

A close-up portrait of Carl Boeing, a man with dark hair, wearing a dark suit, a white striped shirt, and a purple and white striped tie. He is looking directly at the camera with a neutral expression.

CEO GUIDE TO MWC

Carl Boeing from hybris software, an SAP company, says CSPs are in pole position to commercialise context-aware, multi-channel experiences

KEEPING UP WITH THE INCREASING SPEED OF CUSTOMER DEMANDS?

And the delivery of complex services?

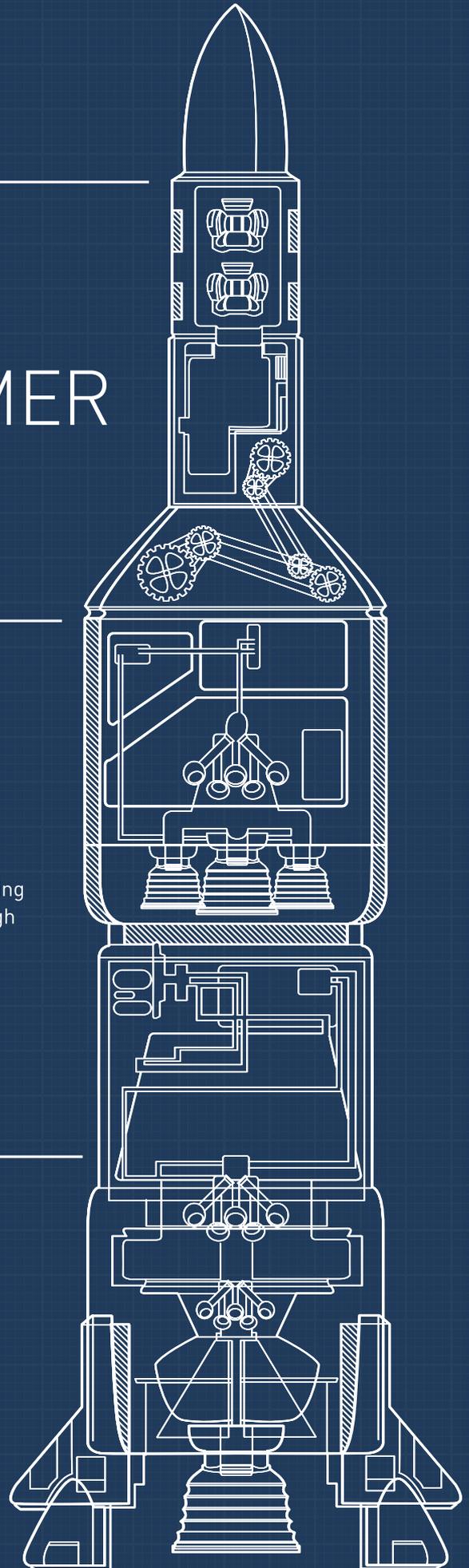
For a telco commerce platform to deliver a desirable user experience, it has to meet a number of unique needs.

It has to cope with constantly changing combinations of phones and plans. It must offer added value services like video streaming and cloud services. It must handle fixed pricing, usage pricing and subscription pricing. It must manage deals and promotions.

All of this to ensure today's savvy consumer experiences a satisfying interaction. And if that wasn't enough, it must be seamless through any touchpoint – online, mobile, call centre or in-store.

HYBRIS TELCO ACCELERATOR FOR CUSTOMER EXPERIENCE SATISFACTION.

Find out more at www.hybris.com/telcoaccelerator.





Introduction

The theme for this year's Mobile World Congress, to be held in Barcelona, Spain on 2-5 March, 2015, is 'The Edge of Innovation'. Previous events have certainly driven users to the edge of something, usually exhaustion

Nevertheless innovation at the show is always only half of the story. Innovation tends to grab the headlines whether it's the next generation of cellular technology, the latest, revolutionary device, or the potential for a completely new business model for communications service providers (CSPs). This year, those categories will be amply served by innovations in 5G, wearable technology and multi-directional business models.

That's all exciting to get acquainted with, but the aspects of the show that grab my attention more after attending for a decade are what's actually happening and is real and on the market, today. The innovation – regardless of how close to the edge it is – for me serves the purpose of suggesting what the real story may become in five years from now.

That backwards-looking view of forward-facing innovation serves me well as a filter from the far-fetched and also helps me avoid getting carried away. It helps me continue to recognise that the telecoms

industry is a large and old one that is doing it's best to transform. That means things take longer to happen than they do in the web world but they do happen – eventually.

The Edge of Innovation isn't really a CSP focus. CSPs prefer to occupy the centre of innovation and work from there, only reaching today's edge of innovation when it's a long way inland, five years later, and there's another edge to head, carefully, towards. Experience has shown that you can't push a CSP to the edge of innovation, if you do, they might fall over it. What you can do, though, is introduce ideas along the edge of innovation that seed a notion in CSPs' minds of the approaches they will take as innovation matures.

I wish you a productive show and hope you manage to find good lunches, avoid blisters and don't mistake Barcelona's Parallel for the Diagonal late one night.

Enjoy this CEO Guide to Mobile World Congress!

IN THIS ISSUE



TALKING HEADS

Carl Boeing

C4

GUIDE TO MWC 2015

C7



C4 TALKING HEADS

hybris software's Carl Boeing explains how big data analytics strategies and suites are coming together to the benefit of CSPs

C7 GUIDE TO MWC 2015

VanillaPlus provides a preview of the keynote speakers, the Innovation City and the exhibition itself to help you decide, where to go and what to see

C11 EXPERT OPINION

Lars Moltzen explains how CSPs can cut the cost of operations by using auto-diagnostics

C13 EXPERT OPINION

Sameh Abdelaziz explains that African nations have a great thirst for innovation but access to fixed broadband remains an obstacle

C14 CHINA

Katie Matthew details how China has moved from being an imitator to an innovator as it transforms the mobile market



Why CSPs are in a prime position to commercialise contextual, omni-channel experiences and maintain competitive advantage over the rest of the market

VanillaPlus: hybris software, an SAP company, will be exhibiting at this year's Mobile World Congress. What do you see as the key features of your attendance?

