

Emerging 'teleconomy'

(A consumer-business perspective from MediaGuru Consultants)

The front page of a leading national daily caught the gape recently – 'Delhi has 93 phones for every 100 people' - going on to report the startling teledensity fact: "the capital is celebrating the telecom revolution like no other metro, the number of mobile phones in Delhi crossed 70% of the city's population (1.61 cr.) – taking the total teledensity in the metropolis to a mind-boggling 93%."

THE mobile phone, which is used in the capital has become more integral a part of our existence than the watch you wore once. What is it? Meaning, what is it used for? For talking, for SMSing, listening to radio, clicking pictures and video, playing games, watching video clips (and soon TV!), chatting and networking with friends, finding your way, listening to the latest MP3, re-presenting your personality with your ring-tone, caller backs and wallpaper, participating in contests, as a status symbol, watching adult pics n clips, browsing the web, advertising, catching whether forecast, news clippings, astrology tips, stock updates, product sales, bidding and gambling, train ticket status, flight check in, holiday bookings et al. The mobile phone is more than just a tool for communication. It has become a personal device; an util-entertainment form.

Researching the Mobile Entertainment Economy

The present and the future of the mobile teleconomy then revolves round not just the fundamental service – voice and message – but also its value add – the utility and entertainment data. MediaGuru Consultants has tried to probe the 'entertainmentization' of the mobile economy from the perspective where it counts the most – the consumer. Including:

1. A research survey across a cross-section (male female, social strata and age groups) of mobile users in Delhi (NCR).
2. Analysis of VAS data downloading



habits to come up with mobile entertainment patterns that reflect a way forward for the high growth VAS industry.

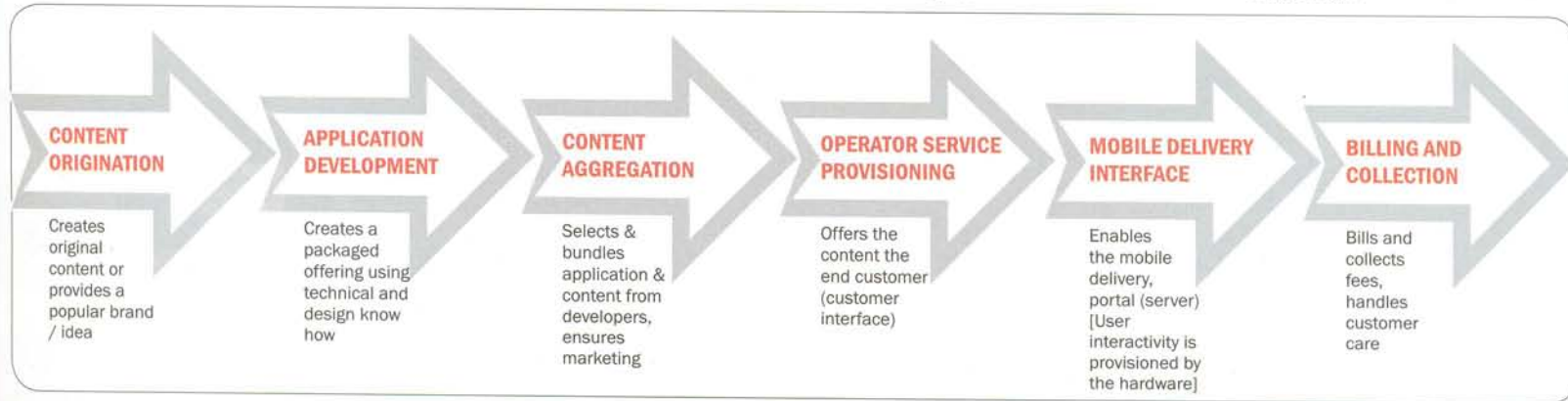
- Overall insight on the industry to share consumer-business knowledge and work together with industry stakeholders to increase mobile entertainment bottom lines

Emerging Business Paradigm

The study establishes one clear evolution that – there is a business economic imperative for the current stake holders and the way the industry is being run now – to evolve from – ‘build-it-and-they-will come’ model of technology provision to creation of ‘give-them-what-they-demand’ content. There is in the current dynamics of mobile entertainment content – what can be termed as an ‘assimilation’ gap. A gap between what is being provided and what is being used or utilized.

