

SWOT ANALYSIS

Company Overview: -

Reliance Communications Limited is a telecommunications service provider. The Company operates through two segments: India Operations and Global Operations. India operations segment comprises wireless telecommunications services to retail customers through global system for mobile communication (GSM) technology-based networks across India; voice, long distance services and broadband access to enterprise customers; managed Internet data center services, and direct-to-home (DTH) business. Global operations comprise Carrier, Enterprise and Consumer Business units. It provides carrier's carrier voice, carrier's carrier bandwidth, enterprise data and consumer voice services. The Company owns and operates Internet protocol (IP) enabled connectivity infrastructure, comprising over 280,000 kilo meters of fiber optic cable systems in India, the United States, Europe, Middle East and the Asia Pacific region.

India's Reliance Group operates throughout the country and across the spectrum of wireless, wireline and long-distance voice, data, video and internet communications services. Reliance also has an international presence via its submarine cable network infrastructure, which connects 40 countries from the US to Europe, the Middle East, India, South East Asia and Japan

The operator is split into three business units, namely Wireless, Global and Broadband. Reliance offers wireless services through its CDMA (20 circles) and GSM networks (eight circles). In 2009, the carrier also announced the launch of a pan-India GSM network. Reliance's Global Unit offers national and international long-distance calling services, mainly on a wholesale basis. The operator has some retail services with a significant ILD business in the UK, Canada, the US, Australia and New Zealand. The operator's managed network services are available in more than 40,000 locations across 163 countries. Reliance also owns 22,000kms of metro fibre network in the US in 14 metros, allowing the company to offer its customers seamless end-to-end connectivity to these key business markets.

Shareholding Pattern: -

Shareholder's Name	% shares
Promoters	5.18%
Foreign Institutions	0.18%
N Banks Mutual Funds	0.01%
General Public	76.26%
Financial Institutions	4.86%
Others	12.70%
Central Government	0.04%
GDR	0.77%
Total	100%

Management

- **Anil D Ambani – Chairman**

- Anil Ambani joined Reliance, a conglomerate company founded by his late father, as the Co-Chief Executive Officer. He has also pioneered in initiating many financial innovations in the Indian capital market, some of which were leading India's first forays into overseas capital markets with international public offerings of global depositary receipts, convertibles and bonds. Under his leadership Reliance has been raising around US\$2 billion from the overseas financial markets, since 1991. The 100-year Yankee bond was launched under his leadership.
- He pursued his Bachelor's degree in Science from the University of Mumbai, and later went up to USA for his Master's in Business Administration at The Wharton School, University of Pennsylvania.

- **Suresh Rangchar – Director**

- Currently, Suresh Rangchar is also Executive Director of Fiber and Tower Bus at Reliance Infratel Limited. He was former Head at Reliance Infratel Limited

SWOT Analysis

	Helpful	Harmful
Internal Factors	<p>Strengths</p> <ul style="list-style-type: none"> ▪ Flexible plans offer by Reliance Communications to attract customers ▪ Good advertising and brand visibility ▪ Strong backing of Reliance ADAG group gives financial stability to Reliance Communications ▪ Celebrity brand ambassadors used for marketing to attract customers ▪ Zero promoter pledge ▪ Company trying to reduce debt 	<p>Weaknesses</p> <ul style="list-style-type: none"> ▪ Price competition from other strong players means limited market share for Reliance Communications ▪ Declining brand has led to customers moving to competitors using MNP ▪ Negative growth in both revenue and profit ▪ Book Value of shares is deteriorating for last 2 years
External Factors	<p>Opportunities</p> <ul style="list-style-type: none"> ▪ Fast expanding cellular market can be tapped by Reliance Communications ▪ Using latest and low-cost technologies can benefit the company ▪ Partnership or tie-ups with bigger telecom brands can reboot its business 	<p>Threats</p> <ul style="list-style-type: none"> ▪ New entrant's low-price offering affects pricing and profits of Reliance Communications ▪ Strict TRAI guidelines can disrupt operations ▪ Mobile Number Portability of customers to competitor network can reduce business ▪ Firm is currently linked with legal cases/regulatory investigations

Competitors

- There are 4 major competitors of Reliance Communications: -

1. Jio

- Reliance Jio Infocomm Limited (Jio) is an Indian telecommunications company and subsidiary of Jio Platforms, headquartered in Mumbai, Maharashtra, India. It operates a national LTE network with coverage across all 22 telecom circles. It does not offer 2G or 3G service, and instead uses only voice over LTE to provide voice service on its 4G network

2. Vodafone-Idea

- Vodafone has been one of Reliance Communications' top competitors. Vodafone is headquartered in Berkshire, England, and was founded in 1984. Vodafone is in the Telecommunication Services field. Vodafone generates 14,561% the revenue of Reliance Communications.

3. Airtel

- Airtel is Reliance Communications' top competitor. Airtel is a Public company that was founded in New Delhi, Delhi in 1995. Airtel operates in the Telecommunication Services industry. Airtel has 4,000 fewer employees vs. Reliance Communications.

4. BSNL

- BSNL is perceived as one of Reliance Communications' biggest rivals. BSNL was founded in 2000 in New Delhi, Delhi. BSNL competes in the Telecommunication Services field. BSNL generates \$2.5B more revenue than Reliance Communications.

Conclusion

- Grow share of new smartphones and 4G devices
- Accelerate data penetration via intuitive pricing and innovation
- Address customer concerns through quality obsession
- Improve customer advocacy through granular planning and communication
- Drive down unit cost per MB through leveraging multiple technologies
- Grow 3G / 4G data by encouraging consumption, bundling and upgradation
- Grow post-paid through propositions, store experience and B2B drive
- Accelerate B2B through improved experience
- Empower homes through high-speed broadband, low-cost access and bundling
- Win DTH through a disproportionate share of digitisation and innovation
- Drive cost efficiency initiatives
- Lower costs and maximising sharing
- Reduce waste by network re-design