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India is witnessing unprecedented growth in data traffic: Sameer Dave, Aircel



With voice revenue hitting a plateau, carriers are looking at high-end data applications to boost their revenues

In his previous role as CTO of South African operator MTN, Sameer Dave had the uphill task of providing a world class mobile experience to the hundreds of thousand of fans visiting South [Africa](#) for the [FIFA World Cup 2010](#), which he executed with great success. Now as CTO at Aircel, Dave shares his thoughts with ET about the infrastructure challenges facing telcos as they move towards a data-led business model.

As voice becomes less profitable and regulatory murmurs of making it entirely free gain ground, do you see Indian operators being able to pivot their business model towards data? Can it go up from single digit revenue contribution to maybe 25-30% in the near future or is that a pipe dream?

Aircel was one of the first players to realize the potential of data in this country. We launched Pocket Internet as early in 2009 offering our customers unlimited data on mobile phones at affordable prices. With the telecom industry witnessing a paradigm shift, data is indeed going to be the next big thing. Even though our industry has heavily relied on voice so far for revenues, we believe that is going to change in the future. As on December 2012, there were around 87.1 million mobile internet users accessing internet on their devices every month. Being at the cusp of data revolution, Aircel believes in data-based model for growth and we can see the entire industry move in this direction as well.

Scaling up the network and technical backbone will be a huge challenge for a data-led strategy. You've had some experience in an emerging market where this was done. Do tell us about how you pulled it off with MTN in South Africa. Was the FIFA World cup able to showcase the strength of the network to fans from all over the globe who had come for the event and were consuming rich media and data?

The big challenge we faced was backhauling and packet core optimization. We had identified these concerns as the key success factors for a great customer experience. In my view, the way to the customer's heart(wallet) is through his data experience. The data customer is ruthless when he experiences a bad score on data, akin to [the voice](#) experience, where he has a loyalty to the mobile number. Here, he moves on.

In South Africa, MTN provided an excellent experience to - the international roaming community and its captive MTN customers who had what we called, a 'ring fenced network quality'. This was accomplished by a multi-pronged approach through, packetized backhaul, optimized e2e data services and 'on the fly' device configuration and trouble shooting. This was a proud moment for both MTN and South Africa to showcase its technology prowess to the world as we offered 'championship class' network during and after FIFA, providing an exemplary data and voice experience.

What will be the challenges in the Indian scenario to scale the network especially given the legacy of 2G infrastructure?

Positive structural trends are critical to scale up the network. Given the current telecom scenario in the country, operators need to tackle all the challenges while continuing to [invest](#) in network infrastructure. However, the challenge also lies in value enhancing repurposing of the existing infrastructure because of the demand for increased efficiency and higher customer focus. The service quality also depends on it.

Infrastructure upgrades are battling with ineffective infrastructure investment as there is a lack of confidence about the level of returns. As Aircel, our challenge also lies in being able to relate these upgrades to customer demand, competitor actions and government industrial policies. As an industry, we are looking at Research and Development facilities, enhancing business analytics and moving up the value chain.

Do you think technology can be a differentiator in terms of building smarter [networks](#) that are able to handle data traffic more intelligently?

One of the toughest issues shaping carriers' search for a new kind of network stems from the booming mobile internet. When combined with machine-to-machine (M2M) communications, the number of devices connected to networks soon will exceed the world's population of 7 billion. All these devices, along with new services and the fast growing number of users, threaten to overwhelm the capacity and performance of the network. India is witnessing an unprecedented growth in data traffic and the first time internet users, who have no access to computers/PCs have contributed to it in a big way.

To handle this, the data traffic needs to be managed, optimized and monetized. Smarter networks are the need of the hour. Having said that, we have also seen growing use of alternatives such as Wi-Fi or Mi-Fi devices. Broadly speaking, a smart mobile backhaul solution has the built-in intelligence based on

analytics and deep packet inspection (DPI) technology, to be aware of applications running on the network. With this comprehensive, real-time information about user behavior, mobile operators can optimize networks by managing traffic, bandwidth and spectrum for peak network performance and control costs.

Many users we spoke with who have 3G enabled handsets turn off the functionality because of fears of over billing and rapid battery depletion. Are these valid concerns and if so, how does one address them?

One of the many things that users tend to forget as soon as they shift to a 3G enabled handset is that they are using the device a lot more now. They are watching more videos, playing more games, and spending more time on the internet as the data speed has increased. This means more battery consumption. In addition, there are multiple applications downloaded on their phones which keep pinging the server for updates. These could be some apps, location service, push notification alerts etc. The wise thing is to turn these off. The next big thing, in terms of my expectations, is enhanced battery life and seamless transition between Wi-Fi/3G and LTE networks. The new 802.11u WiFi standard and Hotspot 2.0 may well turn out to be a boon for mobile operators.

A lot of the focus has been on consumer apps like video, games and other rich media. Do businesses and enterprises have as much to gain from the mobile broadband boom?

Yes. There is a huge market for rich media applications and value added services. With voice revenue hitting a plateau, carriers are looking at high-end data applications to boost their revenues. Also, with the advent of smartphones like the [iPhone](#) or [Blackberry](#), cloud applications are becoming increasingly popular. Applications like FaceTime for instance and Facebook are leading to a huge increase in data usage and unprecedented signaling load on the network infrastructure. Potentially, 60-80% of the data traffic will comprise of video by 2015. Quality of experience will drive usage and we will see that QoE will be linked to price points. Premium-mass products will rule during this transition leading to products which will offer unique content and services.