

TELECOM MEDIA NETWORKS

Redefining the Mobile Multimedia Horizon: The Services Supermarket

From here to 3G reality

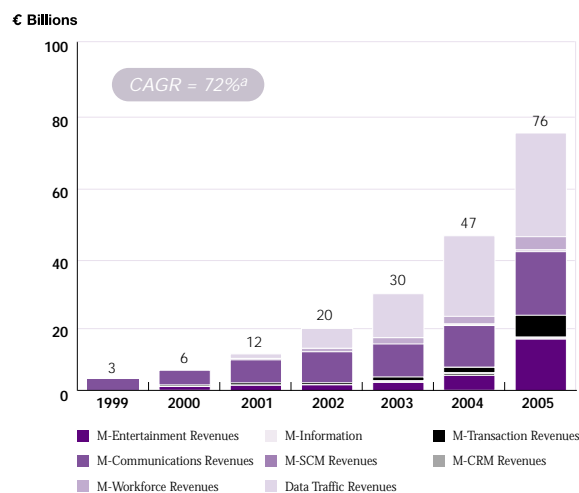
Generating revenues from mobile multimedia services

The mobile data market is set to explode as the GPRS and 3G rollout kicks in. Durlacher Research predicts that European mobile data revenues will grow at over 70% per annum to total €76 billion by 2005 (see Figure 1).

However, all divisions of mobile operators are finding the shift from voice-centric telco to mobile multimedia services provider difficult:

- Portals have been hampered by poor sales in WAP services, and by fierce competition from free content on the Internet.
- Network divisions are struggling to optimize GPRS technology and manage 3G equipment vendors' delivery of untested new networks.
- Customer operations are struggling to service the pre-paid base efficiently and transform their legacy IT operations to cope with the proliferation of products that will emerge.

Figure 1: Mobile data revenues in Europe



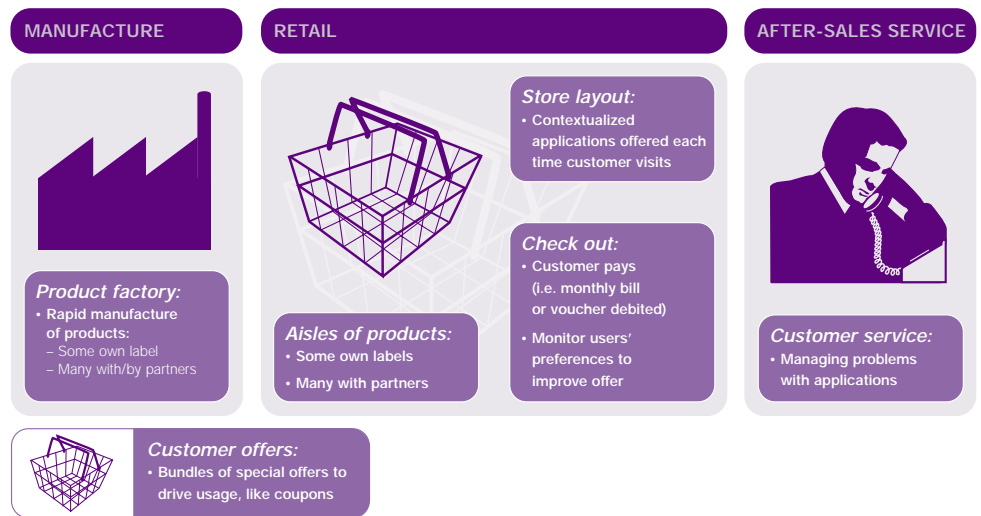
Source: Durlacher Research, *UMTS - An Investment Perspective*, March 2001.

Our research suggests operators lack a clear, holistic blueprint for the future, meaning implementation is messy.

As operators struggle, heavyweights from adjacent markets have emerged to try to seize the potential revenues. A feeding frenzy is emerging, involving content aggregators such as Yahoo!, retailers such as Carrefour, PC-software developers such as Microsoft, and dozens of nimble start ups all seeking a piece of the action.

Operators are pinning too much of their strategy on concepts such as time to market, rather than focusing on what capabilities make them unique.

Figure 2: Services Supermarket



Context is king

Thousands of applications will emerge in the next few years. Mobile applications will offer entertainment to the masses as well as specialized business productivity tools. Many operators are currently seeking the killer application, but we believe a better question is what characteristics the winning applications will have. We believe the winning applications will be those that uniquely exploit the mobile environment. Customers will value applications that are *contextualized*: that is, those that are personalized, time sensitive, and location-specific.

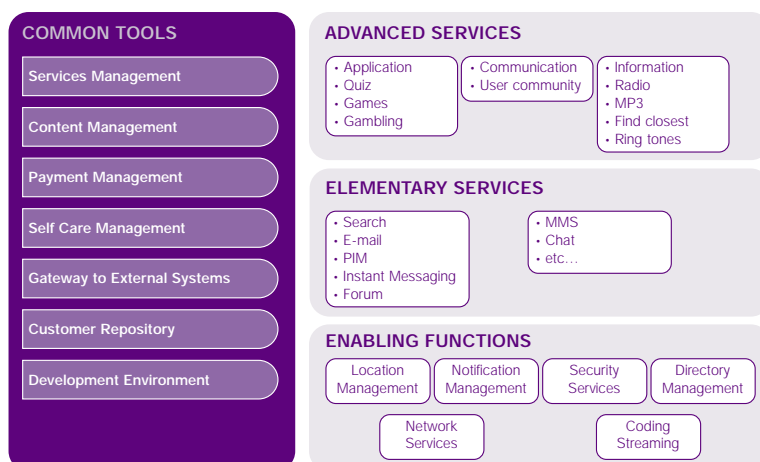
This ability to contextualize is essential for operators to drive revenues from new mobile services.

