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"We expect 3G revenue contribution to be at par or exceed 2G revenue"

Anupam Vasudev
Chief Marketing Officer, Aircel

With 3G getting huge focus in India, data growth is going to be a big challenge for the operators. In an interaction with **TelecomTiger, Anupam Vasudev, Chief Marketing Officer, Aircel,** talks about such challenges, strategies and the applications which are part of company's plan to increase its data revenue.
Excerpts:

Q. Why is data growth so low in India compared to countries like Korea, Japan, USA and Europe?

Ans. Data growth in India is one of the highest in the world and in terms of users, India is one of the biggest internet markets globally. We are ranked 2nd or 3rd in terms of users on websites such as Facebook, Twitter, Quora etc. India is one of the fastest growing market for Internet clocking 60-70% growth on an already existing base of over 100 Million users. However, total Internet traffic and average usage per customer in a month India lags behind Europe, Japan, US due to lower speed on the whole. Having said that, the absolute penetration numbers are pretty low but this should be seen as a huge potential and an opportunity for the industry. The penetration of Internet users is around 10% over the entire population. This will change with increase in adoption of Internet enabled handsets, which is currently lower around 50%, and more smartphones, presently around 50 Million. Another factor that will drive data growth will be penetration of 3G data enabled handsets as well as growth in data enabled handsets in rural India.

Q. What do you do to develop exclusive applications to drive data growth? Do you have your own team or you support independent developers.

Ans. Aircel's PocketInternet Store has been witnessing healthy growth in terms of download and usage. It has been a key driver for data usage for Aircel. Certain categories like Games, Music and

Videos have seen much higher growth than other categories. We must understand that telco stores offer a lot to its customers in terms of flexibility and freedom. The content offered here is not handset specific and therefore, can be used across all phones. Moreover, the billing capabilities of a telecom company let users download paid content using their pre-paid/post-paid accounts. In a country like ours where credit penetration is still relatively low, this offers a huge benefit to the customers who either don't use credit cards or are not too comfortable using it on mobile. At Aircel, we have a team that works with a number of partners to develop applications and services across all genres.

Q. TRAI says that telecom companies register a subscriber for its VAS services even if the subscriber has not registered for it. TRAI has also come out with certain norms. Industry is reluctant to follow it. What do you have to say about it?

Ans. We are working with TRAI and will comply with any norms set for the industry.

Q. How much growth in data revenue do you project for your company?

Ans. The year 2012 was extremely successful for Aircel as far as the data business was concerned. We saw data as a revenue segment contribute significantly in the overall business. Last year, data revenue grew almost 100% on y-o-y basis and 3G is now contributing close to 40% of overall data revenue for Aircel. The number of Aircel subscribers using 3G also grew three times in 2012. In line with these trends, as a brand, Aircel has taken a position to play the data game and we believe that data is the future and therefore will continue to be the biggest driver of growth. We expect to grow at similar rate like last year in terms of revenue, and expect that 3G revenue contribution will be at par or exceed 2G revenue before end of this year.