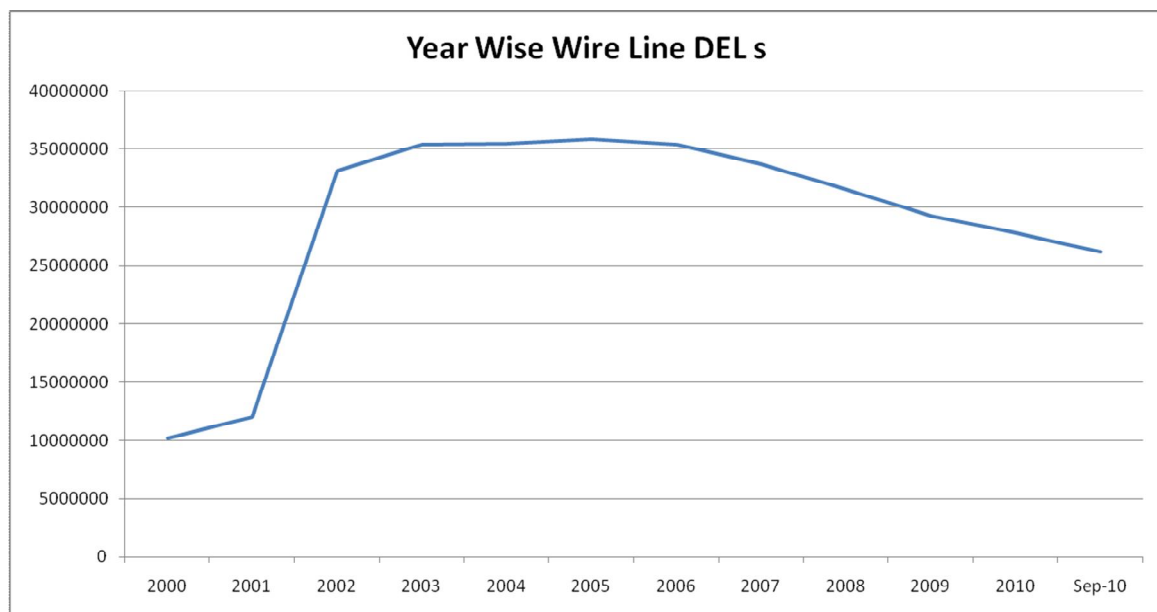


An analysis of BSNL's Land Line Segment

1. Introduction

On opening up of telecom sector to private sector, private investment started coming in and it changed the entire paradigm of communication landscape in India in a matter of decade. Perhaps BSNL and its mentor central government could never anticipate that the change would be so fast and so radical that it caught BSNL unprepared. BSNL failed to keep pace with both changing customer demography and emerging technology. BSNL's forte landline has become a history within short span of time. The overall trend is depicted below.



2. Ground Reasons for decline

Various reasons for the surrender of Wire Line connections are as following

- ✚ The mobile service providers have aggressively captured the urban and even penetrated into the rural market luring customers with attractive tariff packages targeting different strata of a society. An individual's perception of boosting his personality when he can associate himself with a branded mobile instrument with facilities starting from camera to radio has made many customers surrender their land line connections. To retain the existing land line customers and to compete with the other service providers , BSNL should :
- ✚ Have innovative tariff packages, prepaid landline, same tariff regime for rural and urban customers etc. suitable for different income levels.

