Wireless Internet Evolution

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High Performance Wireless Internet

High Performance Wireless Network

High Performance Core IP Network

Applications and Services
The Lines Are Blurring

“Always On: Anywhere, Any Application”
The Wireless Internet is all about Personalization

Wireless Internet Enables Personalized Services:
• Personalized end-user experience (Location Based)
• Drives revenue generating services
Challenges

- **Terminals**
  - Cost
  - Volume availability
- **Network Coverage**
- **Network Robustness**
  - QoS
  - Security
  - Flexible Billing
  - Capacity
- **Content and Applications**
  - Japan and Korea success
  - GPRS slow uptake
- **Tariff**
- **Inter-operability**
- **Ease of Use**

**Creative Technical and Marketing Solutions are Required!**
Operator Business Model Evolution

ARPU w/Data
- 2001E: 100%
- 2002E: 102%
- 2003E: 109%
- 2004E: 115%
- 2005E: 122%

ARPU Voice
- 2001E: 90%
- 2002E: 87%
- 2003E: 84%
- 2004E: 77%
- 2005E: 73%

Margin growth via reduced costs, increasing data ARPU

Value based Price
Data Services
CDMA Radio Access
Packet Core

Source: Compilation of Analyst and Nortel Networks Estimates