Loss of a Competitor in Telecom Sector: An Aircel Story

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Abstract

Media transmission is the way toward transmitting the signs to a separation for the correspondence. In present day period, this procedure includes the sending of electromagnetic waves by electronic transmitters. Be that as it may, in the prior occasions smoke signals, drums had been utilized. Today media transmission have turned into a rapidly spreading fire and gadgets that helps to the procedure, similar to TV, radio, and phone are most normal over the world. There are numerous systems that associate these gadgets, similar to PC arrange, open phone systems, radio systems and broadcasting companies. E-mail and instant messaging is one of the examples of telecommunication. Telecommunication systems are not one way, they work in a two way process and these devices performs both transmitter and receiver actions. In digital networks more than one router may be used to route the data to the correct user. In order to establish a network between two or more users analogue network is used which consists of one or more switches. Aircel was one of the leading telecommunication network when it started in 1999 and operations ran smoothly for a period of time for close to two decades. But the company started facing multiple issues; resulting in company shutting down its operations. The study is conducted to know why customer market share has been lost in Bangalore city.

Keywords: Telecommunication, network, television, transmitter, receiver, media

Introduction

India is becoming quick regarding media transmission and stands in second place with an enormous endorser base of 1,191.40 million and has enrolled solid development in the previous decade and half. The Indian versatile economy is developing quickly and will contribute at the same time to India's gross Domestic venture (Masson et al., 2016). According to the reports arranged by the Boston counseling gathering and GSM affiliation application downloads grew up to 215 percent between 2015-2017.

As of march 2018 India stands second regarding web clients with a supporter's base of 493.96 million. Over all tele thickness remained at 89.72 percent in June 2018. Because of the cell phone entrance and decrease in the information costs there will be ascent of 500 million new web clients in India throughout the following five years there by making new business openings. The month to month information use per advanced cell is likewise expected to increment from 3.19 GB to 18GB in India by 2023. Accessibility of PDAs at lower rates are relied upon to support the development in the Indian telecom industry. In India the main methods for correspondence till the year 1850 was postal (Unnikrishnan and Johnson, 2013).

In 1850 electric transmit was tested for first time in India among Calcutta and Diamond Harbor. In 1851, it was opened for the utilization of the British India Company. In Parallel India began developing transmit all through India. For open a different division was dispensed in 1854. Dr .William O'Shaughnessy who is the principal individual to begin transmit and phone in India has a place with people in general works office. He buckled down for the advancement of telecom. In 1881 phone trades were opened in Calcutta, Bombay, Madras and Ahmadabad by Oriental Telephone Company constrained of England. The principal formal telephone utility was set up on 28th January 1882, with absolute supporters of 93. India experienced parcel of changes from link transmit to remote broadcast, radio phone and trunk dialing from the year 1902. For More than 10 years India utilized Trunk dialing which allowed subscribers to dial with operator assistance.

Later on moved to advanced microwave, optical fiber, satellite earth station. All the real urban communities in India were connected with phones amid British period. Division of Telecom (DOT) assumed liability for telecom benefits in the year 1975 after it got isolated from Indian post and media transmission (Chakravartty, 2004). Following 10 years Mahanagar Telephone Nigam constrained (MTNL) left DOT to run the telecom benefits in Mumbai and Delhi. In 1990 Government began telecom part for private speculation. In 1994 National telecom arrangement gave the main endeavor to make a far reaching guide for the Indian telecom segment. TRAI (Telecom Regulatory Authority of India) was set up in 1997 which decreased the impedance of government in choosing the tax rates and making the approaches. In 2000 the legislature of India renamed the division of telecom as Bharat Sanchar Nigam Limited (BSNL) and furthermore corporatized the activities. In the ongoing years numerous private players' particularly remote

financial specialists entered our Indian telecom advertise and ended up effective. Media transmission segment is isolated into two sections in India (Middlemiss, 2017) they are settled specialist organization (FSP), and cell benefit. All the fundamental administrations, long separation benefits in both national and worldwide goes under settled specialist organization. BSNL and MTNL gives around 90 percent of incomes from essential administrations. Private segment administrations center around the business area and offer top of the line administrations, as rented lines, video conferencing.

