

Mobile for Rural Women

M-powered, and Loving It

With growing spending power, mobiles are increasingly becoming the device of choice for rural women, creating a huge new opportunity



While women leaders in ICT is not a new concept, the popularity of mobile telephony among rural women, certainly is.

But think of a woman sitting at home in a remote village where even basic facilities like water and electricity are absent using a single device as a primary source of employment, for banking, managing the monthly family budget, for entertainment and for communication...

With women being the main managers of household economies in rural areas, and now increasingly becoming entrepreneurs, the opportunity for operators to tap into the potential of the rural women mobile market is now.

According to a KPMG report, as of August 31, 2010, the country's subscriber base stood at 707 mn—including wireless and wireline, with the overall teledensity reaching 60%. With increasing saturation of urban markets, the next round of growth will have to be generated from rural areas in the form of increased uptake of voice and database services, as well as broadband services. Plus the lack of fixed lines in rural areas, has made mobile phones a necessity and no longer a luxury. With current rural wireless teledensity pegged at approximately 33.02%, according to Trai, operators, network equipment players and passive infrastructure players are evolving low-cost delivery solutions such as significant

reduction in telecom network rollout costs as well as key operating costs such as energy charges. This would make the business case for serving the large but potentially low ARPU rural opportunity increasingly viable. As a testimony to this growth potential, rural teledensity has increased from 17% in June 2009 to the current 26% in June 2010, which translates into addition of 83 mn rural subscribers in the last one year.

Voice as Key Driver

While data is supposed to be the next growth wave in rural areas, voice still rules the roost. According to Anuj Kapoor, CEO, Telcordia, "An increasing number of migrant workers in the city are giving mobiles to their wives back home so they can talk at a cheaper rate (taking advantage of the ever-dropping voice tariffs). Another case in point would be women entrepreneurs using mobiles to keep in touch with local community issues, gossip and information dissemination. In Bangladesh, the concept of a movable local PCO run by rural women proved to be very successful, wherein women would be responsible for smooth transaction and the operator would pay for the same—such a thing could be started in India as well."

Again, bundling of voice and VAS apps for IVR, VoIP and more has proven very successful. Explains Ajay Agarwal, chairman and MD, MAXX Group, "Rural women have a keen interest in entertainment—leading to the popularity of radio phones. Therefore mobile handsets provide more 'value for money' as they serve the dual purpose of communication and entertainment devices. Women in rural areas present a huge market for phones which have features like music,

Rural Teledensity Statistics

- Overall teledensity (wireless and wireline): 60%
- Rural wireless teledensity: 33.02%
- Increase in rural teledensity from 2009-2010: 26%
- Total increase in rural subscribers from 2009-2010: 83 mn
- Revenue from VAS for wireless market: 10%

Figures as of August 31, 2010, courtesy Trai and KPMG



radio and video." Adding to his statement, Kanika Atri, head marketing, NSN India says, "We believe that voice-based applications will be an easy tool for the rural populace since it can be adapted in the local language and does not require the ability to read. Voice applications for learning spoken English are already popular in semi-urban and rural areas, since classroom tuition may not always be feasible. Rural BPOs targeting women and rural radio initiatives led by local rural women are examples of how communities of rural women are benefiting from the ICT world."

Operator Scorecard

Currently, the VAS market is worth ₹110-120 bn, which translates into approximately 10% of the wireless industry revenues. These figures are supposed to increase with increased operator focus

on VAS due to the continuous fall in voice tariffs, increasing penetration of feature rich handsets, availability of vernacular content and increased user adoption of VAS apps as well as 3G, with its availability of differentiated and customized content. Rural India contributes close to 45% of India's total GDP. Most operators have already begun to cater to regional needs through caller ringback tones, devotional messages and other vernacular content like regional and national news,

weather forecasts and market prices for crops in regional languages to help improve the uptake of mobiles in rural areas.

