Chapter 12

Mobile VAS

MOBILE VAS

1.0   Introduction:

In India, Mobile VAS has become a big part of the mobile user's life today. With over 450 million mobile phone subscribers in India today and having the second largest subscriber base in the whole world - Indian Telecom Industry has started witnessing an era when Users buy mobile phones not just to be in touch, but to express themselves, their attitude, feelings and interests.

Today mobile phones have moved beyond their fundamental role of voice communications and are increasingly being used to provide a number of value added services. Proliferation of mobile services has given an opportunity to service providers to develop new VAS applications and generate new revenue streams. Customers continuously want more application and services from their phone. They use their cellular phones to play games, read news headlines, surf the Internet, keep a tab on astrology, and listen to music, make others listen to their music, or check their bank balance.

What is VAS?

Value Added Services are those services which are not part of basic voice but are availed by telecom service providers to enrich their offerings.

Typically, in nineties SMS and itemized billing would be categorized as VAS. Later on with the evolution of mobile networks from GSM to GPRS and EDGE Personalized Ringtones, Caller Ringback tones(CRBT), SMS based information, Multi media messaging (MMS) etc became the main value added services.

VAS data services are based on bearers like SMS, USSD (Unstructured Supplementary Services Data), WAP,GPRS, EDGE and 3G.

Why VAS?

In the fast evolving mobile telephony space, Average Revenue Per User (ARPU) from Voice services are plateauing as plain voice service is increasingly becoming commoditized. In such a scenario, innovative Value Added Services offer an opportunity to Telecom Service Providers to *differentiate* their offerings in the market. Service providers are bringing new value added services in order to satisfy the growing demand of Indian consumers. Many a times customers choose a particular service provider depending upon the VAS offerings from that serive provider. So as the competition is becoming fierce to acquire and retain customers. Mobile service providers are making all out efforts to introduce newer and newer services to woo customers.

Value Added Services used by a particular customer are often extension of his persona. Uunderstanding needs of different segment of users is essential for offering right kind of

services. Thus unlike voice business, market dynamics play an important role in VAS business. Understanding the market needs and accordingly applying the principles of

Segmentation, Targeting and Positioning (STP) to decide a particular service, have a key role. These fundamental aspects about VAS can not be overlooked while formulating a strategy for VAS business.

A glipmse of various types of VAS is depicted in Exhibit 1.

> ► **NEWS:** National, International, Business.
> ► **Finance:** Stocks, Forex Rates, Commodity Prices.
> ► **Entertainment:** Games, TV, Jokes, Bollywod Songs.
> ► **Travel:** Railway Airline
> ► **Downloads:** Logos, Ringbones, Caller Tunes
> ► **Astrology Services:** Horoscope/Prediction
> ► **Contest:** Reality Shows
> ► **MMS:** Picture Massages, Clippings
> ► **Music on Demand**: Sing a Song and download.
> ► **Cricket**: Cricket, Score, Clipping, Commentary
> ► **GPRS/WAP**: Mobile Internet, Chat, TV
> ► **Call Alert**: When Mobile is Switched off, Busy
> ► **Health**: Health, Tips, Beauty Tips
> ► **m**-commerce: Transaction-Based Services
> ► **Miscellaneous**: Devotional songs, Movies & Music
> ► **Voice Based Applications**.

Exhibit 1: A Glimpse of Various Types VAS.

