

Market Notes:

Mobile Music in India

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Market Notes: Mobile Music in India

Introduction

Mobile music, or musical content on the mobile handset, meets the dual purpose of personalisation and entertainment through the handset. Mobile music can be broadly classified into the following segments:

- Ringtones (monophonic, polyphonic, true tones)
- Ringback tones
- Streaming audio
- Full-track music downloads

Asia Pacific

The Asia Pacific region is one of the fastest growing mobile music markets in the world, and a vibrant mobile culture with many consumers purchasing between two and three new handsets every year.

The region recorded mobile music revenues of USD 5.7 billion in 2008, up from USD 3.3 billion in 2006. Mobile music revenue is expected to grow and reach USD 9.8 billion by end-2013, from a forecasted USD 6.7 billion for 2009.

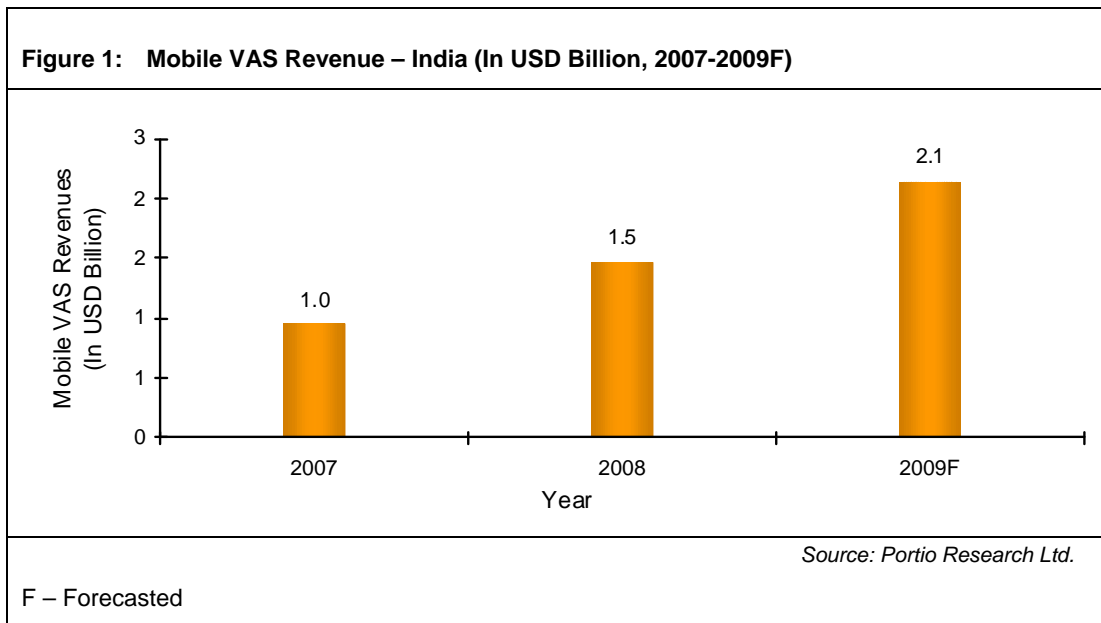
Ringback tones along with ringtones continue to dominate the mobile music market of many countries in this region, creating a new form of music consumption.

India is a key geographical mobile music market within Asia Pacific.

India

Riding on a wave of increasing mobile handset sales, mobile music in India has surpassed physical channel sales. Indian consumers purchased more mobile music than physical music in the first three months of 2007 and are expected to buy almost nine times more mobile music than any other format by end-2009.¹

