice, data and video) digital network, to offer services spanning the entire infocomm value chain. The company shares are listed on the Bombay Stock Exchange Ltd and the National Stock Exchange Ltd. The company offers the full value chain of wireless (CDMA and GSM), wireline, national long distance, international, voice, data, video, Direct-To-Home (DTH) and internet based communications services under various business units organized into three strategic customer-facing business segments; Wireless, Global and Broadband. These strategic business units are supported by passive infrastructure connected to nationwide backbone of Optic Fibre Network fully integrated network operation system and by the largest retail distribution and customer services facilities.

The company also owns through their subsidiaries, a global submarine cable network infrastructure and offers managed services, managed Ethernet and application delivery services. The company is India's first telecom service provider offering nationwide CDMA and GSM mobile services with digital voice clarity. Their mobile portal, R World, offers the widest range of mobile content spanning e-commerce, m-commerce entertainment, music, news, astrology, cricket, bollywood, maps, search, one-click set-up, access to email and social networking. The company offers the most comprehensive portfolio of enterprise voice, data, video, internet and IT infrastructure services catering to large, medium and small enterprises for their communications, networking and IT infrastructure needs. Their product portfolio includes national and international private leased circuits, broadband internet access, audio solutions including Centrex, toll free services, voice VPN, video conferencing , MPLS-VPN, remote access VPN, Global MPLS VPN managed internet data centre (IDC) services to name a few.

The company operates nationwide Direct-to-Home satellite TV services under its wholly owned subsidiary, Reliance Big TV Limited (Big TV). They formed an alliance with Polycom Inc., the global leader in tele-presence, video and voice solutions, to introduce world's first wireless, high-resolution video and CD-quality audio, conferencing service
along with simple-to-use content sharing capabilities - at a bandwidth speed of 256 kbps at any place. They own and operate the world's largest next generation IP enabled connectivity infrastructure, comprising over 2,77,000 kilometers of fibre optic cable systems in India, USA, Europe, Middle East and the Asia Pacific region. Reliance Communications Ltd was incorporated on July 15, 2004 as a private limited company with the name of Reliance Infrastructure Developers Pvt Ltd. In July 25, 2005, the company was converted into public limited company and the name was changed to Reliance Infrastructure Developers Ltd. During the year, the company altered the objects clause of the memorandum of association to carry on the business of telecommunication, infrastructure, telecommunication system, telecommunication network and telecommunication services.

In August 3, 2005, they further changed their name to Reliance Communication Ventures Ltd. In August 11, 2005, the equity shares of the company were acquired by Reliance Industries Ltd and thus the company became the wholly owned subsidiary of Reliance Industries Ltd. As per the scheme of arrangement, all the properties, investments, assets and liabilities related to Telecommunication Undertaking of Reliance Industries Ltd was transferred and vested in the company on a going concern basis with effect from December 21, 2005. In March 6, 2006, the equity shares of the company were listed on the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd. In June 7, 2006, the name of the company was changed from Reliance Communication Ventures Ltd to Reliance Communications Ltd. As a result of a Scheme of arrangement with Reliance Industries Limited, the company became the holding company of minority interests in the telecommunications companies formerly controlled by Reliance Industries Ltd. The company restructured the telecom businesses by realigning the economic ownership of various businesses into the company.

Under a Scheme of Amalgamation and Arrangement which became effective from September 12, 2006, inter alia, Reliance Infocomm Ltd, Ambani Enterprises Pvt Ltd, Reliance Business Management Pvt Ltd, Formax Commercial Pvt Ltd, Reliance Communications Technologies Ltd, Reliance Software Solutions Pvt Ltd, Reliance Communications Solutions Pvt Ltd and Panther Consultants Pvt Ltd were amalgamated with the company and the and Network division of Reliance Communications Infrastructure Ltd
was de-merged to the company. Upon the Scheme of Amalgamation and Arrangement all the subsidiaries of erstwhile Reliance Infocomm Ltd, Reliance Infocomm Infrastructure Pvt Ltd, Reliable Internet Services Ltd and Campion Properties Pvt Ltd including the subsidiaries of Reliance Communications Infrastructure Ltd, Reliance Telecom Ltd and Flag Telecom Group Ltd became the subsidiaries of the company.

