

Why Operators Must Simplify Network Configuration

By Jesse Cryderman

Ericsson made a significant addition to its OSS/BSS portfolio with the purchase of ConceptWave in late September. The acquisition, combined with its Telcordia integration, moves Ericsson closer to having the industry's most comprehensive OSS/BSS portfolio. The deal will certainly help it compete against rivals like Accenture, Amdocs and Huawei, as the company now serves more than 1.7 billion people and leads in billing and charging. According to [Gartner](#), Accenture led the overall telecom operations management systems market in 2011, with Ericsson in second place.

Chun-Ling Woon, VP of marketing and business development for ConceptWave, shared his perspective with Pipeline on how the company will operate and be integrated into Ericsson. "Ongoing, ConceptWave will, with the acquisition, be a fully owned subsidiary to Ericsson, and continue to be managed as a separate entity with its own management. Ericsson will take on all current employees and consultants. Operationally, ConceptWave will be part of Business Unit Support Solutions and the OSS product line. ConceptWave will remain its own legal entity, and will be run and function with a high degree of autonomy, i.e., business as usual."

Elisabetta Romano, Head of OSS in Business Unit Support Solutions, Ericsson, said the addition of ConceptWave's assets will help Ericsson enable communications service providers (CSPs) to deliver more personalized services. "There is a trend towards more personalization of services, where end-users want to purchase communications services meeting their individual needs. This puts high demand on telecom operators to be able to offer flexible product bundles with customized pricing packages. In this area ConceptWave's solutions and [its] employees' expertise add considerable value to Ericsson's portfolio."

Video Killed the Video Star

Pipeline has [closely covered](#) the competitive video landscape for years, and compelling stories are an inherent feature of fierce competition. Years ago cable operators reigned supreme, but telco TV has sapped



subscribers every year, and now over-the-top (OTT) offerings threaten the providers of the pipe with low-cost streaming-video programming.

However, cord-cutting behavior—ditching pay TV for Internet-delivered video—has not occurred at the level some industry analysts predicted. It turns out people are switching to over-the-top (OTT) video as supplemental programming more than as a replacement for pay TV, and it very well could be explained in one word: content. Pay TV offers significantly more content—in particular, first-run content—than any OTT service alone or even several OTT offerings combined. However, this may soon change, says Anthony Wood, CEO and founder of Roku.

Wood predicts the development of a new competitor class on the horizon. Pulling all the content together in one place through one interface, combined with a low price, has earned Roku success, but he thinks that bundling Internet content with premium television programming is the next step, creating what he calls virtual MSOs. "In the next 12 months in the U.S. you'll start to see a virtual MSO, a pay TV package distributed over the Internet through devices like Roku," Wood is quoted as saying in *Multichannel News*. "Companies are trying to figure out how to reach a different class of customer, maybe [ones] who don't have cable TV."

In anticipation of such developments, CSPs like BT and AT&T are launching their own innovative offerings. BT's idea is simple: be your own OTT provider; in other words, don't pass on customers just because they want to cut the cord. Last month BT announced a new program to provide YouView set-top boxes for no charge (usually £299) to new broadband-only customers. The incentive extends to bundled and TV

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customers as well, but offering what amounts to an OTT service to broadband customers is unique. Armed with the new set-top box a BT Infinity broadband customer is privy to a large selection of features courtesy of YouView, including over 100 channels of programming, on-demand content and DVR functionality.

AT&T, which has been very successful at adding new video scrubbers, intends to keep them with ... a fancy new remote? Well, not exactly. AT&T has released an app for U-verse that turns a mobile device into a voice- and gesture-activated media controller, which makes U-verse service competitive with Xbox Live and Comcast's X1 solution.

All of this means cable operators have a lot of work to do if they want to remain stars, and their "growth is dependent upon taking market share from entrenched players," says Fran Caulfield, research director at Insight Research. This growth will occur outside of traditional revenue streams; a new [report from Insight](#) indicates that cable operators must gain ground in the business services market to stay competitive, which won't be an easy task because "telecom providers such as Verizon and AT&T have had a 30-year head start over CATV operators in supplying business services."

How to Guarantee Global Service

How do you deliver truly global connectivity for business customers? If you're France-based operator SFR you make friends with major global carriers.

SFR announced in early September that its enterprise services arm has launched an alliance called Network Team. Don't let the boring name fool you—this team is an all-star lineup, including Vodafone, Verizon, Tata Communications, Etisalat, and Maroc Telecom. The alliance will give SFR business customers global access and unique services courtesy of the company's new partners; it will also enable SFR to offer guaranteed levels of service and network interoperability. Planned services include VPNs, fixed-line voice, Internet, mobile connectivity, and cloud services.

