Fixed Mobile Convergence – Trends und Themen

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www.idc.com
Agenda

Fixed-mobile convergence
- Offerings
- Benefits and barriers
- End-user issues
- Evolution of end-user issues
- Providers
Main message

- True fixed-mobile convergence (FMC) offerings **not yet widely available**
  - Existing services have no significant take-up

- Confusion widespread
  - True fixed-mobile convergence vs bundled fixed/mobile services vs fixed-mobile substitution offerings

- Multi-player / vendor landscape
  - Think wider than telecoms when tackling fixed-mobile convergence
  - Most telcos have weak fixed-mobile convergence offerings

- Embed FMC in your **wider communications** overhaul project
  - Convergence of telecoms and IT has big knock-on effects
FMC definition

- A service that enables users to access the same set of communication services regardless of access device, underlying network, or user location

- Subscriptions are independent of the access points and terminals used

- User able to roam between locations and devices without interruptions in service
  - WiFi/WLAN & mobilized PBX

- Receive a single unified invoice covering all usage

Converged at device, network and service
FMC definition

Yesterday and today

Tomorrow / FMC

Single handset with PBX type functionality based on Next Generation Network
FMC definition

Example: intelligent routing of calls

- Linking information from user’s calendar
  - Network ensures that if user is in meeting, incoming call is automatically diverted to voicemail
  - Reverting to normal service when meeting ends
- Certain pre-selected callers can be either routed directly to the user or to pre-specified alternative colleague in company
Mostly consumer focused

- Existing telco-based FMC offering
  - BT’s Fusion + BT Fusion Enterprise
  - Deutsche Telekom’s T-One
  - Telecom Italia’s Unico
  - France Telecom’s Unik
  - BT Albacom in partnership with Italian Eni for business customers
  - Arcor’s Twintel
BT Fusion Enterprise

- Bring fixed and mobile services together + run common set of applications and calling features across an integrated IP broadband network
  - Customer’s existing fixed infrastructure + BT’s 21CN + dual mode Wi-Fi / GSM mobile phones

- Targets large businesses and multi-national corporates
  - Both in and outside the UK

- Utilises Wi-Fi as the interface to fixed network in key locations
  - Office, home and BT Openzone hotspots

- Partner with Alcatel
FMC benefits and barriers

Benefits

- Lower call costs (when compared with mobile)
- Unified billing
- Improved network coverage
- Enhanced communications services
- Greater roaming flexibility

Barriers

- Limited awareness
- Prevalence of a "wait and see" attitude
  - Standards
  - Technology winners
  - Clear business benefits
- Availability of dual mode handsets
- Security concerns
- Regulation of mobile virtual network operators

Source: IDC 2006, European Wireless Enterprise Survey (N=650)
Rating of Importance of FMC to the Organization – large companies

Source: IDC 2006, European Wireless Enterprise Survey (N=650)

Very Interested  Interested  Somewhat Interested
Not at all Interested  Don’t Know
Rating of Importance of FMC to the Organization – small / medium companies

Source: IDC’s European Vertical Market Survey 2006 (N=1,282)
Key Drivers to Adoption of FMC Services

<table>
<thead>
<tr>
<th>Key driver</th>
<th># of respondents</th>
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<tr>
<td>Costs</td>
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<tr>
<td>Flexibility</td>
<td>20</td>
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<tr>
<td>Communication</td>
<td>15</td>
</tr>
<tr>
<td>Devices</td>
<td>10</td>
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<tr>
<td>Early Adopter Benefits</td>
<td>5</td>
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<td>Offer launch</td>
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<td>Skills in-house</td>
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<tr>
<td>Vertical efficiency</td>
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<tr>
<td>Multimedia</td>
<td>0</td>
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<tr>
<td>Scale</td>
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</tr>
</tbody>
</table>

Key drivers

- TCO, operating costs and capital expenditure considerations top
- Business process optimisation comes second
- Other issues matter much less

Source: IDC's European Vertical Market Survey 2006 (N=1,282)
Key Drivers to Adoption of FMC Services

# of respondents for Insurance

- Costs
- Flexibility: 20
- Communication: 20
- Devices
- Early Adopter
- Benefits
- Offer launch

# of respondents for Education

- Costs: 80
- Flexibility: 20
- Communication
- Devices: 20
- Early Adopter
- Benefits
- Offer launch

Significant sector variations

Source: IDC’s European Vertical Market Survey 2006 (N=1,282)
Key Inhibitors to Adoption of FMC Services

Key inhibitors

- Not one clear barrier for FMC
- Security – as always – a key concern / not FMC specific
- Many signs of a wait and see attitude in the market

