



The threat to mobile operators' Voice and Messaging revenues: One third see decline in service revenues but more are taking action

Research reveals that over-the-top (OTT) chat and mobile VoIP clients are grabbing revenues from operator SMS and voice services and operators are responding

READING, UK – November 18, 2011 – [Mavenir Systems](#), the leading innovator of mobile infrastructure solutions for LTE operators, today announced the findings of an independent study conducted into the impact of OTT chat and voice over IP applications such as Skype, iMessage, Facebook Message, Google Talk and WhatsApp on traditional operator-based SMS and voice services. The study, carried out by [mobile^{SQUARED}](#), interviewed 31 global mobile operators and found that one third of operators already see traffic and revenue decline, and three-quarters of operators are worried about losing revenues to this new group of mobile application providers.

The research confirmed that over-the-top clients clearly pose a threat and are already impacting traffic and revenues. The largest single group, 32.3 per cent of respondents, thought operator traffic (from messaging, voice and video calling) would decline between 11 and 20 per cent, and a further 20 per cent expected a decline of 31 to 40 per cent over the next 5-10 year period.

"The findings confirm what we have found in discussions with the mobile industry," commented Shubh Agarwal, Vice President, Marketing of Mavenir Systems. "This is one of the primary reasons the industry is currently moving towards an all-IP converged core network accelerated by the deployment of LTE technology. By allowing users to place high definition voice and video calls, chat, share content, and discover new services as part of a globally connected framework, operators can retain and even grow their share of customer communication spend."

Looking to the future, the survey found that the situation is not expected to improve without such changes to operator services and business models.

Commenting on the findings, Gavin Patterson, chief markets analyst & head of data at [mobile^{SQUARED}](#), said, "The mobile landscape is changing as users embrace messaging of all kinds that enable them to seamlessly message a multitude of devices. This study confirms that lucrative messaging revenues are already impacted and operators are assessing ways to deliver core-network services in the all-IP environment. Rich Communication Ecosystem (RCE) applications are one example of how mobile operators can overcome the hurdles they face."

Indeed, 42 per cent of operators say that they will roll-out IP Multimedia Subsystem (IMS) based services to offer RCS and VoLTE, while 45 per cent of operators think that other similar technologies would enable a quicker route to market. By offering embedded or downloadable clients tied to a user's phone number, auto service discoverability, group chat, enhanced calling for video and file sharing as a global service, operators can deliver value to their subscribers.

Mavenir brings voice, video and messaging services to subscribers on LTE by combining an innovative approach with rapid time to market and multivendor integration skills. Operators can compete by launching new services using Mavenir's IMS core, Convergence TAS, Rich Messaging Server and Presence Server.

For the executive summary of the research data, please email mavenir@miliberty.com

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Research notes

mobile^{SQUARED} surveyed 31 operators for Mavenir, representing most of the major operating groups worldwide, from September to mid-October.

The majority of respondents were based in Europe (51.6%), followed by North America (19.4%), Asia (16.1%) and Middle East and Africa (12.9%).

About Mavenir Systems

Mavenir Systems is a leading innovator of mobile infrastructure solutions for use by mobile operators to offer LTE and cloud-based communications services. The company provides IP-based core network solutions for mobile operators worldwide to migrate voice and messaging services to LTE and enable operators to offer enhanced user experiences with voice, video, rich communications, and converged IP messaging that leverage LTE's new devices and higher speeds. The company's innovative approach is driving the convergence of mobile services architectures across 2G, 3G and 4G networks with new, open services ecosystems for telephony and messaging services to allow mobile operators to compete against the over-the-top (OTT) service providers.

For more information, please visit www.mavenir.com

About mobile^{SQUARED}

mobile^{SQUARED} provides specialist research which enables brands, agencies and the mobile industry to increase engagement with the mobile consumer.

It conducts primary research on the mobile industry and mobile consumers, with a focus on delivering exclusive forward-looking data on mobile device usage, mobile web, app and commerce trends and usage, and mobile advertising responsiveness to help clients identify and respond to fast-changing mobile trends.

For more information, please visit www.mobilesquared.co.uk

Press contacts

Elena Davidson, Mi liberty on behalf of Mavenir Systems

Email: mavenir@miliberty.com

Tel: +44 207 751 4444