

Mobile Voice Strategies

mVoIP Opportunities & Business Models, 2010-2015



Table of Contents

Executive Summary

ES1 Introduction	7
ES1.1 Circuit Switched Voice	7
ES1.2 Outlook for Voice Pricing	8
ES2 Looking to the Future	8
ES3 Mobile VoIP Market Development Path.....	9
ES4 Overall Voice Forecasts	10
ES4.1 Circuit Switched Voice	10
Figure ES1: Value of Circuit Switched Voice Minutes (\$bn) Split by 8 Key Regions 2010-2015	10
Table ES1: Value of Circuit Switched Voice Minutes (\$bn) Split by 8 Key Regions 2010-2015	11
ES5 VoIP Forecasts	11
Figure ES2: Value of Mobile VoIP Minutes (\$m) Split by 8 Key Regions 2010-2015	11
Table ES2: Value of Mobile VoIP Minutes (\$m) Split by 8 Key Regions 2010-2015.....	12
ES.6 Strategic Recommendations	12
ES.6.1 Recommendations for Standard Mobile Operators	12
ES.6.2 Recommendations for Mobile VoIP Operators	13
ES.6.3 Recommendations for Governments and Regulatory Bodies	13

I. Mobile Voice - Now and in The Future

I.1 Introduction	15
I.2 Current Status.....	15
I.2.1 Circuit Switched Voice	16
I.2.2 Outlook for Voice Pricing	16
I.2.3 Voice Revenues: Prospects in Different Markets	16
I.2.4 Geographical Comparisons	17
i. Europe	17
ii. Africa	17
I.3 Enter WiFi and Mobile VoIP	17
Figure I.1: Speed versus Mobility: The Mobile VoIP Options	18
I.3.1 Mobile VoIP: Description and Market Implications	18
I.3.2 WiFi: Description and Market Implications	18
I.3.3 Future Role WiFi will Play	19
I.3.4 Carrier Acceptance of VoIP	19
I.3.5 The Development of Mobile VoIP	19
Figure I.2: The Development of Mobile VoIP – Carriage Options	19

1.3.5 3G Possibilities	20
Figure 1.3: Technologies That Can be Used for Carrying Mobile VoIP Traffic	20
1.4 The Mobile Internet.....	20
1.4.1 Increasing Mobile Data Volumes	21
1.4.2 Implications for The Voice Market	21
1.4.3 Stages of Mobile VoIP Adoption	21
Table 1.1: Example VoIP Pricing	22
Figure 1.4: VoIP Service Delivery Models	22
1.5 Mobile VoIP Market Development Path	23
Figure 1.5: Mobile VoIP Development Path	24
1.6 The Voice Market in 2015	24
1.7 Overall Voice Forecasts	25
1.7.1 Circuit Switched Voice	25
Figure 1.6: Annual Circuit Switched Voice Minutes (bn) Split by 8 Key Regions 2010-2015	25
Table 1.2: Annual Circuit Switched Voice Minutes (bn) Split by 8 Key Regions 2010-2015	26
Figure 1.7: Value of Circuit Switched Voice Minutes (\$bn) Split by 8 Key Regions 2010-2015	26
Table 1.3: Value of Circuit Switched Voice Minutes (\$bn) Split by 8 Key Regions 2010-2015	27
.....	27
1.8 VoIP Forecasts	27
Figure 1.8: VoIP Forecasts Overall Methodology	27
Figure 1.9: 3G + 4G Mobile VoIP Users (m) Split by 8 Key Regions 2010-2015	28
Table 1.4: 3G + 4G Mobile VoIP Users (m) Split by 8 Key Regions 2010-2015	28
Figure 1.10: Annual Mobile VoIP Minutes (bn) Split by 8 Key Regions 2010-2015	29
Table 1.5: Annual Mobile VoIP Minutes on 3 and 4G networks (bn) Split by 8 Key Regions 2010-2015.....	29
Figure 1.11: Value of Mobile VoIP Minutes (\$m) Split by 8 Key Regions 2010-2015	30
Table 1.6: Value of Mobile VoIP (\$m) Split by 8 Key Regions 2010-2015	30
1.9 Conclusion	30

