



Democratizing Mobiles Through Innovative Marketing Strategies

A Case Study of Reliance Infocomm

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Affordability Focus

- Marketing factors can play a significant role in improving affordability.
- Relatively easy to deploy, leading to a 'win-win-win'
 - Industry gets more profits, consumers get more service and the regulator gets more praise.
- Innovative strategies of Reliance Infocomm
- Conceptually simple but sweeping in impact
- Obvious but not too obvious at some point of time

To help drive down costs and drive up volumes - through innovative marketing strategies

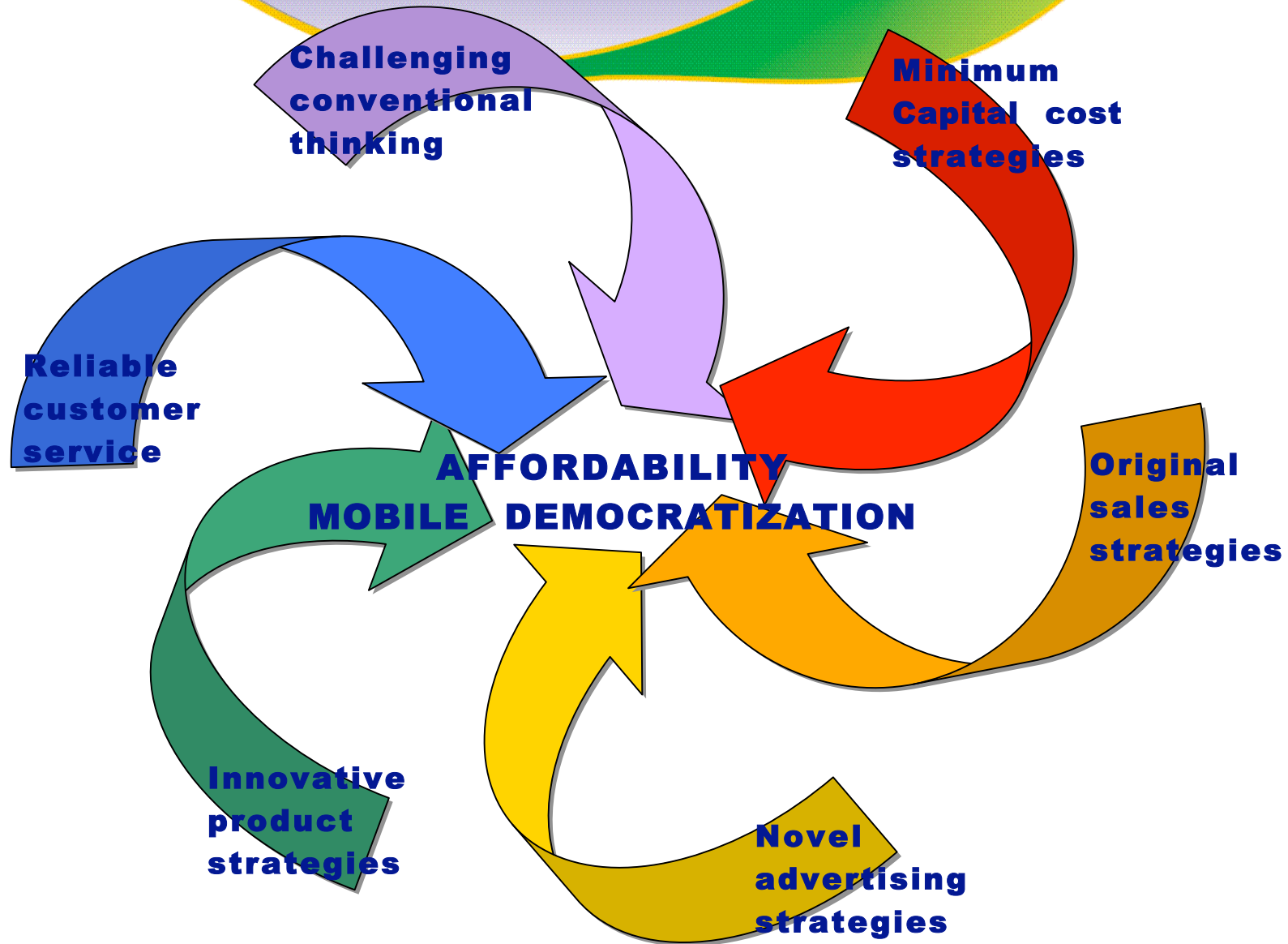


Life at the Bottom of the pyramid

- Widespread poverty and low levels of telecom penetration - **Obvious Weaknesses**
- But Reliance Infocomm realized that these could be the strengths.
- Telecom would be much valued by the poor if it could be effectively used to create opportunities and offered at affordable prices.