Carl Boeing: This year at the Congress, hybris will be showcasing the potential of its powerful customer engagement and commerce (CEC) portfolio of solutions. For example, at our booth visitors can see how a hyper-personalised, contextual customer journey – starting with a second-screen TV experience, and unfolding through the different stages of the purchasing cycle – can surprise and delight customers at every turn with highly personalised offers.

We'll show how hybris can take a brand-building medium like TV advertising – a vital source of revenue for many CSPs – and use it to drive genuine consumer engagement. This results in more measurable conversion rates, as well as starting a contextual journey with the consumer across a range of different channels.

For example, imagine a CSP was aware that a consumer viewed a commercial advertisement or product placement in a show, and could use that information to engage that customer at the right moment and the right context to maximise both customer satisfaction and conversion. This is based on where the customer is, what they are doing, and even what they are planning next.

VP: What does that concept look like in terms of providing the experience to the user?

CB: Let me give you a perfect example of this coming to life: A customer makes an online restaurant booking based on a local TV advert. The CSP, who manages the TV service provision, knows the customer likes vampire movies because they've watched a dozen of them in the last week. A cinema close to the restaurant – also a customer of the CSP – is empowered to offer the delighted customer a discount for a date night vampire movie package that starts straight after dinner.

The key here is to turn big data into little data, and you can see in this example that's exactly what hybris has delivered. hybris has seamlessly connected the user's movie preferences with their location and time, correctly figured out that it's a date night, and armed with this information connected the customer with the cinema to make a relevant, contextual offer.

It's vital to note that this scenario only works because all of this takes place in real-time. In the not-so-distant past it took organisations six months just to provide analytics on one element of this proposition. Now it's coming together in the moment, allowing us to create targeted offers that deliver incredible experiences, not intrusive advertisements that disturb and annoy.

We also do this from a single platform, at speed. This enables offers to happen while the window of opportunity is still firmly open. Wait too long, and the user has already finished dinner and is busy drinking tequila in a bar somewhere else rather than spending money in the local cinema. ►



VP: It's about 18 months since SAP completed the acquisition of hybris software, how are the two companies coming together?

CB: Combining SAP's customer engagement solutions with the unparalleled omni-channel commerce capabilities of hybris, underpinned by the power of the SAP HANA platform, we are now capable of delivering a platform for businesses to engage their customers anytime, anywhere, from any device at any point in their journey. As you'll see from our presence at the show, we're very excited about what this means for the future of our company.

VP: That's a big step forward. Are CSPs ready for this transformation in the way they engage with customers and generate money from these new ways of marketing?

CB: It's clear that everyone is on a learning curve increasingly driven by the customer. hybris plays two roles as we partner with CSPs. The first is to inspire with possibilities, demonstrating what can be done today with SAP and hybris. The second is to reassure that regardless of what's coming next for CSPs, we've built an agile platform that has the scalability, flexibility and capability to support an infinite range of future use cases. ►

Carl Boeing is global vice president for Telecommunications, Customer Engagement and Commerce (CEC) at hybris software, an SAP company. In this interview, he talks to VanillaPlus about the opportunities and challenges that await communications service providers (CSPs) that are looking to take an early lead in providing their customers with contextual, omni-channel experiences enabled by real-time data analytics.



The new era of contextual engagement for CSPs is partly about targeting and sending the right message at the right time to the right customer, but it's just as important to be ready when the request comes in from the customer themselves

These future use cases aren't necessarily about CSPs selling more smartphones and data plans. That existing business model has reached maturity in many markets. Instead, the advantage for CSPs lies beyond the traditional telco technology stack, in the new, innovative services like machine-to-machine technology, precision marketing or smart homes. With the right technology partners, CSPs have the agility to seize the initiative and gain first-mover advantage.

VP: Is CSPs' interest in this focused on protecting their traditional business or entering a new business by introducing new applications and services?

CB: Being able to engage customers in a meaningful, impactful way is vital because loyalty is fleeting. With general network and device parity and an ever-growing list of alternatives for communications and entertainment, customers will choose to do business with CSPs simply because they enjoy and value the experience being provided, not for old reasons we've relied on for so long such as brand loyalty or resonance.

CSPs also face internal pressures that are driving them to seek out new sources of revenue. The industry continues its colossal network arms race, pouring capital into networks to keep up with the voracious need for bandwidth. Think about what that means for the balance sheet – it's a cashflow challenge to pour billions of euros of capex into today's products while also investing in the carrier-class business of the future. That means CSPs need to monetise their investments at scale in shorter timeframes than ever before, and successful CSPs are betting on many new fronts simultaneously.

The new era of contextual engagement for CSPs is partly about targeting and sending the right message at the right time to the right customer, but it's just as important to be ready when the request comes in from the customer themselves. Being able to offer a broad spectrum of products, and being able to offer them consistently across every channel and touchpoint is very important because if the CSP can't provide the product or service the customer wants when and where and how they want it, they're in trouble. The philosophical and technical shift from device-centric customer relationships to identity-centric customer relationships is essential for long-term retention, long-term value, and sustainable results.

www.hybris.com/telcoaccelerator

VP: Given the complexities involved do you see this as a market that CSPs can lead in?

CB: CSPs have a short-term advantage. They're in prime position, but the race has already started. CSPs have an acute awareness of their customers' needs. In addition having upstream content and the advanced network capabilities to deliver this gives them a big advantage and potential to lead. CSPs have a window of opportunity to enable contextual experiences before competing industries can. That window is going to close pretty quickly, though, so CSPs need to get a move on.

VP: How do you see hybris software's role developing?

CB: We see many CSPs, and organisations of all types, focused intensely on creating a better customer experience - but to what end? For many, that remains an open question; what are they going to do with all the eyeballs they attract to actually make some money? What is the desired outcome?

