

# A Mobile Value-added Services Road map

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Mobile phones today have crossed the usage of fundamental role of communications. Mobile Value Added Services (MVAS) are those services that are not part of the basic voice offer and are availed separately by the end user. For Mobile Operators they are used as a tool for generating revenue.

Customers continuously want more from their phone. They buy mobile phones not just to be in touch, but to express attitude, feelings & interests. To justify this, in India, VAS accounted for 13 percent of total operator revenues of \$13 billion in 2006, grew to 13 percent of 19 billion in 2007 and is projected to hit 14 percent of total projected mobile operator revenues of 33 billion in 2010 (source: <http://sip.tmcnet.com/news/2007/12/27/3185872.htm>" <http://sip.tmcnet.com/news/2007/12/27/3185872.htm>). India's VAS pace is mostly dominated by entertainment services and comprises of P2P (person to person) SMS, Ringtones (including CRBT, caller ring back tone,) , & A2P (application to person) Games & Data and Others (MMS etc).

Since wireless industry has been making tremendous gains around the world in recent years, Nepal Telecom's cellular services also have to leap from the basic voice calls and head towards to provide innovative options to their users. Increasing market penetration cannot fully contribute to large profitability growth. Therefore, along with the expansion ambition it has also become important for Nepal Telecom to focus on evolving trends, emerging competition problems and opportunities, new business models and technology advances that will take our mobile communications industry to the next level.

Value added Services attraction comes into picture where there is an option to choose operators. Already



Nepal Telecom has sensed its competitor's strength by the large number of users connected to its rivalry operators and knowing their future expansion works. Also with the coming of newer operators Nepal Telecom has to seek the MVAS as a great opportunity to rescue this telecom industry from the declining ARPU and the future churn rate.

However, for the proper marketing and profitability it is necessary to consider the following factors:

- Study the need and affordability of the users,
- Business models, commitment and decision support
- Cost-optimized deployment and rapid aggressive marketing
- Proper Network management
- Integration platforms and compatibility issues
- System reliability, redundancy and high availability
- Development and delivery of secure applications
- Third party copy right ownership
- Revenue sharing between Telecom mobile operators & content developers /providers
- Superior customer service and support 24 hours a day, 365 days a year

On the basis of the above points there should be rigorous exercise to add new attractive services and also emphasize on marketing out the already existing ones for both the GSM and CDMA users. Since both the services are distributed under Nepal Telecom it may not be wrong to state that same services should be deployed as far as possible for both type of users.

The evolution of the MVAS market shall go in parallel with the changes and advances in the telecom industry as well as the users' demand. In future with the coming of 3G / 4G networks Mobile TV, M-Commerce, enhanced SMS features, Video and movie download, multi player on-line gaming, wireless teleconferencing etc, will surely be the high revenue generating MVAS.



### MVAS in Nepal Telecom

#### MVAS services in use are:

##### A. System based VAS

- VMS or Voice Mail Service
- Family account used in GSM
- GSM CRBT system
- Data service for 1x, GPRS and WCDMA
- Recharging by SMS money transfer for GSM prepaid users.



##### B. Non System based

- SMS based VAS  
Used for GSM users for news, weather forecast, horoscope, sms contests, sms chat, product and service promotion, sms.
- Recharging the GSM prepaid subscribers by ATM (Bank's Automatic Teller machine) and ERC for electron voucher distribution system.

#### Services that can be deployed within one year

##### A. System based VAS

- Recharging by SMS money transfer for CDMA prepaid users can also be looked upon as an attractive way of generating more revenue. Since this is a very popular service this facility can be added without much hesitation.
- With the addition of WAP server, user devices and applications, the EVDO Data service can be much benefited. Or simply a USB device for both EVDO and 1X in the CDMA would help the users to be catered into the CDMA data network without actually having to know whether he/she is in 3G or 1x cell.
- CMDA Free Phone service, Number Portability, Cell and Time Discount, WVPN (Wireless Virtual Private Network), etc can also be marketed in the coming year.



Few of the VAS services like the Blackberry could take a peak among the high end users. New models compatible with CDMA EVDO and GSM/GPRS (900/1800 MHz) networks, with auto-selection of CDMA/GSM mode is already being deployed by many companies.

##### B. Non System based

- Some efforts have already been made for GSM users to bring revenue generating services like news, weather forecast, horoscope, sms contests, sms chat, product and service promotion, sms polls, data, etc. With the completion of the CDMA SMSC Gateway it shall be another challenge in the coming months to contribute more revenue by incorporating all these existing MVAS features for the CDMA users.
- Recharging for CDMA Prepaid by ERC and ATM is under the process. New recharging schemes by

VOMS for prepaid common voucher management system, Scratch card using Interactive voice response system or IVR and Electronic top-up can be also deployed.

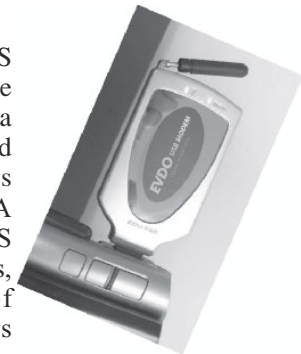
#### Services that can be deployed in near future with further study and exploration

The list of the GSM roaming countries is expanding whereas the CDMA international roaming still remains as an unexplored challenge. The CDMA community is rapidly expanding its international roaming capabilities to meet the growing demand for the services. Nepal Telecom's CDMA users also should be able to have international roaming especially to neighboring countries and vice versa as a start up plan. Since, prepaid users, like most developing countries are far more than postpaid, Nepal Telecom should also harness its prepaid international roaming potential.

From the early days of P2P SMS the GSM and CDMA MVAS must now grow into a wider range of services that incorporate more attractive features like news, stocks, entertainment, contests, tv schedule, travel, downloads, astrology, etc.

#### Enhancement to MVAS

Few of the MVAS enhancing services like the Blackberry could take a peak among the high end users. New models compatible with CDMA EVDO and GSM/GPRS (900/1800 MHz) networks, with auto-selection of CDMA/GSM mode is already being deployed by many companies. Blackberry enables mobile customers to access a premium range of applications including instant e-mail, corporate data, Internet surfing and a bouquet of personal information management features. One attractive solution would be being able to type and send SMS in local language. The SIM /R-UIM with Nepal Telecom's designed Tool Kit would ease many to access the MVAS services instead having to memorize and dial the short code patterns for accessibility, hence increasing the frequency of usage. Like most of the operators Nepal Telecom can also explore the possibility of doing business with handset companies to sell out the features. Another option could be to list out the type of handsets that can cater all or most of their available features.



The unawareness of service and technology by users has often added barrier to the expected revenue growth. It is not only important to deploy, market and float information in brochures but actually create service call centers and service halls to actually demonstrate the MVAS services and encourage their usage especially essential during the startup times.