“Wi-Fi First” as the Next-Gen Mobile Network

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To discuss

- Current market status
- Challenges to consumers and MSOs
- “Wi-Fi First” as a consumer and MSO solution
- Identifying benefits to consumer and MSOs
- Opportunity for federation
- Key challenges
- Closing thoughts

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Current market status

- Growing popularity of smartphones and tablets
  - Expanding device market (M2M, wearables)
- Increasing cellular data consumption by advanced devices
  - Data driving consumer wireless costs
  - Operator restrict data usage to secure adequate bandwidth
- Widespread Availability of Wi-Fi
  - U.S. consumers using Wi-Fi vast majority of time

Challenges for consumers

- Smartphones and tablets demand higher data allowances to utilize features
  - Content, such as streaming audio/video and video conferencing consume data quickly
  - Increased demand for data, drives cost up for consumer
- Cost-conscious consumers utilize Wi-Fi connections (i.e. in home) leverage higher data speeds

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Challenges for MSOs

- While need for a broadband connection is high, content demand is waning
  - Availability of content elsewhere - Netflix, HuluPlus, HBOGo, etc.
  - “Cord-cutting” is becoming more prominent
- Need for fixed location phone is minimal if non-existent
  - Universal mobile phone adoption has made landlines obsolete

What is "Wi-Fi First"?

"""Wi-Fi First", as a concept, surmises that mobile devices and services can use Wi-Fi as the primary network for data, voice and messaging, and only use cellular to fill the gaps"

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“Wi-Fi First”

- Reliance on Wi-Fi connectivity as primary channel for voice and data
  - Cellular network leveraged when Wi-Fi is unavailable
- Consumers avoid high data usage costs and enjoy a higher quality service
  - Avoid data cap restrictions
  - Unlimited data access on Wi-Fi

Role of the MSO in “Wi-Fi First”

- Multiple Service Operators are a critical component of “Wi-Fi First”
  - Able to provide connectivity through expansive broadband network
  - Makes Wi-Fi as an alternative to traditional mobile service possible
  - Provide access to a established customer base
  - Own, and maintain, the customer relationship

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Opportunity for MSOs in mobile services

- Expansion of current service portfolio
  - Current business model is unsustainable long-term
  - Need to utilize existing infrastructure and adapt service offerings
- Opportunity to compete with mobile operators
  - Guiding towards fixed-mobile convergence
  - Creating additional value for customers through existing connections
- New construct for what “mobile” really is

Opportunity for federation

- Unlike mobile operators, MSOs typically have a specific geography
  - Minimal overlap in coverage areas means little competition between MSOs
- Federating would allow MSOs to serve customers nationwide
  - Aggregation of regional broadband footprints to form a nationwide network
  - Establishment of a robust customer base increases potential impact

Key challenges for MSOs

- Re-focus of business models
  - Away from household as a single end-point
  - New emphasis on the consumer's consistent need for connectivity
  - Integration of new and existing services to provide a bundled comprehensive mobility solution
- Driving towards federation to establish a competitive model to challenge mobile operators

Closing thoughts

- Mobile data means more than cellular
  - “Wi-Fi First” is an emerging, alternative to traditional mobile services
- Business models still need to be defined
  - Household vs. individual
- MSOs have an opportunity to take advantage of changing consumer behavior
  - Cost savings, control key advantages

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