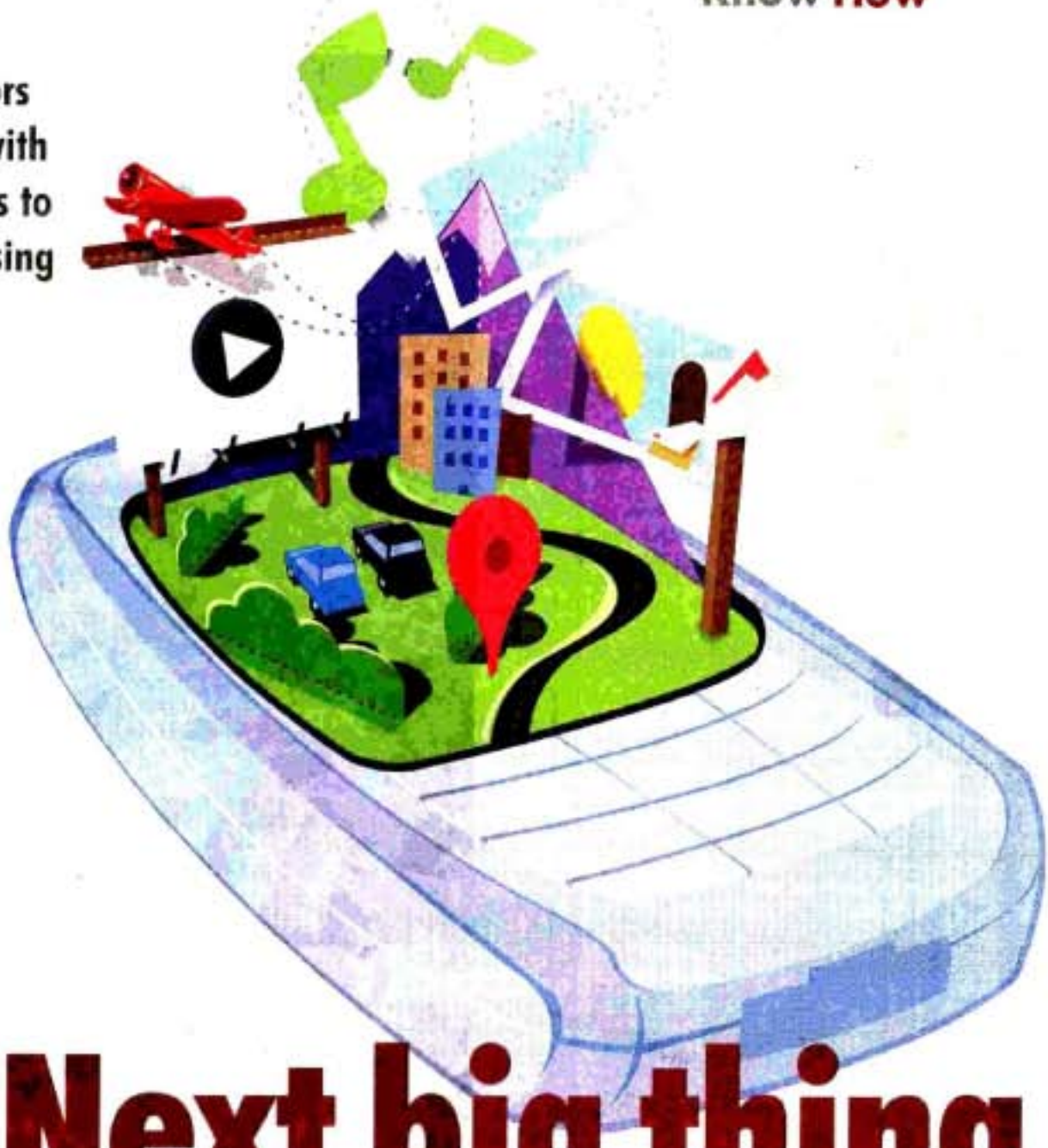
Telecom operators are coming up with new applications to meet the increasing demand



Next big thing in mobile communication

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WHEN mobile communication made its entry into India, it brought with it a range of handsets with alarm clocks, reminders, timers, stopwatches, calendars and flashlights built into them. What a rage they were with the small joys of life they offered.