2. Drivers and Inhibitors

2.1 Introduction.....	31
2.2.1 VoIP Arrives to The Mobile Handset	31
2.2.2 Forces Exerting an Influence on the Voice Market	32
Figure 2.1: Factors Influencing the Voice Market	33
i. The Influence of Technology Regulation and Competition	33
2.3 Looking to the Future	33
2.4 Trends in The Market.....	34
2.5 Challenges & Inhibitors	34
2.5.1 Summary of Challenges Presented by Mobile VoIP	34
2.5.2 Summary of Factors that May Inhibit the Growth of Mobile VoIP	35
Table 2.1: Mobile VoIP Drivers and Inhibitors.....	36

3. Strategies and Players

3.1 Market Incumbents.....	37
3.1.1 Resistance to Mobile VoIP	37
3.1.2 New Entrants - Market Position	37
3.1.3 Strategic Operator Alliances	38
3.1.4 SWOT Analysis Comparing Mobile VoIP Operators and Standard Operators	39
Table 3.1: SWOT Analysis of Mobile VoIP Players versus Incumbent Operators	39
3.2 Mobile VoIP Business Models	39
3.2.1 Mobile VoIP Player Routes to Market	39
3.2.2 The Mobile VoIP via App	40
3.2.3 Mobile VoIP/Carrier Alliances	40
3.4 Alternative Strategies	40
3.4.1 High Definition Voice	40
3.4.2 The Ad-driven Business Model	41
3.5 Mobile Advertising Companies.....	41
3.5.1 Blyk	41
i. Initial Roll Out Plans	41
3.6 Mobile VoIP Companies	42
3.6.1 JAJAH	42
3.6.2 Vonage	42
3.6.3 Truphone	43
i. Background	43
ii. MVNO Strategy	43
ii. Truphone Local Anywhere	44
Figure 3.2: Image of Truphone bringing Skype to iPhone	44
3.6.4 3UK	44
3.6.5 Skype	45
i. Background	45
ii. Bridging Devices	46
iii. Skype Verizon Tie-up	46
3.6.6 fring	47
Figure 3.3: The fring Mobile Client	47
i. Ad Revenues & MNO Partnerships	48
3.6.7 Google	48
i. Google Voice	48
a. Statistics Revealed	48
ii Google Talk	50
3.6.8 TCM Mobile	50
3.6.9 Nimbuzz	51
i. Background	51
ii. Products & Services	51
Figure 3.4: Bridging Siloed Communities	52

iii. Strategy	52
3.7 Mobile VoIP Player Analysis	53
Figure 3.5: Mobile VoIP Player Analysis Matrix	54

4. Mobile VoIP Forecasts

4.1 Introduction	55
4.2 Methodology and Assumptions	55
Figure 4.1: VoIP Forecasts Overall Methodology	57
4.3 Market Sizing	57
Figure 4.2: Total Number of 3/4G Subscriptions Worldwide (m) Split by 8 Key Regions 2010-2015	58
Table 4.1: Total Number of 3/4G Subscriptions Worldwide (m) Split by 8 Key Regions 2010-2015	58
4.4 Mobile VoIP over 3G	58
Figure 4.1: 3G Mobile VoIP Methodology	59
4.4.1 3G Users Using Mobile VoIP	59
Figure 4.2: Number of 3G Users (m) Split by 8 Key Regions 2010-2015	60
Table 4.3: Number of 3G Users (m) Split by 8 Key Regions 2010-2015	60
Figure 4.3: Number of 3G Users (m) Using Mobile VoIP Split by 8 Key Regions 2010-2015	61
Table 4.4: Number of 3G Users (m) Using Mobile VoIP Split by 8 Key Regions 2010-2015	61
4.4.2 Applications	61
Figure 4.4: Number of 3G Mobile VoIP Users via Applications (m) Split by 8 Key Regions 2010-2015	62
Table 4.5: Number of 3G Mobile VoIP Users via Applications (m) Split by 8 Key Regions 2010-2015	62
Figure 4.5: VoIP Minutes of use p.a. (m) via 3G users Using Applications Split by 8 Key Regions 2010-2015	63
Table 4.6: VoIP Minutes of Use p.a. (m) via 3G Users Using Applications Split by 8 Key Regions 2010-2015	63
Figure 4.6: VoIP Minutes of Use p.a. (Excluding WiFi) (m) via 3G Users Using Applications Split by 8 Key Regions 2010-2015	64
Table 4.7: VoIP Minutes of Use PA (Excluding WiFi) (m) via 3G Users Using Applications Split by 8 Key Regions 2010-2015	64
4.4.3 Revenues from 3G VoIP Applications	64
Figure 4.7: 3G VoIP Application Revenues (m) Split by 8 Key Regions 2010-2015	65
Table 4.8: 3G VoIP Application Revenues (m) Split by 8 Key Regions 2010-2015	65
4.4.4 3G Alliance Forecasts	65
Figure 4.8: Number of 3G Mobile VoIP users via Alliances (m) Split by 8 Key Regions 2010-2015	66
Table 4.9: Number of 3G Mobile VoIP Users via Alliances (m) Split by 8 Key Regions 2010-2015	66
Figure 4.10: Annual Mobile VoIP Minutes - Operator Alliances (m) Split by 8 Key Regions 2010-2015	67
Table 4.10: Annual Mobile VoIP Minutes - Operator Alliances (m) Split by 8 Key Regions 2010-2015	67

