Driving the case for 700 MHz

Presentation to the GSMA

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Driving The Case For 700 MHz

- **CCS Insight was invited to comment on what specification of devices would be needed for 700 MHz LTE for emerging markets**

- **We are using data from a recent survey that we carried out looking at smartphone and multi-screen usage**
  - The survey was not done for the GSMA, nor to explore 700 MHz LTE potential
  - However it provides some data that is useful for the discussion

- **We show some of the data and findings from the survey in the following slides**

- **The data and findings point to a general conclusion**
  - Smartphone and multi-screen usage drives behaviour and attitude changes for users
  - Developed markets are leading this, but it also reads across to developing markets
  - Different markets will see the effects taking place at different speeds
  - Smartphones, tablets and LTE are already being driven down the price curve sharply
  - So the task of specifying devices for 700 MHz is not a unique or different task
    - It is an extension of what is already happening in the market
  - The GSMA may be able to run initiatives to accelerate the process

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Usage Is Changing As Users Move To A Multi-Screen World

- **Ofcom has reported multi-screen, multi-tasking behaviour as a rapidly growing aspect of UK media consumption**

"*Over half (53%) of UK adults are now media multi-tasking while watching TV on a weekly basis. Watching other content on a different device is one of these activities.*

A quarter (25%) are regularly 'media meshing' - doing something else but related to what they're watching on TV. Examples of media meshing include talking on the phone (16%) or texting (17%) about what they're watching, using social networks (11%) or 'apps' to communicate directly with programmes (3%).

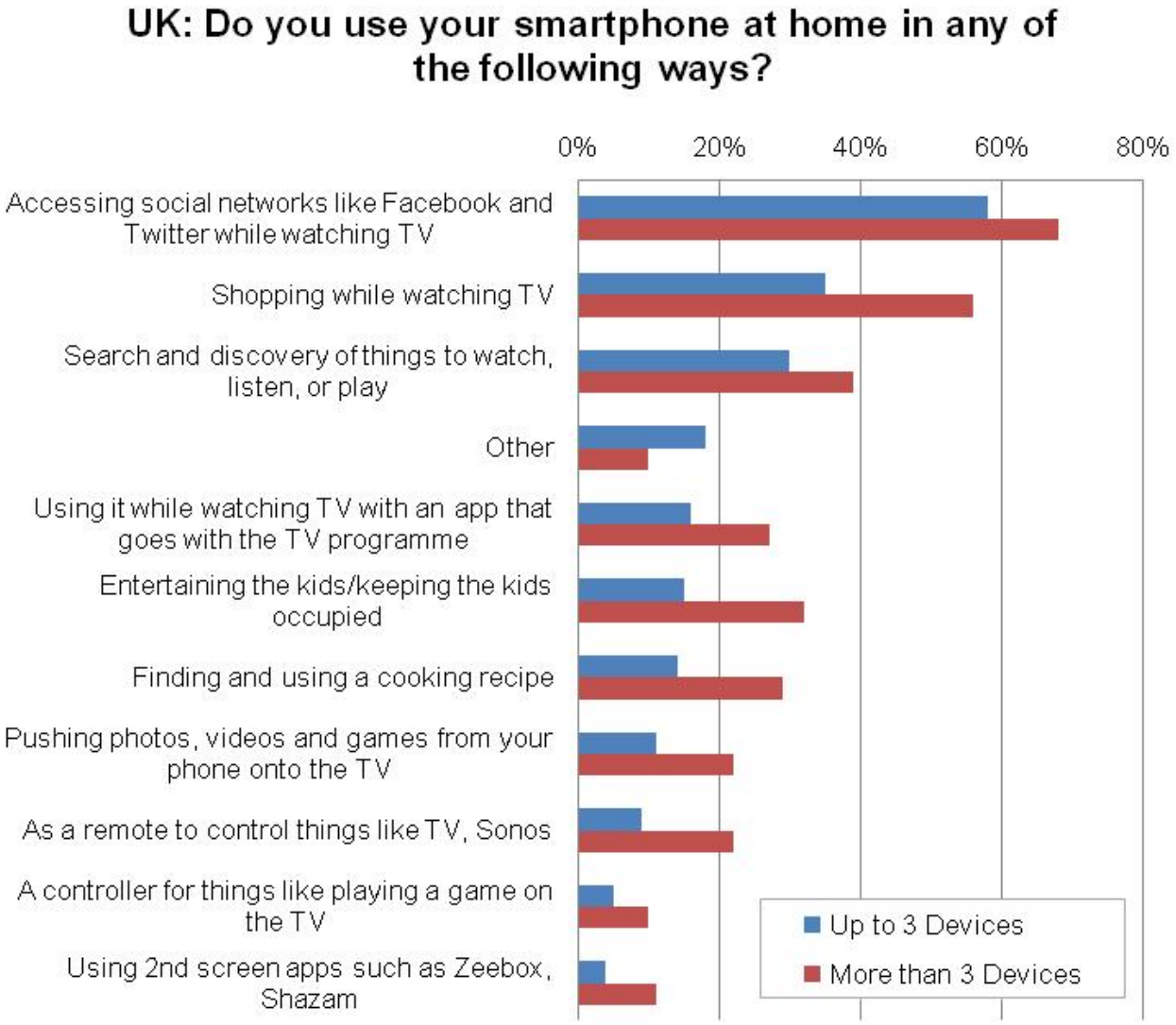
Younger people are most likely to use other media while watching TV (74%) with 44% media meshing. "

