

Breaking the brand barrier

In one short year, Tata Teleservices (Maharashtra) has changed the perception of the brand and become the talk of its telecom circles with the launch of several innovative products and services

It was a late entrant to the aggressively growing Indian telecom sector, but Tata Teleservices (Maharashtra) (TTML) has made up for lost opportunities, and grappled with the odds to capture market and mind share in its areas of operation. Cutthroat competition, relatively low entry barriers, price wars, a galaxy of strong market players and stringent government regulations make telecom in India a tough sector to survive in. It is also one of the fastest growing with huge rewards for those who face up to the challenges. “The telecom industry is a sunrise industry,” says Mukund Govind Rajan, TTML’s managing director. “We serve a basic human need — the need to communicate — which will exist till the end of time.”

Building the brand

A brand that provides a set of differentiating promises and fulfils them is the one that lasts the longest. As Mr Rajan says, “A strong brand identity and recall is as important as the quality of the product itself.”

When Mr Rajan took over the reins at TTML in February 2008, it was this critical factor that was missing. Various brand surveys indicated that people’s perception of the Tata Indicom brand was not very favourable. Brand recall was poor and the company’s products and services didn’t capture the imagination of the potential customers.

Mind share is critical in this industry. All telecom

operators use the same raw materials and the same spectrum. The laws of physics, based on which one operates, are the same for all service providers. Practically everyone in the industry sources capital equipment from China. In fact, most have the same vendor for handsets — Nokia, Samsung, LG and Motorola. So what is there to choose between one operator and another?

Mr Rajan thinks the difference lies in the brand identity and customer service; people buy the brand and superior customer care buys their loyalty. “The first thing I asked myself was why should our brand be any more or less valued than the others? I realised communication was the key to creating brand awareness and loyalty, and we had not been successful in doing this. We decided to talk to the customer more, get an interaction going and have them perceive our value first-hand.”

Getting networked

There was another important task that needed to be accomplished along with building the brand and customer loyalty: bolstering the network. Being a late entrant (2005) in the wireless space, TTML had faced many hurdles in setting up a robust network infrastructure in the telecom circles allotted to it — Maharashtra, Mumbai and Goa. Lack of seamless network coverage made it difficult to increase subscriber base, thereby affecting revenues and profitability.

Mr Rajan explains, “One of our priorities over the last year was to achieve parity with our competition in terms of network presence. If you don’t have network, you can’t even begin to sell. And if you don’t sell, you are out of the market. By the end of this financial year, we would have spent the largest amount that this company has ever spent in a single fiscal — about Rs850 crore — on capital expenditure. This will bring us to near parity with most of the players in the Maharashtra market. Mumbai, being a metro, is already well

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Mukund Rajan



covered.” The magnitude of this achievement becomes evident when you consider that Maharashtra’s land area is approximately thrice that of a mid-sized European country!

This enhanced pan-Maharashtra network presence is certain to payoff in spades for TTML. “Our 14.8 per cent market share is despite the lack of presence, which is a good sign,” Mr Rajan points out.

Wooing customers

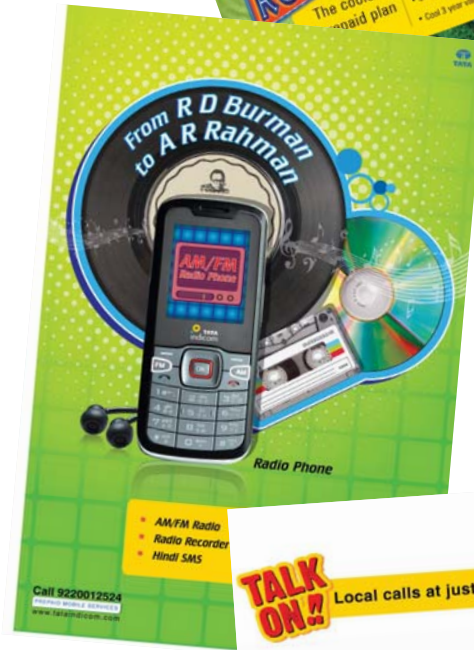
Armed with good network coverage and a slew of innovative products and services, TTML has been reaching out to customers with irresistible offers. “Our message was succinct: “We are here for the long term. Try us and you will enjoy the experience,” explains Mr Rajan. “People believed us because the Tata name has been synonymous with trust and quality for decades. We leveraged that and ensured our customers looked at us in a different light.”