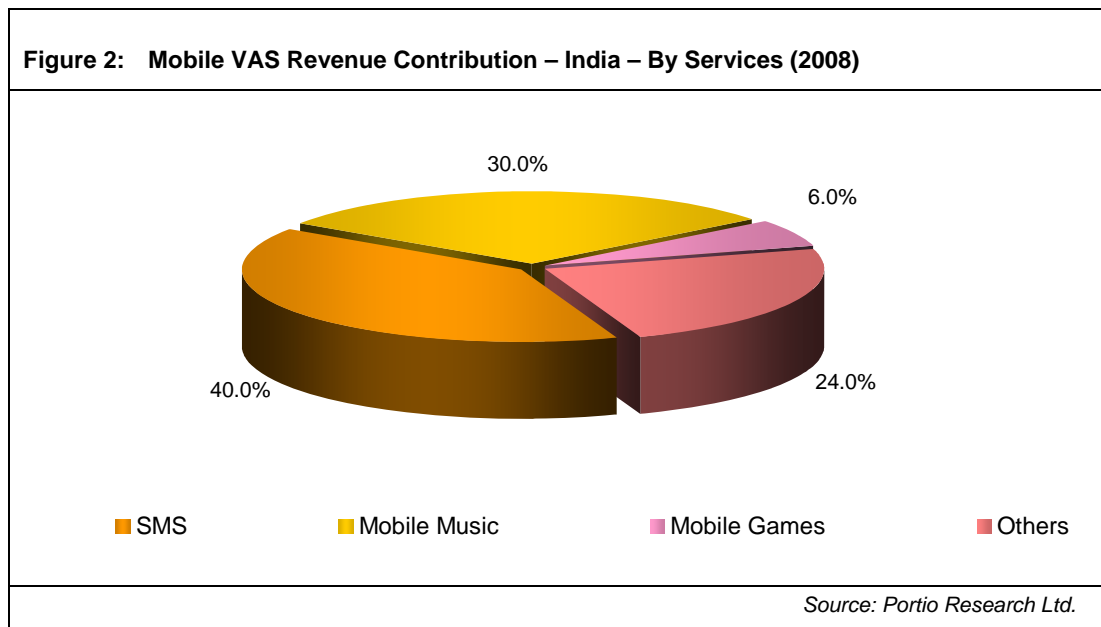
The Indian mobile value added services (VAS) industry stood at USD 1.5 billion by end-December 2008 and is forecast to grow by nearly 40 percent to reach USD 2.1 billion in 2009.



¹ Source: PWC, industry associations, IFPI and IMAI

As Figure 1 shows, the Indian mobile value added services (VAS) industry stood at USD 1.5 billion by end-December 2008 and is forecast to grow by nearly 40 percent to reach USD 2.1 billion in 2009.

Figure 2 depicts the Mobile VAS revenue break-out in India, and shows that mobile music accounts for the second largest share of Mobile VAS revenues (after SMS).



Mobile music is developing faster in India due to the higher penetration of handsets compared to portable music players and also due to ease of payment.

To date, almost all operators have launched services that allow subscribers to choose their favourite music from a huge catalogue and download it onto their mobile handsets, or even iPods, at affordable prices. This has helped the mobile music market to boom to unexpected levels.

Music downloads may very well turn into a primary source of revenue for mobile operators, and it isn't just the privately owned MNOs who are betting big on music.

State-owned BSNL, the third-largest GSM operator, has also joined the fray. The company awarded two contracts to Swedish equipment major Ericsson to host its multimedia services.

Under the deal terms, Ericsson will host the mobile content download portal and a ring-back tone service for BSNL. It will also be responsible for running the next-generation portal that will offer a variety of mobile content, such as music downloads, ringtones, video clips and other software applications.²

The popularity of caller ring back tones (CRBT) is evident from the fact that the service accounts for about 65–70 percent of all the mobile music sales in the country.³

The remaining 30-35 percent of mobile music revenues is accounted for by other applications such as ringtones, full-track downloads and video downloads.⁴

This is in stark contrast to the US, European and Australian mobile music market where the application accounts for a negligible share.

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² Source: <http://economictimes.indiatimes.com/articleshow/msid-2148903,prtpage-1.cms>

³ Source: <http://www.financialexpress.com/news/caller-ring-back-tone-commands-6570-mobile-music-sales-in-india/293380/>

⁴ Source: <http://www.financialexpress.com/news/caller-ring-back-tone-commands-6570-mobile-music-sales-in-india/293380/>

These notes were extracted from the Portio Research report:

[Markets for Mobile Music, Games, Video and TV \(2009-2013\).](#)

This essential report provides analysis and growth forecasts for mobile entertainment markets worldwide.

With detailed briefings on mobile music, mobile games and mobile video and TV services, plus projections to 2013 on both global and regional levels, this study is crammed with data that helps identify the next growth frontiers for mobile entertainment services and how to tap these future opportunities.

For further details about the report please [click here](#).

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