



Mobile Value Added Services - India

April 2009

Executive Summary

Market

- Estimated worth INR XX mn in 2008; expected to grow to INR YY mn in 2011
- Value added services (VAS) accounts for a% of operators revenue
- Services offered can be categorized into information, entertainment and M commerce

Drivers & Challenges

Drivers:

▪ Demand Side

- Increasing consumer demand for VAS
- Medium for advertising
- Demand for regional content
- Growing rural market

▪ Supply Side

- Declining ARPUs
- Rising mobile teledensity
- Introduction of 3G based applications

Challenges:

- Biased revenue sharing model
- Lack of copyright protection and authentications standards
- Dominance of pre-paid customers
- Lack of consumer awareness
- Lack of purchase of feature rich handsets

Trends

- Increased focus of PE/VC firms
- Growth in demand for mobile music and gaming
- Partnerships between mobile manufactures/ operators & MVAS players
- Growth via acquisitions
- Strong demand from corporates for enterprise VAS

Competition

- A highly fragmented market with many small and medium sized companies

Domestic Players	Foreign Players
• A	• X
• B	• Y
• C	• Z

Content Provider/Creator	Aggregator	Technology Enabler
• X	• Y	• Z
• U	• V	• W
• A	• B	• C



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- **Introduction**
 - Market Overview
 - Drivers & Challenges
 - Trends
 - Future Outlook
 - Competition
 - Key Developments



Indian Telecom Market has been growing with rapid increase in CDMA and GSM mobile subscribers

Overview

• Total Revenue

- 2008 – USD XX bn

• Total Subscribers – U mn (2008)

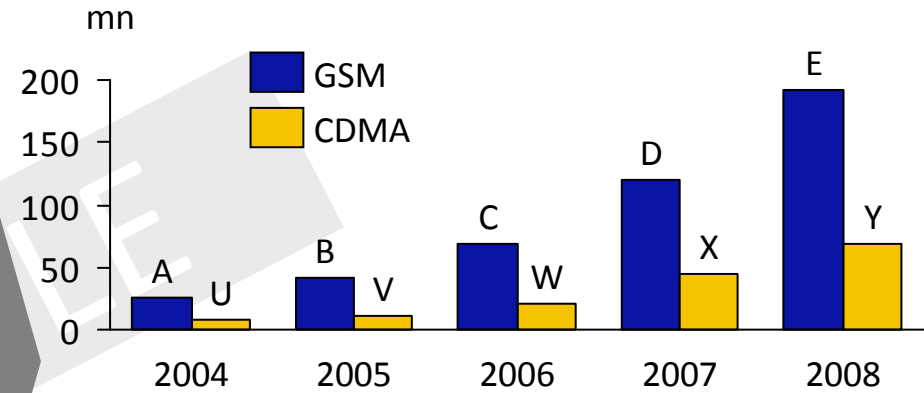
- Fixed Subscribers - V mn
- Mobile Subscribers - W mn

• Tele-density: a% (March 2008)

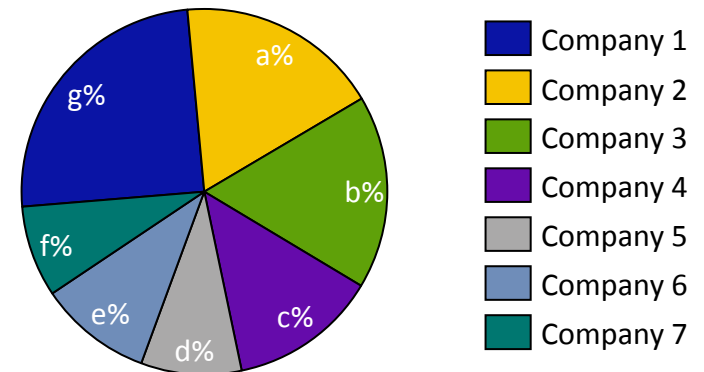
• Projections:

- Total revenues to increase to USD YY bn by 2012
- Tele-density of the country to go up to b% by end of fiscal year 2009-10
- X mn mobile connections by 2012
- Y mn GSM subscribers by the end of 2009

