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# SUMMACHAR

## BUSINESS NEWSLETTER

#18

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## DOJ'S CONCERNS OVER GOOGLE-APPLE COLLUSION



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## HERO AND HARLEY JOIN HANDS IN INDIA



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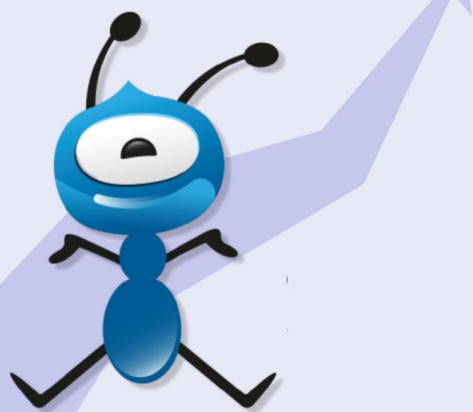
## DOES INDIA'S TELECOM MARKET HAVE A NEW LEADER TO OFFER?



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## ANT GROUP IPO IS MAKING A BUZZ



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## 1 Why Is US's DOJ Concerned over Google - Apple Collusion?

Google has been alleged with one of the biggest antitrust allegations so far by the Department Of Justice (DOJ), US. Let's take a look into it and understand the collusion between Google and Apple.

### Google's Bargain

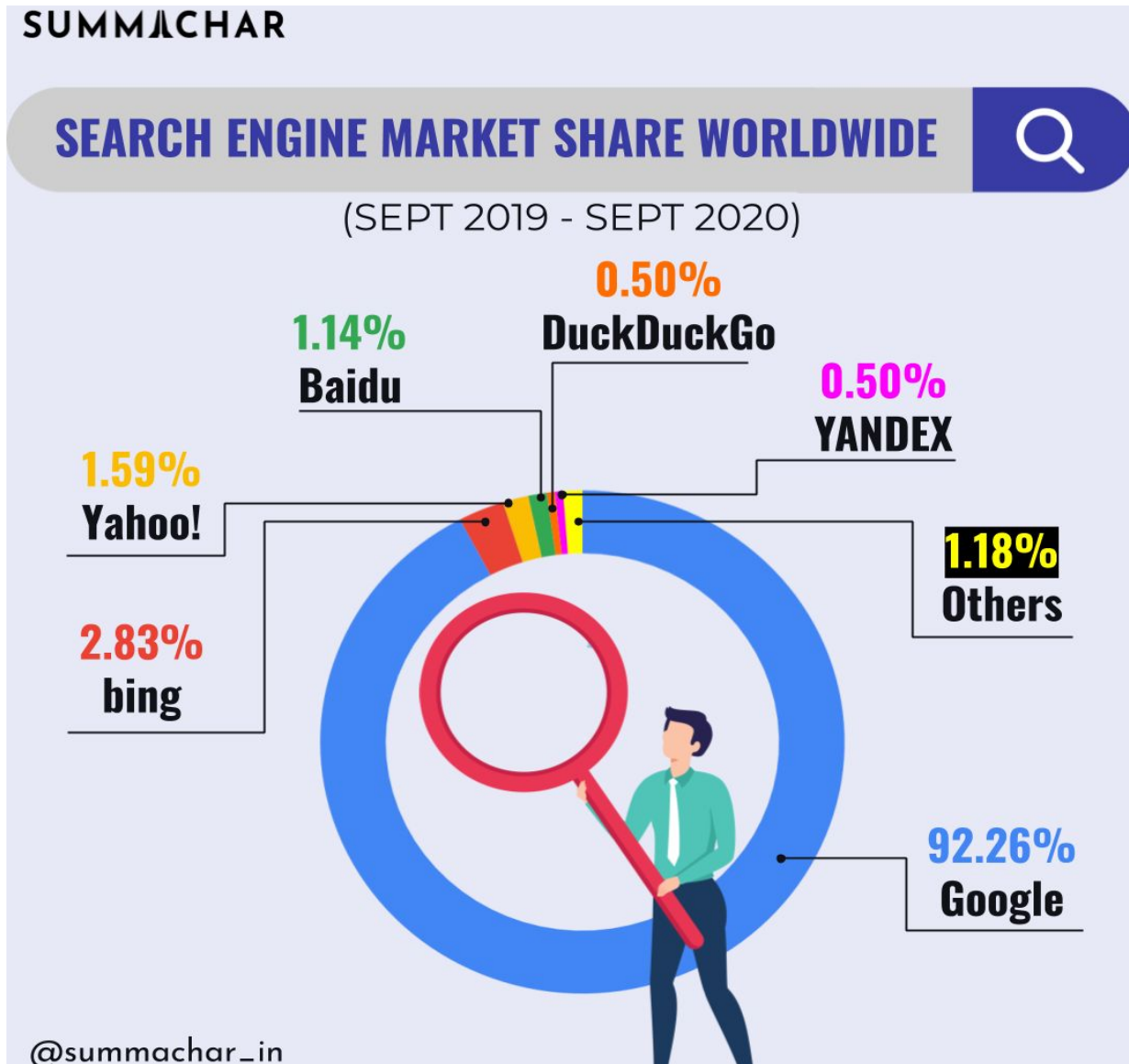
- The Department of Justice (DOJ) has claimed that Google has been paying **\$8 billion to \$12 billion** since 2017 to be the default search engine for iPhone and its services like Siri.
- Google paid **\$1 billion** to secure the default position in Mobile Safari, the default browser of iPhone
- Due to this arrangement, iPhone plays a major role in generating revenue for Google's mobile advertisement business, which gives Google an edge over the competition.

