

ANNUAL REPORT **2010-11**





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CHAIRMAN'S MESSAGE

Dear members,

As I demit office after completing two years as the Chairman, I am happy to report that in the last two years, we have made significant progress in our objective of expanding the scope and scale of IMAI to promote the digital economy in India. Specifically we aimed to expand beyond the traditional core of IMAI in market research to include public sector advocacy and market education at scale. I look forward to the future leadership taking this good work forward.

Advocacy

The most visible changes have occurred in our public policy and advocacy work. Now is the time as the industry scales to broad-based relevance that we ensure that the policies, regulations and laws of the country support its smooth progression across all of India. We have for the first time very aggressively and proactively stretched ourselves to take up a wide range of issues this year. In the case of the Unsolicited Commercial calls, we have been able to convince the Regulator to bring out a regulation that will address the issue in a balanced manner without hurting the SMS business. On the pending Copy Right Bill, we are the only association that was deposed on behalf of the digital industry to the parliamentary standing committee.

We have also been active in proposed legislations on Privacy, Unique Identification and Electronic Service Delivery by government. We can also take some credit for critical policy documents such as the National Broadband

Plan proposed by the TRAI and the discussions and debates the paper generated. In this context I am happy to share with you that IMAI's study on rural internet penetration, in addition to generating media interest, was also quoted in Parliament as an authoritative document on the poor state of internet infrastructure in rural areas and the value of rectifying this situation.

Some of the other long-term policy issues for which we started working closely with the government are promotion of IPv6, local language content, W3C among other issues. Based on our advocacy and its own earlier commitments, TRAI is soon going to come up with a consultation paper on the ways and means of growing mobile value added services. By the time you read this report, we hope that the consultation paper would be in the public



domain. Another critical area that came up for active discussion this year was the encryption policy in which IMAI has been actively involved as representatives of the content and services industry and has submitted a nuanced feedback on the technological and legal barriers to the proposed policy. This is an area where IMAI and its members will be involved for quite some time to come and have to tread the narrow path between business interests and national security concerns.

In addition to engagement on critical policy issues, IMAI has also worked hard to drive thought leadership. You would recall that in order to push for proactive policy reforms in four critical areas of our industry we had planned to work on four strategic reports: a) impact of internet on economy, b) growth roadmap for mobile value added services, c) moving from cash to cashless economy and d) roadmap for the growth of digital commerce. At the time of writing this report these reports are in various stages of completion. We hope that the reports and their recommendations would be published by May this year



and influence positively the way key influencers view creating policy in these areas.

Business Development

We continued our good work on the business development front; our segment-specific roundtables went very well this year. In addition to the internet marketing roundtables, we have diversified into mobile market and paid content, ecommerce and online travel. One of the noteworthy activities in this area has been the creation of an Applications Developers' community in partnership with the Telecom Centres of Excellence, and the organisation of workshops with apps developers across the country. With mobile applications growing as the differentiating factor changing the business matrix, we at IMAI believe that such a platform will promote and bring in innovation in the mobile applications field.

A mentoring structure has been established to provide a platform to the developers to interact with the who's who in the field of application development.

Market Education

The past year also saw a plethora of events on a range of subjects pertaining to the digital and mobile value added services. I am very happy and elated to share with you all these events were well attended. The conferences saw the coming together of eminent personalities representing the government and corporate world alike. We plan to continue this market education endeavour in the upcoming year and believe that these conferences and seminars provide the perfect platform to all the stakeholders to discuss and deliberate the various trends, opportunities and challenges of the digital industry at large. For the first time this year, in order to award excellence in various fields of the digital industry, we started in a modest way the India Digital Awards. I hope, this will rapidly scale up in the coming years.

The Safe Surfing campaign among school children that we started two years back enthusiastically covered new grounds this year. At the time of writing, we are planning to launch a special campaign among all schools in Gurgaon. We have bigger plans for this campaign as it is our firm belief that educating more and more people on the right way to use the internet technology will go a long way in ensuring that more adopt it. As an important corollary

to the Safe Surfing campaign, we have successfully started training police officers in prevention and detection of cyber crimes. There were several rounds of training at the Moradabad Police Academy and with Agra and Gurgaon Police.

Digital Marketing courses among students and executives ran successfully with our partners this year. 200 executives and students were trained and certified by us and our partners this year. The highlight the year was the introduction of social media courses.

Last year we launched the print version of Thinking Aloud! The readership of the magazine has been growing steadily. Two features we introduced this year were a) to include more articles around regulatory issues and b) expand the readership base to include policy makers and Members of Parliament.

Market Research

Let me deal briefly with two other types of research. For the last five years we have taken up a leadership position in market research. This year, as expected, our market research on online commerce, online advertisement, vernacular content, internet for rural India and mobile value added services, continued to set the standard and were accepted widely by the market. This year we have widened the scope of our research and dabbled in "Knowledge Reports" as a new line of research. As part of this initiative, we published a) Free for SMEs, b) Broadband Policy in India: The Way Forward, c) Online Classifieds in India: The Next Level?, d) Mobile Money Transfer: Is India Missing Out? e) Livelihood Opportunities in the Post-Internet Era, f) Role of Government in Promoting Growth of Internet, g) Use of Internet in Rural India, h) Internet as Media: A Worthy Challenger and i) Internet for Efficient Governance. These documents aimed to understand and assess the best practices across the globe and apply the findings to India where relevant.

The past year has been eventful. We have big plans and hope the upcoming year would be bigger and better in terms of the work we do. I would like to take this opportunity to thank the IMAI staff for their un-ending support to me and the Governing Council during our tenure. I wish the new team of the IMAI Governing Council success.

Good luck and have a great year!

Shailesh Rao



VICE CHAIRMAN'S MESSAGE

The past year has been very positive for the digital and mobile industries. Significant developments, both from the industry and regulatory sides have ensured that the sector enjoys sustained growth. Technological advances and advent of newer areas of businesses have put the Indian digital industry on a fast and sustainable track. And the statistics are here to prove this. For starters, number of internet users has grown significantly. The numbers have been extremely positive as far as Internet penetration is concerned. For a country that has been battling a low rate of broadband penetration, the latest figures from the annual study conducted by IMAI and IMRB spells hope. The number of internet users shot up from 42 million in 2008 to 52 million, registering a 19 per cent growth. The rise in internet usage numbers also drew attention to a need for more incentives and regulatory measures that will drive up the numbers more.

A more heartening and significant numbers were on rural internet penetration. The number of rural internet users rose from 3.3 million in 2008 to 5.4 million in 2010. Though the numbers have risen, the level of awareness is still a matter of concern. The high percentage of those in the rural areas who are unaware of internet gives the industry the scope to chalk out ways to come together with the government and spread awareness about the benefits of the technology.

In sync with the growing number of users, most other fundamentals of the industry has grown: more funds, more revenues, more customers has been a common story across all major segments of the industry. Taking advantage of these factors, digital commerce is one segment that seems to have come of age this year. With many of the concerns that have plagued the industry being ironed out, especially around online payments, there has been a plethora of e-commerce businesses that have sprung up. It seems that traditional marketplace is being gradually replaced by the virtual e-marketplace. E-commerce is creating new opportunities for business and ensuring development and growth at nominal costs.

The regulatory front seems to have been finally geared to supporting the digital industry in a big way this year. While much of the positive work has just about started, mention must be made of some critical regulations and policies such as the National Broadband Plan, Aadhar, Electronic Delivery of Services Bill, Copy Right Act and finally the formation of Rules of Sections 79 and 43 of the IT Act, etc. are some path-breaking regulations that were initiated this year.



The UIDAI Act deserves special mention. The entire process is aimed at tackling issues of multiple identities and plug leakages, thus addressing one of the most critical challenges that the online industry has been grappling with for many years now. The KYC done for the issuance of the unique identity will bring about financial inclusion that has been eluding us for a long time. This, in turn, will guarantee that sectors like digital commerce and digital payments to flourish.

Another step the digital industry in India is expectantly waiting for is the announcement of the "100 days Action Plan" and especially the New Telecom Policy that will set the future direction for on various issues such as broadband, MNP, 3G Mobile and Data Services, Wireless Broadband, 2G Spectrum allocation etc. The Chairman's message gives details of our intervention and participation in setting the direction of most of the regulations.

I think with the confluence of secular market growth and progressive regulations, the digital industry is likely to witness unforeseen growth in the next two years. However, in order to be a part of that growth we have to innovate, work harder and continue to be relevant to our users.

Finally, I would like to thank our chairman Shailesh and members of the governing council for their commitment and time. I also extend my heartiest congratulations to Subho and the IMAI staff for their persistent efforts.

Good luck for the year ahead!

Ambareesh Murty



PUBLIC POLICY

In the last two years, effective public policy has developed into the most important work area of the association. Given the disparate nature of the internet and mobile value added services industry, the issues that the association has been asked to take up from time to time has varied widely.

Three aspects about the public policy related work of the association need to be specifically mentioned here: a) the association is now able to be involved in most of the policy work right from the very beginning, b) it is being increasingly being "allotted a seat at the table" on matters that relate to the digital industry and c) the association is now proactively working on bringing about policy change in several areas. This year has been crucial both in the depth and range of our public policy work. Some of the key issues we worked on are listed below.

IT Act Guidelines of Sections 79 and 43: as most of our members would be aware, the association has been active in the IT Act 2008 right from its inception. Of special interest to our members have been sections 65, 79 and 43. The much awaited draft guidelines or tertiary legislation on sections 79 and 43 were finally published by the Department of Information Technology in February 2011 paving the way to the final implementation of the new IT Act. IAMA has been especially active in the formulation of section 79 of the Act has subsequently asked to provide industry feedback to the guidelines. Following the usual consultative process, the feedback to the guidelines of sections 79 and 43 has been shared with CERT.in March 2011. With this, its cur-

rents on the last 5 years efforts at "changing the IT Act" and bringing in some notion of "safe harbour" into it.

TRAI Consultation Paper on Broadband: Penetration of broadband and the consequent creation of an e-infrastructure have been of utmost importance to the members of the association. Beginning of this year saw an increasing government interest in active promotion of broadband in the smaller towns and rural areas. Towards this a special mention must be made of the TRAI Consultation Paper on the subject. The paper published in [give date] set the tone and tenor for the subsequent discussions and debates around ways and means of reaching broadband to rural areas. IAMA was one of the important groups to be consulted for preparation of the paper.

In fact, several of IAMA's market research papers and in progress IAMA research paper on the impact of internet on the national economy has been extensively quotes to justify the recommendations of TRAI on broadband. IAMA was also one of the very few associations/interest groups which supported the TRAI paper through the various open house discussions.

While the paper has been criticised from many angles, there seem to be a broad consensus on the importance of broadband for socio-economic development and the active role of the government in providing adequate infrastructure. Expect some important announcements by the government on the issue by end April/May 2011.

National Telecom Policy 2011: The National Telecom

Mobile booking for travel tickets gains speed

SHIVANI SHINDE
Mumbai

With affordable internet services, decline in handset prices, more thrust from service providers and convenience of mobile usage, an increasing number of people have begun to plan their travel through mobile phones.

Indian Railway Catering and Tourism Corporation (IRCTC), the country's leading online-ticketing platform, has seen a jump of 60 per cent in mobile ticket booking between January and October.

"The actual increase has been seen from March-April. I think, one of the key reasons for this increase has been awareness and the ease of use," says Sunil Kumar, deputy general manager (portal), IRCTC.

McCommerce is still a small component of mobile value-added services (VAS) in India. According to 'Mobile VAS in India: 2010' of the Internet and Mobile Association of India (IAMA), it is estimated that all mCommerce services, like mobile ticketing, mobile coupons, etc, contribute four per cent to mobile VAS revenues. If one takes into account the number of movie ticket booking through phones, mobile ticketing will be an area to watch out for.

Thirty-year-old Sangeeta Pillai got her first brush with mobile ticket booking by chance, but she now prefers to book her airline tickets through mobile phones. She says: "We were in one of the remote areas of Goa and a friend had to rush back to Mumbai. The only way to ac-



cess a travel portal was through handsets. We were a bit apprehensive, but, to my surprise, the process was very smooth and we took a print out of the tickets on reaching the hotel." Realising the potential, most all the travel portals have

launched their mobile applications for bookings. "From our experience, people access mobile application more on weekends. This mode is preferred for last-minute travel. On an average, five per cent of the last-minute business

trips are planned online. But, this incidence is as high as 22 per cent through mobile phones," says Noel Swain, executive vice-president (supplier relations), Cleartrip.

Cleartrip has seen mobile bookings go up during the festival season. "We launched this product on the basis of feedback from users. Since October 2, we have seen a surge in bookings via mobile phones," he adds. He also believes that ease of mobile usage is the key for the success of this platform.

Amit Somani of MakeMyTrip (MMT) agrees: "The overall number is still small — around five per cent of our total domestic bookings. Conversions to mobile bookings are improving. With cheaper smartphones, better utility on mobile sites, bigger screen

sizes and increased security of mobile transactions, the conversion rate should go up significantly in the next couple of years." MakeMyTrip has seen a rise of 20 per cent in mobile bookings during the festive season.

MMT uses mobile as a platform not just for air ticket bookings but also for a host of other customer-support features like cancellation of tickets, tracking refund on cancelled tickets and so on.

Meanwhile, Yatra.com is taking its mobile platform accessibility a step ahead by integrating its application into Sony Ericsson mobile phones. "Using mobile phone for ticket booking is a very urban phenomenon and restricted to smartphone users," Dhruv Shringi, co-founder and CEO, Yatra Online, explains.



Policy, the framework within which the telecom revolution in the country has taken place in the last decade is 12 years old. Following an announcement by the government, the various stakeholders have been consulted for the new Telecom Policy which is likely to be announced by April 2011.

The new Telecom Policy is of significance to our industry in two important ways: a) if the focus of the policy shifts from promoting data and services, as against voice which was the focus of the previous Policy, our industry stands to gain and

b) it is likely that the new Telecom Policy will also include major policy and directional statements on broadband penetration, an issue directly impacting our industry. It may be recalled, that earlier the two policies were announced separately.

Keeping in mind the priorities of our industry, IMAI submission and suggestions on the proposed New Telecom Policy has focused on the single issue of prioritising data and services on mobile. We have, therefore, argued for the centrality of mobile value added services, m-governance services etc. in our submission to the government.

