

Smartphones have revolutionised the music listening experience: Mahindra Comviva

'On mobile' music service adoption in India has reached 47%, says Atul Madan

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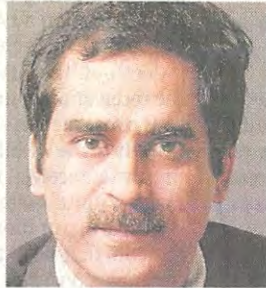
With the digital music market all set to reach \$9 billion by this year-end globally, mobile application and digital music provider Mahindra Comviva is betting big on emerging markets, including India. This is despite the fact that several digital music providers such as Flyte and in.com shut shop last year. Mahindra Comviva's Head (Digital Services) Atul Madan told *Business Line* that expansion of regional music brands and increase in smartphone user-base in emerging markets are giving rise to personalised music packages and targeted music services. This, he said, will help reduce churn, drive subscription and increase revenues. Formerly known as Bharti Telesoft, Tech Mahindra acquired 51 per cent stake in Comviva in 2010. It has revenues of ₹400 crore and about 1,400 employees.

How is Mahindra Comviva driving the digitisation of music industry?

From physical records (cassettes and CDs) to digital formats (MP3s and streaming), the music industry has evolved tremendously in the last one decade in emerging markets like India, Africa, Latin America and South-East Asia. We have over 30 large scale music platforms deployed across Asia and Africa. These platforms are supported by a large local ecosystem of music labels, aggregators and independent artists.

What has been your performance in the African market, where you are present for last one decade?

We have transformed the music market in Africa in these 10 years by localising content, identifying independent artists and labels, and disseminating music across



Increased and early adoption of 3G and nextgen technological services, expansion of mobile music portfolio; choice 'Freemium' services have contributed significantly to the rise of digital music through smartphones.

ATUL MADAN,
Head (Digital Services),
Mahindra Comviva

the sub-Saharan region of Africa. Local content forms about 70-80 per cent of the total music market now, while international music is just 10 per cent.

What major investments have you done so far in that market as well as India?

We have invested in creating a strong base for developing services with rich and elaborate content buckets. We invested in acquiring music rights for over 2.6 lakh assets, in addition to 3 lakh other content assets (video, images, voice & text). We have more than 200 categories in SMS/USSD

and very strong WAP/catalogue. We also manage an operator's complete music and infotainment services portfolio bringing together content, technology platform, discovery, analytics and recommendation tools, storefront management and business and marketing expertise to drive growth and usage.

How is the upsurge of smartphones fuelling growth for the digital music industry? Smartphones have revolutionised the music listening experi-

What are the challenges faced by the music industry, especially in India?

One of the key challenges faced by India is the lack of infrastructure and bandwidth. 3G is still not as widely accepted in India as it is in the West, music service providers have to develop products considering in mind that more than half the population is still a feature phone user.

Secondly, monetisation in a country where subscribers don't 'pay to consume', is another challenge that is faced by the industry which in turn fuels piracy. The industry is also sorely in need of revamp of the revenue distribu-

tion model between the IPR owners, the operators and platform players. Ironically the only solution that can bring down piracy levels is a compelling digital music product that has multiple payments options, including micro and transient payments modes.

What is your plan for the Indian digital music market?

Our immediate focus is content personalisation options for end-users and multiple revenue models for mobile operators. We have launched "Infotainment Portal", a mobile data-based app that allows subscribers to watch and download videos and even share/integrate content with social network websites. The app allows the subscribers to access infotainment through a single app irrespective of the choice of bearer channel between mobile client, text or voice. It recommends content based on the user's profile and his personal preferences rather than content preferred by the crowd as done in most conventional VAS services.