

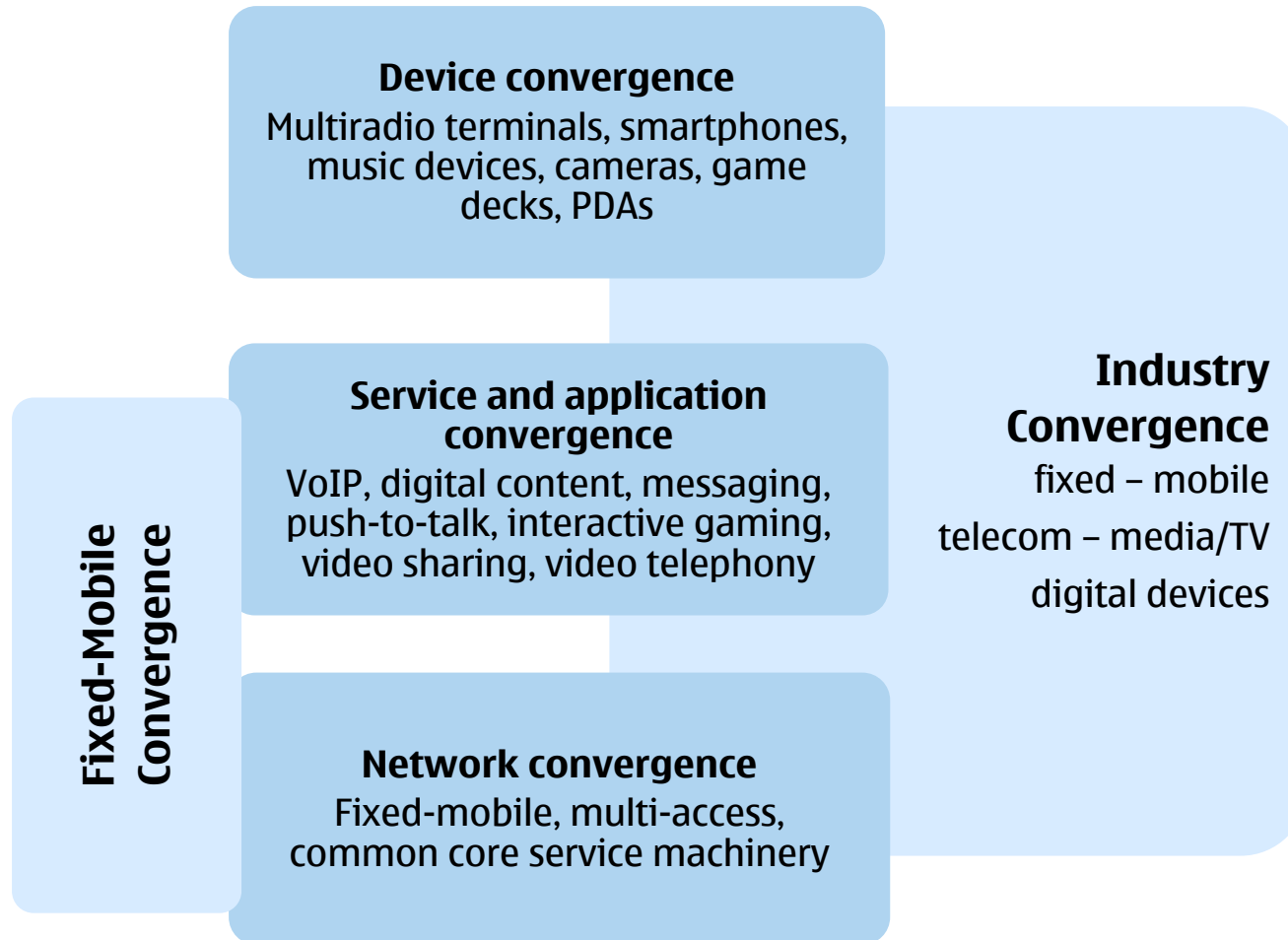
Gains from Fixed-Mobile Convergence

Sakari Kotola
Nokia

Outline

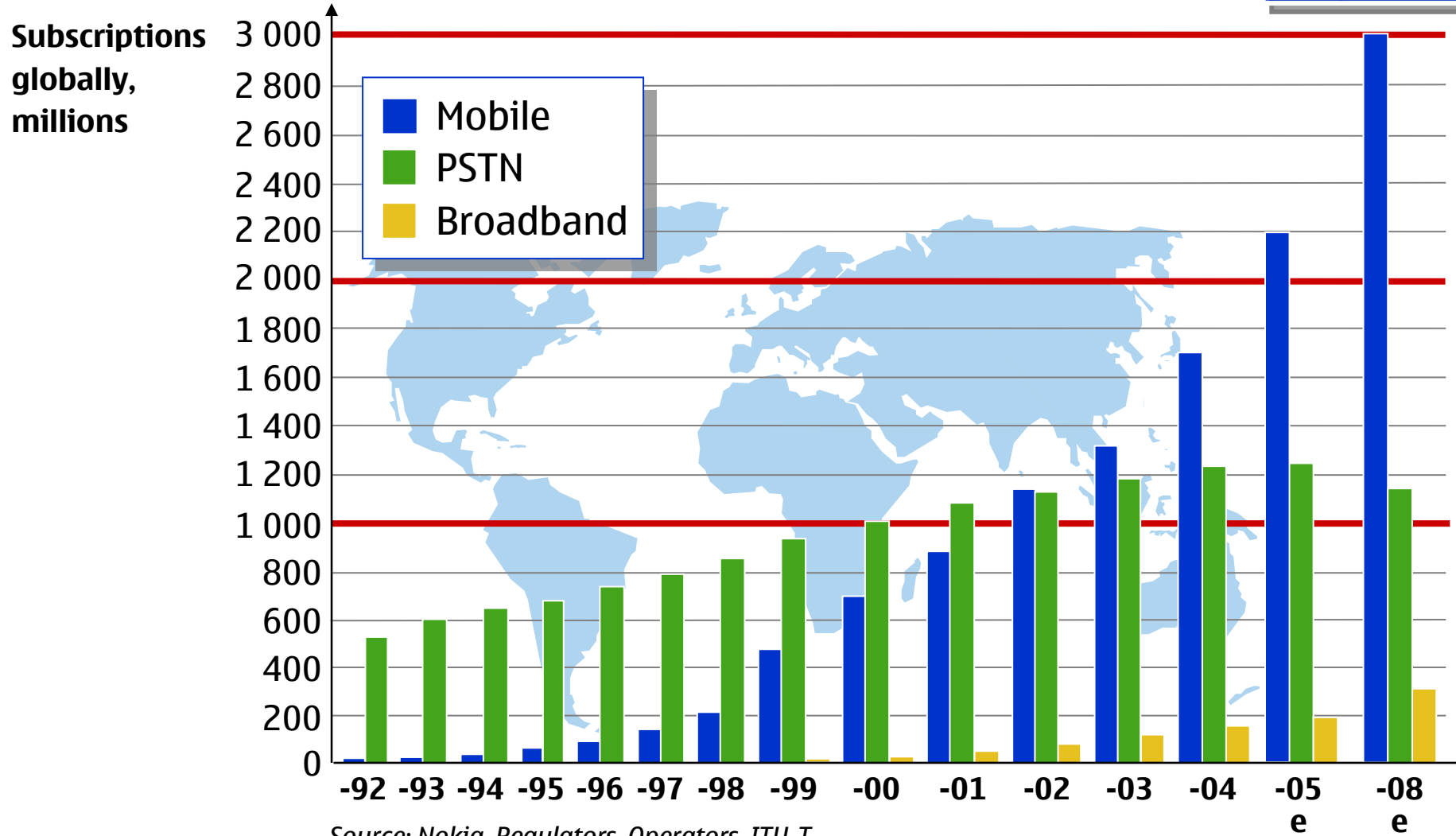
- Defining Fixed-Mobile Convergence (FMC)
- Global revolution in communications
- Benefits and expectations of convergence

