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AFTER Nokia challenged Google's reign in the navigational services by offering free navigational services, telecom operators as well as content developers are scouting for opportunities in this market. The market seems set for fast paced action as growth and more players ring in. Insiders are expecting a boom similar to the one kick started by portable and handset based navigation devices.

In the past, reaching the mass market has essentially required pre-installation of applications on handsets through distribution agreements with handset vendors or operators. The arrival of on-device application stores partly or completely bypasses the operators' control over application distribution. For users, application stores enable easier access to a broader selection of content that facilitates feature and price comparisons, ultimately increasing competition and customer value.

Navigation is proving to have a far greater potential in the wireless industry. Mobile operators have been the main distribution channel for mobile navigation services for a while now. Today, about 60% of all active subscribers worldwide use services marketed by mobile operators. However, new distribution channels are growing in importance, such as handset vendors, equipment distributors as well as various directory, search and mapping service providers. On-device application stores that are being launched by handset vendors and mobile operators are also making a mark on navigational services landscape. Berg Insight forecasts that in 2015, more than half of all active users of navigation applications will have downloaded the application from an on-device application store.

Most of the handset vendors have introduced some kind of navigation service offering on their GPS-enabled handsets. Nokia has been aggressive on the market and has the most clearly stated strategy for location services. Since the acquisition of gate5 and NAVTEQ, it has become a vertically integrated provider of navigation services and devices. It has recently made walk and drive navigation free on its smartphones as part of a new version of Ovi Maps. This mapping and navigation software has been designed for mobile use.

Moreover, Nokia is gradually expanding its Ovi services offerings beyond core mapping and navigation to include other location-based services. Other vendors have also opted to partner with navigation developers. D Shivakumar, managing director, Nokia India, says, "This is a strategic move that will be a game-changer for the industry. We

believe that offering maps with full navigation features and premium content at no extra cost will be the catalyst that drives mass market and penetration of mobile maps in India."

According to research firm Canalis, the number of people using GPS navigation on their mobile phones worldwide was about 27 million at the end of 2009. With this latest announcement, Nokia potentially grows the size of this installed user base to about 50 million by enabling smartphone owners to activate free drive and walk navigation through a download of the new Ovi Maps. As per Canalis estimates in 2009, the installed base of smartphones with integrated GPS was 163 million units worldwide, of which Nokia accounted

for more than half (51%) having shipped cumulatively 83 million GPS devices.

Over the years, applications have been written for Palm OS, BlackBerry OS, Windows Mobile and Symbian OS smartphones. The importance of a well implemented and easy to use delivery channel has been shown by Apple's App Store for the iPhone and iPod Touch. Other handset vendors have followed Apple and announced their own application and content stores. Premium applications became available in the Android Market in March 2009. One month later, RIM introduced the BlackBerry App World in the US, Canada and the UK. Nokia launched its Ovi Store featuring content and applications in May 2009.

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the maps on the handsets. Uptake of navigational services in India depends on the user perception and behaviour. Currently of the total handheld devices available in India, merely 7.8% is GPRS enabled. Also, as of now, 90% of the value added services (VAS) are restricted to download of music, ringtones, wallpapers, while just 10% is for activities like checking mail, reading or using maps online for navigation.

"There is great disparity between the size of this market in India and those in western countries. While many western countries are already in the saturation stage, India is still in the introductory stage. These services should be supported by multiple languages as well as made affordable for end-user market

penetration. Restriction on the availability of digital maps for commercial usage is another factor influencing growth of these services," says Nitish Mittersain, CEO, Nazara Technologies.

At the end of September 2009, Vodafone announced its new suite of integrated internet services called Vodafone 360, which enables customers to access their contacts, mapping services, status updates and messaging services from one place. The maps and places feature includes maps, turn-by-turn instructions and voice guidance, location messages, realtime updates of friends' location, as well as tagging and sharing of favourite places.