ट्राई वैस पर जल्द लाएगा परामर्श पत्र

दिल्ली (कास)। टेलीकॉम नियामक जल्द ही वैस एडीड सर्विस (वैस) लिए परामर्श पत्र ला सकता है। वैस अंतर्गत उपभोक्ताओं को मोबाइल प्रदाताओं द्वारा कॉल टयून, बैंक टोन और एमएमएस समेत कई ऐप्लिकेशन सुविधाएं उपलब्ध कराईं हैं। ट्राई के चेयरमैन जे. एस. सरमा आईएमएआई द्वारा आयोजित डेवा डिजिटल मीडिया सम्मेलन के (न कहा कि हम अगले कुछ दिनों में 3 पर परामर्श पत्र जारी करने वाले हैं। लेकिन, सरमा ने परामर्श पत्र में शामिल शर्तों को विस्तार से नहीं बताया। इस परामर्श पत्र में मुख्य रूप से टेलीकॉम ऐप्लिकेशन प्रदाताओं के बीच रोबार हिस्सेदारी को शामिल किया गया।

गौरतलब है कि, वैस ऑपरेटरों की रु से शिकायत रही है कि वह रिगबैंक न, एमएमएस आदि विभिन्न प्रकार की

राष्ट्रीय ब्रॉडबैंड योजना जल्द होगी शुरू

सेवाएं मोबाइल कंपनियों को मुहैया कराती हैं, लेकिन इसके बदले में उन्हें काफी पैसे मिलते हैं। इसके अलावा देश में ब्रॉडबैंक विकास पर सरमा ने कहा कि ट्राई जल्द ही राष्ट्रीय ब्रॉडबैंक योजना (एमबीपी) के लिए सिफारिशें जारी करेगा। सरमा ने बताया कि 2012 तक सभी ग्राम पंचायत और 2013 तक 500 लोगों से ज्यादा की जनसंख्या वाले सभी गांवों में ब्रॉडबैंक को फैलाने की सिफारिश है। सरमा ने यह भी कहा कि मुझे लगता है कि हमें 2014 तक 10 करोड़ ब्रॉडबैंड उपभोक्ताओं का लक्ष्य बनाना चाहिए। जबकि वायरलेस मोबाइल ब्रॉडबैंक उपभोक्ताओं की संख्या 5 करोड़ को पार कर जाएगी।

Copyright (amendment) Bill 2010: While the association and member companies welcomed the overall content of the Copyright Amendment Bill as being a positive proposal put forward by the government, which would help develop Indian copyright law in a manner so as to balance the interest of all stakeholders while promoting innovation and the interest of the general public, concerns were expressed regarding certain provisions of the Copyright Amendment Bill, which effected the digital industry. Members felt it was necessary to have certain matters addressed in the recommendations that the Standing Committee makes in its final report.

Particularly 1) Putting in provisions regarding intermediary liability in line with international practices; 2) International safe harbour provisions; 3) Concern about method to address copyright enforcement

IMAI was called for and appeared before the Parliamentary Standing Committee. The key arguments made in front of the committee were based on the feedback received from our members. Given the confidential nature of these hearings our submission cannot be made public. However, we are positive that some of our critical suggestions will be included in the final version of the Bill.

Electronic Services Delivery Bill 2011: The draft of this progressive bill was published by the government in the January 2011. Bill, inter alia, creates a legal framework for mandating e- and m-governance services and proposes an administrative structure to oversee the implementation of the provisions of the Bill. IMAI in its submission has suggested that the ambit of the bill be expanded to include terms and conditions of private sector services that can be delivered through the common service centres.

It has also recommended that the terms and condition of service between government, carriers and vendors for m-governance be defined by law.

National Identification Authority Bill: Issuance of unique identity number under the Aadhaar scheme will have far reaching benefits to Indian citizens and redefine many key processes and solve many prickly problems where the Digital and E-commerce industry is concerned. To understand the full impact of unique identifications and its workings, IMAI had organised presentation and discussion with a representative of the Unique Identification Authority of India in Mumbai and Delhi. The National Identification Authority Bill supporting this initiative basically sets out the legal framework of collecting, storing and using the numbers and also provisions for punishments in case the database is violated. Given the overall positive impact of the initiative, IMAI was very supportive of the Bill.

However, concerns were expressed over a) centralised storage that the Authority has proposed and b) absence of redressal for the citizen in case of violation of personal data.

IVR Guidelines: Reserve Bank of India had released IVR guidelines in December 2010. The guidelines was a step to introduce a second factor authentication system in case of "cards not present" transaction such as has been present since last year for all online transactions. However, the guideline very appropriately indicated that "mail order telephone order transactions may be exempt from the purview of additional factor registration".

IMAI members were of the view that given the nature of mail order purchase, such transactions should continue to be kept out of the second factor authentication in line of hotel and other similar transactions.

Review of Net banking Processes: Over the years, the Reserve Bank of India has taken some critical steps that have encouraged online payments in the country. More recently, the system of second factor authentication for IVR and online transaction arguably has brought about much needed consumer trust in online transactions. However,

with the booming of digital commerce, the scalability and efficiency of the current processes followed by many banks in handling online payments have been found to be lacking in many aspects. IMAI through a detailed presentation has brought some of these gaps to the attention of the Bank with the hope that some of the issues will be taken up for resolution soon.

DAVP Recognition: Members would recall our numerous interactions with the Directorate General of Audio Visual Publicity on the issue of empanelling internet publishers and SMS aggregators. We are happy to report that finally this year, DAVP has called for empanelment of SMS aggregators. What is more, two of the basic qualifications required for empanelment are registration with TRAI as telemarketers and affiliation with IMAI! Regrettably, however, it will be sometime before the internet publishers are similarly empanelled.

TRAI New UCC Rules: This is an issue that has engaged us for the better part of the year. At stake were the large businesses of so called "aggregators" on one hand; and on the other, current businesses of several of our leading members. The genesis of the issue lay in TRAI's announcing its plans to come out with a new set of rules to curb

Mobile VAS firms find new platform to raise money

Start-ups open up their platforms to others who want to develop applications, take a cut from their revenue

By SHRADHA NAIK
shradha.naik@economist.com

Funding was a problem for Lali Bhise when he was launching Mobio

"We figured out rather early that VCs won't be interested to invest in us, so we decided to bootstrap," he says. Mobio has helped nearly 30 start-ups since February 2010. It didn't disclose the cut it earned. Though, usually, Bhise's fund-raising technique is not unique. With VC interest declining in the sector, some more VAS platform developers have started opting for this route.

VC deals in the segment de-

veloped an application called X-blocks that helps mobile users duck, divert or drop unwanted calls.

Value-added services range from text to voice-based

While start-ups typically develop their applications for a particular type of handset, using a mobile platform also makes their applications compatible with other types.

Voice and SMS-based VAS firms have been more successful in attracting VC investment than mobile web and mobile

There is still some sense of scepticism and so the pace of investment has slowed down," says Kamaldeep Singh, managing director, Helion Venture Partners.

Harish Gandhi, executive partner at the VC firm Canyon Partners, says the value proposition of the mobile being taken

India's mobile VAS industry is estimated to be worth \$1,500 crore, growing from \$1,350 crore in less than five years, according to a July 2010 report by the Internet and Mobile Association of India.

The report says mobile applications are not big thing in VAS space—yet already witnessing a large push from the supply side.

But Gandhi says a question facing such firms is whether they will stop at developing a

जरा संभल कर... टेलीमार्केटिंग कंपनियां हर माह बेच रही हैं 3 लाख क्रेडिट कार्ड

टेलीमार्केटिंग कंपनियों के कॉल में ब्रेक

आशुतोष वर्मा

'सर मैं फला बैंक या कंपनी से बात रहा हूँ, क्या आपसे दो मिनट बात हो सकती है, हमारे पास आपके लिए बहुत अच्छी स्कीम है। ऐसी कॉल आप दिन में दस बार सुनते और परेशान होते होंगे। लेकिन अब और नहीं। दूरसंचार नियामक ट्राई ने इन टेलीमार्केटिंग कंपनियों को लगभग कस दी है। लेकिन अभी भी ग्राहकों के मन में कई सवाल हैं। जैसे जिन ग्राहकों ने पहले से ही 'डू नॉट कॉल रजिस्ट्री' बना रखी है उनका क्या होगा? क्या उन्हें सर फिले से ऐसा करार होगा?...



- 9.2 करोड़ नंबर 'डू नॉट कॉल रजिस्ट्री' में शामिल
- एक साल में करीब 10 अरब कॉल करती हैं कंपनियां

वाइस प्रेसिडेंट मेहुल गुप्ता ने कहा कि इन दिशानिर्देशों से गैर पंजीकृत टेलीमार्केटिंग कंपनियों को नुकसान कसी जाएगा, क्योंकि इनकी खजह से पंजीकृत टेलीमार्केटिंग कंपनियों को नुकसान हो रहा था। करीब 9.2 करोड़ लोगों ने 'डू नॉट कॉल रजिस्ट्री' बना रखी है। मेहुल ने बताया कि पहले से पंजीकृत ग्राहक अपने आप 'फुली ब्लॉकड' श्रेणी में आ जाएंगे। यदि उन्हें किसी मिनिंग, मेरी जैसे विवरण मिलता रहेगा...

कंपनियों के कारोबार पर असर तो पड़ेगा, लेकिन कितना यह कहना मुश्किल है।' सौरभ ने कहा, 'कोई भी व्यक्ति जानकारी तब ही हासिल करना चाहता है जब उसे उसकी जरूरत हो। यदि उसे नीमा पॉलिसी या क्रेडिट कार्ड चाहिए तो ही वह उसकी जानकारी हासिल करेगा। लेकिन टेलीमार्केटिंग कंपनियों लोगों में ऐसी जरूरत को पैदा कर अपना कारोबार करती हैं।'

टेलीमार्केटिंग कंपनियों का कितना है कारोबार
टेलीमार्केटिंग का सबसे ज्यादा इस्तेमाल करने वालों में कई निजी बैंक शामिल हैं। इनमें आईसीआईसीआई बैंक, एचडीएफसी बैंक, एचएसबीसी और एक्सप्रेसबीसी प्रमुख हैं। एक बैंक अधिकारी ने बताया कि टेलीमार्केटिंग करीब 1.5-2 करोड़ लोगों...

Trai proposes revamp of broadband network

By SHRADHA GHOSH
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जयपुर

The Telecom Regulatory Authority of India (Trai) on Wednesday proposed a revamp of the country's broadband infrastructure that would cost at least \$60,000 crore.

The telecom regulator, in its recommendations on a national broadband plan submitted to the department of telecommunications, has suggested that a national optical fibre network be established.

The network is envisaged to connect all habitations with a population of more than 500, and its roll-out would be in two phases. The first phase will connect all cities, urban areas and village councils by 2012, while the second phase would extend it to the remaining parts of the country.

For every 10% increase in the number of broadband users, the per capita gross domestic product (GDP) grows by approximately 1.58%, Trai said. The regulator has suggested that a 100% Centrally owned national optical fibre agency (Nofa) be set up as a holding company for the network.

Besides being a holding

company, Nofa will also establish the networks in all 63 cities covered under the Jawahar Lal Nehru Urban Renewal Mission," it said.

The government needs to ensure that the setting up of an additional body to oversee the plan's implementation does not get mired in procedural issues and takes place as soon as possible, said Subho Ray, president, Internet and Mobile Association of India.

Trai has also suggested that a part of the responsibility to establish the network be given to the states. The regulator estimates that, when fully operational, the national and state-level networks would earn an annual revenue of \$28,000 crore.

The national broadband plan envisages a 650% jump in broadband connections within two years to 75 million (including 38 million wireless) by 2012 and 160 million (including 92 million wireless) by 2014. There are currently an estimated 16.3 million broadband users in the country. Last week, in an interview to Mint, DOT secretary R. Chandrasekhar said the government would raise its target of 23 million broadband connections by 2012.

what it described as unsolicited commercial calls. TRAI was acting under express advice from the judiciary as well as under pressure from so called consumer groups. Initially it looked as though TRAI would bring about a "Do Call Registry" to replace the National Do Not Call Registry that had been in place since the last two years.

However, TRAI was also clear that it would not come out with a policy that would put a stop to legitimate businesses. It was therefore, suggested to IMAI to present a solution that would allow legitimate businesses to continue while at the same time address the legitimate concerns over the menace of unsolicited calls. What followed was protracted and complicated discussion lasting a couple of months and a set of Rules that hinged on strengthening the current system of "Do Not Call". It was clear to our aggregator members that a painful process reengineering would be required to comply with the new Rules, but at the end of the day compliance would bring in its own rewards.

However, soon it was clear that the implementation of the current guidelines presented a new set of challenges for our member companies who while not being aggrega-

tors extensively used SMS and tele-calling to provide various legitimate customer services. At the time of writing this report the new Rules were not yet implemented while the aggregators seem to be more or less ready to comply with them. The association working on finding an acceptable solution to the problems of 'legitimate' customer service calls that seem to have slipped out of the purview of the new rules.

Other Public Policy Engagements:

IPv6- application and support Group: The IPv6 Applications support groups have been created by DoT and TEC to enable transition from IPv4 to IPv6 across various verticals. IMAI is part of the "Application Support Group" and "Training and Awareness group".

W3C- Promoting the Multi-language usage for Mobile and Internet: W3C is a Government of India initiative with the Department of Information Technology. As part of its efforts to ensure that core Web standards meet global needs, this dept has been created to promote W3C standards all over India in all twenty-two constitutionally recognized Indian languages.

Portability to make 3G complicated: IMAI

Shaoli Chakrabarty

Kolkata: Indian telecom circles have been abuzz with the hoopla surrounding competitive 3G bidding and spectrum allocation for sometime now. But do not expect the moon from 3G, now or ever. So warns the Internet and Mobile Association of India (IMAI).

Speaking to The Bengal Post, IMAI president, Subho Ray said, "Most operators will use 3G to shore up the quality and quantity of voice calls. And the killer application on 3G might be something as silly as a video call, which BSNL has already started." But the use of internet however, on the mobile is expected to go up rapidly after the introduction of 3G services.

Many of these services, because of their superior user experience, will be at a premium. However, not for long. "These services will probably start as premium and soon become a commodity as voice has become today. So companies would constantly think of starting new services and innovate in order to be able to charge a premium from customers," said Ray.