During the period 2006-07, Paradox Studios Ltd, Reliance Digital World Ltd and NIS Sparta Ltd ceased to be subsidiaries of the company and Gateway Net Trading Pte Ltd, Reliance Communications (Singapore) Pte Ltd, Reliance Communications (Hong Kong) Ltd, Reliance Communications (New Zealand) Pte Ltd, Reliance Communication (Australia) Pty Ltd, RCOM Malaysia SDN BHD, Synergy Entrepreneur Solutions Pvt Ltd and Reliance Next Generation Technology Pvt Ltd became subsidiaries of the company. During the year 2007-08, Reliance Tech Services Pvt Ltd, Reliance Big TV Ltd, Yipes Holdings Inc, Reliance Globalcom Services Inc, Yipes Systems Inc, YTV Inc, Anupam Globalsoft (U) Ltd, Lagerwood Investments Ltd and Reliance Telecom Infrastructure (Cyprus) Holdings Ltd became the subsidiaries of the company. While, Flag Projects Pte Ltd, Alsign Holdings Pte Ltd, Actaram Capital Pte Ltd, Reliance Telephones Ltd and Gateway Net Trading Pte Ltd ceased to be subsidiaries of the company.

As per the scheme of arrangement amongst the company, Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL), the passive infrastructure of the Company and RTL was de-merged and vested into RITL, with effect from April 10, 2007. The group structure involving various subsidiaries of the company was reorganized during the year. Consequently, Reliance Infoinvestments Ltd and Synergy Entrepreneur Solutions Pvt Ltd amalgamated with Reliance Communications Infrastructure Ltd with effect from July 23, 2007 and September 1, 2007 respectively and Reliable Internet Services Ltd amalgamated with Reliance Telecom Ltd with effect from September 29, 2007. FLAG Telecom USA Ltd was merged with Yipes Holdings Inc. with effect from December 17, 2007.

During the year, the company acquired Uganda-based company Anupam Globalsoft (U) Ltd, holding Public Infrastructure Provider License and Public Service Provider License to offer Mobile, Fixed Line, Internet, National and International Long Distance services, in addition to WiMax and Wifi services, marking their entry in Uganda In April 2008, they
also acquired controlling stake in Reliance WiMax World Limited (formerly eWave World Limited), a UK headquartered company focused on the rapidly developing market for wireless telephony services using the WiMAX technology standard. During the year 2008-09, the company launched GSM services in 14 service areas and commenced commercial operations. They received start-up spectrum to launch GSM services from Department of Telecommunications (DoT) under their existing Unified Access Service License (UASL) in 14 service areas.

Reliance Big TV Ltd, a wholly owned subsidiary of the company launched fully Digital Home Entertainment Direct To Home (DTH) Service on the most advanced MPEG 4 DTH Platform. During the year, Reliance Vanco Group Ltd and their subsidiaries, Reliance WiMax World Ltd and Gateway Net Trading Pte Ltd became the subsidiaries of the company. While, FLAG Telecom France Network SAS, FLAG Telecom France Services EURL, FLAG Telecom Korea Ltd and FLAG Telecom Espana SA ceased to be subsidiaries of the company. The company rolled out their fastest Wireless Internet service, 'Reliance Netconnect Broadband Plus', with a downlink speed of up to 3.1 Mbps. This makes Netconnect Broadband Plus best suited for video streaming, video surveillance, rich media content and superior Internet browsing.

