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Telcos Bank on Youth to Revive Sagging Profits

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Mobile phone companies are increasingly turning to the youth to increase data and voice usage, which they expect will help overall revenues and profitability to go up. Cheaper smartphones, low-cost data tariff plans and interesting freebies may be instrumental in reviving telcos' sag-

ging profits. For example, Aircel is relying on online shopping becoming more popular among the youth. It has introduced free talk time to be given for each purchase made on online shopping portal Yebhi.com and also allowed subscribers recharging their connections to get cash back for shopping at the portal.

Chief marketing officer Anupam Vasudev said the first-of-its-

kind tie-up works for non-Aircel customers too as they will get a free Aircel connection along with the talktime, which will vary with the purchases.

The Malaysia-owned Maxis' India arm has a larger focus on the youth and has introduced offers such as the lowest costing 3G internet tariff plan and unlimited internet on 2G and games.

Aircel has about 60 million sub-

scribers while Yebhi.com gets 2 lakh unique visitors on a daily basis. The tie-up offers a large mass of customers that the telco can tap without spending substantially on acquiring new subscribers. Telcos, under severe margin pressure, have over the last year cut dealer commissions, distribution costs and purged inactive customers in order to drive profitability.