

Relevance of Competition in a Sector : A Case Study of Indian Telecom Sector

¹ Ravinder Kumar, ² Sushil Kumar

^{1,2} Ph.D. Scholar Commerce Department – Himachal Pradesh University Shimla (H.P), India
Email - ¹ravinderkumar26130@gmail.com, ²sushilkumar51294@gmail.com

Abstract: Competition is good factor for the development of a nation. But all type of competition is not beneficial, only fair competition is required. Regulatory body of a sector makes rules and regulation to control and create the fair competition among competitors. It is very important to involve competitors in a sector because it is beneficial for customers and others. It will automatically increase the quality of product/service and also reduce the price. In our research paper we analyzed the Indian telecom sector and need of more competitors in this sector.

Key Words: telecom, sector, customer, VoLTE technology, competition.

1. INTRODUCTION:

It is very important to create a fair competition in any particular sector. If there is less business entities involved in a sector then it will create monopoly. In this situation they will charge for products/services as per their choice. Due to monopoly we can't force them to reduce the price.

Indian Telecom Sector- The telecommunication network of India is the second largest in the world by number of telephone users (both fixed and mobile phone) with 1179.49 million subscribers as on 31 January 2021. Indian telecom sector has one of the lowest call tariffs in the world. India has the world's second-largest Internet user-base with 747.41 million broadband internet subscribers in the country. So it is clear that India is a big market for investors because due to larger population. India has mainly four telecom operators. But we will discuss private telecom service operators.

Reliance-Jio- Reliance Jio, is an Indian telecommunications company and it's headquarter is in Mumbai, Maharashtra, India. Jio is India's largest telecom service provider company in India. Jio operates a national LTE, network with coverage across all 22 telecom circles. Jio does not offer 2G or 3G service, and instead uses only voice over LTE to provide voice service on its 4G network. It is the largest mobile network operator in India and the third largest mobile network operator in the world with over 41.08 crore (410.8 million) subscribers. In September 2019, Jio launched a fiber to the home service, offering home broadband, television, and telephone services. 4 G services in India are introduced by Jio and after the launch of this service the demand of 4G mobiles phones also increased. Jio provides a better quality of services for customers.

Airtel- Airtel is an Indian multinational telecommunications services company based in New Delhi, India. It operates in 18 countries across South Asia and Africa. Airtel offers 2G, 4G LTE, 4G+mobile services, fixed line broadband and voice services depending upon the country of operation. Airtel had also rolled out its VoLTE technology across all Indian telecom circles. It is the second largest mobile network operator in India and the second largest mobile network operator in the world with over 45.796 crore subscribers and 355 million subscribers in India. Airtel launches varieties of plans to attract customers the quality of airtel is very high.

Vodafone Idea – Vi (Vodafone Idea) is an Indian telecom operator its headquarters are in Mumbai and Gandhinagar. It is a pan-India integrated GSM operator offering 2G, 4G, 4G+, VoLTE, and VoWiFi services. As of 28 February 2021, Vi has a subscriber base of 282.62 million, making it third largest mobile telecommunications network in India and 7th largest mobile telecommunications network in the world. On 31 August 2018, Vodafone India merged with Idea Cellular, to form a new entity named Vodafone Idea Limited. Vodafone currently holds a 45.1% stake in the combined entity and Aditya Birla Group holds a 26% stake.

2. LITERATURE REVIEW:

The reviews of concerned literature have been compiled with the help of abstract, research paper, websites and reports. A study analyzed by Anand Deo (2017) highlighted that service providers need to maintain their focus on providing high quality data and voice services that are reliable and affordable. Piyush JAIN & Varadharajan

SRIDHAR (2003) revealed that Indian telecom industry is witnessing a shift from an era of total monopoly to duopoly and even oligopoly in certain service areas. Gauri Sharma (2017) highlighted that forming a cartel will not sustain in the long term and the incumbents would do well to let Jio sustain whilst, engaging in a healthy competition themselves. JYOTHIKA M J (2019) revealed that Reliance jio is the largest wireless telecom service provider. It got this status within a short life span. Reliance jio entry generates lot of dramatic and unanticipated changes in consumer's behaviour. jio made a big disruption in telecom sector. Smriti Parsheera (2018) revealed that telecom sector in India is going through a new phase of development. Srivastava SHAILA, Dixit SHWETA (2017) found that the most customers prefer good network quality because of the availability of advance technology equipped mobile phones with advanced features. Sahil Singh Jasrotia, Roop Lal Sharma and Hari Govind Mishra (2019) revealed that impact of Reliance Jio on telecom industry is so severe that it may be termed as a revolution in Telecom Industry in India.

3. OBJECTIVES:

- To know the efficiency of Indian telecom sector.
- To know opportunities in Indian telecom sector.
- To analyze the need of competition in Indian Telecom sector.