Literacy is one of the main challenges in rural areas. Therefore, bundling voice and VAS apps for English training, for example, is popular. "Voice apps like local education around agricultural practices and pest control, as well as non-agricultural apps could be good for women, who also indulge in these activities. Extending

biometric cards and other functionalities on mobile will help. BBC has started a Janala program in Bangladesh for teaching English to millions of rural customers over the mobile, and Vodafone has also launched a 'Learn Eng app' or 'Learn a word daily'. Also, WAP will take longer than voice-based VAS to catch up in rural areas, due to the low broadband penetration," says Badri Sanjeevi, COO, Mauj Mobile.

According to Srikant Gokhale, CEO, The Mobile Store, "There are specialized applications designed for women and rural population especially on the low-mid cost smartphones. These are related to recipes, healthcare, managing daily expenses, weather forecast, and more."

Talking about how VAS apps can help in social issues for women, Beerud Seth,

co-founder & CEO, SMS Gupshup says, "Subscribers on a community called *Stree* deal with women's issues at work, at home, on the streets and public places address eve teasing, sexual harassment, dowry and matters that could be as relevant to a woman in a city as to one living in a village. Another community called 'Homemaker' has women discussing various topics ranging from cooking to beauty tips. The proliferation and early adoption of VAS in rural areas would be driven by apps and services that are simple, easy to use and come available on even the lowest priced handsets. By

of society, particularly those in the rural areas."

According to Deepak Chandnani, CEO, Obopay, "Mobile applications can be created which can empower women by giving information specific to their industry such as handicrafts, subsistence farming, tailoring, pottery, etc, by eliminating middle-men and taking their products directly to market."

With the price point of devices going as low as ₹500-600, accessibility has gone up, and with it a multi-SIM environment has proliferated. Comviva's Virtual SIM solution capitalizes on current com-

VAS applications relating to women's health is another area which has a lot of scope. Says Kanika Atri, head, marketing, NSN India, "Given the fact that the standards of health in rural India can be improved significantly, mobile services can go a long way in reducing basic healthcare related mortality cases by generating more health awareness amongst women. On-ground non-profit agencies also play a great role in using mobile technology for their awareness initiatives." Sex education could also be a major VAS offering for women, where lack of education is leading to overpopulation. There is already an application related to information on sexually transmitted diseases. Mobile phones can also play a crucial role in supporting health care facilities through government run health centers.

Idea Cellular launched a women's live WAP portal 6-8 months back, with text and information services for women related to pregnancy tips, recipes, etc, in multiple languages in sms and tool-SIM kits. The operator also tied up with Babajob—a website advertising services of bottom-of-the-pyramid consumers like nannies, maids, housekeepers, with profiles. This website clocked a 1 mn subscriber registration in the first year itself. According to Srinigopal, director, cooldose.com, "Once mobile companies are able to develop gender-based division at the back-end call level, to distinguish whether a SIM belongs to a male or female user, it will help even more in catering to women's needs."

M-banking—Money Power

According to a KPMG India Telecom 2010 report, only 31% or little over 20,000 of the total bank branches in India are in rural areas. Says Ajay Agarwal, chairman and MD, MAXX Group, "With the banking system in India having low penetration in rural India, women can use their mobile phones to conduct basic banking functions through their phones with phone banking."

While banking for the unbanked is very popular globally, in India it is yet to catch up due to regulatory constraints.



virtue of sms being the primary medium, we ensure that our service works for all handsets in the country."

Talking on the gender empowerment equation, Milind Pathak, VP, Saarc, Comviva, says, "Owing to its widespread penetration and ease of use, the mobile device can actually be a powerful tool for gender empowerment in rural India. There are services like mobile financial services, mobile education, mobile health and other citizen services which could facilitate greater financial and social inclusion of women in rural areas. We have seen a considerable interest amongst operators for solutions that cater to the needs of different sections

community-based communication services, consumption models prevalent among low-ARPU customers by enabling a person to 'share' a handset (perhaps of a family member or a neighbor), by means of which a significant cost is avoided. In addition, by being able to top-up incrementally in small denominations, the person gains access to mobile communications affordably. A woman can thus select her own operator plan, recharge her number and avail VAS and other services of her choice. A virtual SIM thus drastically shortens the time taken to go mobile, enabling users to own an individual connection in one-sixth of the time.

