

A Whole New Year, Whole New Possibilities

Rapid strides in telecom have been undertaken in India, and VAS has been a major contributor to its progress...

Well, here we are at the end of an eventful 2010. There have been rapid strides, minor setbacks and noteworthy achievements both for India, and the VAS industry at large. Now I could rattle off complex figures, trends, and statistics about what we've learnt in 2010 and hence substantiate my predictions for the coming years. Or, I could just assume that you're already getting plenty of that in this issue. Besides, my predictions for the future are based on simple, logical, non-sensational observation. Exactly like the simple 'stories with a moral' that we learnt as kids. And there have been enough indications, lessons learnt and sneak-peeks into what awaits the mobile and VAS sectors. Without further ado, here are my 4 lessons and predictions for the near future:

Alice in '3G' Land

Well, 3G is the new Wonderland; a new catch-phrase that promises spectacular advancements in the way we, in India, view entertainment, video telephony, and network efficiency. 3G technology now empowers mobile operators to roll out highly advanced services because of the network capacity and spectral efficiency. We are being promised a rapid jump to mobile TV, movies, sports, and so much more! And although it has created a lot of buzz, I believe 3G will not have such a rapid, immediate impact. Here's why:

- Urban Indians have not even converted to watching TV on laptops and PCs (a



mobile is another step away)

■ As of the immediate future, 3G handsets and services are way too expensive for a mass market

■ High licensing and spectrum costs will trickle down on to the subscriber

■ Sure, more YouTube clips will be accessed, more videos will be shared, but full-scale entertainment will not be accessed on the mobile in the immediate future

■ Social networking on the mobile phone will become more dynamic, interactive, and involving with 3G

■ Technology like Wi-Max and 4G may overshadow 3G

Additionally: The mobile phone will eventually become the defacto controller for all entertainment devices, rather than a display device. Powered by 3G, a large number of customized enterprise applications and device management applications will enable remote control of mobile phones, leading to the next level of phone behavior and versatility. With the chinks in 3G, 3rd party phone security software see an upsurge. VAS will evolve into being a primary revenue generator for MNOs.

The Hare and the 'Mobile Payment' Tortoise

Contrary to popular belief, mobile payment will continue to grow, but the growth will be slow. Although, the prospects of great opportunities available in the 'mobile commerce and payment' sector is attractive, this tortoise will not win the race, until strong operator-agnostic platforms/applications arrive on the scene. The need of the hour is a user-generated application platform allowing direct content-selling to end users. When it has taken so long for Indian buyers to graduate to online buying and payments, it is highly unreasonable to expect the Indian consumer to jump at the prospect of mobile payments. But I do believe that there is a lot of potential and growth in mobile payment, just that this time—slow and steady is the way to go!

Additionally: With the need for data security growing along with the need for mobile payment and buying, malware-checking products and applications will receive prominence. The future will also bring about evolution of operator independent applications and technology platforms to make payment mechanisms easier and secure.

Jack and the 'Mobile Advertising' Beanstalk

3G has already arrived. India is tipped to have a 3G subscriber base of over 100 mn by 2011-12 alone. That already makes a deadly combination! The mobile marketing prospect in India promises to be a rich beanstalk full of opportunities, innovations and possibilities. A recent study by Nokia and TNS India has brought about some startling facts—18% of Indian subscribers view

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mobile banner ads, 56% seek more information on the ads viewed, and 49% agreed that they did not mind viewing ads on their mobile phones. On a hardcore marketing front, that's a magic formula—direct penetration and an audience that is waiting to be hit with advertising.

In such a scenario, rich media that ensures high involvements, including ads, games, clubs and more will rule the roost. At the higher end, privileges, royalties, and other such services will begin to appear. Operator agnostic platforms for advertising will ensure maximum reach and ROI for advertisers. And advertising can be highly segmented, the messaging can be profiled and customized and the result optimized to the brand vision.

Additionally: The biggest strength with mobile advertising is the advantage of Mobile Analytics that maximizes the reach, segmentation, response, and ROI of advertising. User privacy and information security will mean a whole lot more,

when targeted mobile advertising arrives. Swift developments in this arena will only make the process faster and complete.

The Faraway Land—Rural Penetration

A lot is being spoken about how rural penetration means everything in Indian markets. Because the largest percentage of India's population lives in non-metro cities, both network and content needs to be specifically generated and targeted for rural users. Along with SMS, language-based voice messaging will see a rise for a large portion of India. It is also common knowledge that rural consumers (without stereotyping) are more apprehensive about their ongoing mobile connection costs than they are about initial, fixed costs (handset, connection, etc). Simplicity will continue to rule the rural roost, ie, rural consumers want simple, basic, easy-to-use services and applications. Rural consumers also are interested in relevant VAS content that addresses their needs (local information, weather forecast, regional entertainment and schedules). The immediate future will see a surge in governments and administrative and civic authorities coming forward to develop content and connect with the rural population effectively, on a one-on-one level. After all, it is the fastest way to diffuse critical information regarding weather, disaster management, health programs, education initiatives, welfare schemes, etc. Combined with voice services and vernacular messaging, this is easily the most powerful tool waiting to be utilized for information dissemination.

Additionally: Because of the demand, quality of service, and network limitations must be overcome by operators for the telecom market to formidably grow into rural India.

All in all, it promises to be a challenging, exciting and bustling year ahead! And here's wishing you a successful, prosperous and healthy 2011! Happy New Year!

Vinay Agrawal

The author is founder, MD, UNICEL Technologies
vadmail@cybermedia.co.in

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