- ✚ Create awareness among common public about the unmatched latest quality services like IPTV, Video conferencing, broad band via copper cable.
- ✚ Introduce various schemes linked to landline like insurance policy to hook the customers for long time.
- ✚ BSNL should focus to provide good network and customer services.
- ✚ For example, Bharti Airtel the leading telecom operator is not only focusing the GSM segment but also trying to sustain its Fixed-line Subscribers by attractive offers. After Unlimited Free Sunday offer now Airtel has introduced free unlimited night calling offer for fixed line users. Most of the time only GSM customers gets such offers due to increased competition but Airtel is giving due attention to its fixedline customers and more reasons of having a landline.
- ✚ Upkeeping landline connections by BSNL is not up to the mark and customers often complain of high fault rate/repeat fault. BSNL is only having nearly 50% of its lines converted to underground cables. With aging of existing cable network , the faults rates are going up and on the top of it, very slow pace of repair and maintenance work is further affecting the quality of network and hence customer satisfaction. Jointing of cable is of inferior quality and does not stand up the quality and performance that is desired in these days.
- ✚ Emergence of WLL and cannibalization of landline by WLL needs to be arrested and value proposition for the both needs to be clearly communicated to customers.
- ✚ Poor availability of attractive value added services is another area of improvement.
- ✚ Proper communication of value proposition and positioning of landline in the market is very essential.
- ✚ Rampant civil work often damage BSNL's cables which need to be protected.
- ✚ Poor quality of materials (EPBTs/drop wire/jointing materials) results frequent faults and it is affecting image of land line.
- ✚ Often the services are being rendered through contract labours who have no commitment for BSNL and service rendered is not up to the mark creating a wrong image for Land Line.

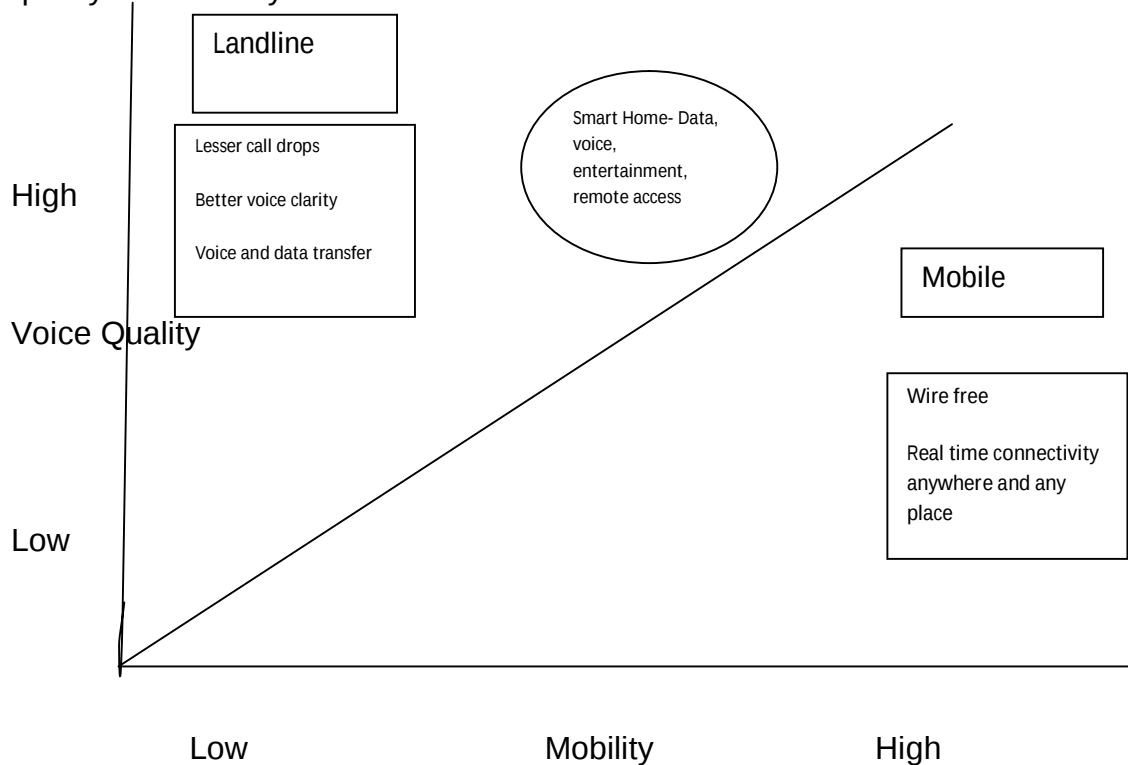
3. Where and how to fill the Gap

We need to critically examine different factors that are ruling the customers perception along with emerging realities of day to day life for people from metros to remote villages and find out the correlation or interplay among these factors to

understand where landline can chip in and fill up certain voids that mobile is unable to fill in.

