

# Telcos favour VAS to create revenue streams

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AS total revenue is not increasing in tandem with widening subscriber base, telcos are increasingly focusing on mobile VAS (value added services) to offset the decline in ARPU. Application developers believe that operators will aggressively pursue opportunities that 3G phenomenon will open up to create new revenue streams.

A study by IEMR projects total wireless subscribers in India to reach 1 billion in 2014. TRAI pegs the subscriber base at 670.60 million at end of August, 2010.

Presently, VAS provides only 10 per cent of the revenues for telcos. Arvind Rao, OnMobile chairman and CEO said that this situation would be reversed within a decade with VAS ringing 80 per cent of the revenues and voice revenue shrinking to 20 per cent. Rao projects VAS turnover to rise to Rs 50,000 crore by 2015 from Rs 15,000 crore presently.

Ahmad Kamal, vice president, Network Product Unit, OnMobile said, "in the next 4 years, the top end of the VAS market will grow with 3G and rising income of consumers, while the lower end of the market will still remain significant in India, Africa, South East

Asia, and Latin America, where message and voice still dominate."

Pricing, however, is seen as a key factor in India to increase data consumption on mobile. "If the solution is effective, has a compelling value proposition and aims at solving some critical need, the consumer will be ready to pay. In India, Mobile VAS is growing at 30 - 40 per cent every year," he added.

Mobile users are also increasingly consuming entertainment and utility based data on their mobiles. Kedar Sohoni, president of Informate Mobile Intelligence, who views it as 'Gold Rush' opportunity, opines that there will be lot of activity around utility payment.

"Whatever you see on internet now will eventually move on to mobile screens. We are already seeing lot of data consumption on the mobile internet. The key factor lies on how the content provider and application developer converge and create the user experience. If that happens, the market will grow multi-fold," he said.

Hemen Goswami, chief technology officer of Infogain agrees, states that mobile computational platforms are becoming more mature and robust.

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