"One must remember that mobile number portability is coming soon. This will make the 3G saga even more complicated," he added. Which means, if one operator sells broadband at premium and voice at a lower cost while another does just the opposite, a customer wanting an internet access more than a voice call, will switch operators, Ray explained.

So how far is 4G? According to Ray, 4G involves the use of broadband wireless

spectrum for which has not been allocated yet. "But Infotel (Reliance Inds) and Qualcomm are the two main players in the arena. Voice capable handsets on either of these two technologies are expensive and will be out of Indian users' reach. I think they will be basically used for data, including broadband internet," Ray said.

On the Blackberry issue, which had brought the handset maker at loggerheads with the Indian home ministry, Ray said, "We have not taken any stand on it yet. However, we believe there are very strongly set rules for wire-tapping and monitoring, both under the IT Act and the Telegraph Act and also the conditions under which monitoring/surveillance can be mounted. Both the government and service providers should follow these."

With prospects of mobile value added services (MVAS) on the rise in rural India, IMAI feels that voice-based and video-based value added services would be working well, and therefore high bandwidth based services will work thanks to the widespread illiteracy.

As per TRAI releases, the annual revenue earned by the wireless industry was 1,07,110 crores in FY 2009-2010. But aggregated MVAS proportion in the last financial year is a little high at 14 per cent and network operators reported lower annual MVAS contribution towards revenue. For instance, MVAS revenue for Idea cellular was 12.4 per cent for the Q4 in FY09-10. For Reliance, contribution was a little over 10 per cent for their GSM services. Bharti Airtel's contribution



Trai consultation paper soon

Trai will soon float a consultation paper on value-added services including caller tunes, ring back tones and MMS.

TRAI TO FLOAT PAPER ON VAS

The Telecom Regulatory Authority of India (Trai) will soon issue a consultation paper on value added services (VAS) that include caller tunes, ringback tones and MMS. "We will bring out a consultation paper on VAS in next few days. We will see how to bring VAS into the active mainstream," Trai Chairman J S Sarma told reporters on the sidelines of an event in New Delhi.

BS REPORTER

BUSINESS ECOLOGY DEVELOPMENT

Business Ecology development work of IAMAI started two years back aims to facilitate conversations between various stakeholders of specific business segments of our industry. One of its aims was also to promote though close interaction upcoming and new segments of of industry. Our experience has been that these interactions directly add to the expansion of business of our members. Some of the initiatives that were undertaken this year by us are listed here.

1) Industry Interactions

Roundtables and workshops are a very effective way to bring all stakeholders under one roof and discuss the prospects and problems of an industry segment thereby promoting that segment. It was with this view that IAMAI started organising industry roundtables two years back. The internet marketing roundtables that started at that time proved to be great success. Building on that success, this year we diverted to many other niche areas such as mobile vas; email marketing, online travel etc. These roundtables are organised with the support and sponsorship of a single or a group of members and usually directly links to their business promotion.

A) DIGITAL MARKETING ROUNDTABLES

11th Media Marketing Roundtable





IAMAI along with Media Contacts organised the 11th Media Marketing Roundtable on 11th June 2010, in Mumbai. The panel comprising of Atul Agarwal, Vice President Tata Services, Suvodeep Das- Marketing head, Kaya Limited, Neville Taraporewalla- Director, India Advertiser & Publisher Solutions Group, Microsoft, Rahul Sinha- Chief Marketing Officer Birla Sun Life Insurance Co Ltd and Ronita Mitra- Head Corporate Brand Group, ICICI bank. The panel discussion was moderated by Rajeev Bala, Managing Director, India and SE Asia, Havas Digital gave their views and deliberated on "Navigating today's complex and treacherous digital waters". The issues which were discussed by the panellists ranged from the precautions to be taken while interacting on social networking sites to how the brands are trying to create a whole new experience through various new media.

12th Media Marketing Roundtable

Realising the potential of internet and sports to collaborate, IMAI partnered with Sify to organise the 12th Media Marketing Roundtable on 20th August 2010, in New

Delhi. An esteemed panel of speakers discussed "Sports audience play big with internet: Brands score". Sports being one of the core properties in India and specifically with regards to the targeted audience which is the online users whose engagement is quite high with this medium it becomes important to understand how brands can actually use this platform to engage them which lead to choosing this topic for the panel discussion. The panel consisted of Joy Bhattacharjya, Chief Executive Officer, Kolkata Knight Riders, Sandeep Singh Arora, Executive VP-Marketing, PepsiCo India, Arnab Mitra, Director-India, Havas Digital and Arun Rajamani, GM Portals Business, Sify. The discussion was moderated by Nikhil Pahwa, Editor, MediaNama. The panel discussed the ways in which a brand can leverage its position by finding its role and space in a particular sport and explored the ways a brand can sustain the buzz created by a particular advertising campaign beyond a particular time-limit or a particular sport event and still add value to the brand.

13th Media Marketing Roundtable

Advertising in a retail environment has been a key strategy for most consumer brands for a long time as it targets consumers at the point of purchase. To explore the influx



of the digital medium into traditional advertising medium, IMAI along with eBay India organized the 13th Media Marketing Roundtable on 24th September 2010, in Mumbai. This roundtable discussed the opportunity for brands to connect with their audience while they shop in virtual stores. The issue of how brands may interact with other brands on an online platform was also addressed along with other relevant topics. The panellists at the event included Tanguy Peers, vice-president, global advertising, eBay; Ashutosh Tiwari, executive vice-president, strategic marketing, Godrej Industries; Jasmeet Gandhi, head, devices, OPM and services marketing, Nokia, India; and Peshwa Acharya, vice-president and head, marketing and consumer experience, Reliance Retail among others. The event was attended by representatives of FMCG, BFSI, Retail, Internet Companies and Media Agencies enablers. The panel concurred that the future will see a collaboration between the two platforms, offline and online retailing, and that a consumer will be willing to pay a premium for 'customized online buying experiences'.

1st e-Mail Marketing Roundtable

E-Mail marketing as a tool is replacing the direct marketing of yester years. Realising the need to discuss the strategies involved to successfully use this tool, IMAI in association with netCore Solutions organised the 1st e-Mail Marketing Roundtable on 7th January 2011, in Delhi. A panel comprising Sandeep Lakhina, Chief Operating Officer- South Asia at Starcomm Worldwide, Salil Kumar, CEO, Bag it Today, Amitabh Saran, CEO, Buzz in Town & Hitesh Oberoi, CEO, Naukri.com shared insights on the success and power of email as a communication and marketing tool. Panelists also shared that email marketing is working in data mining and directing appropriate deals and ads to the end consumer. The panel discussion which was moderated by netCore's Abhijit Saxena reached a consensus that e-mail marketing and social media marketing are complementary and said that in future integration of the two platforms will be an important factor in accelerating growth of marketing and communications.

2nd e-Mail Marketing Roundtable

IMAI along with netCore Solutions organised the 2nd chapter of e-Mail Marketing Roundtable on 25th February 2011, in Mumbai. The panellists included Ratish Nair- Co-

founder at Ad Magent, Gulshan Verma, Country head – Komli Media, Sankarson Banerjee, Chief Information Officer – India Infoline, Sandip Tarkas, President (Customer Strategy) – Future Group and Atul Phadnis, CEO – What's on India amongst others. The panelists drew insights on the overlap between the various mediums-: e-mail, mobile and social media.

1st Mobile VAS Roundtable

Mobile content has been undergoing quantum change in the last few years. IMAI along with One97 organised the 1st Mobile VAS Roundtable on 4th March 2011, in Delhi



which comprised of a lively panel discussion on “Paid Mobile Content in Era of Mobile Broadband”. The objective was to discuss whether consumers would or would not pay for the content on mobile which is a serious concern for the players in the industry. Mobiles’ potential as a marketing tool is increasing and to keep up with the changing consumption of content from traditional to current trend, this trend was addressed by the esteemed panellists. Panelists included Naveen Begwani, Mobile Business Head, HT Media; Sameer Pitalwalla, Senior Vice President & Business Head Video- Products, UTV Interactive; Vikram Tanna, Vice President- Advertising Sales- Channel [V] & STAR Digital; Rohit Verma, Assistant Vice President & Content head, Times Internet Ltd. and Gaurav Sarin, Deputy General Manager, New Products & Innovation, Aircel Ltd. The panelists deliberated on the key requirements to monetize the medium the importance of providing content to user in a





Rathish Nair and Rajesh Jain

differentiated form where packaging forms the differentiator.

The panel took a strong view that the future is bright for this medium, predominantly with regards to paid subscription and web push, only if it is accompanied with great levels of service and expectations.

Online Travel Roundtables

Two Online travel roundtables were organised to discuss and reflect on the issues faced by online travel industry. The two roundtables touched upon subjects like how to drive the were 1) Traffic for the travel category seems to be growing at a sluggish pace, what can we do to supercharge this growth as an industry 2) How do we grow penetration for categories like Hotels & Packages online 3) Traffic to supplier sites (Airline & Hotels) today is half of that of OTAs, what are suppliers doing to increase their share of direct business.

1st Travel Roundtable

First travel roundtable held on 11 June 2010 in Gurgaon

boasted of an eminent line up of speakers like Himanshu Singh, Managing Director Travelocity India & Chairman, Online Travel Committee, IMAI; Subhash Goel, Chairman STIC, Group; Devdutta Banerjee, Regional Director of Revenue & Distribution, Starwood Hotels ; Dhruv Shringi, Founder & CEO, Yatra.com; Harish Bahl, Founder & CEO, Smile Interactive Technologies Group ; Kamal Hingorani , VP Sales & Distribution, Spicejet. The roundtable was attended by more than 80 delegates from hotel industry, airlines, OTAs and offline travel agents.

2nd Travel Roundtable

Second roundtable took place in Mumbai on 29 October 2010. The speakers at this event were Namrita Sehgal, Director of Internet Marketing, The Indian Hotels Company Limited; Neelu Singh, COO, Ezeego1; Vivek Nayak, COO, Avenues India; Benedict Hayes, Head of enterprise SEO division, Communicate2; Amitabh Pandey, President e-Business, Thomas Cook India. Roundtables were partnered by Travelocity.

B) MOBILE APPLICATION DEVELOPERS' COMMUNITY

The Mobile Applications Developers' Community is a neutral non-partisan platform created under the aegis of IMAI to promote innovation in the areas of mobile appli-



cations and services. The aim of the group is to facilitate a shift towards accelerated adoption of mobile applications and services by encouraging and awarding application developers. The community, which is to be run by patrons, which shall address the following key issues faced by the mobile application industry-

- Mentoring
- Marketing outreach
- Awareness of technological platform and,
- Assistance with funds

With falling ARPUs, IAMAI foresees applications to be the key driver of higher use and adoption of mobiles, playing a vital role in revenue generation. MAD community has roped in market leaders from world-renowned companies like Nokia, Intel, Google, One97 and Qualcomm among others to mentor those with an interest or stake in the industry by the way of interactions that will endeavour to allow maximum number of mobile applications to reach out to the consumers. MAD community will also build a corpus that will be used for various activities designed to provide an impetus to the mobile applications sector. Some of the key activities of the community shall be

- To create a database of application developers across major cities of India
- To organize and conduct tech and marketing related workshops
- To create a website to share information on the various activities of the group
- To connect application developers with mentors and VCs
- To form a group of mobile users to help content publishers with in-market functional and usability testing

of mobile applications, mobile websites and mobile ad/app campaigns.

- To work towards creating a corpus of funds with the purpose of awarding deserving ideas on an annual basis

As part of the initiative to promote mobile applications' development in India, IAMAI organised a series of MAD meets in Bangalore, Chennai, New Delhi and Kolkata. Each meet saw a wide array of speakers from the field of mobile applications. The highlights of all MAD Meets were the speed-dating session wherein delegates were given an opportunity to interact one-on-one with the mentors. A total of over 600 developers participated MAD meet seminars in the four cities.

1st Mobile Application Developers Meet, Bangalore

IAMAI organised the 1st Mobile Application Developers' Meet on 29th July, 2010, in Bangalore. This Seminar, aimed at providing the developers a common platform to deliberate upon the opportunities and challenges of growth pertaining to the mobile applications services in India. Mobile Applications Developers' Meet was a remarkable event exclusively devoted to mobile sector. The seminar brought together speakers like Anand Virani, Qualcomm; Arvind Rao, OnMobile Global; A.R.Vishwanath, IMI Mobile; Gulzar Azad, Google; Jeffrey Rufus, Nokia India and more who highlighted the effective knowledge to encourage and project the progress in the region of mobile applications.

The conference also promoted innovators and develop-



Benedict Hayes, Neelu Singh, Amitabh Pandey, Namrita Sehgal, Vivek Nayak



ers by providing a platform to the industry which is undergoing revolution of sorts and establishing it as a valuable revenue generator. Mobile Application Developers Meet covered many key topics like: Opportunities and Challenges of Growth, Trends in Apps Market, Potential Business Partners, App Store for Multiple Platform, Pricing and Billing of Apps, and so on. The targeted visitors at Mobile Applications Developers' Meet were business development managers, CEOs, software development directors, etc. A total of over 275 developers attended this meet.

2nd Mobile Application Developers Meet, Chennai

Buoyed by the success of the 1st Mobile Application Developers' Meet, IMAI organised a Seminar for Mobile Applications Developers' to provide a common platform to deliberate upon the opportunities and challenges of growth pertaining to the mobile applications services in India.

The seminar was held on 23rd Nov 2010, which endeavoured to recognise the way ahead to promote and project the growth in the field of mobile applications' development with the help of an impressive line-up of experts as speakers like Sunil Rao, Nokia; Mahesh Narayanan, Google- India; Satish Reddy, Aha Apps; Neeraj Bharadwaj, Accel India Growth and more. The flavour of the meet re-

volved around promoting innovative changes in the mobile ecosystem and to give a single platform to application developers to drive the industry to higher levels. A total of over 158 developers attended this meet.

3rd Mobile Application Developers Meet, Kolkata

After the successful completion of the meet in the two cities of the southern part of the country, IMAI thought to test the water in eastern region. The third edition of Mobile Application Developers' Meet was organized on 18-19 February 2011 in Kolkata.

This was organized inside the exhibition venue of INFO-COMM, one of the largest exhibitions cum conference in the Eastern region. This meet was jointly organized by INFOCOMM and IMAI. There were 60 application developers present for the meet. The meet enlightened the developers about various opportunities and challenges, technologies for future applications, who are the potential partners, ROI and Monetization of applications.

