MOR 492 | GLOBAL STRATEGY

Starlink

Expanding Into India

A phased market entry strategy for the world's largest untapped satellite broadband opportunity

Starlink: Firm Snapshot & Why India

~7,000
Active LEO satellites

4.6M
Subscribers (Q1 2025)

$8.2B
2024 est. revenue

100+
Markets served

Why India?

- 579M people offline: 63% of population
- 1M+ schools + 150K health centers unconnected
- 31,680 villages officially classified satellite-only
- BharatNet + Budget 2025-26 = funded buyer
- 12-18 month first-mover window before Kuiper

Only LEO at commercial scale · 20-40ms latency vs GEO 600ms · <1 day deploy, no technician

Decision Tree

How to Grow?	Where to Enter?	Speed vs. Compliance	Consumer vs. B2B	Autonomy vs. Partnership	Margin vs. Affordability
Market penetration	Indonesia	Move fast	Mass market	Independence	Global pricing
Product expansion	**India**	**Full compliance first**	**Institutional first**	**Local partnership**	**India pricing**
Geographic expansion	Philippines	Hybrid pilot	Community hubs first	Joint venture	B2B-premium tiered
Monetize base	Vietnam	Delay entry	All in parallel	Acquisition	Subsidy-only

Logic: Regulatory is the gate → institutional contracts → partners for reach → hubs drive unit economics → consumer gated by sub-$100 terminal + USOF subsidy.

CAGE Analysis

Cultural Distance

- 22 official languages → localized marketing essential
- Mixed trust in foreign tech firms; local partnerships critical
- Strong aspirational demand among rural youth

Administrative Distance

- GMPCS + IN-SPACe license not yet held
- Data localization mandate through Indian gateways
- Jio & Airtel lobbied against satellite spectrum allocation

Geographic Distance

- Himalayas, NE states, UP/Bihar: fiber impossible
- Low density = terrestrial economics unviable
- Geographic fragmentation = Starlink's core edge

Economic Distance

- GDP per capita ~$2,500; rural far below
- $400–600 dish = 2-4 months rural income
- Need: $15-20/mo pricing + subsidy or leasing

Market Potential & Sizing

579M
People offline

1M+
Schools unconnected

150K
Health centers offline

31,680
Satellite-only villages

B2B Opportunity: conservative, India-adjusted pricing

Segment	Units	Rev/Unit	Annual Potential
Unconnected rural schools	~1,000,000	$20-25	$240M-$300M
Rural health centers	~150,000	$30-50	$54M-$90M
Gram panchayat offices	~30,000	$50-80	$18M-$29M
SME & rural enterprise	~500,000	$40-60	$240M-$360M
Community hubs (30 users/terminal)	~100,000	$240	$288M
CONSERVATIVE TOTAL			**~$840M–$1.07B/yr**

10-15% capture of institutional segments alone = $85-160M ARR before consumer revenue

Porter's Five Forces

India satellite broadband market

New Entrants

Low/Med

High capex + regulatory approvals. Kuiper real but 5-10 yrs away. OneWeb licensed.

Supplier Power

High

SpaceX vertical integration globally, but India ops need local ground stations, logistics, multilingual support.

Buyer Power

Med/High

Consumers: low. Government/institutions: high. Can set pricing as regulatory condition.

Substitutes

High

Jio 4G/5G rural expansion is main threat. FWA at 7.4M subs. Risk highest where terrestrial viable in 3-5 yrs.

Rivalry

Medium

Direct LEO rivals limited today. Main competition is indirect vs terrestrial ISPs. Intensifies as Kuiper/OneWeb scale.

Competitor Landscape

Jio (JioSpaceFiber)

Tech: MEO / SES/O3b | Reg: Licensed

Price: ~$7/mo

Partner + Competitor

212M rural subs. Also distributes Starlink.

Airtel / OneWeb

Tech: LEO 600+ sats | Reg: Licensed (most advanced)

Price: B2B only

Partner + Competitor

Signed Starlink deal Mar-2025. Runs two competing satellite products.

BSNL

Tech: 4G + early 5G FWA | Reg: State-owned

Price: Subsidized

Indirect competitor

Slow but holds government contracts + rural mandates.

Project Kuiper

Tech: LEO not yet live | Reg: Seeking approval

Price: TBD

Future competitor

Amazon logistics = distribution advantage Starlink lacks.

Pricing gap: Jio floor $4.70/mo · JioSpaceFiber ~$7/mo · Starlink global $120/mo - consumer price war is unwinnable without a different model

Market Gap & Opportunity

The Infrastructure Gap

- 954M subscribers: yet 579M effectively offline
- Rural fiber: 3.8% vs 15.3% urban
- Rural wireline: 0.33% vs 7.19% urban
- Jio + Airtel: 405M rural wireless subs: yet of 7.4M FWA subscribers, only 200,000 rural
- Investment exists. Economics of remote terrain do not.

