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RCoM unveils 1 paisa per SMS plan

BS REPORTER
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The rate war in Indian telecom has shifted to short messaging services (SMSes). Reliance Communications today announced a plan under which both pre-paid and post-paid subscribers of its GSM and CDMA services would be charged 1 paisa per SMS, if they paid Rs 11 a month.

About 90 million RCom subscribers, both CDMA and GSM, can also avail a plan of unlimited SMSes at Re 1 a day. However, this is only for pre-paid customers. For post-paid ones, there is another plan, of unlimited SMSes for Rs 25 a month. Both are applicable to local and national SMSes.

Currently, subscribers pay 50-60p for an SMS. By com-

parison, Tata Teleservices charges a paisa per word, for up to 15 characters.

RCom President Mahesh Prasad said, "The company expects to garner more GSM users with this plan. We are also aiming at new customers from high SMS usage groups of the GSM community, such as young professionals and youth across India." He said the company did not have much SMS usage on its CDMA network, while in GSM, being a new operator, the percentage was smaller than the industry. The RCom move is expected to be followed by other operators. The rate war began with the per-second pulse billing started by Tata DOCOMO, soon followed by other operators. The operators have also started charging roaming calls on the per-second basis.

The plans are not meant for commercial usage and to prevent these attractive SMS rates being used by telemarketers, a usage cap of 15,000 SMSes/month is applicable on the unlimited SMS plan. According to the Telecom Regulatory Authority of India (Trai), an average customer sends 25 SMSes in a month.

Earlier, RCom had announced a plan of 50p per min for local, STD and roaming calls all across the country and one paisa/second to all the networks, yet to be matched by any competitive offering.

Telecom minister A Raja had recently said telcos needed to bring down SMS rates. Trai is also examining these rates. At 50p each, almost the same as a one-minute voice call, there appears scope for reduction.