

# 4G Wireless

Interop and MBX, New York



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# Market Evolution

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## End User Trends

Demographic shifts

Service crossover behavior

2

## Technology Trends

Continuum of lower cost per Gbit

Increased complexity & diversity of devices

3

## Regulatory / Competitive Dynamics

Spectrum auctions

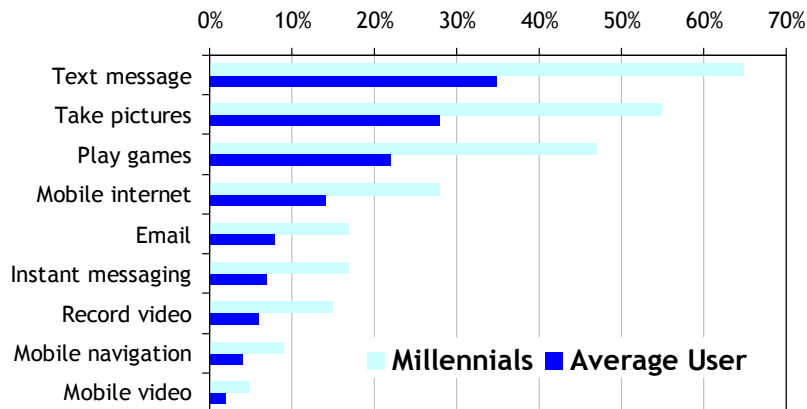
New business models

More brands

# US End User Trends - Consumer and Enterprise

## - Rise of the Millennials and Modernization of the Enterprise

### Millennial Mobile Service Usage



Pew Research Center, April 2006

*“Only 26 percent of teen cell phone users are voice-only customers, compared with 43 percent of adults.”*

Source: Jupiter Research, May 2005

### Millennials (11-30 years old)

- Rapid and intuitive adoption of new services and devices
- High content consumption and social interactivity
- Current behaviors in using various technology, applications, services, and devices will continue into their adult lives and become mainstream norms

