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Aam Aadmi's Aspirational needs are the new growth engine

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Mobile Industry in India is in a cusp of change. We have moved from a high growth, constant changing market to one that is the second largest in the world. Telco's focus on voice revenue alone is changing, the dust from the storm of 2G/3G is settling down, smartphone & feature phone penetration are inching up, many online facilities including citizen services & ticketing are now routinely conducted from your mobile.

Seeing all this we will be forgiven to wrongly conclude that the chapter of innovation in Indian Mobile story is over. I see it only to have started now. Thus far the innovation was in the world renowned outsourcing deals for managing Network & Towers, Rural reach, Pricing, Product Packaging, Distribution and other operation backend. Mobile phones today have a 70 percent reach of our population with reach in metros oversaturated, the basic need has been fulfilled and its time to look beyond. I believe any such strategy should be more than ABCs (Astro, Bollywood & Cricket) which has been the only Mobile VAS offering in India worth mentioning. I believe the industry has to start building for people's aspirational needs.

Wikipedia defines "In consumer marketing, an aspirational brand (or product) means a large segment of its exposure audience wishes to own it, but for economical reasons cannot. An important characteristic of an aspirational product is that the part of its exposure audience that is at present economically unable to purchase it, thinks of itself as having a fair probability of at a certain point in the future being able to do so". This definition need not be looked with guilt, but as a growth opportunity from the bottom of the pyramid to the top. Aspirational offerings suited for each level has to be dreamt, built and nurtured over the coming decade. As the market matures there is potential for different players to stake claim to the various levels.

Let us step back and quantify the numbers at play here. As per V & D 100, the Mobile VAS business for Mobile Operators in FY11 was Rs.13,000 Crore and bound to be Rs.32,000 Crore in FY'15, still hovering around 10-15% of overall revenue of TELCOs. The overall market is several times bigger than this.

In the next few paragraphs I will outline various offerings that can increase nearly double the revenue to over Rs. 55,000 crore by FY '15. The listings are in FIFO (First In, First Out) order as I thought them and they are presented as ideas. I will not delve on the past and how things are broken, but rather on the solutions and the opportunities they present.

Speak the local tongue
PwC in their recent report on VAS landscape in India listed Multilingual content, application support around Languages to be the number one future growth area. This is easy to relate to as we are a nation of 22 official languages, 81 percent of movies released in India are non-Hindi, and only 5 percent can read or write English. The lowest hanging fruit in this will be Indian Language messaging whether it is delivered as basic SMS or Data messaging systems like BBM or iMessage or Whatsup App. Latter you can extend this with automatic translation services between local languages or between English, which will be value additions. And last year Machine translation was proved to be a reality with Google Translate releasing it for many Indian languages.

Entertainment at Talkies prices
Flipkart has recently introduced legal full track music downloads starting as low as Rs. 6 per track, removing Physical Media price overheads. In the next four years, the share of Hollywood films (English and dubbed to local languages) is going to be 15 percent of overall theatre collections in India.

As Indians earn more, the middle class grows, the aspiration to quality entertainment increases. The biggest spend in this segment is going to come from burgeoning Youth in India. You can see them everywhere, fiddling their phones in public places and in any social gathering. And what are they doing with it, they are listening to music, seeing pirated movies, messaging and watching YouTube. They are not going to be satisfied with low quality music from RingTones or IVR, they demand full tracks and a selection from around the world.

Market place of experts
The rural Indian is not satisfied with the services that he gets locally from his village, if they are not the best. TV has gone into almost every household in India and with it the choices are clearly for her

to see. She is aware that she can get a second opinion from the specialist Heart Surgeon in the state to treat his sick father. He wants to get inputs from a senior advocate of the state High court for his land dispute with his sister. For the millions of Young Indians who will get married every year, the fashion from Bollywood is something you aspire for. To offer this, you need to take these services to the palm of every Indian. You need a mobile marketplace for world class services, just as ebay offers an online marketplace for buying everything under the sun.

Social Networking
The PwC survey observes that the key for increasing adoption of VAS will be to focus on ease of use and promotion. 30% of the survey respondents said they want to use Social Networking sites and are willing to pay Rs.44 per month for it. What needs to be done is awareness and promotion, once that's done the network effort will take over in India through Mobile just as it has done through online & mobile world over.

Build the ecosystem
The way forward is for all stakeholders in Mobile VAS to build and nurture an ecosystem. Indian TELCOs can open up their API just like Telefonica has done with their BlueVia developer platform. And TELCOs have built great capabilities in their backend system. Be it location information with cell tower triangulation, one of the widest payment infrastructure in the country, messaging and finally brands that people know well and trust. On top of this newer API services from 3rd parties can be offered like Automatic translation services, Verification services like Aadhar and Crowd sourcing.

These will then sprout numerous localized apps and services that are specific to India. Premium can be extracted when these are improved and offered for target segments.

Universal Computing Device
For millions of Indians, Mobile will be the only computing device in their lives. The over 500,000 Apps in Apple App store proves sky is the limit when it comes to what these apps can do. Your phone becomes Credit Card Processing Machine, Measuring Scale, Heartbeat monitor, Inventory management. India has one of the highest percentage of Diabetic patients in the world. A mobile app with a cheap plugin device can provide quality monitoring to millions of rural Indians who don't have access to such services otherwise. The way accounting is done in India and our tax laws seems to be different from rest of the world, which explains why Tally is the number one ERP in the country. There is a huge opportunity in bringing this kind of productivity tools available to millions of small businesses and freelancers in India. It has to be offered with innovative pricing model including rental and pay per use.

Education
The higher education coaching business alone in India is said to be between Rs. 10,000 to 20,000 Crore per year. Who are the Indians who are paying for this, it is everyone from a subsistence farmer to urban elite (may be skewed in terms of value). Just like many other Asian culture like South Koreans, Indians place a huge importance on a good education for their kids.

Again these Indians want the best in terms of education materials. They want to access Khan Academy, Harvard management lessons and English lessons from London. And they are willing to pay for it provided you give it to them in a package they want.

Kids Entertainment & Games
In a TAM Media Research survey it is estimated Chotta Bheem has a viewership of about 35 Million children in India. These are the audience who are born with buttons in their hand, mobile phones are used even before the toddlers can speak. Just like how merchandises around the popular Mobile game Angry Birds became a big phenomenon worldwide, there is big opportunity for spin-offs around local characters made in India. You can build branded Mobile Games, Exclusive episodes only on Mobile, Tickets to parties paid with m-payments & more.

Spirituality
A company in USA called RoadApp.com has launched a platform which Churches can use to build their mobile apps. India is the land of birth of 3 major living religions in the world. Most of Indians are religious and we highly respect our sadhus and mullahs. We are a culture that pays for priority darshan in our places of worship. So why not mobilize this huge demand. We can come with up with Apps and Services for access to religious discourses, question & answers, spiritual tours, ancient vedic wisdoms as videos and so on.

Conclusion
The entire Mobile Ecosystem in India is waking up to a new reality, to a decade which is different than the one before it in every way. I am sure they will step up to it and deliver what Aam Aadmi is aspiring for from them.