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The universal accessibility and acceptance of smartphones, smart devices, application stores, and connectivity has enabled Over the Top (OTT) applications to become a mass market phenomenon. The explosion of OTT apps has rapidly changed the mobile landscape, rendering traditional mobile communication services like circuit-switched voice, SMS, and MMS dispensable.

As a result, the inevitability of the mobile sector is that messaging and voice revenues are declining, and are likely to decline further very soon. While this is extremely doomsday-ish, the reality is that OTT services have had a major impact on the mobile sector and this impact will be more intensified in the future. OTT service providers are causing considerable dismay for the mobile operators around the world. The muse is whether OTT services should be considered as a menace or opportunity?

The most prevalent OTT messaging players are WhatsApp, Line, Viber, WeChat, KakaoTalk, and SnapChat. OTT messaging is impacting SMS revenues to a great extent. The need of sending peer-to-peer SMS service is eliminated when subscribers communicate using messaging apps like WhatsApp.

However, there are still avenues where SMS scores over OTT messaging. The existing OTT voice service providers include Skype, Viber, and FaceTime. Voice-Over-IP services such as Skype, Viber, or FaceTime that allow video/voice calling are taking precedence over expensive phone calls. The operators are losing on revenue as the caller does not have to pay for Voice-over-IP as is the case with traditional telephony.

Media space players such as YouTube, Hulu, Netflix, or Apple TV provide services over-the-top of Internet connection for streaming video. They offer entertainment that a subscriber can enjoy without having to pay over and above the paid TV subscription. The operator offers a bit pipe without being able to monetize their services.

Most of the OTT communication service providers do not allow cross-platform functionality and consequently curb the potential of their services. The main concern here is when the mobile operators will capture OTT as an opportunity to generate incremental revenues. Mobile operators who aid an OTT strategy will possibly be able to widen prospects to ensure gains from OTT revenues.

ment revenues have grown by 8-10 percent, and are likely to continue at this pace over the next five years. The share of non-voice revenues, as a percentage of total wireless revenues, is expected to double up over the next five years from 20 percent at present. The MVAS industry in India is undergoing a lot of structural changes and is poised to grow and contribute greater revenues to the telecom industry in years to come.