



What's next for Value Added Services? – A perspective

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Executive Summary

Today, Value Added Services (VAS) account for Rs. 5000 Cr. of the total VAS market in India and is projected to grow at the rate of 14% till 2010, according to Ovum. Although, the popularity of VAS is growing, the majority of the revenues today come from SMS and ring tones. Many service providers are successfully offering infotainment services such as astrology, stock quotes, m-commerce etc; however, the revenues from these services still account for less than 10% of overall VAS revenues.

The questions however are, what type of services will be important to the mobile users in the future? What services will users find valuable and will pay for? Infinishare believes that VAS market will grow to incorporate niche but high value services over mobiles. All users store content such as pictures, videos, music, documents etc on their PCs at home, however, today there is no easy way to access that content from mobile. Purplenova M2C provides this capability to the mobile users, thus providing complete freedom to the users on how, when and where to share their content.

With 3G spectrum allocations around the corner, services like video streaming will become reality and access from mobile to other devices will become faster and richer, thus providing further opportunities to the service providers.

The Mobile Value Added Services Marketplace

Data from a consulting firm Ovum, shows that in 2006, VAS contributed 15.7% of worldwide mobile operator revenues of \$671 billion. This grew to 16.2% of revenues of \$738 billion in 2007 and is projected to hit 18.5% of \$880 billion in 2010.

In India, VAS accounted for 13% of total operator revenues of \$13 billion in 2006 and grew to 13% of 19 billion in 2007 and is projected to hit 14% of total projected mobile operator revenues of 33 billion in 2010.

The distribution of these revenues among content providers, application developers and service providers varies from country to country. However, in most developed countries, the revenues are shared somewhat equally among all players with a few exceptions, while in countries like China and India, the majority of the revenues go to the service providers.

The Opportunity

The mobile phone today is not just a communication device but a useful business and entertainment platform. Users are downloading ring tones, wallpapers, as well as getting advertisements and streaming videos. Many youngsters are spending time on mobile games as well. Media companies like Reuters and Bloomberg are offering their business information through mobile phones. Some financial portals, such as Moneycontrol.com are providing personalized SMS market alerts on demand.

People are using many electronic devices than ever before. Digital cameras, camcorders, ipods have become extremely popular. People are traveling more and generating large amount of personalized content. The memories are captured using mobile phones, digital cameras, camcorders and more. In most cases, these images or videos are transferred to a PC at home. To share this content with friends and family, people upload this content to third party server, thus losing control over it. In many cases, Privacy and ownership of content, issues are ignored.

Typically, people want to capture memories and share them with their friends and relatives as quickly as possible. Sharing photos of a trip taken 6 months ago does not carry the same excitement. Today, more and more people are using their mobile phone as a camera, thus capturing vast number of images. However, there is no easy mechanism to transfer these images immediately to a PC, and making them available to the readers to see. In some cases, mobile users want to share pictures taken during their previous trip with a friend whom they are sitting with in a coffee shop.

These scenarios present huge opportunities to VAS providers.

Infinishare Technologies

Infinishare specializes in content convergence technologies, which is the ability to access content from disparate sources anytime, anywhere. We believe that access to content from any place, any time and from any internet-connected device will be a key component of the next generation value added services. Most of the high-value user content today is stored on people's PCs at home or offices. This includes office documents, presentations, spreadsheets, and also audio / video files. Mobiles are limited by the amount, and type of content they can hold, and therefore, most data shall continue to reside on people's PCs. Further, there are LAN-based applications that hold important corporate information that needs to be accessed from the road – particularly for SMEs.

Popular technologies such as VPN / remote access do not work well from mobile devices, they are inconvenient, because they require installation of a client on the mobile device itself. A technology that requires only a plain browser on the mobile and yet provides remote access to content on PCs, LAN applications is therefore a core value added service for a key segment of business users and consumers in the future.

We believe that an ability to access remote PC / LAN content using only a browser, an ability to search a file system on a remote PC and fetch files based on that search, and an ability to view a desktop (presentation) from a remote PC will provide significant value to the mobile users. In addition, an ability to access photos / videos / audio from a

remote PC, Ability to upload content directly to a remote PC, either via a standard browser or via any standard FTP agent will attract new set of users to the mobile platform.

Security, Performance and Ease-of-use

Most users are concerned about data security, performance and ease-of-use. The technology needs to be able to securely transfer the data. All data needs to be accessed over secure HTTPS protocol. None of the data should become available for public use. In addition, for users to like the service, performance of the service has to be better. At Infinishare we have taken extra efforts to make sure that performance is superior to that delivered by VPN or other tunneling based applications. Technology is designed for ease of use. The agent on the PC is a zero-configuration “install-n-run” agent. The viewer only needs a browser unlike VPN offerings that require a special software to be installed on the mobile

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