

## T-Mobile on the Risks and Rewards of 4G

By John Wilson

The new 4G networks being rolled out across the United States can make those in the mobile industry feel like pioneers embarking on an uncertain journey; a journey fraught with peril but a journey with the promise of even greater reward at the end of the trail.

With data demand skyrocketing and a technological cold war brewing between competing 4G standards, it can be a confusing time for consumers and service providers alike. Mobile phone and wireless broadband provider T-Mobile has launched an aggressive marketing campaign in an attempt to bring consumers onto their 4G path through the wilderness.

Pipeline talked with a T-Mobile spokesperson about

**“Data traffic on our network is doubling every 7 months.”**



the trials and rewards involved in rolling out a new 4G network.

**Pipeline: Recently, there's been a lot of press covering the supposed fight to the death between HSPA+, LTE, and WiMAX; is this a VHS vs. Betamax situation, or can these technologies peacefully coexist?**

**T-Mobile:** We believe that we'll compete very effectively vs. other 4G technologies today and going forward. Today our HSPA+ network offers 4G service to more people than any other wireless network in the country. HSPA+ also has a rich evolutionary path to faster speeds and a strong global ecosystem advantage

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over competing 4G technologies, which ultimately means a better selection of 4G devices and a better 4G experience for T-Mobile customers. We are in a great competitive position because of the breadth and speed of our 4G service as well as our strong line-up of 4G devices today and coming this year. T-Mobile plans to launch at least 25 4G devices this year. When you look at the evolutionary path for HSPA+, there's an opportunity to upgrade the network to even faster speeds delivering 84 Mbps or even 168 Mbps which enables us to keep pace with LTE over time.

**Pipeline: Given that, how would you respond to those who argue that HSPA+ isn't a true 4G technology?**

**T-Mobile:** 4G is about performance and the experience. T-Mobile is delivering 4G performance with our HSPA+ based network. Our network delivers download speeds that offer a substantial improvement over 3G and are comparable to other available 4G technologies. Recently, the ITU recognized that their definition of "4G" may apply to technologies providing a substantial level of improvement in performance and capabilities, which HSPA+ clearly delivers.

**Pipeline: With the arrival of 4G and the current "all you can eat" data pricing structure, how much do you expect data usage to rise in the near future?**

**"Re-farming spectrum is a great opportunity for us as we migrate customers from 2G."**

**T-Mobile:** The availability of faster, 4G networks is already driving increased data usage. Data traffic on our network is doubling every 7 months and last year, video traffic on our network was up 300% (Nov 09 – Nov 10). We are more than prepared to meet the wireless data demand of consumers and are focused on fueling the adoption of mobile data for all by continuing to offer innovative and affordable smartphones and tablets, as well as aggressive data plan pricing, and rich and compelling data services.

**Pipeline: With data demand increasing, what steps are you taking to avoid the "capacity crunch"?**

**T-Mobile:** There's a host of ways to tackle the growth that is coming. We have chosen a technology, HSPA+, that utilizes existing spectrum and infrastructure assets. In 2011, we plan to increase our 4G network's capability even more by offering higher data speeds and network capacity with the deployment of dual carrier HSPA+42. We are committed to use our spectrum assets wisely. For example, re-farming

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spectrum is a great opportunity for us as we migrate customers from 2G to the exciting world of 3G and 4G.

**Pipeline: What role do third parties, such as software as a service (SaaS) providers, have to play in expanding and maintaining the 4G network?**

**T-Mobile:** T-Mobile USA remains committed to providing its customers with a great experience on our mobile network and is making substantial investments to bring our customers the highest quality wireless Internet experience in the nation. We are well positioned to compete based on the strength and speed of our 4G network, innovative products and solutions that take full advantage of it and a compelling value for customers.

**Pipeline: How does increased data-flow change the way T-Mobile approaches customer experience management (CEM)?**

**T-Mobile:** T-Mobile is more than prepared to meet the wireless data demands of consumers. Our fast and reliable 4G network is now broadly available, and provides a wide-open road for data-hungry customers. We're confident that our network can support the current and future data needs of customers, even as their appetite for data increases with smartphones and broadband devices. The technology path we've chosen in HSPA+ also uses spectrum more efficiently than other technologies, which is an advantage for us.

**“Today a very small number of mobile broadband customers exceed 5GB of usage per month.”**

**Pipeline: Currently, industry revenue from data is flat while usage has exploded. What new opportunities for revenue does 4G service provide?**

**T-Mobile:** AT&T and Verizon charge overages for their mobile broadband offerings. In contrast, our 5GB mobile broadband offering doesn't have a cap and users don't incur overage. Customers can continue to use their mobile broadband plans after they reach 5GB of usage in a billing cycle at reduced speeds without any overage charges. Our offerings are targeted to customers who are using a mobile broadband solution in addition to an existing home broadband connection. When used as such, 5GB provides more than enough usage for our target customers to access the internet, their content and applications while on the go. Today a very small number – less than one percent – of mobile broadband customers exceed 5GB of usage per month. T-Mobile continues to evaluate our mobile broadband pricing based on customer feedback and as usage trends evolve.