Answering that question is really where hybris's strengths lie as a business. Together with SAP and our customer engagement and commerce portfolio, we can help CSPs sell more smartphones and data plans but, if they want to take their businesses to the next level, we can help extend their businesses into new areas too.

What really sets hybris apart is our omni-channel approach, which means we don't restrict the customer experience to a particular path. What starts on a TV and goes to a tablet and then a smartphone and touches multiple parts of the CSP organisation can all be co-ordinated and handled consistently to deliver a contextual, relevant and satisfying experience to the customer, regardless of device, lifecycle stage, or channel.

It's important for CSPs to have a single view of the customer but it's doubly important for that customer to have a single view of the CSP. It's vital that they get the same offer, the same answer and the same information at every turn. It needs to be one experience and if they do it right, customers reward brands with incredible loyalty. 



Expanded programme to take attendees right to the edge of innovation

As the mobile industry once again decamps to Barcelona, Spain for Mobile World Congress 2015, to be held at Fira Gran Via on 2-5 March, VanillaPlus reveals what's in store for visitors to this year's event

Event organisers, the GSMA, assert that mobile industry continues to be characterised by high levels of growth and opportunity and, as the industry becomes more dynamic, the opportunities within it increase in equal amount, as do the challenges. The theme for this year's event is 'The Edge of Innovation.' It's unclear from the event's marketing whether the focus will be on accessing innovation to give CSPs an edge in the hotly competitive mobile market or whether the organisation is planning for the event to take attendees right to the leading edge of innovation. The GSMA may well be thinking of both interpretations.

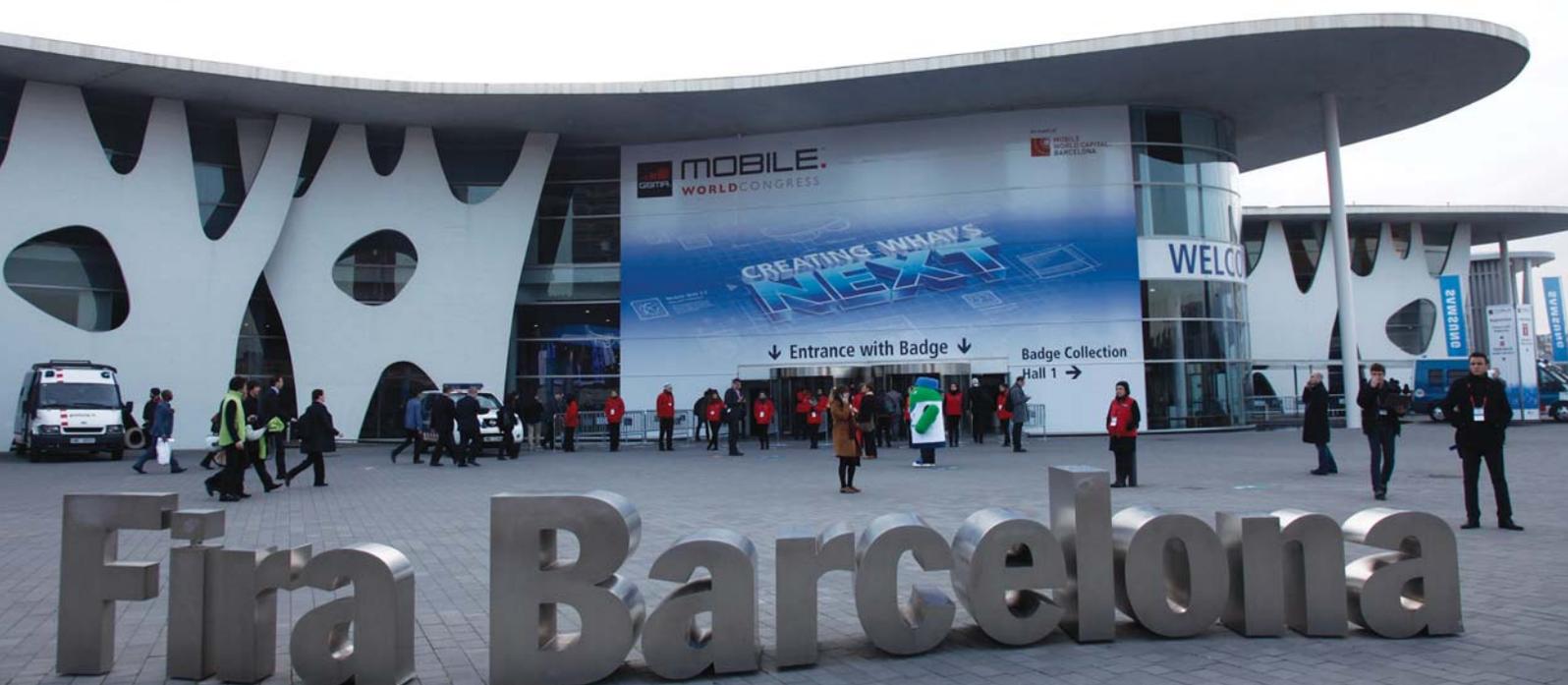
This year's Mobile World Congress conference programme looks to be addressing a comprehensive spread of innovation across the mobile ecosystem – not just at the edges. An expanded programme will offer in-depth coverage of the contemporary and future mobile industry, highlighting specific areas of growth and opportunity.

Running across the full length of the Mobile World

Congress, the 2015 conference programme will continue to be a central focus for the event, challenging and educating delegates while covering the latest technological developments, next generation services and growth strategies.

A new format has been introduced for 2015 to include more sessions and to enable an increased, in-depth analysis of the topics and trends that are shaping the mobile industry in 2015 and beyond. From the keynote programme to topic-focused conference sessions, senior executives from the most important companies in mobile and adjacent industries will be represented across the four days of the event.