3.0   VAS Value Chain:

For the VAS to make an impact Network, Devices (Handsets) and Applications are critically important. VAS value chain primarily consists of six entities involved in the flow as depicted in Exhibit 2. Content owner owns the content and Aggregator modifies that content to suit requirement of Consumer and device capability. Software developer and Technology Enabler assist Aggregator in modifying the content.
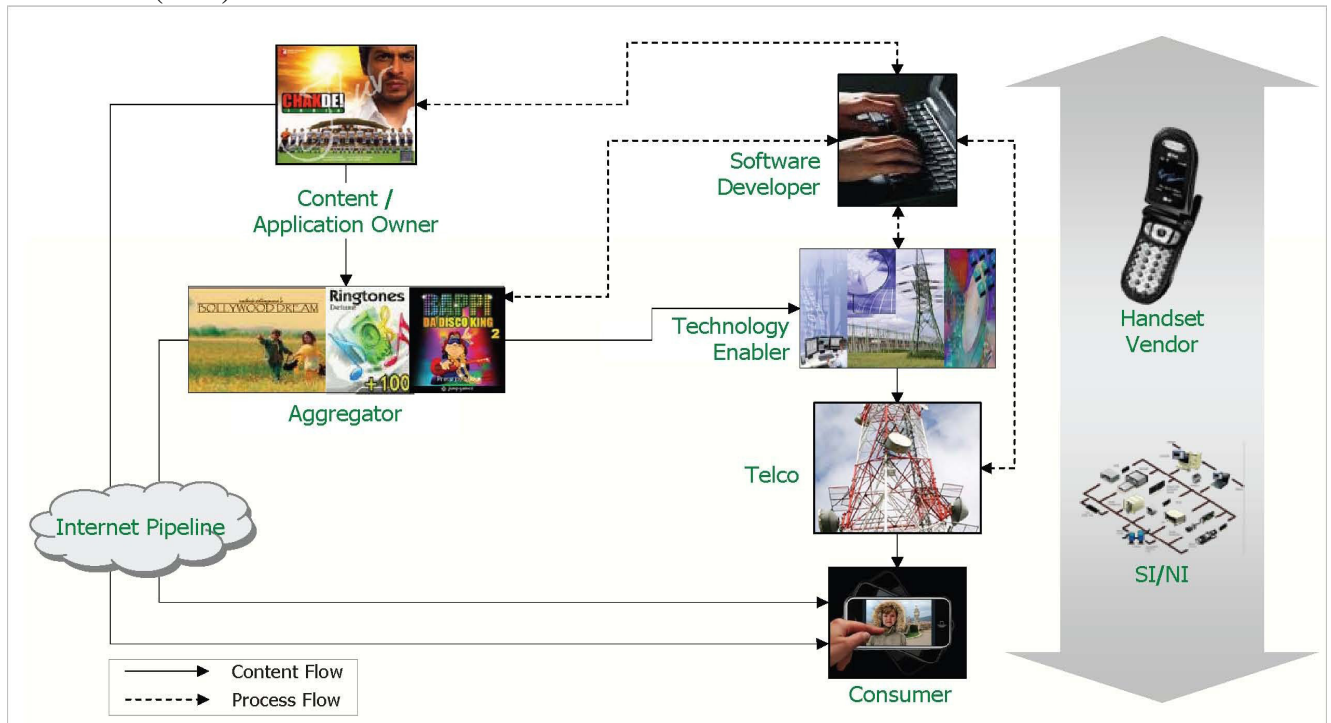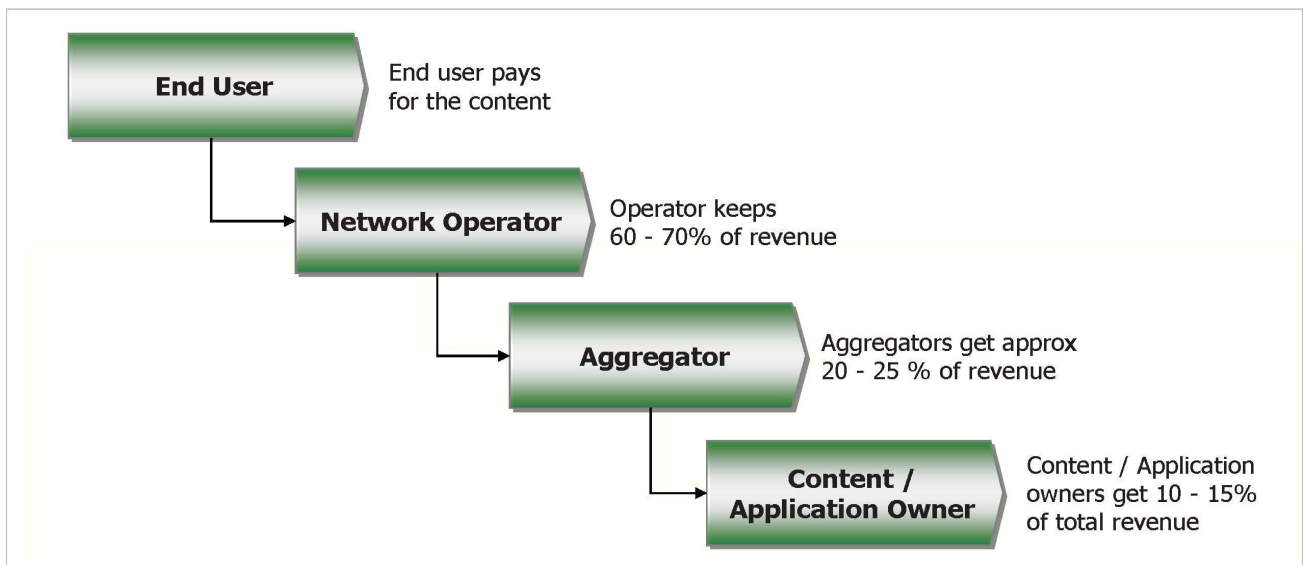
Exhibit 2: VAS Value Chain.

