TELECOMS   SOFTWARE   IT SERVICES

ITU/MIC Workshop on Shaping the Future mobile information society

Panel: Market Drivers and Inhibitors

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Agenda

- The 'always on' vision
- Mobile Technologies – Drivers and Barriers
- Demand side – Drivers and Barriers
- Supply side – Drivers and Barriers
- Policy and Regulatory Issues
- Conclusion

The vision

What do we mean by mobile information?

- We use the word information to refer to digitally stored data. This can include for example:

  - ***Personal data*** *such as schedules, agendas, calendars and email*

  - ***Home data*** *such as activating and monitoring specific devices and applications in the home environment*

  - ***External data*** *such as news updates, sports updates, specific information related to your business environment*

  - ***Entertainment*** *such as wireless access to music, games and films*

- By mobile we refer to access over a wireless network

Mobile information is the ability to access the types of data described via a variety of devices with wireless network connections

Moving towards the mobility paradigm

Network-centric /device specific

GSM/CDMA

WLAN

DSL

User-centric/device agnostic
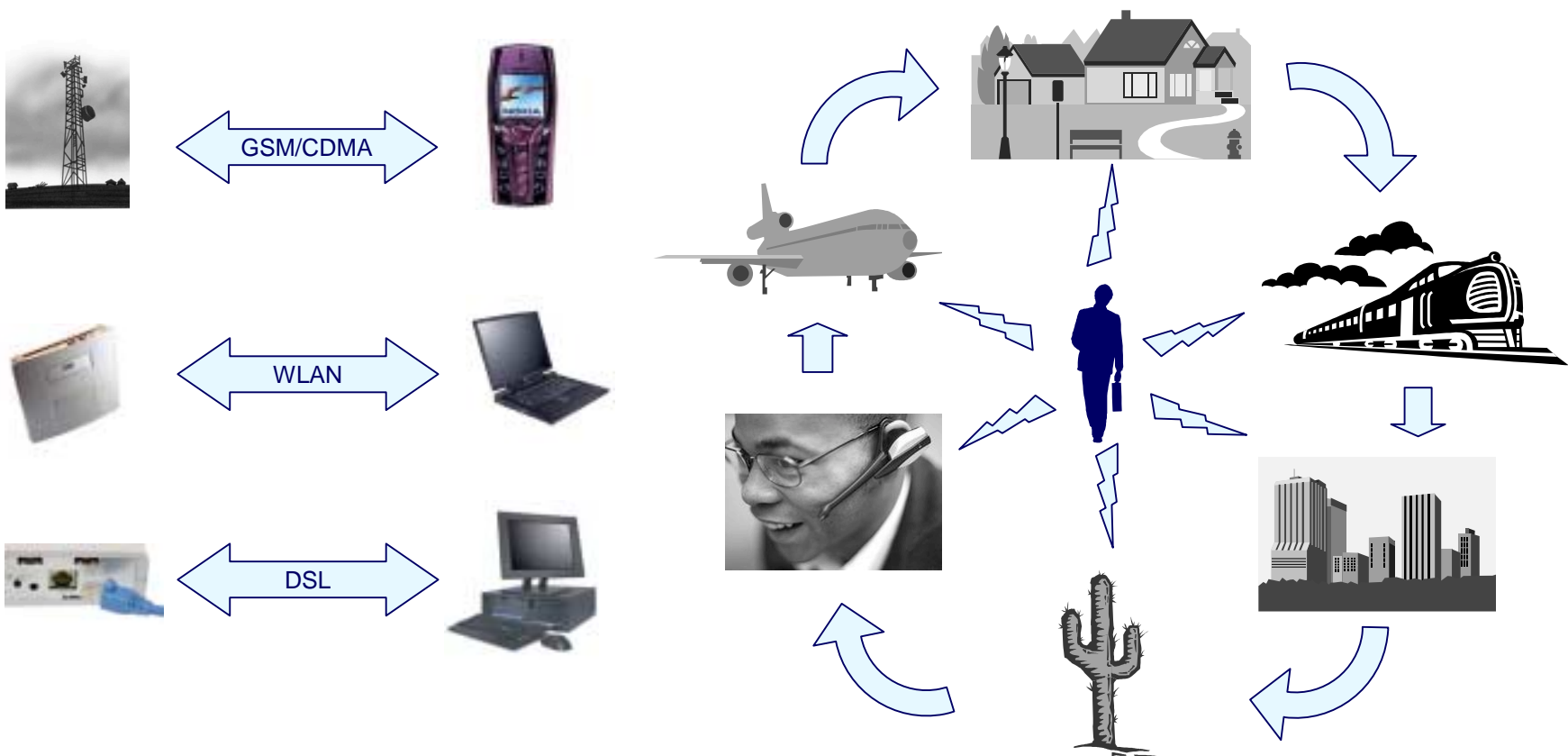
Optimum connectivity and seamless mobility anytime, anywhere

Mobile technologies

Mobile technologies

Drivers

- 3G is fast becoming a reality
- 802.11 (WiFi) technology has seen worldwide deployment
- 802.16e technology promises to capitalise on this
- Mobile device technology is improving quickly

Barriers

- UMTS (particularly) 3G is still a work in progress
- Using WiFi in hotspots is a chaotic experience (roaming)
- Battery technology is slow to improve

**Technology development and advance is uneven**

Demand side

Demand side drivers

- Cultural drivers - some markets are keen adopters of new technologies

- Youth segment - keen adopter of new technologies.

