

The 9<sup>th</sup> Annual  
European Leadership Forum 2009

**Telecoms Roundtable Summary**

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**Issues to be discussed:**

- How will the telecom business model evolve?
- Is the web a friend or a foe of the industry?
- How will telcos compete with 'Over the Top' companies, like Google and Yahoo?
- Will global recession have a big impact on the industry or is it just a transitional period?

The Telecom model is debated: how will telecom models evolve? External and internal forces, what impact do they have on the model? How is the telecom model changing and where is it going?

- Telcos need to understand their customers and their needs. They need to understand what customers want to ensure they are providing the best possible experience. We now have different ways to connect to applications; telcos need to respond to the personalisation of services and open up information to third-party developers and providers.
- Telcos need to build value and embrace the idea of partnerships, especially with smaller players. They need to find valuable partnerships. However, although some significant partnerships are emerging, we haven't yet seen real 'business flow' – connecting service elements for users via APIs – and we need to build infrastructure to provide open API.
- Telcos need to be aware of their unique assets; the strongest of them is 'location', knowing the exact whereabouts of their customers and being able to reach them at any time. Another is customer intelligence.
- The responsibility to innovate doesn't just rest with the operators. Operators need to understand what packages are needed to grow the consumer markets and meet consumers' needs. Demand comes from consumers via entrepreneurs
- The old school where the operator dictates is over. It is the customer and its user experience that will dictate change.

- All business plans are based on the assumption that they ride on the network for free. Service providers will have to pay in the future for quality that customers don't want to pay. However, customers do recognize services that add value for them and are prepared to part with their cash. At the same time, network operators need to make their services attractive to Over the Top providers, maybe by selling APIs.
- The customer journey is the key measurement factor and customer experience (through life-cycle CRM) is what will ensure customer retention. But there are different drivers for customer acquisition, with new products and peer group pressure (especially access to social networks) the key factors. And with more focus on applications, will handsets become less important? Market maturity also plays a role; with mobile all networks are mature and therefore perceived as similar, but fixed broadband is different, and there we are seeing a move away from free providers.
- Likely to more niche, smaller service providers, probably through MVNOs, but despite a great need for more of them, many current offerings lack clear propositions.
- We are moving from infrastructure competition to service competition, but is there still room for network innovation, and will it mean the collapse of all networks down to one or just a few sharing infrastructure? It could well happen in the UK. The debate is how much should you share, how far should you go? And who will pay for network investment to ensure competition?
- What will be the longer-term impact of Internet Voice, such as Skype, on telecoms companies? Global web companies like Google and Amazon have raised the game, and with Google building out network infrastructure, do they pose a threat or an opportunity?
- Contextual advertising leads to increasing privacy issues, which need to be more regulated. Also, legal jurisdiction for data storage is becoming a big issue, especially with the cross-border implications of Cloud Computing. Potentially a stumbling block against growth. Privacy currently does not exist; traditional knowledge of privacy is no longer there.
- With the new Cloud services, there are lots of one-to-one relationships, which is cheap in terms of infrastructure but expensive in terms of managing relationships. There is a need for service aggregators. Also the reliability of the Cloud will soon come under scrutiny, and session-based Quality of Service may be required.
- Debate in the room whether more regulation at EU level is needed or whether no more regulation is needed. There is no consensus on this.
- The consensus is that there are worse places to be than in the telecom industry. Telecom is seen as the engine of growth. It has been hit less hard than other sectors, it is a growth industry. The industry is healthy; there is no shortage of opportunities, the question is how to manage these opportunities.