Still, service providers see a lot of scope for innovative m-banking apps. According to Anuj Kapoor of Telcordia, "If a rural customer is allowed to keep money in his prepaid account and then convert this amount physically into cash at an establishment, it would be the ultimate form of m-banking. This will be more useful to women, when men folk are not around."

Micro-finance on mobile will also help women in repayment of loans, planning of finances, trading and selling local goods to local distributors and large retailers. One such example is Unilever, which is working with rural women by catering to their household, and children's education needs in exchange for local goods. Micro-financing through m-wallet is also useful for the government in dispersing pension to widows directly, eliminating the need for a middleman, who usually pockets the cash before it even reaches its destination. According to Kanika Atri of NSN India, "A great scope for mobile payments exists in India wherein millions of women are benefiting from government initiatives such as the National Rural Employment Guarantee scheme and credit disbursements from microfinance institutions."

However customizing m-banking solutions as per location, especially with regards to local language to ensure accuracy of transactions, is very important.

Pricing it Right

With the recent launch of MNP, rural VAS for women may be definitely something that operators will look at, to increase subscriber stickiness. However, for rural women's apps in particular, pricing is a very important factor, considering that they are often secondary earners. Remarks Badri Sanjeevi, COO, Mauj Mobile, "A combined package of voice, sms and good apps, economical price plans, and low-priced handsets will play an important role. Basically there are three sales models employed by operators—absolutely free, where the operator makes money only through browsing; ad-based; or try-and-buy, this one being the most popular, with subscribers paying only for

what they use and being able to top-up to continue the service. Such apps with sachet-pricing are available for as low as ₹1 per day for both voice and WAP."

Free calls between two numbers would also be very useful, especially for housewives in rural areas. According to Srinivas Gopal, director, cooldose.com, "Rural people are willing to pay for useful apps, because they are available and accessible. This stems from the fact that though it may be a single TV household, each member has a mobile, providing a huge scope for VAS apps, and no barriers to adoption."

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3G for Rural Women

3G might yet take 2-3 years to reach rural areas but service providers are already gearing up with applications. Among these, 3G applications for rural women like video calling for health, education and banking may be very useful. However, experts feel that 3G in rural areas will be most helpful in the penetration of mobile broadband. According to Anuj Kapoor, "3G will allow a net café to survive in a remote rural area even without electricity. Women could make use of this high-speed connectivity for retail pricing, fertilizer rates, information alerts from the government, etc."

3G will encourage digital empowerment in rural areas by means of cheaper voice and data services, and supported by feature-rich handsets, it could help in increasing the uptake of mobile technology and increase penetration. M-banking

will also be easier as women will have better access to the Internet and information at a faster transfer rate. This will also help in planning the family budget better. According to Atri, "A 3G model can be highly successful in a public-private partnership and can even be profitable in nature."

With Indian travel costs being among the highest in the world and distances large, mobile TV with 3G will also change the dynamics of single TV households; it has the potential of truly being a killer app. Says Srinivas Gopal, "Women content, health, well-being, Government of India women programs, counseling, and more, bundled with video calling through IVR, is a goldmine opportunity for operators. All they need to do is incentivize and create services to improve livelihood, lifestyle and economic status of rural subscribers. If subsidized well, in the future, the government could also start providing mobile handsets to women in rural areas, which would also help in quicker uptake of 3G technology."

Conclusion

A recent m-women program launched last October in India by the Cherie Blair Foundation for Women and Hillary Clinton, saw many illiterate women communicating via mobile phones, proving that the mobile phone is the key technology of choice for the poor—reaching rural areas and the underprivileged where no other basic utility does.

Feature-rich phones, capable of meeting myriad requirements of communication, information and connectivity, which are effectively priced, are the need of the rural markets. Especially for rural women who are mostly financially dependent, pricing plays a large part in the demand of mobile phones. Mobile phone manufacturers must keep this in mind while tapping rural markets, as it is a well-known fact that the rural market is completely dissimilar to any other market in India, and requires other marketing strategies to penetrate.

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