

Alliance to enable the journey towards future messaging

by Andrew Kwok, Chairman, Conexus Mobile Alliance and President, International Business, Hutchison Telecommunications (Hong Kong) Limited

The Conexus alliance of major operators in Asia-Pacific (APAC) believes that the journey from SMS to Twitter and other mobile data apps is paved by high-performance connectivity and affordable services, not just attractive applications. The Alliance ensures that connectivity is achieved globally by assisting interworking projects across members and by promoting collaborative initiatives such as the WAC. The journey is well on its way in Asia, and mobile operators must be able to retain their crucial role in the delivery of the new media.

Andrew Kwok, Chairman of Conexus Mobile Alliance, has served as a board member of the Alliance since its establishment in 2006. As Chairman, Andrew continues to focus on enhancing members' competitiveness in international roaming and corporate mobile services, plus forming strategic alliances and partnerships worldwide. Andrew is a veteran in the international telecommunications industry with more than 25 years of experience. He has assumed outstanding leadership in the development of international business for a number of telecommunications giants.



Currently, Mr Kwok is the Senior Vice President of the International Business Division of Hutchison Telecommunications (Hong Kong) Limited (HTHK), a leading integrated telecommunications service operator based in Hong Kong. Since joining the Company in 2002, he has been the head of the International Business Division, and presently oversees the international carrier data and voice businesses as well as international corporate business. Andrew has played a pivotal role in extending the company's worldwide reach and establishing its strong foothold in Asia, North America, and Europe with 18 overseas offices. Today, HTHK continues to rise in stature as a prominent global telecommunications operator.

Prior to this, Mr Kwok was the Vice President and Managing Director of Teleglobe Asia, managing its operations in more than 25 countries in Asia. He also held various management positions at MCI International in Asia, Hong Kong Telecom International and Cable & Wireless (HK).

Who could have predicted twenty years ago, when the first text message was sent, that we would now be living in an exponentially growing world of apps, tweets and video-bites generated by an array of stylish smartphones and tablets? That first SMS message was sent over Vodafone's GSM network in the UK on December 3, 1992, and said simply: "Merry Christmas." It started a revolution in the way we communicate and was sent from a personal computer used by Neil Papworth of the Sema - now Mavenir Systems - to an Orbitel 901 handset held by Richard Jarvis of Vodafone.

The SMS concept was developed by Friedhelm Hillebrand and Bernard Ghillebaert in a Franco-German GSM tie-up in 1984. Some 28 years later, and despite explosive growth in app-equipped smartphones, SMS is still the medium of

choice for many. That's why an estimated 8 trillion SMS text messages were sent last year alone.

Worldwide, around 200,000 SMS messages are sent every single second, so about half-a-million were sent while you were reading this line - and that's to say nothing of all the Skype and What's App traffic constantly traversing the world. Internet messaging keeps growing explosively over the mobile network, but completely bypasses the traditional operator-based messaging gateway. If the medium is the message, the message is loud and clear - the way we communicate is evolving at a rapid pace and mobile operators must stay ahead of the game if they are to be part of the future.

That 'future' began in 2008 when Apple introduced its App Store. Analysts at Berg

Insight described the move as "the disruptive force", changing the market forever. Apple offered a simplified way for developers to market their data wares and notched up ten million downloads in the first week of App Store operation. It also changed the way mobile content is managed. Not so long ago, the market was dominated by operator-controlled voice calls and SMS messages. Now, the spotlight is on apps and data sharing. There is no question that a new revolution is under way. In March last year, Nomura Equity Research said Asia was driving the global smartphone trend, and predicted that revenue growth would rise from 19.5 per cent at the time to 23.3 per cent over the following three years.

However, if Apple and Android could once have boasted that they had a closer relationship with end-users than network

operators, those providers are now developing apace to contribute more and offer a whole range of innovative digital services, including their own apps - all demonstrating that they are much more than just a delivery mechanism. Operators, who are making strenuous efforts to leverage their assets, establish co-operative relationships with leading service providers. Such assets are network enhancements, customer location information, billing and payment relationships with customers as well as performance uplifts and differentiation.

An example of the way forward is the Wholesale Applications Community (WAC), an open global alliance made up of the world's largest mobile phone network operators and manufacturers, dedicated to making it easier for developers to create and distribute compelling digital content. WAC was formed to help standardise the mobile applications ecosystem by leveraging its group scale to introduce global initiatives and simplify submission, distribution and settlement processes for developers. As a not-for-profit organisation, WAC's mission is to deliver innovative developer tools based on industry-standard web technologies that allow developers to maximise revenue, reach and usage. Operators in the Conexus Mobile Alliance - Asia's leading mobile coalition - are crucially important to WAC as members.