Mobile Subscribers (2008)



Wireless Operators Market Share (Mar' 09)

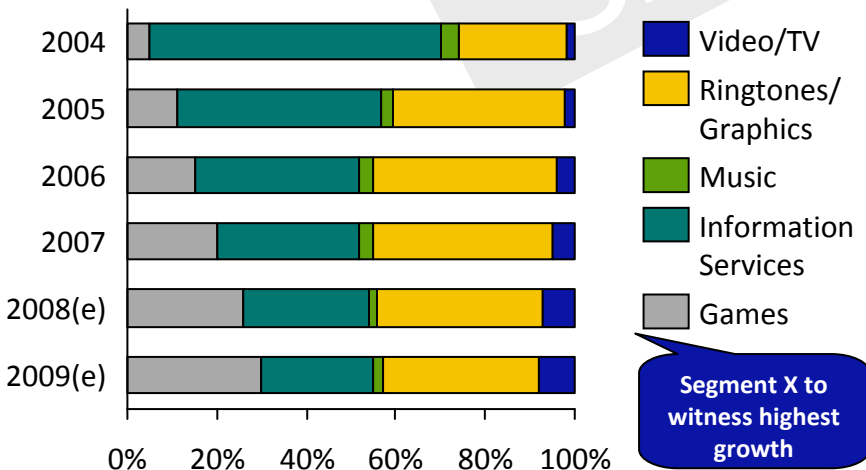


Mobile Value Added Services market is growing strongly with demand for entertainment services dominating the market

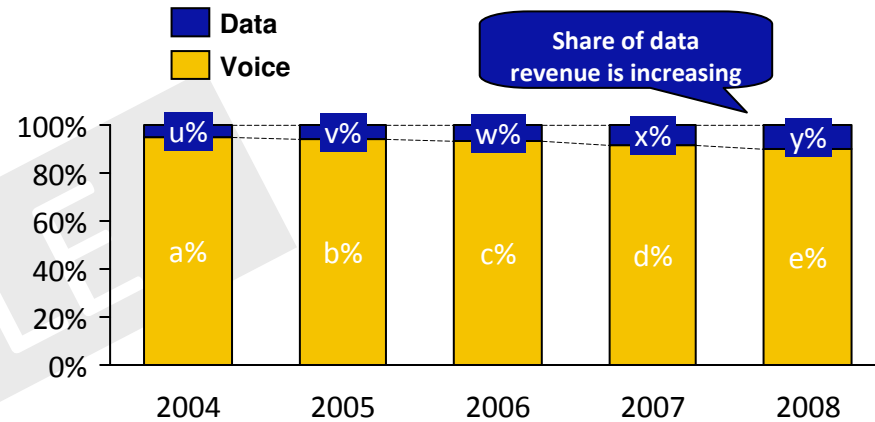
Overview

- Mobile VAS market is worth INR XX bn in 2008 and is forecast to reach INR YY bn in 2011
- Mobile VAS accounts for a% of mobile operator's revenues
- Mobile VAS can be categorised as –
 - **Information** - News alerts, stock prices, air/rail ticket status, bank account balance/transaction alerts etc.
 - **Entertainment** - Songs, ringtones, caller ring-back tones (CRBTs), wallpapers, games, jokes etc.
 - **M-Commerce** - M-payment, M-banking etc.