Ofcom: Communications Market Report, 2013

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Usage Is Changing As Users Move To A Multi-Screen World

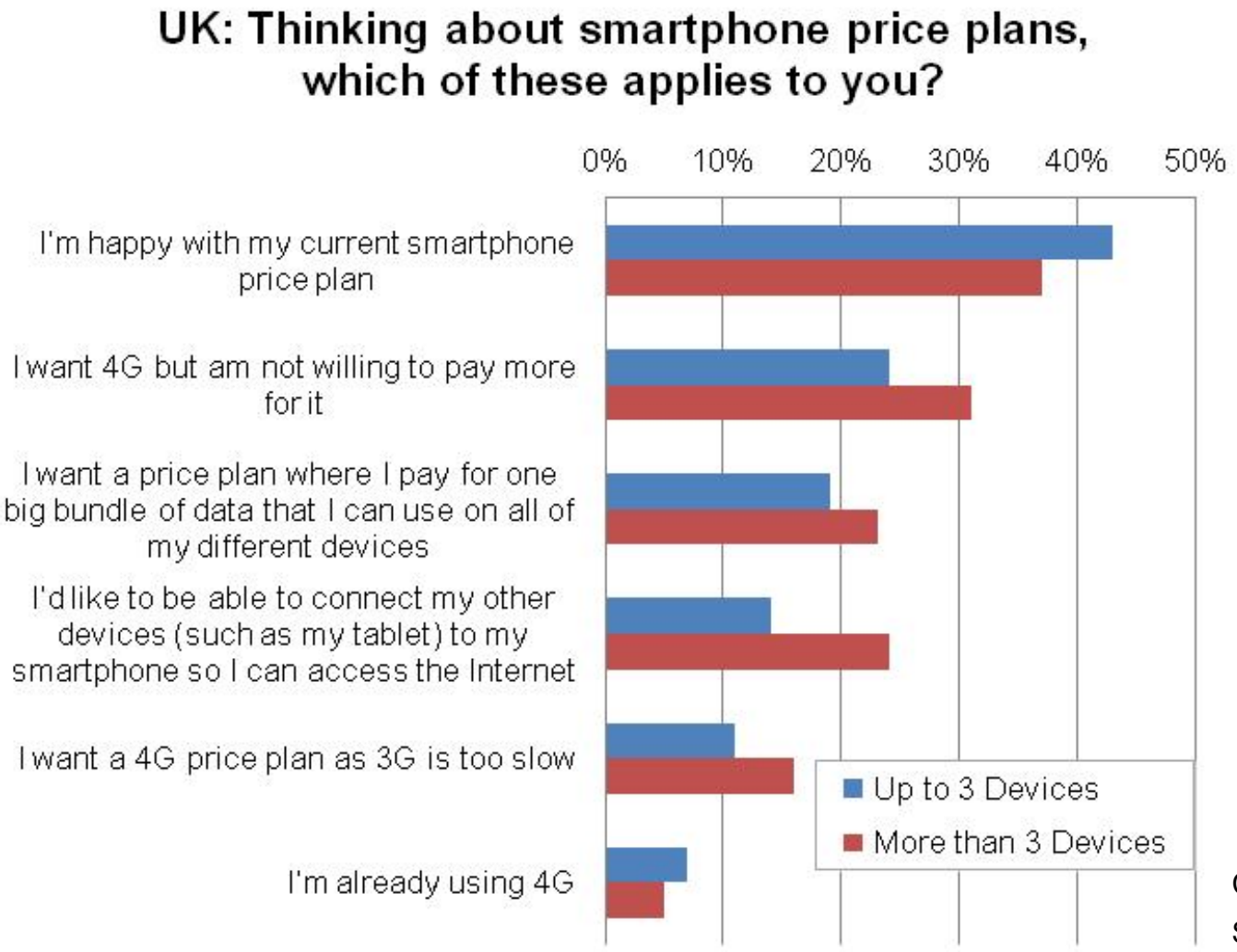
- **We see it in our research, especially among users who have more connected devices**



