Review of Channel Sales Distribution in Telecommunication Industry

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Abstract: Airtel is known for being the first mobile phone company in the world to outsource everything except marketing, sales and finance. This paper is related to sales and distribution management, in which prepaid sales and MNP has been handled. This paper outlines the process of scheme communication, claim distribution, market survey, merchandising of various products and offers of the company, converting retailers to LSO (LAPU selling outlets), converting LSO to SSO(SIM selling outlets), training of distributors and salesman, PEF(prepaid enrolment form) pendancy clearance, escalation of service related issues to concerned channel partners like, distributors, TM, ZSM. etc. The core function of sales is also discussed in this paper i.e. Target commitment and achievement, driving of DSSO.

I. INTRODUCTION

Bharti Airtel Limited is an Indian telecommunications company that operates in 19 countries across South Asia, Africa and the Channel Islands. It operates a GSM network in all countries, providing 2G or 3G services depending upon the country of operation. Airtel is the fifth largest telecom operator in the world with over 200 million subscribers as of October 2010. It is the largest cellular service provider in India, with 164,614,687 million subscribers as of April 30, 2011. Airtel is the 3rd largest in-country mobile operator by subscriber base, behind China Mobile and China Unicom. It has a 29.00% market share of the GSM mobile service in India.

The company is structured into four strategic business units (SBUs) - Mobile, Telemedia, Enterprise and Digital TV. The Telemedia business provides broadband, IPTV and telephone services in 89 Indian cities. The Digital TV business provides Direct-to-Home TV services across India. The Enterprise business provides end-to-end telecom solutions to corporate customers and national and international long distance services.

Airtel is known for being the first mobile phone company in the world to outsource everything except marketing and sales and finance. Its network (base stations, microwave links, etc.) is maintained by Ericsson, Nokia-Siemens Network and Huawei, business support by IBM and transmission towers by another company (Bharti Infratel Ltd. in India).

Bharti Hexacom: In 2004, Bharti acquired (70 %) control of Hexacom and entered Rajasthan. The Airtel subscriber base according to Cellular Operators Association of India (COAI) as of May 2011 in Rajasthan was 12,346,734. The Rajasthan telecom circle is divided into six zones for better operational control viz., Jaipur, Jodhpur, Alwar, Kota, Udaipur, and Bikaner. Each zone is headed by ZBM (Zonal Business Manager) who in turn reports to Head of Sales (HS). A zone consists of defined numbers of districts. The sales responsibility of every district is with a ZSM (Zonal Sales Manager), who reports to ZBM. A ZSM has a team of RTMs and UTMs (Rural/ Urban Territory Manager). The team size depends on the population density of area. Every RTM and UTM takes care of few distribution areas.

II. SALES AND DISTRIBUTION STRATEGIES

- Postpaid
  - Retail Distribution
  - Direct Sales
  - ARC
- Prepaid
  - Modern Trade
  - Distribution Channel
  - ARC

2.1 DISTRIBUTION CHANNEL

- Urban Channel Members:
  - UTM(Urban Territory Manager)
  - UDD(Urban Distributors)
  - ARE
  - FOS
  - Retailers

- Rural Channel Members:
  - RTM(Rural Territory Manager)
  - RS(Rural super Stockiest )
  - RDD(Rural Distributors)
  - FOS(Feet on Street)
  - ARE(APEF Representative Executive)
  - Retailers

2.2 URBAN DISTRIBUTORS

- Distribute products like, SUK, RCV, easy recharge, services and promotion material to
retailers in their designated (urban) areas of a district.

- Responsible for achieving targets of SIM activation and recharge without encroaching on other territories.
- The retailers’ Lapu SIMs is mapped to the corresponding FOS’ SIM which are mapped to the particular UDD SIM.
- The UDD gets assigned discount (currently 4.0 %) on his SIM’s billing and has to pass a certain percentage (2.5%) of this discount to the retailers.
- Make RTGS payments to the company for RCV, SUK sales five days a week i.e. Monday to Friday
- Responsibilities of Urban Prepaid Distributors
  - Distribution of SIM, Easy Recharge, PEF, RCV, FOS SIM, Lapu SIM according to the retailers’ requirement within its territory only.
  - Activation of customer SIMs within its territory after proper checking of POI, POA and error free PEF.
  - Collection of PEFs and other documents from retailers and sending them to respective PEF Agency.
  - Installation of promotional materials among the retailers according to the allocation of TM/ZSM, received from company.
  - Maintaining distributor health report, secondary details regarding retailers, SIM activation details and stock of RCVs and Easy Recharge for 10 days.
  - Proper circulation of communication from the company to retailers.
  - Escalation of retailers’ claims and complaints to TM/ZSM.