In the most recent year that is 2017 Aircel has an income drop of 52 percent in final quarter of 2017. Aircel had a remote supporter base of 90.90 million which is 4.38 percent year on year and 0.03 percent quarter on quarter. Its remote piece of the overall industry tumbled to 7.61 percent in March 2017 and 7.89 percent in December 2016. It had 31.86 million endorsers in India where the provincial versatile piece of the overall industry is of about 6.35 percent (Abraham, 2006). Aircel had 7.30 percent in Assam, 28.47 percent in North east in most noticeably bad affected BTS because of downtime against TRAIs seat dimension of 2 percent. In most noticeably bad influenced zones had in excess of 3 percent call drop, Aircel execution in Bihar was 8.76 percent, Delhi 4.13 percent, Assam 13.66 percent, Kerala 3.63 percent, Mumbai 3.95 percent, Jammu and Kashmir 8.80 percent, North East 14.23 percent, Tamil Nadu 4.05 percent, Himachal Pradesh 8.58 percent and West Bengal was 8.14 percent against the TRAIs seat dimension of 3 percent. Aircel was established by Chinnakannan Sivasankaran from Kovilur, Cheyyar, and Thiruvannamalai and began its tasks from 1999 in Tamil Nadu telecom circle. It became quick and turned into the main administrator in Tamil Nadu. Malaysian Telecom Company purchased the offers of around 74 % from the Aircel in 2005.

The rest of the 26 % stake was held by sindhuja securities and ventures taken care of by Suneeta Reddy, overseeing chief of Apollo medical clinics. Maxis growing their business into Indonesia and India is an intense move to end up the territorial correspondence pioneer. The securing occurred with stake of 51 percent in PT Natrindo Telepon Sueler (NTS), Indonesia and a 74 percent value enthusiasm for Aircel, Where Maxis motivated parcel of chances in India to ascend higher. These acquisitions made the organization to have a solid grasp on the both high development and low infiltration markets. Maxis made securing and got 74 percent stake in Aircel on March 21st 2016. Aircel at first has tasks in 9 of the 23 telecom circles of India-

Chennai, Tamil Nadu, West Bengal, Orissa, Assam, North East, Jammu and Kashmir, Himachal Pradesh and Bihar. Later they inspired authorized to begin tasks in other 14 telecom circles too. The Aircel Company began its tasks in 1999 and turned into the main administrator in Tamil Nadu in a range of year and a half. Aircel propelled industrially in Chennai in 2003 December and moved toward becoming business sector pioneer rapidly. Aircel has begun outward extension in 2005 and had encountered achievement in the Eastern wilderness circles. It has turned out to be driving administrator in Assam and in the North Eastern areas quickly. Aircel had activities in 24 Telecom circles and 2 metro regions (Chakraborty, 2013).

OBJECTIVES

1) To find out the reasons for loss of Customer Market share in Bangalore city.
2) To study the findings in light of legal & regulatory setback faced by Aircel

Literature Review

Media transmission industry is a key empowering agent of profitability crosswise over social orders and economies. The telecom business isn't just critical to the financial exercises yet in addition demonstrated effect on the development of different enterprises (Baruah and Baruah, 2014). As of late creating nations include experienced noteworthy change inside this area as a result of the effect it had on their economies. The rising economies of china and India had extraordinary effect by the uncontrolled development of the Telecom business in a decade ago. Variables like Number of endorsers, Government directions and strategies and Technology development were found as the most powerful parameters for the development of telecom industry in India and china (Venkatram and Zhu, 2012). Without the powerful administration system, its accomplishment and Telecom would not have occurred. The administration advancements have additionally developed with advancement of IT and media transmission. From this paper they found the imperative customary and current broadcast communications the board advancements around then as far as their qualities and shortcoming. They investigated the information and made exercises and rules for developing examination in the field (Laghari et al., 2009). The real piece of development occurring in India is telecom division. Different programming are utilized in various sections and territories of the business. It is essential to check whether the product utilizing is meeting every one of the necessities required by the

