

A Study on Mobile Subscription, Penetration and Coverage Trend in Indian Mobile Sector

Rajeev Kumar Saxena¹, Dr. Neelu Tiwari²

¹Mewar University, Chittorgarh, Rajasthan, India

²Jaipuria Institute of Management, Ghaziabad, Uttar Pradesh, India

ABSTRACT

India is a developing economy. Mobile sector in India has an extra ordinary growth in the past few years. The past evolving trends of Information technology requirements of the present day buyers and users are pushing for the formation of many businesses, with the progress & improvement of new technologies. In this regard, mobile sector is one which is an integrated part of economy of our country. A perfect and strong infrastructure in telecommunication sector is very is very important for economic growth of a country at a uniform pitch. Mobile sector in India has shown an uprising trend and extraordinary growth in the past few years. Due to competitions the challenges imposed on the mobile market are increasing everyday because of evolving technologies and advance of knowledge base in India. The aim of the present study is to make an analysis of the competitiveness in mobile industries in India as also the present trend of individual preference for the mobile phone by consumers and for measuring penetration and coverage trend in Indian mobile sector. Secondary data was collected through websites, journals, articles & newspapers. By analyzing Mobile subscription, coverage & penetration trend of various companies, the result shows that Mobile industries in India are dynamic and growing faster in the world.

Keywords: Smart phones, Mobile Brand, 3G & 4G technologies, Cellular technology, Trends

I. INTRODUCTION

In present day dynamic and competitive world, every business relies on acceptance of users. Users have various choices to make final decision and they are totally dependent on companies with respect to quality of the product, their prices, features and lifestyles etc.

In the present world scenario, mobile industry is growing too fast. Nowadays, India is one of the biggest telecom markets in the world with an infusion of greater than 18 million subscribers every month. India is a fast growing economy with a large population, there is tremendous growth in the uses of mobile phones. With the introduction of 3G and 4G technologies and their role in education has widened usage of cellular phones by many college students. Mobile phones are now not very expensive, ease in their use, comfortable and are usually equipped with almost most of the features we desire. Mobile phones have become a present day necessity.

II. METHODS AND MATERIAL

A. Review of Literature

Schultz & Bailey (2000) defined recently, mobile messaging technology has emerged as a relatively new tool for companies to create more unique & personalized one to one communication with individual customers (mCRM) 4.

Momaya K., Ajitabh B & Shee H (2001) in this study, evaluated the competitive performance of Japanese telecom industry in Asian context. The strategies of Japanese firms to enhance their and their industry's competitiveness are also examined. Japan has very positive scores on factor and demand conditions as well as related supporting industries. Many Indian companies have shifted their focus on service only.

Dr. Atul Patel, Dr. Harish Chandra Singh Rathod (May 2011) emphasized on different influential factors affecting mobile purchase. They suggests that if

different rural segments are systematically studied and analysed organizations willing to enter the emerging rural market will be able to promote their productions and services in a much better manner leading to higher customer satisfaction and in an increased market size.

Hashim Zameer (March 2012) in his study, he found that consumers more focus on the functions of mobile phones and they are price conscious, on the other hand urban consumers more focus on style of mobile phones and brand image of mobile phone.

Bay raktar et al;(2012) mentioned that since the invention of mobile phones; there has been a miraculous development in both their product refinement and their rapid global adoption.

B. Mobile Penetration

Mobile Penetration rate is a term generally used to describe the number of active mobile phone numbers (usually as percentage) within a specific population. This value can go beyond 100% due to the fact that one person can have more than one sim card.

C. Objective of the study:

The present study is proposed to carry out to study and integrity & competitiveness of Indian Mobile consumers by knowing current trend of mobile.

1. Determine the Mobile subscription trend in India.
2. Determine the Mobile Penetration trend in India.

D. Research Methodology

This study basically covers a period of 13 years starting from 1999 to 2013. The attempt has also been made to include latest information whenever available. The information for this research was obtained from secondary sources i.e journals, websites, books etc.

Annual reports of different mobile companies, articles, conference papers were carefully studied to procure the needed information. Various statistical tools and techniques have been applied for analysis & interpretation of data.

E. Analysis & Interpretation:

This section deals with analysis and discussion of research findings. Data was collected through websites in which case the mobile subscription and penetration are analyzed.

The cell phone industry is highly concentrated. The competitive landscape has changed significantly during the last five years. Three new companies have emerged as top five players. Motorola, Sony Ericson and LG electronics have been displayed by Apple, HTC corporation, and research in motion ltd as top five players in 2011. The cell phone industry is one of the fast moving industries in the world. The market is growing rapidly with ever emerging technologies and innovation. The industry is highly concentrated, consisting of smartphone and feature phone segments.

