Webaroo – SMS GupShup response to TRAI Consultation Paper on Unsolicited Commercial Communication dated 11th May 2010

SMS GupShup is the world's largest social SMS service that allows users to communicate and connect with family, friends and fans using mobile handsets. Founded by seasoned Silicon Valley entrepreneurs and incubated at the IIT Bombay Business Incubator, the company is funded by Charles River Ventures, Helion Ventures and Globespan Capital.

SMS GupShup extends the capabilities of P2P SMS technology to social messaging including 1-to-many, many-to-many and many-to-1 communication, thereby enabling social interactions on SMS, the only medium that reaches 4 billion users worldwide. Launched in April 2007, it is used by 30 million users in over 3 million communities.

Brands and enterprises use the SMS GupShup platform for their mobile marketing needs in different ways:

1. **Advertising:** While the platform is free for users to build communities around topics of interest, GupShup reserves the right to insert text ads in the messages. Advertisers can submit their ads and target them by demographic and behavioral attributes. This product delivers valuable content to consumers, permission-based contextual marketing to advertisers.

2. **Customer Engagement:** For brand marketers who want to engage their existing and prospective customers through building mobile communities, the GupShup platform enables interaction with their customers, thereby enhancing loyalty, catalyzing referrals and increasing revenues, besides offering substantial reach (unlike the web) and interactivity (unlike print, TV or outdoor).

3. **Mobile CRM:** SMS GupShup not only helps businesses acquire, retain and grow customer bases but also empowers them to innovate, promote and sell their products. The GupShup platform provides a comprehensive set of products and services to suit every business need. It includes a community platform, Lead Management system, Loyalty management system, Contest Management tools, Media tools etc.

Carriers use the reply-all capability of SMS GupShup to increase ARPU and loyalty of their subscriber base. SMS GupShup also sells premium content and services to consumers.

SMS Reply-All: this product enables many-to-many communication between friends, family and co-workers. A natural extension of p2p messaging and just as easy to use, this product is offered to consumers in partnership with carriers. Users get the Confidential and Proprietary © SMS GupShup / Webaroo Inc. 2009-10 benefit of quick and easy multi-party communication, while carriers benefit from increased messaging volume and ARPU. GupShup is engaged in conversations with dozens of carriers around the world, with product launches starting in Q2 2010.

SMS App Platform: this product enables many-to-one, multi-user interactions among users. The app platform is an open developer platform that enables rapid creation and deployment of SMS based services such contests, polls, surveys, multi-user games, study tools, productivity, collaboration tools etc. By deploying the App Platform, carriers can greatly expand the pool of "Content Partners" to include anyone, anywhere as well as reduce the cost of deployment. It allows for easy development and access to relevant user generated apps, groups and communities, making it a social destination of choice among the target audiences. All content shows up on SMS as well as WAP & Web.

To know more details visit www.smsgupshup.com

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Some additional salient points on SMS GupShup:

1. SMS GupShup is a registered Telemarketer.

2. The SMS GupShup platform sends about 60crores SMS messages per month.

3. The platform has a very highly scalable NDNC scrubbing mechanism that facilitates compliance to the NDNC norms.

4. Our efforts on NDNC Compliance have met with appreciation at the end of our operator partners and are about a hundred a month. Most of the complaints are from unregistered subscribers, subscribers receiving transactional alerts or for reasons beyond our control (NDNC servers).

5. We have a well defined process to analyze and address these complaints. We are of the firm belief that complaints can be further reduced if some of our recommendations below are accepted.

SMS is no longer just used for person-to-person communication, but is fast emerging as a communication/engagement medium for business-to-customer, celebrity-to-fan, brand-to-consumer, social-networking etc. New social connections are discovered through such interactions on an open system. These new innovations need to be encouraged, not restricted – while preventing abuse. It is important that we don't throw the baby out with the bathwater.

It is our firm belief that:

1) The NDNC registry is serving its purpose – the consultation paper quotes ~3.5L complaints from the time the registry came into being. This translates to a success rate of more than 99.999% even in the worst case scenario.

2) With the passage of time, both telemarketers and consumers are becoming more aware leading to enhanced compliance.

3) We believe that with some fine tuning the NDNC regulation could be the answer that TRAI/DOT/the ecosystem and the consumer are looking for.

4) Movement to the DO CALL regime is not required and if this move were to happen it will only be a regressive step.

   a. The NDNC learning will need to be undone.

   b. New learning will need resources (marketing, processes etc) as well as time.

