

# Where Will the Battle Be?

Jim Fong

**CHARTING THE COURSE  
TO A NEW IP WORLD**

# Paradigm Shifts

- From Wires to Wireless (or Value)
- From Access to Entertainment (Wanted it ... now I want it my way)
- From Small to Big (Convenience Shift in Phone)

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	The 80's	The 90's	2000 to 2009	2010 and Beyond	Qualities for the Future
<b>Autos</b>	Imports and fuel efficiency	SUV's and going big	Going green and fuel efficient.	Fuel efficient yet powerful	Fast and cheap.
<b>Food</b>	Evolution of the franchise.	Delivery era.	Store-bought home cooked meals.	Faster, healthier dining	Self-preservation
<b>Phones</b>	Moving away from rotary.	The second line.	RAZR's and Jukes	Bigger phones that will be full functional and "smart" mini-computers.	Multi-functional
<b>Cable/Paid TV</b>	Getting it.	The norm + satellite penetration.	More channels + on-demand.	High definition on-demand	Quality
<b>Internet</b>	Not really there.	Dial-up	Broadband	Mobile	Portable
<b>Computing</b>	Shared	Desktop era.	Laptop era.	Web book, smartphone and portable readers.	Portable

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# Home Sweet ~~Wired~~ Home?

Five people  
Two dogs  
Four fish  
Two turtles

Three laptops  
and a desktop

Two wireless  
telephones +  
one landline

High Speed  
Internet

Wireless  
Internet

Cable  
television

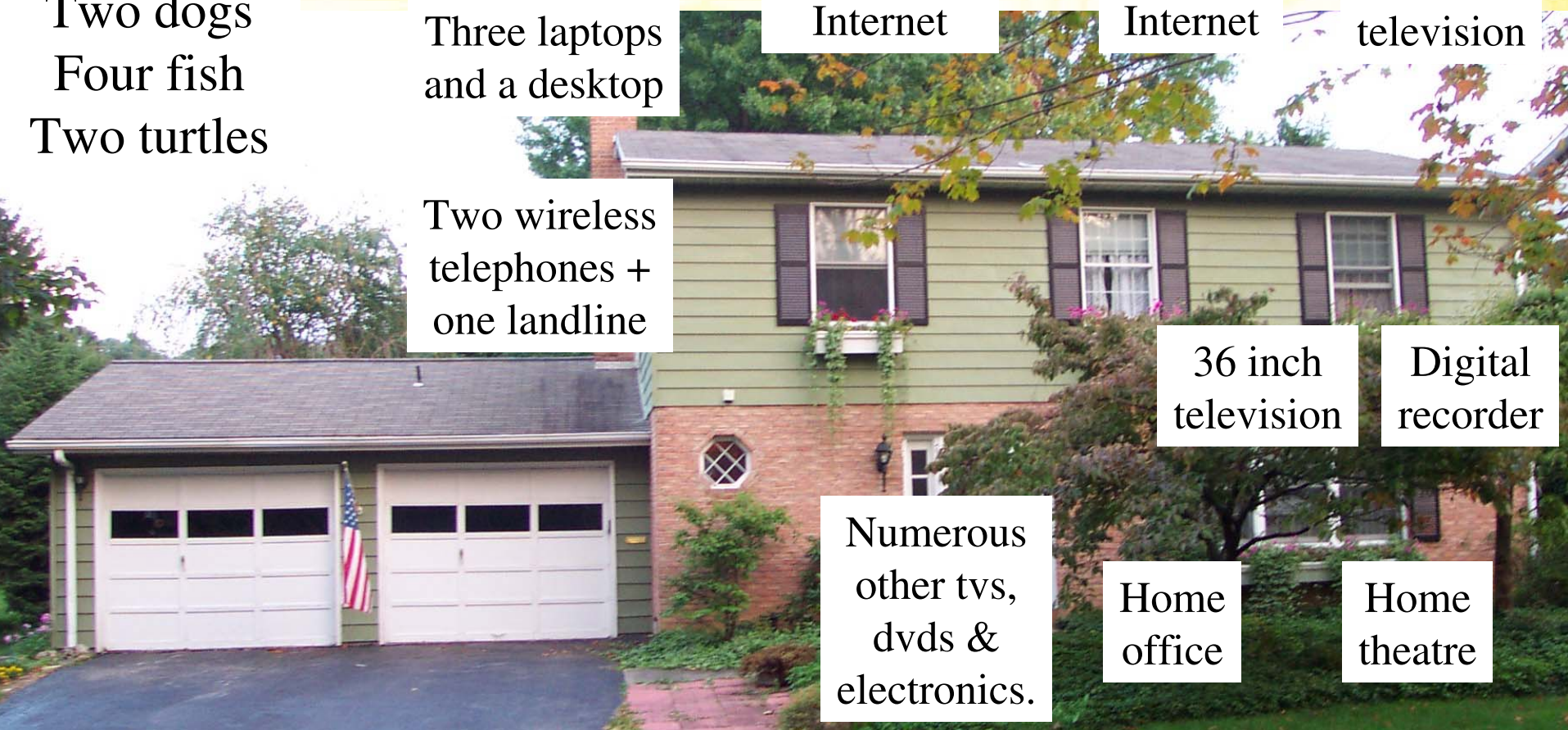
36 inch  
television

Digital  
recorder

Numerous  
other tvs,  
dvds &  
electronics.

Home  
office

Home  
theatre



# Home Sweet ~~Wired~~ Home?

Five people  
Two dogs  
~~Four fish~~  
~~Two turtles~~

Four laptops  
and a desktop

High Speed  
Internet 5MB

Wireless  
Internet

Basic cable  
television +  
Slingbox

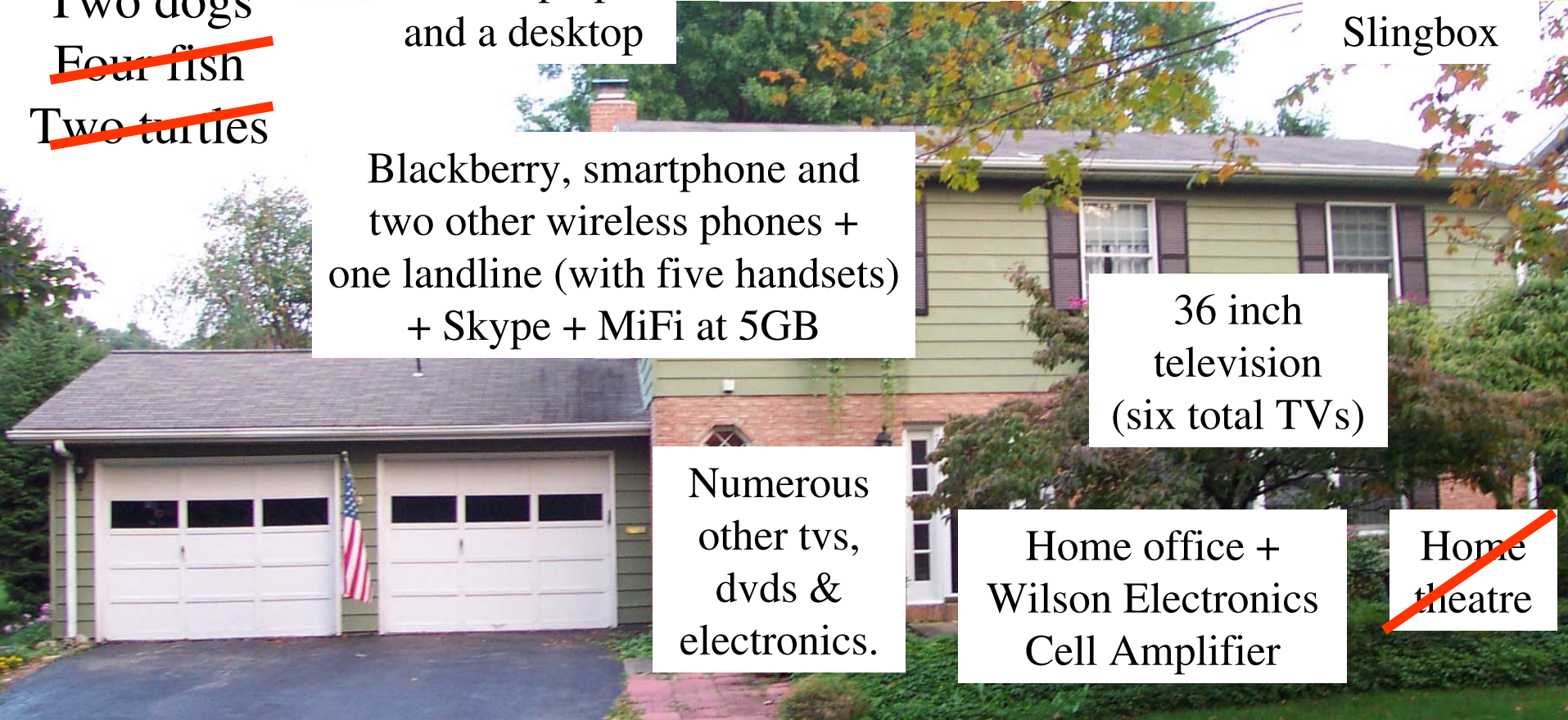
Blackberry, smartphone and  
two other wireless phones +  
one landline (with five handsets)  
+ Skype + MiFi at 5GB