### Allegations Against Google

- Regulators have shown concern over Google's pay for US placement, as it was 50% higher than what was paid six years ago.
- Other browsers like, **Microsoft's Bing** and **DuckDuckGo**, may not be able to pay a similar

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amount for prime placement, which gives an unfair advantage to Google.



**Did You Know** In 2002, Yahoo had the chance to buy Google for **\$1 billion**, but executives dragged their feet; by the time they decided to pursue the offer, Google's price had soared to \$3 billion.

INFOGRAPHIC STORY

DEEP DIVE STORY

## 2 Hero And Harley Join Hands in India

Harley Davidson recently shut its plant in India as a part of its global restructuring. Harley Davidson later announced that it has teamed up with **Hero MotoCorp** to cater to the Indian market. Let's see why one of the world's best cruise motorcycle maker Harley had to quit India and what more does it have in its bag.

### Recent News

- American firm Harley Davidson is one of the world's most famous cruiser bike brand.
- Due to critical problems in operations and as part of a global restructuring of its business, it shut down its India plant at Bawal, Haryana in September 2020.
- Later, Harley announced that it has teamed up with Hero MotoCorp for India operations.

### Why Harley left?

- Harley left because of five reasons: High tax, Competition, Absence of local partner, Limited reach, and Slump in demand and dying cruiser segment

The global bicycle market in 2019 was worth \$15 billion.

## New Business Strategy

Looking at increasing demand of **electric bicycle** market, Harley announced that it will venture into bicycles under the brand name of **Serial 1 Cycle** by 2021.

Harley teamed up with Hero MotoCorp for its India operations. Hero will **develop and sell** a range of premium motorcycles under the brand name of **Harley-Davidson** as per the license agreement.

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#### FINANCIAL CRUNCH

In 2019, Harley-Davidson's net income reached its lowest - \$423 Mn. Moreover, the company also saw a decline in its sales in the USA, and many dealerships closed due to the Covid-19 pandemic.

#### HD'S NET INCOME (\$ MN)



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**Did you know?** The **Harley-Davidson Museum** is a North American museum near downtown, Milwaukee, Wisconsin celebrating the more than 100-year history of Harley-Davidson motorcycles.

