

BSNL plans free voice, cheaper package than Jio

TNN | Sep 22, 2016, 06.30 AM IST



NEW DELHI: State-run BSNL will be the first to cut tariffs to better Reliance Jio's offer, a top official said on Wednesday, setting the stage for a price war in the country's crowded mobile telecom market.

The public sector player is planning to follow Jio in offering free voice calling on its network, and at plans that will be cheaper than the new entrant's. And unlike Jio's offer that is available for only 4G subscribers, the BSNL plan will be open to 2G and 3G users, which constitute the majority of mobile customers.

"We are closely observing the market as well as Jio's performance. We will also come up with lifetime free-voice plans from the new year as part of fresh offerings," BSNL chairman and managing director Anupam Shrivastava told TOI. "We plan to be even lower than the Jio plan, and this could be by Rs 2-4."

BSNL, that has a strong market penetration and significant share in many key markets such as Kerala, Himachal Pradesh, Haryana, Odisha, Punjab and UP, will announce the zero-voice-tariff plans from January and these would be lower than the Rs 149 entry price of Jio. The loss-making PSU is, however, absent in key markets such as Mumbai and Delhi (serviced by MTNL).

Shrivastava said that the plan will be offered to BSNL's mobile customers who also have a broadband connection at home. "The idea is to use the home broadband to route outgoing mobile calls through the landline network. We estimate that a large amount of time is spent at home, and so here we can ride on our wire-line operations," he said.

However, the free-voice facility will also be available when a subscriber would use it outside the residence.

BSNL's offer may put further pressure on operators such as Airtel, Vodafone and Idea to slash tariffs, said experts. Prashant Singhal, partner at Ernst & Young, said the BSNL offer will impact other telecom companies. "Others will also have to follow suit. But this can be a risk for BSNL and its ARPU can be hit."