The company through their wholly owned subsidiary, Reliance Communications Infrastructure Ltd, formed a joint venture with Krishak Bharati Cooperative Ltd (Kribhco), a premier co-operative society with an unparalleled marketing network in rural India. The company made a tie up with Flytxt, a leading technology provider, for the implementation of an integrated carrier-class mobile marketing software platform called Neon on the RCOM Network. Also, they made a tie up with SAS for better business intelligence and analytics and AMDOCS for Customer Self Service systems. During the year 2009-10, Global Innovative Solutions Pvt Ltd, Reliance WiMax D.R.C. B.V, Reliance WiMax Gambia B.V, Reliance WiMax Mauritius B.V., Reliance WiMax Mozambique B.V, Reliance WiMax Niger B.V., Reliance WiMax Zambia B.V., Access Bissau LDA became the subsidiaries of the company. While, Reliance Mobile Ltd and Vanco (India) Pvt Ltd ceased to be subsidiaries of the company.
As per scheme of arrangement between the company and Reliance Infratel Ltd, the Optic Fiber Undertaking of the company was de-merged and transferred to Reliance Infratel Ltd with effect from April 1, 2008. Also, Reliance Gateway Net Ltd, a wholly owned subsidiary of the company amalgamated with the company with effect from July 13, 2009. During the year, the company won the prestigious Global World Communication Awards 09, held in London. They also won this award in the Best Device Category where they participated with a new network device, developed with CISCO. The company was the only Indian company to win an award at WCA 09. The company received the Frost and Sullivan Market Share Leadership award for 'Data Center and Managed Services' category (FY 2009). They also received INFOCOMM - CMAI National Telecom Award for the 'Largest Telecom Network' category, presented by Secretary, DoT and Chairman, Telecom Commission. During the year 2010-11, the company along with its wholly owned subsidiary, Reliance Telecom Ltd (RTL) was awarded 3G spectrum in 13 out of 22 telecom circles, at a price of 85,850 million.

The company is one among the only 3 operators who won in 13 circles, the highest circle coverage for any existing player. The company won in all the 3 metros namely Mumbai, Delhi and Kolkata and also in all those circles in which the Company has GSM incumbents. In December 13, 2010, the company became the first operator to offer 3G services to customers in top 3 metro circles namely Mumbai, Delhi and Kolkata. During the year, Flag Pacific Ltd, Flagweb Ltd, Flag Telecom Belgium Network SA, Vanco ApS, Vanco Hongkong Solutions Ltd, Vanco Net Direct Limited UK, RCOM Malaysia SDN. BHD, Yipes Systems Inc and Flag Access India Pvt Ltd ceased to be subsidiaries of the company.

In June 20, 2010, the Company approved a proposal to acquire Digicable, India's largest Cable TV service provider to be renamed as 'Reliance Digicom'. Integration of the company's DTH, IPTV, retail broadband businesses along with Digicable acquisition will make the Company India's/ Asia's largest and the world's 5th largest digital TV and ultra high-speed broadband service provider. The Company is awaiting regulatory approvals for completing this transaction. In March 9, 2011, the company signed facility agreement with China Development Bank (CDB) which includes Rs 6,000 crore for refinancing 3G spectrum fee payment by the company and Rs 2,700 crore for equipment imports from
Chinese Vendors by the company and Reliance Telecom Ltd. During the year, Reliance Mobile Commerce Limited became the wholly owned subsidiary of the company. Reliance Communications Maharashtra Pvt Ltd became the wholly owned subsidiary of the company through Reliance Telecom Ltd (RTL) during the year and merged into RTL, with effect from May 25, 2011.

Global Innovative Solutions Pvt Ltd, a wholly owned subsidiary of the company was amalgamated with the company with effect from May 25, 2011. The appointed date was April 1, 2010. Reliance Global IDC Ltd, a wholly owned subsidiary of Reliance Infratel Ltd (RITL) merged with RITL with effect from May 25, 2011. The appointed date was January 1, 2011. Also, Matrix Innovations Ltd, a wholly owned subsidiary of Reliance Communications Infrastructure Ltd (RCIL) merged with RCIL. The appointed date was April 1, 2010. In January 2012, the company acquired AnComm, creator of Talk About It, the anonymous communication service that allows students to speak up by engaging in text message or email dialogue with trusted school staff members.

1.4.5 IDEA

1.4.5.1 Profile

Idea Cellular is an Aditya Birla Group Company, India's first truly multinational corporation. Idea is a pan-India integrated GSM operator offering 2G and 3G services, and has its own NLD and ILD operations, and ISP license. With revenue in excess of $4 billion; revenue market share of nearly 15%; and subscriber base of over 121 million in FY 2013, Idea is India’s third largest mobile operator. Idea ranks among the top 10 country operators in the world with a traffic of over 1.5 billion minutes a day.

