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Cover Story

Mobile Apps in India

*Is India Inc ready for the mobile application revolution? **Priya Jain** looks at the market scenario and ventures an opinion on the state of mobile apps in India.*

It's a small world. First it was PCs, then notebooks and now PDAs and mobile devices. Undoubtedly convenience creates demand and that is what has happened in the case of the mobile applications market in India. The need to extend the enterprise beyond the confines of the office as well as the requirement of any time, any place, anywhere access to applications and data seem to have been met.

IDC believes that this is a complex and, as yet, evolving ecosystem, with three stakeholders—content aggregators (contests2win.com etc), service providers and media channels (Airtel, Hutch, Reliance Communications, Star TV, Zee TV, NDTV etc) and content owners or copyright holders (HMV, SONY BMG, Reuters, Disney etc). It also believes that the reason for the growth of the mobile applications market in India can be directly linked to the huge growth in mobility in the country. As per IDC India, the total number of mobile phone users in India was estimated to be 76 million as of December 2005 and 138 million as of December 2006. This number is expected to touch 205 million by end 2007. (These estimates and forecasts include GSM and CDMA subscribers, but exclude WLL-F subscribers, Source: IDC India, 2007)



Kasturi Bhattacharjee, Sr Principal Consultant, PricewaterhouseCoopers believes that the drivers for this market in India are zooming mobile penetration, the existence of telecom networks supporting data usage and corporate adoption taking off. To add to this, the rapid migration to high-end smart phones, an increasing need for differentiated solutions and a unified view of corporate data and field data in real-time are also contributing to a growing market for mobile applications.

Market potential

Sumeet Gugnani, Business Group Head-Windows Mobile, Mobility and Embedded Devices, Microsoft, India is of the view, "India is moving closer to achieving a base of 250 million mobile users by 2007. Cutthroat competition in terms of technology (CDMA vs. GSM) as well as amongst other service providers has pushed the industry to innovate."

He adds that productivity applications that give enterprises a competitive edge to improve turnaround time and decision-making will be the drivers of mobile applications in India. Convergence and multimedia in the consumer space will also boost this market segment. In the enterprise space, productivity applications are expected to drive proliferation of next-generation mobile devices and applications. If global trends are considered, on the enterprise front, e-mail is one of the most widespread applications followed closely by SFA, dealer management and CRM.

The driving factors in the next one to two years will be increased availability, easy to integrate applications and competitive advantage. Among the trends that enterprises are increasingly seeing are that the Internet is emerging as the backbone for mobile applications. Rather than packing intelligence into smartphones, the trend will be to provide applications from centralised locations that will be accessed using a mobile device.

Balaji Jagannathan, Country Director, India and Subcontinent, Sybase says, "We provide back-end applications on PDAs that provide enterprise information in real time. In the Indian market, verticals such as insurance, pharmaceuticals and retail are early adopters of this technology. The need to access information for business decision making in real-time on the field



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is propelling this trend."

Sharing the pie



"At present enterprise mobile applications are an untapped market and we are expecting 100 percent growth in the next one year"

- Nilay Sharma
Director
Marketing,
Base

IDC recognised Sybase iAnywhere as a leading provider of mobile middleware worldwide. The report, worldwide mobile middleware 2006-2010 Forecast and 2005 vendor shares (IDC #204829, December 2006), measured iAnywhere's higher revenues and market share that placed the company ahead of competitors.

The worldwide market for mobile middleware software will grow from \$645.1 million in 2005 to \$1.5 billion in 2010 at a CAGR of 17.7 percent. IDC defines mobile middleware as a software platform that either extends the reach of existing IP or other mission-critical applications or offers the ability to develop new applications for mobile users leveraging a variety of wireless devices, including laptops, handhelds, interactive pagers, mobile phones, and other converged mobile devices. Mobile middleware may include the platform, front-end applications, and development tools as sold in a single offering.

Nilay Sharma, Director Marketing, Base discloses, "In India our target market share in the enterprise mobile applications market is 15 percent. At present it is an untapped market and we are expecting 100 percent growth in the next one year."

Gugnani adds, "We have the dominant share in mobile messaging market in India however there is no independent third party information to support this. Given the robust nature of our platform it is a good option for discerning consumers."

Mobile application products		
Sybase	Microsoft	Base Information Management Pvt Ltd
Sybase Mobile Solution offerings: Database Solutions Management and Security Mobile Enterprise Mobile Consumer Mobile Operator	Microsoft Windows Mobile 5.0 provides: Push mail messaging, Microsoft Office on the move, Multimedia functionality and cool form factor, Line of business applications.	Mobile computing applications with this information management can be customised depending on the business requirements of customers for sales force reporting, CRM, field service and dispatch applications and utility billing applications.