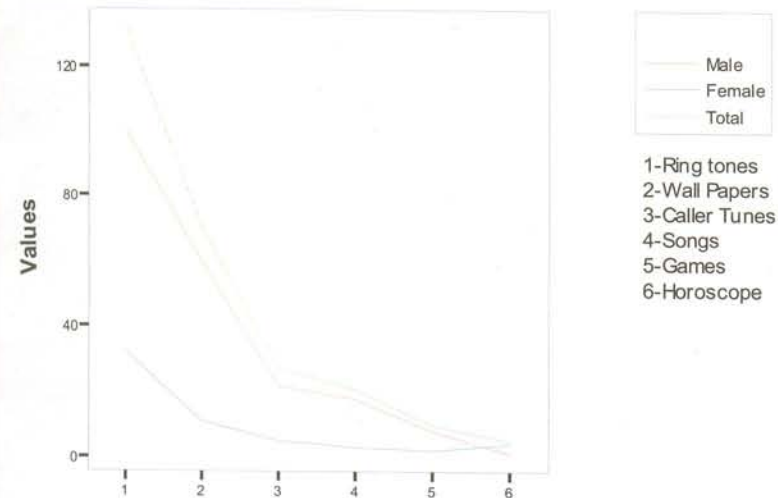
The tribes of mobile entertainment downloaders and users are emerging to build the mobile entertainment market currently 9.6% of total mobile rev. of US \$ 8.95 bn. Projected to grow 22% of the then US \$ 25.167 bn. by 2011 (as per Gartner). But how will it grow? And how will it be configured in the coming three to five years? This will depend on consumer expectations and the changing dynamics of the value chain.

Mobile Entertainment Value Chain;



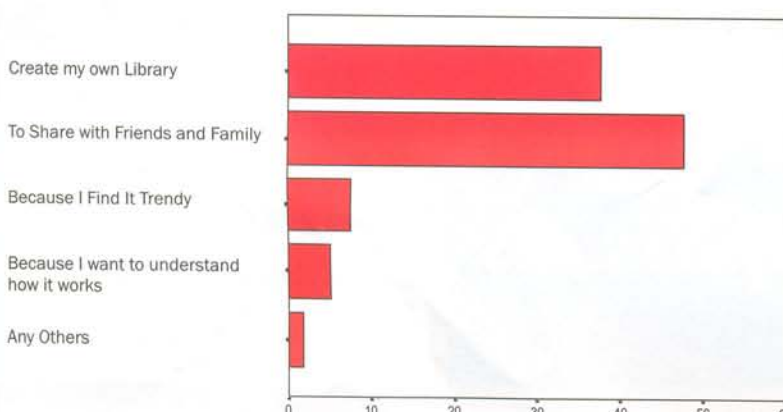
The consumer dynamics: an over the top look at What MediaGuru Research Says:-

What do you download over your mobile?



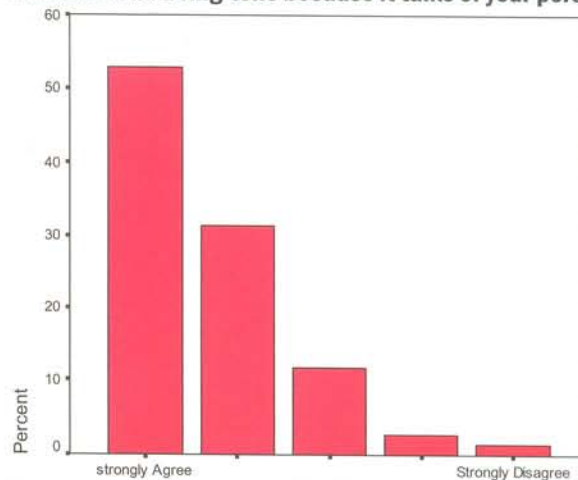
Amongst some of the available types of VAS content the most popular comes out as ring tones followed by wall papers and caller tunes.

Why do you download the content?