Several types of convergences are all happening at same time

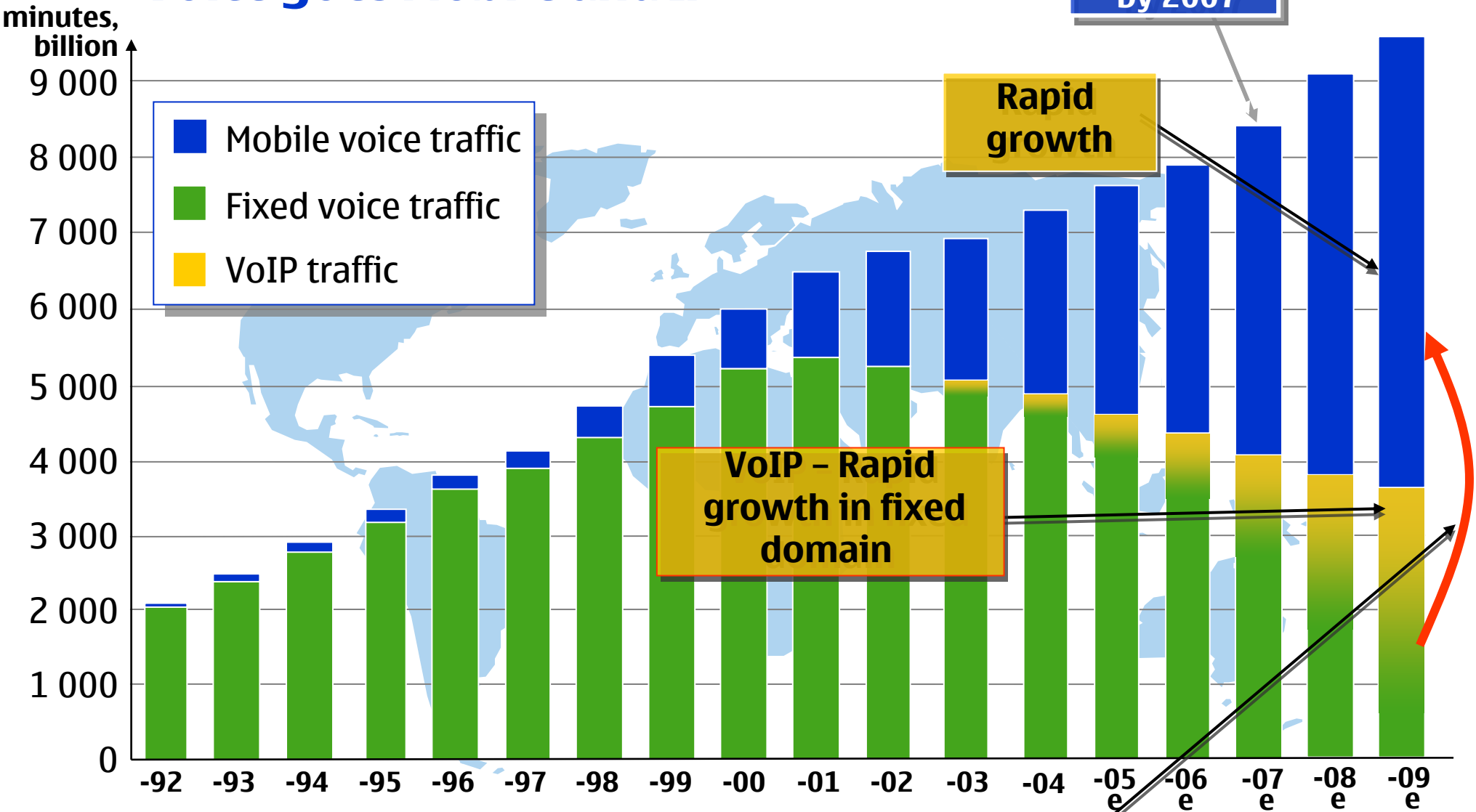


Mobile and broadband growing

3 billion
by 2008



Voice goes Mobile and IP



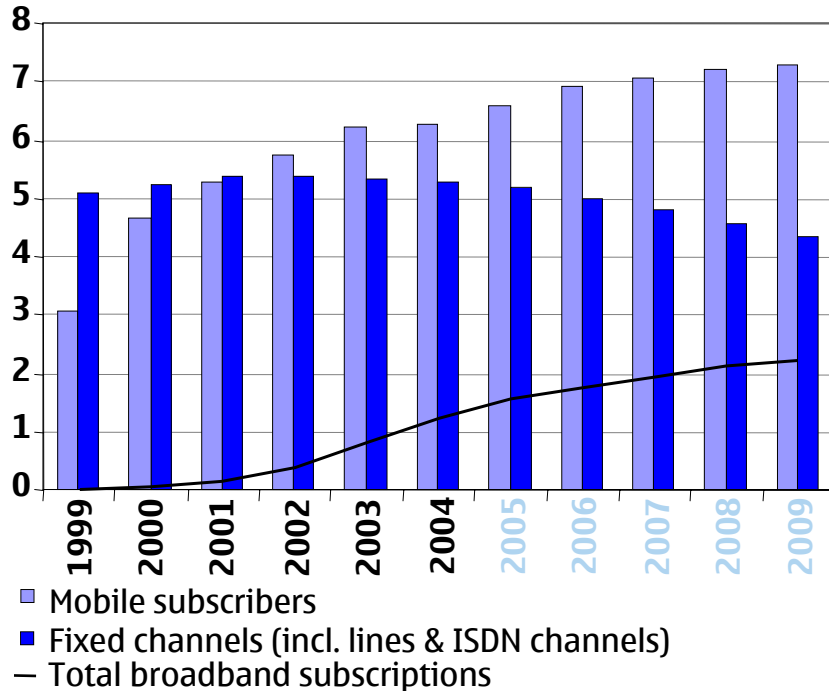
Sources: National Regulators, ITU, Operators