Since CDMA (the technology TTML has been using so far) is excellent for data services and mobile value-added services (MVAS), the company went on the front foot to promote its Plug-2-Surf product. Customers loved it and today TTML is a market leader in this segment.

Tariff plans, schemes and offers also got a makeover. To attract the young, the company launched an innovative scheme called Let’s Rock, ideally suited for this mobile-happy generation. It offered very cheap local and outstation calls and rock-bottom night-time call rates — just 10 paise per minute. These were the cheapest rates available and, even though TTML didn’t make any money on the night-calling scheme, it helped create a buzz.

“An interesting thing about Let’s Rock was that it was promoted as a three-year product, about the time a student spends in college. We had this massive launch when colleges opened, with posters designed to appeal to the youth,” recalls Mr Rajan. The clincher in this campaign was the very student-friendly time slot for night-time calling rates — 9pm-9am as opposed to 11pm-6 am offered by competitors. “We figured that if students wanted to call their families or local guardians, they wouldn’t call after 11pm when most people are asleep. The timings being offered by other operators seem to indicate they didn’t really intend anyone to make full use of the reduced rates. But we realised that this was what customers actually needed.”

With data to prove that this segmented branding worked, TTML is optimistic that its subscriber numbers will rise further (See graph: Subscriber base growth). Interestingly, the usage of Let’s Rock is 25 per cent higher than normal prepaid usage, which augurs well for the company’s efforts to woo other prepaid subscribers.



Contemporary campaigns by TTML have helped increase its customer base

In another innovative limited period scheme, TTML welcomed '4009 on the eve of 2009'. It offered 4009 free minutes for Rs2009, which was yet another promotion to sell 50 paise calls. The main purpose was to cash in on the calling pattern that people get into while using these packs.

Sponsorships have been the other route chosen to strengthen the Tata Indicom brand. In a bid to target an upmarket clientele, TTML sponsored the Prithvi Theatre Festival in Mumbai, which was earlier sponsored by a market leader in the telecom realm and a Ghulam Ali concert with Banyan Tree, which translated into many enterprise customers. With *Radio Mirchi*, TTML co-promoted 'Cool-Jock', a talent search to find the best radio jockey in college campuses. This event culminated in a high-decibel, mega-production musical night with Bollywood singer KK as its main attraction. These events have helped TTML reach beyond the prepaid audience and gain a foothold in the postpaid segment.

CDMA players like TTML have a perceived disadvantage when it comes to handsets because of limited variety as compared to GSM handsets. To tackle this problem, TTML has launched novel devices to attract customers. Around the time of the *Ganesh Chaturthi* festival, it launched the Ganesha phone, *Sumukha*, pre-loaded with a Ganesha ringtone and prayers. The world's first CDMA AM-FM phone, the Radio phone, was designed specially for interior parts of Maharashtra and other states, where only medium wave is available.

Recently launched is Aurum, a phone created specially for the comfort of senior citizens, which has a large screen, ergonomic key-pad, a torch, a burglar alarm and an SOS function that sends an SMS to pre-defined numbers. This unique camera-phone doubles up as an MP3 player and is attractively priced at around Rs4,000. The company has also innovated on data cards by providing an in-built memory to store files in addition to using these for internet connectivity.

With four customised products among the 14 that have been launched in the last year, TTML is the talk of the town.

Reaping the rewards

Its concerted efforts at meeting customer needs have been ably seconded by the superior customer service TTML offers. It was recently rated No 1 in customer service in an independent survey conducted by the Telecom Regulatory Authority of India (TRAI). With 12,000 respondents in Mumbai and Maharashtra, this is by far the most intensive survey that has been carried out.

"We replaced our old CDMA network with a new 3G-capable one in August 2008, and that has helped us to the No1 rank," says Mr Rajan, who is clearly not resting on his oars yet. "I think we still have a long way to go. Customer service in India is nowhere near world-class, but we are thinking about what it is that will get us there. There is a lot that we need to do, not



Some of the innovative products offered by TTML

only for our wireless customers but also for our wireline customers, which is an important part of our strategy too.”

