

Airtel is Quietly Acquiring Triple Play Customers in NCR Against No Competition

Summary

Telcos and MSOs in India watch out. Airtel ([NSE:EQBHARTIARTL](#)) has launched triple play in NCR region around Delhi.

Airtel is reaping the fruits of clear thinking, hard work, capex commitment and managing all odds against the tough stance of most Resident Welfare Associations (RWAs) for laying ADSL copper to homes in their colonies.

It is a wake up call for all other telcos and MSOs in case they do not want to give free run to Airtel in fixed triple play market

Analysis

Airtel has rapidly started acquiring customers of triple play (voice, broad band Internet and IP TV) over ADSL in NCR in the face of no competition. **Mostly promoting 999 plan for 256 kbps HSI unlimited and IP TV with voice being extra, Airtel is in the driver seat to capture largest market share of multi play in the long run.** No monthly rental for STB but upfront payment of 3999 is taken in two monthly installments. STB then is owned by the customer but maintained by Airtel.

As a first mover and with no competition, they are taking the cream because on an average a home customer ends up paying around 1500 per month with voice. **Thus, what Frost & Sullivan have forecast in 2007, Airtel is successfully doing it now and its triple play revenue is shooting up on daily basis.** The customer experience is beyond imagination with stunning TV quality never seen in India before. It beats both DTH and digital cable TV.

Surely, other telcos would also come up and give them competition. However, other than BSNL/MTNL ([NSE:EQMTNL](#)), no telco can challenge Airtel as none has last mile except TTSL, TTML, Systema Shyam and HFCL ([MUMBAI STOCK EXCHANGE, MUMBAI:511116](#)) in small measures. None of them is doing any double or triple play in any major way. BSNL/MTNL have their own problems with copper. **Airtel, however, would suffer when they start to scale up on ADSL.** Their effective range of customer location for IP TV from the DSLAM is restricted to 1200 to 1500 mtrs and as more customers join up, there will be congestion and both HSI and IP TV would degrade in performance.

So what is the alternative ? Telco plus LCO is a killer competition against Airtel. This B2B2C combination has no limitations of range and congestion . It is scalable and 30 % cheaper to generate. Thus, this is a winner all the way. The only hitch is the myth of lack of trust in LCOs from telcos. This is a myth because telcos apprehensions are not based on reality but

only on past perception which is not valid in 50 – 60 % cases.

KTMT has a panel of experienced persons from telco, cable, broadcast, IT, ITES industries and regulatory regimes of TRAI, TDSAT, Min of Communications and Min of I&B. KTMT can assist telcos by becoming a very good bridge between telcos and LCOs because both are eager to join hands and roll out multi play . KTMT has already evolved and demonstrated this concept of strategic partnership between telcos and LCOs. Soon, a very large integrated telco is going to implement it in India.