Among the world’s emerging economies, India is indeed a rising star, with an average annual growth rate above 7 percent since 1997. Despite the global financial crisis, the country still managed an annual gross domestic product of 6.5 percent in 2009. Businesses are keenly interested in India’s emerging middle class, which is estimated to number between 30 million and 300 million people. According to a Deutsche Bank report, middle-class consumption is expected to triple over the next 15 years.

It’s a literate population as well. Although Hindi and English are India’s official languages, there are 16 other major languages. The literacy rate is now 61 percent and continuing to climb. That’s brought about a dramatic increase in print readership. According to Foreign Policy, India’s newspaper industry is expanding so rapidly that it resembles the heyday of newspapers in the U.S. Reports vary as to the total number of newspapers now circulating in India. The Economist, however, citing the World Association of Newspapers as a source, reported in September that there are 2,700 paid dailies in India. That figure represents an increase of 44 percent since 2005, and makes India first in the world in paid-for newspapers.

But even with so many newspapers and other periodicals, India, like so many developing nations, is turning toward digital media. How thoroughly—and quickly—it embraces digital media depends largely on how successful efforts are to bring new technology not just to India’s cities, but also to the country’s rural areas.

A ringing endorsement

In India, 3G and mobile access to the Internet are opening up new opportunities for marketers

by Harjiv Singh

Raising mobile broadband penetration in developing nations such as India to levels commensurate with Western Europe could have enormous economic benefits.
For India, a mobile future
If one assumes that landline broadband is the only viable online distribution platform, then it would seem India has a long way to go. In March 2009, the Telecom Regulatory Authority of India (TRAI) reported that India's broadband penetration was just 4.7 percent. But the same TRAI report noted that India's mobile teledensity is nearly 30 percent.

India, and many other countries in the developing world, may very well bypass the landline route altogether, opting for the relatively inexpensive digital option of mobile broadband. By 2014, according to Ovum, a London-based firm that advises on the commercial impact of technology and market changes in telecoms, software and IT services, 40 percent of projected mobile broadband laptop users will be in the Asia/Pacific region. The large number of mobile users and the lack of availability of fixed lines will drive millions of people to seek out mobile Internet connections. Many of them, Ovum says, will rely on mobile handsets.

The Indian government has launched an ambitious effort to connect every local administrative body in more than 60,000 villages—encompassing nearly 65 percent of the total population—to a broadband network over the next three years. It also aims to increase phone usage in rural India fourfold in the next five years. This is possible only by providing the masses with access to networks capable of handling video and audio streaming and other types of data-intensive functions. The International Telecommunications Union has approved 3G, the third generation of mobile phone technology, as the new wireless broadband standard for facilitating online traffic.

According to McKinsey & Co., raising mobile broadband penetration in developing nations such as India to levels commensurate with Western Europe could have enormous economic benefits, potentially increasing the gross domestic about the author
Harjiv Singh is the co-founder and co-CEO of Gutenberg Communications in New York City. In the past five years, the company has expanded in the U.K. (London) and India (with offices in New Delhi, Mumbai, Bangalore and Hyderabad). Since 2008, Singh has been a guest host for Asian America, which is syndicated in the United States on PBS.
product by US$300 billion to US$420 billion, and creating more than 10 million jobs. The company noted that a 10 percent increase in broadband’s household penetration could boost a country’s GDP by 0.1 percent to 1.4 percent.

In June 2009, Gutenberg Communications was hired to raise awareness about the GSMA, which represents the interests of the worldwide mobile communications industry, and to promote mobile telephony as a way to help India achieve widespread broadband connectivity. Spanning 219 countries and territories, the GSMA unites more than 800 of the world’s mobile operators, as well as more than 200 companies in the broader mobile ecosystem.

GSMA spokespeople went on a media tour of three major cities—New Delhi, Mumbai and Bangalore—discussing High Speed Packet Access (HSPA) as the most cost-effective and time-efficient technology for bringing high-speed broadband access to both rural and urban communities where fixed-line infrastructure is sparse. Through a concerted media relations effort that included coverage in The Financial Times as well as such leading Indian business publications as The Economic Times, Mint and Hindu Business Line, the GSMA called on the government to expedite the release of 3G spectrum to operators, and highlighted the positive impact mobile broadband technologies would have across India. The GSMA also addressed the benefits of HSPA for operators, handset makers and original equipment manufacturers with stories in India’s leading trade publications, including CIOL, Express Computers, Voice and Data and Telecom Tiger.

This public relations campaign leveraged traditional media to spur government and industry officials to lay the groundwork for the media of tomorrow. In fact, its impact was tangible; in May 2010, the government held a 3G spectrum auction, allowing mobile operators including Bharti Airtel, Reliance Communications and Aircel to acquire spectrum and deploy mobile broadband across India.

Emerging channels

In July, the GSMA announced that the number of global mobile connections had surpassed 5 billion. Vikram Borar, a business analyst with OnioNxt, recently predicted that there will be 700 million wireless subscribers in India by 2015. As India’s 3G network expands, a growing percentage of those 700 million customers will be using their mobile devices for video and radio transmission, as well as other

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Kodak: Getting the picture about mobile marketing in India

In a case study reported in Mobile Marketer, Kodak worked with BuzzCity, a global mobile advertising network, to develop a monthlong mobile marketing campaign to drive traffic to its more than 100 Kodak Express outlets in India.

Kodak Express outlets are one-stop destinations for digital photo printing, products, accessories and customization services. Kodak, having built its fortune on film-based products and services, was eager to encourage consumers to print their digital images, especially given the rapid decline of traditional film developing.