Setting the house in order

Employee engagement has been an important cog in the company’s strategy and the steadily declining attrition levels are a tribute to this endeavour. In an industry marked by high attrition, 50 per cent is commonplace; TTML, with an attrition rate of 29 per cent in December 2007 had, by December 2008, managed to reduce it to 14 per cent — the lowest any telecom company has ever achieved in India.

In what may be an industry-first, a succession policy has been laid out. Mr Rajan explains: “We have created a process to identify potential successors, and that’s been a culture change. It has also been important for people to realise they have a role in this company’s future.”

Encouraging signs were seen in the last quarter when the results of the Gallup survey on employee engagement were released. The score increased to 3.8 from 3.35 when it was last done three years ago. On a 5-point scale, 4.2 is considered world-class; the MD plans to bridge this gap by increasing the frequency of dialogue with subordinates and drafting a growth path for career progression via mutual discussion.

Talking about finances, Mr Rajan says that while TTML is doing well on EBITDA and cash, it hasn’t hit PAT (profit after tax) positive yet. This the company plans to achieve soon through cost control measures and adoption of more efficient systems. The company has already been successful in bringing down the operational cost per subscriber and aims to reduce it further (*See graph: Decrease in operational cost per subscriber*).

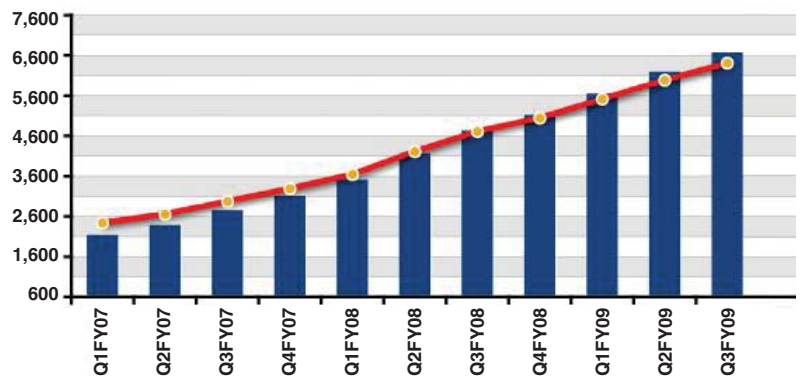
Looking ahead

The last year has seen TTML surge forward in many spheres, well on course to achieving its vision of becoming “the most admired telecom company across Maharashtra and Goa”.

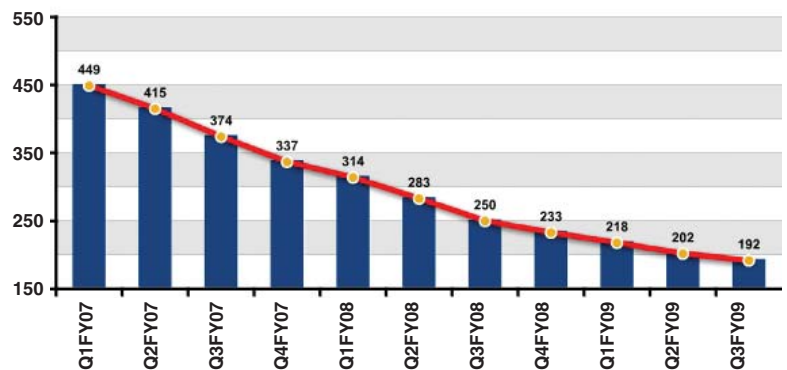
On the anvil for the next fiscal is the roll out of GSM services, for which TTML has received the requisite spectrum. With this, it will become a complete service provider, giving customers a choice of CDMA, GSM, wireline and data products.

People love to talk and TTML will continue to help them do so. So keep talking! ●

Arvind Sridhar



Subscriber base growth (in thousands)



Decrease in operational cost per subscriber (Rs/month)

TTML fact file

- ▶ Formerly known as Hughes Telecom; acquired by Tata Teleservices in 2002 and rechristened Tata Teleservices (Maharashtra) Limited in 2003.
- ▶ Licensed to provide services in Maharashtra (including Mumbai) and Goa.
- ▶ Telephony services include mobile, fixed wireless phones, public telephone booths and wireline services.
- ▶ Provides leased line, digital subscriber line (DSL), wi-fi, ethernet, managed gateway services and web conferencing services within the broadband data network and applications space.
- ▶ Listed on the NSE and BSE.