CCS Insight: Multi-Screen Survey, August 2013

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Users' Expectations Are Changing As They Use More



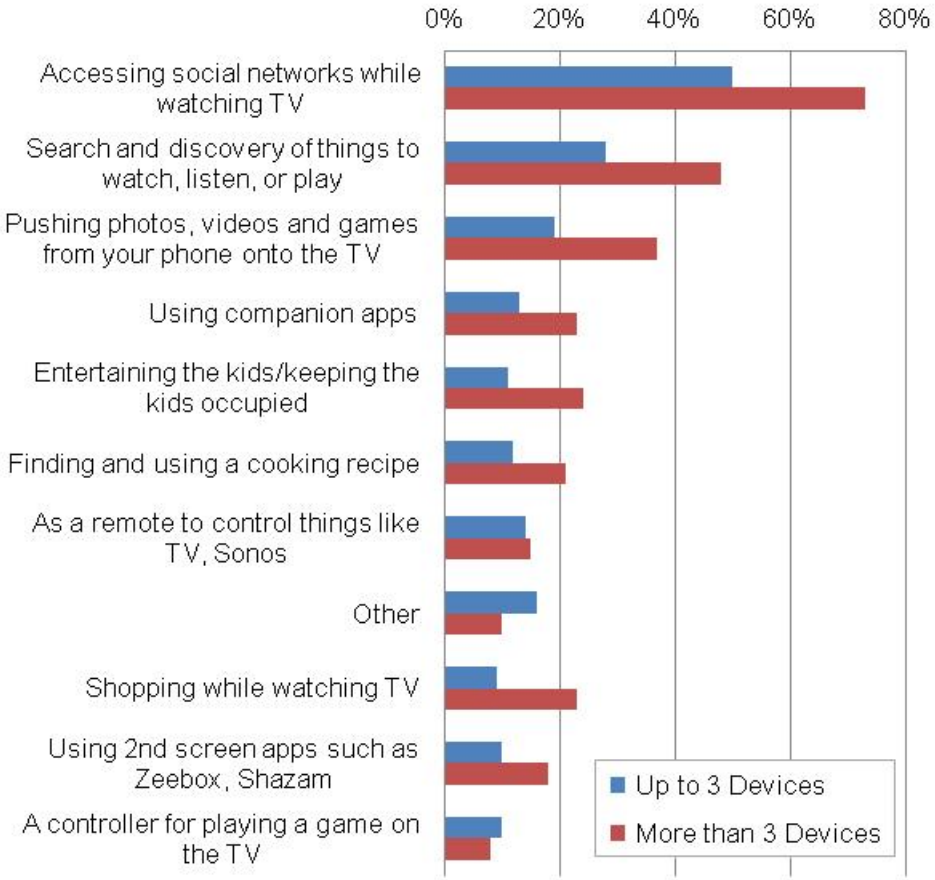
CCS Insight: Multi-Screen Survey, August 2013