We need to explore all such factors and analyze interplay among those and find out voids/spaces where landline can fit in to give a better solution.

In following illustrative example, we are trying to understand the interplay between two major factors that determine a customer perception /want viz. voice quality and mobility.



While mobile scores more in mobility, landline scores more on voice clarity. We need to now find out certain consumer space where mobility is not really critical but voice clarity is. Certain applications can be a “smart home “service where we can provide data, voice, entertainment (TV) and remote access to a household thru a single OFC connection, Broadband WiFi combination along with converged ip based services such as IPTV, Video phone, Multi-media conferencing , Converged network (MPLS-IMS NGN) –device convergence (smart phone-LL with broadband including WiFi- –Tablet PC etc). Fixed mobile convergence with fixed phone migrated to NGN and WiFi enabled devices is an attractive option.

4. Land Line provisioning and maintenance

Earlier connections were provided through poles/GI wire/drop wire combinations. Now maximum connections are pole-less. Earlier there were separate cable TMs to undertake cable related activities. Gradually contract system of work has been adopted and TMs were reduced to undertake line fault and cable work has been given to these hired/contract people. Moreover, TMs were given assistance of hired

contract labourers for line maintenance also. The trend again shifted in such a way that work is fully done by hired labourers and which has become a sensitive problem in majority of the places with these labourers demanding permanent job/minimum fixed daily remuneration etc.

With the emergence of WLL and broadband which are new technologies and require technical skills to monitor signal strength /broadband testing and most of the TMs being hesitant to the new environment are reduced to simple line fault maintenance. As majority of the faults are reported as cable fault, it becomes the duty of JTO/SDE to make arrangement for attending the same. Also majority WLL and broadband related problems are dealt by TTA/JTO/SDE.

An executive working in external plant has to do the following works.

- ✚ Attending customers coming the office/calling office number/mobile
- ✚ Arrange for EPBT maintenance
- ✚ Arrange for all cable fault attending
- ✚ Laying cable /Cable measurement
- ✚ New WLL connection provision/WLL maintenance
- ✚ Broadband connection provision/maintenance
- ✚ Preparation of estimates/statements etc
- ✚ Keeping temporary advance account/ passing of various bills
- ✚ Maintenance of leased circuit/ISDN lines
- ✚ Supervise cable fault/use cable fault locator
- ✚ Follow up action for payment default cases
- ✚ Provision of SIMs/follow up of mobile default cases
- ✚ Exchange /power plant /EA day to day maintenance(where separate indoor staff is not available)

For best customer satisfaction all these have to be improved but with majority of non executives being refraining from mainstream of customer care due to various reasons &poor quality of EPBTs, FWTs, CPEs and customers not giving any importance to care for BSNL instruments provision of best customer care is becoming very difficult day by day. Most often an SDE may be posted in an exchange is forced do all the work without JTO, TTA etc which will ultimately handicap all the activities.

Being a customer/service oriented organization BSNL is not having a clear cut idea /policy to do all the front end customer oriented jobs resulting in loss of morality among employees. Unavailability of stores/poor quality of stores makes the job of field staff more miserable.

Moreover to render best service it is a must that customer be given service at their residence/premises and travel is involved and there is no proper system in

BSNL to compensate for the same resulting in dissatisfaction among employees/customers.

5. Cable related issues

Copper cable is BSNL's greatest asset and if properly maintained /utilized it can be a real enabler for BSNL's future growth. But due to poor upkeep of the cables, we often encounter repeated complaints and handling this magnitude of complaints has become a challenge for BSNL.

Following are the major issues in this area.