INFOGRAPHIC STORY

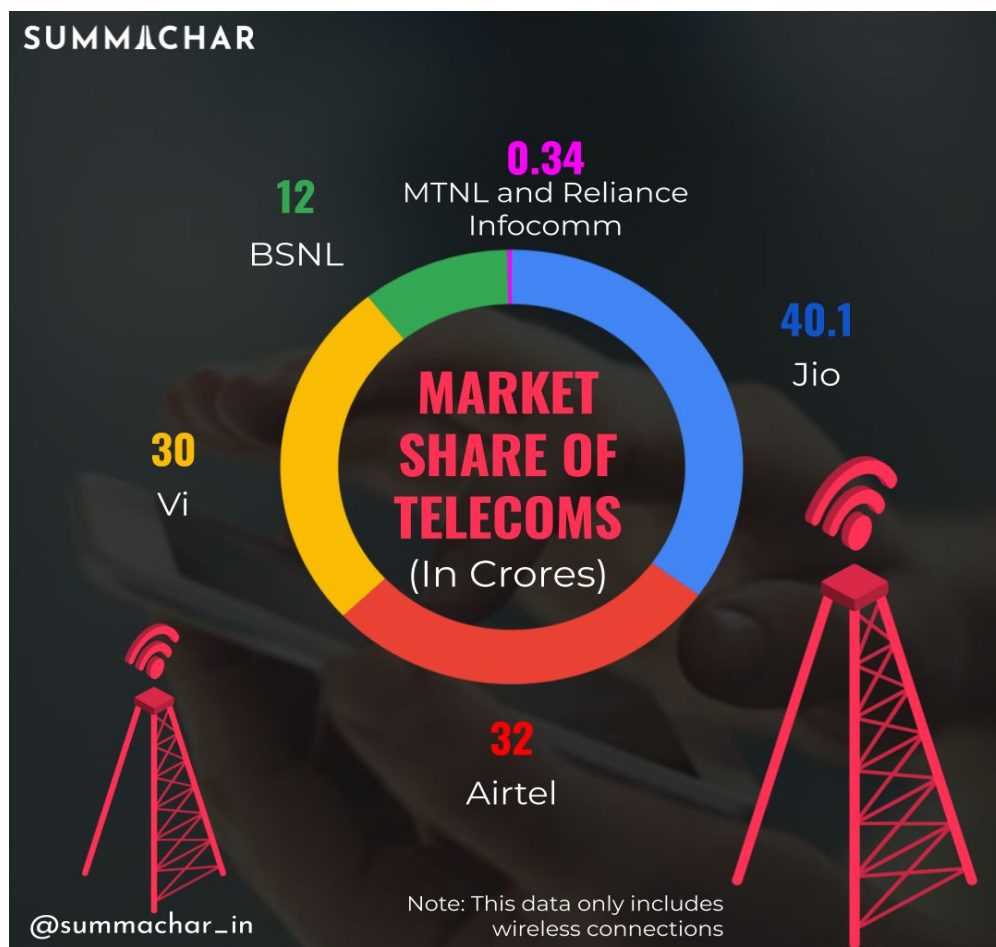
DEEP DIVE STORY



# 3 Does Indian Telecom Market Have a New Leader?

Recent reports by Telecom Regulatory Authority of India (TRAI) show that in the month of July, both, Airtel and Jio gained users lost by Vi (formerly Vodafone-Idea). Currently, Jio has highest number of total users in India but in terms of active users Airtel and Jio have almost similar numbers.

**Total Wireless Telecom Subscribers** of July 2020 included **18.34 crore** of inactive subscribers and **96.1 crore** of active subscribers.



Jio's **Average Revenue Per User (ARPU)** was lower than Airtel's and Vi's in the July-Sept quarter of 2020.

Airtel and Vi, both lost users in the month of June, whereas Jio gained many of them.

However, in the month of July, only Vi lost consumers, whereas, Airtel and Jio both seem to gain Vi's lost users.