"The breadth of companies represented in the Mobile World Congress keynote programme underscores the transformative impact that mobile is having across a wide range of industry sectors," says Michael O'Hara, the chief marketing officer of the GSMA. "We have an outstanding roster of CEOs set to take the stage in Barcelona in March, offering attendees new insights and perspectives into the developments that are shaping mobile today and well into the future." ▶



2015 Keynote Speakers



Anne Bouverot:
the director general of the GSMA



Jon Fredrik Baksaas:
the president and CEO of Telenor



Hans Vestberg:
the president and CEO of Ericsson



Steve Mollenkopf:
the CEO of Qualcomm

Anne Bouverot, the director general of the GSMA

Raja Teh Maimunah, the CEO and COO for digital and transactional banking at Hong Leong Islamic Bank

Ken Hu, the deputy chairman and rotating CEO of Huawei

Jeanie Han, the CEO of LINE Euro-Americas

Carlos Ghosn, the chairman and CEO of the Renault-Nissan Alliance

Jon Fredrik Baksaas, the president and CEO of Telenor Group and the chairman of the GSMA

Charles Scharf, the CEO of Visa

Alvaro del Castillo, the founder and CEO of TAPTAP Networks

Dr. Davor Sutija, the CEO of ThinFilm

Francisco González, the chairman and CEO of BBVA

Gary Kovacs, the CEO of AVG Technologies

Jimmy Wales, the founder of Wikipedia

Mitchell Baker, the executive chairwoman of Mozilla Foundation

Thiru Arunachalam, the founder and CEO of Peel

Simon Segars, the CEO of ARM

Hans Vestberg, the president and CEO of Ericsson

Sanjay Kapoor, the chairman of Micromax Infonetics

Bill McDermott, the CEO of SAP

Steve Mollenkopf, the CEO of Qualcomm

The exhibition

More than 1,900 exhibitors are set to gather in Barcelona this year to bring MWC attendees the newest technologies and most innovative products available.

GSMA Innovation City

A new feature for this year is The GSMA Innovation City, which builds on the Connected City area of previous years by bringing a fully immersive mobile experience to visitors in 2015.

Visitors will be able to see first-hand how mobile-connected products will continue to transform users' personal and working lives across the world in the largest and most interactive collaborative showcase at Mobile World Congress 2015.

Experiential demonstrations from AT&T, Jasper, KT, Oral-B, Sierra Wireless and Vodafone will come together with the GSMA which is presenting its key initiatives that pave the way for a more enriched, secure, connected future for global citizens.

For the first time at Mobile World Congress, virtual

reality technology will enable visitors to experience the future of mobile by travelling through the network from the inside, experiencing a world of connected devices and services.

The GSMA Innovation City is an opportunity for delegates to experience and interact with the latest technology advancements and meet with leaders in mobile and adjacent industries.

In addition, as the mobile ecosystem continues to expand into new industry segments such as retail, banking and health services, Mobile World Congress will feature sector-specific conference sessions, partner events, exhibition content and other programmes related to the growing industry segments and trends that are impacting the mobile industry. Specialised areas will include:

The App Planet

In Hall 8.1, the App Planet will showcase more than 200 app-focused exhibitors in the areas of apps, gadgets, devices, and technology in the mobile ecosystem, the App Planet Exhibition is the gateway to the app developer community. ▶



The App Planet is the place for the app development community to connect, network and develop on the edge of innovation. There is much to see and do in the App Lounge as well. It provides attendees a location to hold meetings with new and present customers, make new acquaintances who share common ideas and goals, and pick up publications provided by GSMA media partners.

App developer conferences

In Hall 8.0, the Theatre District, App Developer Conferences (ADCs) will be hosted. ADCs are programmes led by some of the most influential companies in the mobile industry. The programmes feature keynote presentations and/or panel discussions, and encourage audience participation and interaction on a wide range of topics. Industry experts will provide insight on how to deal with obstacles to make an app a success and guidelines for future app development. Attendees will have the opportunity to find out what the key issues are and what lies ahead for the mobile app industry.

Connected living

The specialised area of Connected Living will be addressed by conference session in Hall 4, including:

- Keynote: **Keys to the Connected Lifestyle**
– Monday, 2 March at 11:15 – 12:45

- **Integrating Interactions with the Connected Consumer** – Monday, 2 March at 16:00 – 17:30

- **Connected Citizens, Managing Crisis**
– Tuesday, 3 March at 14:00 – 15:30

- **Wearables** – Tuesday, 3 March at 14:00 – 15:30

- **Everything is Connected: Enabling IoT**
– Thursday, 5 March at 11:30 – 13:00

Key exhibitors addressing this market include: AT&T, Deutsche Telekom, Jasper Technologies, Sierra wireless, Sigfox, Orange, Vodafone

Digital commerce, identity and security

The specialised area of digital commerce, identity and security will also involve a series of conference sessions in Hall 4 at the following times:

- **Spotlight on Mobile Identity Solutions: Development and Innovations**
– Monday, 2 March at 14:00 – 15:30

- **The Rise of Disintermediation: Financial Services in Focus**
– Monday, 2 March at 14:00 – 15:30

- **Ensuring User-Centred Privacy in a Connected World** – Monday, 2 March at 16:00 – 17:30

- Keynote: **The New Mobile Identity**
– Wednesday, 4 March at 9:15 – 10:45

- **The New Security Challenges: Perspectives from Service Providers**
– Wednesday, 4 March 16:30 – 17:30

- **Navigating the Mobile Contactless Payments Landscape**
– Thursday, 5 March at 11:30 – 13:00

Health and wellness

Targeted conference sessions relating to the burgeoning health and wellness market will also be held in Hall 4 at the following times:

- **Wearables** – Tuesday 3 March at 14:00 – 15:30

- **Health and Education for Connected Citizens**
– Tuesday 3 March at 16:00- 17:30