Idea’s robust pan-India coverage is built on a network of over 100,000 2G and 3G cell sites, spread across over 55,000 towns in India.

Using the latest in technology, Idea provides world-class service delivery through the most extensive network of customer touch points, comprising nearly 4,500 exclusive Idea outlets, and over 7,000 call centre seats. Idea’s customer service delivery platform is ISO 9001:2008 certified, making it the only operator in the country to have this standard certification for all 22 service areas and the corporate office.
Idea has consistently stayed ahead of the industry in VLR reporting. Idea’s thought leadership on Mobile Number Portability (MNP) has enabled it to stay as the top gainer with the highest net gain. Every 4th mobile user who exercises choice through MNP, prefers Idea.

Idea offers a range of high-speed mobile broadband devices including Android based 3G smartphones, dongles etc. Idea’s wide portfolio of 3G smartphones offer the latest in 3G applications and high-end data services such as Idea TV, games, social networking etc. at affordable prices.

Idea has been a pioneer in introducing customised product offerings for segmented customers. It is the first mobile operator to introduce innovative value added services in the Indian telephony market, and has remained ahead of the industry in data product offerings.

Idea has received several national and international recognitions for its path-breaking innovations in mobile telephony products and services. Idea won the prestigious ‘NDTV Business Leadership Award’ in the telecom category for its solid, consistent performance in 2012. It was the winner of ET Telecom Awards 2012, in the categories ‘Customer Experience Enhancement’, ‘Excellence in Marketing’, and ‘Innovative Products’. Idea also won the ‘Best Ad Campaign of the Year’ award for the popular Honey Bunny campaign at the Tele.Net Telecom Awards 2012.

Idea won the ‘Best Brand Campaign’ at the esteemed World Communication Awards in 2012 and 2011. It also won the GSM Association Award for ‘Best Billing and Customer Care Solution’ for two consecutive years, and was awarded ‘Mobile Operator of the Year Award – India’ for 2007 and 2008 at the Annual Asian Mobile News Awards.

Idea is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) in India.

1.4.5.2 Vision

Vision of Idea Cellular company is to develop IDEA as the brand of leadership that they seek to build combines the virtues of professionalism with the commanding power of the mind, heart and soul. The mind which has the intellect to perceive the right from the wrong, the heart which has an emotional bond with this great organization that cannot be severed and a soul that is indomitable.
1.4.5.3 Background

Idea Cellular, commonly referred to as Idea, is an Indian mobile network operators based in Mumbai, India. In 2000, Tata Cellular was a company providing mobile services in Andhra Pradesh. When Birla-AT&T brought Maharashtra and Gujarat to the table, the merger of these two entities was a reality. Thus Birla-Tata-AT&T, popularly known as Batata, was born and was later rebranded as IDEA. Then Idea set sights on RPG’s operations in Madhya Pradesh which was successfully acquired, helping Batata have a million subscribers, and the licence to be the fourth operator in Delhi was clinched.

In 2004, Idea (the company had by then been rechristened) bought over the Escorts group’s Escotel gaining Haryana, Uttar Pradesh (West) and Kerala and licences for three more UP (East), Rajasthan and Himachal Pradesh. By the end of that year, four million Indians were on the company’s network. In 2005, AT&T sold its investment in Idea, and the year after Tatas also bid good bye to pursue an independent telecom business. And Idea was left only with one promoter, the AV Birla group. Rs 2,700 crore adding Punjab and Karnataka circles. Modi’s joint venture partner, Telekom Malaysia, invested Rs 7,000 crore for a 14.99% stake in Idea. Just around then, Idea’s subsidiary, Aditya Birla Telecom sold a 20% stake to US-based Providence Equity Partners for over Rs 2,0000 crore.

Initially the Birlas, the Tatas and AT&T Wireless each held one-third equity in the company. But following AT&T Wireless’ merger with Cingular Wireless in 2004, Cingular decided to sell its 32.9% stake in Idea. This stake was bought by both the Tatas and Birlas at 16.45% each. Tata's foray into the cellular market with its own subsidiary, Tata Indicom, a CDMA-based mobile provider, cropped differences between the Tatas and the Birlas. This dual holding by the Tatas also became a major reason for the delay in Idea being granted a license to operate in Mumbai. This was because as per Department of Telecommunications (DOT) license norms, one promoter could not have more than 10% stake in two companies operating in the same circle and Tata Indicom was already operating in Mumbai when Idea filed for its licence.

