

“Analysis of Indian and Global Telecommunications Market”

Venu KS

Research Scholar, Bundelkhand University, Jhansi, UP

Abstract – In this paper we present about

INTRODUCTION

The telecom industry specifically has had a big role to play in the progress that has been made by the country. The Indian telecom sector has been the fastest growing in the world and is now the second largest telecom market globally. The eyes of the world are now on India, and the policy makers and private players are working together to ensure that the telecom success story continues at the same pace.

GLOBAL TELECOMMUNICATIONS MARKET

Telecom remains as a silver lining in the dark clouds of recession hovering above the global economy. The global telecom services market is poised to generate USD1.4 trillion in 2009¹, despite the economic slowdown. Emerging economies will still invest heavily in network infrastructure, while recession-hit economies will delay upgrades. The Asia-Pacific region will experience the highest growth rate in the next five years, at nearly 16 percent, led by China and India². The telecom sector in Latin America and the Caribbean will grow by 12 percent, fueled by emerging economies and the expansion of the middle class. The growth of broadband access has fueled demand for converged voice, video, and data services—now known as the “triple play”. To garner new customers, hold on to current ones, and ensure revenue growth, today's providers must continue to move toward offering the triple play as a value added service bundle. France is one of the top three European countries in fiber deployment. The increased investment in broadband infrastructure along with increased competition and reduced price is driving converged services (Dual and Triple Play) and boosting IPTV subscriber base, making France a leading IPTV market in Europe.

1. CPI Financials, “Global telecom services market to generate USD1.4 trillion in 2009”, August 2009

2. Insight Research, “Global Telecom Services Revenue Forecast: Emerging Market Opportunities”, 2009
3. The Indian Telecom Success Story, India Telecom 2009

REVIEW OF LITERATURE:

Bepko (2000)¹⁰⁰ says that among the areas which need to be addressed in service quality research is the nature of consumer expectations across the range of intangibility. Previous research had compared consumers’ service quality expectations across services, but different groups of subjects were evaluated for each different service.

David M. Szymanski and David H. Henard (2001)¹⁰¹ said that the growing number of academic studies on customer satisfaction and the mixed findings they report complicate efforts among managers and academics to identify the antecedents to, and outcomes of, businesses having more versus less-satisfied customers.

Carsten Fink et al. (2001)¹⁰² examined the liberalization of the basic telecommunications sector in Asian countries in their research paper for World Bank, with a view to identify the elements of good policy and examine how it can be promoted through multilateral negotiations. They found that despite the move away from traditional public monopolies, most Asian governments are still unwilling to allow unrestricted entry, eliminate limits on private and foreign ownership, and establish strong independent regulators.

Maran et al. (2004)¹⁰³ studied the consumer perceptions about fixed telephone lines in Chennai. The objectives of the study was (1) to find the most influencing factor in selection of service provider, and (2) to measure customer perception and satisfaction as regards the service

provided.

Shanthi (2005)¹⁰⁴ throws light on the telecommunications market of India – post privatization. In the scenario of falling prices, hyper-competition and increasing attrition rates and the author says that the study aims to bridge the research gaps identified as above.

INDIAN TELECOMMUNICATIONS MARKET

India has emerged as one of the largest and fast growing economies of the world. Even in the time of downturn, Indian economy has shown considerable resistance leading to growth across the board when many regions of the world had shown significant decline in growth. The far-reaching measures introduced by the Government of India over the past decade to liberalize the Indian market have helped the business and regulatory environment to successfully move towards greater transparency and efficiency. Services sector has been the primary engine for this growth. Telecom industry is one of the fastest growing sectors of Indian economy with significant contribution from the private sector.

The telecom sector can be divided into basic (fixed), mobile and internet services. There are also some smaller segments such as radio paging services, Very Small Aperture Terminals (VSATs) and Public Mobile Radio Trunked Services (PMRTS). Indian mobile market is currently one of the most attractive telecom markets across the world.

Overall teledensity in India has risen to the levels of approximately 43.5 percent¹. With a large population yet to have access to telecommunication market the potential for the sector remains large especially in non-urban areas where wire line and internet services are yet to make significant in-roads. Wire line services in particular are yet to reach the vast majority with a low teledensity of 3.19 percent and 1 percent² in urban and rural regions respectively. Even the mobile services space, which has seen exponential growth in urban areas, has not reached the vast majority in rural areas with a total wireless teledensity of approximately 40.31 percent³ indicating a large untapped potential for the sector. The number of internet/ broadband subscribers has also grown at a fast rate; there were 14.05 million total internet subscribers as of June, 2009 and 6.62 million broadband subscribers.

1. Telecom Services Performance Indicators April – June 2009”, October 2009
2. TRAI, November 2009
3. TRAI, “The Indian Telecom Services Performance

Indicators April – June 2009”, October 2009, TRAI, November 2009

4. TRAI Quarterly Reports on Telecom Services Performance Indicators

CONCLUSION:

In this paper we found that

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1. Bepko and Charlene Pleger (2002), „Service Intangibility and Its Impact on Consumer Expectations of Service Quality, Journal of Service Marketing, Vol. 14, No. 2, pp. 9-26.
2. Gummerson, E. (1987), “The new marketing developing long-term interactive relationships”, Long-range Planning, Vol.20, No.4, pp.10-20.
3. Carsten Fink, Aaditya Mattoo and Randeep Rathindran (2001), „Liberalizing Basic Telecommunications: The Asian Experience, World Bank Policy Research Working Paper 2718.
4. Maran K., Madhavi C. and Thilagavathi K. (2004), Customer's Perception on Telephone: A Study with Special Reference to Chennai City, Journal of Marketing Management, ICFAI Press.
5. Shanthi N.M. (2005), „ Effectiveness of Predictive Churn Models for sustaining market share in telecom industry –An Appraisal, ICFAI Journal of Services Marketing, September 2005.