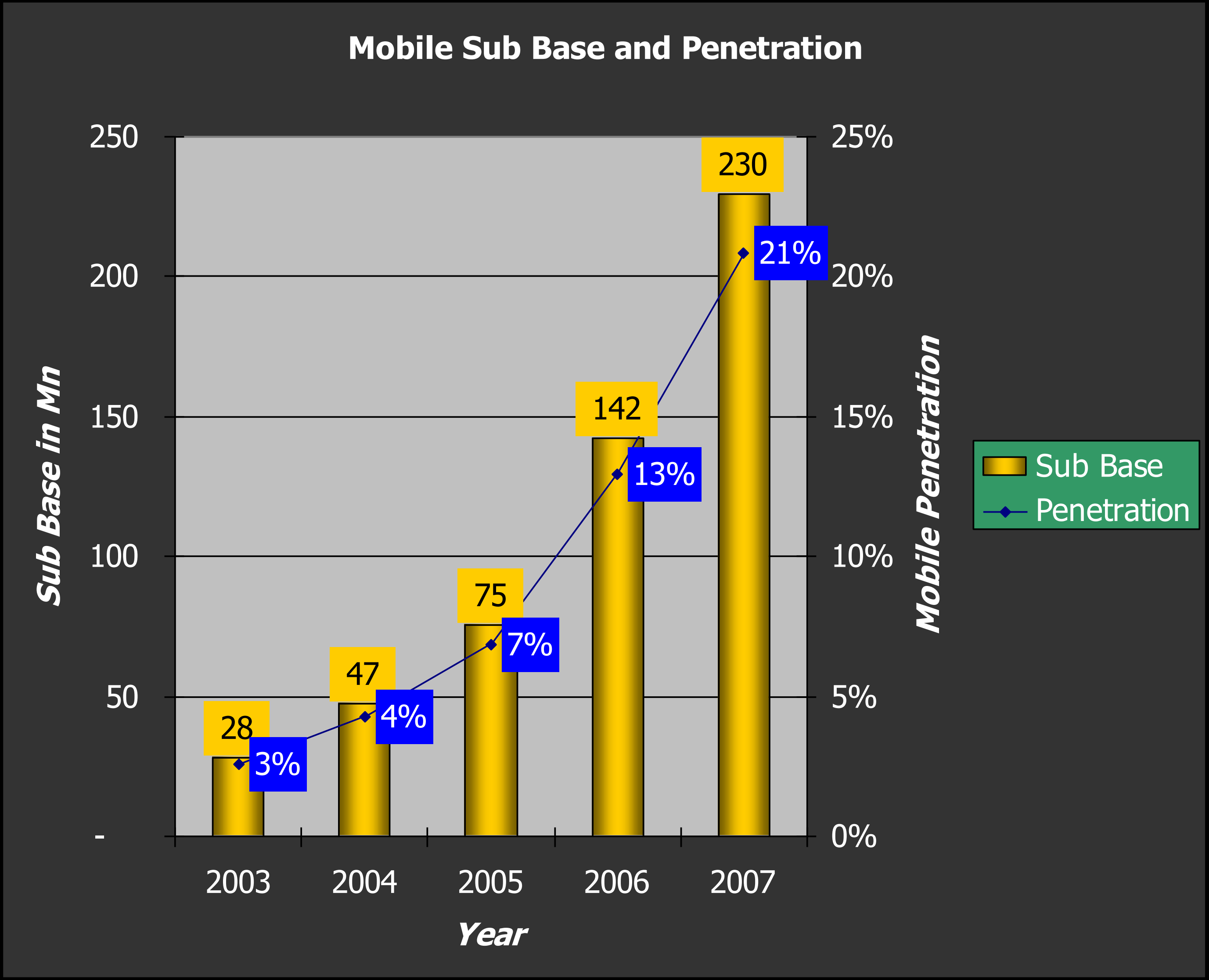
Consumers' Expectations

on Quality of Service

24th February 2008

Consumer Perspective

The Telecom Industry



Telecom industry growing at 8 Million subscriber / month (highest in the world)

The Indian Consumer

- **Large market of 1 Billion +**
- **Quite a few states like UP, Bihar population equivalent to an independent country**
- **Large geographic spread**
- **Different cultures, preferences - spending traits**