Fixed to Mobile Substitution

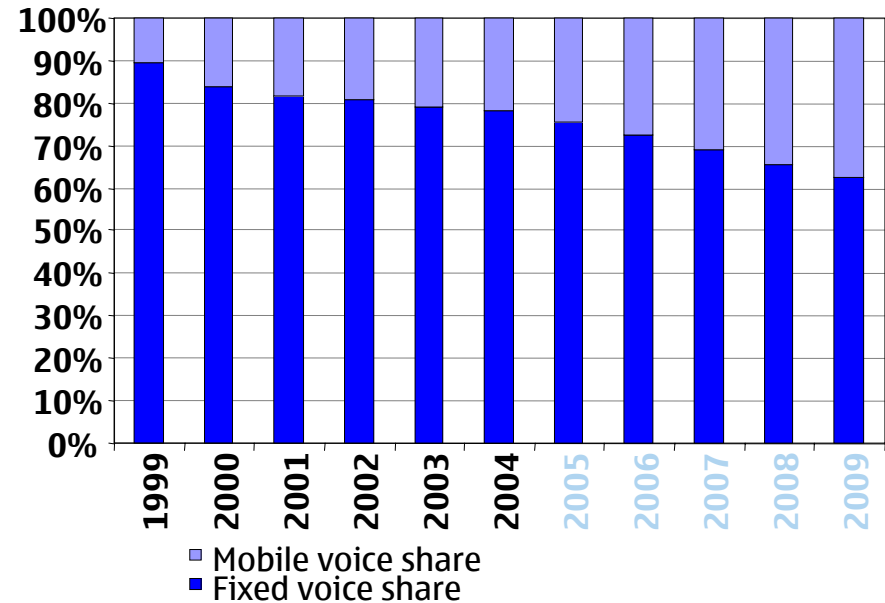
Mobile & Fixed Ratio in Switzerland

Subscribers

Million



Voice Split



Source: ITU, National Regulator, Nokia

Source: ITU, National Regulator, Nokia

- Number of subscribers in mobile networks has surpassed that of fixed in 2002
- Total broadband subscriptions increasing very fast

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

What people expect from communications

simplicity, mobility & personalization



On the move

In the office



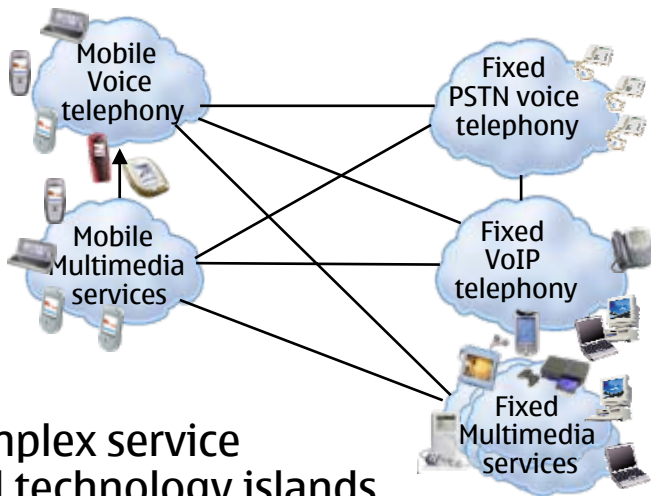
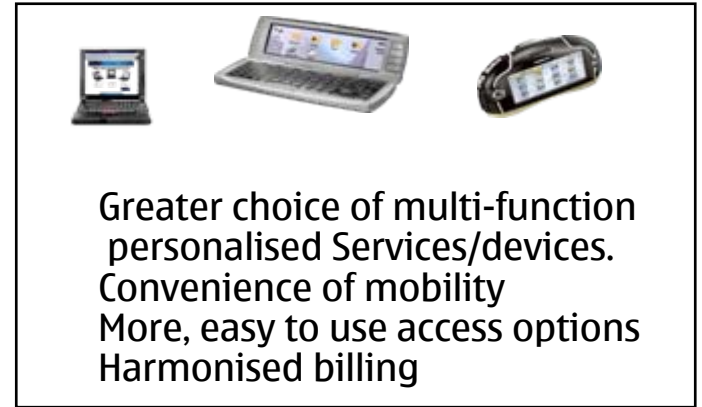
At home



What Fixed Mobile Convergence means ..

