

Marketing Mix Strategies of Indian Telecom Service Providers:A Comparative Analysis

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ABSTRACT: This paper compares the marketing mix of prominent telecom service providers in India. There is a fierce competition among telecom giants to tap the market and top the position. One of these ultimately acquired the major market share, largest subscriber base and also takes lead in satisfying customers with overall performance. Whereas, other players are the followers who are struggling to survive the rapidly changing technical environment. To understand this concept Bharti Airtel, Reliance Jio and BSNL are selected for the analysis and comparison has been made. These telecom players may appear to similarity in products and service that they provide in first glance. However, they differ in their internal and competitive strategies. The differences are measured on business success by growth strategy, difference in organizational structure, service providing strategy, etc. The analysis is an attempt to make an understanding of how a slight variation in market strategy contributes to the prosperity or failure of a telecom service provider in this fast changing digital world. Paper concludes that Bharti Airtel is the overall leader in all the parameters that were taken into account for comparison.

KEYWORDS: Marketing strategies, Marketing Mix, Indian Telecom Service Providers.

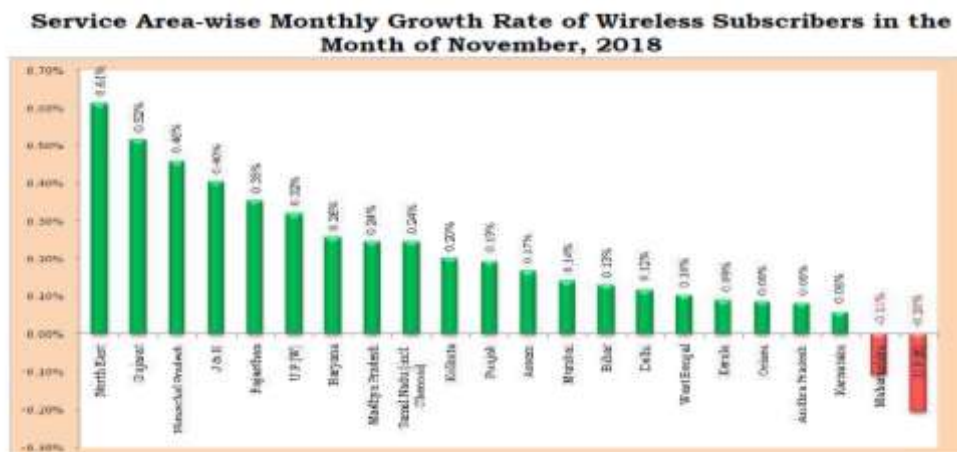
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I. INTRODUCTION

With smart communication devices reaching in hands of more and more number of users, digitalization is on its way to its golden era. It has had a transformational impact on the telecommunication service providers while taking both operational and strategic decisions. In present scenario, the entire telecommunication industry is struggling to keep up with the quickly transforming dynamic market environment and growing technological advancements. In their expedition to adopt digitalization, the telecom service providers have started taking small steps by undertaking infrastructural developments and integrating technology. There is an emerging need for telecos to transform their business processes in such a way that it maintains profit margins, retain market share, and expand their share of wallet in a digital economy.

- According to Telecom Regulatory Authority of India, total number of telephone (wired and wire-line combined) subscriber reached 1193.72 million by the end of November 2018.
- India’s telephone subscriber base has also grown. (CAGR) Cumulative Annual Growth Rate of 19.16 per cent, reaching 1188.5 million during current FY17–18
- India has become the second largest telecommunication market in world with third highest number of internet users in the world.



Source: Telecom Regulatory Authority of India

II. TELECOM SCENARIO IN INDIA

According to a joint study conducted by Google India and A T Kearney (a global management consulting firm), with over 155 million mobile Internet users at present, India will see a major mobile explosion as the Internet user base will become more than double to 480 million by 2017. It was estimated that in next three years, smart phone penetration will grow six times to touch 385 million people and the number of users who transact online will grow to 160 million. This also implied that Lifestyle will be the largest online category by the year 2020. Testifying this study in current scenario, data released by Telecom Regulatory Authority of India becomes significant. According to its report published in October 2018, India had 512.26 million internet subscribers till the end of June. This indicates that a significant growth of 3.71% from a total of 493.96 million internet connections was recorded at the end of March 2018.

III. MARKETING MIX OF AIRTEL, RELIANCE JIO, BSNL

Airtel: Bharti Airtel Limited is an Indian global telecommunications services company based in New Delhi, India. The company's business services include mobile services, data services and digital services. The mobile services uses GSM network technology, which is a fixed wireless technology, across major telecommunication circles in India. Airtel is an established player in providing 2G, 3G services and aggressively rolled out its 4G services.

Product: In order to retain the highest subscriber base, Airtel has tried to introduce large number of products and services in order to keep the customers intact. Some of its prominent products are Pre-paid and Post-paid services, Value Added Services (VAS) like instant balance inquiry, 24 hour recharge facility, Hello tunes, Ring tones, Ringtones and hello tunes offers, easy post-pay bill payment solutions, Enterprise Solutions multimedia messaging service, Airtel Live portal. It has recently launched Airtel Bank to cater to the growing need of e-commerce and digital transactions.

Place: It has wider distribution network as compared to competitors. Thus, it brings many customers daily to it. Its network of distributors includes even small businesses like groceries and chemist outlets. Its 3G service is present in 22 circles across India. It offers 4G services in all the 22 telecom circles, but when the 4G network is not available, the network will fall back to 3G and 2G. Airtel planned to launch VoLTE services in Jammu Kashmir by the end of 2018 to become pan-India VoLTE operator by the end of 2018.