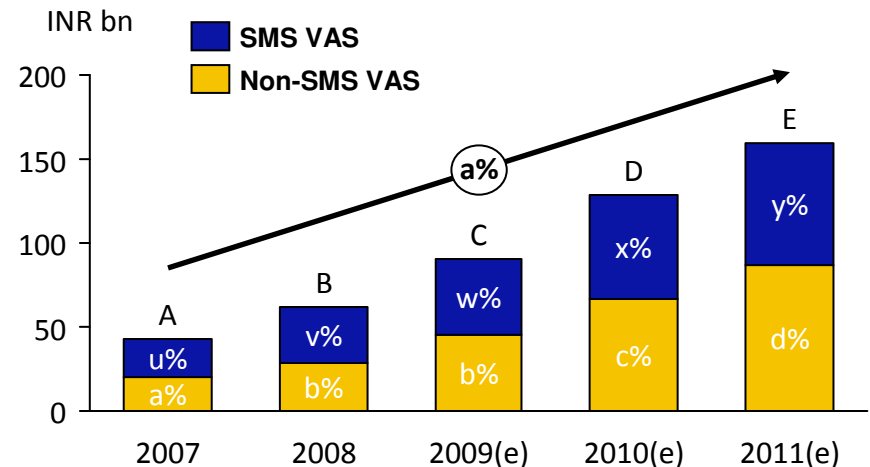
Market Segmentation



Data and Voice Break-up