2.3 RURAL STOCKIEST

RESPONSIBILITIES OF RURAL STOCKIEST:

- All responsibilities of UDD
- Collection of money for invoices to RDDs and ensuring adequate supply to RDDs.
- Have to maintain required stock of RCVs and recharge for 7 days.
- Rural analogous of UDDs.
- They have certain some added responsibilities.

MARGIN DISTRIBUTION:

RS gets certain discount (Currently 4.5 %) on his SIM’s billing and has to pass a certain percentage (3.8%) of this discount to the RDD and RDD passes 2.5 % discount to retailers.

2.4 RURAL DISTRIBUTORS

- Known as RDDs
- Located at each BTS.
- Their roles and responsibilities are the same as the FOS i.e. to provide distribution services at each village under his BTS

ROLES AND RESPONSIBILITY OF RETAILER

- Proper utilization and display of promotional materials.
- Communicate customers properly about the schemes, new offers and benefits.
- To sell the product and services to customer at right price.
- Serve the customers’ requirements with the available stocks of SIM, RCV and easy recharge etc. and not to create artificial shortage.
- Should purchase RCVs, SIMs and Easy Recharge from respective distributor only.
- Strategically located shops from where customers can buy products and services
- Retailers get Lapu SIMs mapped to their respective FOS for Easy Recharge facilities. They also get RCVs.

MARGIN:

Retailers get a 2.5% margin by way of discounts on all its sales. This discount is extended by the RDD/UDDs.

RESPONSIBILITIES:

- Fill error free PEFs and verification of supporting copy for POI and POA of the customer with originals.

2.5 SALES FORCE

- Manpower of distributors
- Referred to as Field Officer Sales (FOS)
- Sell SIM, RCVs, and Easy recharge etc. on behalf of the distributor to all retailers assigned to his beat

RESPONSIBILITIES OF FOS

- All secondary sales assigned under his beat
- Collection of Payments against billing by retailer
- Promotion material distribution as instructed by TM
- Communication regarding schemes, incentives, new offers from the company to the retailers
- Resolving retailer complaints using the FOS helpline
- Escalation of unresolved complaints and claims to the distributor and TM.
2.6 ARE (APEF REPRESENTATION EXECUTIVE)

- ARE collects APEF from retailers
- Checks if POI and POA are attached with APEF or not
- When a retailer activates a new SIM, the command sent by the retailer reaches the ARE who forwards it to BACKEND for activating the SIM.

2.7 BACKEND

Back-end checks the APEF and fills the column unfilled in APEF. She/he maintains the record of all the activation e.g., name of customer, name of retailer, retailer lapu number, customer’s MSISDN number, date of activation of SIM.

2.8 COMPANY SUPPORT AND MONITORING

Reports from RSs and UDDs are the basis on which territory managers and ZSMs monitor the sales and distribution networks entrusted to them. There is a customer service division (CSD) which helps in resolving complaints and also provide valuable support in the sales and distribution monitoring.