Promotion: Airtel has always opted for aggressive marketing strategy. Its promotional strategy ranges from traditional print media to marketing at social network sites. It has engaged in large scale television and print advertising, uses big celebrities who endorse its services. The company also created its signature tune popular musician A.R. Rahman. The tune became one of the most downloaded tunes in India when it was launched. Airtel also goes regional with its advertisement efforts gaining advantage over players. Bharti Airtel had signed a network deployment deal with Nokia Networks in October to install and maintain 4G services in three new circles. Nokia's networking arm already serves 4G services for Bharti Airtel in 6 circles in India since September 2015. According to a press release of Airtel, May 2018, Nokia's premium smartphones – Nokia 8 Sirocco, Nokia 7 Plus, and Nokia 6.1 – were also available for purchase on the 'Online Store' of Airtel.

Price: Using competitive pricing strategy is important to stand the competition in this sector. However, Airtel provides flexible pricing mechanism depending on the prevailing market conditions. 'Make my plan' is a smart strategy as customers can modify their plan as they see fit.

Reliance Jio: Reliance Jio Infocomm limited is commonly popular as just Jio. It deals in mobile-telephonic communications, broadband services and digital services. Reliance Jio was founded in the year 2010. It has a fiber-optic cable network of 250,000 km that partners with local cable operators to receive broader connectivity for getting broadband services.

Product: Reliance Jio created a chaos on telecom market when it offers 4G LTE wireless services with its launch. It does not offer 2G or 3G services. It only provides VoLTE (Voice over Long Term Evolution)-only services. Some of its products are Wireless router – Jiofi, Transfer content – JioSwitch, Wallet app – JioMoney Wallet, Cloud-based back up tool – JioDrive, Magazine and news aggregator – JioXpressNews, Magazine e-reader – JioMags VoLTE phone-stimulator – Jio4GVoice, Music player – JioMusic, Instant-Messaging app – JioChat Messenger, HD online video library – JioCinema, TV channel live service – JioTV, Manage digital services and Jio account – MyJio

Place: It has pan-India presence. It has its headquarters base at Navi Mumbai in Maharashtra. Reliance Jio has a strong and widespread distribution channel. It is the owner of 1,800 MHz and 800 MHz bands in 6 and 10 circles respectively amongst the total 22 circles prevalent in India. It is also the owner of 2,300 MHz spectrum licensed for Pan-India usage till the year 2035.

Promotion: It has undertaken an aggressive marketing strategy to create positive brand awareness. It has launched ad campaigns on television, radio, newspapers, magazines, and billboards and social media platforms including Instagram, Twitter and YouTube. Reliance Jio has also roped in several celebrities to act in its

commercials and become associated with its brand. Jio offered 4G services along with its own handset. This was a unique strategy to capture not just telecom subscribers, but also hinted a knock at handset industry.

Price: The company has targeted users with smart phones who desire good services and high internet speed. Reliance Jio has made India a techno-savvy and digital nation. It has adopted a reasonable pricing policy for all its products. These rates were applicable from the beginning of the fiscal year 2016-17.

Bharat Sanchar Nigam Limited (BSNL): BSNL is India's oldest and largest communication service provider. It has a strong backing of the Government of India.

Product: its primary product is Landline. Apart from that it is also present into GSM Based Mobile services which have Prepaid and Postpaid Tariff plans, Value Added Services (VAS), Prepaid and postpaid data, international roaming, device building partners, Broadband, Wi-Fi, Wi-Max broadband, etc.

Place: BSNL is present across pan India with 24 circles. It has penetrated most of rural areas where private players have not yet reached. Its strength was landline connections who also took up data facility and eventually it gained from its primary role.

Promotion: TV, print, online, hoardings etc for advertising. BSNL promotes in a very limited way. However, due to the increase in so many competitors in telecom industry it has started promotion by coming up with new logo, catchy slogans like connecting India, new and unique names to identify different product and services provided by BSNL

Price: It provides the calling service at a very cheap rate in comparison with its users and the other services depend on the installation charges. It provides specific discount or special offers to the users whose usage is very high in comparison to others. BSNL also comes up services like lifetime cards which help them be connected with the user and keep generating revenue.

A Comparison Of Marketing Mix Of Selected Telecom Players

Telecom Companies	Product	Place	Price	Promotion
Airtel	Pre-paid, Post-paid services, Value Added Services like instant balance inquiry, Ringtones, hello tunes, easy post-pay bill payment, MMS, Airtel Live portal, Airtel Bank	Present in all 22 circles. Highest subscribers in rural area.	Flexible pricing mechanism	Aggressive marketing using all platforms. Television, and print advertising, social media, celebrity endorsements, Catchy signature tune. Tie up with handset manufacturers to cross promote each other's products. For example, Airtel-Nokia deal.
BSNL	Landline, pre and post paid services, data services, broadband, 2G, 3G.	Present in 24 Circles.	Very cheap rate	Very less promotion in comparison to other players. Mostly Print and on-cal advertising for existing subscribers.
Reliance Jio	Only 4G, VOLTE, offers unique Jio services for active digitalisation.	Up to 10 circles.	Reasonable pricing policy	Aggressive marketing strategy to create positive brand awareness. Ad campaigns on television, radio, newspapers, magazines, and billboards and social media platforms. Offers connections with own handset. There by lowering total cost of communication for an average customer.

IV. CONCLUSION

After comparison of marketing mix of the three prominent telecom service providers in India, it was concluded that Airtel out performs its competitors in different parameters and emerges out as market leader, despite of tough competition given by Jio. Pricing strategy may attract customers at first, but to behold subscriber in a longer run, right balancing of all the elements of marketing mix is essential. This scope of this study can be widened to cover whole of India to get a nationwide picture and other parameters may be included to magnify the study.

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