The Birlas thus approached the DOT and sought its intervention, and the Tatas replied by saying that they would exit Idea but only for a good price. On 10 April 2006, the Aditya Birla Group announced its acquisition of the 48.18% stake held by the Tatas at
Rs. 40.51 a share amounting to Rs. 44.06 billion. While 15% of the 48.14% stake was acquired by Aditya Birla Nuvo, a company in-charge of the Birlas’ new business initiatives, the remaining stake was acquired by Birla TMT holdings Private Ltd., an AV Birla family-owned company. Currently, Aditya Birla Group holds 49.1% of the total shares of the company. Malaysia based Axiata controls a 14.99% stake in the company.

On 19 May 2010, the 3G spectrum auction in India ended. Idea paid ₹ 5768.59 crores for spectrum in 11 circles. The circles it will provide 3G in are Andhra Pradesh, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Kerala, Madhya Pradesh, Maharashtra & Goa, Punjab, Uttar Pradesh (East) and Uttar Pradesh (West). On 28 March 2011, Idea launched 3G services in Gujarat, Himachal Pradesh and Madhya Pradesh. The launch cities were Ahmedabad, Shimla and Indore. This makes Idea the sixth private operator (eighth overall) to launch its 3G services in the country following Tata Docomo, Reliance Communications, Airtel, Aircel and Vodafone.

Idea currently supports up to 21.1 Mbit/s over 2G speeds of 256 kbit/s. However, different handsets support different speeds, from 384 kbit/s, 3.6 Mbit/s, 7.2 Mbit/s or 21.1 Mbit/s. Speeds also depend on the 3G plan/recharge that users opt for. The operator announced that IDEA 3G services will be available in 200 towns of 11 3G circles by mid-April 2011, progressively growing at the rate of ten towns per day to cover 750 towns by mid-2011 and 4000 towns by the end of 2012. Idea cellular has announced a cut of 70% in the tariff of its 3G services.

On 23 November 2011 Idea Cellular launched two affordable 3G handsets in India: Idea 3G Smartphone Blade priced at ₹ 7,992 and Idea 3G Smartphone priced at ₹ 5,850. Both handsets are based on Android 2.2 Froyo. Idea has also launched a Dual-SIM Android smartphone in India on June 15, 2012 named as Idea ID-918 at a price point of Rs.5,994 ($108 approx.) It features Android v2.3 OS, 3.2-inch capacitive touchscreen, 3G, Wi-Fi and 3.2 MP rear facing camera. On 5 March 2013 Idea launched another 3G smart phone called Idea Zeal 3G which is a Dual SIM phone with 3 Megapixel camera.

### 1.4.6 TATA DOCOMO

#### 1.4.6.1 Profile

Tata Docomo, is an Indian cellular service provider on the GSM, CDMA and platform-arising out of the strategic joint venture between Tata Teleservices and NTT
Docomo in November 2008. It is the country's sixth largest operator in terms of subscribers (including both GSM and CDMA).

Tata Docomo is part of the Indian conglomerate Tata Group. The company received the license to operate GSM services in nineteen telecom circles and was allotted spectrum in eighteen of these circles and launched GSM services on 24 June 2009. It began operations first in South India and currently operates GSM services in eighteen of twenty two telecom circles. It has licences to operate in Delhi but has not been allocated spectrum from the Government. Docomo provides services throughout India. Tata DOCOMO offers both prepaid and postpaid cellular phone services. It has become very popular with its one second pulse especially in semi-urban and rural areas.

On 5 November 2010, Tata DOCOMO became the first private sector telecom company to launch 3G services in India. Tata DOCOMO had about 42.34 million users at the end of December 2010.

In April 2011, TATA DOCOMO signed on Bollywood actor Ranbir Kapoor as its brand ambassador on a three year contract. For the southern states of Tamil Nadu and Andhra Pradesh, actors Vijay and Ram Charan Teja are the brand ambassadors respectively.