The speakers at the meet included Pawan S Kulkarni , Head- Mobile Device Application, Comviva; Mahesh Narayanan, Country Manager-BD, Google India; Abhijit Bhattacharjee, CEO, Luna Ergonomics Pvt Ltd; Romit Mitra, Head – Brands & Media Business, 2ergo; Ramesh Srinivasaraghavan, Senior Computer Scientist & Evangelist,



2nd Mobile Ad Conference

Mumbai, 7th April 2010



(l to r) - Mahesh Narayanan, Vinish Kathuria,
Samir Bangara, Debasis Chatterji, Shantanu Sirohi

Shailesh Rao

Adobe ; Amrita Bhattacharyya | Regional VAS head – East, Aircel.

Another initiative that was taken under the aegis of the MAD community was showcasing of Top Ten Mobile apps at the NASSCOM EMERGEOUT Conclave 2010. IMAI and NASSCOM had jointly launched this unique initiative to bring forth some of the best Mobile Apps from India on 25th August 2010 in New Delhi. Application developers were invited from all parts of India to submit the entries. Hundreds of entries that were received by us were evaluated by eminent jury members. Top 10 Apps were short-listed by the jury from which three winners were declared.

Jury members were Gulzar Azad, Google India; Ankur Lal, Infozech Software; Harish Gandhi , Canaan Partners; Jasmeet Gandhi , Nokia India; Mouli Raman, OnMobile; Prasanto Kumar Roy, CyberMedia; Sandeep Sawhney, Aircel; Vijay Shekhar Sharma, One97 Communications and Vishal Gondal , Indiagames.com

Working with other Associations:

Finally, as a part of involving other stakeholders in growing our industry, we work very closely with other sector as well as apex industry bodies. This year we worked closely with NASSCOM for their EMERGE event and help them organise an award for applications developers. COAI and especially its Telecom Centres of Excellence has been our partners in organising mobile apps workshops in Bangalore and Chennai. We continued to be a member of CII and participated in its associations' council which focused on the 12th Five Year Plan this year. We have also been actively involved in the Broadband Committees of FICCI and ASSOCHAM.



C) RESEARCH

In the last 5 years IMAI has undoubtedly taken up the leadership position in all market and industry surveys related to internet and mobile value added service in India. Our industry surveys continue to be the most acceptable; most read and most quoted documents. Building on the success of the industry surveys, last year the association expanded its research remit to two specific types of research: a) creating industry road maps and b) knowledge documents.

A summary of all the research carried out this year is given below:

1. Industry and Market Surveys
2. Industry Roadmaps
3. Knowledge Reports

This year in addition to our annual market surveys, we have also conducted ecosystem assessment and knowledge series assessing the best practices in the digital Medium across the globe.

Market Surveys

- Online Commerce: Mar 2011
- Online Advertisements: Dec 2010
- Vernacular Content: Sep 2010
- Internet for Rural India: Sep 2010
- Report on Mobile VAS in India: Aug 2010

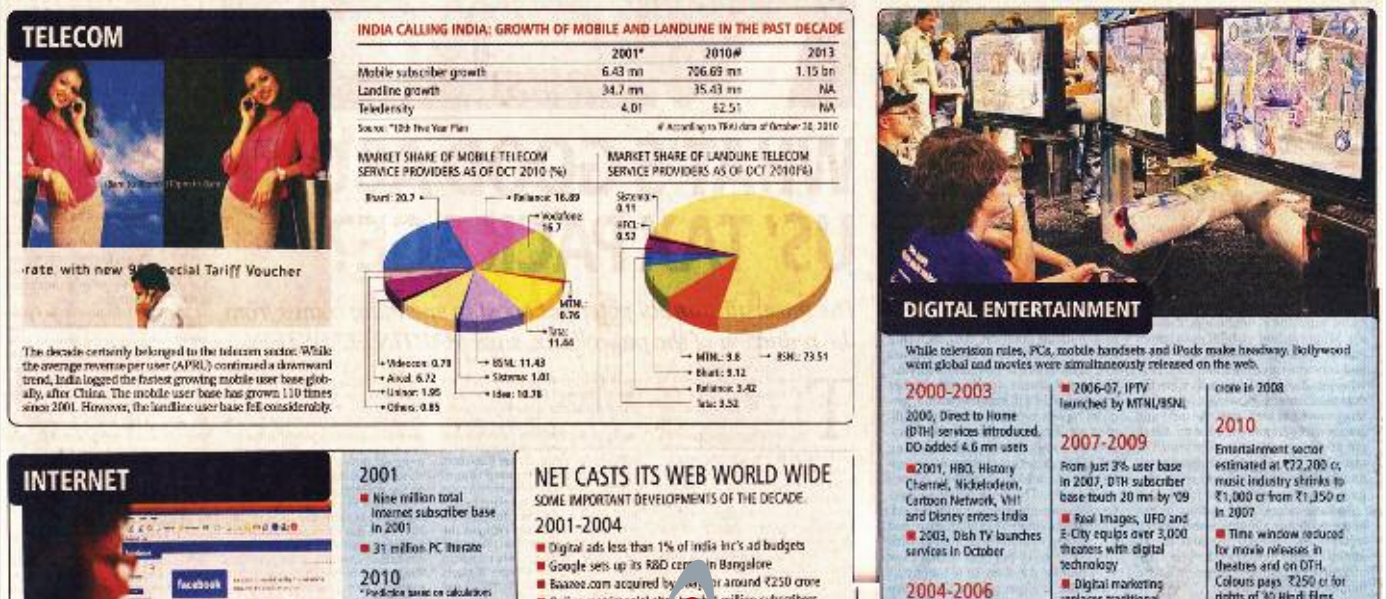
Industry Roadmaps

As part of this we have initiated 4 vision documents covering the various facets of the digital industry. We are happy to inform our members that the work on 3 of these 4 documents is complete. They will be formally released in May 2011 and used extensively in our advocacy and public policy work.

1. Impact of Broadband in India: This study being done by ICRIER will systematically investigate the growth impact of internet and broadband for Indian States. It will attempt to trace the pathways through which access to internet and broadband results in efficiency and productivity gains that eventually translate into growth at the macro level. This study has been part funded by the Department of Information Technology, Ministry of Communications and IT.
2. Evolution of MVAS in India: The study being conducted by Analysys Mason will give a comprehensive status report of the mobile value added industry and highlight the potential areas of growth pertaining to the industry and also give an account of the challenges being faced by the industry at large. This study has been part funded by some of the leading MVAS members like IMI Mobile, One97, Webaroo, Qualcomm etc.
3. Consumer E-commerce potential in India: The

DIGITAL REVOLUTION: INDIA COMES OF AGE

India's digital world has witnessed tremendous growth in the past decade. The telecom sector, in particular, saw an explosive growth in its mobile subscriber base, cheaper mobile services and the launch of mobile number portability and 3G services. The entertainment sector also took to the trend with more and more Indians logging on to the world wide web. However, the broadband subscriber base is still low. SHIVANI SHINDE & PRIYANKA JOSHI bring to you an overview of the growth story in the past decade.





CLOTHES FROM CYBER SPACE

Consumers start logging on to online discount portals retailing high-end fashion wear

PRAYAG, 10/08

Preethi, a Mumbai-based event manager and single mom, has been on a shopping spree for a couple of months now. Fashionista high-end designer brands that are usually not available at retail outlets in the country have been consigned to her website. Giorgio Armani, Christian Dior, Prada, D&G, St. Laurent — the list of premium apparel, cosmetics, footwear and accessories that Preethi owns is still growing.

"The best part is that I haven't burned a hole in my pocket to buy these fashion items, all were bought at 50-70 per cent discount, and purchased online," she points out. Such is the quick to replace herself with new items that she has stopped going to retail stores and instead shops online. Not only does she save each of the shoes regularly, she also gets to exchange her purchases before actually paying for any item.

Such is not alone. Internet has created an avenue for more customers like her to experience quality that was hitherto unaffordable. In the next five years, India would have achieved US 15 per cent internet penetration, that is 180-200 million internet users according to estimates by industry body Internet & Mobile Association of India (IAMAI), that is a considerable pool that is

gained. Ishita Swamy, CEO of 99belle.com, decided to focus on merchandise that would appeal to women after she realised they dominated the website's 160,000 plus user base. "We have even introduced a ladies-only section made to take over the (contribution due to) low usage of credit cards."

Today, the site ships around 100 items a day and Swamy has even branched into reselling the clothes back to retail in more user-friendly and interactive, and easier to navigate for the wider market base. A special feature is the list of the current and upcoming sales for every clothing and accessories.

So, is it cheaper and better online?

5-commerce players can offer customers heavy discounts, as most of the websites don't have to bear any overheads associated with brick-and-mortar. Also, they have no inventory of their own and can, thus, work on a low-margin-profit margin. So, to start with, consumers are an average of about 75-80% off on what is needed to get the website running. No wonder the e-commerce model is retailing high-end fashion items is being replicated across the country.

Kapoor-based theprivatetables.com attracts every member to a specific through an ongoing e-mail campaign in which an in-depth overview of the product for sale is showcased during the sale is renewed through images and text descriptions. The merchant models the merchandise 100 per cent original and backed by the company with an iron-clad guarantee. There are no history records, mainly discounting regards to returned merchandise in the daily provided list-up," claims Hemant Gaurav, general manager, marketing, The Private Sales. Launched just two months ago, the site now counts over 100,000 users and members who get exclusive access to over 175 European lifestyle brands and fashion designers.

With visitors of theprivatetables.com now able to send discount codes to their family and friends in India. According to Gaurav, "We expect to ship large volumes of merchandise during Diwali and the wedding season."

Indian designers need to log on...

Building a strong online sales channel is often vital to the success of an emerging fashion business. But, because the fashion can be changing, many young designers busy developing their own e-commerce sites and, instead, miss out on the internet sales to online retailers.

This gap can be closed by their collection directly to customers by their own means as advertising (showing catalogue) — a crucial consideration when most fashion houses have turned their marketing budgets," says Pradipt Singh, a leading fashion designer. She has seen quick sell-outs for her collection of accessories, which she made for her boutique, and some have been lost to violent customers. Singh, who is also co-owner of a women's retail portal of her own, directly to customers in the US and UK, adds online sales is the fastest way to grow your customer base and also the cheapest.

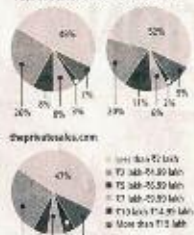
Rachna Vaidya has joined forces with Lakme Fashion Week (LFW) and has introduced new online retailers — Lakme Fashion and LFW's "The Private Collection". From the Indian designers on the scene, Rajal Singh, vice-president and head of fashion, International Management Group India, says "the collaboration with Lakme Fashion and you has given us a user base to around half a million registered users, and new ships 100K orders a day."

Pooja and Nita, CEO Pearl Digital says, "In the early days of e-commerce, fashion brands were hesitant about selling online for two main reasons. First, online distribution would dilute exclusivity and second, had customers would never buy luxury fashion items which they would physically try on. And, yet, today, apparel and footwear are the hottest on our site, in addition to luxury watches and jewelry."

Such like 99belle.com, fashionista.com and theprivatetables.com have proved that the Indian consumer is ready to experiment with shopping. The Indian fashion industry has been able to

FASHION BIZ 2.0 INCOME

Fashionista.com 99belle.com



TOP CITIES



WHAT MADE FASHION CLICK ONLINE

- Younger demographics, higher education levels, global cultural awareness and increasing disposable income changing the spending behaviour of Indian consumers.
- Wide base of 100 million internet users and the wide e-commerce market is expected to be a key factor of the total retail market — about 0.5 per cent of e-commerce is currently in 2010.
- E-commerce is set to grow 50-55 per cent in 2010.

Source: Global Vantage

PRÊT-À-PORTER: FASHION VICTIMS CLICK ONLINE TO GET THE BEST DEAL

E-commerce portal	Registered user base
Fashionista and 99belle	Over 100,000
The Private Sales	180,000
Deedle	N/A

Spotlight

Bridging the Divide

Public and private initiatives need to match steps to ensure greater Internet penetration in rural towns

India is a new megapower with a wide base of 100 million internet users and the wide e-commerce market is expected to be a key factor of the total retail market — about 0.5 per cent of e-commerce is currently in 2010.

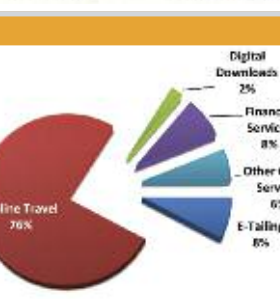
As per a latest report of global research, consultancies, India's internet penetration is set to grow 50-55 per cent in 2010.

Under the Scanner

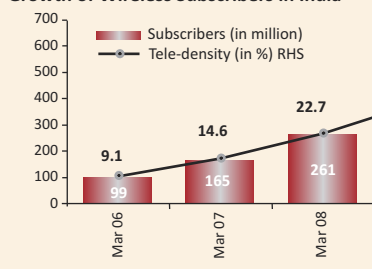
"As per a latest report of global research, consultancies, India's internet penetration is set to grow 50-55 per cent in 2010."



M. | December 11, 2010



Growth of Wireless Subscribers in India



IMRB launches web audience measurement tool

IMRB International has launched the Web Audience Measurement (WAM) to measure internet usage.

The WAM system is a joint effort of IMRB International and Internet and Mobile Association of India (IAMAI).

The service will not just measure how many people access the net, but also their profile by age, sex and demographics, which regions they come from and their usage habits.

Thomas Pullyer, president, IMRB International says, "With WAM, we can fully realise the potential of the internet as an advertising and marketing medium. We will be able to measure the effectiveness of the medium in terms of reach and frequency, just like any other medium."

According to IMRB, the online media agencies and publishers have so far been using estimates and measurements that are convenient to them, but which leads to confusion among advertisers.

Games on the go

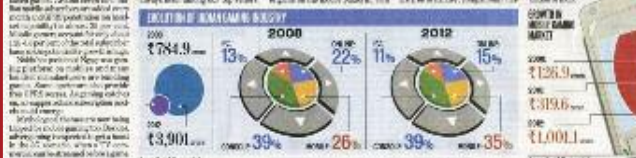
HAPPY THUMBS Mobile gaming is catching Indian consumers' fancy. With the 3G rollout imminent, the digital gaming industry and mobile service providers sense that a boom is just a download away



POPULAR CELLPHONE GAMES

During the last few months, the Indian mobile gaming market has seen a significant increase in the number of users. The market is expected to grow further with the rollout of 3G services.