Large Market, Varied Tastes – Large Variety of Expectations

Expectations – not constant

Business

Music

Camera

Internet

Emails

Calendar

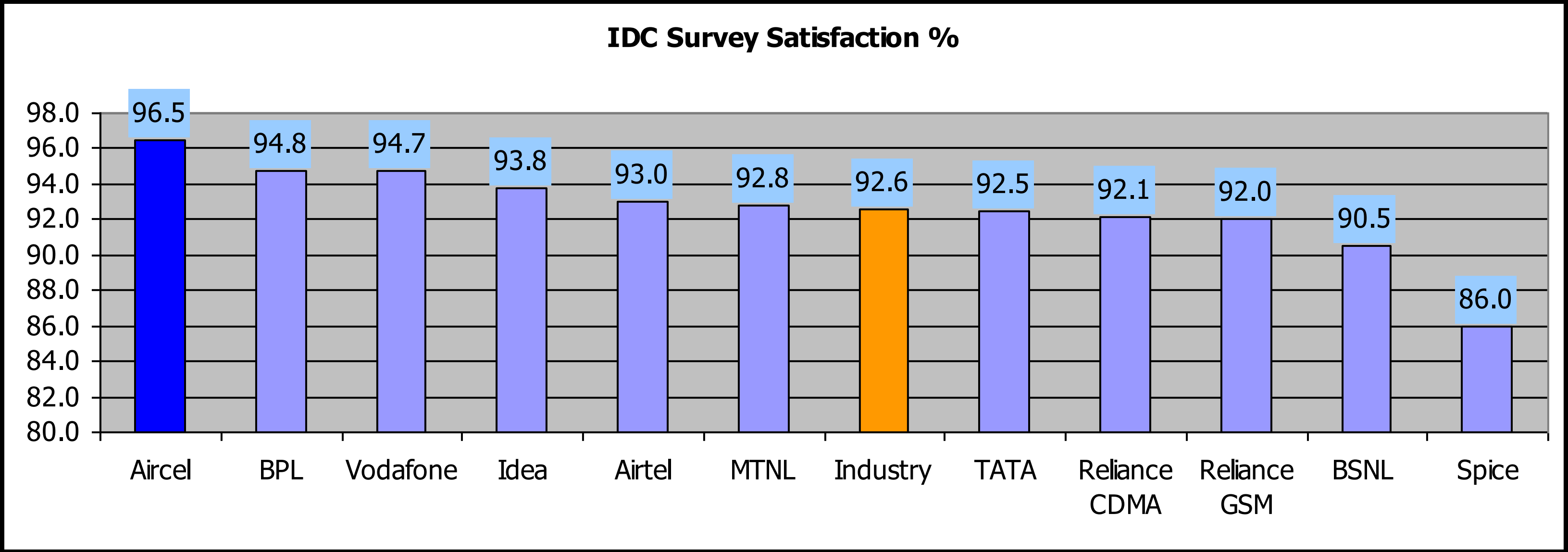
Clock

Maps

Change – The only constant

India's Mobile Services Usage and Satisfaction Survey – IDC, 2007

- **Overall satisfaction at 92.6% - 1% increase over 2006**
- **Churn on rise – 2% increase in users who are likely to switch (18% - 20%)**
- **Increase in grievances over Customer Care – concern area**
- **Decrease in grievances over Billing issues – last 2 year's concern area**