We have come a long way in a short time since then. So much so that every other day there is a new application that we can download into our handsets to perform some useful or entertaining task. Has any of them become all the rage in the market yet? Some of them do create a ripple, at least their advertisements do, but almost fizzle out in a matter of months.

Value-added services, under which such applications are accounted for by the telecom operator — the telecom industry's point of contact with the consumer, continue to form just eight per cent of the operator's revenues, as opposed to a target of 20 per cent set a few years ago, whereas, other developing economies like Korea have a telecom industry that earns 40 per cent of its revenues from VAS.

Yet, innovators dedicatedly continue to come up with newer applications day after day, as if reacting to market demand, thereby rendering their older products obsolete. According to Krishna Durbha, head of VAS (value-added services) in Reliance Communications, it is not so much that mobile applications exit faster from the market as that they don't take off at all.

"Innovators who hold IP (intellectual property) for mobile applications approach us for consumer reach all the time. But, they are not really game changing," he said. "It is the same thing that every other player in the industry is up to — either a platform to download songs or make payments."

The funny bit about this business model is that it is not the technology IP holder or the content copyright holder (of songs and other downloads) who earn a major share of revenues, but the operator, who, leveraging his consumer reach, spends on marketing too.

"The situation may be different in other countries where customers are locked in to post paid and there is room for experiment," Durbha said. Hence, innovators, hence, continue to research for game changing applications.

There has been only one such application that has actually become a fad with mobile users — caller tunes, owing to its simplicity and suitability to the Indian market. "There was a 55 per cent increase in RBT (ring back tones) downloads in 2009," said Onmobile CTO Mouli Raman. But, when it comes to data and finance related applications, he held that their potential would be realised in the future when smart phones become cheaper and credit card penetration increases.

Bay Talkitec business strategies head Anil Sabnis said: "For "fun" applications, since we are living in a fast moving world, new applications will come and go just like our Bollywood new releases. However, for "business applications" such as payment of your phone bills, utility bills and so on will stick on but audiences for such solutions will be comparatively lesser."

Hemant Joshi, who heads telecom practice at Deloitte, opines that something beyond technology bars the popularity of those applications in India. "Take for example, the GPS-based maps and route finding systems, which were touted as significant add-ons in handsets," he explained.

"When we, Indians, travel, and need to find the way to place, it's more convenient for us to roll the window down and ask a passer-by — a truck driver or at a roadside tea shop."

In other words, we have no use for GPS based applications, which are typically meant for highways in sparsely populated terrains where there may be nothing other than roads for miles. That's not India.

"There were a slew of applications for locating a nearby restaurant or a post office in towns and cities. Again, not suited for the Indian market, where people trust strangers on the road to tell them where the post office is!" Joshi said.

Atom Technologies director Dewang Neralla has similar concerns about payment and banking applications. "Payment technologies will be viable only when there are 10 to 12 transactions per customer per month. Such rate of adoption is far fetched in this market," he said.

According to Joshi, the hindrance to applications suited for the Indian market is low bandwidth and high volumes. "Most of the present applications are data or GPRS based, and hence targeted at the urban customer base," he said.

"It is the cities where there is also 90 per cent mobile penetration and operators are struggling to manage even voice services. Where is the room to deliver data applications?"

That is how we have a slew of free applications that deliver internet content on the mobile using SMS to link to sites. "When one clicks on a link, the application sends an SMS to the site and fetches the content as a reply, though the user only sees the link and the content," says Raj Oswal, business development head of Shorthand Mobile, which has just launched its service in Mumbai. But, such technology will be rendered obsolete when third generation mobile telephony becomes operational.

Large services and manufacturing companies have tried to launch applications focusing on the rural markets, where the network is not congested, mainly information delivery on agriculture and fisheries. The technological challenge for innovators is even higher there as there is the language barrier and only voice based applications work.

"That is where innovators have to get out of their wireless fixation and start relying on the miles of cable that have been laid in this country," Joshi said. "Cables combined with Wimax, for whose spectrum auctions are going on now, can deliver bandwidth of the gigabyte order. Voice based services are necessary and do-able in that environment." ■

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