business. Basic leadership is constantly intense, Business knowledge frameworks are utilized for the basic leadership. This exploration happened to discover the effect of the business knowledge framework in telecom space, emerging necessities of various exercises done by the Telecom organizations in India. The examination had both specialized and administrative factors under thought. It additionally check fascination of different programming associations utilizing business Intelligence programming's that add to the development of Indian telecom industry (Bhosale et al., 2012). The Telecom Regulatory Authority of India (TRAI) has issued bearings to inconvenience Aircel to hold benefit quality within proper limits through intra circle meandering settlements and gave additional time, porting codes to empower its clients to choose different systems. Numerous objections have been enrolled from the supporters expressing their challenges in porting their versatile numbers to other specialist co-op (Singh et al., 2005). Aircel moved toward the administrative body to expand the legitimacy of extra port out codes to empower the supporters of bounce to different systems without changing their numbers under versatility. The TRAI anticipated that the organization should issue appropriate heading in this issue requesting that the organization guarantee benefit quality by enhancing the system and to work out on the meandering agreements. Aircel did not react to email inquiry on the issue. In spite of the fact that the state claimed telecom organization BSNL (Bharat Sanchar Nigam Limited) stays as the pioneer in the telecom market of India, private administrators got a high piece of the pie (Arun, 2011),

Research Methodology

In order to achieve the results for the objectives mentioned, information has been collected from the various sources and report has been made. Descriptive Research has been used to achieve the desired results and questionnaire has been prepared to collect the responses. Primary and secondary data sources were used. Primary data is the raw data which is collected from the people directly and the customer views will be known easily. This data was collected by collecting the response from the customers through questionnaire. Secondary data is the data which had been already collected by someone or posted by some others. Secondary data is collected from Internet, Magazine's and company websites. The type of Research method used in this survey method is used for data collection widely and is apt for the descriptive type of research. This approach is commonly used for collecting the primary data. The survey research

method involves sampling, Questionnaire and data analysis. A questionnaire is prepared with a set of questions for collecting the information required. Questionnaire is framed with proper structure and data is analyzed from the responses. In order to get relevant information from customers, we use simple random sampling technique in which 60 samples are randomly picked from the population. Simple random sampling technique and that is done without replacement as it gives equal chance for every individual in population by without being biased. The research process consists of both primary and secondary research and sample size is 60. Responses are collected from 60 lapsed Aircel customers.

Results and Discussion

The data analysis was done quantitatively by using descriptive research. Data analysis is the key role for the project final results and various tools are there to analyze the data.

Table 1 Occupation of Respondents

Particulars	Percentages
Student	58.3
Home maker	5.0
Government	3.3
Business	6.7
Private company	26.7

The above table shows that majority of the respondents are students 58.3 percent, proceeding by the private company employees they are 26.7 percent, business people 6.7 percent, home makers are 5.0 percent and the least percentage is from government employees with 3.3 percent.
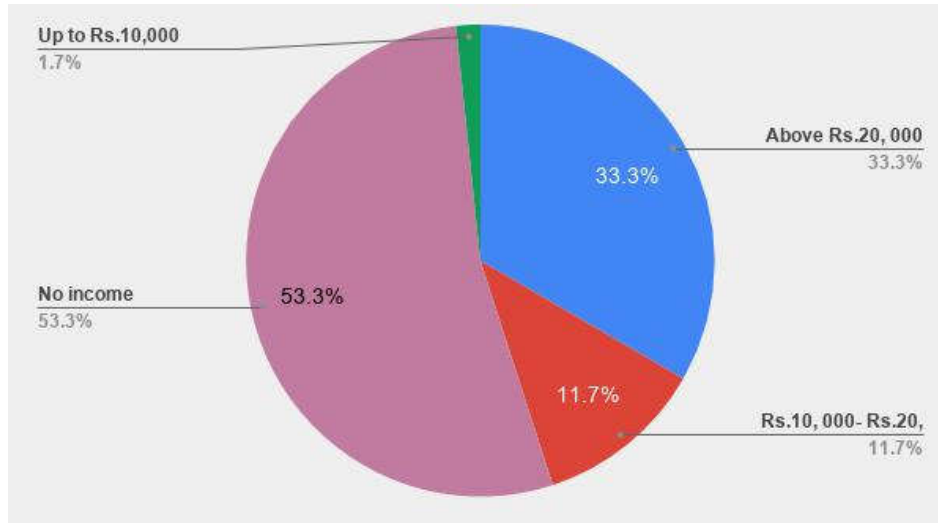
Figure 1 Income of the Respondents

From the pie chart we can say that people with no income are 53.3 percent, this shows that most of the people are students. Income level up to 10,000 are 1.7 percent, above 20,000 are 33.33 percent, income ranging between 10,000 to 20,000 are 11.7 percent.