Figure 4.10: Revenues Attributable to Alliances (\$m) Split by 8 Key Regions 2010-201568

Table 4.11: Revenues Attributable to Alliances (\$m) Split by 8 Key Regions 2010-201568

4.5 4G VoIP 68

4.5.1 Methodology 69

 Figure 4.11: 4G mVoIP Methodology 69

4.5.2 4G Users Using Mobile VoIP 69

 Figure 4.12: Number of 4G Users Using Mobile VoIP (m) Split by 8 Key Regions 2010-2015 70

 Table 4.12: Number of 4G Users using Mobile VoIP (m) Split by 8 Key Regions 2010-201570

 Figure 4.13: Alliance & Application Revenues (\$m) Attributable to 4G Users Using Mobile VoIP Split by 8 Key Regions 2010-2015 71

 Table 4.13: Alliance & Application Revenues (\$m) Attributable to 4G Users Using Mobile VoIP Split by 8 Key Regions 2010-201571

4.6 WiFi Mobile VoIP 71

 Figure 4.14: WiFi VoIP Methodology 72

4.6.1 Minutes Lost to WiFi VoIP 72

 Figure 4.15: Minutes Lost to VoIP over WiFi (m/p.a.) Split by 8 Key Regions 2010-2015 73

 Table 4.14: Minutes Lost to VoIP over WiFi (m/p.a.) Split by 8 Key Regions 2010-201573

4.6.2 Revenue Associated with WiFi VoIP 73

 Figure 4.16: Value of Minutes Lost to WiFi VoIP (\$m) Split by 8 Key Regions 2010-2015 74

 Table 4.15: Value of Minutes Lost to WiFi VoIP (\$m) Split by 8 Key Regions 2010-2015.....74

4.7 Forecasts for the Entire VoIP Market..... 74

 Figure 4.17: Annual Mobile VoIP Minutes (bn) Split by 8 Key Regions 2010-201575

 Table 4.16: Annual Mobile VoIP Minutes on 3 and 4G networks (bn) Split by 8 Key Regions 2010-201575

 Figure 4.18: Value of Mobile VoIP Minutes (\$m) Split by 8 Key Regions 2010-201576

 Table 4.17: Value of Mobile VoIP (\$m) Split by 8 Key Regions 2010-201576

4.8 Conclusion..... 76

5. VoIP Practicalities - The Technology Backdrop

5.1 Introduction 77

5.2 Internet Protocol & IP 77

5.2.1 IP 77

5.2.2 Circuit Switching 78

5.2.3 The Evolution of VoIP 78

5.2.4 The Effects of VoIP Migration 78

 Figure 5.1: Cell Phone Usage, Standard Mobile Device Versus The iPhone 79

 Figure 5.2: VoIP Traffic Growth 79

5.2.5 The Integration of Mobile VoIP into The Network 79

5.2.6 Voice over Different Network 80

 i. Using the WiFi Networks 80

5.3 VoIP on 4G Networks..... 80

5.3.1 Voice Carriage Over 4G Networks	80
i. IMS	80
ii. VoLTE, Volga and OneVoice	81
5.3.2 WiMAX	81
i. Voice Over WiMAX	81
5.3.3 LTE	82
5.3.4 Circuit Switched Fallback	82
i. VoLGA	82
5.3.5 One Voice	82
Glossary	85