The market is expected to grow further with the rollout of 3G services.



objective of the study is make a macroeconomic assessment of the consumer e-commerce potential in India with the focus be on quantifying the current e-commerce potential in India, create a segmentation relevant to various product and services categories, and forecast the increase in size of the opportunity by 2025. This study is being done by Mr Vishal More of Intelink Advisors.

4. Cash to cashless Study: This study being done by the India Digital Foundation will focus on estimation of cashless transactions and advocacy for going cashless. On a macro level this research will estimate of the amount of cashless as well as cash transactions, identify the areas where cashless transactions can replace cash transactions and identify the factors that promote or inhibit cashless transactions. This study has been part funded by our member ITz Cash and by VISA.

www.surveyofindia.net

IAMAI in association with Access Media International has launched the online survey portal www.surveyofindia.net.

Companies operating in the Indian market can leverage our survey expertise, content and technology platform to get quick market insights, comprehensive B2B and B2C surveys, engage in pre-sales and promotional activities. All this by designing and launching customized online surveys using the Survey of India platform.

We understand what vendors and suppliers want in terms of market intelligence. Our panel of decision-makers and consumers is significantly large, and constantly growing in terms of size and quality. Sample characteristics can be defined on the basis of demographics, education, profession, industry, geographical location, job role/functionality, professional level/seniority, designation apart from socio-economic criteria.

Survey of India keeps in touch with the panel members on an ongoing basis and keeps adding and updating the database on a regular basis. Depending upon the pre-defined parameters associated with any given research, or mailing activity the selection criteria are set. Only those consumers who meet the requirements qualify for that particular survey or activity in question. Several surveys would be conducted during the year on subjects which would benefit Industry and Business. SurveyofIndia.net would also be taking up projects from corporate for end-to-

end market surveys.

Survey of India offers its corporate clients:

Comprehensive and large database of opinion makers (panel members)

Live database of individuals from SEC classes A, B & C that is continuously being enhanced. We do not share our survey panel information with clients for B2C activities, but offer significantly large samples that can be stratified, and segmented using pre-defined parameters to be able to conduct meaningful surveys and develop relevant conjoint models.

Relevant and current database of corporate respondents from different vertical segments, functionalities, management levels. In the case of B2B activities respondent details can be shared with clients only with prior permission of the respondents.



All activities are within the scope of our standard NDA agreement.

■ Significant man-years of survey design and implementation experience in India, Asia Pacific and parts of North America.

■ Online conversations experience using CAPI, CATI, and dynamic web forms.

- o Content generation and design capabilities that have been deployed in print and online media, websites and portals.

- o Analytics and presentation capabilities using cutting-edge BI tools and concepts.

- o Close to a decade of online marketing and content experience involving different industry verticals and representing a wide cross-section of products and service offerings.





Knowledge Series

The knowledge series was started to understand and assess the best practices across the globe and how they can be leveraged in the Indian context.

1. Free for SME's
2. Broadband Policy in India: The Way Forward
3. Online Classifieds in India: The Next Level?
4. Mobile Money Transfer: Is India Missing Out?
5. Livelihood Opportunities in the Post-Internet Era
6. Role of Government in Promoting Growth of Internet
7. Use of Internet in Rural India
8. Internet as Media: A Worthy Challenger?
9. Internet for Efficient Governance

D) INDUSTRY METRICS AND MEASUREMENTS

Recognising the lack of a common currency that can measure internet usage in India, IAMA! has been assisting research companies develop various audience measurement systems. This year we have worked closely with IMRB, Nielsen and Vizisense. IAMA! is also working actively with industry and a couple of market research companies to develop a mobile audience measurement system.



E) AWARDS

India Digital Awards

IAMAI announced the annual India Digital Awards covering the entire gamut of commercial activities around internet and mobile. Under the award, outstanding individuals and companies in the digital space were recognised.

As a pre-cursor to the larger format awards in 2011/120, we recognised outstanding individuals/companies for their contribution to the industry in the following 8 categories:

- Best Internet Person of the year
- Best Mobile Person of the year
- Best Mobile VAS person of the year
- Best start up of the year
- Best Internet Marketing Campaign of the year
- Best Mobile Marketing Campaign of the year
- Best Digital socio-economic initiative of the year
- Best Digital Innovation of the year

Anil Sardana of Tata Teleservices was adjudged the 'Mobile Person of the Year' while makemytrip.com's CEO Deep Kalra was named the 'Internet Person of the Year'. One97 Communications' Vijay Shekhar Sharma was named the Mobile VAS Person of the year. The best 'Internet Marketing Campaign' of the year award went to General Motors Private India Ltd for the most effective and innovative use of websites and associated tools for marketing purposes. The award for the best 'Mobile Marketing Campaign' was rewarded to ICICI Lombard General insurance for the most effective use of mobile technology for marketing or brand awareness. Nokia India Ltd was the runners-up in both internet and mobile marketing categories. One97 Communications bagged the award in the best 'Digital Innovation' category.

Internet and Mobile start-ups of year award were given respectively to redBus.in and Apalya Technologies Ltd for business concept and the technological advantages offered by the product/service. Eko India Financial Services Ltd won the award in the best digital socio-economic initiative of the year with Malayala Manorama as the runners-up.



*Winners of the first
India Digital Awards*



CONSUMER AWARENESS

Consumer awareness has been one of the most important and critical area of work as far the activities of IAMA is concerned. Our efforts were concentrated on the bringing up new initiatives and strengthening the user base employing our conferences and other such initiatives as tools to promote and spread awareness about the digital industry. This was achieved majorly by our conferences, digital marketing courses, Thinking Aloud, safe surfing campaign and Internet training centres.

A) Conferences

Conferences continued to be the most visible annual activity of the association for the year. The contemporary nature and relevance of the agenda of each conference continued to draw large number of delegates to the event. In the past it is through conferences that we have started discussions around niche and upcoming segments of our industry. This year was no exception: we touched upon completely new issues such as mobile governance, role of mobile and internet for SME businesses and added new flavours to our flagship conferences such as the Marketing Conclave and the India Digital Summit. Finally, this year we gave in to the popular industry demand for an industry awards and started the annual India Digital Awards. Next year we plan to scale it up in the coming years by recognising talent and increasing the number of categories.

6th Marketing Conclave

This is IAMA's oldest continuously running conference and it seems to be growing popular every year. This year, making a substantial change to the agenda, the discussion focused on how digital could be leveraged by the traditional medium. IAMA organized its 6th edition of Marketing Conclave on 29 April 2010 at New Delhi. The conference had 4 key sessions on Print, Television, Internet and Mobile as a medium of marketing and impact on these mediums due to change in consumer media consumption pattern.

The key issues discussed in the conference were What's the future of print media in India?, How is the print media transforming to face the digital challenge?, What's the outlook for the television industry and digital medium?, Marketing opportunities in DTH, Can brands be built on Mobile? Why only some of the advertisers/agencies make

effective online Ads and not all? And a debate on Will digital continue to remain a 7% medium?

Some of the speakers who shared their thoughts and experience at the conference were Vikram Kaushik, Managing Director & CEO, Tata Sky, R Sukumar, Editor, Mint, Mitya New, Managing Director, Dow Jones India, Divya Gururaj, Managing Director, Mediacom, T Gangadhar, Managing Director, MEC India, Kartik Jain, Head Marketing & eChannel, ICICI Lombard, Satya Yerramsetti, CEO, 160by2, Gaurav Gupta, Director Marketing, General Motors and Suman Srivastav, CEO, Euro RSCG.

Panelists across sessions were of the view that TV is a passive medium. Internet and a mobile is lean forward medium where user is choosing what he wants to consume. Advertisers were of the view that text Ads work better than banner Ads. Mobile TV will not replace Television. At the best it can be used for snippets or headlines. People have started using interactive services like 2 way interaction and value added services on DTH. This leads to high quality of engagement with the viewer, and therefore the impact of advertisement using this medium is greater than broadcast advertising. This is a huge opportunity for advertisement.

In advertisers' opinion the issue is whether it will go up or not, it is about how will it go up? Digital will be the medium of communicate. The problem for the advertisers is that education of digital medium is very limited. By the time they get a hang of one aspect, it becomes either irrelevant or me too. Before the medium grows a new measurement tool is available in the market.

Over 300 representatives of companies like ABP group, Aircel, Bajaj Capital, DishTV, Ericsson, Etisalat DB Telecom, Godfrey Philips, HUL, HCL Infosystems, HT Media, MRM Worldwide, Starcom, Times Group, Titan, Web18 and Euro RSCG among others attend the event.

ICT for SMEs

What was meant to be for Small and Medium Enterprises, turned out to be the largest conference of the year of the year. It was the first time that we had stepped out of our focus area work and tried to connect with the SMEs – an important partner of the digital industry – and the response was overwhelming. Given the interest that the conference has generated, we would make it an annual fixture.

This unique conference was organised on 6 July 2010 in New Delhi. This year we decided to test the waters with





Dinesh Agarwal and Dinesh Rai

“out of the box” concept and topics for discussion. The name “Free for SMEs” itself created lots of curiosity amongst SMEs. Discussions in the conference were focused on Low cost and Free Internet and Mobile Solutions for SMEs. The discussion covered the following topics 1) Role of Government in enabling SMEs with ICT 2) B2B market places 3) Social Media Marketing & Local Classified strategy for Small Businesses 4) Low cost or free applications and tools for SMEs and 5) Impact of Mobile and Email Marketing in SME sector. The conference was attended by more than 500 delegates.

The Guest of Honour for the conference was Shri Dinesh Rai, Secretary, Ministry of Micro, Small and Medium Enterprises. Other speakers were Bikky Khosla, Chief Executive Officer, Tradeindia.com; Brijesh Agarwal, Chief Operating Officer, IndiaMART.com, Dinesh Agarwal, Founder & Chief Executive Officer, IndiaMART.com; Girish Joshi, Technology Advisor, Microsoft; Hitesh Oberoi, Co-Founder and COO, InfoEdge; Mahesh Kiran B, Head – Strategic Accounts, Tally Solutions Private Limited; Sidharth Gupta, CEO, Getit Infoservices Pvt. Ltd.; Vishwadeep Bajaj, Chief Executive Officer, ValueFirst.

The presenting sponsor of the conference was IndiaMART.com. Other sponsors were 160by2 and One97. The conference was supported by Federation of Indian Micro & Medium Enterprises (FISME).

3rd Financial Inclusion and Digital Payments Conference

With the aim of working out a common agenda and pathway to ensure adequate access to financial services at an affordable cost and in a transparent manner through various institutional agencies, IMAI along with ItzCash organized its 3rd edition of Financial Inclusion and Digital

Payment Conference on 06 August, 2010 in Mumbai. The topics that were touched upon at this conference included the factors influencing the growth of digital payments, role of regulators and prepaid payment systems to go from cash to cashless, role of mobile money and key drivers to mCommerce adoption.

The conference was attended by esteemed panellist like Shri G Padmanabhan, Chief General Manager – DPSS, Reserve Bank of India, Shri S S Tarapore, Economist, K G Karmakar, Managing Director, NABARD, Monika Halan, Editor Mint Money & Anchor – Let’s Talk Money, NDTV, Ajit Ranade, Chief Economist, Aditya Birla, Naveen Surya, Managing Director, ItzCash Card, Anurag Gupta, Founder & Director, A Little World, Sudhakar Ramasubramanian, CEO, Aditya Birla Finance, Shriram Jaggannathan, CEO – Mobile Commerce Venture, Bharti Airtel, B R Bhat, General Manager, Corporation Bank, Uttam Nayak, Country Manager, South Asia, VISA, Sunil Kulkarni, President, Oxigen, Bikramjit Sen, CEO, TechProcess, Dewang Neralla, Director, Atom Technologies, Suresh Sethi, Group President Transaction Banking, Yes Bank and VS Chandrasekhar, Senior Business Leader, Product Sales & Delivery, MasterCard Worldwide among others.

The conference saw panellist sharing their thoughts and expertise on formulating a method to achieve a safe, fast and inclusive system of financial inclusion. Panelists were of the view that India has a potential of being one of the largest prepaid market in the world. For inclusion to happen the industry needs to come up with 8-10 models instead of depending on single BC model currently prevailing in the market.

Partnership between banks and operators is required to enable a BC to offer cash in and cash out across banks. Panellist were also of the view that it key issue for the growth of mobile money would be to get customers enrolled in spite of KYC norms, management of cash at retailing side of business and the convenience factor offer to customers for transacting on Mobile. With regards to bank and non banks working model, panellist concluded that a clearly defined rules of engagement needs to be laid down. Lot of standardization and inter-operability is required for creating a sustainable and widely acceptable business model. Customer adoption and learning would play a critical role once customers are financially included.

National Conference on M-governance

Keeping in mind the kind of outreach mobile has





(l to r) - Naveen Surya, Anurag Gupta ,
K G Karmakar, SS Tarapore, Ajit Ranade

achieved and the potential to reach out to half a billion more in the visible future and government services which could be catered through this medium IAMAI organised a special conference, first of its kind, on M-governance on 19 August 2010 in New Delhi.

Session at this conference covered

- 1) Building an Ecosystem for Mobile Governance: Visions and Goals
- 2) Demand Mapping of mobile governance from various departments, states, services and how quickly and effectively they can be implemented
- 3) Evaluating the supply side applications: Prospects and possibilities of using the Mobile Device to reach out to the common citizen. For eg; Elections, banking, health-care, education, Social Welfare and other Utilities.
- 4) Social Empowerment through Citizen Services using the Mobile Device

The speakers at the conference included Rajiv Kumar, Director-Rajiv Gandhi Institute for Contemporary Studies; Wajahat Habibullah, Chief Information Commissioner, India; S R Rao - Additional Secretary, Department of In-



G Padmanabhan, RBI

formation Technology; Shantanu Prakash, CEO, Educomp; Dr. Alok Shukla, Deputy Election Commissioner; Sidharth Shankar, President, Strategy & Business Development, Drishtee; Sanjiv Mital, CEO, National Institute for Smart Governance; Chirag Jain, Vice President, Webaroo; Rajesh Kumar, DGM, BSNL; Abhijit Bhattacharjee, CEO, Luna Ergonomics; Swaran Lata, Head & Director, TDIL Programme, Department of Information Technology; Osama Manzar, Founder & Director, Digital Empowerment Foundation; Gaurav Gupta, MD, Karnataka State Road Transport Corporation; Ravi Ghatge, SMSONE, Platform for Urban and Semi Urban Youth.



