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# *Datapoint*

## Giving data the voice it needs



# 48%

of Indians who use basic mobile phones aspire for more voice commands to make it easier for them to use data services.

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Datapoint 1  
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With the importance being given to stimulating data services usage on smartphones, a recent industry survey indicates that offering data services at the low and middle tiers in India represents an untapped opportunity. When we say low and middle tier, we specifically refer to users of basic mobile phones, that is, internet-capable “feature” phones or phones capable of voice and text only. In addition to demanding voice commands, users of basic phones in India also express a desire for operators to offer them *more relevant* services.

Relevance starts with language. This is a challenge in India because most mobile data services today require typing in English. Only 12% of Indians are English-literate and many of those would anyway prefer to browse, surf or type in their mother tongue. Although three Indian languages (Hindi<sup>2</sup>, Bengali and Punjabi) are among the top 10 spoken in the world, none of them is among the top 10 languages on the web. This means that for more than 88% of users, aside from ringtones and the feted “ABC” (Astrology, Bollywood and Cricket) services, there is no other data service on offer.

The service relevance demanded by Indian customers does not refer only to language, but also to localisation and personal significance. There have been numerous attempts at localisation, in India and elsewhere, but hardly any successes. If you search for a local cinema listing today using your smartphone, the chances are you will be given show timings which include theatres as far as 50km from you. Mobile service providers are still far from capable to effectively target services to you of personal significance, since their analytics mainly track calling patterns and location only.

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<sup>1</sup> According to a survey undertaken by a major mobile operator in India

<sup>2</sup> Referring to Hindi and Urdu combined

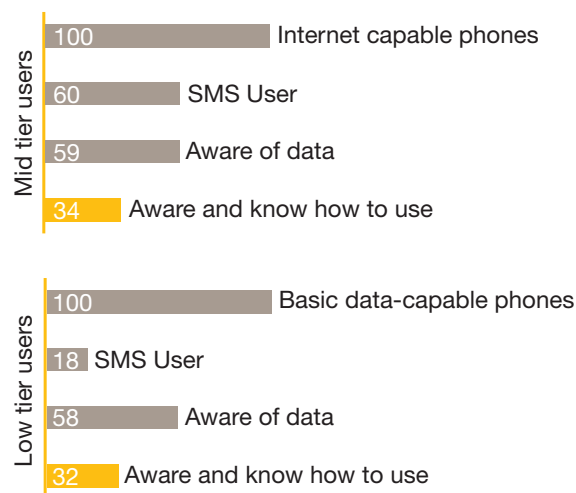
<sup>3</sup> Regular usage is defined as using a data service at least once a month

However, the value potential from unmet and latent demand across the middle and low tiers of the mobile user base is substantial. While over 80% of smartphone users in India use data services<sup>3</sup>, we estimate that only 20% to 30% of basic phone-users do the same. Taking away ABC and ringtones, adoption of data in the lower tiers is close to zero. The revenue impact of pushing adoption up by 20% of the user base, at a monthly data ARPU of INR 20, would generate new gross revenues of INR 36 crore per month for an operator with 100 million subscribers. For the industry as a whole, such a “20x20” strategy could generate an additional INR 360 crore of gross revenues per month, resulting in higher taxation revenue of more than INR 115 crore annually for the Government.

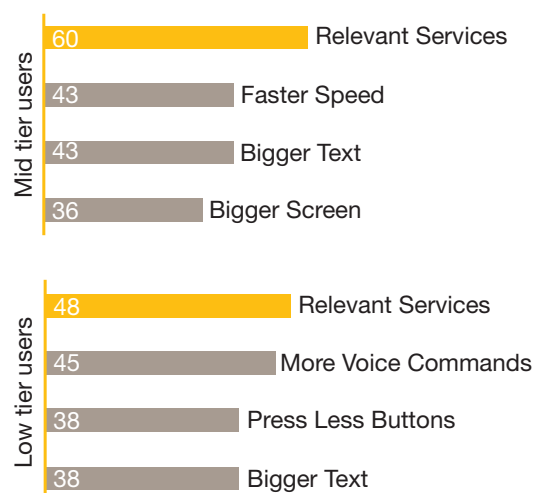
The industry has not succeeded in addressing this opportunity so far. A number are trying to, either through innovation efforts to drive low-cost data services, or through initiatives around empowering m-enablement in health, money and education. To make a start on low-tier data adoption, industry players must focus on four issues:

- *Driving an innovation process between marketing and technology that results in a higher number of products and services launched and scaled.* Assessing a European operator’s innovation performance, in a previous assignment we found that as few as one in seven researched product ideas ever make it to launch. Better innovation applies to the high tier as well.
- *Building an ecosystem of partners who will themselves innovate to create localised as well as local-language services.* This will require revisiting commercial revenue-sharing models with applications providers to encourage developers to write for the local market. It will also require finding new ways to overcome the issue of collecting local data for information services (such as job pages and food price updates).

#### Adoption patterns and reasons for non-adoption



#### User preferences in data services



Source: Survey of 400 mid- and low-tier subscribers across four circles

- *Working with partners to encourage voice-text functionality in basic or affordable phones.* Vlingo, a start-up based in Cambridge, Massachusetts, is one example of a company offering voice-text solutions, but restricted so far to smartphones only. In India, scale among low ARPU users may have to wait until smartphone device prices fall further or a solution appears that will work on a basic phone.
- *Creating a higher degree of confidence among existing as well as would-be users with data services.* This could be done by using the retail footprint and other outreach to embed data services as part of the customer experience at the low and middle tier. Raising awareness of the possibilities through a well chosen “hero” service would be a catchy way to build credibility.

In the data world, the ability to innovate effectively will remain a unique differentiator for each service provider. But there is also potential for industry-wide collaboration on creating an ecosystem, influencing device design and building user confidence; much as players have already partnered so successfully in towers, and in intra-circle roaming. If the industry could start with a “20x20” strategy for low-cost data, we really could start giving data services a voice in India.

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*If you would like to discuss our findings further, please contact any of our Telecom Industry leaders.*



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