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With mobile penetration expected to go up to nearly 100 per cent by 2015, and the advent of 3G, MVAS revenues are expected to grow to approximately Rs 480 billion. The industry is looking at various means to use MVAS as a growth driver and simultaneously as a key differentiator.

While today, non-voice revenues in India only account for about 10 per cent of an operator's revenues, the global average for leading MVAS countries is far higher, pegged at approximately 23 per cent. The focus of the industry, so far, has been infotainment MVAS, but there is much discussion around other services which have a greater growth potential, and currently may not even exist. Some of these services are those in the utility MVAS category.

This refers to MVAS which seek to digitally empower citizens by providing efficient access to essential information and services and foster inclusive growth. The key drivers for utility MVAS include:

- Government mandate for inclusive growth
- Increasing mobile phone, and network penetration
- Need for differentiation among telecom operators and device manufacturers
- Increasing consumer demand and awareness, even in non-urban areas
- Business need of service providers such as hospitals and banks
- Automation due to Information and Communications Technology (ICT).

The Indian telecom industry is witnessing a transformation, given the focus of the Indian telecom operators towards providing data-led services. Evidently, growth of voice services is getting closer to the saturation level, being testified by the financial results of telecom companies in the country. Now, these telecom companies are coming back to the mobile VAS segment, which has been considered as a stagnant domain, due to lack of innovations.

Mobile TV is one of the major components of the MVAS segment, which has seen rampant growth in the country in the past two year, largely propelled by the penetration of affordable smartphones and tablets, rollouts of 3G networks and availability of affordable 3G and 2G data

plans.

With increasing adoption of smartphones and high demand for data intensive applications, mobile operators today are burdened with immediate need to upgrade their network infrastructure to be able to offer high-speed data services to the consumers. Mobile operators are planning to move to 4G technologies to accommodate the surge in data traffic.

Aside from networks, the usage of mobile as the primary screen for consuming TV and video content among younger demographics is also one of the reasons behind the growth of mobile TV segment in the country. The collaborative approach adopted by the Indian telecom operators is further motivating developers to introduce innovations, which is another reason behind the bolstering growth of the segment.

Earlier, the stagnancy in the MVAS segment was believed to be caused by the Indian telecom companies' reluctance to share equal revenues coming from the monetisation of the services. Now, the scenario has changed completely with telecom companies agreeing on sharing majority of their revenues with the developers and service providers. With the launch of 3G in the Indian market, a variety of data services, mobile internet, and location-based services, m-commerce, app stores, and applications are expected to increase the end-user experience, and created revenues of Rs 130.26 billion by the end of the year 2011. The increased bandwidth made available by the imminent 3G networks, would allow operators to introduce richer content applications that could create greater stickiness and re-use amongst both retail and enterprise customers.

With LTE technology offering lower operating costs for mobile data transfer, mobile operators worldwide are progressively committing themselves to LTE network deployments as a path for moving towards fourth generation (4G) services. Interactions with players across the MVAS value chain bring to the fore various challenges. These challenges result from non-fulfillment of the critical success factors for industry growth:

1. Policy Framework
2. Support Infrastructure

While the policy framework sets boundary and gives direction, the support infrastructure provides the critical base required for the ecosystem to be built. There are certain key

challenges under each of these groups which are impediments to the growth of utility MVAS.

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