Source: IDC's European Vertical Market Survey 2006 (N=1,282)
Key Inhibitors to Adoption of FMC Services

- Uncertainty on Quality of Comms Services
- Uncertainty on Tariffs
- R'ship With Existing Provider
- Availability of End-User Equip.
- Cost of End-User Equip.
- Market Too Immature
- Lack of Tech. Expertise/ Skills
- Lack of Funding/ High Cost
- Not Enough Mobile Workers to Justify Project
- Security Concerns
- Starting to Test It

# of respondents in Banking

# of respondents in Retail

“Wait in see” across verticals

Source: IDC’s European Vertical Market Survey 2006 (N=1,282)
Drivers of FMC services

- Fixed-mobile convergence benefits & corporate governance
- Technology & migration to IP-based infrastructure
- New players
- Vendors & devices
Evolution of end-user issues regarding FMC

- Interconnect & international roaming
- Costs vs complexity
- Fixed mobile convergence vs fixed mobile substitution
- Fixed mobile integration
## Lotteriespiele

### LOTTO AM SAMSTAG BEI TIPP24.DE

**Wollen Sie Lotto Millionär?**

### Aktuelle Meldungen

- **12:05** Bundesrat will Wiederaufbau Afghanistans sichern
- **11:44** Ermordeter deutscher Heiler in Afghanistan aus Baden-Württemberg
- **11:34** Airbus will Zeitplan beim A380 einhalten
- **11:25** Deutliche Mehrheit im Bundesrat für Rente mit 67
- **11:16** Wohngenossenschaft zieht sich vorübergehend aus Sanf-Ful zurück

### Internet-Tipp des Monats

- **Amazon e-Gutschein 50,- €**
  - Einsteigen... **Mehr Info**

### Spiegel TV - Video on demand

- **SPIEGEL TV - VIDEO ON DEMAND**
  - Mit Akkuscharzer und Zollstock - Geschichten aus dem Baumarkt
  - **SPIEGEL TV EXTRA** beobachtet verwüstete Hemmwerke und geweihte Verkäufer in Ost und West... **Mehr Info**

### All-Inclusive-Paket

- **Aktion bis 14.03.2007**
  - **Internet & telefon flat** mit 100 Festnetz-Rufen ab 5,86€/Mon.
  - **All-In-Flat** mit 1,39€/Lfd.
  - **Kein Telefonanschluss notwendig!**

### Endlos surfen und telefonieren

- **Endlos surfen und telefonieren**
  - **Kunden werben Kunden**
  - **Jetzt!** Kunden werben und profitieren!
  - **Kundenprämien von bis zu 40 Euro**

### Kundenkarte

- **Sim-Karte**
  - **New Handy-Flat**
  - **Auf Wunsch** mit der Arcor-Sim-Karte endlos ins dt. Festnetz telefonieren
  - **+ mtl. 5,- €**

### Ihr Online-Kundenservice

- **Telefonische Beratung zum Nulltarif**
  - **0800 1070333**
  - *24 Monate* telefonieren für **6€**
  - **Rechnung** und **Handlernetz**

### Themenkataloge

- **Themenkataloge**
  - **Aktuell**
  - **Unterrichtung**
  - **PC & Games**
  - **Telefon & Internet**
Dual Mode / Twintel

Auch zu hohe Rechnungen? Arcor hat die Lösung!

Surfen und Telefonieren

Mit Flatrate oder minutengenaug!

All-Inclusive-Paket

internet und telefon flat
ins deutsche Festnetz
Ausland ab 4,5 CMin
Mobilfunk ab 14,9 CMin

Alle Grundgebühren
zum Surfen und Telefonieren inklusive

Einrichtung bis 14.03.2007

Auf Wunsch: Handy-Flat
Mit der Arcor-SIM-Karte endlos
ins deutsche Festnetz telefonieren

Kein Telekom-Anschluss
notwendig!

Mobil telefonieren

Auf Wunsch: Handy-Flat

Telefonieren

Arcor-Sprache

Live Search
Which providers are tackling enterprise FMC solutions?
Summary

• **Wait & see** approach
  – Ask yourself: how far ahead does your company need to plan?
  – For many companies this might be a sensible approach
    • Number of sites, road-warriors, international roaming
    • Fixed-mobile substitution and bundled offerings often suffice

• **BUT**
  – Fixed-mobile convergence does provide potential for **opex and capex savings**
    • Early-movers might be able to exploit a competitive advantage

• **Formulate your** fixed-mobile convergence **strategy** now
  – Embed FMC in wider communications overhaul project
Thank you for your attention

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