



by Johan Wibergh,
head of business unit
Networks, Ericsson

Mobile broadband passes the tipping point

A flurry of announcements over recent weeks has confirmed what we in the mobile industry have felt to be true for some time now: mobile broadband truly is the 'next big thing' in the telecoms world. I believe we're seeing the beginnings of a new market that is as revolutionary in its own way as the mobile phone and fixed broadband have been to the way we work and spend our leisure time – the possibilities of which are only just beginning to be explored.

The numbers surrounding the mobile broadband market are enough to take the breath away, even for a seasoned industry hand like me. By the middle of January 2009, according to the Global mobile Supplier Association (GSA), there were over 235 commercial HSPA networks in operation in more than 100 countries, with close to 1,200 different HSPA-enabled devices already available on the market. Some 76 million subscribers now have access to HSPA-enabled mobile broadband services. Not bad for a technology that was only made commercially available two years ago!

But this is just the start. We believe that by 2013, around 80% of the world's three billion broadband subscriptions will be mobile. And the main enabler for this spectacular growth is the ability of the 3GPP family of mobile standards to evolve continuously. We've already witnessed a 1,000-fold increase in the data speeds offered by 3GPP technology since GSM was

first rolled out – all while offering full backward compatibility with the very first mobile phones released on the market.

Today, HSPA offers commercially-proven downlink rates of up to 21Mbps. In 2009 this will rise to 42Mbps, and to more than 84Mbps in 2010. 3GPP technologies will continue to evolve, with a clear roadmap for reaching 150Mbps or more with HSPA Evolution and even higher speeds with LTE, moving on to a target of 1Gbps.

It's only natural

The speed of adoption of mobile broadband reflects accelerating pace of change in consumer behavior, as much as the faster pace of change in technology itself.

The Internet has changed the lifestyles of millions of people around the world. As any of you who have teenage children will know, constant communication by text message, instant messaging and social networking sites is as natural to them as talking on the phone and emailing became to previous generations.

The generation that has grown up with instant, always-on access to communication, music and video and social networking expects to enjoy this interactive, personalized experience wherever they are and whatever device they happen to be

using – whether it's a PC, laptop, mobile phone, TV or any other connected device.

In the world of work too, people are getting used to having access to high wireless data speeds wherever they go to connect laptops and mobile devices.

Convenience has been a big factor in the rapid uptake of mobile broadband. The availability of easy-to-use USB modems, PC data cards and, more recently, built-in mobile broadband modems for laptops has made getting online while out and about as easy as using a mobile phone.

Phones and handheld devices have also moved along rapidly in their ability to provide convenient, user-friendly access to online services and applications.

One piece of news that caught my eye recently was an item about a survey conducted by mobile device management firm Mformation. This found that Apple iPhone users are roughly twice as likely to use their handsets for online services as those with other devices. The survey of 4,000 mobile customers in the UK and USA found that 86 per cent of iPhone owners had used the device to surf the mobile web; 81 per cent had used it to send email; and 79 per cent had used it for location-based services. The figures for non-iPhone users were 47 per cent, 39 per cent and 25 per cent, respectively.

Such mobile-centric behavior is only going to be driven further with the tens of thousands of mobile applications now being launched for the iPhone, and with the raft of competitive devices with similar capabilities that are now coming on to the market.

More than just mobility

Ericsson's own studies into broadband user needs and behavior have confirmed the huge potential of mobile broadband for operators. The most recent Ericsson Consumer Lab study – carried out with more than 3500 respondents between the ages of 15- to 69-year-olds with an Internet connection, a mobile phone and a laptop in Australia, Austria, Singapore and Sweden in 2008 – found a ready and willing market for mobile broadband.

The main reason people cited for taking up mobile broadband is outdoor mobility: people want true mobility and to be able to use their broadband everywhere – especially those who travel for work and the 'digital natives' who have grown up with the always-on lifestyle.

Some 15 per cent of those studied already use mobile broadband, either alone or in combination with fixed broadband. However, perhaps the most interesting finding from an operator perspective is that another 60 per cent of respondents consider themselves to be potential users of mobile broadband.

The study found that the more people use broadband at home or at work, the more they want to use it everywhere – in other

words, it's a very 'sticky' service. Of course, in some areas, mobile broadband is the only way to unlock high-speed Internet access for everyone.

People value the freedom from needing a fixed line, in-home mobility, ease of use and affordability of mobile broadband. Mobility outside the home was especially important among early adopters and young people.

People who have both fixed and mobile broadband (combined users) tend to use more services outside the home than people who only have mobile broadband – while at friends, commuting, or simply out and about, for example. The most popular broadband services are email, Internet browsing, online banking, chatting (IM) and social networking.

One really striking finding from our study was the difference in perception of how people would use mobile broadband before and after they had subscribed to it. Before subscribing to mobile broadband, the respondents expected they would use it mainly when commuting or on vacation, rather than at home. However, our study found that while mobility is the main driver for acquiring mobile broadband in the first place, the reality is that home is the main place where people use it today.

Big operator opportunity

The Ericsson Consumer Lab study uncovered some interesting pointers for operators wishing to boost the uptake of mobile broadband in their markets.

Marketing and advertising from operators and recommendations were cited as the main sources of information about mobile broadband. The big opportunity for operators is to use these channels to spread the word about mobile broadband even wider: around half of people in our survey were not aware of mobile broadband.

A key point here is that mobile broadband is not just one product: it requires segmented pricing and packaging to attract different customer groups. While mobile broadband unlocks the Internet for everyone, different marketing messages are needed for different user groups: they need to be able to relate to the way mobile broadband usage is depicted in commercials.

To unleash the full potential of mobile broadband it is essential to offer coverage with good data speeds both inside and outside the home. This is vital in delivering a satisfactory, convenient user experience that enhances perception of mobile broadband. In addition, price – or value for money – will be especially important among later adopters.

There needs to be a large ecosystem of mobile broadband devices to attract different user groups. Operators need to offer a mixture of built-in modem subscriptions for laptops, that offer ease of use and security, with external dongles that enable users to move between different devices.

The good news for mobile operators is that if they offer mobile broadband with good coverage, capacity and speed at the right price, customers will come.