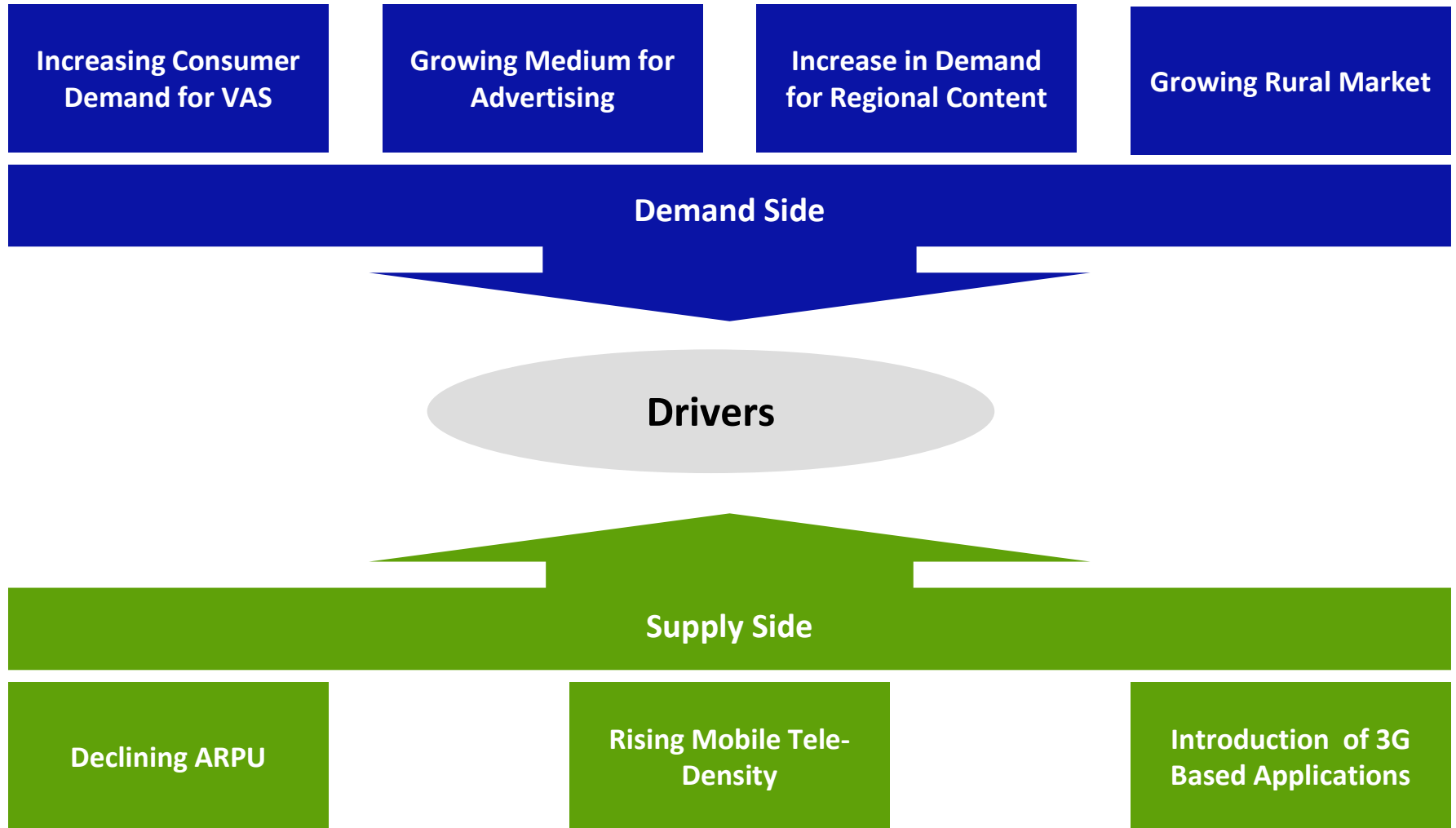


MVAS Market Size & Growth

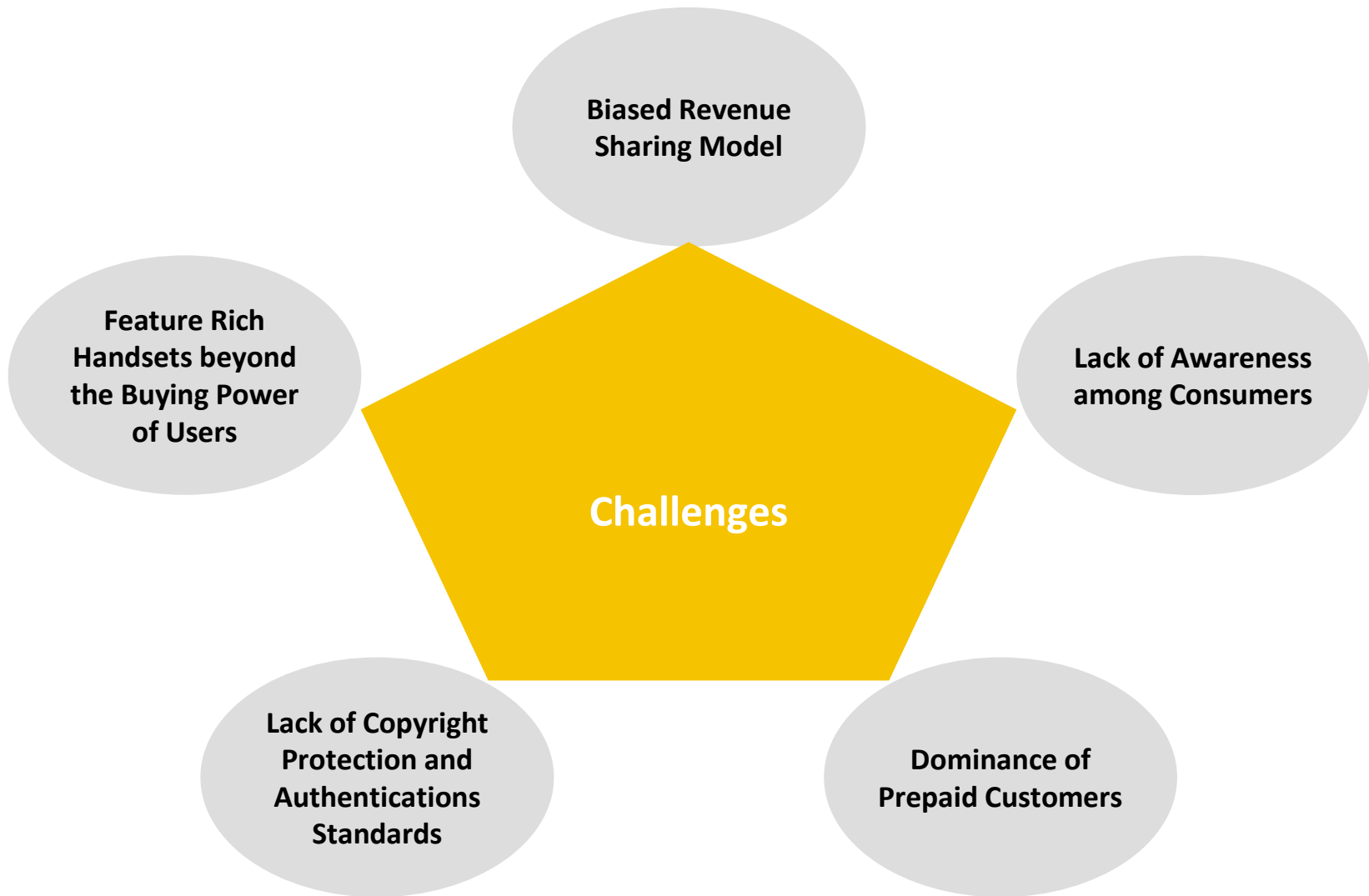