36 inch  
television  
(six total TVs)

Numerous  
other tvs,  
dvds &  
electronics.

Home office +  
Wilson Electronics  
Cell Amplifier

~~Home  
theatre~~

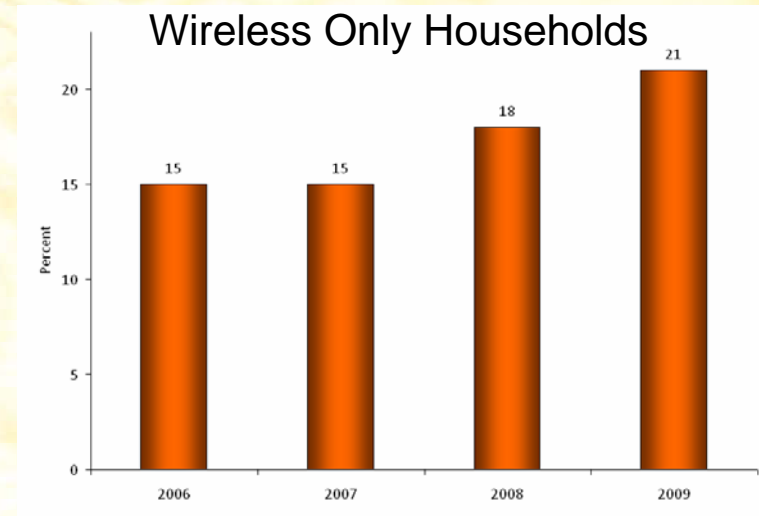


# Monthly Telecommunications Costs

- Verizon Landline w/Caller ID, Broadband at 5MB is approximately \$60.
- Verizon Wireless (with corporate discounts)
  - Base is \$72.
  - Blackberry charge is \$30.
  - Add three other lines + data is \$40.
  - Mobile broadband is \$60 for 5GB.
  - Fees, surcharges, tax is \$13.
- Skype is \$6 a month + about \$3 for usage and call forwarding to my cell.
- Basic Comcast service is \$62 (from \$55 to \$58 to \$62).
- Netflix at \$13.99/mo.
- **TOTAL MONTHLY TELECOMMUNICATIONS AND ENTERTAINMENT COST IS \$280.**

# Wires to Wireless

- Cord-cutting will clearly continue. Forced revenue shift.
- Cell service will get better.
- VOIP has gotten better and will follow the cell.

