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■ AIRCEL ■



Highlights

- The company revisited its network architecture to ensure efficient network utilization
- The company's key initiatives last year was concerted effort towards undertaking infrastructure and cost optimization

—Kaizad Heerjee
Chief Operating Officer, Aircel

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Getting more Focused



Mobile services remained its primary business with a revenue contribution of 78% on the back of yearly revenue growth of 17% over FY12

Betting high on data by focusing on youth, Aircel once again managed to grow at a rate of 21.5% and ended the year at ₹9,817 cr in comparison to ₹8,081 crore in FY12.

Mobile services remained its primary business with a revenue contribution of 78% on the back of yearly revenue growth of 17% over FY12 that was one of the fastest when compared to the overall industry, which grew at 9%.

Putting aside all the disturbances that Aircel witnessed last year both in its business as well as with its top level management, the company revisited its network architecture to ensure efficient network utilization.

Mobile services segment, which comprises around 78% of the company's total revenue, grew at the rate of 17%. Further, its long distance leg of NLD and ILD also grew substantially by 39% and 45%, respectively, between FY12-13.

The company's key initiative last year was to put concerted effort towards undertaking infrastructure and cost optimization.

Understanding the new trends, Aircel is gearing up to provide better services to its customers by better leveraging big data and social media tools. Its key differentiator 'Pocket Internet' created a new category of mobile Internet and launching various data products and services under it truly changed the way mobile Internet was perceived and consumed. For making 3G affordable to masses, the company launched its Pocket Internet Smart

which offered 3G data at the rate of 2G.

Taking note of the shifting subscriber usage pattern, Aircel devised many products and services especially in its data-VAS segment. Music and games continued to grow at a very strong rate. Games alone contributed to 25% of the data VAS consumption in 2012, followed closely by videos and music at 22% and 20%, respectively. Overall, the data VAS segment has been doing its bit to generate revenues and has emerged as one of the fastest growing revenue segments for Aircel.

To increase the uptake of data, its association with iPhone and Blackberry has turned out to be quite beneficial and the company launched data plans with iPhone5 and Blackberry Z10 in the last fiscal. To take another leap forward

in building the ecosystem for 3G, the telco also associated with Magicon and launched a range of affordable 2G and 3G smartphones packed with latest features.

In a step that set a new benchmark in the voice market in the country, Aircel pioneered the concept of free roaming and launched One Nation One Rate (ONOR), which enabled it to take a lead in the voice space as well. The telco has also renewed its technology outsourcing contract with Wipro, estimated to be worth about ₹500 crore and spread over five years.

To adapt to the challenges of the sector, Aircel has found a strategy that has a dual focus; hiring right talent and investing in growing talent from within; that has proved to be the most beneficial.

Undertaking a restructuring route to maintain its growth, the firm has merged its network and operations divisions to avoid concentration on different kinds of customers. Earlier, the company had planned to spin off these divisions into separate companies once the details of the government's infrastructure sharing norms were clear, as it sought to share its network with other telecom operators, creating an additional revenue stream. It also has a plan to have another division that would concentrate on services and consumers.

Though the focus will remain on pushing data usage through Pocket Internet packs, Aircel will be aiming to enhance its per minute realization in the voice segment by around 12% over the coming year.