Table 2 Plan used by Respondents

Particulars	Percentages
Post paid	16.7
Pre-paid	83.3

Majority of the people used prepaid type of service with percentage of 83.3 percent and the remaining 17.7 percent used post-paid.

Table 3 Duration of Respondents

Particulars	Percentages
0-1 months	25
1-3 months	23.3
3 months	51.7

51.7 percent used Aircel network for more than 3 months and 25 percent of the people used for only 0-1 month.23.3 percent of the people used the network for 1-3 months.
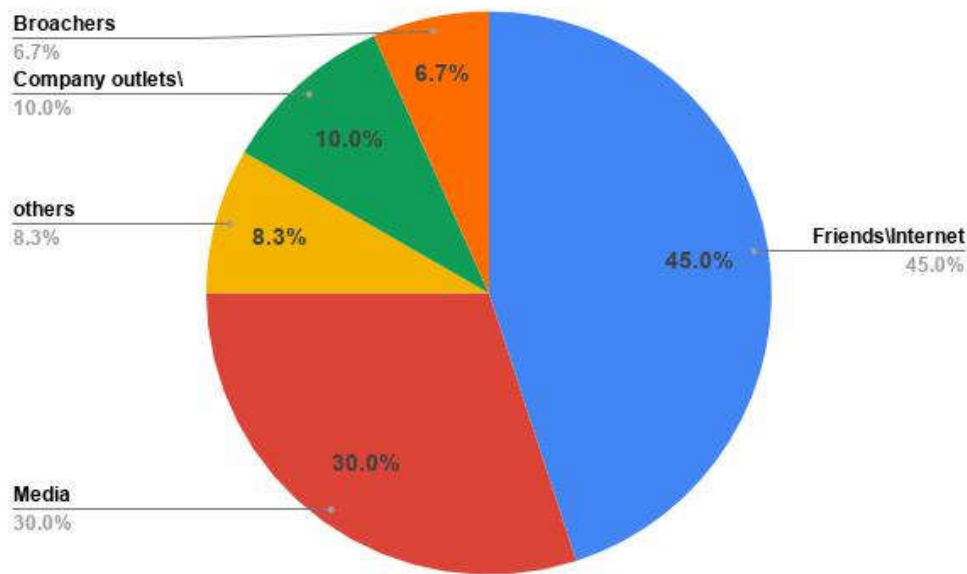

Figure 2 Respondents Platform

Majority of the people got to know about the Aircel through Friends or internet and the percentage is shown as 45 percent. Through media 30 percent got to know, 6.7 percent through the Broachers, company outlets contribute 10 percent and by other sources 8.3 percent.
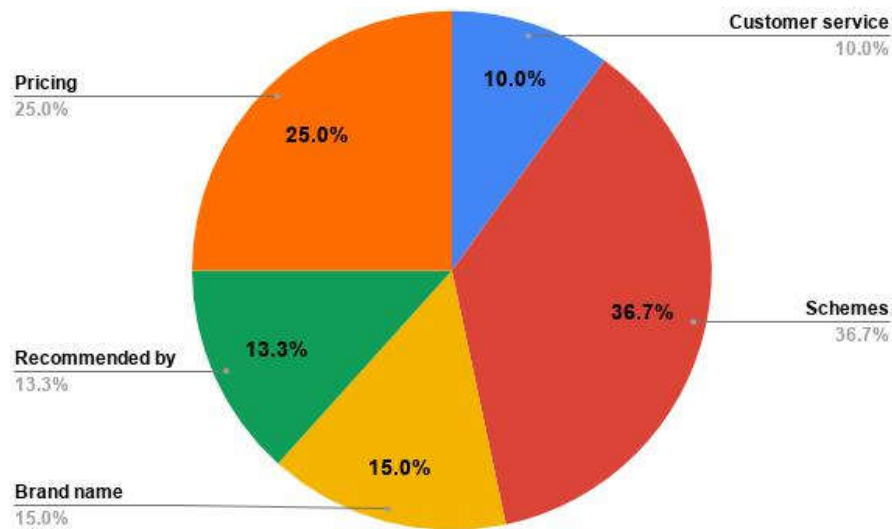
Figure 3 Respondents Reasons

Figure 3 explains the schemes offered by the Aircel is the main reason why majority of the people opted for this network that is 36.7 percent. Pricing factor is the next reason which gives 25 percent, customer service factor is the least parameter selected by respondent's which 10percent is. Brand name is 15 percent and Recommended by someone contributes the percentage of 13.3 percent.