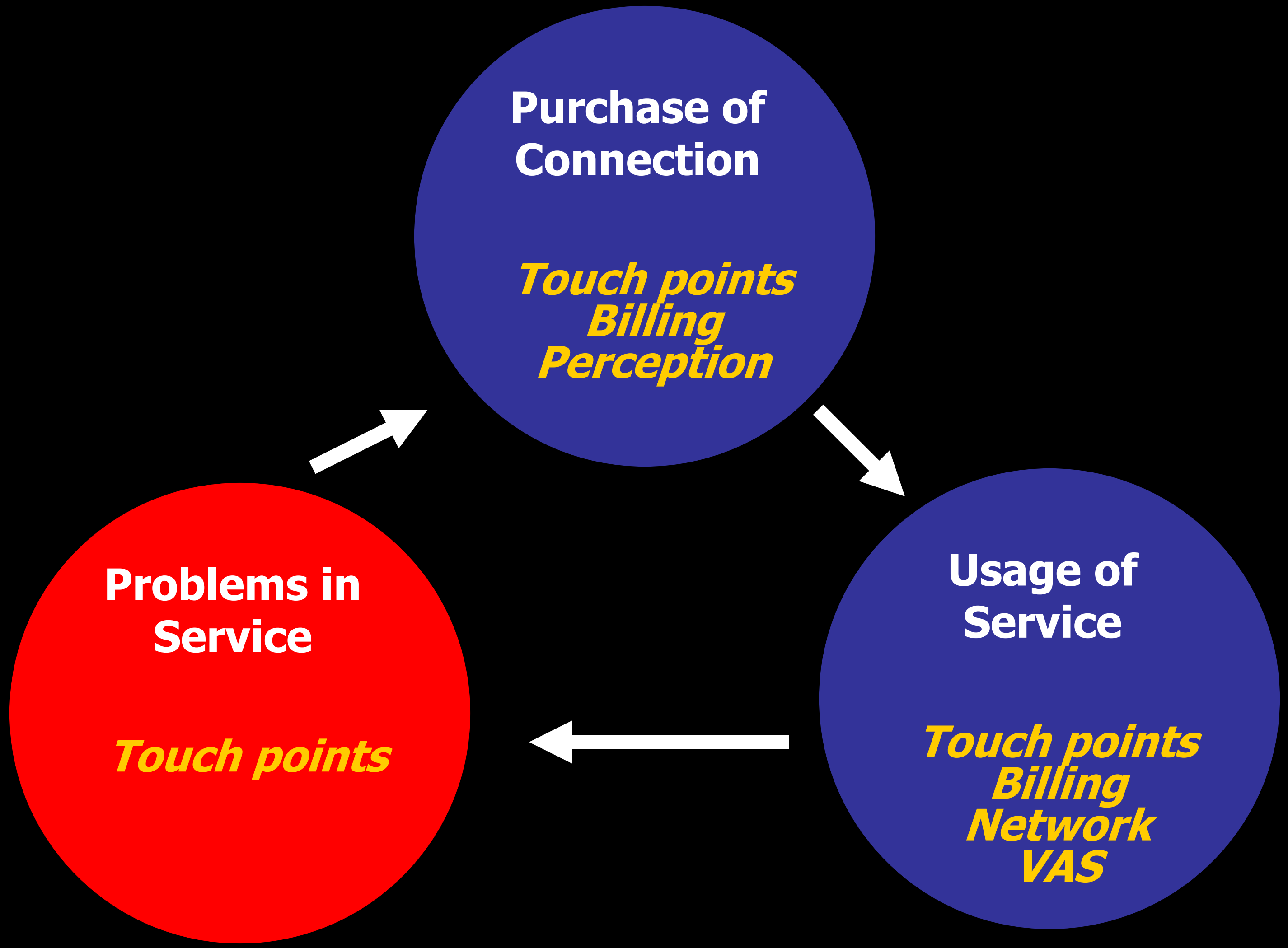
Only one operator crossing 95% satisfaction levels

Consumer Expectations – Basic Hygiene

Parameters	Perceived of	Consumer Expectations
TOUCH POINTS	Point of Sale Call Centre Offices	Easily reachable and approachable Availability of products Behavior of the representative
USAGE	Network Quality Ease of usage Coverage	Seamless coverage No 'Call Drops' or disturbances Easy to understand services
BILLING	Price Charging	Transparency Trustworthiness Keep it within limits
VAS	Array of other services	Innovative services Evolving ideas based on consumer needs Value Added Services

Basic hygiene factors – in line with current available standards

The Cycle of Consumption and Parameters



Identified '4' Basic Parameters

The Cycle of Consumption and Parameters

Purchase of Connection

Touch points
Billing
Perception

- **Touch point - Ease of obtaining connections, proper availability of outlets, proper information on products and services**
- **Billing – Affordable services, customized offerings, transparent future costs**
- **Perception – Brand Value**