Whether using Skype, tweeting, Facebook messaging, sharing MP3s, uploading video bites and photos or downloading apps, data services are at work and they are transforming the market. Customers now focus on service providers and hardware that will give them the biggest 'bang for their buck' in the new data era. US-based ABI Research predicts 44 billion cumulative downloads will take place by 2016 - five billion in 2014 alone - while Ovum forecasts that downloads will top 45 billion by 2016, generating revenues of US\$7.7 billion.

On the issue of app-enabled hardware, Berg Insight says 70 per cent of all handsets sold in 2015 will be smartphones - at a time when Apple iOS and Android are expected to be providing more than 62 per cent of all applications, with Windows Phone in third place. Although the application revolution was sparked by Apple in 2008, industry analysts tell us that change is nigh. Berlin-based app research company Xylogic, for example, predicts that Android's application download rate will overtake Apple's by June 2012. The research company says that Apple apps led with 1.45 billion downloads

to Android's 640 million in August 2011, but Android's app growth rate is on course to overtake Apple this year. In fact, that's already happened in the Czech Republic, Poland and Portugal.

So, what are the reasons for this huge growth in the data-sharing market and the mobile app ecosystem? What can service providers do to help consumers benefit from the increasing availability of mobile and other data applications? At Conexus, we contend that there is more to this phenomenal growth than just exciting software and fashionable hardware. If services are not affordable, or they don't work satisfactorily, they won't be popular for long - so we believe coverage and affordability to be crucial.

Industry reports often claim that the mobile data boom is driven by the rise of smartphones and mobile applications, but we believe availability of connectivity via 3G/HSPA+ and Long Term Evolution (LTE) known as 4G is also essential to popularising seamless data services. It is important that affordable and predictable usage plans give customers the peace of mind to use data services in a way that is as natural and unhesitant as watching TV.

Conexus members are at the forefront when it comes to enhanced services and continuous network improvement, using HSPA+ and/or LTE developments. For example:

- Japan's DOCOMO has announced a tie-up with South Korea's KT Corporation to use Near Field Communication (NFC) technologies to develop cross-border services for mobile payments, mass-transit tickets, promotional coupons and other services.

- Hutchison Telecom Hong Kong runs an HSPA network that boasts speeds of up to 42Mbps, and has made considerable progress in developing an LTE capability.

- Thailand's True Money has won support for its 'Banking's Last Mile' project and aims to open 10,000 new payment locations, leveraging mobile phone technologies to make it more convenient for consumers in the country to enjoy enhanced services.

- Smart Communications in the Philippines has launched the world's first WAC application, which will eventually allow foreign mobile network subscribers to transfer prepaid credits to a Smart subscriber in the Philippines.

Stimulating mobile data usage is one of the alliance's key challenges, so we have engaged in a number of strategic partnerships and implemented several key initiatives to

expand coverage and facilitate affordable use of voice, video and data roaming. In May last year, Conexus established a strategic collaboration with HTC, a leader in device innovation and design, to explore development of smartphones and other handhelds that can benefit from the Conexus approach to customer-friendly data-roaming plans and user-friendly roaming features. Then in June, we announced the launch of a new Android application that made it easier and more convenient for roaming travellers to connect to Conexus member networks. Once connected, users served by Conexus members benefit from popular, daily flat-rate data roaming tariff plans - applicable to all our operators in most member countries.

The alliance currently enjoys a presence in thirteen countries and regions across Asia Pacific, including Guam, Hong Kong, India, Indonesia, Japan, Korea, Macau, Commonwealth of the Northern Mariana Islands, the Philippines, Singapore, Taiwan, Thailand and Vietnam. In September, Conexus teamed up with Vodafone to enhance the roaming experience for a combined customer base of more than 600 million, while addressing the global requirements of multinational corporations. Over time, Vodafone's agreement with Conexus will include partnerships with FarEasTone (Taiwan), Hutchison Telecom (Hong Kong), NTT DOCOMO (Japan), Smart (the Philippines), StarHub (Singapore) and TrueMove (Thailand). Vodafone and Conexus also intend to expand partnerships with remaining Conexus members, such as KT in South Korea.

The Conexus Mobile Alliance is continuing to explore strategic alliances and partnerships globally, wherever both members and end-users benefit. While we have come a long way in Asia since the formation in 2006, the Conexus' vision has even greater aspirations. Not only do we aim to be the preferred mobile alliance group in the world - in terms of customer base and geographical reach - but we also plan to score the highest level of mobile service customer satisfaction in corporate and consumer markets.

In short, we are committed to providing customers with a seamless and affordable experience, as they progress on the journey from an era dominated by voicemail and SMS messages to the exciting new world of apps, tweets and video-bites. As the world changes and new services emerge, next generation operators will be working hand-in-hand to take the telecoms industry to the next exciting level. ●