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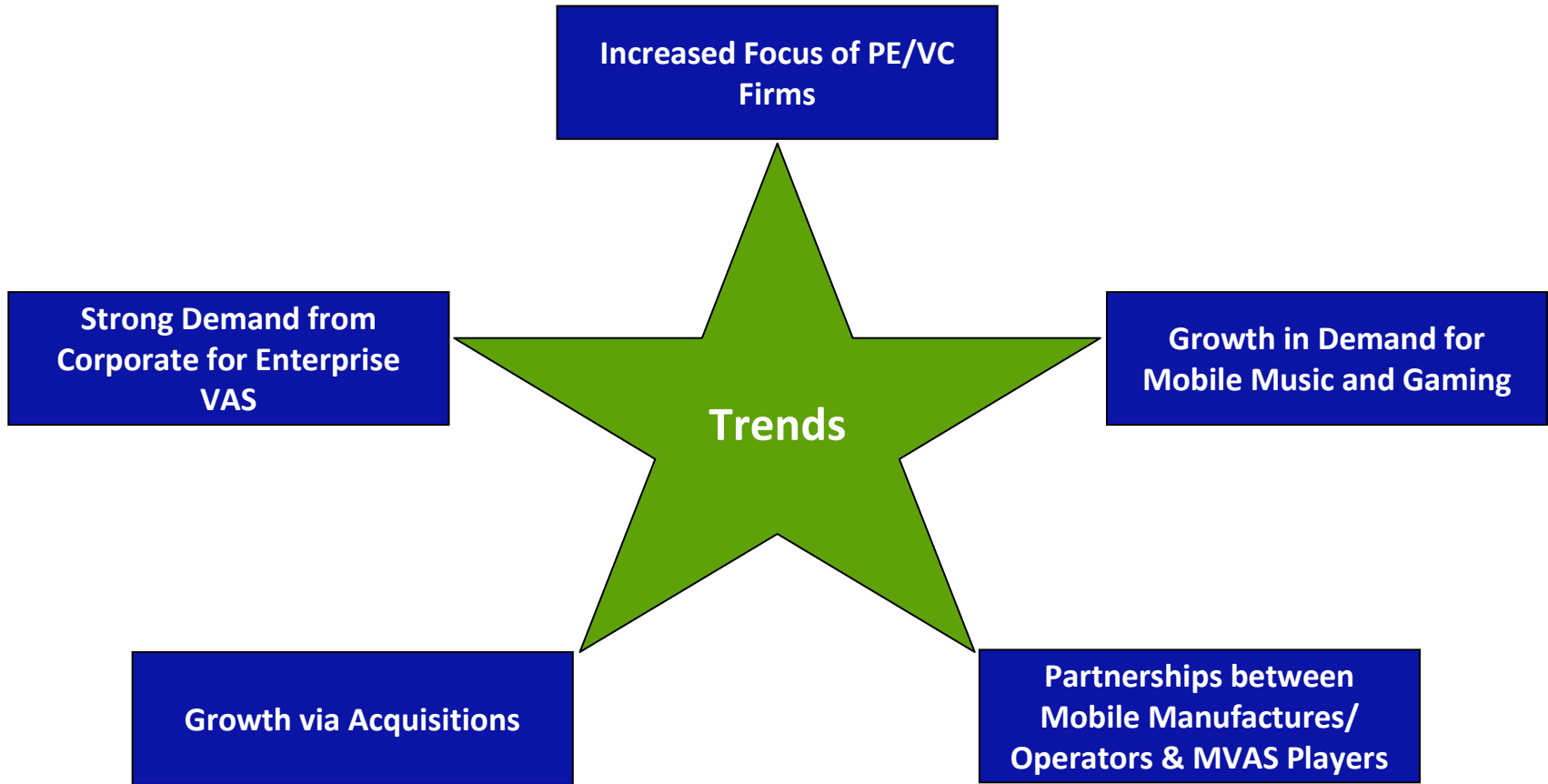
Drivers