Average revenue per user (ARPU) is one of the metrics used to measure how a telecom company is performing.

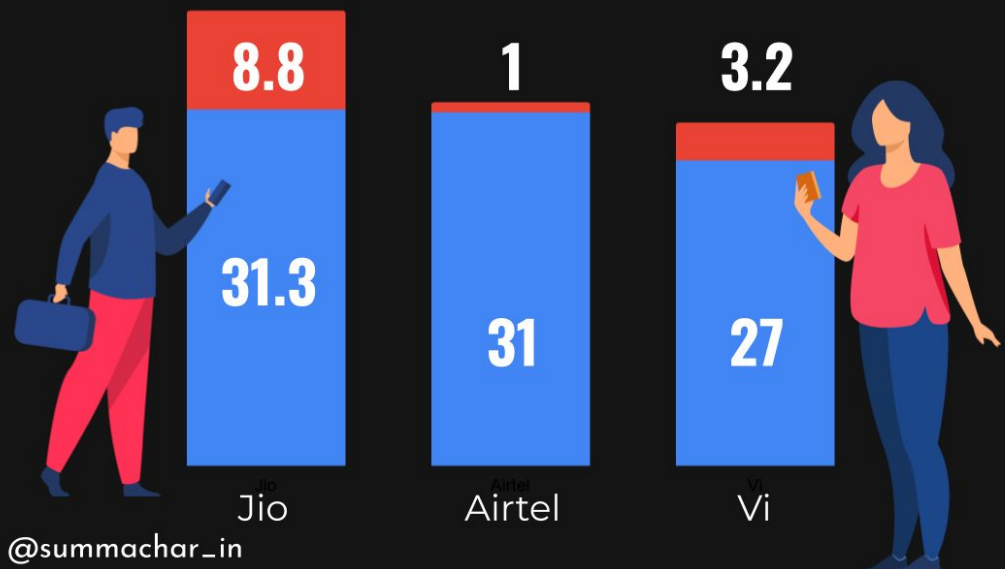
Airtel reported a higher ARPU than Jio in the July-September quarter of 2020.

### ACTIVE USERS' COMPARISON IN JULY 2020

(In Crores)

- Active users
- Inactive users

Jio had ~8.8 crore inactive users as compared to Airtel's ~1 crore, and Vi's ~3.2 crores in July 2020



**Did you know?** Telephone phobia is a fear of using telephones. People who suffer from this usual text or email their contacts.

INFOGRAPHIC STORY

DEEP DIVE STORY



# 4 Why Is Ant Group IPO Making A Buzz?

Ant Group was about to get listed the world's largest Initial Public Offering (IPO) but Shanghai and Hong Kong stock exchanges suspended it citing changes in the fintech regulatory environment.

