

HOME

LATEST

TRENDING

MY READS

Budget 2020

Market Dashboard

Companies

Markets

Podcasts

Money

Start-ups

Mutual Funds



(Left) A one-stop Airtel shop in Olhanpur. Recharge coupons of between Rs10 and Rs50 sell the most here ;and the Airtel tower in Olhanpur (in the background). Bharti Airtel was the first telecom compa

Bharti's cellular theory of growth

7 min read . Updated: 30 Mar 2009, 12:01 AM IST

Pallavi Singh

Bharti's cellular theory of growth

HOME

LATEST

TRENDING

MY READS

Budget 2020

Market Dashboard

Companies

Markets

Podcasts

Money

Start-ups

Mutual Funds

Topics

Bharat Shining | Bharti Airtel Ltd | Bharat Sanchar Nigam Ltd | Sunil Mittal | Reliance Communications Ltd
 | Vodafone Essar Ltd | Home

Olhanpur, Bihar: Until about three years ago, Nizamuddin Ansari, 65, a retired head clerk from the Indian Railways mail service, spent most of his days on the verandah at home. The monotony of watching over his courtyard as the women of his family went about their household chores would be broken by the occasional visitor or a money order from his sons employed in Jeddah in Saudi Arabia and Dubai. Then, the small plot of unused land he owned next to his house got a celebrity tenant: Bharti Airtel Ltd.

The company wanted to set up a phone tower on the plot before it made a debut at Olhanpur, Ansari's village of some 25,000 people, in Bihar's Chapra district.

Close

(Left) A one-stop Airtel shop in Olhanpur. Recharge coupons of between Rs10 and Rs50 sell the most here ;and the Airtel tower in Olhanpur (in the background).
 Bharti Airtel was the first telecom company to enter

HOME

LATEST

TRENDING

MY READS

Budget 2020

Market Dashboard

Companies

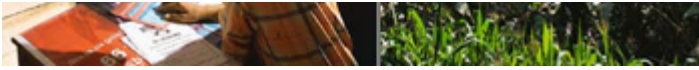
Markets

Podcasts

Money

Start-ups

Mutual Funds



the village. Madhu Kapparath / Mint

The Ansari household then had two men employed in West Asia (the number has since grown to six), who would be lucky to see their wives and children once a year. Phone conversations were the only way to stay in touch.

Also See Olhanpur([Map](#))

The land would bring a monthly rent of Rs10,000, adding to the family's income of around Rs50,000 sent home by family members overseas and from farming.

Within a year of Bharti Airtel entering Olhanpur in 2006, Ansari gave up his landline connection provided by Bharat Sanchar Nigam Ltd, a state-owned phone services provider, and bought five mobile phones for his family of 11, mostly women.



(Left) Parashar Telecom, a distributor for Airtel in Chapra, struggles with power cuts. Outages can sometimes last around 12 hours a day here; and

HOME

LATEST

TRENDING

MY READS

Budget 2020

Market Dashboard

Companies

Markets

Podcasts

Money

Start-ups

Mutual Funds

The phone firm launched its services in Bihar early in 2005, and in the four years since, has built a coverage presence in all of the state's 38 districts. Of at least 18.67 million customers in Bihar, according to end-February data with the Telecom Regulatory Authority of India, or Trai, the company has 7.15 million customers.

One out of four of Olhanpur's residents have a phone, say Bharti Airtel executives—double the 12.6% phone penetration in the country's villages and small towns.

Village voice



HOME

LATEST

TRENDING

MY READS

Budget 2020

Market Dashboard

Companies

Markets

Podcasts

Money

Start-ups

Mutual Funds

Also Read [earlier stories in Bharat Shining series](#)

Indians are second only to the US when it comes to using phone minutes. Mobile phone customers in India record almost 500 minutes of use a month, ahead of the 423 minutes the Chinese record, according to data collated by consultancy **BDA Connect Pvt. Ltd.**

Such is the pace of expansion and growth in demand for phone minutes that the load on the Bharti Airtel network—and indeed other networks—keeps mounting daily. “We set up more towers...(but) the demand for fresh connections keeps rising,” says Manish Kumar, a territory manager for the firm in Chapra.

Elsewhere, his company sets up 100 towers every day, a task shared by **Indus Towers Ltd**, a 42%-owned unit, says Sudhir Gupta, vice-president of marketing at the tower firm.

Phone services are perhaps what comes closest to perfect competition in India. Sure, there are instances of collusive price changes, but when it comes to earning that extra

HOME

LATEST

TRENDING

MY READS

Budget 2020

Market Dashboard

Companies

Markets

Podcasts

Money

Start-ups

Mutual Funds

when two more competitors, Vodafone Essar and Idea Cellular Ltd, reached the village. "We haven't seen the demand for Airtel declining but, certainly, people now have more choices," he says.

The Ansari household has let out another piece of land to the latest two entrants to set up towers. Its income from rent has gone up to Rs30,000 a month and Naimuddin Ansari, 32, Ansari's youngest son, has quit his accountant's job at a New Delhi firm to return and help manage his father's newfound occupation.

