

Marketing management: bharati airtel india

Environment, Air



The organisation we are going to focus for our Marketing Management study is Bharati Airtel – India. Bharati Airtel is a leading telecom provider in the telecom industry with the customer base of 124 million till Feb 2010. Airtel is the third largest in the world to have such a wide base of customer and six largest integrated telecom operators in the world. This enormous growth is not possible without proper planning and with good marketing plan.

Objective of Airtel:

The objective of Airtel is that they wanted to a market leader in the telecom industry; they wanted to take over the Major market in the country. These things were possible for them after the globalisation in 90's in India. With the proper penetration strategy they were able to achieve its objective and currently they are market leaders in spite of heavy competitors.

Unique Selling Proposition:

Every Brand or a Product will have a unique selling proposition to differentiate itself from other brand, they wanted to highlight in their best way likewise the USP of Airtel is to feel proud about the nation. Their first advertising campaign was also based on their USP which it eventually reached their targeted customer.

Airtel in its earlier stage never projected itself as brand which gives service, but it projected itself as brand which makes u feel proud about the nation. In the later part of Airtel their advertising strategy changed with an emotional touch to it which again increased its market share in India.

Marketing Principles of Airtel:

As it was said before Marketing lays a major role in an organisation inspite of good product, Airtel have a wonderful Marketing strategies and principles. Airtel was the second to enter the Indian market in the telecommunication industry till then BSNL was the monopoly in the telecom market as far as India is concerned.

Product Life cycle of Airtel:

Every product will undergo the product life cycle, it's been thirteen years that Airtel was launched in India it have 24. 6% of market share in India. The current stage of Airtel in India is that the product is in saturation stage hence the company is diversifying itself to various other divisions like airtel broadband and airtel DTH etc. Even though it is in saturation stage the major revenue for the company comes from Telecom Services only.

Sales

Time

Introduction

Growth

Mature

Saturation

AIRTEL

Airtel have positioned itself very strongly in the market that is the reason in spite of its saturation point Airtel is able to get its revenue from the telecom industry.

Introduction Stage of Airtel:

In the early 1990's was the stage that India allowed globalisation which actually created an evolution around the country. And this point Airtel comes in play with their marketing strategy. Airtel started its organisation with its prepaid connection but Airtel is actually a Premier Product, It was the first to enter the monopoly market in India were it was able to be successful compared with other competitors.

Growth Stage of Airtel:

After entering the monopoly market of telecom industry it was easy for Airtel to penetrate in to the Indian market. In The Introduction stage the competition was only with BSNL which was government body, hence it was easy for Airtel to take over the market even it was a premier product.

But as the days goes by the competition was increasing in slow phase as other players like orange, Essar came in to the market, by the time they enter the market Airtel actually swiped the market with its product and service even though it was a premium product were it was costing even for incoming calls. In the early stage of product launch Airtel was targeting the upper class customer based on their income pattern but in the early stages

because of increase in the competition they innovated new plans and tariff in order to sustain in the market, because of there marketing and advertising market airtel is able to rule the market.

Mature Stage Of Airtel:

When Airtel was in its maturing stage that is the point new competitors came in to the Indian market but by time Airtel had a huge market in India were it was tough for the competitors to divide the market share. During this time Airtel was busy innovating new products for its customer like free incoming calls, free messages and other different tariffs and packages to its customer.

Saturation Stage Of airtel:

This is the current stage of airtel they are in a saturation stage with their products even though their major revenue is from telecom. Airtel have not gone to the decline stage in its product but they are diversifying its market towards broadband internet connections and very recently they have also entered in to the DTH services in the market.

SWOT analysis of Airtel

Strength of Airtel:

The biggest strength is that airtel is having a solid customer base with good connection service and reputation in the public. Airtel is holding major shares in the telecom industry in the Indian market which is biggest challenge for its competitors. Airtel is having a good and latest technology for its customer in

the domestic market. They have a very quick and door to door services were no other service provider offers this. The delivery and processing time is really very fast and active response for the requirements.

Weakness Of airtel:

The weakness that airtel really needs to work on is its billing issues with its customers. There is wide range of opinion that airtel is very bad in billing; they charge a huge amount when compared with other service providers. People are ready to pay more for its service but the billing issues are always ongoing with airtel because of this customers are not satisfied with airtel. If the Management fails to take this issue seriously then airtel have to loose its strong customer base.

