

News on the Move: From CTIA and Beyond

By *Phil Britt*

This month, we got a number of reminders that consumers continue to want all the functionality they have at home and at the office available anytime, anywhere. Video and other mobile applications will continue to accelerate, as the presentations, announcements, and product launches at CTIA Wireless 2010 showed, which, of course, means a corresponding increased need for OSS/BSS services.

The new products are likely to accelerate an already strong wireless market. According to CTIA's semi-annual survey, wireless data service revenues increased 25.7 percent from the last half of 2008 to reach more than \$22 billion for the last half of 2009. Wireless data revenues, for all non-voice services, were more than 28 percent of all wireless service revenues. In addition, there are now more than 257 million data-capable devices in consumers' hands, up from 228 million at the end of 2008. Fifty million of these devices are smart phones or wireless-enabled PDAs and nearly 12 million are wireless-enabled laptops, notebooks or aircards.

According to the survey, text messaging continues to be enormously popular, with more than 822 billion text messages sent and received on carriers' networks during the last half of 2009—amounting to almost 5 billion messages per day at the end of the year. During the 2009 calendar year, there were more than 1.5 trillion text messages reported on carriers' networks. Wireless subscribers are also sending more pictures and other multimedia messages with their mobile devices – more than 24.2 billion MMS messages were reported for the last half of 2009. That's more than double the number from the previous year, when only 9.3

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More, Faster Video

“With 4G truly being multimedia and all about video distribution, this is the time the cable companies need to move into wireless because that is their core business – video distribution,” said Dan Hesse, CEO of Sprint. “Adding their volume and their distribution to the network was a very big plus. We share some of the same competitors, so getting them into our camp made sense with respect to 4G.”

Within the next two years, rate plans will move from how many minutes or text messages per month to how many gigabytes per month, Hesse predicted. The amount of gigabytes per month is likely to accelerate as an increasing amount of video content becomes available for wireless devices. Eric Burger, senior vice president, digital networks, for Sony TV Pictures, said that mobile video is something that consumers definitely want, “we are not guessing any more. As an industry, we need to find a way to address that capacity (issue).”

Content Ownership Issues Continue

Another issue the industry needs to address in more detail is the ownership of content, which was

Not for distribution or reproduction.

an issue with the Oscars in March and the Masters golf tournament in April.

Disney, which owns the rights to the Oscars, and Cablevision battled into the first couple of minutes of the program regarding fees; only a last-minute agreement saved Cablevision subscribers from missing the program.

Similarly, cable companies had the opportunity to show the Masters in 3D, though Time Warner opted to stay with the traditional broadcast, while satellite subscribers had no access to the 3D transmission. Comcast handled the distribution, but the content itself was owned by Augusta National Golf Club, site of the golf tournament.

Danny Briere, CEO of TeleChoice, expects the Oscars and the Masters to be a sign of things to come in the battle over content ownership.

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“Everyone wants to get their two cents out of the deal,” Briere says. “The thing right now is that there are no sweeping deals being done. Devices and services are developing too fast for digital rights management policies to keep up. For [a comprehensive solution], they need a higher-level

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approach. But the marketplace isn’t stopping and waiting for that.”

So Briere expects these content decisions to continue to be made on a case-by-case basis for some time.

It’s a lot easier when the content provider also owns the distribution. Fox Mobile Group unveiled a new wireless video subscription service called Bitbop, which it plans to launch in the spring. Bitbop will offer on-demand access to cable and broadcast TV shows from Fox’s cable networks and NBC Universal for a \$9.99 monthly fee. The Financial Times reported that the mobile group may be spun off from the parent company.

Mobile Money Advances

Not only are wireless devices becoming the preferred video channel of many, their use as a financial channel is continuing to grow as well. “If you leave your home today, you’ll turn around if you forget your phone or your wallet. You’ll go back to get either one of those. In the future, you will only turn around to get your phone. It will be your wallet,” David Vigil, senior vice president of Firethorn Holdings LLC, said in discussing the potential for mobile money at CTIA Wireless 2010. Vigil predicted that consumers will want to go at a faster pace in using mobile money than financial institutions will be able to match. However, building that demand on the front end isn’t necessarily bad. Some financial institutions came out with Internet banking in the mid-1990s, long before customers were ready, lost money on the ventures and shut them down before rolling it out again several years later. The same happened with the earliest forays into mobile banking, but now the infrastructure

(e.g., widely available smartphones and 3G availability) are there for mobile money applications to be successful, according to Vigil.

However, he cautioned that providers of mobile money applications will have to address security concerns and will have to make it easy for consumers to find the applications that work best for them. Right now there are a confusing array of various applications, making it difficult for consumers to learn of and then find the ones they would use the most.

Qwest Mobile Ethernet Backhaul extends fiber to cellular sites. The service provides a migration path for wireless service providers such as Verizon Wireless to deploy 4G networks.

Verizon Wireless' LTE rollout plan is on track to deliver 4G LTE network to customers in 25 to 30 markets, covering roughly 100 million people by year's end, according to the company. Verizon Wireless has been conducting trials in Boston and Seattle since August 2009 that have indicated that the network is capable of peak download speeds



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Nevertheless, according to a survey from mobile transaction network provider mBlox, 25 percent of U.S. mobile phone users and 37 percent of U.K. mobile phone users cited mobile applications as their favorite banking channel, surpassing branch and telephone banking.

News from the Backhaul Front

Verizon Wireless will be using Qwest Mobile Ethernet Backhaul to build its 4G Long Term Evolution (LTE) network, according to the two companies.

of 40 to 50 Mbps, peak upload speeds of 20 to 25 Mbps, and average data rates of 5 to 12 Mbps on the downlink and 2 to 5 Mbps on the uplink in real-world environments.

"Qwest worked with Verizon Wireless to develop a solution to meet their unique needs," said Roland Thornton, executive vice president, Qwest Wholesale Markets, in a prepared statement.