BuzzCity CEO K.F. Lai told Mobile Marketer: “The mobile campaign was a sort of experiment—promoting Kodak to people with camera phones. The goals were to increase footfalls to the Kodak Express outlets in India and to consolidate user profile and behavior understanding from Kodak Express users.”

For the Kodak campaign, BuzzCity targeted a broad demographic—men and women aged 15 to 40—and developed mobile ads based not only on their interests but also on the capabilities of the users’ handsets. Focusing on a wide range of interest categories that included community, entertainment, lifestyle, news and search/portal, BuzzCity’s network displayed different types of text and banner ads.

To entice potential customers, the campaign also included a contest for a 2-gigabyte Apple iPod Nano or a 1-gigabyte memory card. To enter, users had to make 50 prints from their digital camera or camera phone at a Kodak Express outlet and provide profile information for a survey, including their name, mobile number and camera capacity. The campaign generated 11 million visits to the survey landing page, with a click-through rate of 1.7 percent. Kodak also obtained mobile numbers it could use for future SMS marketing, and was able to gather information about its customers’ camera specifications and functionality to better target them in the future.

—H.S.
data-intensive applications. These 3G-enabled mobile value-added services could prove to be potent moneymakers for media companies, as well as telecoms whose revenues from basic voice subscriptions are declining. The carriers expand their revenue streams as mobile customers who download data services pay for the downloads in addition to their basic voice charges. Carriers and media companies have already partnered (or are planning to partner) on a range of mobile services such as SMS messaging and premium content such as music, video, television and information services.

The music industry provides a good example. Sales of music in the form of downloadable songs and ringtones have made the mobile handset a viable distribution channel for music companies. Bharti Airtel, India’s top mobile operator, estimated that more than 200 million music downloads were completed through its Airtel connections in 2009. In its report *Indian Entertainment and Media Outlook*, PricewaterhouseCoopers noted that 30 percent to 35 percent of revenues derived from downloads would go to the music industry and the rest to Airtel.

The new 3G infrastructure will enable live streaming, thereby broadening the audience for music services. Thanks to devices with built-in FM receivers, PricewaterhouseCoopers also expects that mobile broadband will eventually become a primary radio medium. Radio Mirchi has already entered a partnership with Bharti Airtel, providing Airtel customers with low-cost monthly subscriptions to local radio stations. OnMobile, a leading provider of value-added services, is collaborating with 92.7 Big FM on BigMobileRadio, a new service that plans to offer mobile subscribers access to multilingual radio channels across India and in markets including Malaysia, Singapore, United Arab Emirates, Bangladesh, Sri Lanka and Indonesia. Literally completing the picture, UTV has launched a mobile music video channel; UTV@play will offer customers a wide selection of music videos.

PricewaterhouseCoopers said mobile value-added services accounted for 28 percent of Indian music revenues in 2009 and is expected to contribute 70 percent by 2014. Overall, the Indian music industry is expected to grow from Rs7.5 billion (US$160.6 million) in 2009 to Rs26.5 billion (US$567.4 million) in 2014.

3G-enabled mobile value-added services could prove to be potent moneymakers for media companies.

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Pinch, launched in India by the mobile marketing and advertising solutions company Affle, gives smartphone users enhanced messaging and location-sharing services—and gives companies a platform for staging promotional contests and driving store events.
special report: asia/pacific

3G will drive mobile initiatives

The addition of 3G will undoubtedly improve the ability of marketers to deliver more compelling advertising and promotional content to consumers. According to Media-Newsl ine, iVdopia, an online video advertising network, is planning to introduce an advanced version of its mobile advertising platform in India. Affle India, another mobile marketing and advertising solutions company, recently launched Pinch, an enhanced messaging platform designed to compete with SMS. Pinch helps people find friends via their e-mail address books and popular social networks such as Twitter and Facebook, and send them pictures, animations and information about their current location. In addition, Pinch enables smartphone users to send messages across platforms without incurring any messaging charges. With its enhanced messaging and social network characteristics, Pinch offers the type of platform that brands can use to stage promotional contests and drive store visits.

Another mobile initiative is Airtel Talkies, which Bharti Airtel launched in April 2010 to help promote films such as the popular My Name Is Khan. For a small additional fee (Rs30, or about US$.70, per month for four movies up to 30 days, or Rs10, or about US$.20, per week for one movie up to seven days), subscribers can access soundtracks, script excerpts, plot summaries and other film-related content even before new titles have reached local screens. In order to reach large audiences, Airtel Talkies offers content in five languages: Hindi, Tamil, Telugu, Kannada and Malayalam.

Shashi Arora, Bharti Airtel’s CEO for Upper North India, told The Hindu in April: “Bharti Airtel is committed towards enhancing the level and experience of customer engagement through their mobile phones. We are confident that Airtel Talkies, our latest initiative, will delight our customers and value-add to their experience.”

Enormous promise for marketers

India is a nation of enormous economic promise, but the government realizes that in order for the country to reach its full potential, it will have to work hand in hand with private industry to address all sorts of access requirements, including a modern transportation infrastructure and power grid, expanded water and sewage systems, and, of course, broadband networks. Businesses in developed countries will have to brush aside the assumption that in order to become an advanced digital society, India—and other emerging nations—must follow a similar technological path. The route to broadband need not be over landlines, and the road to the Internet isn’t necessarily through PCs and web browsers.

The arrival of 3G could very well be a game-changer for India, with profound growth implications for a wide range of industries, including marketing. There’s no one-size-fits-all strategy for messages in any one market, and there’s no single approach for building the digital infrastructure that will distribute those messages to audiences.