



Most preferred network: Bharti Airtel's response to customer needs helped it earn a spot on the list of overall-most-admired in India.

Bharti, ICICI Bank top innovators list

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WSJ HEARD IN ASIA

Bharti Airtel Ltd. and **ICICI Bank Ltd.**, voted first and second for innovation in India by readers of The Wall Street Journal Asia, are synonymous with the country's consumer boom.

Bharti Airtel, India's largest mobile-phone operator by subscribers, and ICICI, the country's largest private-sector bank by assets, have created unique products for the Indian market and imported smart ideas from overseas, extending their reach into Indian society and raising standards of service.

On a warm, breezy evening, shoppers at the Airtel store in

Connaught Place and office workers using ICICI Bank's K.G. Marg branch on their way home complimented the companies. "The coverage of Airtel

is very good, compared to other companies," said Yash Vardhan, a government employee, adding that Airtel "provides nice services."

Gurpreet Khurana, a sales manager for an industrial company, said that after he obtained a housing loan from ICICI Bank, "they have given me a complimentary card... You can use it on air bookings,

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train-ticket bookings. You get a lot of discounts, cash back. That's one of the latest benefits."

Bharti Airtel ranked most-innovative in responding to customers' needs, the featured category in the latest Journal survey to determine Asia's 200 most-admired companies. That helped it earn a spot on the list of overall-most-admired in India.

The carrier came in fourth, behind **Infosys Technologies Ltd.** and **Tata Consultancy Services Ltd.**, which once again took first and second places, respectively, and **Wipro Ltd.**, another pioneer in information-technology services, which moved up to third from fourth in the 2006 survey. Bangalore-based Infosys, India's second-biggest software exporter by revenue, has held the top overall spot since 2000.

A total of 2,477 executives and professionals participated in the survey, which was conducted last year from May 11 to July 3.

On behalf of The Wall Street Journal, market-research firm Colmar Brunton polled subscribers and other business-people in the 12 Asian-Pacific countries. The overall-leadership score was obtained by asking readers to rate companies on five attributes: innovation in responding to customer needs, corporate reputation, management's long-term vision, quality of products and services, and financial reputation.

India's booming economy, which has been expanding at about 9% a year but is predicted to slow, is propelled to a large extent by India's consumers. After the country obtained independence from British colonial rule in 1947, much of its population lived on a subsistence income. As the economy expanded in the 1980s, incomes started to grow.

Real household income has roughly doubled since 1985, and, if current growth rates continue, India could become the world's fifth-largest consumer market by 2025, up from

READER SURVEY

India's top 10

Overall, ranked by average score

1	Infosys Technologies Technology giant on top again	4.77
2	Tata Consultancy Services Tata Group's star tech business	4.44
3	Wipro Tech firm known for R&D	4.10
4	Bharti Airtel A top mobile-phone operator	4.08
5	Tata Steel Bought U.K.'s Corus Group	4.04
6	Larsen & Toubro Engineering, construction group	3.86
7	ITC Wide-ranging conglomerate	3.86
8	Tata Motors Giant commercial-vehicle seller	3.81
9	HDFC Bank One of nation's biggest banks	3.75
10	Mahindra & Mahindra Car, jeep, tractor maker	3.67

In innovation

1	Bharti Airtel Extending its GSM service
2	ICICI Bank Big and profitable
3	Infosys Technologies Tech firm keeps expanding
4	Tata Consultancy Services Tech group going global
5	HCL Technologies Tech-services firm, PC maker
6	Reliance Communications One of biggest cellular networks
7	Wipro Enlarging its product portfolio
8	Satyam Computer Services Hyderabad tech outfit
9	Mahindra & Mahindra Big tractor maker got bigger
10	Hindustan Lever Refining consumer-goods mix

Category kings

India's five most-admired companies by attribute

Long-term vision	
1	Infosys Technologies
2	Tata Steel
3	Reliance Industries
4	Tata Motors
5	ITC

Corporate reputation	
1	Siemens India
2	Tata Steel
3	Wipro
4	Tata Consultancy Services
5	Larsen & Toubro