1. **Massive damage** to cable network due to digging activities done by various agencies often due to lack of coordination and supervision.
2. Majority of **TMs are not engaged in cable works** and it is done by hired/contract labours.
3. **Poor quality** of jointing materials/**lack of supervision** in cable works.
4. **Unavailability Cable fault locators/not using locators for cable faults.**
5. **Shortage of manpower for cable work.**

Lack of supervision and poor quality of materials results in repeated faults and it has turned more acute due to shortage of skilled man power. In case of cable damage, most of the agencies are not paying any damage charges to BSNL. As various development works are being carried out by using JCBs/excavators no care is given to BSNL cables. In addition 5 pr cables which are used for pole less work are also extensively damaged due to various digging activities.

There are different jointing methods used in the field. In addition to jointing kits /modular connectors /UY connectors' materials such as rubber bonding gum, straws (used as sleeves) are used due to shortage of materials/convenience. Also maintenance of cable in monsoon season is very difficult.

6. Instrument related issues

BSNL provides landline instrument to its customers and carry out essential maintenance work on such instrument free of cost throughout its life. BSNL has started providing CLIP instruments which are costlier as compared to other types of instruments to its new customers. It is seen that the quality of instruments supplied is not up to the mark. These instruments may work in ideal condition but fail to with stand real time field conditions like humidity /lightning etc. There are even issues in repairing of instruments also. Agencies may be quoting cheaper rates by compromising with the quality of components resulting in repeat faults. Also, actual life of new instrument is too short, sometimes less than one year.

Non uniform methods are adopted for attending EPBT/Clip instrument faults in different areas. Sometimes, customers are asked to bring the instrument to the telephone exchange for repairing or getting another instrument causing inconvenience.

Marketing activities

The survival of landline telephony depends on how fast BSNL can align its products and services to the market expectation. Voice service is going to grow on wireless technology and even if we can manage to retain the subscriber base, that will be a great achievement.

BSNL's strategy should be to bundle growth of landline telephony with wire based broad band service. Wire based broad band service is set to grow and will be further fuelled by 3G and 4G technology. BSNL should bundle landline connections with broad band service and offer dual service to subscribers.

BSNL should aggressively market its landline service as total package of voice and data. BSNL should create a new category itself by combining voice and data

BSNL should launch a campaign of such unique package and should go all out to improve customer base and grow this business a separate business entity.

In BSNL, no distinct advertisement strategy oriented towards Land line/broadband has been adopted so far. In telecom industry **word of mouth publicity** plays a major role for growth and it is not different for Land Line. High Quality of Service and good Customer care are main critical elements to achieve this publicity. Failure in maintaining customer satisfaction along with rigid tariff has resulted in negative word of mouth communication for Land Line.

Being in limelight for good reason, can be turned in to a good publicity for free. For example, the front page news of BSNL's decision to offer national calls at Local rates has given BSNL enough publicity, creating awareness among the people about its cheapest STD rates.

Another important step that needs to be taken is to retrain our customer service people and a bring in change the way they handle customers keeping in view of today's market reality.

Suggestions:

Based on that, to arrive at a set of strategies which can provide sustainable scope for landline to survive and then excel, following strategies can be formulated:

