

## Should I pay or should I go?

By Rob Bamforth, Principal Analyst , Quocirca Ltd

Cost or complexity. It seems a bit of a Hobson's choice, but for those who have to foot the bill for the increasing business use of communications on the go – mobile phones, mobile email gadgets, and ever-connected laptops – it's a decision that increasingly has to be made. Keep it simple and pay more, or deal with a maze of alternatives and pay less.

The cost of making mobile phone calls, especially while roaming in other countries, has recently been in the news, and research from business and IT analyst Quocirca has consistently identified cost as a major impact on most business' thinking about mobile telecoms.

In the company's most recent study, around four out of five enterprises cited national and roaming call costs as the two most important considerations in negotiating contracts with operators.

Sure, we all worry about cost, but the more positive news for the telecoms suppliers is that the use of mobile technology has moved to become more strategic.

With pilot projects and trials extending into full scale deployments, mobile applications are becoming part of normal business strategy and funded from the regular IT budget for the majority of enterprises. This also means increased competition for resources – both people and budgets - as IT departments are not exactly flowing with spare capacity.

We know from previous research into IT buyer behaviour that, for most organisations, the finance director will have the final say on whether a project will go ahead, so value for money becomes an important criterion.

This financial view, rather than pure interest in technology has driven a lot of interest in two recent technology bandwagons – Wi-Fi and Voice over Internet Protocol (VoIP) – but for slightly different reasons.

The use of wireless LANs has been very difficult to justify in most working environments, except in places where cabling is difficult, such as some conversions to offices or listed buildings. After all, most users would need to sit still somewhere to use even a laptop, and would probably need to plug in for power. Wireless connection also once required a plug-in PCMCIA card – an expensive proposition for every laptop.

Things have changed significantly outside the office, and Quocirca's research has shown a marked movement towards the business use of Wi-Fi.

The addition of wireless into basic laptop functionality, fuelled by Intel's Centrino marketing, the arrival of low cost wireless routing to rapidly growing broadband connectivity has made wireless technology more affordable and better understood.

The growth in competition among public hotspot providers is now bringing connectivity costs down, and charges are more obvious by the minute rather than by the megabyte, something cellular operators are only just starting to pick up

The problem for business users is how many contracts are necessary to ensure connectivity in any location with GPRS, 3G, and various Wi-Fi providers? This causes complexity for the user, and a lack of overall cost transparency for the finance department. More consistency and simplicity would be welcome.

VoIP has also benefited from consumer adoption, seizing on zero cost, long distance calls, and the access to home broadband. Its patchy or unpredictable quality of service may be acceptable for consumers getting free calls, but is an issue that business users pay to resolve, through infrastructure investment or outsourcing to a specialist. Also, despite the headline potential for cost savings, there are integration challenges with the organisation's existing phone system.

However, Quocirca's most recent survey shows a strong appetite for VoIP in large organisations across Europe, with around a third already active in VoIP deployment.

As with Wi-Fi, much of this will be due to the perceived cost savings, whether real or elusive, but VoIP offers opportunities for new services to make communications more efficient.

Some are sophisticated multimedia collaborative applications that go beyond voice, others may just make trying to reach someone on the phone more straightforward.

For most calls that means incorporating the mobile phone into the equation, as part of the dial plan or office extension list.

So, businesses are looking to new technologies to keep ongoing costs down, and still need to simplify the integration of the various methods of communication – cellular, wireless, fixed – in order to make it easier to manage and life easier for employees?

Sounds like an opportunity for operators to add value and perhaps avoid becoming a bit pipe, but it will require them to step up to the mark and offer integrated services.

It will also need businesses to tell their telecoms suppliers exactly what they need overall from their telecommunications, and getting their suppliers to address the total solution, not just one isolated part. If operators can't get to grips with this

challenge, there are other integrators and aggregators who will.

To find out more about Quocirca's recent study, the report "Commodity or Value add" is available for download from the [company's website](#).

## About Quocirca

Quocirca is one of Europe's leading independent industry analyst firms. One of its biggest assets is the core team of highly experienced analysts drawn from both the corporate and the vendor communities. This team prides itself on maintaining a bigger picture view of what's going on in the IT and communications marketplaces. This allows all of Quocirca's activities to be carried out in the context of the real world and avoids distractions with fads, fashions and the nuts and bolts of specific technologies. Quocirca's focus has always been the point of intersection at which IT meets "the business".

## Quocirca Services

The insight and experience that comes from working as an industry analyst as well as a practitioner allows the Quocirca team to contribute significantly to IT Vendors, Service Providers and Corporate clients. To this end, it provides a range of consulting and advisory services. Details of these, along with some of Quocirca's latest analysis, may be obtained by visiting <http://www.quocirca.com>

Quocirca's primary research involves the surveying of many thousands of technical and business end users each quarter, analyzing their perceptions of the possible impact of emerging, evolving and maturing technologies on their businesses.