4. RESEARCH METHODOLOGY:

To fulfill the objectives of our research paper we used various secondary data collection sources for e.g. Company official website, Google searches etc. The help of Research Papers was also taken to understand the research topic and working process of Telecom service provider in India.

5. RESULT AND DISCUSSION:

5.1. Indian Telecom Sector:

- India is placed second in number of telecommunication subscriptions, internet subscribers and application downloads globally. In TRAI report it is said that average wireless data uses as per subscriber is 11 GB per month in year 2020 and expected to reach 18 GB by 2024.
- It is expected that India's 5G subscriptions to surpass 350 million in 2026.
- Indian Government unveiled National Digital Communications Policy 2018 in September 2018. The policy was meant to attract US\$ 100 billion worth of investment and generate 4 million jobs in the sector by 2022.
- India's telephone subscriber base expanded at a CAGR of 2.70% between FY16-20 and reached 1,177.97 million in FY20.
- The total subscriber base in the country stood at 1,171.80 million on October 31, 2020.
- The total mobile telephone subscriber base increased to 1,151.81 million in October 2020 from 1,148.58 million in September 2020.
- Market share on October 31, 2020 Jio holds 35.25, Airtel holds 28.6% and Vodafone Idea holds 24.4%.
- Wireless broadband subscribers share as on October 31, 2020-
 - ✓ Jio-55.53%
 - ✓ Airtel-23.17%
 - ✓ Vodafone idea-16.40%
 - ✓ BSNL-3.52%
- Wireless subscription as on October 31, 2020-
 - ✓ Jio-406.3 million
 - ✓ Airtel-330.2 million
 - ✓ Vodafone idea-292.8 million

6. CONCLUSION :

In India there are only three telecom service provider companies and these are very limited as per our population. It is important to increase companies in this sector because India is a big consumer base for companies. It will definitely help in increasing the revenue of government.

Benefits of Competition-

- **Price war-** If there is more companies in telecom sector then it will increase price war between them and they will focus on quality of service in low rates.
- **Increase Revenue-** Due to more companies in telecom sector it will increase the revenue of government. Many taxes will implement on these companies.

- **Decrease Monopoly-** If there is limited companies involved in a sector then they will provide service as per their choice and benefits. So give license to more companies will automatically decrease the fear of monopoly in telecom sector.
- **Helps to achieve govt. targets-** For the benefit of peoples govt. launched varieties of programs like Digital India, paper free schemes, internet banking. With the involvement of more companies in this sector target may be achieved in time.
- **Corporate Social Responsibility-** Under CSR Company helps in the development of nation. They promote development works in a country like school, hospitals, buildings etc.
- **Increase Employment-** There are large numbers of persons involved in a company so if the number of companies increased in telecom sector then it will automatically increase the jobs for our peoples. They will easily get job in own country.
- **Online Education-** If telecom companies decrease their tariff rates then it is beneficial for students to afford the internet connection. Involvement of more companies will reduce the charges.

REFERENCES:

1. Anand Deo(2017) Telecom Industry in India: Evolution, Current Challenges & Future Road Map IMR (Indira Management Review) Volume XI, Issue I, July, 2017
2. Piyush JAIN & Varadharajan SRIDHAR(2014) Analysis of Competition and Market Structure of Basic Telecommunication Services in India COMMUNICATIONS & STRATEGIES, no. 52, 4th quarter 2003, p. 271.
3. Gauri Sharma(2017) Stability and Competition in the Indian Telecom Sector Analyzing the anomalous behavior of Jio IOSR Journal Of Humanities And Social Science (IOSR-JHSS) Volume 22, Issue 10, Ver. VII (October. 2017) PP 45-67
4. JYOTHIKA M J(2019) “INTRODUCTION OF RELIANCE JIO AND ITS IMPACT ON TELECOM STOCKS AT BSE” Vol-5 Issue-5 2019 IJARIE-ISSN(O)-2395-4396
5. Smriti Parsheera(2018) Challenges of Competition and Regulation in the Telecom Sector Economic & Political Weekly SEPTEMBER 22, 2018 vol III no 38
6. Srivastava SHAILA, Dixit SHWETA(2017) Brand Switching – A Case of Mobile Telecom Industry in India Annals of “Dunarea de Jos” University of Galati Fascicle I. Economics and Applied Informatics Years XXIII – no1/2017 ISSN-L 1584-0409 ISSN- Online 2344-441X
7. Sahil Singh Jasrotia, Roop Lal Sharma and Hari Govind Mishra(2019) Disruptions in Indian Telecom Sector: A Qualitative Study on Reliance Jio Volume 11 Issue 1 January-June 2019

Web Reference:

- www.ibef.org
- https://traf.gov.in/sites/default/files/Report_09112020_0.pdf