Quality	
1	Larsen & Toubro
2	Hero Honda Motors
3	Infosys Technologies
4	Tata Consultancy Services
5	Tata Steel

Financial reputation	
1	State Bank of India
2	HDFC Bank
3	Infosys Technologies
4	Reliance Industries
5	ITC

12th last year, according to a report by consultants **McKinsey & Co.**

Music making

Such dizzying prospects help explain why so many companies are trying to crack India's consumer market. One of the toughest battlegrounds is telecommunications, says Manoj Kohli, president and

chief operating officer of Bharti Airtel.

The company offers mobile, broadband, fixed-line and long-distance telephone packages to consumers and businesses and is moving into services such as television over the Internet.

Inexpensive call rates, low handset prices and rising incomes are driving the mobile-

phone market. Some eight million customers are added each month—more than the population of Switzerland. India, with its population of 1.1 billion, has more than 277 million mobile-phone users.

Like many companies in India, Bharti Airtel generates some product ideas itself and adapts others from elsewhere for the Indian market. Mr. Kohli says it is a "50-50" mix.

Bharti customized an idea from Korea, in which a phone owner can substitute music for the ringing sound callers normally hear after dialing their numbers. Bharti also created calling plans for the Indian market aimed at reducing service disruptions. Many mobile-phone plans in India offer set periods for calls, and the connection to the number is shut off until the customer pays for the next period. Bharti found its customers didn't like that, so it created longer calling periods to reduce the frequency of required payments. Such thinking "has helped us increase our market leadership," Mr. Kohli says.

Bharti Airtel has more than 69 million mobile subscribers. The company estimates it will have about 125 million mobile subscribers by 2010.

Rural routes

ICICI is similar to Bharti Airtel in that a key goal is reaching out to the poorer segment of society. One program involves fingerprint recognition of bank accounts, something that has enabled the company to expand further into rural areas, where many people are illiterate.

"In a way, we are really taking banking to the unbanked," says Chanda Kochhar, deputy managing director.

ICICI has set out to make it easier for customers to get access to banking services. More than 97% of banking transactions at ICICI used to take place at branches, Ms. Kochhar says.

Now, fewer than 15% do. ICICI has ramped up its number of ATMs, expanded Internet banking and hired agents to go directly to customers with products.

Madhu Jetha, using an ICICI ATM in central New Delhi, says her previous bank also offered services such as ATMs and telephone banking, but she finds ICICI's easier to use. "I think they are customer friendly," Ms. Jetha says.

India's most-admired companies overall, Infosys and Tata Consultancy, earned some of their highest marks from readers in the innovation category, coming in third and fourth, respectively.

Tech companies **HCL Technologies Ltd.**, **Wipro** and **Satyam Computer Services Ltd.** also ranked highly on innovation.

India's tech sector rose to prominence amid worries about how computer systems world-wide would cope with the date change for the new millennium, then boomed as U.S. and European businesses sought to cut costs by outsourcing technology work.

Tech still rules

Infosys recently posted a 9.2% rise in net profit for the fiscal fourth quarter from a year earlier, as a slowing U.S. economy led to fewer software contracts and its slowest pace of growth ever, analysts said. Also rated No. 1 by readers for the long-term vision of its management, Infosys has been moving from basic business services such as software coding and tech maintenance and support toward higher-margin work such as consulting.

Infosys Chief Executive S. Gopalakrishnan says the company is looking to buy either consulting firms or businesses that implement software packages. It particularly wants to expand in France and Germany.

"We want to enter those markets and grow faster," he says. Infosys typically would be interested in businesses with revenue of \$300 million to \$500 million, he says.

State Bank of India, India's largest commercial bank in terms of profit, assets, deposits, branches and employees, was ranked No. 1 in financial reputation.

Engineering and construction group **Larsen & Toubro Ltd.** garnered first in the category of high-quality products and services. **Siemens India Ltd.**, a unit of Germany's **Siemens AG**, ranked No. 1 for corporate reputation.

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