At the bottom of the pyramid, your weaknesses turn to your strengths.

A formalised strategy - to tap in to these strengths





Challenging Conventional Thinking

- Reliance Infocomm broke the mould that telecom is for the privileged
- With a tariff that is the most ambitious ever listed by a telecom company in India.
- Aimed for prices as low as the cheapest alternative – the postcard.
- While other operators aimed for the value market, Reliance Infocomm created a new market through volumes.

Take the out-of-box thought route to reach the bottom of the pyramid.



Minimum Capital Cost Strategies

- Sharing of all parent company resources.
- Centralised management of resources.
- Synergy with the group companies to ensure traffic and revenues from day one.
- Hard core negotiations with vendors for rock bottom prices.
- Initial offering limited to few handset models ensuring production and marketing advantages.
- Provision of multiple services like landline, broadband, IPLC, VPN and IDC through the same network, ensuring minimum cost per service and maximum revenues.

When your market is the bottom of the pyramid, you need to approach it with a mission. Pooling all the passion and resources that you have.



Original Sales Strategies

- Discounts for employees and shareholders and their referral connections.
- DAEP – A new direct channel of 200,000 (proposed) self employed to generate hype and increase availability.
- Presence in to grocery stores, gas stations, music stores, departmental stores, street side vendors, bookshops, hotels and restaurants, ensuring availability everywhere.
- Own retail outlets in premium spaces.
- Nationwide product demonstrations.

For a market that is everywhere, you need to build a network that is everywhere.



Novel Advertising Strategies

- Branded as IndiaMobile to cash in on patriotic feelings.
- Bundling of handsets with service.
- Reliance Infocomm branded mobile phone instruments.
- Advertisements based on Bollywood movies and cricket – pulse of India.
- Co-branding with mobile instrument makers – reduced ad and promo spend.
- Signages on Reliance Infocomm owned telecom towers.

When you want to sell everywhere, you need to be seen everywhere.



Innovative Product Strategies

- Product development focused on every section of the society.
- Rworld – Java enabled data applications suite.
- Rconnect – Internet connection through mobile.
- Market information on Mobiles with tie up with NCDEX .
- Wireless PoS – Expansion of number of merchant outlets accepting credit cards. Bank Tie-ups.
- Vehicle tracking system.
- DADP – Open source programming.

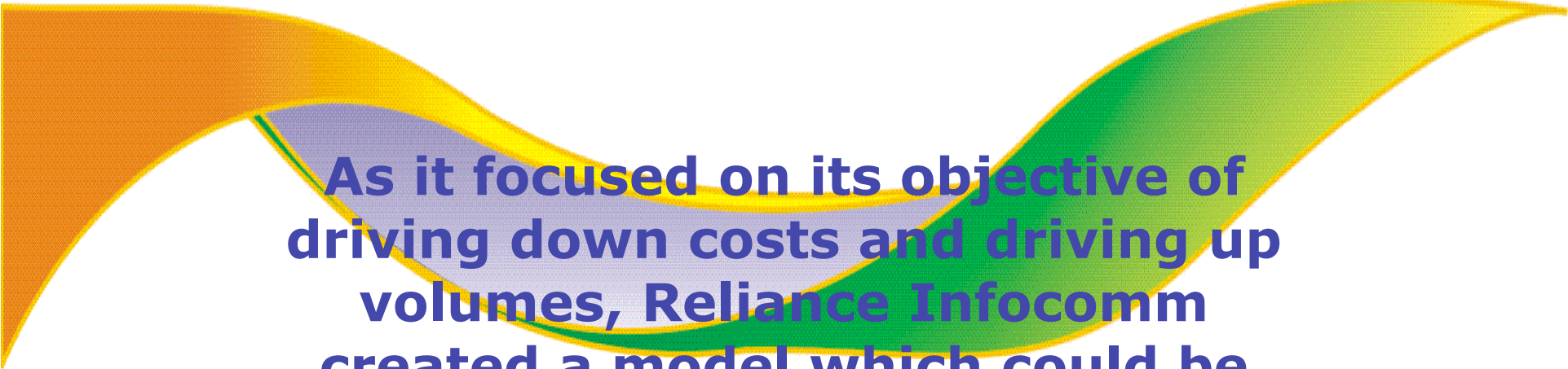
At the bottom of the pyramid you need not scrape the bottom of the barrel.



Reliable Customer Service

- Centralised service.
- 24 by 7 service.
- Service offerings in 10 languages.

Customer is not the king at the bottom of the pyramid. He is the Emperor.



As it focused on its objective of driving down costs and driving up volumes, Reliance Infocomm created a model which could be effectively used by many operators in developing nations.