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Vodafone Pips Airtel to No. 1 Slot in Rural Markets

Co now has biggest rural customer base at 82.24 m; Bharti Airtel remains India's leading mobile phone co by revenue and customers

KALYAN PARBAT
Vodafone has for the first time overtaken Bharti Airtel to become India's leading mobile phone company in rural India, according to the latest rural subscriber numbers collated by Cellular Operators Association of India (COAI), the industry body representing GSM operators.

The Indian arm of Vodafone, which recently tweaked its distribution model to boost sales in the villages, now has the biggest rural customer base at 82.24 million, a shade above Bharti Airtel, whose total rural customer base is for the first time a tad lower at 82.16 million.

Bharti Airtel, however, remains India's leading mobile phone company by revenue and customers. According to the latest COAI data, its total customer base as on March 31, 2013, stood at 186.20 million, translating in a 28.47% market share. Vodafone India's total customer base as on March 31, 2013 stood at 152.35 million, remaining in a 23.95% market share.

Bharti Airtel and Vodafone's pan-India subscriber base grew by 0.84% and 1.65%, respectively in March.

India added 4.9 m rural customers during February and March 2013

Vodafone India added 4.3 million rural subscribers during February and March 2013, sealing a march over its closest rivals Bharti Airtel (2.57 million) and Idea Cellular (2.75 million), according to the latest COAI rural customer growth numbers reviewed by ET. More than 50% of the company's 152 million customers live in rural areas.

Bharti Airtel declined to comment on the ping-pong rural customer base but did say "We are in our stent period and it would therefore not be able to comment," said a company spokesman.

Vodafone India has maximised rural customer acquisitions in Tamil Nadu, UP-East, UP-West, Bihar, Haryana and Rajasthan in March through a mix of customer programmes and is exploring ways to boost mobile internet adoption levels in villages.

In a recent internal presentation to the company's leadership, its chief operating officer Sunil Sood said, "Vodafone is making a huge thrust into rural India, which holds a lot of potential since the urban subscriber base for voice has plateaued out."

But Sood cautioned that it also needs to target rural customers "with more practicality" since it is tough to sell something outside their interest area.

"Since rural budgets are limited, they have different ways of consumption and more importantly seek trust when it comes to day-to-day things such as top-ups, fixing family SIM cards and recharges," said Sood.

This was one of the key reasons why the British telco chose to distribute mobile products in Indian villages through people representing local panchayats with good contacts within a village. Alternatively, it has also been relying on the persuasive skills of women to boost sales by deploying hordes of female retailers or "retailers" to shore up business volumes in rural markets in Haryana.

During the first three months of calendar 2013, GSM operators collectively added over 10 million rural customers. The local GSM customer base in rural India as on April 1 stood at 292.53 million, translating in 4.4 million additions in March alone.

Country Call	Operator-wise rural customer base as on March 2013 (in million)
Vodafone India	82.24
Bharti Airtel	82.16
Idea Cellular	65.78
Airtel	27.32
Uninor	10.03

SOURCE: COAI

Handwritten notes and signatures:
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