Challenges



Key Trends



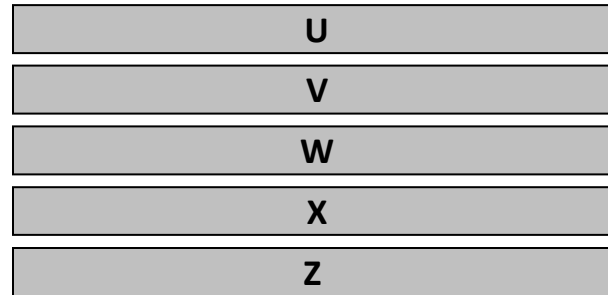
Introduction of A and the growth in demand for B will boost the market

Introduction of 3G Technology

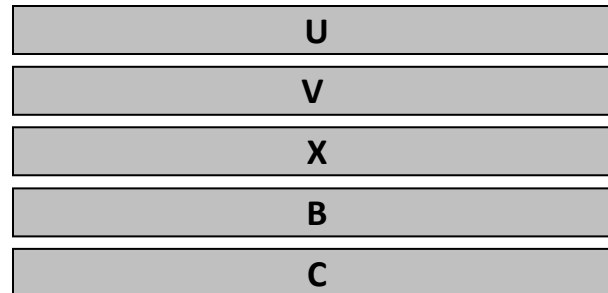
- Auction for 3G is expected to take place in FY 20--
- Will boost mobile broadband penetration as it will allow for high speed data transfer

a% of subscribers (approx. X mn) using high-end phones can be targeted

Top Applications in 2008



Top Applications in 2010



Change in revenue model

- Operators share expected to decline to b%
- Other players across the value chain accounting for almost c%, as compared to a% currently

MVAS is expected to account for x% of operator's revenues by 20--

SAMPLE

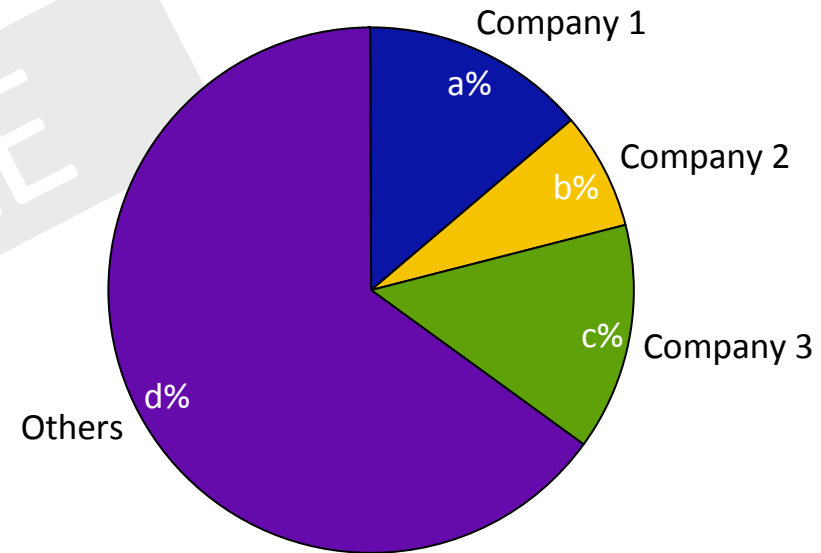


A highly competitive market with players constantly developing services to capture market share

Overview

- The market is highly fragmented with a large number of domestic players
 - There are more than X companies registered with the Internet and Mobile Association of India (IMAI) as VAS enterprises
- Many domestic players have also presence in the international markets
 - Company Y has presence in more than A countries with a% of revenues from overseas
 - Company Z services are available in USA, Ireland, UK, Spain, South Africa, UAE, Sri Lanka and Singapore
- Foreign players have also entered the domestic market to capitalize on the profit incentives
- Major players
 - Domestic – Company 1, Company 2, Company 3
 - Foreign – Company 4, Company 5, Company 6

Market Share



Thank you for the attention

The Mobile Value Added Services report is a part of Research on India's Telecom Industry Series.

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