- Wireless messaging is driving data usage and is paving the way for photo, picture and video messaging

- Early 3G voice pricing is attracting users

- There is a growing need, esp. in the enterprise, to access information while on the move

Demand side barriers

- Cultural shift - consumers are not used to accessing data via wireless and the shift to wireless access will take time

- There are many substitutes which currently work much better e.g. fixed line access, traditional media sources

- Pricing of wireless data services is perceived to be high

- Network speeds can be an issue to support wireless data

- Mobile speed overshadowed by fixed broadband experience

- Low penetration of MMS phones means frustration for early multimedia messaging adopters

- High speed coverage is fragmented rather than ubiquitous

Data ARPU by application
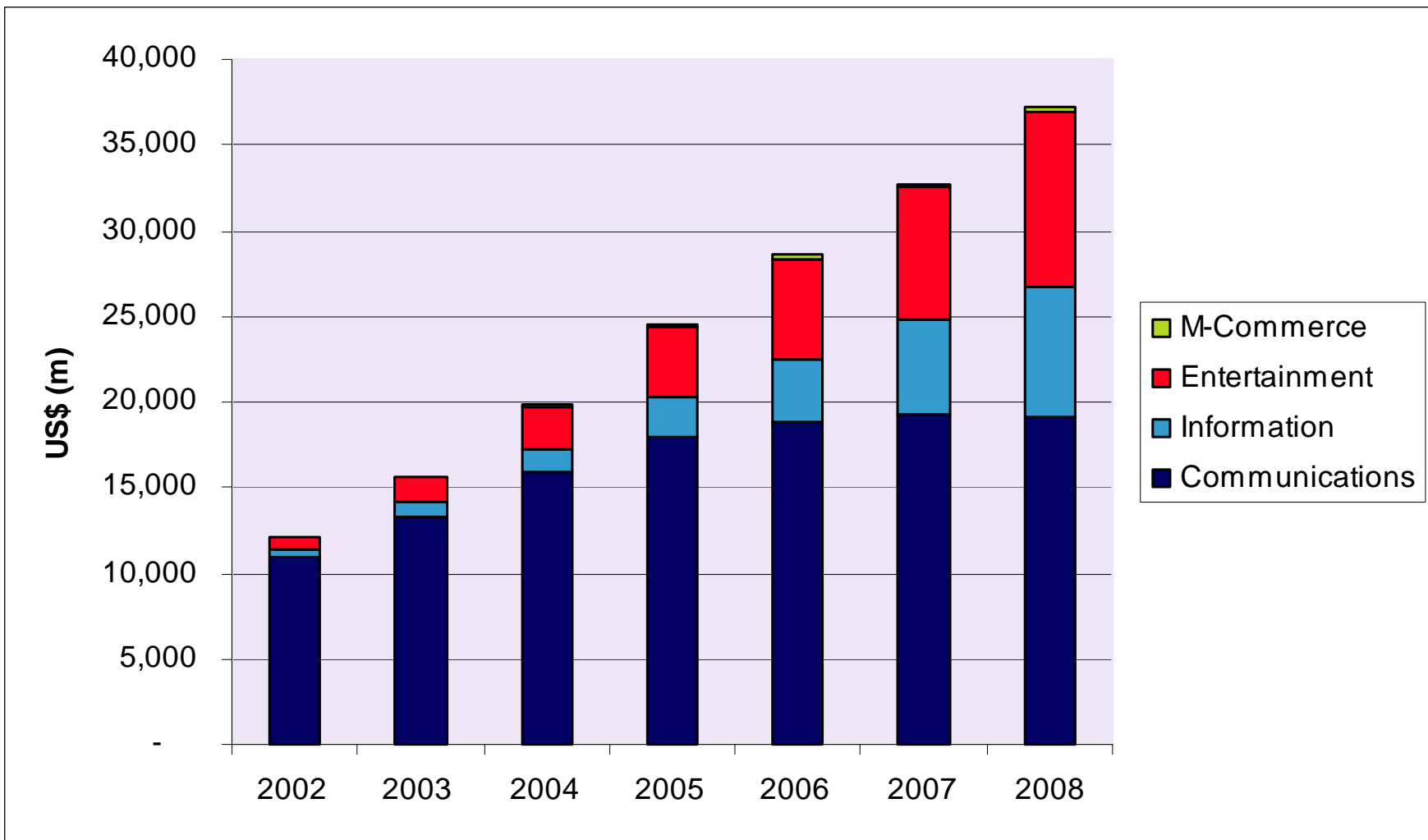
Supply side

Supply side drivers

- Suppliers need to look for new revenue streams and wireless data presents a good opportunity

- There are 1 billion GSM subscribers – another billion by 2008!

- Mobile operators are able to collect small, per-item payments for digital content via the phone bill/prepaid credit

- The principle of paying for usage is well established in mobile networks (unlike the internet)

- Convergent services present a good revenue opportunity - lots of systems integration work

Supply side barriers

- Competition is fierce and there is downward pressure on pricing

- Interoperability issues are costly to resolve–networks and accounts

- Wireless as a channel for new players e.g. content providers is not proven (revenues are low)

- Business models (User demand & uncertainty)

- Data services are expensive to develop and market

- Wireless security is still a problem in the enterprise

- DRM is still primitive, and not yet trusted by content owners

Policy and Regulatory Issues

Possible Policy and Regulatory Issues to consider

- Regulation on wholesale prices

  e.g. Roaming (national/international)

- Mobile network liberalization

- Mandated roaming arrangements

- Regulation applied to address governance and "dominance" of SMP operators resulting in negative effect on provision of services

- Bundled services–demand side driver but supply side barrier

- Regulation related to Privacy & Security

  e.g. Spam mails, adult content etc.

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Mobile information society is approaching reality!

Thank you!