Mobile Conclave

In a first of its kind event IMAI organised the Mobile Conclave on 13 October 2010 in Mumbai in association with COAI. This year the focus was on evolution of 3G and 4G, Role of Technology and Application developers, Mobile Commerce, trends and possibilities of Mobile marketing in India.

The speakers at this event included Rajan Mathews, Director General, COAI, Vishwanath Alluri, CEO, IMI Mobile; S P Narayanan, Senior Vice President Marketing, Idea Cellular; Milind Pathak, Vice President, SAARC, Comviva; Rammohan Sundaram, Founder, networkplay.in; Badri Sanjeevi, COO, Mauj Mobile; Kumar Ramanathan, Chief Marketing Officer, Vodafone; Gulzar Azad, Heads technology and solutions, mobile partnerships, Google; Probir Roy, Co-founder, Paymate; Neeraj Bharadwaj, Managing Director, Accel India Growth; Jasmeet Gandhi, Head – Devices OPM & services marketing, Nokia India; Yogesh Bijlani, Country Head - India and GM of Asia Pacific, Telenity among others.

A highlight of this conclave was a special session with the application developers “Innovation Hall of Fame”. Five top applicants were selected out of 80 entries for presenting in the platform of Mobile Conclave.



Above, (l to r) - Navanit Narayan, Kunal Bajaj, S P Narayanan, Kumar Ramanathan



(l to r) - Kunal Bajaj, Ajit Balakrishnan, Parag Kar



5th India Digital Summit

IMAI was proud to organize its flagship event, India Digital Summit on 7-8 December 2010 in New Delhi. This was the 5th edition of the event. The event supported by Department of Information technology, Government of India saw over 600 delegates coming together on a common platform to reflect upon the various facets of the digital industry. The inaugural session was graced by Shri J S Sarma, Chairman, Telecom Regulatory Authority of India (TRAI).

Imperative subjects like how to create 100million+ broadband users in India, leveraging the increasing power of mobile internet for effective marketing, Unlimited Possibilities in Mobile and emerging markets and changing Face of today's marketplace with digital strategy among others were exhaustively discussed over a period of two days.

This year over 40 eminent speakers from India and overseas participated. Some of the key speakers were Ajit Balakrishnan, Chairman and Chief Executive Officer, Rediff.com; Jon S. von Tetzchner, Co-founder, Opera Software ASA; Neeraj Roy, Managing Director, Hungama Mobile; Roger Woodend, Managing Director, Zergo Australia; Steve Patrizi, Vice President – Marketing Solutions, LinkedIn. This event was partnereed by LinkedIn, 160by2, ADTECH, One97, Valufirst, eBay, Indiatimes, Snapdeal.



Jaspreet Bindra





(l to r) - Rajat Kathuria, Shailesh Rao, J S Sarma, Vishwadeep Bajaj





*J S Sarma, TRAI Chairman,
talks to the press*

Steve Patrizi

Neeraj Roy, Mahesh Narayanan



Mobile Marketing Conference

With mobile penetration on a rapid rise in India, using this technological advancement to build brands is also gaining momentum. With fast faced-innovation and high customer churn out, companies are putting the mobile medium to optimum use to promote their service, brand or product, this trend was endorsed in the Mobile Marketing Conference held in Mumbai on 11 March 2011.

Partnered by One97, the conference aimed to discuss the advantage that mobile could bring in for business. Some of the eminent speakers for the day included Sandip Tarkas, Chief Executive Officer, Future Group, Aditya Save, Head Media, Marico Products, Atit Mehta, Head of Media Buying, HUL, Amit Madhan, Vice President- Products, ICICI Lombard, Mahesh Narayanan, Country Manager, Google India, Saurabh Nanda, General Manager- Strategic Marketing, Cleartrip amongst many others.

The panelists drew insights on “Mobile : A key driver in the 360 degree brand/communication mix” which was moderated by Vijay Shekhar Sharma, Managing Director, One97. Panelist addressed the key requirements to make a marketing campaign successful is that it reaches the right audience and that it is based on engagement along with other relevant topics.

Taking a strong view on push marketing on mobile phone, the panellist concurred that this method only will not help in making a marketing campaign successful. We

have received a positive feedback from the attendants/ participants and we plan on having more such event in future.

3rd Digital Commerce Conference

The Internet and Mobile Association of India (IAMAI) organized the 3rd Digital Commerce Conference with the aim of working out a common agenda and pathway to ensure adequate access to services at an affordable cost and in a transparent manner through various institutional agencies. The conference was held on 25 Jan 2011. The conference covered a wide range of topics of interest to stakeholders in the industry, including: “Should Brands have an ecommerce Storefronts?, Digital Commerce has come of age, Digital Payments: The new way to pay, Mobile Commerce: The new shopping cart”.

Eminent speakers who shared their views included Ambareesh Murty, Country Manager, eBay India, Jean-Francois Van Kerckhove, Vice President – Strategy, eBay Inc, Anupam Mittal, Chairman and Managing Director, People Group, L K Gupta, Chief Marketing Officer, LG Electronics, Jay Gupta, Founder & Managing Director, The Loot, Pawan Gadia, Chief Executive Officer, Ferns ‘N’ Petals, Dinesh Agarwal, Chief Executive Officer, IndiaMart.com, Subhash Jewria, CEO & Managing Director, Oss Retails, Rohit Bansal, Co founder and Chief Operating Officer, Snapdeal.com, Vivek Nayak, Chief Operating Officer, Avenues India,



Naveen Surya, Managing Director, ItzCash, Shriram Adukoorie, Co-Founder, AskLaila.com, Naushad Contractor, Head Marketing – Mobile Commerce, Vodafone to name a few.

The conference was attended by over 300 top professionals comprising CEOs, MDs and other Senior Managers from the Digital Commerce, Financial Services & IT industry and key officials from nodal government agencies who presented their perspectives on the future of the Industry. IMAI's Digital Commerce Conference 2010 which was supported by eBay India, 160by2, IndiaMart, Indiatimes.com. ValueFirst and One97 brought together industrial stalwarts and eminent speakers to discuss and deliberate on betterment and expansion of the industry.

B) Digital Marketing Courses

To compete effectively in today's digital economy, companies must embrace new media and fresh ideas. To address this challenge, IMAI continues to offer its marketing courses through various partners like NIIT Imperia, GutsGo, WatConsult and SIES Management College.

All marketing courses are designed to provide students with skills and confidence to understand and to manage Digital Marketing tactics, as per their integrated strategies viz., SEO, PPC, Online Display, Social Media, email & Mobile Marketing.

IMAI currently offers courses on Digital Marketing, Social Media Marketing and Search Engine Marketing. This year we also conducted customised workshops on Social Media Marketing for the marketing team of Glaxo and on Digital Marketing for AOL. Over 200 students successfully participated in the courses conducted by our partners.

Rajesh Nahar



(l to r) - Kartik Jain, Pawan Gadia, Belson Coutinho

Tanul Mishra, Naushad Contractor, Shriram Adukoorie





C) Thinking Aloud

“THINKING ALOUD” is an upcoming magazine that reflects emerging trends and varied outlook of the fastly evolving internet and communication sector. Brought out by the Internet and Mobile Association of India (IMAI), this publication is a part of the market education initiative of the association. The magazine, which incorporates the latest news, trends, and views from industry experts, functions as a one-stop shop for information pertaining to the internet and communication sector. In short, it’s a magazine for the internet and mobile industry by the leaders of this industry.

This year we have consciously tried to include more pieces that cover the policy aspect of the various areas of interest like VAS, broadband policy and cyber security. The idea was to have more and more industry leaders and brass express their views on the issues to give the readers a holistic idea about what’s happening in these areas with respect to regulations and policy.

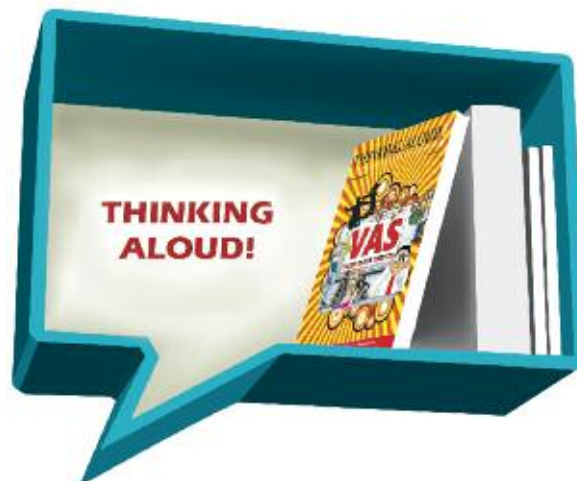
Changes have been brought in consciously to include more articles, interviews and viewpoints of industry leaders who can in turn get more and more people to experiment with the online and mobile medium. The magazine

serves as a platform that caters to group of people who are yet to adopt this medium for their personal and business needs.

The content overhaul has to a large extent fulfilled the idea of using the print and the online version of the magazine to educate and inform about the medium. With a steady rise in the print and online readership, Thinking Aloud is now recognized as a credible source of information pertaining to the digital and mobile sector. As far as the design and the structuring of the magazine was concerned, the challenge for us at Thinking Aloud was to present the content in a manner that is attractive pulls people to pick up the magazine and get informed about the sector. For this purpose, a design was chosen that ensures high readability.

Thinking Aloud subscription has been on a steady rise. Presently the print version of the magazine reaches out to about 7000 people that includes policymakers, regulators,

IMAI member, CEOs and senior management officials of major corporates and last but not the least people who have not yet experimented with the digital and mobile medium. The online version reaches out to about 2 lakh people. Commercialisation of the print and the online magazine has begun and we have started accepting advertisements.



D) Safe Surfing

Safe Surfing has been a flagship programme of IMAI. Security has been and will be one issue that concerns, amazes and challenges everyone in this hi-tech digital age. The advent of technology that has revolutionised the way we think and function. With this revolution has come an urgent need to identify and tackle the various challenges of cyber security and tread with caution. Cyber crimes have been on the rise world over. We have seen a spurt of cyber crimes in India too. From hacked emails to cyber stalking, India got its fair share too.

With children being one of the most vulnerable groups, IMAI realised the need for a programme that educates and informs them about the judicious and safe use of Internet. With this aim in mind, IMAI had launched the Safe Surfing campaign. This year the campaign grew in size and outreach and covered over four lakh students in over 30 cities.

thane mulund dna.sunday February 7, 2010 3

Thane schools surge to teach safe net surfing

Introduce guardians to various parental control softwares through the seminar

Sukhade F Khadke

To make the tech-savvy schoolchildren aware of the risks of net-surfing, major schools in the city have organised a special seminar in collaboration with the Internet and Mobile Association of India (IMAI).

Participating in this move are schools such as DAV Public School, Vasant Vihar School, Little Flower School, Sarawati Vidyalaya High School, Rabodi. While DAV Public School and Sarawati Vidyalaya High School had their seminar on Saturday, Little Flower School will have the seminar on Monday.

The seminar introduced parents to various types of parental control softwares that can help them restrict websites, and words on the computer while their child is using Internet.

Rakshit Tandon, Internet security expert from IMAI, felt that the parents need to be made aware of the importance of security on Internet and mobile to protect the children from



A presentation was also made on credit cards crime, online booking and shopping frauds. —GK Bhat, DNA

growing cyber crime.

Tandon said, "These days, laptops and Internet are easily available at home to students. Playing games, chatting, surfing the social networking websites too is not difficult. Though, it seems innocuous, it could actually prove dangerous."

The seminar was specially designed for the parents of students from class VI to XII who have been introduced to the world of Internet and want to discover something new. "Unaware of the possible harm, students display their personal information on the Internet which can be accessed by millions of people. Consequently, criminal

mind can easily get information with regard to the wealth too through networking sites," added Tandon.

Apart from providing tips to parents, a presentation was also made on credit cards crime, online booking and shopping crime and how one can take proper care while using such technology. It also introduced the security measures to be exercised while using mobile phones as it is also a way to spread the virus through GPS and Bluetooth.

Debash Ghosh, a parent of class VII student from DAV Public School said,

Deepti Iyer
Mother of a class IX student

The seminar proved to be very helpful. It gave us information on how we can restrict the use of Internet by kids."

Rajesh Tanwar
Principal of DAV School

Earlier too, our school had hosted a discussion on the importance of safe surfing with children and their parents."

"My son uses Internet on a daily basis. This seminar helped us to learn about various softwares that we were oblivious to. It can help us keep a watch on our children effectively."

ber Army made a mockery of the country's cyber security by infiltrating into the 3i website, supposed to be one of the most secured sites, cyber experts are warning of another big threat: Hacking of mobile phones. With 3G mobile exploring fresh grounds in Indian mobile phones market, here are newer problems to deal with too, the most difficult one being that of hacking.

If one goes by the estimate of cyber law expert Puneet Duggal, India is now likely to leap forward in its ranking of countries with cyber crimes. From using personal data to an increase in the piracy of films and music, the 3G technology present yet another frontier for cyber crimes. "Through these phones, heavy audio and video files can be transmitted within minutes, providing seamless opportunities to hackers for exploitation. For example, if I have to download a movie from the Internet, it takes about eight to 12 years. But on a 3G phone, you can download the same movie in less than an hour's time," Duggal says.

"The hacker can record all the audio conversation and video files. Not many people in India install anti-virus in cell phones. I would recommend them to install anti-virus and firewalls while using 3G," says Ankit Fadia, an ethical hacker and cyber security expert, who recommended switching off Bluetooth function of the phone when not required so as to protect the user's password.

Although the technology in these phones comes with an in-built security system, Duggal says it is not strong enough to hold against professional hackers. "India is now on the verge of getting bombarded with mobile hacking problems. If the CIB website, thought to be the most secure, can be hacked, there is no argument about the lack of security of laymen devices. A good anti-virus mobile software is of uttermost importance right now," he adds.

At present, India has only one law which is the Information Technology Act 2008. It got



WHAT THE HACK!