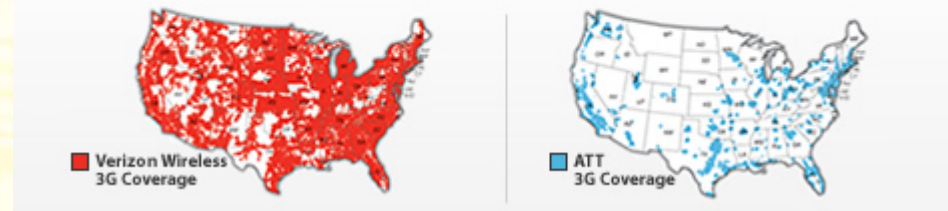


Source: Nielsen

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**Sprint** *Integrated wireless and wireline solutions. Only on the Now Network.*

Overview Converged Solutions Global Solutions Downloads Videos News

### Mobile Integration. Effectively Converge Your Desk Phone and Mobile Phone

**Leverage your mobility investment. Raise productivity while lowering costs.**

Mobile integration is a way to effectively converge desk phones with wireless phones, instantly making every employee more accessible, increasing user satisfaction both from them and your customers. Bottom line, that tends to make your employees more productive and working in the now.

Even better, you can minimize the number of local trunks you'll need, while reducing the volume of desk phones necessary for more mobile employees. Additionally, you can increase call management and auditing capabilities.

So, with Sprint® Mobile Integration, it all adds up to greater productivity with lower total telecom expenses.

**Take convergence to an entirely new level.**

In the office or remote locations, Sprint Mobile Integration makes keeping in touch — plus reducing calling costs — easy. That's because our solutions utilize your existing PBX and Sprint mobile phones to streamline implementation, without requiring a large capital investment. And all the while, employees will be equipped to stay seamlessly connected and productive.

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- Join in the conversation at our Blog, "The Seamless Enterprise."

**Increase Productivity** Expand/Enhance

- [One phone number, one voice mail](#)
- [Seamless mid-call transfers](#)
- [Common dialing plan](#)






**Cost efficiencies**



- [Elimination of costly local trunks](#)
- [Reduction of desksets](#)

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## Skype offers high-definition service

Bloomberg News / January 6, 2010

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SAN FRANCISCO - Skype Technologies SA, the Web-based telephone company sold last year by eBay Inc., has introduced a high-definition video calling service that will work on computers and televisions.



Discuss

COMMENTS (0)

The latest version of Skype will come preinstalled on some LG Electronics Inc. and Panasonic Corp. television sets by June, Luxembourg-based Skype said. Quanta Computer Inc.'s FaceVision unit and In Store

Solutions SL will sell a high-definition Web camera to use the service with a computer, Skype said.

Skype, with more than 520 million users, has expanded beyond a service that lets consumers call each other from computers free of charge. It's now available on mobile phones, and the company is upgrading its product line and targeting corporations to boost sales.

"The popularity of Skype video calling has increased substantially in recent years, with an average of 34 percent of Skype-to-Skype calls now using video," CEO Josh Silverman said.

Skype's revenue, profit, and usage growth accelerated in 2009, Silverman said in November. The company forecasts that annual sales will top \$1 billion by 2011. Skype is now the largest provider of international calls, accounting for more than 12 percent of all cross-border voice traffic, according to a Washington research firm, TeleGeography.

In November, eBay completed the sale of a controlling stake in Skype for about \$2 billion to a group led by the private equity firm Silver Lake. eBay retained a 30 percent stake in the company.

Skype makes money when customers use the service to call regular phones. Customers also pay for voice mail, call-forwarding, and text-messaging services. ■

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If the customer service stinks,  
why are people buying it?

comcast.

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# Where is Comcast Going?

- Comcast is moving from a wire-to-the-home company to an entertainment company.
- Recent developments:
  - Acquires controlling interest in NBC Universal
  - Owns Fandango and Fancast, Versus, Golf Channel, E!, Telemundo
  - NESN high-definition, Sports Net Bay Area, Flyers, 76ers, etc.
  - Acquires G4 (aimed at youth), Plaxo and DailyCandy
  - Olympics
  - Purchased Insight Midwest.
  - Nextel partnership with Clearwire to deliver wireless broadband and phone.

