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"We expect an increased focus on VAS"

Interview with Aircel's Chief Marketing Officer Anupam Vasudev

According to Aircel's Chief Marketing Officer Anupam Vasudev, data and youth will continue to remain the company's key focus areas. "While not ignoring the voice business," he adds. The marketing veteran also believes "innovative" and "value for money" are the buzzwords in the telecom industry. Edited excerpts from an interview with **Prerna Raturi**:

Aircel India set up free communication facilities in Uttarakhand for better communication in the state that saw utter devastation in the hills last month. What do such instant facilities entail? How did the company manage to do this at such a short notice?

Aircel set up free mobile booths at affected locations in Uttarakhand to offer victims and stranded people in the area to make free calls to their homes. These mobile booths, equipped with help desks, handsets with sufficient talktime and mobile charging units, were manned by Aircel team members. Furthermore, with a view to help general public in locating relatives who were in Uttarakhand during the recent calamity, Aircel has also opened two helpline numbers that indicate the present or last location of the subscriber in Uttarakhand with date and time, whose telephone number is given by caller on the numbers.

We also initiated a special activity for the Aircel roamers in Uttarakhand to reimburse their mobile accounts with sufficient balance, enabling them to connect with their families or stay connected.

In the first week of July, India's Telecom Commission endorsed a proposal to allow foreign operators to have a 100 per cent stake in companies operating in the country's telecom sector. If the proposal is passed, what will it mean for Aircel in India?

The move to increase telecom cap of 74 per cent FDI to 100 per cent is welcome as it will help the industry to bring in more FDI to fund the high capex demands of this sector, especially in areas to enhance coverage, and launch new 3G and BWA (broadband wireless access) services. This will undoubtedly be a huge benefit for our customers and will mean higher license fee for the government.

What are some of the challenges that Aircel faces in India when it comes to increase its presence and penetration?

Data and youth continue to remain Aircel's key focus areas while not ignoring the voice business. The country is on a cusp on data revolution and we want to take a lead in that to redefine user experience by launching more innovative and value for money products.

The challenges for Aircel are no different from what the other service providers are facing. All telecom operators are dealing with high operational costs, be it energy, infrastructure, or high telecom license fees leading to very low returns for the kind of investments made. It is also becoming increasingly difficult to survive the low tariffs in certain areas with the rising inflation and cost.

Therefore, the current ecosystem necessitates government intervention in order to meet the critical objectives of accessibility, affordability and sustainability. The operators, government and regulator need to work together to reduce the cost burden on the industry and provide the needed funds required for the massive investments to take the nation forward.

Your company launched the "One Nation, One rate" roaming plan. How has it helped the company?

At Aircel, we believe in giving our customers something "extra" and took a giant leap in the market by launching "One Nation, One Rate", offering one rate for Voice, SMS and Data in home circles and on roaming on Aircel network. The product is an industry first, and has redefined the user experience and consumption of voice services in the country. The roaming traffic for Aircel has increased significantly and the product has cut across all segments; all types of travellers including business travellers have responded equally well to this product.

As competition in the telecom sector, which is highly regulated, hots up with all players becoming more aggressive for marketshare, how do you see the telecom scenario change in India in the next couple of years?

Aircel was one of the first telecom operators to have gauged that our industry had relied on voice so far, but data is going to be the next big thing. We have launched various innovative data products like PI 24, PI Smart, which changed the way internet was perceived and consumed.

We will continue to witness growth of data in India as we swiftly move towards a data revolution. We are confident that 3G and 4G penetration will increase and we shall have more people using internet on their mobiles. This will be complemented, to a large extent, by the increasing number of smartphone users in our country. Thus, the telecom industry will continue its endeavour to redefine user experience.

From the business point of view the industry is facing severe margin pressures and is looking for alternate revenue generation avenues. In this regard, we expect an increased focus on Value Added Services (VAS). VAS will also enhance the user experience of a telecom service by providing a customer that "something extra". The rural areas are getting their due share of focus on the part of the telecom operators. We have already seen SMS services, helplines and alerts being launched which cater to this segment.

What about MVAS in India? In your perception, how is the Indian consumer taking to it?

The rapid growth of VAS and Data is expected to contribute an important share in the revenue stream of the telecom industry. At Aircel, we have taken note on the shifting subscriber usage pattern and have devised many products and services especially in our Data-VAS segment. Last year at Aircel, music and games continued to grow. Games alone contributed to 25 per cent of the data VAS consumption in

2012, followed closely by videos and music at 22 per cent and 20 per cent, respectively. Overall, the data VAS segment has been doing its bit to generate revenues and has emerged as one of the fastest growing revenue segment for Aircel.

We believe that VAS services will act as a key revenue driver as well as a differentiator for any telecom service provider. We see urban cities driving Data Value Added Services (Data VAS) as they are the early adopters of Data and Smartphones while rural cities continuing to adopt Non-Data VAS products. Urban subscribers are maturing and upgrading from Non-Data VAS to Data VAS and hence, instead of witnessing shrinking of value added services, we are in fact seeing a faster momentum in adoption of Data services.