

Fixed / mobile convergence – who will be Lord of the Rings?

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There are many different ways to approach the challenge of fixed-mobile convergence and, as often, the approach depends on your initial starting position or viewpoint. As the mobile industry is so regularly referred to as an ecosystem, one way to discriminate between the approaches is to follow the line of a maritime metaphor, so the three main areas of focus are whales, sharks and minnows.

Whales are incumbent operators, and for this discussion it doesn't matter whether they are fixed or mobile. The important issue is they have network assets that they want to be profitably used and a customer base they don't want to lose or churn to another operator. For these companies, fixed-mobile convergence is more a fixed-mobile substitution – preventing being substituted out by existing customers and trying to substitute in new ones.

These efforts are understandable, especially as most are publicly quoted companies, but in the rush to keep costs down and maximise profits, the efforts are often lamentable. They often rely on specialised technology being deployed - such as dual mode handsets – and the proliferation of new networks to build coverage – either in-building cellular pico/femto cells or Wi-Fi access points. While these are not massive technology challenges, they do lend an unevenness to the landscape of deployment.

The whales compensate by bundling and creating tariffs which appear to keep costs down, while at the same time trying to build new revenue streams from what they see as innovative advanced converged services, but subscribers often view these as expensive, overly complex or simply not that appealing.

The danger is that even when subscribers fail to recognise the value, they do notice the cost, especially from mobile devices, and most especially while roaming overseas. Not only is this a big issue for individuals, it is a huge concern for companies, especially when the line between business and private use blurs.

Recent Quocirca research shows that roaming call costs are the most important issue for European businesses when negotiating a mobile operator contract.

Sharks don't own their own networks; they feed off others, and include companies offering IP telephony, dial back calling plans and virtual network operators. They run services as efficiently as possible – using open networks in preference to more proprietary mechanisms, Wi-Fi minutes instead of 3G megabytes. While the whales are struggling to deliver a unified and ubiquitous proposition, there will always be an opportunity for sharks to create a compelling offer – most often based on price.

Small businesses, budget-constrained departments in large enterprises and many individuals will have certain specific expensive communication situations – relatives on the other side of the planet, multi-regional team conference calls, the need to frequently work from home, use of mobile email while travelling – and will favour sharks.

Point solutions that address specific cost pain points will always be a win with the finance department, but can make life more complicated for the individual user if they have to pick and choose the right (ie cheapest) solution for each situation.

Larger enterprises in particular will find these complicated to deploy and manage, and Quocirca's research shows that they still favour whales over sharks, with most businesses believing that traditional telcos and mobile operators are better placed than new emerging companies to offer the breadth of communications services required in the future.

The many minnows in this sea of convergence are the businesses and users who just want the best deal. That means keeping it as simple and cheap as possible, but while cost is important, minutes are increasingly scarce in a time-pressured world, so simplicity of communication is ever more valuable.

This can be summed up as the 'Lord of the Rings' proposition - one number, one address book, one voicemail, one bill – converging on the user, not the technology.

Oh, and if you must, one device too, but why would you really want to do that? After all sometimes a desktop is convenient, sometimes a laptop, often a mobile phone, sometimes a fixed one, but it always depends on the needs of the person at the end of it.

In all the fussing over nifty new features, roaming to the cheapest networks and acronym overloading from VoIP to LTE and WiMAX, it's important not to forget the killer app of telephony – the ability for one individual to effectively communicate with another, or several others if your social network allows.

For more information on the convergence challenges facing operators and enterprises, download Quocirca's recent report "[Convergence or confusion?](#)"

About Quocirca

Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With world-wide, native language reach, Quocirca provides in-depth insights into the views of buyers and influencers in large, mid-sized and small organisations. Its analyst team is made up of real-world practitioners with first hand experience of ITC delivery who continuously research and track the industry and its real usage in the markets.

Through researching perceptions, Quocirca uncovers the real hurdles to technology adoption – the personal and political aspects of an organisation's environment and the pressures of the need for demonstrable business value in any implementation. This capability to uncover and report back on the end-user perceptions in the market enables Quocirca to advise on the realities of technology adoption, not the promises.

Quocirca research is always pragmatic, business orientated and conducted in the context of the bigger picture. ITC has the ability to transform businesses and the processes that drive them, but often fails to do so. Quocirca's mission is to help organisations improve their success rate in process enablement through better levels of understanding and the adoption of the correct technologies at the correct time.

Quocirca has a pro-active primary research programme, regularly surveying users, purchasers and resellers of ITC products and services on emerging, evolving and maturing technologies. Over time, Quocirca has built a picture of long term investment trends, providing invaluable information for the whole of the ITC community.

Quocirca works with global and local providers of ITC products and services to help them deliver on the promise that ITC holds for business. Quocirca's clients include Oracle, Microsoft, IBM, Dell, T-Mobile, Vodafone, EMC, Symantec and Cisco, along with other large and medium sized vendors, service providers and more specialist firms.

Details of Quocirca's work and the services it offers can be found at
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