## Who Is the Ant Group?

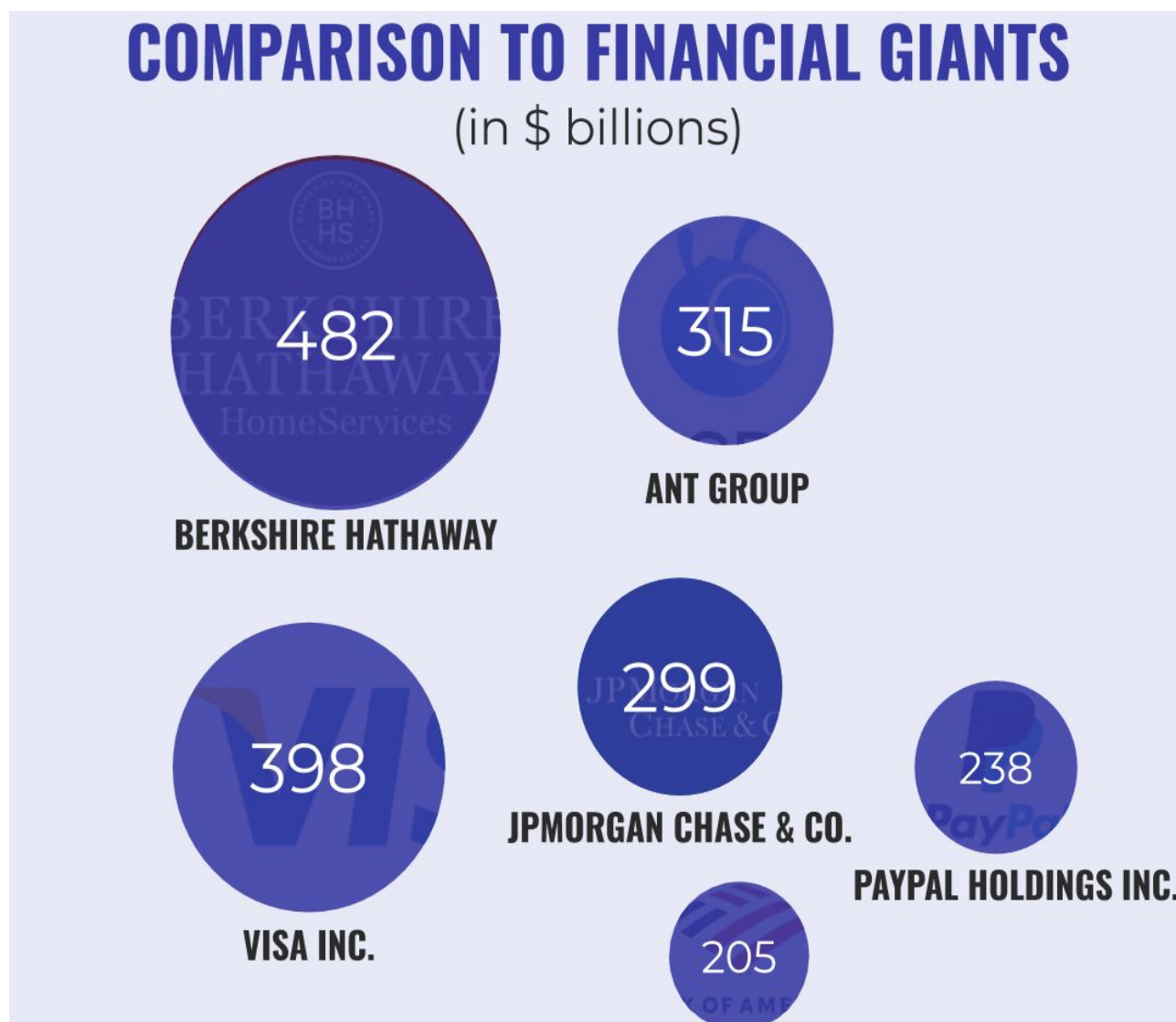
- Founded in 2014, Ant Group is a China-based **FinTech** company providing a range of services like electronic payment processing, banking, mobile payments, etc. It employs around **16,660 people**.
- An affiliate company of the Chinese **Alibaba** Group, it was formerly also called Alipay and Ant Finances.
- Ant Group-run **Alipay** is China's largest digital payment platform providing services to more than 1 billion users and 80 million merchants.

## Ant's IPO And Market Valuation

- Ant Group had come up with an Initial Public Offering (IPO) with a plan to raise **\$34.5 billion**.
- Ant was planning to get listed on Shanghai and Hong Kong exchanges.
- Ant Group IPO attracted a lot of bidders and the total value of bids was around **~\$3 trillion**.

# SUMMARY

- Both, Shanghai and Hong Kong exchanges **suspended** the listing of Ant Group IPO citing changes in the financial technology regulatory environment.



**Did you know?** Ant Group is among the early-stage investors of **Megvii**, a Beijing-based company known for providing AI products.

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Hope you enjoyed reading!

For feedback, suggestions, or just to have a quick chat, reach out to us at [communications@summachar.in](mailto:communications@summachar.in).