"Impact of Covid-19 at TRAI: Challenges faced by Telecom Companies"

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ABSTRACT

Telecommunications has been and will continue to be an important organization for innovative industries that use telecommunications as a leading technological enabler and organization. That being said, one should know that "not everything that sparkles is gold"[1]. The significance of regulatory and policy changes are emphasized upon in order to adapt for the future and maintain the growth rate of the telecom industry in both the countries. The allocation of state-owned telecommunications assets to the private sector has been the key player of telecommunications reform in many developing countries during 1990s. Paired with a more liberalized and competitive telecommunications market structure, privatization has created economic benefits in developing and advanced economies. Some of these benefits consist of increased network expansion, reduced waiting time for network access, increased capital investment and improved operating efficiency. The benefits to the overall economy from a more developed and efficient telecommunication sector are substantial.

Keywords: TRAI, Telecom Companies, Covid-19 Impact, Challenges, Outcomes

INTRODUCTION

Modernization was the key factor for gaining profits of the telecom industry in the western countries. Today, though new wireless applications, low-cost manufacturing inventions, and handset strategy are some of the areas in which the Asian countries are out-investing in the growing markets, factors such as customer service, regulations and policies are some of the main aspects that are shaping the industry.

The telecommunications policy in countries like the United States of America (U.S.A.) is a frame work of law led by government and the governing committees, most notably the Federal Communications Commission (FCC). The Government of India aims to expand the country as a global telecommunication hub and provides regulatory assistance to the industry to achieve the goal and to recommend 'infrastructure' status to telecom.

STRATEGY, MAINTENANCE & FRAMEWORK

Telcom companies are looking to enhance their offerings by associating with OTT players for providing content or companies who can assist them by providing enterprise solutions like SD-WAN (software-defined WAN). The telecom companies should take a more informed approach to simplification of business processes which can help them ride the digital transformation wave.

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[1]Battistoni, E., Campisi, D.and Mancuso, P. (2006). European Integration and Telecommunication convergence. In Governance of Communication Networks (357-377). Physica-Verlag

The rejected bidders challenged the selection process on the grounds that it was unclear and arbitrary.[2] In *Tata Cellular vs. Union of India (UOI)*, the Supreme Court decided that it would not intervene into the government decision making function until and unless they are clearly arbitrary and unfair.

Not a single research took into consideration that the industry was oligopolistic in nature and the executives flooded the market with basic telephone connections.[3] The obvious conclusion was that the revenue generated by the cellular operators was not able to cover their costs.The financial failure of the telecom operator under the 1994 policy led to the implementation of New Telecom Policy, 1999.

The change in the annual licence fee in the four metro cities is illustrated in the table below:

Metros	Bombay	Delhi	Calcutta	Madras
Licensees	BPL Telecom Maxtouch	Bharti Cellular Sterling	Usha Martin Modi Telstra	Skycell RPG Cellular
Annual Licence Fee (Rs million)				
Year 1	30	20	15	10
Year 2	60	30	30	20
Year 3	120	80	60	40
Year 4-6*	180	120	90	60
Year 7*	240	160	120	80

Figure 1.1 [4] Annual License Fee for Teleco's

The regulatory and policy framework encompassing the communications sector in India comprises a number of statutes, rules, regulations, guidelines, etc, laid down by the government of India.

Variable	Bharti Airtel	Idea Cellular	Vodafone India	Reliance Communications	Aircel
Revenue market share (RMS)	32.7%	19.2%	23.2%	3.6% (Q4FY16)	5.3% (Q4FY16)
Subscriber base (million)	294	175	198	100	65.1
Wireless subscriber base	24.7%	17.03%	19.26%	9.54%	8.59%
Data revenues (as a % of total)	23.7%	20.6%	18.57%	31.8%	20%
3G users (million)	28.1	30.5	27.8 (4G Included)	25.4 (4G Included)	
4G users (million)	5	1.8			

Figure 1.2 Comparing 5 Incumbent Service Providers[5]

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[2]1994 SCC (6) 651

[3]Ashok V. Desai, India's Telecommunication Industry: History, Analysis, Diagnosis, Sage Publication, 2006, pp. 83-84.