Comcast Revenue Analysis				
\$	2003 (mil)	2005 (mil)	2007 (mil)	2008 (mil)
Video	12,096	13,635	<b>17,686</b>	<b>18,889</b>
Internet	2,255	<b>3,986</b>	<b>6,402</b>	<b>7,255</b>
Advertising	1,112	1,359	<b>1,537</b>	<b>1,526</b>
Telephone	801	687	<b>1,766</b>	<b>2,649</b>
Other	2,084	1,908	3,504	3,096
Comcast Product Mix				
%	2003	2005	2007	2008
Video	66	63	57	57
Internet	12	18	21	22
Advertising	6	6	5	5
Telephone	4	3	6	8
Other	11	9	11	9

In 39 states  
 15 million broadband subscribers  
 6.5 million VOIP customers

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For Comcast, it will  
be content ... and it  
will be mobile or  
hi-def. in the  
home...

Internet TV is here  
... in some way  
shape or form.

Clearwire: Advanced high-speed mobile  
4G Internet broadband access points,  
which offers speeds from 3 to 6  
megabytes per second (Mbps) with bursts  
up to 10 Mbps



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# Wires are NOT Sexy ... Flatscreens are!

## 'Mobile DTV' Samsung phone

This new Samsung phone features "Mobile DTV" technology, which allows the devices to pick up over-the-air digital TV stations for free.

The device is a version of the already available Moment, with an added telescoping antenna for TV reception. It has a screen made of organic light-emitting diodes.



## LG Infinia ultra-thin LED LCD TV



## Tivit

A Tivit transmitter is shown next to three Apple iPhones at the Consumer Electronics Show.

The device, which is a "Mobile DTV" product about the size of a deck of cards, receives a TV signal and then rebroadcasts it over Wi-Fi so it can be received by an iPhone, or BlackBerry. It was originally designed to provide TV viewing to the iPhone in Japan, where TV reception is considered a must for phones.



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# Phone Wars Followed by Plan Wars

HOME / BUSINESS / TECHNOLOGY

AP Associated Press

## Dell to enter US smart phone market with AT&T

January 6, 2010

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LAS VEGAS—Dell Inc. is wading into the U.S. mobile phone market this year with a device that uses AT&T Inc.'s wireless network and runs Google's Android software.

Discuss  
COMMENTS (0)

Dell, the world's third-largest computer maker, was announcing the deal on Wednesday before the official opening of the International Consumer Electronics Show in Las Vegas.

Dell has already built versions of the phone, known as the Mini 3, for wireless carriers in China and Brazil. The price and release date for the U.S. model have yet to be disclosed.

Dell also plans to use CES to show off devices that are bigger than a smart phone but smaller than the average netbook, including a tablet-style computer. None will be available immediately. ■

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In 2009, 15% had a smartphone.  
By 2014, it is estimated that more than 30% will have a smartphone.

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# Other Trends that will Impact Telcos

- Aging society becomes more dependent on content.
- Homebuying stall and economics may drive additional cord cutters due to higher likelihood of renting.
- Phones will have greater e-commerce potential.
- Mobile advertising is expected as smartphones morph into computers.
- Mobile or network traffic jam? Net neutrality? Tiered Internet pricing. Mobile price wars.

HOME / BUSINESS / TECHNOLOGY Ap Associated Press

## T-Mobile USA to stop selling landline service

January 7, 2010

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LAS VEGAS—T-Mobile USA says it will stop selling its home Internet phone service, ending a near two-year attempt to enter the landline market.

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**Discuss**  
COMMENTS (0)

The cellular carrier said Thursday that it will "soon" discontinue new sales of the AtHome calling service because of changing customer needs. The service costs \$10 to \$15 per month for T-Mobile wireless subscribers, who plug their home phones into an adapter that shuttles calls through a home broadband connection. T-Mobile says it will continue to support current subscribers.

In October, Verizon Wireless ended sales of a similar product, the Hub, after less than a year on the market. The market for landline phone service is rapidly shrinking, as consumers rely increasingly on their cell phones. ■

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