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RCom launches 3G
Reliance Communications launched its 3G services on Monday in four circles at an "affordable" tariff rate. ▶ 3

RCom launches 3G in three metros

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The Anil Dhirubhai Ambani Group's Reliance Communications has become the first telecom operator to launch third-generation (3G) services in the metro cities of Delhi, Mumbai and Kolkata. While Tata Docomo launched 3G services in November, they did not cover any of the metro cities.

Other than these three metros, RCom will also launch 3G in Chandigarh, and in 13 other areas it is to cover by March 2011. It expects to cover the remaining areas through tie-ups with other 3G licensees

during 2011.

Unlike Tata, which has an entry level 3G package at ₹350 for 30 days, RCom is providing a bundled plan at ₹199 per month to a maximum of ₹2,499 for post-paid users.

For pre-paid users, RCom is making available a 3G bundled plan from ₹299 per month, that will include 300 minutes of voice, 100 SMS and 200 MB of data. The other plan is for ₹699 per month that includes 500 MB of data, 600 minutes of voice and 600 SMS.

RCom is also looking at incentivising higher usage by reducing the pricing as users start using more data. For instance, a user who's taken the ₹199

GETTING READY FOR THE BATTLE 3G POINT OF ENTRY FOR PREPAID USERS

Company	30-day validity	Bundled services		
		Voice	SMS	Data
MTNL	₹99	₹12	NA	130 MB
RCom	₹299	300 min	100	200 MB
Tata Docomo	₹350	500 min	NA	150 MB

package gets 0-50 MB of data free. After that, data consumption of 50-100 MB will attract a charge of 10p/10KB. Anything above that will be 1p/10 KB.

The company is clearly focusing on increasing its average revenue per user. "We do not segment our VAS (value

added services) revenue. But today within industry VAS is around 11-12 per cent of any telecom service provider's revenues. After the launch of 3G, we are expecting that this will go up to 30 per cent," said Syed Safawi, president and chief executive of the wireless business at Reliance Communi-

cations.

RCom also launched 3G pricing for its wireless broadband. A 7.2Mbps 3G data card will be available at ₹2,599. Whereas, a Reliance 3G 21 Mbps data card will cost ₹4,499.

'Flexible enticing'

"Our focus has been to introduce a 3G pricing which is flexible, allows user to try and buy, and that does not unnecessarily inflate the bills. We have hence introduced bundled plans, day plans, weekly plans and monthly plans. A user can make use of what they want," said Prashant Gokarn, 3G Head.

In terms of services, RCom has already got into tie-ups with

Apalya for mobile TV, Ericsson for application store, Universal for music, an exclusive tie-up with Nokia for Ovi store and others. "We have over 100,000 applications at our application store. Applications will be available for Re 1. We also plan to launch an exclusive gaming application store," added Gokarn.

Analysts feel RCom's 3G pricing is much better, as it allows for a user to enter at a low price point. "I think the good part of the pricing is that they have kept the ticket price at a lower end. So far, it is only MTNL and BSNL who have managed that, and they still have the lowest entry point for 3G data. But RCom's ₹100 for 100 MB is good enough," said Alok Shende, principal analyst at Ascentius Consulting.