Table 4 Ratings for voice quality

Particulars	Percentages
Completely dissatisfied	10
Somewhat satisfied	36.7
Neither satisfied nor dissatisfied	21.7
Somewhat dissatisfied	18.3
Highly satisfied	13.3

Voice quality is rated as highly satisfied by 13.3 percent and completely dissatisfied by 10 percent. There are 21.7 percent who are neither satisfied nor dissatisfied rated as neutral. 36.7

percent of the people are satisfied to some extent and the rest 18.3 percent are somewhat dissatisfied.

Table 5 Ratings for data quality

Particulars	Percentages
Completely dissatisfied	6.7
Somewhat satisfied	28.3
Neither satisfied nor dissatisfied	21.7
Somewhat dissatisfied	28.3
Highly satisfied	15

Only 15 percent of the people are highly satisfied and 6.7 percent of the people are completely dissatisfied with the data quality. 28.3 percent of the people are somewhat satisfied and the same percentage with somewhat dissatisfied also. Neutral people are of 21.7 percent who are neither satisfied nor dissatisfied.
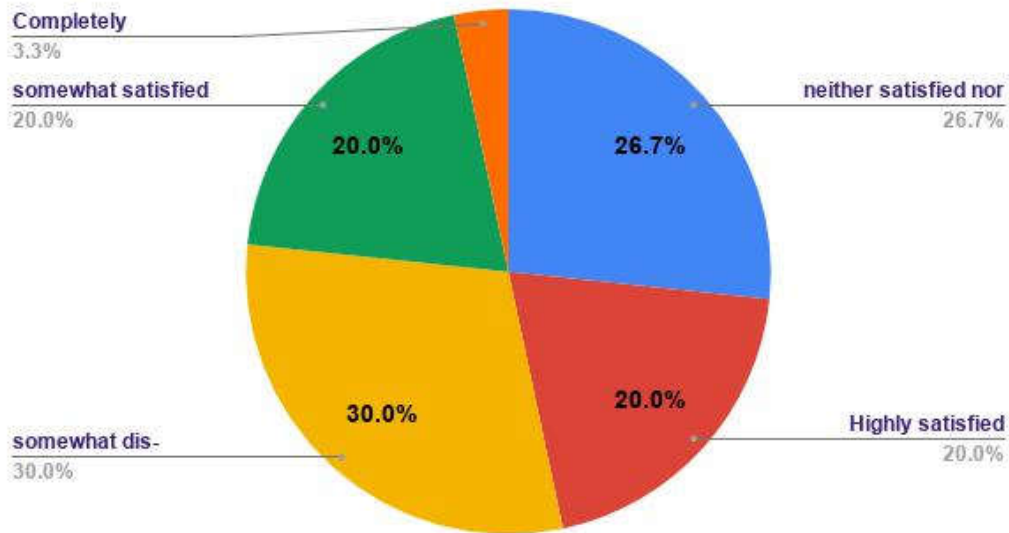

Figure 4 Ratings for value for money

Only 20 percent of the people felt that the Network is worthy for the money they are paying (value for money). 20 percent of the people are satisfied to some extent. Somewhat dissatisfied

comes to 30 percent. Neither satisfied nor dissatisfied is given by 26.7 percent and completely dissatisfied by 3.3 percent.

Table 6 Ratings for connectivity

Particulars	Percentages
Completely dissatisfied	13.3
Somewhat satisfied	30
Neither satisfied nor dissatisfied	28.3
Somewhat dissatisfied	21.7
Highly satisfied	6.7

Call connectivity is rated as highly satisfied by 6.7 percent which is very less. 28.3 percent of the people rated it as neither satisfied nor dissatisfied, 30 percent of the people rated as somewhat satisfied. 13.3 percent of the people completely dissatisfied with this parameter and 21.7 percent of the people are somewhat satisfied.