RESPONSIBILITIES OF CSD

- Resolving general complaints of customers
- Providing helpline to retailers and FOS
- Providing helpline to territory managers and helping them resolve escalated retailer issues and FOS issues
- Communicating all service related messages to retailers, FOS, distributors, TM and ZSM

III. CHANNEL DEVELOPMENT

- Identification, appointment and education of new RDD
  - Identify the potential retailers/ people who can become RDD and provide better services in all villages under his area
  - Explaining them about the benefit and responsibility associated with RDD
  - Appointment of RDD by signing of agreement, security deposit, allocation of FOS SIM
  - Educating RDD with the company policy, working process, schemes, his obligations and functioning of channel
- Resolve all service related issues through ZSM/TM
  - Communicate all service related issues to FOS and distributor and enquire about the actual problem

IV. REVENUE GENERATION

- Ensure stock availability at RS point
  - Minimum seven days stock has to be maintained at RS point
  - To have a daily check on the stock availability
- Ensure timely stock delivery to RDD through RS
  - By checking the available stock at each RDD point during visit
  - By meeting RDD and checking about the frequency of visit of FOS
- Identification and corrective action for negative or low revenue generating cell sites
  - Identification of issues like network problem, SIM problems, Scheme pending issues etc.

4.1 GROSS ADS

- Ensure stock availability at RS/UDD point
  - Ensure at least 7 days stock at each RS point i.e. SIM, MNP SIM
- Education of retailers through RDDs on various product offerings
  - To educate FOS/RDD about the various product offers and the ways it should be communicated to retailer like emphasizing on the benefits of retailers and customers
- Ensure the appointments of new LSO/SSO
  - To convert general retail counters to LSO by educating them about the ease and benefit of selling recharge
• To educate LSO about benefits of doing activations and also the services provided by the distributors

➢ Design and administer market schemes

• Design handmade banners/posters for each retail outlets and decide the MOP for products with the help of retailer and RDD/FOS

4.2 Process Compliance

• Continuous education of retailers through RDDs/FOS/personal visit on product, process and scheme knowledge

• Caching and mentoring of the RDDs/FOS to acquire selling skills and relationship building

• Regular reviews of performance and development needs

VI. GREAT APPROACH

The GREAT approach is shown in Figure 1. The respective specified points are given below:-

• Ground preparation: For this step, executives are supposed to be aware of market scenario and competitor’s offer. It also includes a mindset preparation to deal with different retailer by knowing about the prior relationship and the issues they have.

• Review retailer point: This is done by competition mapping and by generating the BHR (Business Health Report). In this process, review of merchandising and stock availability is also done.

• Engage retailers in discussion: This is done by explaining the retailers about the present scheme of the company. In this process service related issues and claim pendency (if any) are also discussed.

• Transform Relationship with retailers: In this step we try to build relationship by creating an atmosphere of trust and transparency.

Corrective steps taken to overcome it:

• Education of retailers about our schemes
• Merchandising of various attractive offers through printed posters, banners, hand-made posters etc.
• Escalation and resolution of service related issues and claim pendency

5.1 Competition Mapping

This chart as shown in Figure 2 illustrates competition mapping. It shows that in this market Vodafone is more dominating than Airtel. The reason behind it is the better scheme and service provided by Vodafone in this market. Also, bulk activations are one of the main reasons of fewer shares of additions of Airtel.

5.2 Challenges/Required measures of MNP-

The basic cause why the customers are porting out is-

i) Call rate

ii) Automatic VAS activation on customer’s number

iii) Weak Network – call drop problems

iv) Improper customer query handling by customer care service
Required Measures:

- Some operators are giving faster claim for porting into their service. Retailers see a good margin in it and convince the customer to port into that operator’s network.
- Some retailers find it difficult to remember the process; POP giving the information and guideline for this should be distributed to them.
- Many time switchover takes after 7 days and this adds to the problem to customer and then to retailer. Proper information should be texted to them if there is any delay with the reason.
- Sometimes the service to a ported number stops, and since the MNP APEF after rejection is not sent back to distributor, he is not aware of the problem because of which the service has been stopped. If any deficiency is found in MNP APEF, the same should be communicated to backend at distributor so that corrective measures could be taken to avoid problem to customer as it spreads bad word of mouth.

VI. CONCLUSION

This paper is basically focusing more on sales and channel distribution management. The paper highlights the dynamics of prepaid sales in urban and rural market. Prepaid sale is based on people and channel management. The relationship capital built up among channel partners plays a key role in prepaid sales. Relationship capital can only be built by developing trust, maintaining transparency and by being a trusted advisor of each channel partners (specifically retailers). Retailers are the bottom point of distribution channel as they only sells the product. Hence they should be handled with sound care.

VII. REFERENCES

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