Mobile Voice Strategies

How Mobile Operators Can Harness the Transformation towards VoLTE and Converged Multimedia Services

A White Paper Prepared by

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EXECUTIVE SUMMARY

It is time to start thinking about the next generation of wireless voice services, given the rapid innovation in smartphones and acceleration of LTE deployments. Amidst all the attention to data over the past several years, there has been relatively little innovation with respect to the $600+ billion market for wireless voice services, which still represent some 70% of global wireless revenue. But voice will always be an important form of mobile communication. Mobile operators have a unique opportunity to both ensure that voice remains a key part of their revenue and profitability stream, and a strategic asset that can be leveraged into a richer suite of communication services that cements the relevance of the operator in the customer relationship.

There are four primary catalysts that make a discussion about the evolution of voice services, in the 2012-15 era, particularly relevant. First is a *technology catalyst*. The evolution to LTE brings with it the migration to IMS and an all-IP network. This invites discussion of VoLTE, and the opportunity to incorporate a suite of enhanced features incorporating voice and other IP multimedia services.

Second is a *market and competitive catalyst*. Data services, in part text and e-mail but increasingly private social networking networks, such as BBM, WhatsApp, iMessage, Facebook, and so on, are substituting for core operators' services such as voice, SMS, and MMS. The operators benefit in part through the growth of subscriptions to data plans, but data services are both less profitable and encourage use of "over the top" applications. 4G networks also create the opportunity for competitive, "over the top" voice and video services, such as Skype, Google Voice, FaceTime, and Fring to compete more directly with core operator voice offerings.

Third is a *business model* catalyst. Voice over IP networks is measurably less expensive to deliver — on a per bit basis and delivering opex savings — thus preserving a core element of the operator value proposition, while freeing up network resources for more bandwidth-consumptive applications.

Fourth, and perhaps most importantly, the *user* is a catalyst. Communication patterns are changing, as social collaboration replaces traditional value-added services such as voicemail and certain forms of messaging. And users

want access to these services across multiple devices and clients, presented in a convenient, integrated, and intuitive fashion.

In this report, we will discuss how the operators can harness the next generation of voice and IP multimedia services. We will feature case studies of some the most progressive operator VoLTE offerings and plans, among them:

- T-Mobile USA: Has evolved its UMA-based Wi-Fi Calling service to an IMS-based, T-Mobile branded VoIP service with several unique features. Has also introduced Bobsled, a branded IP-based voice and messaging service as a competitive counter to OTT services.
- Metro PCS. As part of being at the forefront of LTE deployments, Metro plans on introducing VoLTE service during the first half of 2012 -- in part to optimize capacity utilization and in part for IMS to be a platform for innovation.
- Verizon Wireless. As Verizon continues to expand what is already the world's most extensive LTE network, Verizon has publicly announced plans to launch VoLTE in 2012. In addition to freeing up data capacity in the 1900 MHz an 800 MHz bands, putting voice on 700 MHz would allow Verizon to offer simultaneous voice and data sessions and introduce other innovative IMS-based features.
- CSFB Approaches. Most European operators are focused on a two-tiered network strategy of deploying LTE in urban centers and other "hotspots", while relying on HSPA for broader coverage. Their next-generation voice service strategy is focused on introducing a circuit-switched fall back (CSFB)-based solution first, which allows LTE users to obtain legacy circuit-switched voice services when they are outside of an LTE coverage area. Vodafone, Orange, TeliaSonera, and KDDI are among the operators embracing this approach.

After a brief overview of how the technology ingredients are falling into place, we will: discuss the market and competitive catalysts driving the conversation; describe what some of these enhanced services might look like; present case studies of some of the most progressive operator VoLTE offerings and plans; examine the business model implications; and provide recommendations for effective go-to-market strategies.

To receive the complete VoLTE white paper, contact marketing@mavenir.com