

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

STARRED QUESTION NO:9
ANSWERED ON:08.08.2012
DECLINING SHARE OF MTNL AND BSNL
Rama Devi Smt. ;Siddeswara Shri Gowdar Mallikarjunappa

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) the market share of Bharat Sanchar Nigam Limited and Mahanagar Telephone Nigam Limited during each of the last three years;
- (b) whether the reasons for the continuous decline of market share of the public sector telecom companies have been subjected to any detailed review in the recent past;
- (c) if so, the details thereof;
- (d) whether the Government proposes to make any policy interventions for giving life to the public sector telecom companies; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF HUMAN RESOURCE DEVELOPMENT AND COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI KAPIL SIBAL)

(a) to (e) A Statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 9 FOR 8TH AUGUST, 2012 REGARDING "DECLINING SHARE OF MTNL AND BSNL"

(a) Bharat Sanchar Nigam Limited (BSNL) provides the telecom services throughout the country except Delhi and Mumbai Licensed Service Areas (LSA) whereas Mahanagar Telephone Nigam Limited (MTNL) operates only in Delhi and Mumbai LSAs. The details of market share of BSNL and MTNL during last three years are as follows:

Date Market Share %

BSNL MTNL Both PSUs Total

31.03.2010	15.66	14.21	17.04
31.03.2011	13.83	11.29	14.89
31.03.2012	12.70	11.00	13.68

(b) & (c) BSNL and MTNL undertake the review of various parameters including the market share regularly and take necessary corrective measures to ensure various actions required for sustaining the growth. In addition, Department of Telecommunications (DoT) also reviews the performance of BSNL and MTNL periodically. The main reasons for declining market share of BSNL and MTNL are as follows:

Substitution of fixed line telephone connections by personal mobile phones

Stiff Competition from private operators.

Surrender of extra wireline telephone connections where multiple telephone connections existed in same house/office premises.

Lack of effective marketing

Poor customer service

In addition, BSNL's market share declined also due to delay in augmentation of capacity of Global System for Mobile communication (GSM) equipment.

Steps taken by BSNL and MTNL to arrest the decline in market share are as follows:

BSNL

Initiatives taken by BSNL to ensure growth of mobile in the hyper- competitive mobile industry:

- # Strengthening of sales and distribution channel of mobile through Project Vijay.
- # Augmentation of capacity in Phase-VII by 15 Million.
- # Weekly meeting with Franchisees / Retailers and Sales teams of BSNL at district level.
- # Fixing of target to sales team and ensuring delivery of material.
- # Fixing and monitoring retailer manager wise target.
- # Special camp to interact with customer willing to port out for their retention by sorting out their problems.
- # Opening new sales channels in rural areas through agreement with Postal department to increase rural reach.
- # Aggressively push smart devices bundled with 3G Data plans as well as wireless broadband with 3G data cards.
- # Sustained Focus on Value Added Services catering to various segments of the society.
- # Monitoring of Quality of Service (QoS) parameters to adhere to the benchmarks stipulated by Telecom Regulatory Authority of India (TRAI).

Initiatives taken by BSNL to ensure growth of landline

- # Strengthening of sales and distribution channel of landline and broadband connections through Project Udaan.
- # Continuous improvement in customer care through Project Smile. Around 4000 CSCs are being upgraded with single window clearance concept and IT enabled changed business processes.
- # Monitoring of Quality of Service (QoS) parameters to adhere to the benchmarks stipulated by TRAI.
- # Introduction of various attractive tariff plans & improved marketing strategies.
- # BSNL has made all out efforts to retain landline customers and increase their utility by providing several Value Added Services including broadband services, Intelligent Network Services and broadband based value added services like Video/Games/Music on demand etc
- # Efforts are being made to upgrade the external plants and extend connectivity to new upcoming colonies to provide landline telephones on demand.
- # Inductions of new customer care (single window) and billing platform, provisioning system.
- # Automatic provisioning through Customer Self-care portal, Value added Services (VAS) like PRBT (Personalized Ring Back Tone).
- # Extending optical fiber to curb/ home and providing high bandwidth to subscribers.
- # Enhancing the value proposition of landline through concerted focus on broadband.

MTNL

Initiatives taken by MTNL to ensure growth of mobile and landline:

- # MTNL has planned to commission Convergent billing. This system will provide one bill for all services to a subscriber. The system will also address customer request of services, tariff etc.
- # MTNL is reviewing its tariff for various products and services so as to make them customer friendly and to suit various segments of the society.
- # MTNL has taken a lot of measures to facilitate easy payment of telephone bills to meet the requirement of all segment of society.
- # Loyalty scheme & special care of corporate customers.
- # MTNL is operating call centre/help lines for the customers to book their grievances.
- # Online booking of different services and complaints for landline and mobile are now available.

MTNL is having Sanchar Haats in Delhi and Customer Service Centers (CSCs) at Mumbai, where customer can get various services like registration for new service, duplicate bills of cellular connection, bill payment, VCC cards etc.

(d) & (e) The National Telecom Policy (NTP- 2012) inter-alia envisages following role of Public Sector Units, including BSNL and MTNL:

To recognise the strategic importance of Telecom PSUs in nurturing/ enhancing Government's intervention capabilities in matters of national security or international importance, including execution of bilateral projects funded by Government of India.

To encourage Public Sector Units under the DoT to identify and exploit strategic and operational synergies so that they play a significant role in service provision, infrastructure creation, and manufacturing.

To exploit individual strengths of organisations under Department of Telecommunications/Department of Electronic & Information Technology to their mutual benefit for ensuring these organisations to effectively flourish in the competitive telecom market while adequately supporting the security needs of the nation. Efforts will be made for according preferential treatment for procurement of products and services rendered by individual organisations.