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Broadband Convergence: Time to Listen to Customers?

By Barbara Lancaster

Convergence. Let us count the ways. Voice/data. Fixed/Wireless. All-IP Core. Voice/video calling. Unified communications. Triple play. Triple-screen ready. You probably have your own favorite telecom topic in which the word “convergence” has to pop up now and again to prove you’re serious and forward-looking. Generally, we discuss these aspects of convergence in terms of the service provider’s infrastructure and way of doing business: the economies to be derived from an all-IP core; the need for new generations of billing and management systems to handle previously disparate services in one place; service bundling opportunities. All good stuff, and you’ll read about all of this and more elsewhere in this edition of Pipeline.

I thought it might be interesting to reflect on the topic of convergence from the end customers’ perspective. Does it mean anything to customers? What do they hope to get out of all this? It’s worth asking, because most of us inside the industry sometimes forget that new and exciting services may turn customers on for a while, but the customers don’t necessarily care much about the underlying technologies, business processes, and business models – except insofar as they affect the price.



The graphic is a promotional banner for a white paper. It features a blue background on the left and a green background on the right. On the blue side, the text reads: "Key Performance Indicators" in large white font, followed by "Using KPIs to Optimize the Network, Service and Business" in smaller white font. On the green side, there is a blue logo consisting of a square with internal lines forming a stylized 'X' or network pattern, with the word "TEKELEC" in blue capital letters below it. At the bottom right of the green section, there is a blue arrow pointing right followed by the text "» DOWNLOAD WHITE PAPER!" in white.

These days, customer excitement doesn’t last long. Our industry does a great job of continuously raising expectations. Customers’ perceptions of a new service evolve rapidly. Incredible; magical; ho-hum. What’s next? While our grandparents’ amazement at being able to make a transatlantic phone call lasted years (mainly because they couldn’t afford to make one very often) today our amazement level asymptotes to near-zero over just a few weeks, or hours if you’re younger than thirty. Facebook, eBay, LinkedIn, Hulu all rapidly become established bricks in the walls of peoples’ lives.

The first voice/video call to uncle Jim in New Zealand is a real event. Come his next birthday, it's another item on the to-do list: call Jim, say nice things about the sheep.

The availability of all of these new services, and the rapid absorption of them into business as usual, is all because of convergence. But just one particular type of convergence: the Internet. It is because the Internet is a converged services platform, relatively open, with low barrier to entry for service providers, that we are able to enjoy all of these new things. Without wishing to underrate the talents of my friends and colleagues who work for the big international telcos, if we had to rely on them to invent Facebook, or eBay, or to implement an affordable voice/video service to New Zealand, we'd still be waiting.



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The converged services platform of the Internet is well on the way to delivering a big part of what businesses and individuals need in the way of convergence. Make it bigger, better, more secure, and faster, that would be cool. But right now it looks like we're on the right lines. From the customer's point of view, the converged services platform of the Internet addresses half of the convergence challenge.

What's the other half? We need access. Access, and carrying the bits, is what we expect the big carriers to do, first and foremost. (They're entitled to do all sorts of other things in their spare time, but please deliver the bits first. Thanks.) And frankly, this is still what carriers do supremely well. The more you know about how it's all done, the more amazing it seems. But of course most customers are long past being amazed; they just want it to happen. They don't want to know about the challenges of reliability, security, capacity, and prioritization, they just want it to work.

The people who use the converged services platform of the Internet, however, are demanding people; they don't want to sit in one seat all day, using a single device. They travel on business. They go on vacation. They visit friends and have parties. They work in an office, at home, in other people's offices, in restaurants, bars, and cafes. People move house more than they used to. People sometimes want to use a laptop, then a desktop, then a smartphone and they expect the services and content they left behind on one device to be there for them when they decide to use a different one.

Today, there is no easy and economical way of doing all this without dealing with multiple access service providers. There is, of course, the simple issue of geographical coverage: no access service

provider is physically everywhere. Then you may need a different access service provider for each device, depending on the access technologies you use – your wired desktop, your wireless (3G) smartphone, your wireless (WiFi or WiMax) laptop. I find that I pay dollars, one way or another, to six access providers so I can exchange data with the Internet wherever I am, using the device of my choice.

Perhaps people don't really need to do business with quite so many service providers, but it turns out that we can save money by spreading the business around.



While customers have demonstrated that they are happy to pay for ubiquitous device-agnostic access, they don't want to pay more than they need. No service provider yet offers sensibly-priced multi-device access everywhere. So people consistently do business with multiple access providers both to achieve the coverage they need and to save significant dollars.

What the customers seem to be looking for is some kind of converged access platform to go with the converged service platform of the Internet. The converged access platform would be ubiquitous and device agnostic. It would also be cost-converged, meaning that it shouldn't cost me much more to send and receive my bits when I'm on the road than it does when I'm back home. And it shouldn't cost me a heap more than it costs the person on the phone or laptop sitting right next to me, on the train, or hotel lobby, or coffee shop.

There are no real technology barriers to achieving this level of access convergence. The obstacles are to do with last-generation business models, and levels of revenue protection that will last until they are disrupted. One way of achieving converged access is for access providers to collaborate on new generation fixed and wireless roaming and reciprocal access paradigms that share revenues reasonably equitably across carriers. Clearly there is not much incentive for this to happen. Why should access providers work hard to build a new model where the main result would be perceived to be lower gross revenues for the industry? Only if they could be confident that people would increase their use of the world's networks enough to make up the difference, and no one seems ready quite yet to start out on that apparently risky road.

Or will access providers eschew roaming and collaboration in favor of providing easy-to-buy and easy-to-use short-term access deals for visitors to their neighborhoods. Then they don't have to share anything. Or perhaps we will see the emergence of resellers – virtual operators – who will

negotiate with multiple bit-carriers to present their customers with an integrated global access package priced to reflect the actual overhead involved in providing real converged access.

Perhaps none of this will happen, and access convergence will always be just around the corner, while we still pay extra, under protest, whenever we're not at our desks. Perhaps it will happen, but only when governments provide a nudge in that direction.

It will be interesting to see where the new dynamic of convergence leads us. A view is forming of the sort of information world users would like: a converged services platform with some kind of converged access business model that allows everyone to use those services wherever they are and whenever they want. Is there a business model that will make that vision something that the bit-carriers want just as much as their customers do?