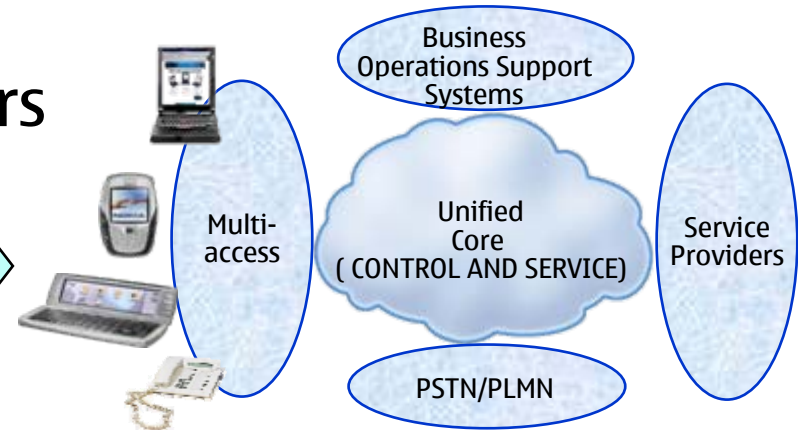


For users



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

For operators



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

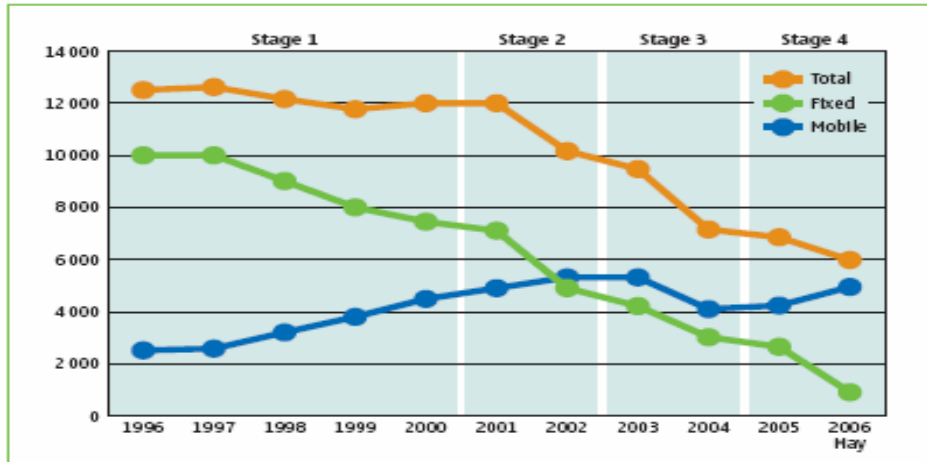


Figure 1. Development in terminal numbers

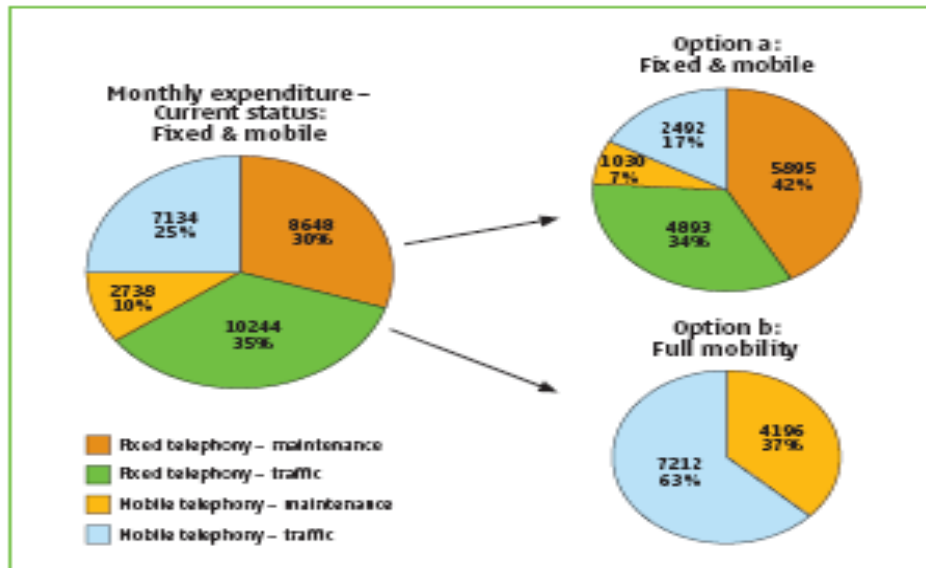


Figure 1. Monthly expenditure for telecommunications (€/month).

- 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 team-work processes
 - Employee productivity
 - Reachability



Thank you!