1. Quality of service is of key to sustainable growth of any product. Whatever attempt like implementation of latest technology like NGN, broadband service etc will become futile unless service/product quality is not ensured. So, first and foremost important step to be taken is improvement of quality of service.
2. Educating the public about the benefits of landline such as a landline phone service gives a permanent connection and no needs to be concerned about a weak signal in the same way as you may have to with a mobile phone, no worry about disconnection because of battery failure when attending an important call, land line are far more secured, no health hazards such as radiation, voice clarity etc. through advertisement and other promotional techniques. We may even persuade medical practitioners/associations and have regular meeting/liaison with them to influence/reorient the mass in new way thinking/concept on land line such that copper really becomes gold. Suitable advertisement may be given for land line/broadband/FTTH combination.
3. Many people run a business from home these days and a sensible idea would be if BSNL could promote multi-line phones with data service where people can get flexibility of having two or more lines and are likely to miss an important personal or business phone call. BSNL should target the upcoming office areas to grab the opportunity of providing hundreds of lines at one shot.
4. The QA/TD/Telecom factory wing shall be instructed to examine/study the case of massive cable faults occurring in BSNL network and suggest best cost effective practices to be used for jointing cables. Every exchange should be provided cable fault locators which will prevent opening of unnecessary joints resulting in improvement of QOS.
5. Massive cable damage by various agencies is a threat for Land Line. It is required to formulate the policy "prevention is better than cure" and develop some strategies to offer instant temporary replacement by using wireless connections to the affected customers.
6. As everything is getting converged, it is high time to ensure that there is converged and easy online bill payment system for BSNL. Moreover there must be facility for easy and single click booking of all BSNL services including Land Line in BSNL's main web site and monitoring/follow up shall be done to ensure timely provision of services.
7. The EPBTs supplied to the customers should be of high product quality and less fault prone. Moreover, the best practice is to encourage the customers to purchase their own instruments offering some rebate, say, a discount of 5 to 10% in rental.
8. BSNL is having different rural urban tariffs. Although cost of provisioning/maintaining connection in urban areas is less compared to rural, urban customers pay more for the same service. Moreover, it is observed in many places that customers residing at opposite parts of the same road or river

are charged differently due to the rural/urban classification causing frustration to the customers. BSNL may review Rural/Urban tariff bifurcation.

9. PCO tariff shall be reviewed /updated regularly to match with the prevailing market conditions.
10. Tariff pattern may be modified to encourage making more calls. ie higher the number of calls lesser should be the charge.
11. BSNL may start providing broadband without land line connection and IP telephone numbers as finally we have to switch over to IP network. Pre/Post - paid land line service without fixed charge for wire line may be started for broadband lines using IAD with RJ-11 port (All IP concept).
12. Use of WLL shall also be adopted instead of blindly laying cables. To curtail expenditure and burden of maintenance cost, clear instruction shall be given to examine the financial viability of any investments.
13. C-DOT soft switch is being used for FTTH and it is possible that the same shall be used for providing/starting VoIP service especially oriented towards the requirement from Business users using the existing broadband DSLAMs and tariff shall be finalised for VoIP/ video telephony over land line. Customer may be persuaded to use their own instruments/IP phones for which rebate may be given.
14. Setting up of BSNL hotspots where EPBT, mobile phone, CPE etc are available for direct purchase in addition to BSNL services may be considered. For example, Vodafone Essar launched a new service for its customers in Mumbai to purchase a new prepaid or postpaid connection. The telecom service provider has introduced Vodafone eShop, a portal that enables users to purchase various Vodafone products online.
15. BSNL may review the existing land line tariff pattern keeping in view of the CDR deployment and formulate best tariff targeting different strata of the society. Possibility of one minute call pattern or per second charging pattern may be analysed.
16. The ANRAX with subscribers less than 20 can be closed to reduce operation and maintenance costs and the existing subscribers can be retained by switching over to wireless connections.
17. BSNL may immediately conduct work study at field/ground level and assess the drawbacks and formulate best strategy for optimum utilisation man power. Neglecting this important aspect will result in cumulative failure in service front augmenting the decline.

7. Conclusion:

There is a steep decline of Land Line DELs as well as ARPU all over the world. Over the short period of time, we have seen how, in the wake of the enormous

economic success of 2G, 3G has been deployed making the entire telecom sector to take a big leap from voice to data communication. While 3G networks were designed primarily for voice, 4G networks are being designed for data. Land Line combined with broadband (with WiFi) will open an enormous opportunity for BSNL to revive its glorious past, if properly implemented/utilised. However, all the activities should be oriented towards not only for making customer satisfied but to win the heart of the customers by giving a “BSNL touch”, creating loyal customers and that will be the greatest asset for BSNL.

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