Trends and Reality

Bhattacharjee says, "Gone are the days where you depended on a content delivery service to cater to your ringtone and caller tune needs. Now, businesses are looking for cutting edge solutions that will take care of their needs and extend their business beyond office boundaries. If a solution on a handset is not integrated to a company's back-end transactional systems, it doesn't really serve its goals of any time, any place, anywhere access to applications and data and doing away with the 'wait until I'm back in the office' syndrome."

One can also see overall convergence happening in the telecom, media and enterprise business segments. Hard lines between technologies are being erased and hence you have IPTV and the Internet on your handset. To provide such a solution, it is imperative that the OEM (handset manufacturers), network service provider, application and software platform vendors come together.

Another trend that has been seen is that mobile applications vendors are tying up with short code vendors to provide complete end-to-end-solutions, such as the recent acquisition of Mobile 365 by Sybase. On the other hand there are companies such as Base who provide customised mobile application solutions without short code service. That said, the question remains whether Indian users have evolved to the stage where they will buy end-to-end solutions.

Sybase a provider of enterprise infrastructure and mobile software recently announced that it

has signed a definitive agreement to acquire Mobile 365, a company that's into mobile messaging and content delivery, in an all cash transaction. For its fiscal year ended March 31, 2006, Mobile 365 generated approximately \$90 million in revenue. Mobile 365 delivers mobile data and messaging, premium content, and value-added services for mobile operators, content providers, global brands, media companies, and financial institutions worldwide. The company's core products and services include mobile interoperability messaging, including SMS, WAP, MMS, and instant messaging.

Jagannathan says, "Adoption of this technology is based upon what companies require now. The mobile applications being adopted now are e-mail, SFA, e-ticketing, SCM etc."

Nilay Sharma, Director Marketing, Base Information Management Pvt Ltd, feels, "Short codes are a requirement for mass media primarily for companies operating in the public domain. It is not something which companies will look at for their internal use. Companies need mobile applications specifically architected to meet their internal workforce's information requirements through the synchronisation of their mobile applications their office systems."

Sharma feels that the use of end-to-end mobile application by enterprises is a dream. Mobile phones have certain limitations vis-a-vis usage—data entry cannot be done on the mobile; not extensively at least. Mobile applications are seen as an extension to the office environment for the mobile workforce or decision-makers. The idea here is, not to replicate the entire desktop enterprise application but only the part of it that is required 'on the move'. Also the information available on a mobile is not as detailed as it is on the desktop for here it is customised based on necessity.

Base offers a GSM model where the SMS server is connected to the GSM modem and a GPRS model. Sharma feels, "None of our customers require short code service, it does not add any additional value to the product. The adoption of mobile applications has already reached its first phase, organisations have already started using mobile applications in the field and decision makers are connected to their enterprise workflow."

Gugnani also feels, "From what we have seen so far in the market, customers have a customised approach to mobility. This is because enterprises are at different stages of IT adoption. Our applications work across verticals. What clinches the deal is that whether an enterprise is looking to reduce costs or turnaround time, we customise our offering to their requirements. As markets mature, enterprises will be more willing to accept the concept of one size fits all."

Speed bumps on the road

Even though the package looks quite impressive, there is something that is stopping this market from growing in India. Jagannathan feels, "Some of the challenges faced by this industry are lack of awareness of the mobile applications that are available, most people are only aware of e-mail applications, also the applications available are few and management on a large scale is an issue. People are also not comfortable in giving access to crucial company information on handhelds. Cost is another major issue, as considerable investment is involved in purchasing PDAs and deploying mobile application software.

Sharma adds that though ERP solutions and PDAs are becoming cheaper they have not yet been adopted on a large scale in India without which the ambition of tapping this market completely will not be successful.

Gugnani is optimistic. "The main hurdle faced by the industry has been the cost of the device but this has been coming down and with a Windows Mobile device being offered for Rs 15,000 plus, the challenge is being met effectively."

Bhattacharjee adds, "Wireless networks are facing a crunch in bandwidth and there are questions regarding the reliability of wireless data networks. The penetration of hackers into the wireless space is making security an issue in developing such mobile solutions. The lack of business models is another issue."

To conclude with a short code the situation is PBS i.e. the market in India is Progressive But Slow and the dream of end-to-end mobile solutions being well-received is still to come true.