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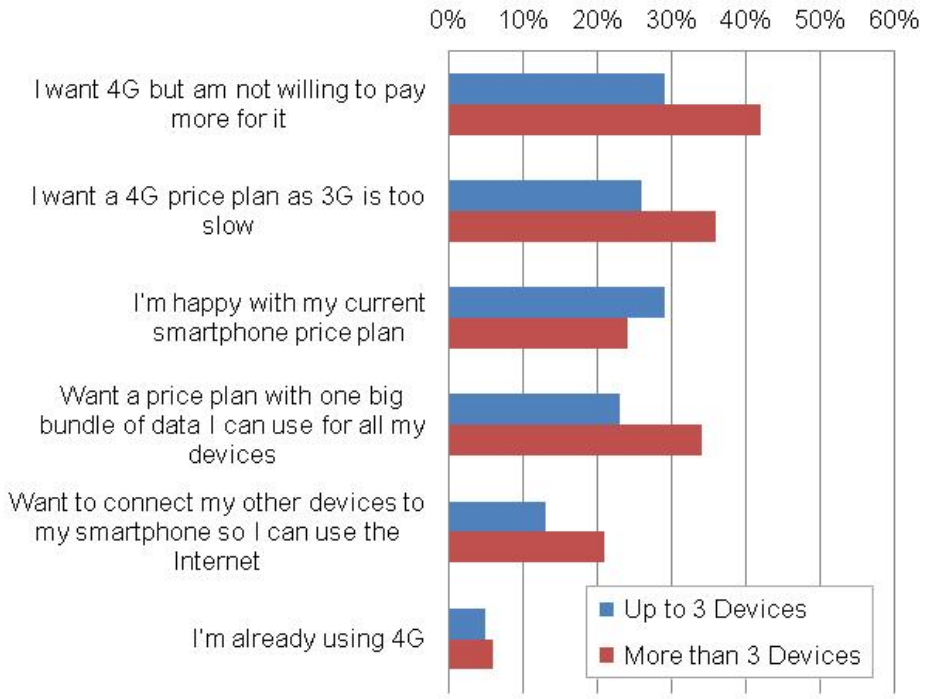
These Changes Are Also Clear In Developing Markets

- **As smartphone and tablet penetration rises, the changes will become mainstream**

Brazil: Do you use your smartphone at home in any of the following ways?



Brazil: Thinking about smartphone price plans, which of these applies to you?