Key exhibitors include: Fitbit, Garmin, Hewlett-Packard, Oral-B, Samsung, Sony

Innovation and app development

Specialised sessions covering innovation and app development will also be hosted in Hall 4 throughout the event. Presentations will be held at the following times:

- Keynote: **Operators on the Edge of Innovation**
– Monday, 2 March at 9:15 – 10:45

- **The Rise of M&A: Key Strategies for Business Transformation**
– Tuesday, 3 March at 16:00 – 17:30

- **Mobile Gaming**
– Wednesday, 4 March at 15:15 – 16:15

- Keynote: **Innovation at the Edge of Real and Virtual**
– Thursday, 5 March at 9:30 – 11:00

Key exhibitors covering this area include: Google, Microsoft, Mozilla, Intel, Ford and Qualcomm

LTE

Even though it's in deployment, LTE remains a key focus as roll-out continues and CSP attention turns to LTE-Advanced. Conference sessions exploring LTE will be held in Hall 4 at the following times:

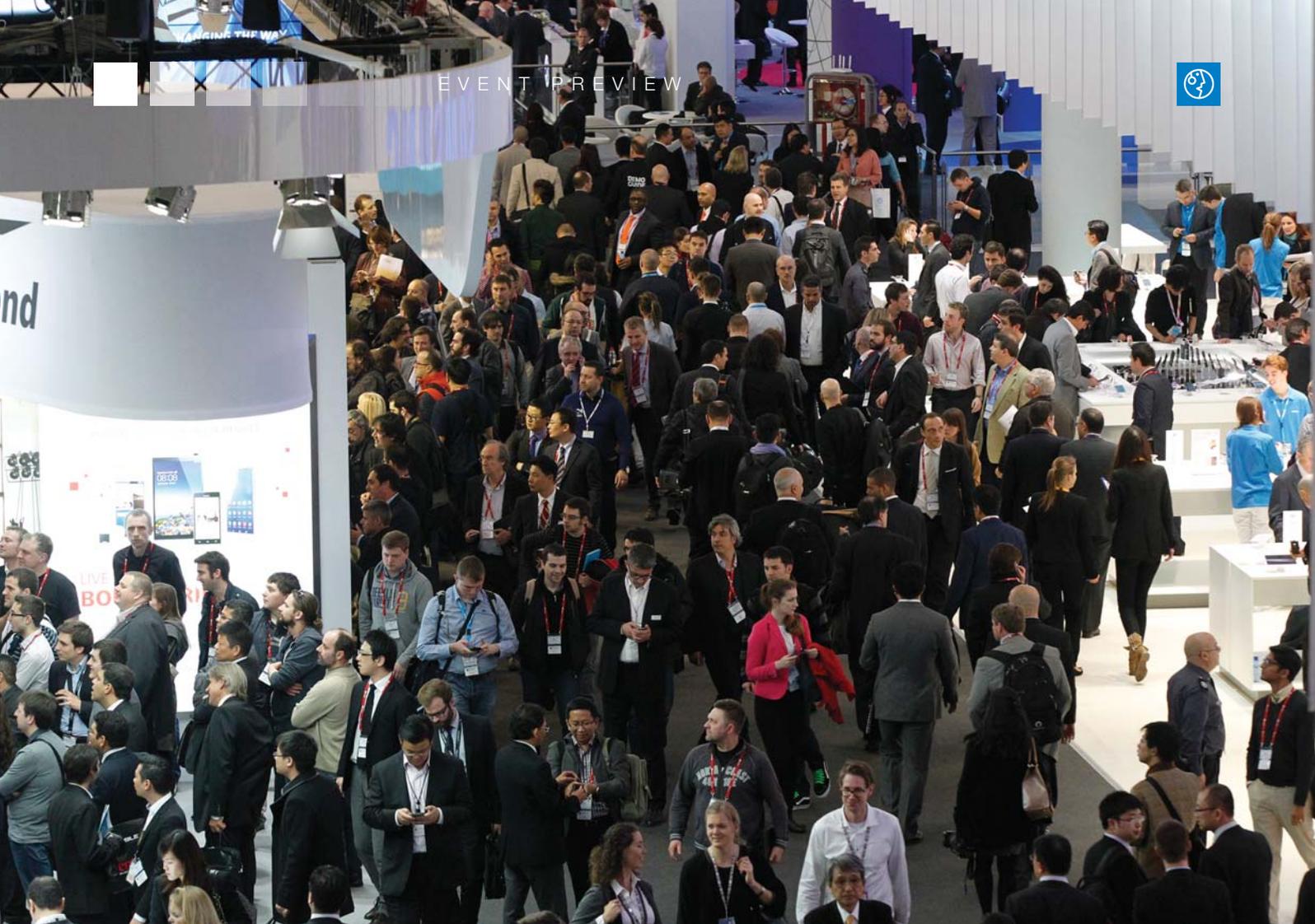
- **The Seismic Spectrum Shake-Up**
– Monday, 2 March at 14:00 – 15:30

- **Network Evolution in Practice**
– Monday 2 March at 16:00 – 17:30

- Keynote: **The Road to 5G**
– Tuesday, 3 March at 9:15 – 10:45

- **5G** – Wednesday, 4 March at 14:00 – 15:00 ▶

The App Planet is the place for the app development community to connect, network and develop on the edge of innovation



The 'Young Mobile Innovator of the Year' and 'Connected Women: Leadership in Industry' awards will be presented at the Global Mobile Awards ceremony at the GSMA Mobile World Congress in Barcelona on 3 March 2015

Marketing, media and advertising

Now at the centre of the mobile ecosystem, marketing, media analytics have specialised conference sessions in Hall 4 at the following times:

- **Personalising the Consumer Experience**
– Monday, 2 March at 14:00 – 15:30

- **Integrating Interactions with the Connected Consumer**
– Monday, 2 March at 16:00 – 17:30

- **Content Evolution for the Multi-Form Factor Future**
– Tuesday, 3 March at 14:00 – 15:30

- **Context is King: Capturing the Mobile Content Opportunity**
– Tuesday 3 March at 16:00 – 17:30

- **Mobile Retail: Delivering Contextual Experiences to Drive Loyalty & Spend**
– Tuesday 3 March at 16:00 – 17:30

- **The Explosion of Imaging**
– Wednesday, 4 March at 14:00 – 15:00

- **Mobile Gamification**
– Wednesday, 4 March at 16:30 – 17:30

Global Mobile Awards 2015

The Global Mobile Awards 2015 comprise more than 40 awards across nine categories and are open to companies across the entire mobile ecosystem. The awards are judged by independent experts, analysts, journalists, academics, and in some cases, mobile operator representatives.