Building a Services Supermarket

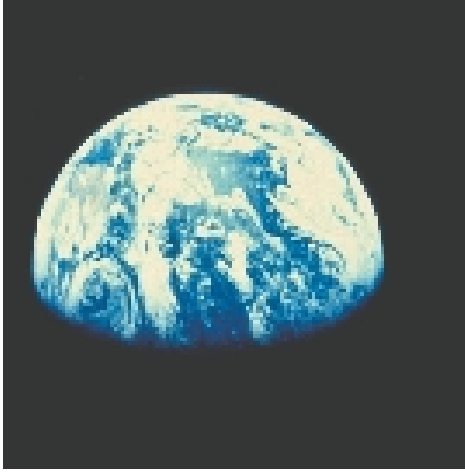
With context as the cornerstone, Cap Gemini Ernst & Young has developed the Mobile Multimedia Services Supermarket concept, (see Figure 2). The Supermarket is a new business model, comprising three main elements:

- **"Services Factory":** An organization that conceives, defines, designs, develops, and launches mobile applications, ideally in 90 days. Various application portfolios will target various needs-based customer segments. Operators should work with a series of partners to generate the volume of compelling services required.
- **"Services Factory Platform":** An integrated architecture of network, IT, and platform enablers to help a product development factory take best advantage of a mobile operator's key assets. The platform would include enablers such as location co-ordinates, personalization tools, security and digital identity, micro-billing, digital rights management, and gateways (see Figure 3).
- **"Services Retailer":** The operators' ability to package and promote, sell, bill, and service the finished applications. Transforming existing voice-centric operations to enable them to handle the complexity of dozens of products per customer, and developing dynamic one-to-one marketing are key challenges for services retailers.

Figure 3: Factory Platform



Mobile operators have a unique ability amongst the feeding frenzy of competitors to contextualize services. Data mining customer relationship history allows them to understand what individuals value and when, while network enablers help operators to understand where someone is at any particular time.



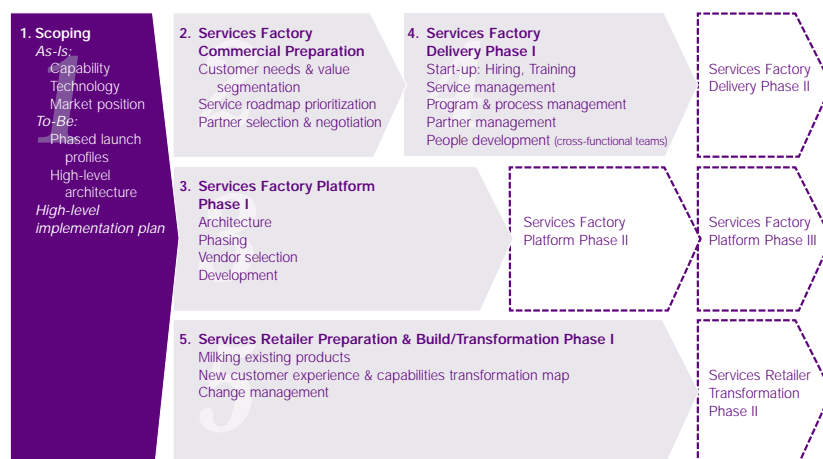
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CGE&Y's Services Supermarket approach

TELECOM MEDIA NETWORKS (TMN), a global industry practice of Cap Gemini Ernst & Young, has the methodology, experience, and skills to contribute to mobile operators' success. We have over 30 years' experience in needs-based segmentation, program management, organization and process design, and IT platform design, development, and operation.

Our Services Supermarket approach incorporates five phases (Figure 4). Incorporating both business and IT elements, the Services Supermarket is the service equivalent to physical product supermarkets. Our "in-a-box" approach allows us to select the appropriate modules to meet our clients' individual requirements.

Figure 4: Services Supermarket in-a-box approach



Case study

TMN recently completed a comprehensive Services Supermarket project for a leading global mobile operator.

Key issues

- An unfocused strategy to take advantage of services opportunity.
- Organizational resistance to change (lack of capabilities, entrenchment in 2G mindset, and competing activities).
- Lack of focus, leadership, and direction.

Deliverables

- Designed a new organizational form incorporating current best practice.
- Developed channel strategy focused on delivering sales targets.
- Implemented three cross-functional high-performing teams totalling 75 people.
- Designed and organized product fairs to accelerate communication and decision making.
- Managed the development and launch of five products.
- Developed new process to enhance capability to evaluate new product ideas, and design, build, and run new services.

Results

- On-time launch of mobile applications.
- New product development process in place.
- Cross-functional team working.
- Clearer strategy.

Benefits

- Assessed and realigned the operator, which is now able to accelerate its strategy and capitalize on the emerging UMTS opportunities.

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