[4]TRAI, (1999c: 24-25) *as cited in* Ashok V. Desai, Indian Telecommunication Industry: History, Analysis and Diagnosis, Sage Publication 2006, pp. 77

Figure 1.2 shows that Bharti, Idea and Vodafone together account for 75.2% of the market in terms of revenue and 61% in terms of subscribers. There are 220 million active unique smartphone users in India (*Hindu* 2016), making the country the second largest smartphone market. Analysts forecast that by 2019 there will be around 651 million smart-phone users in the country (*Mint* 2016).

Financial leverage ratios are used to determine how much of a company's capital comes from debt and is used to find out the ability of a firm to meet its financial obligations. For the incumbent telecom firms, financial leverage ratios are as follows: Bharti 4.96, Idea 2.63, Reliance Communications 2.77 and Vodafone 2.03.

The primary statutes regulating the sector include[6]:

- the Indian Telegraph Act 1885 (the Telegraph Act);

- the Indian Wireless Telegraphy Act 1933 (the Wireless Act);

- the Telecom Regulatory Authority of India (TRAI) Act 1997 (the TRAI Act);

- the telecoms policy amended from time to time, the latest being the National Digital Communications Policy 2018 (the NDCP 2018), which was approved in September 2018;

- the Broadband Policy 2004; and

- the Information Technology Act 2000 (the IT Act).

CHALLENGES FACING BY TELECOM COMPANIES DURING COVID-19 CRISIS[7]

1. Rapid and Customized Customer Service: Major need

Most telecom service providers get a large number of customer requests each day, presently like never before. With the always developing number of requests, the failure to go to actual stores, and numerous employees telecommuting, conveying speedy and empathetic assistance turns into a problem.

During these seasons of emergency, quickness, personalization, and omnichannel correspondence are a higher priority than any time in recent memory. Disregarding

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[5]Economic & Political Weekly, Vol. 51, Issue No. 39, 24 Sep, 2016, by Jai Bhatia and Advait Rao Palepu retrieved from https://www.epw.in/journal/2016/39/web-exclusives/reliance-jio-predatory-pricing-or-predatory-behaviour.html

[6]In brief: telecoms regulation in India by Seth Dua & Associates, retrieved from https://www.lexology.com/library/detail.aspx?g=45ac7f16-f40c-42ea-b3df-dfe6e357e2c0

[7] COVID-19 Challenges faced by Telcos and Impact on the Telecom Sector, Posted on August 27, 2020 by Alan Weissberger retrieved from https://techblog.comsoc.org/2020/08/27/covid-19-challenges-faced-by-telcos-and-impact-on-the-telecom-sector/

these necessities can prompt long holding up occasions, irritating forward and backward conversations with numerous chiefs to get the issue settled, and unsuitable computerized reactions. These can destroy a customer's connection with your organization. Furthermore, an unsettled customer is unquestionably not something you would need. Being empathetic and giving moment arrangements is fundamental to keeping a drawn-out relationship with your customers.

2. Complex Operational Practices

With a great many endorsers and an assortment of products and redid arrangements, operational assignments have gotten progressively intricate, since eye to eye assistance isn't an alternative. Indeed, even straightforward undertakings, for example, service configuration, invoicing, request satisfaction, and payments are presently difficult.

Dealing with complex tasks requires more assets and devices, which likewise expands the financial overhead of telecom companies.

3. Far off Working

With Covid-19 rapidly spreading across the world, keeping many employees inside a contact place is both a danger to their wellbeing and, in certain nations, even unlawful. Isolates are being upheld and most companies are moving to distant working.

The telco industry vigorously depends on immense contact centres to help their customers. In this specific situation, it is a gigantic challenge to keep working and offering help even with specialists telecommuting. This is much really requesting if your group depends on unpredictable and on-premise innovation. The solitary way out is depending on simple to-utilize innovation that can be managed from the cloud. What's more, on the off chance that they don't as of now have it, they need this innovation to likewise be not difficult to-implement and ready to launch quickly.

4. Network Security

With the rise of new technologies, guaranteeing network security has become another significant challenge for telecom operators. New technologies get new dangers to the security of networks and applications. This is particularly evident with groups working remotely and customers requesting assistance from home.

It requires a number of operational and specialized moves up to meet customer assumptions for system security. For telcos specifically, it is important to implement estimates, for example, reliable and secure authentication features.

5. Influence over-the-top players

The smart phone insurgency and the colossal growth of messaging apps have prompted the introduction of several over-the-top (OTT) players like WhatsApp and Facebook Messenger. These apps have re-imagined customer encounters in both messaging and voice and video calling services.

