

Publication: The Economic Times

Date: April 5, 2013

Telcos Plan Wi-Fi Zones to Reduce Loan on Networks



KALYAN PARBAT
KOLKATA

Mobile phone companies are investing in low-cost Wi-Fi systems to improve mobile broadband coverage in heavy data consumption zones. A few may be trying to attract fixed-line users by getting them hooked through the Wi-Fi route.

Idea Cellular is testing a five-city Wi-Fi network that will soon go commercial while Aircel will roll out 600 Wi-Fi outlets in six cities that are considered to be India's biggest data markets, top company executives with direct knowledge said.

Vodafone India, too, is believed to be in talks with Wi-Fi gear suppliers like Nokia Siemens Networks (NSN) and Cisco to improve mobile broadband coverage in underserved indoor public areas. More companies are likely to jump onto the bandwagon.

A top executive at NSN, one of the device suppliers to Idea Cellular, claimed telcos with Wi-Fi access are ideally placed to transform mobile broadband experience by harnessing the "superior data handling capability of a Wi-Fi network".

Sector analysts see cost-efficiencies for mobile operators adopting Wi-Fi due to lower deployment costs, coupled with the fact that nearly all smartphones and tablets support Wi-Fi. They also believe a Wi-Fi back-up in congested telecom zones can be a strategic tool for telcos, especially in managing huge chunks of data hitting their mobile networks.

Another NSN executive said mobile operators are also increasingly embracing Wi-Fi strategies to attract fixed-line users onto the mobile broadband platform by initially "getting them hooked to data through the Wi-Fi route".

"Wi-Fi offload will be a very suitable tool to manage the surging mobile broadband demand, especially in India where smartphones and tablets sales are growing while 3G

has limited play and coverage. Since Wi-Fi discovery and connectivity is seamless under most conditions, the user experience is not hampered," says Katyayan Gupta, enterprise mobility analyst (Asia-Pacific) at Forrester Research.

A top executive at Idea Cellular said the company is testing its Wi-Fi networks in key data markets such as Hyderabad, Cochin, Ahmedabad, Pune and Vizag, but is yet to take a call on the commercial launch date and tariffs. Senior executives at Aircel said the telco is "reconstructing its Wi-Fi business" to reduce the data traffic load on its radio networks.

"The advent of Wi-Fi access services will take the load off our GSM infrastructure and reduce data access costs," said a company spokeswoman, claiming that consumers would get more bang for the buck as data download speeds would increase substantially.

Aircel also planned to bundle Wi-Fi consumption, directly into its data tariff plans, said the spokesperson. This means, Aircel

smartphone users would in the near future, buy one data pack and use it across the 2G, 3G and Wi-Fi platforms.

Vodafone India did not reply to ET's specific queries on its Wi-Fi networks strategy or device procurement plans.

Mritunjay Kapur, managing director of Protiviti Consulting, agrees that back-up Wi-Fi networks are a cost-effective way to provide limited mobility broadband services. "Wi-Fi can be deployed cheaply to introduce customers to mobile broadband since there are no last mile infrastructure costs," said Kapur.

Sector analysts see cost-efficiencies for mobile operators adopting Wi-Fi due to lower deployment costs, and also that nearly all smartphones and tablets support Wi-Fi