Telecom Service Provider presently dominates the revenue share arrangement in VAS industry. Overall revenue share split of 70:30 applies to both GSM and CDMA operators. However this is not the case in developed countries where major share of VAS revenue is kept by content owner.

4.0   VAS : An End User Perspective:

Understanding consumer perspective of VAS is significant for correct positioning of the VAS. From end user perspective, the important considerations are-

> i) Services as per user need.
> ii) Simplicity to use.
> iii) Reliability, and
> iv) Affordability.

Different segment of customers are interested in different kind of services. For younger generation entertainment may be primary, for business executives company data and financial transaction may be more important whereas middle aged people may be more interested in sports updates. This calls for Segmenting the end user according to their profile. For a service provider it is important that its offerings cater to a larger section of the end users.
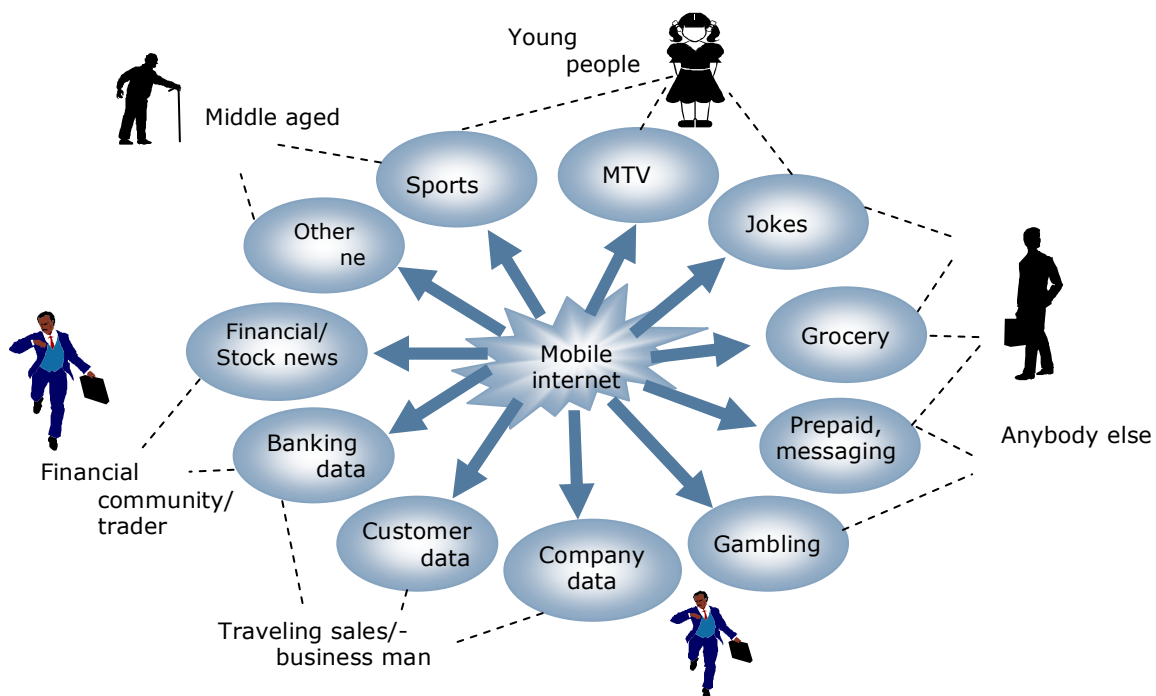

Exhibit 4: VAS Something For Everyone.

ABC of VAS content

An analysis of Indian VAS customers psychology has shown that Astrology, Bollywood songs and movies and Cricket are the main content popular with Indian consumer. Hence *Astrology, Bollywood* and *Cricket* related content is termed as ABC of VAS content.