The GSMA has introduced two special awards that have been developed to commemorate the 20th anniversary of the Global Mobile Awards. The 'Young Mobile Innovator of the Year' and 'Connected Women: Leadership in Industry' awards will be presented at the Global Mobile Awards ceremony at the GSMA Mobile World Congress in Barcelona on 3 March 2015.

The first new award, 'Young Mobile Innovator of the Year', is designed to showcase young and exciting new talent from across the mobile ecosystem and is open to anyone between 18 and 25 years old, working in an organisation or independently, or currently pursuing further education. The second, the 'Connected Women: Leadership in Industry' award, will recognise leadership in the establishment of initiatives that have a positive impact in reducing the digital skills gap and attracting and retaining women and girls in mobile and telecoms.

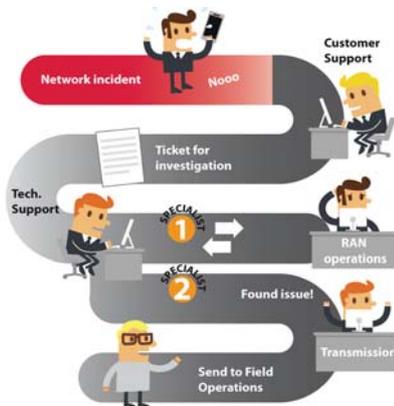
"These additional awards will put the spotlight on individuals and organisations that will be shaping the face of the mobile industry in the years to come," says O'Hara. "The 'Young Mobile Innovator of the Year' award provides a platform for up-and-coming individuals to showcase exciting new and innovative mobile ideas, and the 'Connected Women: Leadership in Industry' award will honour individuals, enterprises and initiatives that are working to close the ICT skills gender gap and inspire female leadership in technology around the world." 

For further information visit: www.mobileworldcongress.com



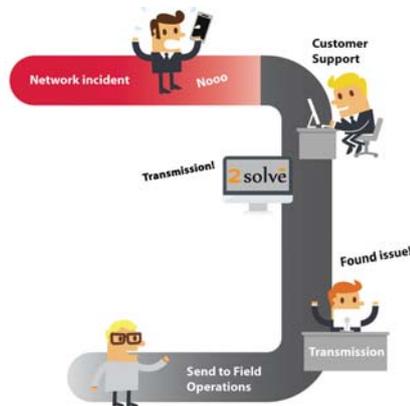
EXPERT OPINION

Traditional incident handling



 Resolution time: 48-96 hrs
Staff involved: 6-12 people
Actual time spent: 4-6 hrs

Incident handling with 2solve



 Resolution time: 4-8 hrs
Staff involved: 2-4 people
Actual time spent: 1-2 hrs

CSPs can cut the cost of operations with auto-diagnostics

The telecoms landscape of networks and services is rapidly changing. Single and dual technology networks serving voice and second generation data are becoming multi-technology, high-speed data networks, where certain traffic will be off-loaded to third party systems ranging from WiFi hotspots to global satellites, and where parts of revenues will go to OTT service providers, writes Lars Moltsen

In this new landscape it is critical to be extremely competitive and efficient, especially in domains where almost-free services are available. The cost of operations and customer care will be critical where third-party solutions are locally very cheap or free of charge. Only if it is possible to keep the offered price sufficiently low, will the customer feel no big need to go outside.

Achieving efficiency is a challenge. A strong and mature organisation with well-defined processes is one thing. Sufficient, trained staff is another. The utilisation of technology, however, is what determines the achievable level of performance. Think of aviation: Since the first propeller-driven aircraft left the ground more than 100 years ago, speed improved gradually as technology matured. But in just a few years around 1960, the shift to the utilisation of jet engines alone resulted in a 50% speed increase of commercial aircraft. Even if the jet technology was new and somewhat immature, it still outperformed traditional methods instantly.

So, assuming the right organisation and staff is already in place, leaders should look out for technology that enables similar shifts in organisational performance or efficiency.

We have developed a solution for network monitoring which has been enriched by an accurate system for

auto diagnostics. This system, which has now been installed in five networks, enables non-technical staff in customer support functions to effectively diagnose network incidents at an expert level, and it enables engineers to conclude investigations much faster.

The auto-diagnostics system works through a combination of knowledge bases and advanced mathematics. Knowledge bases are developed specific to technology and leading vendors and bundled with the provided solution. Others have made attempts to bring similar solutions to the market, but these often come short if the resource-demanding task of capturing knowledge is left to network operator staff. Other approaches have been unsuccessful because insufficient reasoning technology – such as using simple rule-based or case-based reasoning – has been used. That means that the system will never reach a required level of diagnostic accuracy.

We have spent time to find the right way of structuring knowledge, bundling knowledge into a scalable solution, called 2solve, and making use of advanced technology and mathematics to accurately replicate human reasoning. The result is a system where the estimated total cost of handling a technical incident – taking resource savings, shorter time to repair, and improved customer experience into consideration – is reduced by approximately 75%. 



