

Data boom opens new revenue streams for telcos

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As data takes centre stage, the telecom industry is transforming itself to become a provider of utility services such as making bill payments besides offering banking, education, entertainment and healthcare on mobiles.

Operators are busy forging tie-ups and creating platforms for data-based mobile value-added services (MVAS) beyond ringtones and wallpapers to open new revenue streams for themselves.

"Newer services are coming around the data space. Operators are exploring four sectors for launching services going forward -- healthcare, education, m-governance and financial and infotainment services," said Atul Madan, head of digital services at Mahindra Comviva.

And operators have their own reasons for launching these services. "Today, data speeds on mobiles are much

higher. Data VAS is an obvious way to move up the value chain," Ambrish Jain, Deputy Managing Director at Idea Cellular, said.

"Given the fact that revenue from voice segment has been stagnating, the next level of growth in telecom can only be achieved through data and MVAS," said Anupam Vasudev, Chief Marketing Officer, Aircel Cellular.

BACK-END OVERHAUL

"Operators are making many changes at their end to brace up for this transformation. One, they are looking at cost optimisation through technologies like caching," said Madan.

With caching, a YouTube request for a popular content need not go to the main Web site. Instead, that content can be temporarily stored at an operator's network that enables local servicing of customers. "This cuts costs and improves subscriber experience," added

▶ *"The next level of growth in telecom can only be achieved through data and mobile value-added services."*

Madan. Telecom companies are also working towards bringing in newer compression techniques to provide high speed data with less bandwidth.

"Operators are making significant investments to upgrade their core data networks and create data capacities on their backhaul as well. They are also restructuring teams across functions like sales, marketing and customer service to ensure seamless data experience," said Surya Mahadevan, Chief Operating Officer, Loop Mobile.

PERSONALISATION

Keen to maximise monetisation from services, operators are monitoring data usage patterns of subscribers and personalising content for them. Like if a subscriber is a heavy user of

multiplayer gaming, a plan that offers him high speed and unlimited usage while gaming and lesser speeds for other activities can be customised.

"Unexpectedly high bills are a huge barrier to adoption. Preventing bill shock is a key priority for operators. They are now looking at usage patterns and offering a plan that suits a user the best," said Sudarshan Dharmapuri, Vice-President, Product Management, at IMImobile.

Mobile operators are also employing policy control, setting limits on data usage within a customer's credit limit.

According to industry estimates, the MVAS market is growing at 15 per cent annually and is expected to reach Rs 30,000 crore by 2013-end. Newer categories such as m-

health, m-education, m-banking are expected to contribute to 20-25 per cent of operators' VAS revenues in future.

MOBILE BANKING

Already, mobile banking is an area where operators are investing time and money. While Idea is offering m-banking through 'Idea MyCash', set up with Axis Bank, Vodafone has partnered with ICICI Bank for 'M-Pesa' and Aircel is offering 'Mobile Money'.

Yet, there is a long way to go. The ecosystem at the back-end and front-end is still coming into place and tie-ups are in the process of being forged. "We are still in the development phase. In the years to come, data-based services will become a major revenue stream for us," Jain added.

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(This is the concluding part of the three-part series on the changing telecom landscape in India)