5.0   BSNL VAS Services:

Mobile VAS of BSNL can be broadly classified into two categories –

A) Under BSNL Branding-

A1. SIM Tool Kit (STK) Based Services:
These are SMS based services, embedded in SIM tool kit and are easier to use as they are preconfigured.

On BSNL mobiles, through Cellone Menu users can get various information like News, Finance, Rail/Air Reservation status, Cricket scores etc. STK based applications are facilitated by Wireless Internet Browser (WIB). Services are easy to use as user does not need to dial any short code for accessing any particular service.

On BSNL mobiles these services are powered by Rediff in South and East zones whereas BSNL has entered into agreement with M/s ACL wireless for provisioning of these STK based services in North and West zones.

A2. WAP Portal:

Services are GPRS/MMS based and are accessed through wap.cellone.in or www.cellone.in.
BSNL has entered into agreement with two partners M/s People Infocomm (Mauj) and Ericsson for these services.

A3. PRBT services:

B) VAS under Third Party Branding:

B1. Pull Based Services-

These services are user initiated as customer sends SMS to a particular short code in order to get the services. For enabling these services, BSNL has entered into agreements with various content providers on a revenue sharing basis. At present there are more than seventy such agreements are in place. Prominent Pull based services are 58888 (Indiatimes), 56882 (MTV), 57272 (Jagran) etc.

B2. Push Based Services.
These services are not user initiated. Customer receives an SMS alert from an Insurance company, Bank or Financial Institution or a utility company. Such SMS alerts may relate to reminding the customer about the payment due or about new scheme or a new insurance product. BSNL has agreements with few

companies like Air2web, ACL wireless, Value First Messaging for provisioning these services.

B3. GPRS Based Services: These services are available on short code through content providers own WAP site.

C) New VAS in 3G:

In 3 G higher bandwidth, maximum up-to 2 Mbps, would be available to end users. This will enable provisioning bandwidth hungry applications and services with rich multimedia content to customers. BSNL has planned Video on Demand (VoD), video streaming and other multi-media applications in 3 G network.

'**BSNL Live'** is a WAP Portal which offers one stop shop for all Information, Entertainment, and Communication related requirements. Through 'BSNL Live' one can access on demand Videos clips for various categories like Bollywood, Astrology, recipes/

Cookery, entertainment, cricket, comics/ animation, Movies and Movie trailers, Music, Multimedia games and wallpapers, and different tones/tunes etc. It enables us to get many Value Added Services in much simpler and friendly way.

'**BSNL Live'** provides a variety of services to suit our every day mood. To name a few following services are on offer-

- • **Movies**: Movies will be streamed on demand i.e. the content will be played in real time on your mobile from 'BSNL Live' directly without first getting stored.

- • **Videos**: Video clips of 3-5 minutes on an average are available on demand.
  We can choose videos and download from the available huge library of content. The categories of content varies from astrology, recipes/ cookery, entertainment, cricket to beauty tips/ clips, comics/ animation, Movies and Movie trailers, Music, Multimedia games and wallpapers, and other different tones/tunes.

- • **Music** - Full track song download: You can download full track audio songs (mp3) of our choice through 'BSNL Live'.

- • **Games:** Various Categories of Games viz. Regular (Simple & premium) and multiplayer branded games are available. We can see only games which are compatible with our handsets. Thus one needs not to worry about compatibility of games. At the time of download the customer will be required to pay charges of games.

Accessing ' BSNL Live':

Any handset with WAP browsing capability can be used to access 'BSNL Live'.

'BSNL Live' can be accessed by all GSM (2.5 G and 3G) subscribers. However the videos, movies and full track songs and multiplayer games are heavy on data and to access these services one needs to have a 3G connection otherwise his experience will be greatly reduced and the downloads for audio and video clips will take longer time.

Before one can access the 'BSNL Live', one needs to have correct settings in his mobile. Settings may be got done in the following way:

a) All the settings required to access 'BSNL Live' & avail different services on 'BSNL Live' will be pushed to your handset by BSNL.

b) One can also ask for the settings by sending <make> space <model> of your handset to 58355 by SMS e.g. <Nokia> space <N79> to 58355. After you send the SMS you will in response get several settings on your handset viz. 'bsnllive' or 'bsnlstream' etc.

c) One may also call BSNL Customer Care Center to know the settings.