Starlink's Addressable Gap

- 1M+ rural schools - only 18.5% have internet
- ~150,000 rural health centers offline
- 31,680 villages = officially satellite-only
- BharatNet fiber exists: last-mile to endpoints missing
- 1 terminal connects a school in Arunachal Pradesh in one day

The market gap and the government contract opportunity are the same gap viewed from two angles

Key Strategic Trade-Offs

Speed vs. Compliance

Move fast vs **Full compliance first** ✓ chosen

2021 pre-order ban shows the risk. Regulatory patience = long-term market access.

Consumer vs. B2B

Mass market vs **Institutional first** ✓ chosen

Consumer = negative margins. B2B = higher ARPU, stable revenue, political goodwill.

Autonomy vs. Partnership

Independence vs **Local partnership** ✓ chosen

Airtel + Jio deals (Mar-2025) are the model. Reduces margin but unlocks distribution.

Margin vs. Affordability

Global pricing ($120/mo) vs **India pricing ($15–20/mo)** ✓ chosen

Risk: pricing precedent for Brazil/Indonesia/Nigeria. Necessary for any market entry.

Market Entry Strategy: 4 Phases

Institutional B2B → Community Hubs → Consumer Market

Phase 1
2025-26

Regulatory & Institutional

- GMPCS + IN-SPACe license
- Accept data localization
- BharatNet school/PHC contracts
- Airtel/Jio distribution

Phase 2
2026-27

Community Hubs & B2B

- Hub model via 500K+ CSCs
- 30 users × $8/mo = $240/terminal
- SME via Airtel enterprise
- Disaster resilience (NDMA)

Phase 3
2027-29

Consumer Entry

- Precondition: terminal < $100
- Lease: $5/mo HW + $15/mo svc
- NE states, Himalayas, islands
- Negotiate USOF $150-200/terminal

Phase 4
2030>

Defense & Scale

- Kuiper/OneWeb scaled → retention
- Moat: 7K+ sats → capacity edge
- Institutional lock-in switching costs
- Default infra for unreachable geo

Each phase unlocks the next: regulatory → distribution → cost reduction → consumer viability

Unit Economics: Three Models

B2B Institutional		Community Hub		Consumer Direct	
ARPU	$40/mo	Revenue (30×$8)	$240/mo	ARPU	$20/mo
HW amort.	$14/mo	HW amort.	$14/mo	HW amort.	$14/mo
Opex	$23/mo	Opex	$23/mo	Opex	$26/mo
Margin	$3/mo	Margin	$203/mo	Margin	-$20/mo
Payback	~12 mo	Payback	~2-3 mo	w/ $200 subsidy	+$6/mo
36-mo LTV	$108	36-mo LTV	$7,308	Note	Subsidy required

★ **Community hub = strongest unit economics: the core growth engine for Phase 2. B2B viable at launch. Consumer: sub-$100 terminal + USOF subsidy required.**

Recommendations

Six actions sequenced to match the phased entry strategy

01

Secure regulatory clearance first

Phase 1 · 2025-26

Comply with GMPCS + data localization. Use Airtel/Jio deals as leverage with DoT and IN-SPACe.

02

Enter via BharatNet institutional contracts

Phase 1 · 2025-26

Schools + PHCs = government-funded, low price sensitivity. 5,000 schools at $25/mo = $1.5M MRR.

03

Deploy community hub model at scale

Phase 2 · 2026-27

1 terminal, 30 users, $240/mo revenue, $45–55/mo cost. Partner with 500K+ CSCs.

04

Negotiate USOF subsidy in parallel

Phase 1-2 · Ongoing

$150–200/terminal subsidy transforms consumer economics. Begin negotiations during Phase 1 political goodwill.

05

Structure partnerships to protect margin

Phase 2-3 · 2027-30

Cap distributor margin. Prohibit upselling competing satellite products at POS. Retain direct customer data.

06

Build geographic niche before Kuiper scales

Phase 3-4 · Pre-empt

Lock in NE states, Himalayas, Bihar/Jharkhand/Odisha, islands. NDMA disaster contracts create switching costs.

CONCLUSION

Enter a structurally protected, government-aligned market and win where terrestrial networks break down.

- 579M offline Indians are not a marketing problem: they are a structural infrastructure gap only satellite can solve.
- Jio and Airtel chose to partner with Starlink rather than fight it. That is the clearest market signal.
- Starlink's advantage: being the only viable solution in the segments terrestrial networks cannot economically reach.

- ✓ Underserved, low-density regions
- ✓ Fiber-unviable locations
- ✓ Satellite = only viable option
- ✓ Jio + Airtel partnerships secured