Last year, Reliance Communications in partnership with Altruist launched voice-based

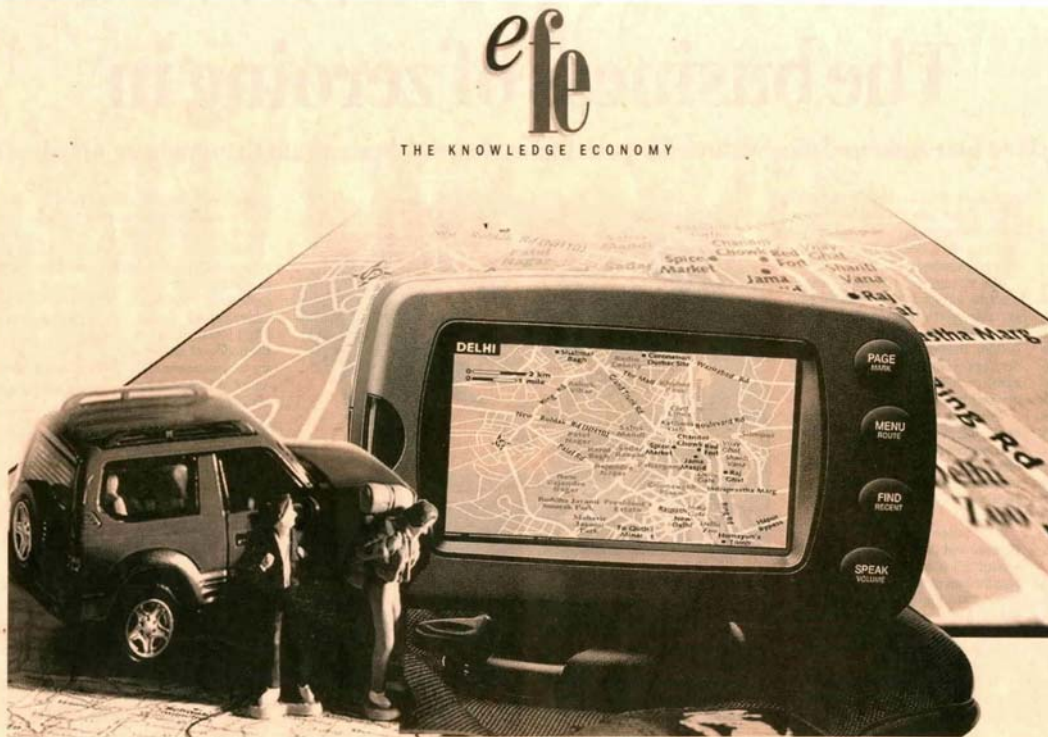
navigation service. The service will be called LCU (Lost? Call Us). For the massive roll-out of LCU service through Reliance Mobile, Altruist has formalised a technical tie-up with SatNav Technologies. SatNav provides maps and application for this service, which includes detailed maps of more than 200 cities and can point out more than 15 lakh destinations (points-of-interest) which subscribers can choose. The service also generates a database of all facilities available in the country. The application along with hardware is patented by SatNav. Reliance Mobile's LCU service does not require the user to have an expensive GPS-enabled handset. It can be accessed through the dial-up from both mobile phones and landlines. All the other mobile operators enable download of navigational software offered by Google or Nokia.

"In India these services require a lot of branding initiative. Also these services are looked at as an added feature. Innovation in terms of deploying more context aware solutions like in the developed worlds would also give a push to these services," says Anshul Gupta, analyst, Gartner. "Well planned maps which will influence user behaviour, availability of low-cost GPRS devices and affordability of data services are key factors instigating the growth of navigational services in India," he adds.

Apart from the fact that such services need expensive handsets with GPRS connection, infrastructure readiness is also a major hindrance to growth of these services in India. Considering the hazy fate of 3G services in India, content developers and telecom operators are promoting other value added services to cushion their ever plummeting average revenue per user (ARPU).

Also, we still have voice as the primary interface for most users one can build voice-enabled navigational service, but it is not worked. "We now have a lot of useful and relevant navigational data (maps and places database) for most Indian cities and user-friendliness is not an issue any more." The issue is that navigational services ride on data and app infrastructure which is in very early stage due to high cost of navigation enabled devices, low data access penetration, available bandwidth and culture," says Sanjay Singh, CTO, One97 Communications.

So while in the developed countries a lot of other innovative services are built over navigational services platform, India still lags on account of less GPRS enabled active userbase and poor speed of data services. As the market promises huge opportunity in the years to come, how India embraces such technology will be a game to watch and wait.



IN SEARCH OF THE RIGHT COORDINATES

As Nokia fires at Google with its free navigation promise, it could shake up the Indian location-based services market