Opportunities of Airtel:

The Biggest opportunity which is not focused by airtel is the rural market. From the earlier stage airtel was concentrating only the urban market, because rural market is trapped by BSNL by its cheap tariffs and other facilities given to the public. Hence Airtel still have a huge opportunity to enter in to rural India, in the current scenario airtel is present in rural market but its performance is not like as it is in urban the rural penetration is very less compared to urban. The major population in India is from rural. In India rural market is very huge and untouched. As far as the rural India is concerned it is still a monopoly market which is dominated by RPG which is again the different service provided by BSNL. Even though there are few private players in the rural market the major transmission towers used by

the private players belong to BSNL, hence if airtel with the initial investment enters the rural market with the competitive tariffs then airtel can rule India by its service.

Threats for Airtel:

The threat for airtel is in the form of internal and external threats, the external threats are new and existing competitors in the market; new strategy applied by its competitors in order to divide the market share is one of the threats for airtel. Apart from this the internal threat is its weakness, if airtel is not going to take its weakness seriously then it might turn it as a threat for airtel . Hence airtel need to work on its weakness to avoid an internal threat.

Marketing Mix:

The major and cautious decision that any company needs to frame in its product is the marketing mix. The composition of marketing mix should be in a proper ratio in order to sustain in the competitive market. Marketing mix are nothing by the 4 P's, they are product, price, place, promotion. Airtel have clearly framed its product, price, place and promotion, because airtel was clear in its vision, they had a clear picture for its customers' needs and requirement they analysed what they actually want.

Airtel have clearly segmented its target audience for its product and services to its customer and it have also perfectly positioned itself in the market.

Product mix of Airtel:

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In the initial stage airtel to provide communication for its customer, its target customers were based on income since it was premium product, hence its target audience basically for business people who need communication is required every time and also high income people who can afford the price in the introduction stage. Then along with the growth of the company airtel came with many innovative products and different service to its customer like post-paid, pre-paid connection with free messages and very low STD and ISD calls tariff. Then in growing stage when the competitors entered the market it was targeting young generation from the age group of 20 to 30. Airtel came-up with more different new idea like having a CUG connection where with in the friends group it's free of charge. Hence in every stage airtel have come-up with its own style of making its uniqueness as a success in the market.

Price OF Airtel:

As it was explained before airtel is premium product hence the prices was high in the initial stage then in the later stage they have reduced the price and became cheap were they could stand with their competitors. They developed variety products with different price to different segments of their target audience; they have actually developed basket of products with different price were it can satisfy all needs of its customers. Even in the present situation airtel is maintain its tariff in a very minimal price.

Place Of airtel:

The presence of airtel is around the nation in India. Its presence is really strong in India next to BSNL; it is present in all major metropolitan cities in India. As it's already explained the presence of airtel is not well in interior India, hence they have an opportunity establish their presence in rural area.

Promotion Of airtel:

Airtel have one of the best promotions and advertising strategies in India. They have strong brand ambassadors for their brand. They involve in so many sponsors for reality shows in India. Airtel have a strong branding and promotion skills in the market.

They have promotions in terms of brochures, pamphlets, door to door services, hoardings, campaigning in public like conducting some events during the weekends in shopping malls and above all they encourage reality shows by sponsoring the program which enhances to bring new talents to the country.

The above marketing mix is the ratio of mix which helped airtel to have tremendous growth in the market; it helped to identify its strategy for its positioning. The planning of airtel is focused and executed in a proper way which paved the way for airtel's success.

Strategies for Implementation:

In the Initial stage airtel's positioning was extremely innovative it created a unique music tune for its brand by AR. Rahman which became the identity for the brand, the music became the master piece for the brand, the tune

create a great impact around the country. Impact for the tune is very huge that any one can tell that its airtel tune, the TV advertisement for the music tune also projected the positioning of the brand “ feel proud about the nation”. The initial promotion was quite costly for airtel but the response was double the time what they have spent for advertisements.

Airtel’s advertisements will always have an emotional touch to it which makes the public to watch the ad even though it is repeated for several times, at the same time they always project their positioning of their in every advertisement. Airtel gives a consistence in their advertisements they come up with new information and feel in their ads. They always make feel good ads which touch the heart of the public, and that emotion drive the customer to airtel.

Conclusion & Recommendation:

This project describes the success factors of Airtel in Indian Market. This clearly shows why airtel is able to be market leader in spite of heavy competition. Airtel was well organised they studied the requirement of the market first; they segmented their customers for short-term and long-term, then narrowed their segment for the initial stage and targeted them which was huge hit. When the competitors enter the market they were actually in the execution of their long-term plan of developing new products for its different target audience. Hence with the proper planning and implementation they were able to increase the market share. Airtel have exactly used all the marketing plans and principles to attain its

organisational goal. The recommendation that I would suggest for airtel is to work on its weakness and its opportunity to grow in future.