Hyper-local logistics

On days when networks fail in Olhanpur, there is much angst. "Poor connectivity is something the people here can't stand even for 10 minutes," says Sanjay Kumar, guard at the Bharti Airtel tower here, who doubles up as one of the two distributors in the village.

That happens often. Frequent power cuts mean that the towers rely on diesel-run generators for electricity backup—power cuts can sometimes last around 12 hours a day here. "The tanker comes every Monday, and if we run short of fuel during the week, we have to wait until Monday," says Kumar.

The last time Bharti Airtel's network failed for two days about eight months ago, villagers stormed the tower complex and protested till a tanker carrying diesel was called in from Chapra.

HOME

LATEST

TRENDING

MY READS

Budget 2020

Market Dashboard

Companies

Markets

Podcasts

Money

Start-ups

Mutual Funds

On a busy street at Pathera, a village neighbouring Olhanpur, Bharti Airtel's distribution march—what chief executive and joint managing director Manoj Kohli calls his “matchbox strategy” to benchmark phone card availability to matchboxes in every village of India—is at work.

At a small paan (betel leaf) shop, its 14-year-old proprietor Mukesh Chaudhary makes an additional Rs45 a day selling phone recharge coupons. “Earlier, every passer-by would run into my shop asking for Airtel recharges. I figured this was also a product I could sell,” he says.

In neighbouring Khaira village, Bharti Airtel distributor Rajesh Pandey makes hundreds of photocopies of an emailed leaflet of the company's latest tariffs to distribute in local markets. “We have no time to lose when a new offer comes. Photocopies of the schemes reach faster and are more economical,” says Pandey, who distributes Airtel coupons in six villages in Chapra, including Olhanpur. Recharge coupons of between Rs10 and Rs50 on prepaid phone connections sell the most, he adds.

HOME

LATEST

TRENDING

MY READS

Budget 2020

Market Dashboard

Companies

Markets

Podcasts

Money

Start-ups

Mutual Funds

programme called I-Serve, under which the company trains village shopkeepers to become a one-stop Bharti Airtel store—where customers can not just buy recharge cards but get their queries answered.

Azimullah Khan, who owns an electrical products store, is one such I-Serve shopkeeper. Last fortnight, a bunch of youngsters came with a question to Khan, who in his previous job drove a truck in Saudi Arabia for 16 years. They alleged the network provider was overcharging. “They had accidentally activated several alerts on their mobiles for which they were being charged. The problem is that they still do not know how to use their mobile phones,” he says.

Khan, whose shop also repairs cellphones with a locally trained hand, fixed their problem and sold them more recharge coupons. Bharti Airtel expects such on-the-ground distributors to save on customer service costs—but for Khan, the youngsters would have called up at the firm’s customer helpline using expensive call centre services.

Changing lives

As phone services spread in rural India—according to latest data from Trai, some 27.6% of India’s nearly 400 million phones (including around 38 million fixed-line phones) were in its villages and small towns—slow but potentially big changes are taking place.

HOME

LATEST

TRENDING

MY READS

Budget 2020

Market Dashboard

Companies

Markets

Podcasts

Money

Start-ups

Mutual Funds

Three decades later, no household in Olhanpur faces that problem.

Local phone access can ease trauma, as Sushila Devi found out. The 32-year-old housewife's husband, Surendra Prasad, works at a Chapra factory and visits home once a month. Cradling her newborn, Devi recalls how last month she called him as labour pains mounted. "Just after my call, he was by my side with the doctor when I delivered my child," she says.

At a broader level, economists say the spread of mobile phone usage is cranking up economic growth through enhanced productivity.

A January study by the Indian Council for Research on International Economic Relations, or Icrier, a New Delhi-based think tank, says increased penetration of cellular technology has contributed to higher and more inclusive economic growth. States with 10% higher mobile phone penetration than others, it concludes, have grown 1.2% faster.

HOME

LATEST

TRENDING

MY READS

Budget 2020

Market Dashboard

Companies

Markets

Podcasts

Money

Start-ups

Mutual Funds

The economic benefits are yet to reach states such as Bihar, which has to boost its state-wide teledensity of 16% by at least half to reach the ideal benchmark—the study found benefits begin to accrue once penetration crosses 25%. “If Bihar were to enjoy the same mobile penetration rate as Punjab, then, according to our results, it would enjoy a growth rate that is about 4% higher,” the Icrier report says.

For now, new businesses are mushrooming around phone services at Olhanpur.

At Khodaibagh market, Ragini Kumari, 6, is perhaps the youngest customer at Mehta PCO, a public phone booth that uses a battery-powered inverter to charge up to five mobile phones at a time for Rs5 each. Kumari, a class I student, visits Mehta PCO at least twice a week to charge her father’s handset since the generator connection at her home runs for just 2 hours in the evening, she says, before sprinting back home.

Shauvik Ghosh in New Delhi contributed to this story.