Gains from Fixed-Mobile Convergence

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Outline

• Defining Fixed-Mobile Convergence (FMC)
• Global revolution in communications
• Benefits and expectations of convergence
Several types of convergences are all happening at the same time

**Device convergence**
Multiradio terminals, smartphones, music devices, cameras, game decks, PDAs

**Service and application convergence**
VoIP, digital content, messaging, push-to-talk, interactive gaming, video sharing, video telephony

**Network convergence**
Fixed-mobile, multi-access, common core service machinery

**Fixed-Mobile Convergence**

**Industry Convergence**
fixed – mobile telecom – media/TV digital devices
Mobile and broadband growing

Subscriptions globally, millions

Source: Nokia, Regulators, Operators, ITU-T
Voice goes Mobile and IP

- Mobile voice traffic
- Fixed voice traffic
- VoIP traffic

VoIP - Rapid growth in fixed domain

50/50 split by 2007

Sources: National Regulators, ITU, Operators

Fixed to Mobile Substitution

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Gains from FMC/Sko
Mobile & Fixed Ratio in Switzerland

Subscribers

Voice Split

- Mobile voice share of total voice traffic has only grown from 11% in 1999 to 22% in 2004
- Very low mobile voice share

Number of subscribers in mobile networks has surpassed that of fixed in 2002

Total broadband subscriptions increasing very fast

Source: ITU, National Regulator, Nokia
What people expect from communications
simplicity, mobility & personalization

On the move

- My phonebook
- My agenda
- My messages
- My presence info
- My applications
- My ringing tones
- My Internet

In the office

At home
What Fixed Mobile Convergence means..

For users

- Greater choice of multi-function personalised Services/devices.
- Convenience of mobility
- More, easy to use access options
- Harmonised billing

For operators

- Complex service and technology islands
- Costly to maintain/bill/upgrade
- Difficult to package services across islands

New Multi-access revenue opportunities
Unified core with reduced Opex and Capex
Simple, quick new service introduction
Bundling of services to market segments
Drivers for FMC - operator benefits

• **New business opportunities through**
  - new IP based consumer services
  - new services for enterprises
  - new converged service bundles
  - offering higher service quality and value to consumers and enterprises

• **Proactive move against new service providers with new business models**

• **More (cost) efficient service development**
  - Faster service development with IMS/SIP
  - Same services through different access networks

• **Savings in CAPEX and OPEX through unified**
  - IP based backbone network
  - unified service infrastructure
  - unified network management and operations support systems (OSS)
Drivers for FMC – end-user benefits

**Quality benefits**
- Improved call quality
- Increased reliability

**Lifestyle-oriented benefits**
- Centralized access to all contacts
- Mobility of preferred services
- Separate device and numbering for each household member

**Financial benefits**
- Mobile/fixed cost savings - deals for combined subscriptions
- Fewer bills resulting from bundling
Barriers for FMC – end-user concerns

Perceived complexity
- Ease of use – setting up and usage
- Interoperability of devices and services - lack of handover

Technology-related concerns
- Reliability and security of technology
- Access to preferred services

Financial concerns
- Need to invest in new devices
- Complexity in billing and subscriptions
- Roaming
Economic benefits of convergence: Two case studies

- Two cases: private and public sectors
- Step-by-step approach to converged communications
  - Value of mobility – preferred device and less training required
  - Value of outsourcing infrastructure and maintenance
  - Enhanced customer interaction
- Impacts on:
  - Enterprise productivity and teamwork processes
  - Employee productivity
  - Reachability

Figure 1. Development in terminal numbers

Figure 2. Monthly expenditure for telecommunications (£/month.)
Thank you!