Usage of Service

Touch points
Billing
Network
VAS

Problems in Service

Touch points

The Cycle of Consumption and Parameters

Purchase of Connection

Touch points
Billing
Perception

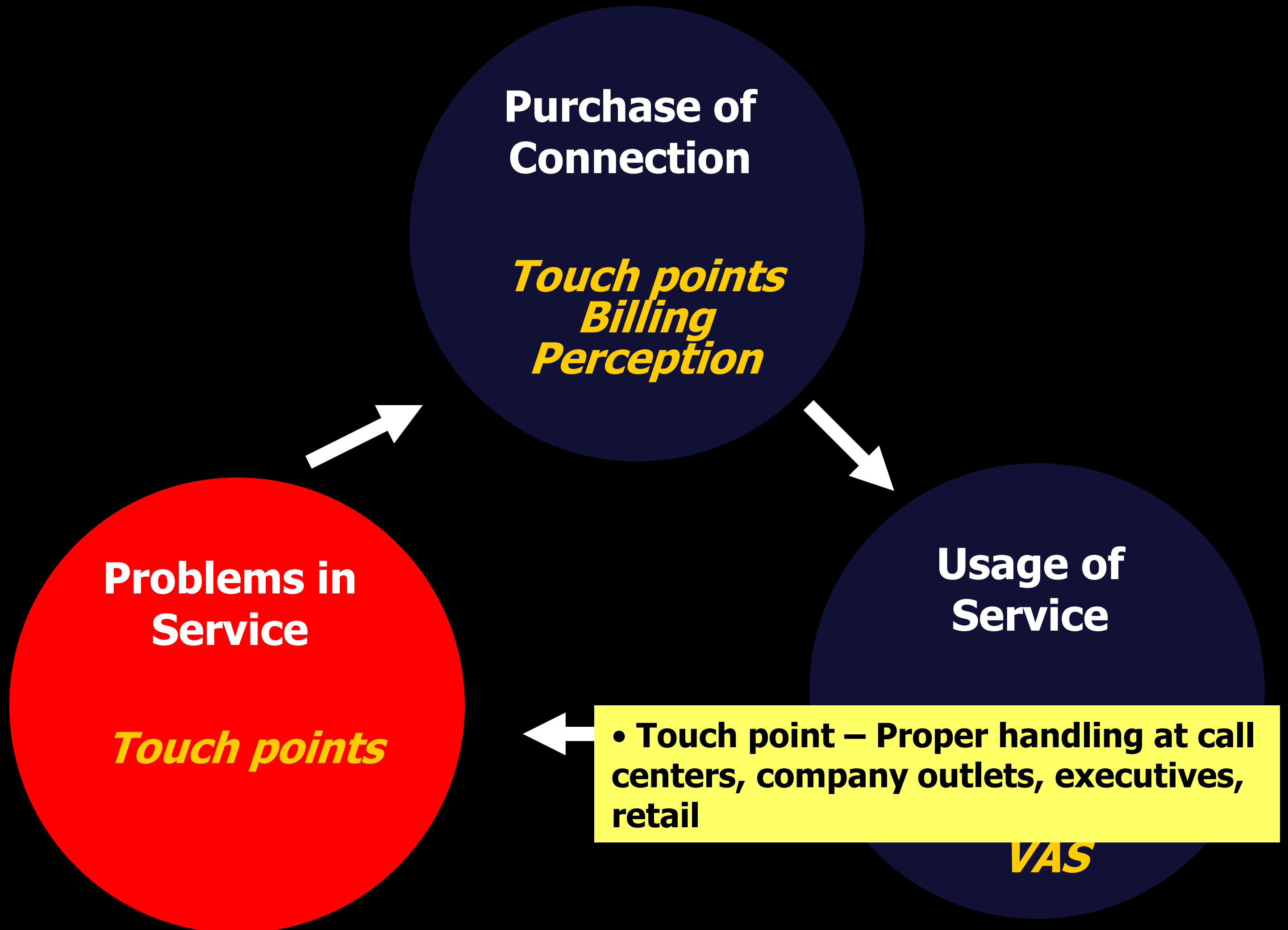
Usage of Service

Touch points
Billing
Network
VAS

Problems in Service

- **Touch point - Ease of obtaining RCVs, proper availability of outlets, proper information on usage products**
- **Billing – Transparent charging, value products**
- **Network – Coverage, clarity, availability**
- **VAS – Array of other services package – music, business etc**

The Cycle of Consumption and Parameters



The Paradigm Shift

Parameters	Initial Phase	Shift to..
TOUCH POINTS	Retail Call Center	Experiential selling through COCO (Company owned outlets) and retail with Shop in Shop concept Professional BPOs managing 24/7 Call Centers – The Banking Way
USAGE	Coverage in Cities	Coverage across states Semi-urban and rural penetration USO Areas – deep down to masses
BILLING	3 – 4 Price Plans Normal Billing System	An array of customized offerings Mid and long life products Bundled Offers – with handset
VAS	SMS	Vast array of services – music, sports, religion, internet on mobile, etc.

Paradigm shift to more dynamic services and higher expectations – Operators striving hard to keep up with the exponential growth

Conclusions

- **The mobile industry is growing at a scorching pace**
- **The challenge for the operators:**
  - **Semi-urban / Rural retail experience**
  - **Coverage map**
  - **Network / POI congestion**
  - **Satisfy varied consumer demands and needs**
  - **Customer care through personalized service**

500 Million subscribers expected by 2010 – QOS to be strengthened rapidly

Thank You