The author, **Lars Moltsen**, is chief executive and managing director of 2operate

2operate is exhibiting at Mobile World Congress in Hall 6, stand 6C50 (Denmark Pavilion)

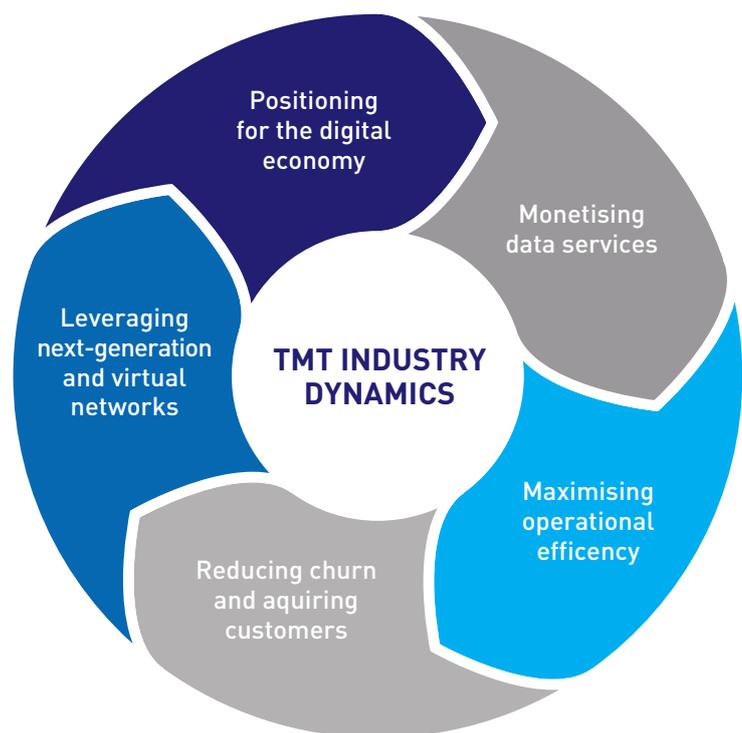
www.2operate.com

TMT DRIVERS OF CHANGE AND INDUSTRY TRENDS

Analysys Mason is the global specialist adviser on telecoms, media and technology (TMT).

For 30 years, Analysys Mason has provided data and analysis on the key industry drivers in order to help clients make critical business decisions.

- **Leveraging next-generation and virtual networks:** We help clients prepare for the radical shift in network architecture needed to support operators' changing businesses.
- **Maximising operational efficiency:** We offer insight on network sharing, spectrum pooling and consolidation which will critically shape mobile operator thinking.
- **Monetising data services:** Helping TMT clients understand how to develop new strategies for pricing, service deployment and bundling to keep ahead of competitors and meet the changing needs of users.
- **Positioning for the digital economy:** Answering the questions as to why telecoms operators need to understand the digital economy for business growth.
- **Preparing for 5G:** World-leading research and consulting on 5G spectrum and technology.
- **Reducing churn and acquiring customers:** Helping new operators to acquire customers from well-established rivals, and established operators to retain their customers.



More insight on these industry drivers at [analysysmason.com/Trending-Topics/](https://www.analysysmason.com/Trending-Topics/)



Celebrating 30 years as global specialist advisers in telecoms, media and technology (TMT)

EXPERT OPINION



Sameh Abdelaziz:
Fixed broadband connectivity is still an issue for the continent

African nations thirst for innovation as broadband access increases

The African telecoms industry is an environment full of challenges as well as opportunities. In spite of the usual pessimistic perception of doing business in Africa, Sameh Abdelaziz, the chief executive of A3&O, sees the African market as having huge potential for new innovations and unique products

Since the inception of A3&O in 2002, we have found the African nations hungry for innovations that facilitate their lives and assist them in their day-to-day activities and communications.

Countless challenges are waiting for you when you give the dynamics in Africa a closer look. These challenges would vary from country to country but more than 75% of the challenges are common especially when it comes to infrastructure capabilities, local regulations and security. You will always need someone to hold the torch to light your path so you won't face any unexpected surprise in such complex environments.

Some countries in this second most populated continent have already taken steps towards enhancing local regulations to attract investors and innovative companies so they can benefit from technology in serving their nations and resolving the inherited problems.

During the coming few years we expect technology to be a major factor in Africa's development in several domains. Education should be one of the main hot topics for any African government and technology could easily enhance this area given that the required infrastructure is in place. Especially important is that reasonable fixed broadband access exists but unfortunately the continent lags behind the rest of the world in broadband connectivity. However, research

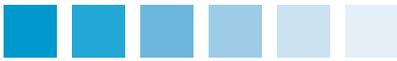
indicates that within the next five years, the number of mobile broadband connections will explode and reach ten times its current figure in Africa. But the fixed broadband connectivity is still a serious issue for the continent, as the penetration is about 5%.

Another major domain where technology is highly needed is power and renewable energy. The continent has all required natural resources that could lead to successful deployments for solar and wind power generation systems. In some African countries, the power problem is a major obstacle for any required development especially in the area of telecoms. More than 30 African countries are now experiencing power shortages and regular interruptions in service, leading many to rely on very costly leased generating plants as an emergency stopgap which can't be a permanent solution for this problem. In Sub-Saharan Africa, just 20% of the population has access to electricity. If we don't have extensive plans for rectifying this and keep at the current trend, at best, the percentage of population with access to electricity will only double by 2050.

There are endless solutions and innovations in the telecoms industry that can be beneficial for the African continent. However, based on our extensive experience in Africa, finding the right solution to be deployed is part of the success of any project, while finding the right partner represents a huge part of such success. That is our aim and that is our vision: to be a partner for success in Africa. 

Another major domain where technology is highly needed is power and renewable energy

www.a3ando.com



From imitator to innovator – how China is transforming the mobile market

China may have grown into a technology powerhouse by following the example of the west, but the country is now carving out its role as a global leader in mobile Internet; setting trends in telecoms, mobile devices and social commerce, writes Katie Matthew



The author, **Katie Matthew**, is telecoms market analyst for AsialInfo

Working for AsialInfo, it stands to reason that I would promote China as a centre of innovation. It would be remiss if I didn't believe that Chinese innovation is leading the way in the mobile internet; creating credible – and, more importantly, profitable – solutions to the challenges communications service providers (CSPs) in the west are now facing.