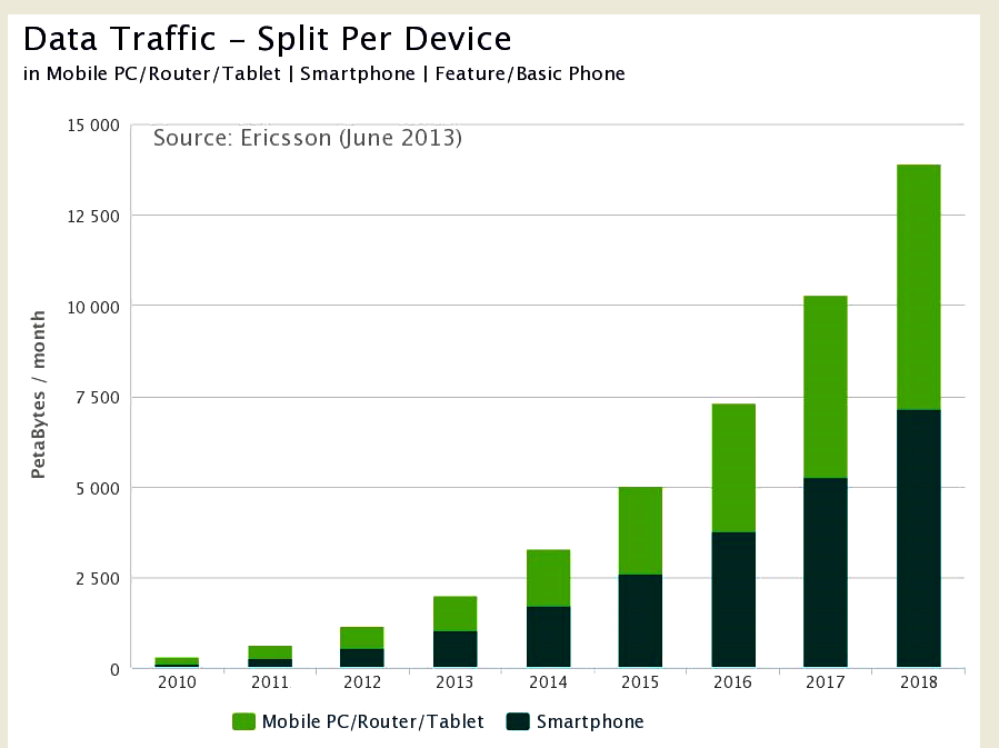


CCS Insight: Multi-Screen Survey, August 2013

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Conclusions

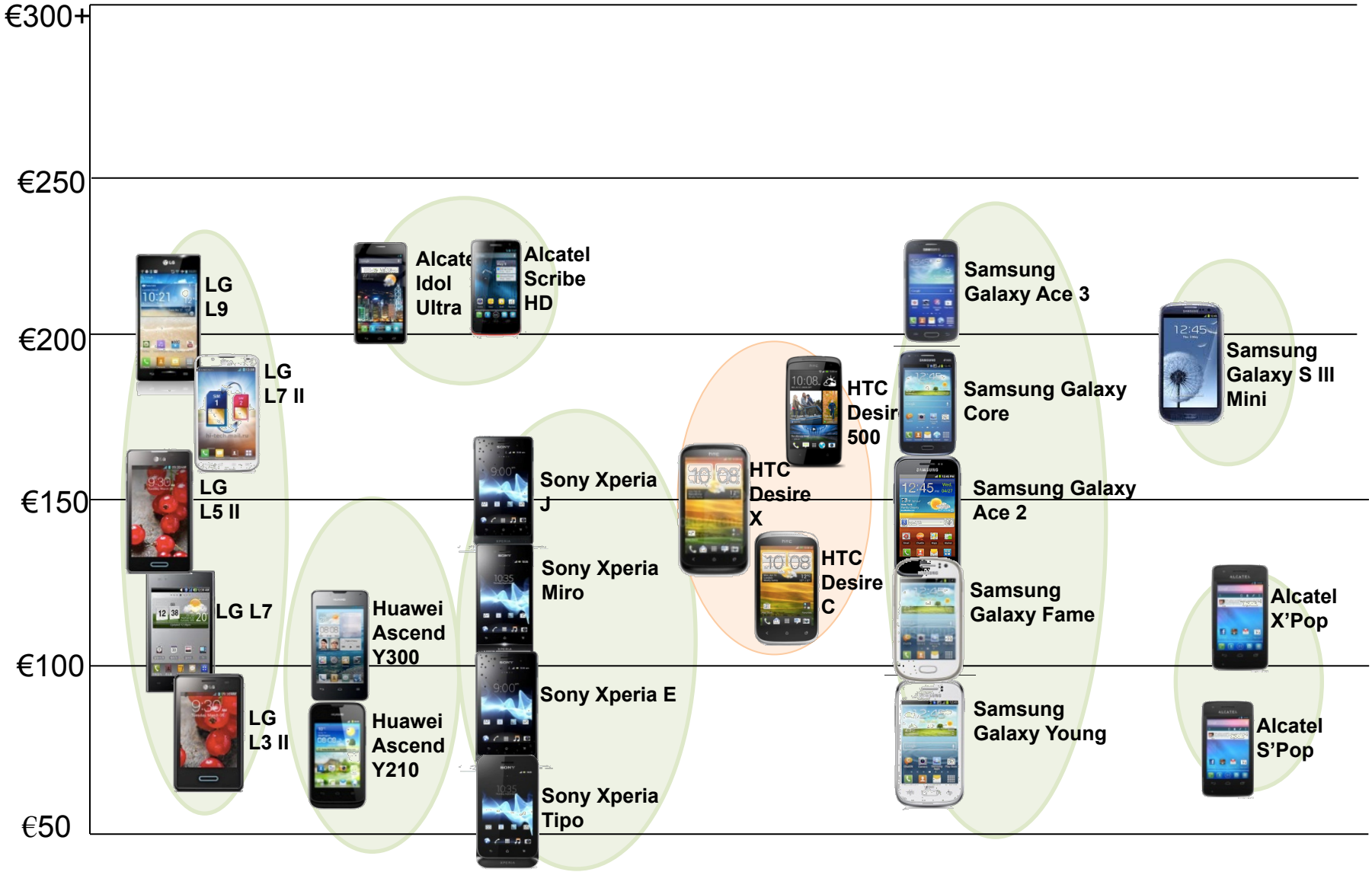
- **There is a multiplier effect working**
  - More people with connected devices
  - More connected devices per person
  - More usage per connected device
- **This is driving traffic growth on fixed and mobile networks at a huge rate**
  - All markets are affected
  - Rate depends on smartphone / tablet adoption
- **This directly drives demand for spectrum**
- **700MHz spectrum is another band that will be more valuable over time**
- **There is a clear need for suitable devices to support this band**



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SOURCE: CCS Insight
Pricing correct as of August 2013
Segments based on estimated pricing research.

Devices Landscape – Android €50 to €200 (All Technologies) - EMEA



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