

3G services are costly, but useful

SANGEETHA CHENGAPPA

BENGALURU

Aug. 18: Even though the much delayed 3G spectrum auction has been deferred yet again, mobile phone users are already experiencing the 'high' of third-generation (3G) mobile telephony services which have been rolled out by government-owned telecom companies MTNL and BSNL in major cities across the country.

With a 3G phone and access to a 3G network, mobile phone users can make video calls and see who they are talking to, watch live TV while on the move, set video ring back tones instead of just audio ring back tones, access high speed Internet, video conference with up to 10 people, and download music tracks along with the usual voice call and messaging services. Voice calls will be less prone to interference and drop-in-calls due to low coverage areas, as 3G services deliver high-quality voice transmission.

That's not all. Users will also have access to high-end data applications on their mobile phones such as interactive gaming, watching full length movies, live cricket matches, and video clips.

For example, a user will be able to download a 3-minute song in approximately 15 seconds with 3G when compared to 8 minutes typically required in existing mobile technologies. BSNL and MTNL are currently working on providing other 3G services wherein users can pay their utility bills, chat, and even get into mobile banking using 3G phones.

While 3G opens up immense possibilities to users, good things don't come cheap. In other countries, subscribers saw a 50 per cent jump in their monthly phone bills when they switched from the normal 2G to 3G services.

"The main entry barriers for users will be the higher



Nagendra Venkaswamy of Juniper Networks

cost of 3G services and the need to upgrade to 3G handsets which begin at Rs 6,000 upwards," head of 3G business at Nokia Siemens Networks India Randeep Raina said. Currently, there are around 71 3G handset models priced between \$120 — \$330 from Nokia, Samsung, Sony Ericsson, Apple, and Motorola in the country.

Participants in the mobile ecosystem hope in the cost-benefit trade-off, benefit would eventually win. According to a FICCI report, the 3G subscriber base in India is expected to reach 90 million in 5 years and 3G revenue will reach

\$15.8 billion or 46 per cent of the total wireless revenue by 2013. It can provide a much needed boost to a telecom operator's average revenue per user (ARPU).

"With increasing adoption of 3G phones, laptop usage will come down drastically because almost everything from accessing the net and mail to watching movies, reading books, buying airline tickets, and mobile banking can be done on one's mobile phone. Presently, I need to carry my laptop around only because I can't access attachments on my BlackBerry," Nagendra Venkaswamy, MD, India & SAARC,

Juniper Networks said. The firm deals in next generation networks.

While users currently have to pay multiple bills — for their landline, cellphone, broadband connection, entertainment etc., with the advent of converged networks and 3G, a single telecom operator will be able to cross sell voice, data and video services to its customers and also send them one single bill to be paid. Moreover, the software built into 3G networks helps to customise 3G services depending on an individual user's requirements for bandwidth and speed, pointed out Venkaswamy.

Networking giant Cisco says service providers can also deliver Internet Protocol TV (IPTV) that

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will bring services not yet delivered such as on-demand video content and network-based digital video recorders where the content is stored on the network and streamed to the device. "In addition, content which is typically available in streaming media format on the Internet will be available for viewing on television. IPTV will also bring the integration of video streaming with conferencing capability, and interactive TV applications which will provide users with a much richer experience than they have today," VP-Service Provider of Cisco India & SAARC Vish Iyer said.