It is now starting to feel as if our industry is finally waking up to China's influence, having dismissed the country as a Shanzhai – copycat – nation for far too long. Indeed, it is those in the west who may find themselves copying – or taking inspiration – from China soon.

China – an innovation nation?

At AsialInfo we have seen this tired, old stereotype of China as a follow fast market perpetuated on a daily basis. In reality, it is a hugely outdated image because China has, in many ways, defined markets such as search, commerce, social and entertainment, while the nation is light years ahead in mobile, having already tackled many of the challenges that CSPs in Europe are now facing.

The balance of power is already shifting from west to east. This was flagged up earlier in the year when Chinese e-commerce firm, Alibaba, began public trading, and immediately joined fellow Chinese companies, Baidu, Tencent and Xiaomi, in the world's top ten largest internet companies by stock market value. Headlines such as 'Internet Power Balance tilts towards Asia' (Wall Street Journal) showed that people were finally waking up to the power drain from Silicon Valley.

But still, many people questioned whether this dominance was anything to do with domestic

innovation. For a start, skeptics argue that Chinese internet firms benefit from some serious scale – and they do. Joseph Chen, chief executive of Renren, has acknowledged this himself saying that the size of the market is a serious advantage to big market-cap companies – "It's the same technology but when you put it in China it's worth more," he has said.

The user base is vast and the facts speak for themselves: with a population of 1.35 billion, there are currently around 642 million internet users in China, which is only 45% of the population. It also has the largest smartphone market in the world – with around 630 million connections, reports GSMA Intelligence, Q2 2014.

The numbers are certainly staggering but sometimes distract from the other story: how advanced and dynamic the consumer market is. China's market has moved much more aggressively into mobile than the US and Europe. This was highlighted recently in Google's Consumer Barometer, released last month, which showed that Asia is the only continent to have gone mobile first, where smartphone adoption has overtaken computer adoption.

Secondly, critics point out that a high proportion of China's market-leading companies are based on ideas copied from their Western counterparts – Baidu vs. Google, Renren vs. Facebook, Weibo vs. Twitter, Xiamoi vs. Apple, WhatsApp vs. WeChat, and others – and they therefore challenge the concept of China as an innovator.

It's true that most of China's major internet companies started life as pretty obvious clones of popular foreign sites. But all the companies listed above have grown into innovators with products and services very different – and, in many cases, entirely superior to – those offered by the companies they once set out to



imitate. After all, consumers living in a mobile-first world need new products and services built with mobile in mind, not as an after-thought or a nice to have.

Take WeChat as an example. Already, WeChat, a mobile messaging service with over half a billion users, has gone far beyond a social media or instant messaging tool. WeChat combines the best of Facebook and WhatsApp — and then adds a whole host of monetising innovations of its own. From playing mobile games and hailing taxis to posting videos, sending voice messages and making online payments, WeChat is an all-you-can-use mobile service. There is nothing comparable in the west.

Meanwhile, smartphone manufacturer Xiaomi is busy upsetting the Apple cart with its \$50 mobile phones and innovative marketing techniques, leaping into the international spotlight as the third largest smartphone vendor by shipments. Xiaomi is commonly described as China's Apple and founder Lei Jun as the Chinese Steve Jobs, yet the company is only four years old and did not release its own smartphone until 2011. And an important side note here: while Apple is rightly a much-celebrated brand, it did not invent the mobile phone or even the smartphone; rather, it recognised unarticulated consumer needs and went ahead and served those needs. That is innovation.

The CSP/OTT challenge

While the applications are more advanced, so too is the CSP strategy for engaging with these innovative internet players. We may finally be starting to get on top of this challenge in the west – or, at least, we're certainly talking about getting on top of it – but the Chinese CSPs have been visionary about this threat, and have taken strategic steps to sandbag their businesses against the OTT wave. They are a market that we in the west can really learn from in that respect.

China Telecom is a good example. The company recognised the threat faced by the OTTs long before many of its counterparts. China Telecom knew it had to turn this threat into an opportunity, and saw serious merit in partnering with these players, and reselling converged products into the marketplace. It was a hunch that paid off, with annual incremental revenues of more than US\$2 billion coming through partners using China Telecom's open operational platform. That's a relevant take away for CSPs in the west.

The landscape for innovation

In the west, our industry has tended to navel gaze, which, combined with an

infamous lack of agility when an opportunity is not spotted, means the west has a habit of letting other players and markets get ahead. However, the challenge of operating in a fast moving digital ecosystem is forcing CSPs to rethink business models, and everything else that entails.

That might explain why prejudices about China are finally starting to subside in the west, because CSPs recognise that the nation has a thriving digital landscape that is sometimes way ahead of us in terms of business models, applications and infrastructure. The market is changing so rapidly that Chinese companies have to be agile, nimble and innovative to keep up. In other words, copy/manufacture/undercut is a model that is not only entirely out-of-date, it's just not practical in this incredibly competitive and fast-moving market.

Europe and the rest of the world will need to keep a close eye on China's innovations because, as well as threats, they will bring with them opportunities – including ideas that may just be worth taking inspiration from. 

It's true that most of China's major internet companies started life as pretty obvious clones of popular foreign sites





June 1-4, 2015 • Nice, France

Digital Business: Making it Real

Connect and network with the who's who of the digital ecosystem in a unique, collaborative environment to develop solutions to key digital business challenges and put profitable strategies into play. Focused on actionable outcomes, you'll experience essential case studies, live proof-of-concept demos, and thought-provoking discussion and debate with your business and IT peers. Make it real!

6 summits **100+** sessions, workshops and demos

30+ hours of networking **200+** speakers

Platinum Sponsor:

NetCracker®

Register at www.tmforumlive.org/mwc

Mobile World Congress special - save 15% on a gold pass by using code **TMFMWC**