1.4.6.2 Vision and Mission

Vision:
To be the most admired and responsible Integrated Power Company with international footprint, delivering sustainable value to all stakeholder.

Mission
We will become the most admired and responsible Power Company delivering sustainable value by:

- Operating our assets at benchmark levels
- Executing projects safely, with predictable benchmark quality, cost and time
- Growing the Tata Power businesses, be it across the value chain or across geographies, and also in allied or new businesses
• Driving Organizational Transformation and creating a Culture that will help us to deliver on our strategic intent
• Achieving our sustainability intent of ‘Leadership with Care’, by having leading and best practices on Care for the Environment, Care for the Community, Care for the Customers and Shareholders, and Care for the People.
• Being the lead adopter of technology, wherever appropriate, with a bold spirit of pioneering and calculated risk taking, and building capabilities that would help us internalise the use of these technologies

1.4.6.3 Background

On 19 May 2010, the 3G spectrum auction in India ended. Tata Docomo paid ₹6964.29 crores for spectrum in 22 circles. These circles obtained 3G licences and they are Madhya Pradesh & Chhatisgarh, Gujarat, Haryana, Karnataka, Kerala, Maharashtra & Goa, Punjab, Rajasthan, and Uttar Pradesh (West).

On 5 November 2010, Tata DOCOMO became the first private sector telecom company (third overall) to launch 3G services in India, with a 20 city launch. Tata Docomo's HSPA+ 3G network, set up with the assistance of NTT Docomo, supports high-speed internet access with speeds of up to 21.1 Mbit/s. The network also supports high definition voice for superior quality voice calls.

On July 19, 2011, Docomo and Aircel entered into a roaming agreement for 3G services to jointly roll out 3G networks in the circles where they both have spectrum. In the spectrum auction held last year, Aircel won 3G spectrum in 13 of India's 22 circles (service areas), while TATA DOCOMO was awarded 3G licenses in nine circles. This deal would give both companies 3G coverage in 19 telecom circles of India. They will not have coverage on 3 circles - Delhi, Himachal Pradesh and Mumbai. Still the companies have three circles in common - Karnataka, Kerala and Punjab. On December 14, 2011, Docomo ended its agreement with Aircel. Both operators ended the deal after the Department of Telecom said that such 3G arrangements were illegal, as the pacts violate licence terms and conditions. Tata Docomo and Aircel currently have bilateral roaming agreements to allow
their subscribers to seamlessly use 3G on roaming.

1.5 Need of the Study

In today's challenging economy and competitive business world, retaining customer base for all Cellular Operators is critical for their success. If Cellular Operators don't give their customers some good reasons to stay, their competitors will give them a reason to leave. Customer retention and satisfaction drive profits. Since Mobile number portability is also about to take position in the market most of the cellular operators would lay stress on Retention and Collection strategies.

It's far less expensive to cultivate Operators existing customer base and sell more services to them than it is to seek new, single-transaction customers. Most surveys across industries show that keeping one existing customer is five to seven times more profitable than attracting one new one.

All cellular operators have shifted their focus from marketing strategies to Retention Process these days. Churn behaviour is major part which will be focused in this study as Gupta et al. 2004 finds that a 1% improvement in retention can increase firm’s value by 5% so this study will directly help operators in framing out various strategies and policies for retention.

Major part of this research would talk about the fact that how and till when companies should start and end their focus on retention and when their focus is required to be shifted from retention to collections as at frame of times customer becomes liability for the company.

Many research works have been done on CRM, Retention management, improving customer relationships with companies, customer care and need of their improvements but not many studies have been conducted that correlates collections and retention processes simultaneously, this study would help in studying framework that how collection strategies are made with relation to retention process and their effectiveness.

It will also help in predicting those customers who are at risk of defection at particular point of time and also will help in finding out various determinants of defection.
This study will study the problems of customer attrition and also help in examining the impact of factors that help in contributing to retention behaviour. This research work will also help in comparative study of various cellular operators policies and strategies of Retention as well as Collection and framing out that which Cellular operator of Punjab is chalking out best retention and collection strategy for keeping their customers for long term on board since effective collection policy would lead in more retentions and less bad debt.

