



## Barriers for users: Driving new service adoption

*Why aren't mobile phone users more enthusiastic about embracing all those next-generation services that are now available on a plethora of new devices? Patrick Fitzgerald thinks the operators could do more ...*

With smartphones and other advanced mobiles such as the iPhone flying out of shops, consumers clearly have no qualms about adopting new hardware. As soon as the latest device is released, boasting features ranging from GPS navigation and touchscreens to TV tuners and state-of-the-art cameras, a buying frenzy ensues and manufacturers cannot stock the shelves fast enough.

However, the same mobile phone users appear to be dragging their heels when it comes to adopting new services – and operators are missing out on the revenue potential of the next-generation services that the plethora of new devices can now enable.

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With revenues from voice and SMS declining, competitive differentiation and future income for service providers will increasingly depend on delivering high-value multimedia applications – and encouraging users to adopt them. Slicing up the Mobile Services Revenue Pie, a recent report from Portio Research, predicts that by the end of 2012 more than 25.5% of total mobile services revenue will come from value-added non-voice services such as mobile music, email, mobile TV, video downloads, location based services, games, gambling and mobile payment services.

### Opportunity

In monetary terms, the report estimates that worldwide consumer spending on non-voice mobile services in this same time period will exceed \$251 bn. For mobile operators, this presents an opportunity to

profit from their voice and data networks that is simply too good to miss.

Despite the fact mobile phones are bursting at the seams with functionality, though, the user isn't making the most of what's on offer. A study commissioned by AppTrigger reveals that more than half (57%) of Britain's mobile users use their phone for the same things that they did five years ago in spite of the numerous multimedia services and applications now available.

So what's the problem? What are the barriers to the wider adoption of mobile features and services?

In many cases, the transparency of mobile packages and billing has proved to be a hurdle as consumers remain concerned that using new services will incur additional charges. Mobile usability is also an issue for consumers as they fear that services will prove difficult to both access and utilise on their device.

But one of the key issues cited by AppTrigger's research was that consumers lacked awareness of new services and applications available on their mobile phones. There's a good reason for that: the networks have been slow to push out new offerings. Nearly half (48%) of consumers surveyed revealed that they have never received a sports, retail or entertainment promotion from their mobile operator. Of the balance – those that have received promotions – 62% said that contact was as infrequent as "a few times a year" or "almost never".

### Appropriate

There are evidently some shortcomings in the way that new mobile services are being marketed and consumers need to be informed about the wealth of services available to them. To achieve this, operators need to be equipped with the appropriate tools and technologies; they need to link promotions, via applications, into their

legacy and NGN networks quickly and push them out to market.

By doing so, they would be able to capitalise on what is currently a lost opportunity. Right now, mobile operators are currently missing out on revenue-generating opportunities by failing to integrate existing applications such as traditional voicemail with newer IP services across their traditional networks.

Complex connectivity issues such as the lack of interworking between legacy and next generation networks and the fact that many mobile operators are locked into proprietary application suites, limits their ability to blend best-of-breed, multi-vendor applications in a timely fashion, respond to users' demands and push these services out more quickly.

Looking ahead, the applications and tools behind new services need to be more flexible, enabling operators to chop and change applications quickly and effectively to grasp lost market opportunities. ■



### AUTHOR

Patrick Fitzgerald is the VP of Marketing for AppTrigger, specialist supplier of network functionality – in particular a new purpose-built network element, the Application Session Controller (ASC), which claims to offer a 40% cost reduction over traditional application connectivity deployment models for service providers' mixed networking environments. This should enable service providers to connect legacy applications seamlessly into new networks and new applications into legacy networks.