

## Communications & High Tech

# It's a mobile world, after all: Trends from the 2008 Mobile World Congress

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Mobile technologies are changing the face of the world. Mobile phone usage accounts for more than 50 percent of total telecommunications revenues in many major markets. The growth in the number of user sessions at wireless broadband hotspots worldwide in 2007 increased by an average of 89 percent, including a 142 percent growth in Europe and a 133 percent growth in Latin America. And in a growing number of countries around the globe, the number of mobile phone subscriptions actually exceeds the size of the population.

Yes, it's a mobile world, and there is no better place to take the pulse of that world than the annual Mobile World Congress (formerly the 3GSM Congress), held this year in February in Barcelona.

The Congress is the world's premier event for the mobile industry and, increasingly, for the high-tech and media industries. Based on the presentations, workshops and product demonstrations at the Congress, and on more than 200 discussions Accenture held with a variety of companies over the course of the event, here is a summary of several of the most important themes and trends to watch for.

### From technology to services

Even the name change of this event—from 3GSM Congress to Mobile World Congress—shows the expanding influence of mobility. Historically, the mobile industry has been about network equipment, devices and carriers. But the significance of a mobile world goes far beyond the 3GSM network standard or, for that matter, any standard. Competitive differentiation is now about innovative content and services, not just the enabling technologies.

Providers understand they need to be diversifying their offerings in light of this trend. During his plenary address to the Congress, Arun Sarin, CEO of Vodafone, noted: "Customers are telling us they want to communicate in many ways—social networking, voice, instant messaging, SMS, e-mail and so forth. Communications is our core business, and we have to be in all those spaces. We can't have our competitors doing social networking and leaving us only with SMS and voice."

### Bringing three screens to life

We live in a three-screen world—interacting with our televisions, computers and mobile devices—and consumers will increasingly expect content to flow seamlessly across all three. Right now, however, a host of technology and business hurdles stand in the way of realizing that vision. Players across the digital ecosystem will be vying to solve those challenges as quickly as possible to seize the lucrative first screen to the consumer—that is, whichever screen provides a person's dominant entry point into the digital world.

Mobile providers and device manufacturers stand in a particularly influential position: consumers don't have their TVs with them all the time, and it's a toss-up whether they have their computers with them wherever they go. But consumers probably do have their mobile phones close at hand. If wireless providers can solve the technical, business and operational challenges ahead, they have a chance to [thrive in a three-screen world](#).

### Customer (–centric convergence) is king

The word *convergence*—in this case, the coming together of communications, content, software and

devices in an integrated manner—has been around for so long that we heard from many executives that the concept is beginning to sound stale. Accenture believes the next evolutionary phase is something we call *customer-centric convergence*. That means being guided—with every technology or service—by a single, overarching imperative: to produce products and services that encompass, complement and dovetail with every element of the customer's wants, needs and lifestyle.

Customers want simplicity. They don't want to be constrained by complex roaming rules, complex phones, complex services or complex tariffs. And they don't want complicated user interfaces, either. The high-tech industry will have to raise its level of capabilities in terms of simple, powerful, customer-centric designs that encourage increased usage of mobile services.

### Handsets designed with people in mind

The Mobile World Congress is always a great place to track new handset developments. In line with the trend toward customer-centricity, we saw a number of devices designed to support easier access and better usability in a three-screen world. Motorola's ROKR E8, for example, features something the company calls "ModeShift." Depending on a user's intentions (to use the device as a phone, a camera, a music player, etc.), the phone shows only the buttons needed to perform a specific task, eliminating "button clutter."

Some of the biggest crowds at the Congress, however, were at the booth of a newcomer on the mobile phone scene, Modu. The company introduced a modular phone that fits into various jackets, as well as what they call "mates," which let users change sizes, shapes and features. Jackets provide bigger screens, keyboard and speakers, and some even provide additional data. Mates are entire consumer electronics products with their own application processors. A digital camera mate, for example, uses the Modu to upload photos to the Web, and a digital picture frame mate uses the Modu to download them. The result is that instead of keeping a phone longer than you want, you can change it whenever you'd like.

This is obviously just a sampling of new devices. But in general, consumers should be heartened by the ways device manufacturers are designing new phones with both simplicity and variety in mind.

### 4G comes of age

Based on several key vendor announcements during the event, this year's Mobile World Congress could well be seen as the coming of age for wireless broadband, otherwise known as fourth-generation, or 4G. This technology has the potential to help change the way we work and live.

Although discussions of 4G focus most often on the technological obstacles, the greatest challenge may be in adapting to the customer-centric, user-driven, Internet-style world, with its rapid development times and a certain tolerance for "beta" thinking. To succeed in this world, companies need to think like a customer, must enable more customer control over content and services, be more user-friendly and offer transparent pricing, personalization and social portals.

### Ubiquitous networks

Achieving high performance in the communications and high-tech industries today is about delivering products and services across locations, devices, segments and technologies. And it's all made possible by ubiquitous networks. By bringing together people, networks and compelling customer experiences, companies have a recipe for success. There's no question that Internet Protocol (IP) will be the infrastructure for mobile broadband services. Now the question is which companies will excel at using ubiquitous networks to deliver [compelling services](#)—for which they can charge a premium.

### Open architectures and an open service delivery platform

Several key business, technology, consumer and distribution trends are now adding up to an exciting future for open software and device development. To bring products to market faster, more and more service providers and high-tech companies are embracing a new paradigm of collaboration often referred to as [open innovation](#) or *collective invention*. Companies are coming to see that driving growth depends on teaming with multiple businesses, researchers, institutions and individuals to create collaborative innovation relationships.

The traditional service delivery platform (SDP) must therefore evolve to support the changing character of the service creation environment in a Web 2.0 environment. An open service delivery platform is one important tool that can bring new products and services to market more quickly. These next-generation SDPs (which we call [SDP 2.0](#)) will also need to bring standardization and industrialization of the new-service development process to new levels.

### Digital advertising/mobile advertising

Mobile advertising was a hot, hot topic at the Congress. We had several conversations on the topic of digital advertising in general with European and Asian carriers, as well as with handset manufacturers. The discussions revealed a great deal of curiosity about this new source of revenue. One of the key questions companies are asking is about the right kinds of operating models and business models for their circumstances.

Companies are also looking for guidance when it comes to choosing the ad products to bring to market—how to target specific customer segments and whether to offer location-based advertising. There is some urgency here: Accenture's annual [survey of the Digital Advertising space](#) reveals that the changes caused by digital advertising will be decisive, rapid and transformative.

### Looking ahead: Challenge and opportunity

The mobile industry is forging ahead at an astounding speed. The emphasis on moving beyond a merely technological focus to increase the pace of innovation and to create creative, consumer-centric services was clear at this year's Mobile World Congress. To be sure, many challenges remain: competing with new, agile players; simplifying the standards environment; and developing more compelling user interfaces and customer experiences over a mobile device, to name just a few. But even with these challenges ahead, the coming years will be exciting ones.

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