



EXPERT OPINION:

Mastering market 'multiplexity' in the Consumer Age

I remember when going for a coffee was a simple affair. Black or white, sugar or no sugar – it was rarely more complicated than that. Then a new age dawned, a new Consumer Age. And almost unnoticed, going for a coffee became an operation that, without careful planning, could degenerate into an embarrassing display of fumbling indecision at the till.



The author is Guy Dubois, President & CEO of MACH Group.

“Despite market ‘multiplexity’, operators must deliver a seamless consistent consumer experience.”

Latte, cappuccino, frappuccino, or chai? Piccolo or gigante? Decaff or caff? One shot or two? And while you grappled with the mind-boggling array of options, behind you the line of caffeine-starved office workers grew ever longer and more irate. Soon this culture of customisation spread to other industries. Today, car brochures are filled with options that must surely have Henry Ford spinning in his grave, and you need a holiday to get over the stress of choosing a holiday.

Today, the consumer is the undisputed master – and that is nowhere more true than in the world of wireless communication. Our marketplace is characterised by diversity. A market that once represented a homogeneous population of many, is today dominated by the individual. A market once easily defined by national boundaries has been redefined by the advent of globalised commerce and ever more affordable international travel. Where once he who held the key to the technological mysteries of voice and data transmission through the air was as powerful as Camelot’s sorcerer, today those mysteries have been laid bare by ubiquitous access to information. Unprecedented consumer sophistication has forever shifted the balance of power. The Emperor is naked.

The consumer is the new king. He knows what he wants. He wants it now. He wants it to work first time, every time, and he will not be held to ransom. In the early days of mobile telephony, subscribers were prepared to overlook a dropped call, to use Spanish pay-phones on their summer holiday, to pay premium prices. Then mobile operators made it more reliable, international and affordable. They set the standard, and today’s consumer expects continuous innovation delivered to that standard.

MACH has been at the very heart of this industry as it has developed and matured. We have enabled roaming arrangements between mobile operators with services ranging from the set-up and administration of roaming

agreements, to managing the clearing-billing-settlement cycle, to the protection of roaming revenues and stopping roaming fraud. Throughout the evolution of the mobile communications industry, we have provided the platform that allows mobile operators to grow revenues and reduce operating costs, while maintaining a relentless focus on meeting the needs of an increasingly demanding consumer.

Welcome to our world.

New consumer paradigm

For operators, the impact of the new consumer paradigm is felt on both the retail and wholesale side.

On the retail side, it is clear that the driver of consumer acquisition and retention is comprehensive access to applications. When it comes to consumer mindshare, the brand of the mobile operator is under pressure from new application brands such as **Skype** and **Facebook**. These brands are winning the battle for customer intimacy.

If you ask a friend about his driving holiday in France, he will regale you with tales of Mediterranean beaches and the casinos of Monte Carlo, not about the companies that operate the autoroutes that took him there. The walled garden days of operator control over application presentation are surely numbered, as are the days of premium pricing for innovation. Consumers who were once happy to pay high prices to be early adopters of new applications, now expect those same innovations to be immediately cheaper and more reliable.

Not only does the consumer want access to the myriad applications available, he wants consistent presentation seamlessly delivered, regardless of device – even despite the device. For most users, the experience begins at the PC or lap-top, and that experience drives their expectations across all devices. ►



'Access hunger'

This 'access hunger' will, in the mind of the consumer, further blur the lines between access technologies. We are moving to a world where the consumer expects ubiquitous access. Consumers will not much longer accept that they have to find a coffee shop hot-spot to access their email. Sales of dongles – the small devices plugged into the USB port of laptops enabling internet access via a mobile network – nearly doubled in the UK alone between February and June 2008, perhaps as a direct response to the perception that Wi-Fi access in airports and hotels is often consumer-unfriendly and inconvenient.

Consumer indifference between access technologies highlights the challenges for operators of those technologies. WiMAX and Wi-Fi providers must embrace 3G-style roaming in response to the consumer expectation that data roaming will be as seamless as voice. 3G operators and equipment manufacturers must respond to the threat presented by built-in WiMAX and WLAN chips in lap-tops. And all must address the increasingly evident need for an effective cross-technology roaming platform.

All of which will drive demand for innovative new rating plans and payment channels, perhaps even a fundamental rethink of charging strategies across the wireless communication market. A recent report by UK regulator, OFCOM highlights the sharp rise in demand for Britain's mobile services in recent years. UK users doubled their time spent talking and texting on mobile phones between 2002 and 2007. Two million adults said they had used a data card, USB modem or a dongle to access the internet in the March 2008 alone. In the UK, 75% of all mobile broadband users said they use their dongle to access the internet at home, and the number of 3G mobile connections grew by 60% in 2007.

'Choiceless' network selection

Yet, despite the clear demand for mobile access, average household spend on communications services actually declined in 2007. Consumers will search for the best deal and will happily switch providers to secure it. Further, they will demand 'choiceless selection': so that in a world of ubiquitous access their device connects automatically to not only the most efficient technology, but the most cost-effective.

Creating effective interoperability between mobile operators, access providers and application vendors is the key to attracting and retaining customers and so the wholesale side of operator and provider businesses will have to

adopt the same consumer-centric approach as their retail colleagues.

Firstly, mobile operators, WiMAX and Wi-Fi service providers, application vendors and device manufacturers will have to work together to deliver seamless roaming and consistent presentation. The challenges of negotiating data formats and standards between technologies will have to be resolved as operators come to terms with new and evolving business-to-business relationships. Secondly, the emergence of new retail rating plans and the changing dynamics of an application-led market will have to drive a rethink in the inter-operator tariff structures between service providers of all kinds, including emerging application providers.

MACH's position at the heart of bi-lateral, multi-lateral and inter-standard relationships between providers of all kinds gives us unique insight into the challenges facing the market today. It is our view that complexity borne of growing multiplicity in today's market – what we call market multiplexity – is the main obstacle to delivery of the optimal consumer experience.

MACH's Open Connectivity platforms will deliver seamless roaming to connect market-players from all spheres – from network owners and access providers to payment enablers and application providers. Our Link2One hub is already providing operators with global coverage through just one roaming agreement and connection, driving higher revenues and lowering operating costs. Our recent acquisition of **Roaming Service Bureau**, the managed service agency for all types of roaming, further strengthened our cross-technology roaming capability, enabling MACH to offer seamless voice and data roaming services to consumers ranging from CDMA and emergent GSM/UMTS operators to providers of WiMAX. All of which positions us uniquely to provide the multi-lateral hub that we believe delivers the solution to the challenge of multiplexity: consumer-centric, multi-lateral interoperability.

In the early days of mobile telephony, delivering the consumer experience was the province of the mobile operator alone. Like going for a coffee, it was a relatively uncomplicated affair. Today, it is contingent on complex relationships with potentially hundreds of partners. Despite this market multiplexity, operators must deliver a seamless, consistent consumer experience based on innovative rating plans and reduced operating costs, all in a new competitive landscape. The new world of roaming might just have to be built in a day.

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– Guy Dubois,
MACH Group