You can download an entire Bollywood film within minutes and watch live television if you please but these 3G mobiles, which presently hold the top spot in the market, are vulnerable in the world of technology-

to amendments in cyber law right now. This law was made in 2008 and since then there have been hundreds of new developments. A lot of water has flown down the bridge and there is now a need for ensuring futuristic provisions in the law," Duggal insists.

"Further, adequate statutory protections need to be given to users so that whatever limited right to privacy they have in the context of the electronic ecosystem are not inappropriately compromised with the advent of new technology," he adds.

The Internet and Mobile Association of India (IMAI)

points out that Bollywood would be hit most by the 3G and wants service providers to adopt a stricter approach to check cyber crimes. "Today, it takes several hours to download a new Bollywood release but with 3G, it will be in minutes that will encourage people to use illegal means to view a film," says Rakshit Tandon, consultant, IMAI.

According to a PricewaterhouseCoopers report titled, Indian 3G Broadband Subscriber base is projected to cross one billion in 2014. The 3G broadband subscriber base is expected to cross 107 million by 2015. "Indian law enforcement lacks the necessary training to deal with cyber-crimes and there is a distinct need for amending the law and making security agencies aware about the Internet," say experts.

"Lawyers are there to protect but our police agencies are yet not ready to take-up the cyber crime challenges, especially 3G. They need to be trained to tackle the growing usage of Internet by criminals," says Fadia.

As mobile handsets is becoming an integral part of the consumer experience, the availability of a large number of feature-rich handsets at affordable prices or in attractive bundles offers is likely to further drive the adoption of 3G value-added services, according to a report by RNCOS. Industry analysis provider also

VAS in India: yet to evolve

A host of factors from the business model, to more networks and lack of consumer awareness prevented the value added services segment from reaching beyond text and ring tones. By Vandana Garg



3G-based services, ring tones and ring tones are the most popular VAS services in India. However, the segment is yet to evolve beyond these basic services.

3G's liberty impact

As value added services (VAS) in the mobile market, the segment is yet to evolve beyond these basic services. However, the segment is yet to evolve beyond these basic services.

For telecom companies to grow their value added services portfolio, they need to provide a range of services that are not just limited to text and ring tones.

Customer feedback, the missing link for telecom companies to grow their value added services portfolio, they need to provide a range of services that are not just limited to text and ring tones.

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Now, computers for the illiterate

TEXT-FREE A team has developed a new interface to help those people find jobs, travel routes and medical info

By Shubho Roy

While most people are familiar with the use of computers, there are still many who are not. A team of researchers at the Indian Institute of Technology (IIT) Bombay has developed a new interface to help these people find jobs, travel routes and medical information.



Shubho Roy, IIT Bombay, speaking at a podium.

The interface, which will be available in the near future, is designed to be simple and easy to use. It will help people find jobs, travel routes and medical information. The interface is designed to be simple and easy to use. It will help people find jobs, travel routes and medical information.

All unsafe from cyber crime

By Shubho Sharma

Social networking sites such as Orkut, Facebook and Twitter are being used by youngsters. The danger is that they are not aware of the risks involved in using these sites. They are not aware of the risks involved in using these sites.

Working on IMAI's national Internet safety campaign called Safe Surfing, supported by National Internet Exchange of India, Tandon spoke to many school students and staff in his

and informed 4000 students, 400 teachers, and 100 staff.

"Safe Surfing is an interactive campaign focused on students in classes VI and above. Sessions in schools cover topics that range from maintaining confidentiality, not interacting with strangers online, tips on downloading etc. In addition to students, parents and teachers are also being educated on Internet awareness and the need to be involved," he added.

How criminals attack

According to increasing crimes, he said that criminals target the youth through the use of mobile phones and emails.

First cyber crime lab in Mohali

By Shubho Sharma

The first hi-tech cyber crime police station cum forensic laboratory of Punjab is being constructed in Phase IV. This is a 8000 sq ft project with a four-story building and the basement is ready while construction of the second floor is in its advanced stage. Punjab Police Housing Corporation is executing the project.

It will consist of a cyber crime police station, lab, forensics, investigation, analysis etc. Cyber crime police station will consist of four CDRs, four inspectors, seven computer operators and 24 constables, headed by one SP.

On Lehenga
Shop No. 73-74, SAS Market, Ph-4, Mohali.
M. 9914942021, 98140-38307



"Criminals try to fool with the lockers, banking friends, and networking sites," says Tandon. "They target the middle class via money fraud by sending fake proofs, upper class are tricked of account numbers, ATM pin numbers, and the youth are lured via fake emails, fake interviews through fake employment sites, and similarly, children are lured in social networking sites (Orkut, Twitter and Facebook) to develop contacts with them to commit crimes."

Cellular crimes
"With increasing Internet users, there are also more cases of cyber crime," says Tandon. He also added that criminals not only use internet, but are also using mobile phones by sending SMS, MMS etc.

Beware! Mobile phone stalkers on the prowl

Shubho Sharma

KOLKATA, 23 OCT: Are you sure there is no one listening to your private chat over the mobile phone?

Think twice, say many experts on cyber crime. Mr Shubho Roy, Chairman of Internet and Mobile Association of India, said it is easy for criminals to tap a conversation, and then, blackmail people. In many cases, call operators are found to be behind such crimes.

"Unfortunately, with increasing Internet and mobile penetration, the number of cyber crimes have also gone up. In most cases, it is women who are victimised," said Mr Roy.

While there is much awareness about cyber crime, instances of mobile crime are almost unheard of — but that is only because very few victims actually come forward with their complaints. From sending virus and malware through open Bluetooth ports to phone snatching and data thefts, mobile crimes are on the rise and an increasing number of people are being harassed.

Women, especially, seem to be a favourite target for phone stalkers. In Kolkata almost every day a complaint is received about a woman

receiving blank calls and text messages. A police officer said: "In mobile tariffs becoming so cheap, such calls have increased. Many times, youngsters grab hold of some mobile, and then dial a random number. Often, they obtain the girls' numbers from recharge slips and keep on calling them."

Number masking has emerged as an alarming trend. Mr Rakesh Tandon, who deals with prevention of cyber crime on behalf of Internet and Mobile Association of India, said a criminal can place call anywhere in the world using someone else's number. "They should immediately contact service provider if their bills far exceed their expectations, or if they may be that calls have been made using his number," he said. Recently

it was covered that a woman was being stalked by a man using a network. A man masked several numbers in Mumbai. To prevent data thefts, Mr Roy said one must use good firewall, mobile software and use protected ports. In case of snatching, identify thefts and number masking, it is imperative to complain. He said "Mobile crimes are easier to prevent than cyber crimes, as a number can be tracked down accurately. If victims lodge a complaint, it is very easy to nab the criminals."

Safe surfing is an interactive campaign focused on students in sixth standard and above. The sessions in schools cover topics that range from maintaining confidentiality and not interacting with strangers online to tips on downloading content, posting pictures, on-line chatting etc. In addition to students, parents and teachers are also being educated on Internet awareness and the need to be involved with children.

This year the Safe Surfing extended its purview and included law enforcement agencies too. Moradabad, Lucknow, Gurgaon and Agra Police were also trained about safe internet practices and were given tips to tackle cyber security threats and crimes.

E) Internet Training Centres

Internet training centres has been a project extremely valued by the IMAI in terms of the results it has achieved over a short period of time. The initiative aimed at non-internet users trains them with basic knowledge to use the medium. Six internet training centres have been running successfully in Mumbai, Agra, Indore, J&K, Lucknow and Almora. These centres provide up to 30 hours of free internet training to youth who do not any means to access internet and are unaware of it as a medium. Started with the aim to address lack of awareness and access as roadblock to internet penetration in India, the project is slated to be scaled up with new training centres being brought into action.





way we have been strengthening the IMAI brand is the various initiatives aimed at consumer awareness. This year the safe surfing campaign was extended to train the security personnel in how to tackle cyber crimes. The workshops, which were exhaustively covered by the media, were seen as an exercise in the industry and government as a noble initiative to ensure safe practices while using internet.

We have also been strongly represented in all forms of media.

Be it internet, electronic and print, articles pertaining to the industry trends, market ecosystem and regulatory issues, IMAI standpoint has been reflected and highlighted in the past year. Well-known and respected publications and television channels have called upon us and our members for views, standpoints and opinions on a plethora of issues to do with the digital industry.

In addition, we have "owned" media. Thinking Ahead,

our monthly print magazine is unique in the sense that it is run by contribution of industry alone. It has touched a readership base of two lakhs.

The online e-magazine, which has been around for some time now, is gaining more and more popularity and has become a name to reckon with as far as the news and views on the digital and mobile industries, is concerned. IMAI this year has made its presence felt on the social media circle too.

Our Facebook page now boasts of a fan base of about 1800 people has been a source of information and a platform for interaction with the target audience. This social media presence on sites like Facebook and Twitter has provided us with an avenue to reach out to more and more people. Another development that has to be mentioned here is our new website. The IMAI website has undergone a makeover and become more interactive than ever before.

The telco invasion into media

Will the next lot of media giants come from the telecom sector? If estimates are correct, then a listing of the top-20 media and entertainment (M&E) companies in India has three major telcos in the reckoning. There is Bharti Airtel at ₹2,900 crore, making it, arguably, the fourth-largest media company in India. (See Bharti Airtel — The making of a media conglomerate, Business Standard, September 7, 2010). Then there is Reliance Ail Dhirubhai Ambani Group's ₹1,400 crore from M&E and Tata Sky at ₹1,000 crore plus. Expect many more on this list as mobile entertainment becomes a bigger game. Mobile value-added services or MVAS, as most entertainment-related non-voice services are called, brought in a massive ₹8,500 crore for the telecom industry last year. (This does not include plain vanilla SMSes). On average, these contribute 5-10 per cent to most telco top lines. According to estimates by the Internet and Mobile Association of India, by December 2010, mobile operators would have earned ₹8,700 crore from entertainment-related MVAS revenues. The focus on mobile entertainment

is only expected to increase as the pressure on voice revenues keeps growing. A ringtone selling for ₹5 or ₹10 simply offers better margins than a voice call that is at times almost free. So far telcos could not ramp up MVAS because spectrum was scarce. The recently concluded 3G auctions mean more clippings, videos, songs, news and other services will now be available on the mobile phone.

In addition to this, many telcos have got into DTH (Airtel, Tata, Reliance), TV, radio broadcasting (Reliance) and allied media services such as post-production or archiving (Reliance, Airtel). Reliance is also into film production, distribution and retail and out-of-home, among several other media segments. What does the growing clout of telcos in M&E mean? It means that the M&E business is acquiring critical mass. But the impact on two things is most important. One, on regulation and two, on power equa-



MEDIA SCOPE
VANITA KOHLI-KHANDEKAR

tion in the ₹17-billion M&E business. Notice that most telcos are getting into media infrastructure areas; DTH, IPTV, multiplexes, digital theatres or broadband pipes to carry M&E products. This is where their strengths — the ability to build large networks across a disparate, heterogeneous, voluminous market and offer value for money — work very well.

The lack of enough media infrastructure is one of the biggest reasons why the M&E industry lacks scale. For instance, India may be the largest producer of films in the world, but it is one of the smallest in value. That is because it is one of the lowest on screens per million of population. The growth of multiplexes over the last decade shows that the more screens there are, the better the chances of a film to make money. So, telcos are more than welcome in this area, like they are in DTH, where they are building networks to sell TV signals instead of voice

As they do this, they will encounter the usual problems — ad hoc regulation, state taxes that vary widely, a cable regime from the dark ages and under-declaration of revenues. The telecom industry's ability to deal with this mess is far better than the fragmented media industry's. These guys are simply larger and more used to lobbying. The biggest telecom company, Bharti Airtel, is nine times the size of the biggest media group, The Times. So, there is hope that in their bid to grow their media businesses, they will push through changes that will help clean up the mess in media. That is the good part.

The bad part is the usual bullying that goes with size. You can see the impact of that on mobile entertainment where content-owners are left with a meagre 10 per cent of the revenues telcos collect by selling their songs or videos. This is the complete opposite of markets such as Japan where content owners keep a bulk of the revenues. So, the entry of these large distribution giants in other areas — films, TV and so on — will realign the whole power equation in favour of the telcos.

Eventually, old style M&E firms will learn to harness it. But till then the scales are clearly tipped in favour of the telcos.

Vanitakohli@hotmail.com

Airtel increases mobile internet rates over 100% Steep Rise In Demand Said To Be Behind The Move

Prakash Sankar Das

Regulator, India and the telecom industry have been engaged in a tug-of-war over the issue of mobile internet rates. The telecom industry has been demanding a steep rise in rates, while the regulator has been pushing for a more gradual increase.

The telecom industry has been demanding a steep rise in rates, while the regulator has been pushing for a more gradual increase.

steep rise in demand said to be behind the move. The telecom industry has been demanding a steep rise in rates, while the regulator has been pushing for a more gradual increase.

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The telecom industry has been demanding a steep rise in rates, while the regulator has been pushing for a more gradual increase.



