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Aircel may break even in Kolkata, Bengal circles soon

To continue aggressive pricing strategy for data packs

Our Bureau

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Aircel is looking to break even in the Kolkata and Bengal circles by early 2014-15.

While the focus will remain on pushing data usage through small value recharges (also called pocket internet packs), Aircel is targeting to increase its per minute realisation in the "voice" segment by around 12 per cent over the next one year, Virad Kaul, regional head (East), said.

"We hope to break even by early next year in Kolkata and Bengal," Kaul told *Business Line*. Aircel began operations in Kolkata in 2008. In telecom

parlance, Kolkata and West Bengal are considered as separate circles.

As of March 2013, the company had a subscriber base of nearly 19 lakh in Kolkata and around 30 lakh in the rest of West Bengal. It reported revenues of nearly Rs 19 crore and Rs 23 crore from these circles, respectively.

Around 85 per cent of the revenues are from the voice segment with the remaining 15 per cent from data.

SMALLER VALUE OFFERINGS

Buoyed by the success of its "pocket internet" packs in Kol-

kata, Aircel is preparing to continue with aggressive pricing of its small value offerings.

According to Kaul, smaller value top-ups of Rs 8, Rs 16 or Rs 23 have been successful in Kolkata, Delhi and Chennai.

While voice consumption has increased slightly, revenue generation from data remain a trickle because of the high number of non-internet users. Such smaller value recharges, Kaul said, would help Aircel latch on to first time or "value conscious" users. These users might later switch-over to high-value data packs.

"Our studies have shown that many people who stick to

smaller value top-ups often upgrade themselves to the high value packs — a segment that we are targeting in the long run," Kaul said.

VOLUME SALES

Such small value offerings, market sources said, would help generate volume sales to cash in on the price-sensitive prepaid segment that accounts for 95 per cent of the user base.

Aircel is either the 4th or 5th entrant in most telecom circles of the country. In such a scenario, focus would be on garnering volumes through such top-ups, they said.

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