5) We would not recommend touching something that is already working

6) The ideal solution is to develop a better system for identifying and penalizing culprits:

   a. Enforce all A2P messages to go with numeric masking {the current 2-letter prefix is terribly inadequate and solves nothing)

   b. Enforce unique sender IDs for aggregators / businesses so trace-back becomes possible

   c. Offer a simple SMS-based opt-out mechanism (Reply STOP)

   d. Offer a simple, SMS-based, industry-standard way to report abuse (fwd Abuse messages to, say, 512345)

   e. Once abusers can be identified and penalized, the abusive behaviour will stop while good innovation will flourish. Let the system figure out good/bad use cases, not the government.

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Our responses to questions in the consultation paper are as under.

4.1. What are the primary factors for poor effectiveness of Telecom Unsolicited Commercial Communications Regulations, 2007 (4 of 2007) in its present form? Give your suggestions with justifications. (Reference Para 2.3)

A. We believe that the regulation is working well. A success rate of more than 99.999% is ample proof. There is no doubt that it can get better but that does not say that the current regulation is not effective. Our recommendations for improvement are provided in the answer to 4.7

4.2. Do you feel that there is need to review the existing regulatory regime of Unsolicited Commercial Call (UCC) to make it more effective? What needs to be done to effectively restrict the menace of Unsolicited Commercial Communications (UCC)? (Reference Para 2.3)

A. Yes, the UCC regulation should be reviewed basis the experience since launch. Some steps that we believe need to be taken are:

1) Mandatory registration of all Telemarketers.

2) Consumer opt-in for receiving communication should be recognised and allowed to supersede registration on the NDNC registry. It is imperative that the consumer be empowered with the decision of acceptable communication. This will encourage brands to build stronger relationships with their consumers as also create an eco-system for free / ad-supported consumer content. Ad- funded models offer value to consumers for their mindshare world over.

4.3. Do you perceive do call registry to be more effective to control Unsolicited Commercial Communications as compared to present NDNC registry in view of discussions held in para 2.4 to 2.9? Give your suggestions with justification. (Reference Para 2.10)

A. Not at all. Abolishing an existing and working system in favour of another untested system would not be advisable. The DO CALL registry could have a severe negative impact on the business models of a lot of enterprises and carriers in the mobile eco-system. Moreover, it will take us back to 2007 when the NDNC was first introduced. This dating in the fast paced telecom sector is clearly not desirable.

4.4. Do you perceive the need to control telecom resources of telemarketers to effectively implement provisions of Unsolicited Commercial Communications and to encourage them to register with DoT? What framework may be adopted to restrict telecom resources of defaulting telemarketers? (Reference Para 2.11.3)

A. We believe mandatory registration is a big step forward. Additionally, there is need for developing a code of conduct, monitoring and measuring against the code and penalizing (even derostering) errant telemarketers. We would recommend making mobile carriers conform to this code too. In fact, for them as providers of the telecom resources the code can potentially be more stringent. This will lead to a joint effort in effectively controlling the menace of spam and UCC.

4.5. Do you agree that maximum number of calls as well as SMS per day from a telephone number (wireless as well as wireline) can be technically controlled to force telemarketers to register with DoT? What other options you see will help to effectively control telemarketers? (Reference Para 2.12.4)

A. Resource controls should not be made. Instead we recommend stricter compliance by mobile operators in not issuing resources to unregistered telemarketers. Subsequently the code of conduct, measurement and derostering should take care of the problem.

4.6. Do you envisage that second screening at SMSC as proposed in para 2.12.3 will effectively control unsolicited SMSs? Give your comments with justification. (Reference Para 2.12.4)

A. Impractical and not recommended. This may block certain critical transaction messages, for example, a consumer registered under NDNC may not get an alert on a fraudulent credit card transaction.