Be that as it may, the increment in the fame of messaging apps is tricking traffic away from what most telecommunication companies have to bring to the table. For quite a long time, they have been severely harming the call and messaging (SMS) revenues of telecom players. Truth be told, they constrained telcos to end roaming charges.

STRATEGIES TO OVERCOME THESE CHALLENGES[8]

1. *Migrate to digital networks*
    To continue operation, it is essential to migrate phone and face-to-face assistance to digital networks, such as WhatsApp, Facebook Messenger, Twitter or webchat.
2. *Automate Customer Assistance*
    Once new points of communication formed, then it could be easily automate simple customer conversations using AI-powered chatbots.
3. *Live conversations to manage more complex issues*
    Without wasting time with repetitive and frequent questions, there will be more time to handle complex issues that a chatbot cannot solve.
4. *Using Cloud Technologies*
    In case if employees are working from home, in such situation there is a need for a software solution that can be easily used and managed from anywhere.

INITIATIVES TAKEN BY TELECOS IN US AND UK[9]

-   Verizon has been helping its client base to change from teleworking to remote working capacities, with a pledge to not cheat them in this emergency. Beginning July first, customers who pursued the Pledge to keep up their remote help will consequently be joined up with the organization's Stay Connected reimbursement program to give alternatives to remain connected.
-   AT&T suspended data caps for broadband customers to help the employees compelled to take care of job from home during pandemic. Also, internet data is being offered to limited-income families at $10/month and organizations with half refund on the current AT&T World Connect Advantage package.

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[8] Top 5 challenges & trends in telecommunication industry in 2020, February 16, 2020 by Munesh Jadoun retrieved from https://www.racknap.com/blog/top-5-challenges-trends-telecommunication-industry/
[9] Top 5 Challenges in the Telecom Industry and How to Overcome Them in 2020 published on April 14, 2020 retrieved from https://www.aivo.co/blog/5-challenges-telecom-industry-in-2020

- T-Mobile has groups working all day, every day to guarantee it keeps on performing for every one of its customers, considerably under occasions of expected heavier traffic because of the pandemic lockdowns. Customers can make arrangements through the store finder page on T-Mobile.com for curbside satisfaction on gadget and extra orders.
- Vodafone has expanded network ability to manage new spikes in Internet traffic which it says has expanded half since lockdowns were set up. Customers getting to government-upheld healthcare sites and instructive assets will actually want to do as such without stress over data consumption charges.[10]
- Virgin Media's postpaid customers have been offered unlimited minutes to landlines and other portable numbers, just as a 10 GB data help for the month at no additional cost. For broadband, any data caps on inheritance products will be lifted.

LOWER BROADBAND ACCESS

The Indian economy remains profoundly underpenetrated as far as broadband connections. Significant expense of gadgets (PC and laptop), high web charges and lower wire line connections have been a portion of the central point restraining broadband infiltration. Broadband is one of the critical impetuses for economic turn of events and significant activities by both the public authority and service providers are expected to increase its infiltration.

WORLD-WIDE TELECOM MARKETS

Industry estimates are produced utilizing the best-practice strategies of time-arrangement modelling and causal/econometric modelling. The exact type of model we use changes from one industry to another, for each situation being resolved, according to standard practice, by the predominant features of the industry information being inspected.

CONCLUSION

Telecom Regulation in India has consistently been into limelight. Itemized concentrate on working of TRAI has been done to see the perception of telecom representatives as for age, insight, capability and designation. Likewise nitty gritty examination has been completed about the working of Telecom Regulatory of India. TRAI is the body which is controlling the telecom sector since 1997. Inspite of growth of telecom sector in India, administrators are frustrated on Margins and yet battling, and future improvements are in question. Telecom Sector in other developing nations is one of the significant benefactors in the overall growth of the nation's economy. In India inspite of good work done by TRAI, there are reasons which not permitting telecom sector to settle down and built investors trust. Additionally, it is inferred that there is no impact of Age/Experience/Qualification and Designation of the respondents on the perception of TRAI working.

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[10] Shanthi, N.M.(2005).Effectiveness of Predictive Churn Models for Sustaining Market Share in Telecom Industry–An Appraisal. *ICFAI Journal of Services Marketing*.