GOVERNANCE

COMMITTEES AND COUNCILS

GOVERNING COUNCIL

Shailesh Rao
Managing Director
Google India



Ambareesh Murty
Country Manager
eBay India



Sanjay Aggarwal and Nalin
Shinghal (from 1 Sept, 2010)
General Manager
IRCTC



Lakshmi Narasimhan
Chief Executive Officer
Web18



Arvind Rao
CEO & Co-Founder
Onmobile Global



Hemant Sachdev
Joint Managing Director
Microsoft Corporation India



Arun Tadanki
Managing Director
Yahoo! India



Upen Roop Rai
Director
Indiatimes



Ratish Nair
Chief Executive Officer
Interactive Avenues



Mariam Mathew
Chief Operating Officer
Malayala Manorama



Amit Garg
Head-Internet and Mobile
HT Media



Suparna Singh
Deputy CEO
NDTV Convergence



Prashant Mehta
Chief Operating Officer
Komli



Raj Singh
Managing Director
Zergo



EXECUTIVE COUNCIL



Shailesh Rao
Chairman
Google India



Ambareesh Murty
Vice Chairman
eBay India



Sanjay Aggarwal and Nalin
Shinghal (from 1 Sept, 2010)
Treasurer and Head of Finance
IRCTC

COMMITTEES

GR Committee

Chair: Rachna Burman

Co-Chair: Deepak Maheswari

Online Payment Committee

Chair: Navin Surya

Co-Chair: Vishwas Patel

Online Advertising Committee

Chair: Neville Taraporewalla

Co-Chair: Ratish Nair

Mobile VAS Committee

Chair: Atanu Mandal

Online Classifieds Committee

Chair: Hitesh Oberoi

Co-Chair: Shriram Adukoorie

Committee on Access and Infrastructure/Resources

Chair: N Ravi Shanker

Co-Chair: CVS Suri

Committee on E-Commerce

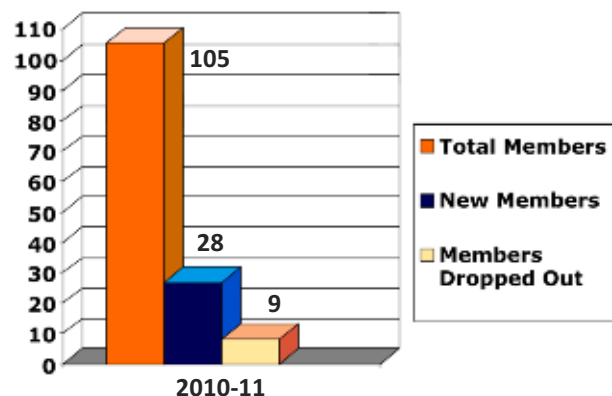
Chair: Harish Bahl

Co-Chair: Dinesh Agarwal

Online Travel Committee

Chair: Himanshu Singh

MEMBERSHIP



ANNEXURE



A) NET BANKING PAYMENTS ON THE WEB

EXAMINING ISSUES AND FINDING REMEDIES

INTRODUCTION

Growth of Internet Commerce in India is dependent on the end customer's confidence in the payments system. While undoubtedly it has made rapid progress, the online payments in India is still troubled by niggling issues. The continued existence of these issues undermines the confidence of the end customers in eCommerce and has the potential to stunt the growth of the industry in India.

- As the eCommerce industry in India gains momentum (expected to be around Rs 31,598 crores as on Dec'2010, source: IMAI-IMRB Report on Online Commerce), it is important that we address and fix the niggling issues early and do it before it becomes too large or widespread to manage. As the only Industry association representing large and small ecommerce players, IMAI is in the best position to engage with the Reserve bank of India and help shape the future of the Internet Commerce in the country today. Some of the key issues highlighted in the presentation are:

- Technology and Access Issues
- Communication and Technology Issues
- Browser Capability Issues
- Execution Issues
- Communication and Support Issues
- Refund Issues
- Process Issues

TECHNOLOGY AND ACCESS ISSUES WITH NET BANKING

- Any-time Status Query: Due to multiple hops involved in a net-banking transaction there is a possibility of transaction dropping.

- Currently intermediaries have to rely upon the reconciliation sheets which are delivered on the next business day.

- This not only leads to loss of business for some merchants (especially merchants who give immediate product/service delivery against payment)

- This is also in conflict with the whole idea of real-time online payments processing.

- Suggestion: This can be avoided if the Server to Server "Any-time Status Query" facility is provided by the banks.

COMMUNICATIONS AND TECHNOLOGY ISSUES

- Reason codes for failures: If a transaction is declined by a bank the exact reason for failure is not provided. For instance, if a customer is trying to make a payment and his transaction is declined due to insufficient funds or invalid credentials, payment service provider is not sending the intermediaries the status indicating so.

- Multiple charge for a single transaction: Some banks charge multiple times for a single transaction due to flaws in their banking solutions/processes.

- Scaling Issues: Core Banking Solutions of some banks cannot keep up with the increase in transaction load and require down time rescues frequently.

- Suggestion: Appropriate reason codes must be provided by Core Banking software's for transaction failures. Build internal automated checks to ensure that the System flaws like multiple charges for a single transaction should not happen.

BROWSER COMPATIBILITY ISSUES

- Payment pages on many bank websites are not cross browser compatible. This is true with some of the popular browsers as well. This leads to customer not being able to complete the transaction.

EXECUTION ISSUES

- Two tier user authentication: Some banks have implemented second level of user authentication. Banks have not ensured proper customer orientation before implementing any such measure. Moreover there is selective implementation of such processes (not for all merchants/service providers) which leads to confusion on part of the customers. This lead to considerable drop in success ratio.

- Additionally, authentication processes implemented by the banks are dependent on other service providers. For Example, AXIS bank / SBI Bank has implemented a process where in the password is delivered to the user via SMS, whenever a transaction is initiated. There have been instances wherein the users have not received the SMS at all. This leads to customer dissatisfaction and ultimately a failed transaction.

COMMUNICATION AND SUPPORT ISSUES

- No Downtime intimation: There are some banks which have frequent downtimes. Information related to these downtimes is not always intimated to the service providers/merchants. This leads to customer dissatisfaction. If intermediaries are informed about the downtimes beforehand then they can take an informed action.

- Poor Support: Currently the level of support for transactions related queries offered by banks is minimal. This creates problems for payment service providers/merchants to address the customer queries.

- Suggestions: Should implement best practices for better communication with their Merchants with regards to any planned or unplanned downtime of the CBS or any changes with their authentication or transaction processes.

- To put in the requisite resources in terms of man-



power and processes to improve service levels and provide 24x7 support for all the issues through email, chat and call centre.

PROCESS ISSUES

■ Transaction ID for Refunds: Some banks do not ask for the transaction ID at the time of refunding the transaction. All they need is the amount to be refunded and the customer account number to which the amount is to be credited.

■ Ideally, intermediaries feel that any refund should be mapped to a transaction ID and as a 3rd party payment service provider they should not be required to maintain customer account numbers for each transaction.

■ This process reduces security and is highly susceptible to error, both human and system.

■ Cap on Refunds: Many banks allow multiple refunds to be initiated for a single transaction. Each bank has its own way of handling multiple refunds. However, it has been noticed that some banks do not have a check to ensure that the sum of all refunds initiated against a transaction does not exceed the transaction amount. For instance, some banks allow multiple refunds against a transaction ID but yet do not cap the total amount of refunds to the transaction amount.

■ Contrary to the above case, some banks are not in a position to cap the total refund amount to the transaction amount as they do not map the refunds to a transaction ID.

■ Refund Acknowledgement Reference Number: There are many banks which do not provide acknowledgement /confirmation of refunds processed. E.g. Federal bank, Punjab national bank, Tamil Nadu Mercantile bank etc.

■ Not all banks which provide acknowledgements share the refund reference number. Refund reference number is essential as it is a concrete proof of refund being processed. Moreover, we too can map the refund reference number to the transaction ID in the system.

■ For eg., Syndicate Bank has a very good refund process in place. They accept refund requests through an API. Moreover, the amount is credited into the customer's account and refund reference number is provided instantly

■ Suggestion: Build API's to allow the merchants to do server to server refunds against successful transactions. Provide refund reference numbers for every refund through API's in real time and also credit the end customers' bank account instantly. Allow multiple refunds on a single transaction. Ensure that the refunded amount is capped to the transaction amount.

■ Suggestion: A standard timeline for processing and closing refunds should be mandated such that it can be communicated to users [buyers/sellers] by a web-site, intermediary etc. For ecommerce transactions adherence to such mandated timelines will not only provide transparency but will also go a long way in increasing user confidence and influence the adaptation of ecommerce and the internet as a preferred platform.

SUGGESTIONS SUMMARY

That RBI's DPSS team to issue an advisory that all Banks get their Core Bank Solution Providers to develop the following features in their CBS in a prescribed time line:-

■ Build an API to allow the merchants to query the status of any transaction, server to server, at any time.

■ Build API's to allow the merchants to do server to server refunds against successful transactions. Provide refund reference numbers for every refund through API's in real time and also credit the end customers' bank account instantly. Allow multiple refunds on a single transaction. Ensure that the refunded amount is capped to the transaction amount.

■ Appropriate reason codes must be provided by Core Banking software's for transaction failures. Build internal automated checks to ensure that the System flaws like multiple charges for a single transaction should not happen.

■ Should implement best practices for better communication with their Merchants with regards to any planned or unplanned downtime of the CBS or any changes with their authentication or transaction processes.

Issues for consideration by RBI's DPSS team

■ To put in the requisite resources in terms of manpower and processes to improve service levels and provide 24x7 support for all the issues through email, chat and call centre.

■ Advise banks to do QA testing of their customer facing Payment pages and ensure that they are compatible with all popular web/mobile browsers.

■ A standard timeline for processing and closing refunds should be mandated such that it can be communicated to users [buyers/sellers] by a web-site, intermediary etc. For ecommerce transactions adherence to such mandated timelines will not only provide transparency but will also go a long way in increasing user confidence and influence the adaptation of ecommerce and the internet as a preferred platform.

Call for advisory by the RBI DPSS team to all banks

■ For providing information with respect to any notice/direction/request [received by merchants, on-line market places] from law enforcement or statutory or regulatory authorities, Bank(s) should provide a 24x7 response system with specific contact details, common SLAs, such that the SLAs are in line with response timelines mandated by statute or regulator or enforcement agencies. Banks should develop a process for the same and assign/designate a person/ email ID for such matters.

■ Any request for information required by the Bank(s) should be accompanied by the required justification such as notice/direction/request received by the bank from law enforcement or statutory or regulatory authorities. Banks should develop a process for the same and assign/designate a person/ email ID for such matters.



B) DAVP EMPANELMENT OF MBL PUBLISHERS (BULK SMS SERVICE PROVIDER)

DAVP will invite bids from agencies under the two-bid system for Short Message Service. This bid will consist of two parts - technical bid and commercial bid. Only if a bidder qualifies technically, the commercial bid will be opened.

TECHNICAL BID

Minimum Eligibility Criteria for Bidders/Agencies

1. The agency should be accredited with IAMAI and should be registered with Telecom Regulatory Authority of India (TRAI) and any other body prescribed by DAVP from time to time.

2. The agency applying for empanelment should be incorporated in India and should be in the field of providing mobile publishing (SMS service) for the last 4 years. The agency should be of sound financial health, reporting positive net profit for the past 4 years.

3. The agency should submit the valid sales tax/VAT registration certificate and Service Tax registration certificate. The bidder should also submit details like name of contact person and other contact details for above projects.

4. The agency so selected should have the capability to perform the entire scope of the assignment without outsourcing the same to any third party. Then bidder should be the legal owner of the software/package for the solution provided to DAVP.

5. The agency should have the following technical capabilities:

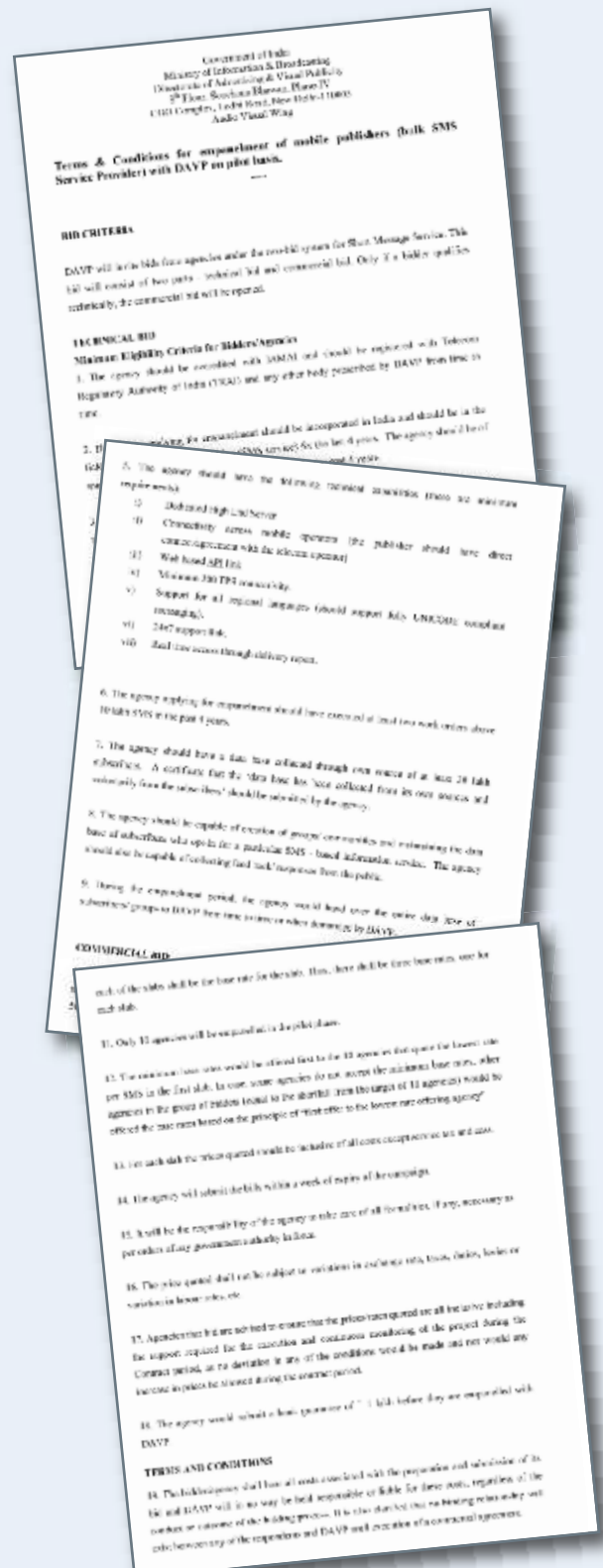
- i) Dedicated High End Server
- ii) Connectivity across mobile operators (the publisher should have direct connect/agreement with the telecom operator)
- iii) Web based API link
- iv) Minimum 200 TPS connectivity.
- v) Support for all regional languages (should support fully UNICODE compliant messaging).
- vi) 24x7 support link.
- vii) Real time access through delivery report.

6. The agency applying for empanelment should have executed at least two work orders above 10 lakh SMS in the past 4 years.

7. The agency should have a data base collected through own source of at least 30 lakh subscribers. A certificate that the 'data base has been collected from its own sources and voluntarily from the subscribers' should be submitted by the agency.

8. The agency should be capable of creation of groups/ communities and maintaining the data base of subscribers who opt-in for a particular SMS - based information service. The agency should also be capable of collecting feed back/ responses from the public.

9. During the empanelment period, the agency would hand over the entire data base of subscribers/ groups to DAVP from time to time or when demanded by DAVP.





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