Total Mobile subscription on July, 2014

Total population in India- 1267402000
Mobile Phone users in India- 950579472
Connections per 100 citizens- 77.58
Percentage of total mobile subscriptions that are prepaid- 95%
Percentage of total mobile subscriptions that are postpaid- 5%
Percentage of total mobile subscriptions that are 3G- 9%

Internet Usage On July, 2014

Total number of active internet users – 243 M
Internet users as a percentage of total population- 19%
Penetration- 19%
Total number of active mobile internet users- 185M
Mobile Internet users as a percentage of total population- 15%
media users
Active social media users- 106,000,000 Penetration- 8%
Active mobile subscriptions- 886,300,000, Penetration- 70%
Active mobile social users- 92,000,000, Penetration- 7%
The level of market share is still dominated by Samsung. Samsung Market share by subscription was 25.3% during the year 2014, whereas Micromax was 19.1%.

Table 1. Top five Smartphone makers market share in Second quarter in 2014

China	Market Share	Worldwide	Market Share
Lenovo	12.5%	Samsung	24.9%
Xiaomi	12.4%	Apple	11.7%
Coolpad	11.5%	Huawei	6.7%
Huawei	11.4%	Lenovo	5.2%
Samsung	9.8%	L G Electronics	4.8%

Source: IDC

Table 2. Mobile subscriptions, 1999 to 2013

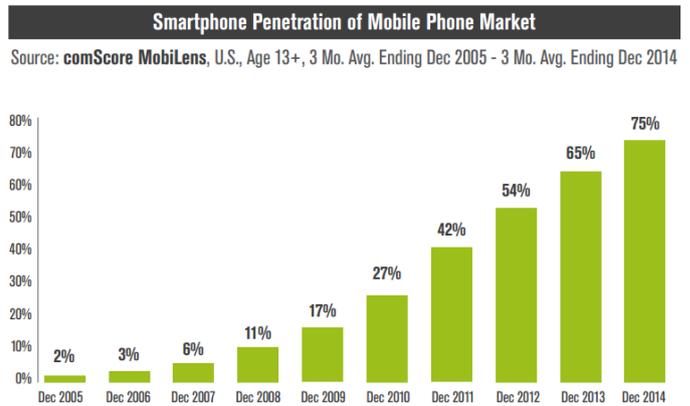
No. of Mobile Subscribers (millions)	Year
1.19	1999
1.88	2000
3.57	2001
5.23	2002
17.49	2003
19.49	2004
27.86	2005
64.14	2006
85.27	2007
113.26	2008
178.25	2009
227.12	2010
148.32	2011
-29.13	2012
104.85	2013

From the table we see that initial stage the growth rate was not as high as later stages. Between 2005 to 2006 and 2008 to 2009, the growth rate recorded very high. This is due to the mobile operators introduced value added services to stay afloat. Subscribers hit a peak in June, 2012 but have since declined. The decline in mobile users base after June, 12 has been primarily due to the removal of inactive mobile telephone connections by service providers. But on Dec, 2014, number of mobile users increased by 970 millions because of this mobile operators should introduce more value added services like money transfer and different other mobile technologies. We can conclude that graphical changes seem to follow a natural trend of exponential growth.

III. RESULT AND DISCUSSION

Mobile Penetration

Over the last nine years, mobile penetration has registered an exponential growth from 2% in 2005 to 75% in 2014. It was noted that rate was very low at initial stages being the time. This trend continued up to 2009 when the rate started growing. The growth saw high mobile penetration rate from this time to 2014. This increase in mobile penetration can also be attributed to increase in number of mobile operators from 2005 to 2014 increased mobile coverage.



IV. CONCLUSION

The growth of mobile sector in India is quite significant. Competition in this sector has also contributed to a high level of product & service innovations as a means of customer acquisition and their retention. Highly increase competition in mobile sector has shown a steady growth in this market segment as the services have become more affordable and is available in many price ranges. The mobile data in internet market has shown a tremendous growth in the number of internet users. This exponential growth is expected to further increase as more and more people specially the students community continue to join the social networks like whatsapp, facebook, twitter, blogs etc. this trend in this mobile field is likely to continue and further growth in future as the operators continue to imply innovative ways of creating market niche and retaining their customers.

Limitations of the Study

Major limitation of the study is lack of available information and previous work on the topic. There were not enough articles to study. Most of Secondary data obtained was scattered.

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