

'We want subscribers not to worry about data usage limits'

Our subscriber base is annually growing at nearly 60%, we are the fastest growing ISP across all sectors, says ACT chief

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Bala Malladi took over as Chief Executive Officer of Atria Convergence Technologies Pvt Ltd (ACT) in 2008 and established it as a leading digital cable and broadband service provider. A business that started with 30,000 subscribers six years ago, ACT now has over eight lakh subscribers. "We are growing annually 60 per cent while our competitors are struggling with single digit growth," Malladi told *Businessline* on the company's journey so far, the issue of law and order and the latest 100 Mbps plan.

What's your industry presence today?

We are the fourth-largest wired Internet Service Provider (ISP) and the second-largest private ISP after Airtel in terms of subscribers as published by TRAI. We have 800,000 active subscribers in Karnataka, Telangana, Andhra

Pradesh and Tamil Nadu, while Airtel has 1.5 million.

Is the gap narrowing with Airtel?

Yes, our subscriber base is annually growing at nearly 60 per cent. We are the fastest-growing ISP across all sectors.

While competitors are reporting 3 per cent quarterly growth on wired broadband, we defy growth by a wide margin. We add 25,000-30,000 net subscribers a month. We have the lowest churn ranging 1-1.2 per cent while industry average is 1.5-2 per cent. The churn mainly happens when people change location.

You recently revised your plans by offering higher bandwidth? Is it targeted at the youth?

We recently launched 100 Mbps plan in Hyderabad, Bengaluru and Chennai.

We upgraded speed of existing customers without any additional charge by offering

higher bandwidth plans from 20 Mbps to 40 Mbps, 40 Mbps to 60 Mbps and 60 Mbps to 100 Mbps.

We are offering retail package of 100 Mbps for ₹1,999. This has got 150 GB of download plus 150 GB of upload. Hopefully, the young and data bandwidth hungry generations will be satisfied.

Will wired, fibre-based technology continue to be popular?

Globally, both wired and wireless co-exists. Wireless is more of convenience while wired is the workhorse. At home, the wired broadband connects all the devices and has a capacity to give unlimited bandwidth. In wireless, the bandwidth is limited. Momentarily, one can get good bandwidth but not consistently.

What's the base pack now?

Our lowest plan now starts at 40 Mbps. All our existing customers have also been upgraded to this package. The current Fair Usage Policy [a customer's upload and/or download speed after reaching a certain data cap] has been upgraded to 100 GB upload and 100 GB download.

Everyone has been upgraded to double the capacity and with an additional increase in upload and downloads.

What's the reason to give so much bandwidth?

We want consumers to use bandwidth meaningfully, and use it as much as they want. We want to come to a situation where customer should not worry about his FUP limits.

What does it mean with higher bandwidth?

At 100 GB of download, a person can watch 50 HD movies without worrying about downloading and saving it online and watch it at leisure. We want our subscribers not to worry about their limits. They should enjoy the speed, on call and on demand. That's what the real liberation of our customers and that's what our intent is. Our lowest package used to be 10 Mbps. We upgraded it to 20 Mbps and

now it is 40 Mbps. We don't want to use bandwidth as-a feature for subscription. We give unlimited speed, download and consistent service, which is more important.

Where do you source bandwidth?

We source from many telcos, including Airtel and Tata Communications. While they are also our competitors, but there is so much space in this sector. Our penetration level is hardly significant.

How is the usage pattern among your subscribers?

About 40 per cent of our users reach their maximum limit during the month. It used to be 15 per cent two years ago. Two things have happened. Consumption has gone up significantly and we started giving huge bandwidth. In the last five years, we increased price twice due to inflation.

What's your expansion plans?

We want our presence in top five metros and top ten cities. We would like to have a good law and order in the city, which is most important for us.

That's one of the reasons why we selected the cities where we operate now successfully.

Why law and order?

We had a bad experience in Indore and had to shut down our business due to law and order.

False cases were registered against our managers. We can meet the Chief Minister and the Chief Secretary but cannot go down to the lowest police stations where logic and transparency does not work. We were there for five years but lost lots of money.

Competition used to raid our network and cut our cables. We can't do anything. We don't face such situation in other markets.



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BALA MALLADI,
CEO of Atria Convergence Tech