SFR says it has other agreements with additional CSPs currently in the works, which will soon be announced. SFR needs the global reach and worldwide service footprint afforded by this alliance in order to compete with BT France and Orange in the business telecommunication services market.

As the multiple partner carriers collaborate to deliver innovative global services, they may find a valuable partner in Tekelec: It launched three new products in September aimed at serving broad and complex service portfolios with advanced policy management. Tekelec's Mobile Policy Gateway (devices), Application

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Manager (OTT apps) and Policy Analytics Platform (business intelligence) create a "policy everywhere" framework that enables CSPs to offer up just the kind of next-gen services that SFR's Network Team is pitching. "Policy is the 'everywhere' technology that will transform service provider business models," said Houck Reed, the company's VP of product management, in an announcement.

An Apple a Day ...

Apple was a constant presence in the news last month, primarily due to its launch of the long-awaited iPhone 5. The new must-have device from Apple sports a bigger, better screen, a slimmer profile and, finally, support for the fastest 4G LTE mobile networks. These are all necessary innovations if Apple wants to keep pace with market leader Samsung and other hungry Android smartphone manufacturers. But one technology is noticeably absent from the iPhone 5: near-field communication (NFC).

Smartphones with NFC make touchless transactions and e-banking a reality and enable users to share all kinds of media, messaging and data. This is hardly the first time Apple has decided to buck industry trends and create its own solution, claiming the users in its ecosystem don't need NFC in order to share files, numbers and other data. That may be true, but without Apple's support what does this mean for the future of NFC?

CSPs are too busy selling millions and millions of the newest iPhone to give much notice to the lack of NFC, and while everyone seems to enjoy the health benefits of [consuming\[RC1\]](#) Apples, one carrier has consistently outperformed the others. AT&T continues to lead the field despite competitors Verizon and Sprint adding the iPhone to their device portfolios; according to comScore, it reported the lion's share of domestic iPhone activations in the second quarter with 47 percent, compared to Verizon's 34 percent and Sprint's 19 percent. As for the spanking new iPhone 5? AT&T scored 68 percent of preorders, handily beating its rivals.

There's no doubt the iPhone is good for business: iPhone users generate copious amounts of billable

mobile data, tend to report higher customer satisfaction and are apt to stick around longer than their non-Apple peers. For instance, T-Mobile doesn't officially carry the ever-hot iPhone, but that's not stopping it from flexing what it does have—unlimited mobile data plans—in order to attract iPhone users. T-Mobile is stepping up its marketing toward iPhone users, and a recent leak reveals that the carrier will offer nano-SIM cards for the iPhone 5 as well. What's more, T-Mobile says the iPhone 4S runs faster on its network than on AT&T's. "Our internal tests of unlocked iPhone 4S devices running over 4G (HSPA+) on our 1900 network recorded on average 70% faster download speeds than iPhone 4S devices on AT&T's network," the company claims.

If the iPhone doesn't save T-Mobile, maybe its cell towers will. As we were going to press, Pipeline learned that T-Mobile USA signed a \$2.4 billion deal with Crown Castle International to lease 7,200 cell towers for a period of 28 years. "We are pleased to reach this mutually beneficial agreement with Crown Castle and take another step closer to realizing the bold vision outlined in our Challenger strategy to solidify our competitiveness in the industry by investing in areas where we anticipate the strongest return for our customers," said John Legere, Chief Executive Officer of T-Mobile USA.

Market Research Update

Smartphone sales are booming, especially in emerging markets, [says Ovum](#), and this is creating new revenue opportunities for wireless service providers. These new profit paths aren't intrinsically tied to 4G either. According to [Pyramid Research](#), 80 percent of 4G devices will be shipped to North America and Asia-Pacific over the next five years, meaning the promise of global 4G is still relatively far off.

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The Internet of things, or machine-to-machine connectivity (M2M), is predicted to change the world in which we live. From smart refrigerators and cars to action-aware humidors, the possible use cases for M2M are limitless. There's only one problem: M2M isn't growing as fast as the industry predicted. New data from [Informa Telecoms and Media](#) reveals that M2M business is growing much slower than cellular growth as a whole. In fact just one M2M connection exists for every 50 "human" connections, and \$1 of M2M revenue is generated for every \$200 of service revenues, reports Informa.

Are our global networks safe enough? That question will drive increased spending on security infrastructure, says a new [report from Gartner](#). The research group anticipates a growth rate of 8.4 percent in the coming year for the market, which encompasses the software, services and network security appliances used to protect enterprise and consumer IT equipment. The growth trend will likely continue beyond 2013, as virtualized, managed and cloud-based services propel additional needs for enhanced security. Stay tuned for the November issue of Pipeline, wherein we'll examine the many facets of network security in an increasingly connected world.