1.6 Objectives of the study

- To study the Collection and Retention Strategy Design of various cellular operators operating in Punjab.
- To examine how the collections strategies can foster stronger customer relationships by sparing good customers from the negative strategies which includes skip tracing, harsh calling and legal bindings.
- To determine the factors contributing to customer attrition and strategies of various cellular operators to reduce customer attrition.
- To identify the sub-segments of the customer base that is likely to churn away thereby providing a well identified segment to target with pre suspension efforts to reduce the churn.
- To study the Employees satisfaction toward collection and retention strategies of various cellular operators operating across Punjab.
- To recommend best possible collection and retention strategy for maximum retention as well collections from the customers.

1.7 RESEARCH METHODOLOGY

In order to achieve the specific objectives of the study, following research methodology was used:

1.7.1 Sampling Design

The sampling design of the study was based on convenience sampling technique. 6 GSM Cellular Operators were taken which included Airtel, Idea, Vodafone, BSNL, Tata Docomo and Reliance Infocomm. For each operator 6 stores one in major cities were selected. A sample of 7-9 employees 15-20 customers from each store of the company from
each city was taken. Employees of each company and walk-in customers were asked to fill the pre designed questionnaire.

1.7.2 Data Collection

The study was based on both primary and secondary data. Secondary sources were explored first to assess past research conducted on cellular operators various retention and collection strategies. The next stage involved collection of primary data from employees and customers. The primary data was collected on a specially structured pre-tested questionnaire from the selected employees and customers through personal interview method.

1.7.3 Measurement

The employees of various cellular operators were asked through personal interviews to evaluate the retention and collection strategies provided by their Operators. Employees’ satisfaction toward collection and retention strategies was measured by asking them to register their level of satisfaction on different aspects of collection and retention strategies of the companies on a 5-point Likert scale. Responses to all the aspects were obtained in terms of ‘highly satisfied’, ‘satisfied’, neither satisfied nor dissatisfied’, ‘dissatisfied’ and highly dissatisfied’.

1.7.4 Analysis

Appropriate statistical techniques have been used to evaluate the interrelation of various collection and retention strategies of Cellular Operators. Suitable statistical tools are used to analyze the primary and secondary data.

1.7.5 Statistical Framework

Before going for statistical analysis, the Likert scale responses were assigned weights the respective order of 5, 4, 3, 2 and 1. To analyze the data, both simple as well as advance statistical techniques were applied. Simple techniques included frequencies, percentages, averages, etc., while the advance techniques included Analysis of Variance (ANOVA) and regression analysis.
1.7.6 Analysis of Variance (ANOVA)

To compare more than two means at a time, analysis of variance (ANOVA) was carried out. This was done to compare a variable between 6 cellular companies. The process of the analysis is given hereunder:

<table>
<thead>
<tr>
<th>Source of variation</th>
<th>d.f.</th>
<th>T.S.S.</th>
<th>M.S.S.</th>
<th>$F$-ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies</td>
<td>n-1=a</td>
<td>$S_1$</td>
<td>$S_1/a=x$</td>
<td>$x/y$</td>
</tr>
<tr>
<td>Error</td>
<td>b-a=c</td>
<td>$S_2$</td>
<td>$S_2/b=y$</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$N-1=b$</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

where

- $n$ = No. of companies to be compared i.e. 6
- $N$ = Total number of respondents
- T.S.S. = Total Sum of Squares
- M.S.S. = Mean Sum of Squares (TSS/d.f.)
- d.f. = Degree of Freedom.

1.7.7 Regression Analysis

In order to see the combined effect of socio-demographic variables on the level of satisfaction among employees over the company’s collection and retention strategies, multiple regression analysis was done. It was done in the algebraic form as under:

**Linear Form:**

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + b_6x_6 + b_7x_7 + \mu$$

Where

- $Y$ = Level of Satisfaction
- $x_1$ = Age (in years)
- $x_2$ = Gender
- $x_3$ = Education of the Employee
- $x_4$ = Marital Status
- $x_5$ = Family Size
- $x_6$ = Self-Income (Rs./ Annum)
- $x_7$ = Family Income (Rs./Annum)