Table 7 Ratings for customer service team

Particulars	Percentages
Completely dissatisfied	15
Somewhat satisfied	20
Neither satisfied nor dissatisfied	38.3
Somewhat dissatisfied	16.7
Highly satisfied	10

Customer service team is not effective as only 10 percent of the people are highly satisfied and 15 percent of the people are completely dissatisfied with the service they got them. Majority of the people rated it as a neither satisfied nor dissatisfied that fills 38.3 percent. 20 percent of the people are partially satisfied and 16.7 percent of the people are dissatisfied to some extent.
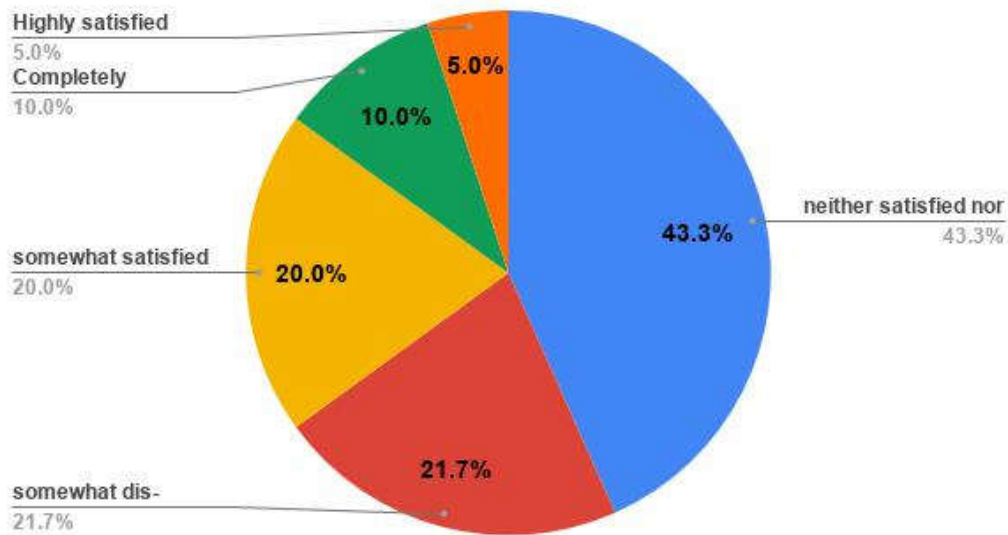
Figure 5 Ratings for service team knowledge

From the above figure 5 we can see that majority of the people responded in neutral way about the knowledge of the customer service team in handling their queries. 43.3 percent of the people rated as neither satisfied nor dissatisfied, 10 percent of the respondents are completely dissatisfied and 5 percent of the people are highly satisfied leaving the rest of the 21.7 percent people as dissatisfied to some extent.

Table 8 Responsiveness ratings

Particulars	Percentages
Completely dissatisfied	10
Somewhat satisfied	20
Neither satisfied nor dissatisfied	43.3
Somewhat dissatisfied	21.7
Highly satisfied	5

The responsiveness to the customer complaints and solving them quickly is rated as neither satisfied nor dissatisfied by 43.3 percent of the people and completely dissatisfied by 10 percent of the people. Only 5 percent of the people are completely satisfied by this parameter. 20 percent of the people are somewhat satisfied and the other 21.7 percent are somewhat dissatisfied.

Table 9 Ratings of priority to customers

Particulars	Percentages
Completely dissatisfied	13.3
Somewhat satisfied	23.3
Neither satisfied nor dissatisfied	30
Somewhat dissatisfied	25
Highly satisfied	8.3