Once we get all the settings, we have to save all of them. Out of these several settings the one pertaining to 'BSNL Live' (will appear as 'bsnllive') should be saved as default. In some handsets the word 'Bookmark' is used instead of default. Thereafter whenever one wants to access 'BSNL Live' one can click on his Web browser in his mobile; the 'BSNL Live' bookmark will be visible and clicking on it will leads to the Welcome page. Settings for movie streaming (will appear as 'bsnlstream') may also be saved in mobile.

D) Other New Value Added Services:

Mandi Bhav – Mandi Bahv service provides rate list of more than 500 commodities from over 3000 Manis across India. To subscribe to this service we meed to send SMS MANDI to 59696.

YO SMS – The service allows a subscriber to send SMS with fonts in different colours., backgrounds, sounds and simleys which essentially gives effect of MMS. To subscribe to this service we meed to send SMS YOSMS to 54444.

Handset Security – The service provides a solution for security of subscriber's mobile handset. Whenever a mobile phone is stolen and SIM is changed, subscriber gets a message about change of SIM to pre-registered mobile nos. To subscribe to this service we need to send SMS MS to 52222.

Data Security and Backup- In case of theft / loss of subscriber mobile handset, this solution protect the subscriber data stored in the phone book of handset. The stolen device can also be disabled remotely so-that data lying in the phone

book is not used by anyone. To subscribe to this service we need to send SMS MS to 52222.

Call Tricker: With this service a user can play various pre recorded sounds in the background while accepting the call. This sound runs while talking on the phone. The background sound can be traffic, rain, train etc. To subscribe to this service we need to send SMS CALL to 52222.

Mail on SMS: This application makes it possible for a subscriber to receive mails on his/her mobile as SMS. It is also used for receiving/sending mail through mobile phones without using GPRS. To subscribe to this service we need to send SMS submail 56688.

Mob-Share (Photo Video Sharing): It allows BSNL mobile users to instantaneously share a mobile media viz photos and videos with other BSNL mobile users directly using a GPRS enabled phone. To start this service we need to send SMS 'subs name' to 59696.

SMS Counseling: This service provides counseling for general problems/queries from experts across the globe in 6 major fields namely Love, Workplace, Family, Stress Management, Feelings, Career and Visa. To subscribe to this service we need to send SMS HOPE to 54000.

Humshakal: This application helps to understand the similarities a person has with other celebrities, icons etc. To subscribe to this service we need to send SMS HMM to 54000.

6.0 Regulatory Framework for VAS:

With a move to lay down regulation for VAS players, TRAI had issued a consultation paper for licensing VAS. At present, VAS providers are neither regulated nor licensed and mainly they act as channel partners of telecom operators. Telecom service providers by virtue of being owners of the network have near monopolistic advantage in revenue share agreement.

Concerns have been raised about security related issues with respect to VAS. Recently there was a standoff between the Department of Telecom and RIM (the maker of the BlackBerry smart phone). RIM (Research In Motion), the Canadian company, was under scrutiny after security agencies had expressed fear that terror group might exploit this loophole as data sent between BlackBerry devices bypassed the network of Indian telecom service providers and therefore could not be monitored by the country's intelligence agency. The appropriate regulatory regime for VAS is likely to provide clarity and transparency in tracking the source.

7.0 Conclusion:

For the orderly and fast growth of VAS industry and the entire VAS ecosystem the challenges and hurdles before the industry needs to be addressed promptly. The revenue

from mobile advertising is likely to open a new revenue stream for VAS players. Mobile advertising will benefit operators, VAS players, advertisers as well as consumers. On the user front awareness is likely to remain a problem for high end VAS. However traditional VAS- SMS, CRBT and Ring-tones are likely to continue to grow with increased user awareness. A facilitating regulatory framework and transparency in allocation of the spectrum would go a long way in encouraging the service providers to aggressively push VAS. VAS players entering into partnership with handset manufacturers for implementing embedded applications and service providers bundling the handsets may lead to greater adoption of VAS.

Competition is really becoming fierce in VAS space and each service provider including BSNL is making all out effort to grab a share of VAS market.

BSNL has introduced numerous VAS services on its 3G platform 'BSNL Live' and other VAS services. There is a need to create awareness about recently introduced services and to popularize the services.

xxxx