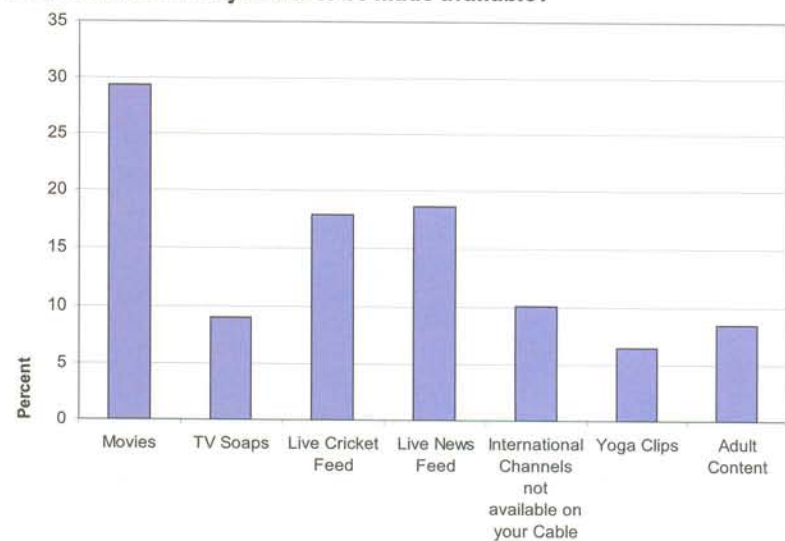
When asked why do you download /will download data (e.g. soaps, live cricket, music video clips) most of the respondents said that they download clips to create their library or to share it with friends and family.

You download a ring-tone because it talks of your personality?



Contrary to popular belief, choosing a ring tone is a high involvement decision. The research shows that most of the respondents (84%) are careful while choosing ring tones as it represents what they want to say about themselves.

What content would you like to be made available?



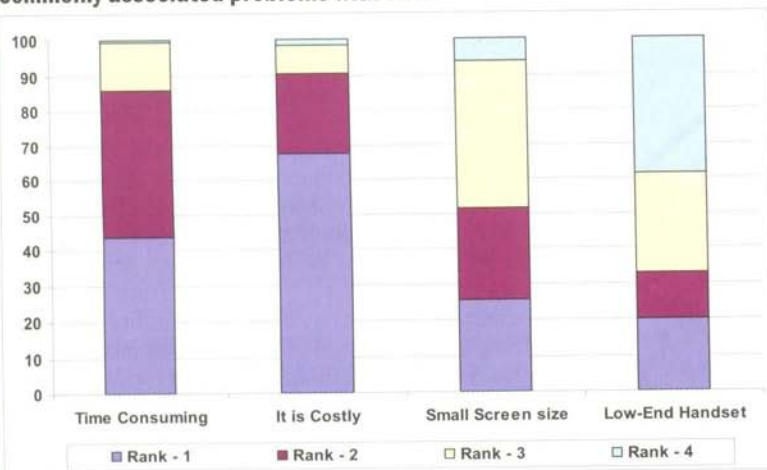
When asked about the type of content that should be made available for download, most of the respondents said movies. Live cricket feed and live news feed followed closely. The demand for international channels (not available on C&S and DTH) on mobile is also sizeable.



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Commonly associated problems with VAS



Most of the respondents feel that VAS is very costly at the moment. The other measure problem is the downloading time for VAS contents like games and songs. Surprisingly the small size of the screen does deter the customers from using customer VAS content.

Commentary;

"I want my VAS cheaper..."

"I want content that is my choice ..."

"I can't access video on my phone, but am soon getting one that can..."

Consumer - Business Imperative

Three key things emerge from the consumer response and data:

1. The current VAS content offering is considered expensive; this given

the fact that a majority of the respondents with prepaid connections had a lesser balance than Rs.100. Currently a 3 D game available for download ranges from Rs.100 to Rs.150.

2. The consumer are very conscious of their VAS decisions, they want to have only what they need. Though they seek choice. What they currently have is only what is on offer not that they demand.
3. Technology and hardware has been a deterrent till now, but this is fast changing, given both the reduction of mobile phone costs and increasing aspiration levels among the mid segment mobile phone users.

Where this leads us to is, an evolution in the mobile entertainment value stakes – moving from 'operator and tech driven' to 'consumer and content driven'. As consumers grow the ARPUs (Average Revenue per User) will be upped with VAS entertainment content. With the mass consumer and spending powers rising, the whole value chain stands to gain with the shift from tech to content. 'Operators' - with a voluminous supplementary revenue stream and 'Content Players' - with increased revenue margins; 'Consumers' with cheaper and on demand content.

Here is an urgent need to engage with the consumers as 'experts' in consumption. To understand how the mobiles are embedded in their every day lives as social, communication, utility and entertainment artifact. Only then will we understand the future possible ways in which mobile entertainment may come to become as equal proportion of the ARPU of mobile communication and surface out the 'assimilation' gap between VAS offerings and VAS users. And, of-course, make Rishi a happier VAS consumer.

The article was contributed by the research team at Media Guru consultants. The company specializes in media research, consulting and new media... For further details email:- kartikkalla@mediaguru.in