4.7. What changes do you suggest in existing provisions to control the Unsolicited Commercial Communications effectively? Give your suggestion with justification. (Reference Para 2.13.6)

A. Refer table below:

ACTION	RESULT
Mandatory registration of ALL marketers. Allocate unique sender IDs for aggregators / businesses for ease of tracking	Remove unscrupulous and untrackable marketers
Enhance consumer awareness about the NDNC registry & its benefits	More consumers will sign up, understand the purpose and scope of the registry. This will greatly reduce incidence of complaints
Offer a simple SMS based opt-out mechanism (Reply STOP)	Easy reporting by consumer
Offer a simple, SMS based, industry wide standard of reporting abuse	Easy reporting by consumer
Scale NDNC servers. Consider decentralizing the scrubbing process by making the NDNC registry available to multiple agencies.	Permits more frequent scrubbing thus reducing the probability of complaints
Regular monitoring and measurement	Allows benchmarking performance for telemarketers
Stricter action on defaulters - Consider derostering a telemarketer if performance falls below a threshold	Enhances consumer confidence on the efficacy of the NDNC registry
Let the registry take care of number churn as part of periodic upgrades	Ensures errors on account of number churn are totally removed

4.8. Do you agree that present panel provisions to charge higher tariff from telemarketers are resulting in undue enrichment of service providers? What penalty framework do you propose to effectively control UCC without undue enrichment of service providers? (Reference Para 2.13.7)

A. Both the service providers and registered telemarketers are desirous of complying with the norms. More importantly if there was a level playing field – one that insisted on registration, monitoring and stricter penalties, compliance would increase.

4.9. Do you feel that present UCC complaint booking mechanism is effective? What more can be done to enhance its effectiveness? (Reference Para 2.13.8)

A. Complaint booking is fairly effective except in case of certain operators who ask for NDNC registration number. Many consumers do not have this handy and thus drop the intention of complaining. However, the process post logging of complaints is completely ineffective since there is no visibility for the consumer.

4.10. Do you feel that there is a need to enact legislation to control the Unsolicited Commercial Calls? Give your suggestion with justification. (Reference Para 2.13.9)

A. We are very hopeful that our suggestions will cause a cleaner system on a rapid growth path. The option for legislation can be explored at a later stage.

4.11. Do you agree that definition in para 2.14.1 correctly define Unsolicited Commercial Communications in Do Call registry environment? Give your suggestions with justification. (Reference Para 2.14.2)

A. For the records, we are opposed to the implementation of the DO CALL registry. In the consultation paper the term opt-in is being used loosely and seemingly points to DO CALL. We would like to emphasize that opt-in is an action taken by the user providing explicit permission to a service/content provider to communicate with her. This explicit permission works in the NDNC regime and not in the NDC regime.

4.12. Do yo feel that proposed framework to register on NDCR will be user friendly and effective? What more can be done to make registration on NDCR more acceptable to customers as well as service providers? (Reference Para 3.7)

A. For the records, we are opposed to the implementation of the DO CALL registry. Even though the proposed framework seems logical it is way too complex for the consumer and will result in a lot of heartburn. We doubt that the user will be able to use the framework effectively. In our opinion this approach is impractical and complex, thus not deliver to the desired promise.

4.13. In your opinion what are the various options which may be adopted for setting up and operating the NDC registry in India? Among these suggested options which options do you feel is the most appropriate for implementation and why? Give your suggestion with justification. (Reference Para 3.8.3)

A. The proposed NDC is impractical – both from consumer's and telemarketer's perspective. We would request continuing with the NDNC along with suggested changes as per 4.2 and 4.7. That, in our opinion, should meet the needs of all concerned.

4.14. Do you agree that present NDNC registry can effectively be converted to NDC registry? What measures need to be taken to make it more effective? (Reference Para 3.8.4)

A. No. These are two different paradigms and different processes. This will be painful for the consumer and taxing for the telemarketer. It will result in technology re-write and not re-engineering. Moreover it will be very time consuming for the eco-system to get to the current stage. We cannot

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expect the level of interaction and time dedication from the consumer as is required to make it effective.

4.15. In view of the discussion held in para 3.9, which option of charging and funding model do you suggest for procuring the data from National Do Call Registry by telemarketers? What should be the various provisions you want to incorporate in suggested model? Give your suggestion with justification. (Reference Para 3.9.5)

A.   The thought around one national database for sending promotions is scary. There will be no differentiation left between the telemarketers as all will have the same database. Life of the consumers in this database will be miserable – as they will be a commodity which every telemarketer in the country will target. This suggestion is regressive and not appropriate for a capital society. It is like saying ownership is not of the enterprise but of the state. Everyone to use the same resource (database) will kill innovation and creativity in the industry.

4.16. What measures do you suggest to protect data of NDC registry? Give your suggestions with justification. (Reference Para 3.10.2)

A.   We are opposed to the implementation of the DO CALL registry and will refrain from commenting on this topic.