30percent of the people felt that they are neither dissatisfied nor satisfied by the value given by the company to them 25 percent feels that somewhat dissatisfied and only 10 percent are highly satisfied with the company value given to them. 23.3 percent of the people rated as they are somewhat satisfied. The remaining 11.7 percent are completely dissatisfied.
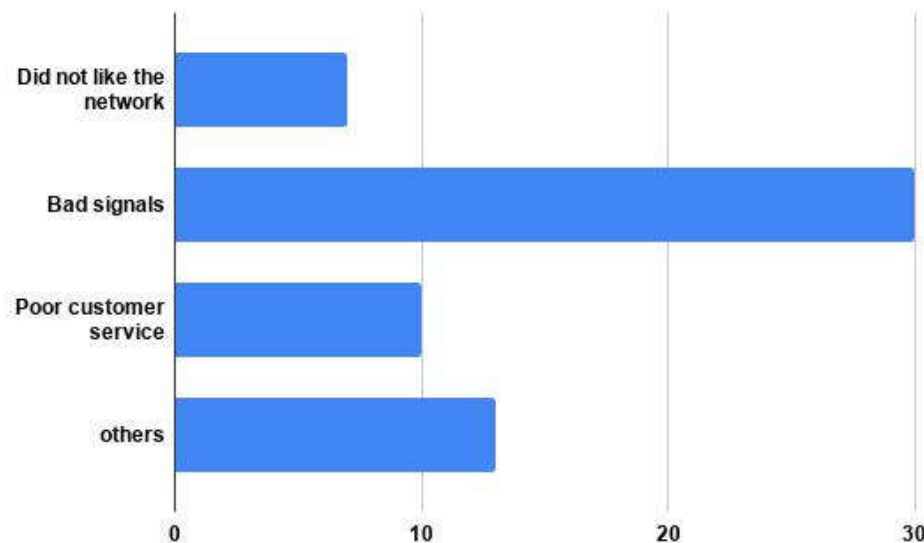
Figure 6 Dissatisfaction of the Customers

From the bar graph we can say that 30 of 60 respondents said that they shifted from the current network and 15 respondents because of other reasons. 10 of them are because of poor customer service. The rest 5 of them did not like the service.
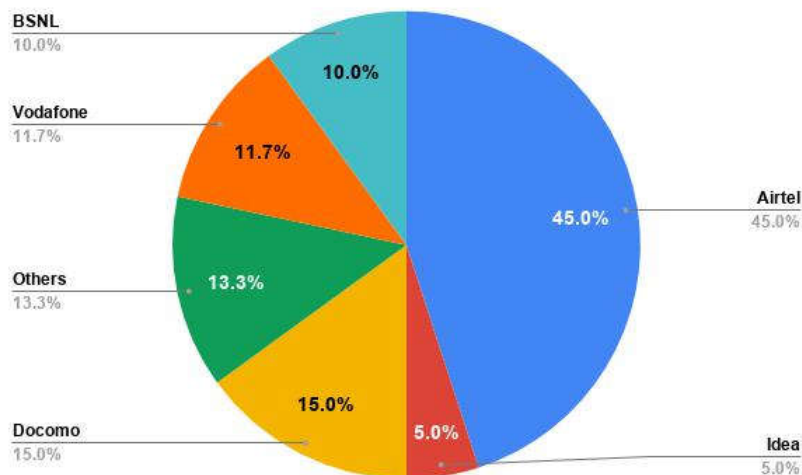
Figure 7 Network switched

From the figure 7 it is clear that 45 percent if the people shifted to Airtel immediately after Aircel. People who shifted to Vodafone are 11.7 percent. Docomo users are 15 percent and Idea users are less only which is 5 percent post Aircel.

Conclusion

From the observation we can say that majority of the people came to know about the Aircel network through media. Majority of the people opted the Aircel network because of the schemes Voice quality is stated as the neither satisfied nor dissatisfied by the majority of the respondents Data quality is not satisfactory and less percentage of the people are completely satisfied with the data quality. Connectivity is the major problem for the Aircel users and many people shifted from the Aircel because of bad signals. Aircel would have been in operational now if they would have analyzed the market correctly and made technological changes as required. Company should have maintained the spectrum in order to maintain the good coverage area network. Could have sustained in the market if they would have increased towers and increased call connectivity and data quality. The company should have read the customer needs carefully and could have implemented the proper strategy to encounter the intense competition.

From the observation we can conclude that lack of voice quality, data quality and poor connections are the main reasons for Aircel to lose their market share in the Bangalore city. And also the company has its own reasons to become bankrupt by getting into unsustainable debt. Customer service team is also not up to the mark which made them to lose the customers.

Governance problems and problems with TRAI also had impact on company which made things worse for the company. It showed impact on the reputation of the company. The company officials also got interrogated in scam issue which made them to lose the reputation of the company.

Acknowledgement

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