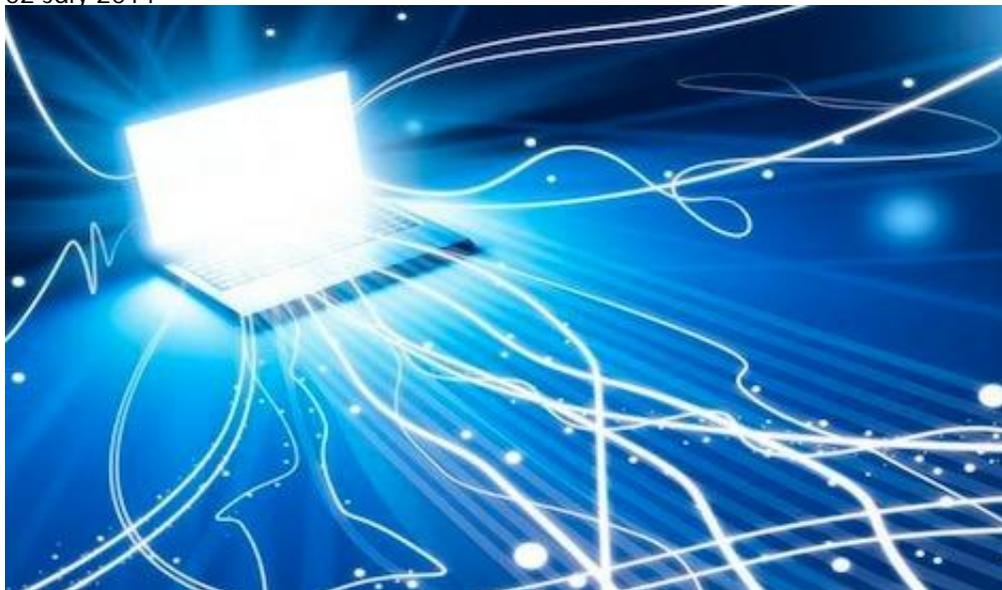


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4G Technology To Have Slow Acceptance In India?

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New Delhi: It has been quite some time that the Indian telecom industry is talking about the fourth generation (4G) technology but is the market and the subscribers ready for it? Experts feel it will take another couple of years for 4G to gain steam and become a mass product and the ecosystem around it to mature.

So far only Bharti Airtel has launched 4G in India and Reliance Jio Infocomm is planning to launch it commercially in 2015. The technology (4G) is intended to provide wireless internet access at a much higher speed than 3G.

"4G launch is taking time in India. Availability of devices is a major concern. The readiness of ecosystem is important, so is customer readiness. Perhaps the larger mass has not yet felt the need for 4G in India. It will take some more time to kick-off in India. Pricing will be an important factor as far as getting the mass market is concerned," Jaideep Ghosh, partner, KPMG Advisory Services, said.

"It will take at least another couple of years before we see LTE (Long Term Evolution) picking up at a faster rate in India – coverage, vast portfolio of affordable devices and right pricing will be key for growth," Rishi Tejpal, principal research analyst with Gartner, said.

"Affordable service and device pricing will be very important in India. The early adopters will be very niche and small market. But for 4G to become mass market, the pricing should be at par with the 3G prices at that time. Charging a premium for LTE services will weaken the adoption rates and

service uptake," he added.

The biggest challenge in front of 4G now is the unavailability of affordable devices. The device ecosystem is yet to mature in India and availability of affordable and wider range of devices is still a challenge.

"We have had a very encouraging response for our 4G services across the five cities that we are present in currently – Bengaluru, Kolkata, Pune, Chandigarh and Ludhiana – since our first launch in Kolkata in April 2012 when we introduced 4G in the country," Kartik Sheth, chief executive officer – data & devices, Bharti Airtel, said.

He said with the devices market maturing further offering a wider pricing range, the growth of 4G is expected to propel faster over the coming years.

"iPhone 5S & 5C were the first devices to be 4G TDD ready in India and the only other compatible devices right now are Xolo LT 900 and LG G2. We expect more devices to be ready soon. Also, given that both India and China, which are of the fastest growing mobile markets globally, are on the 2,300 MHz band, we are sure that other mobile manufacturers will join the 4G bandwagon soon," Sheth said.

Experts also feel that auctioning of 700 Mhz spectrum by the government will encourage many other big telecom service providers to rollout 4G services.

"4G will offer data speeds far in excess of what Indian mobile users have experienced till now. This will potentially enable them to access a wider range of applications and services especially video-based content for entertainment, health and education," Mahesh Uppal, director of telecom consultancy firm Com First, said.

"However, it is a physically and commercially challenging task to roll out 4G. Besides the nationwide infrastructure to be deployed, user devices are few and expensive. Similarly relevant digital content, may be limited and both difficult and expensive to procure.

"This is especially true for content in regional languages. Companies are struggling with business models that might offer sustainable revenues to justify the huge investment in networks, spectrum and content. The ecosystem for 4G rollout is manifestly weak," Uppal added.