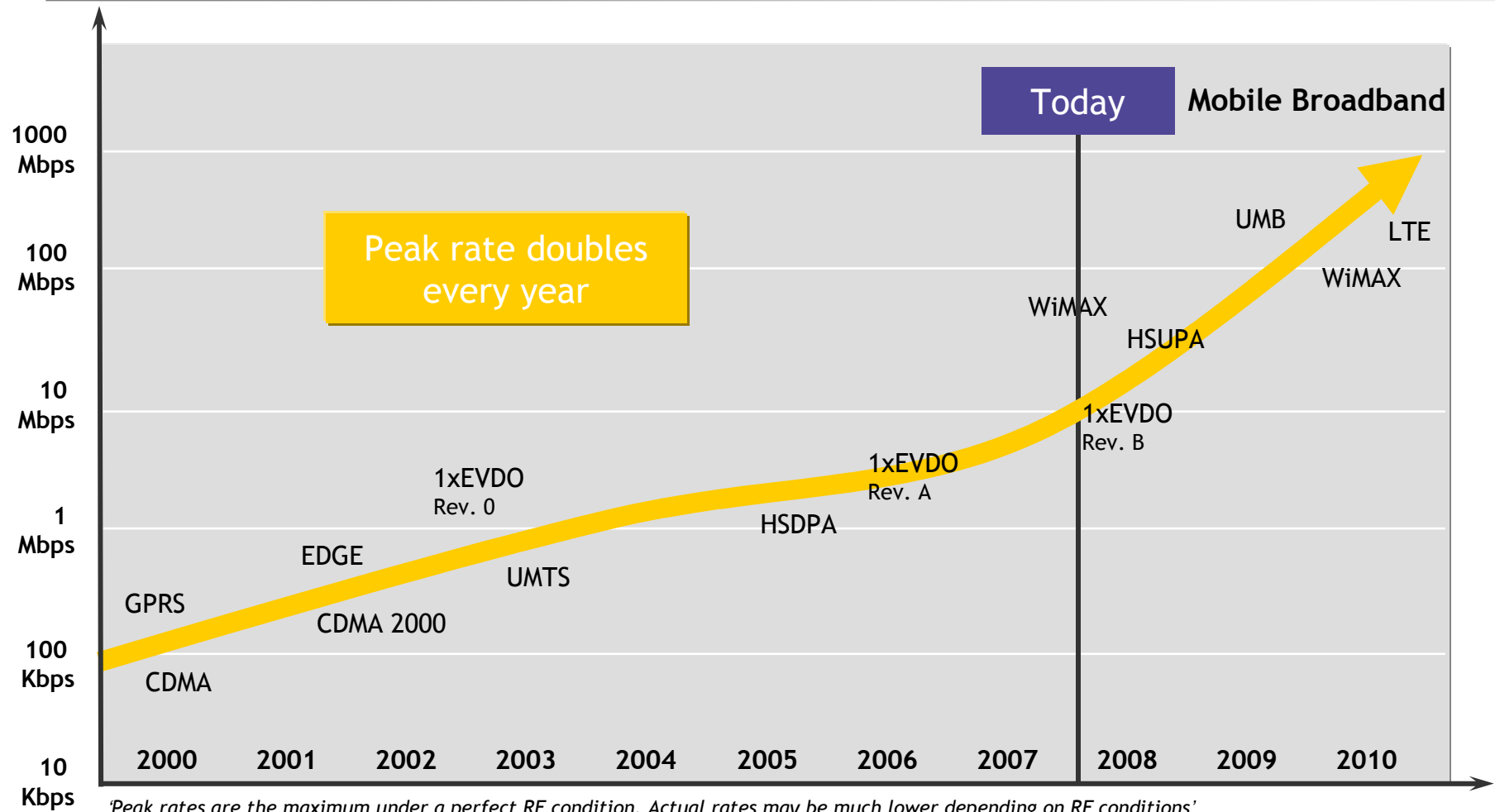
**The next addressable market**

### Enterprise

- Influenced by tools used by younger generation entering workforce
- Collaboration through social networking tools (e.g. Wikis) is becoming more commonplace for internal projects
- Mobile Data accounts for highest growth rate in enterprise spending

**Recapturing the innovative leader position in using new wireless applications**





# Wireless technology evolution enables the doubling of Peak Rates every Year








As bandwidth becomes ever faster and cheaper, ubiquitous broadband coverage becomes a reality...

# US Regulatory & Competitive Dynamics impacted by 700Mhz Auction

- Industry consolidation to 4 incumbents
- AWS spectrum
- New Entrants

	Network/QoS Quad-play DOrA
	Xohm (WiMax, Clearwire Google) Pivot JV
	iPhone Quad-play Global Play
	Millennials Global play
<b>Regional</b> (Alltel, Leap Wireless, US Cellular, etc.)	Regional; Expanding w/ Spectrum
<b>Cable MSOs</b>	Content/VOD Nationwide

- 700 MHz auction
- New Entrants
- New rules, new business models





<b>Regional?</b>
<b>Cable MSOs</b>
 , ISPs?

2006

2007

2008

2009+

Rapidly changing regulatory and competitive landscape leading to more brands competing for the same users → driving need for Network and Service Transformation

# Key Success Drivers to enable consistent growth

## 2007 Drivers

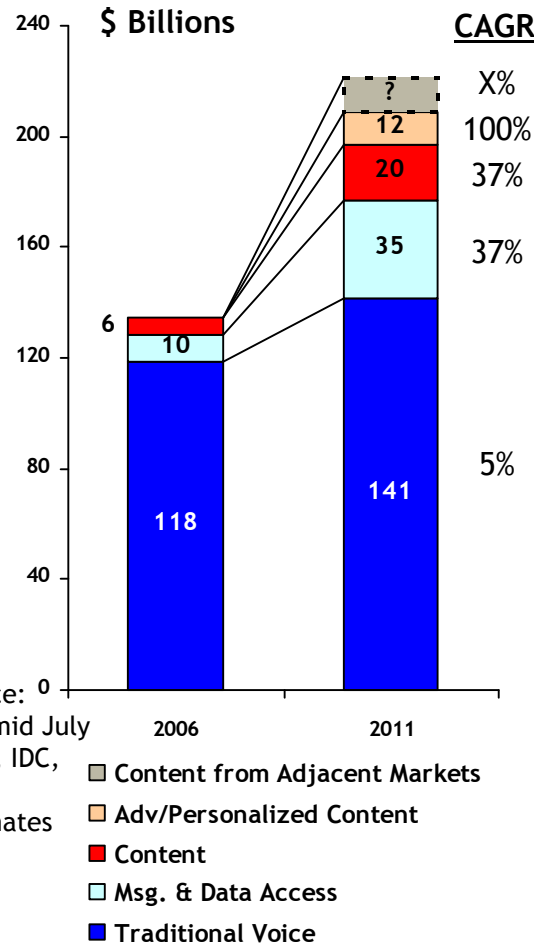
### Market-based

- Brand Strength
- Voice services/quality and messaging services
- Flexible pricing plans (minutes, family plans, bundles) to accommodate diverse needs

### Network -based

- Reliability and Quality of Service
- Technology Leadership
- Coverage & capacity for ease of use and access
- TCO excellence & established supply chain efficiencies

## US Service Provider TAM



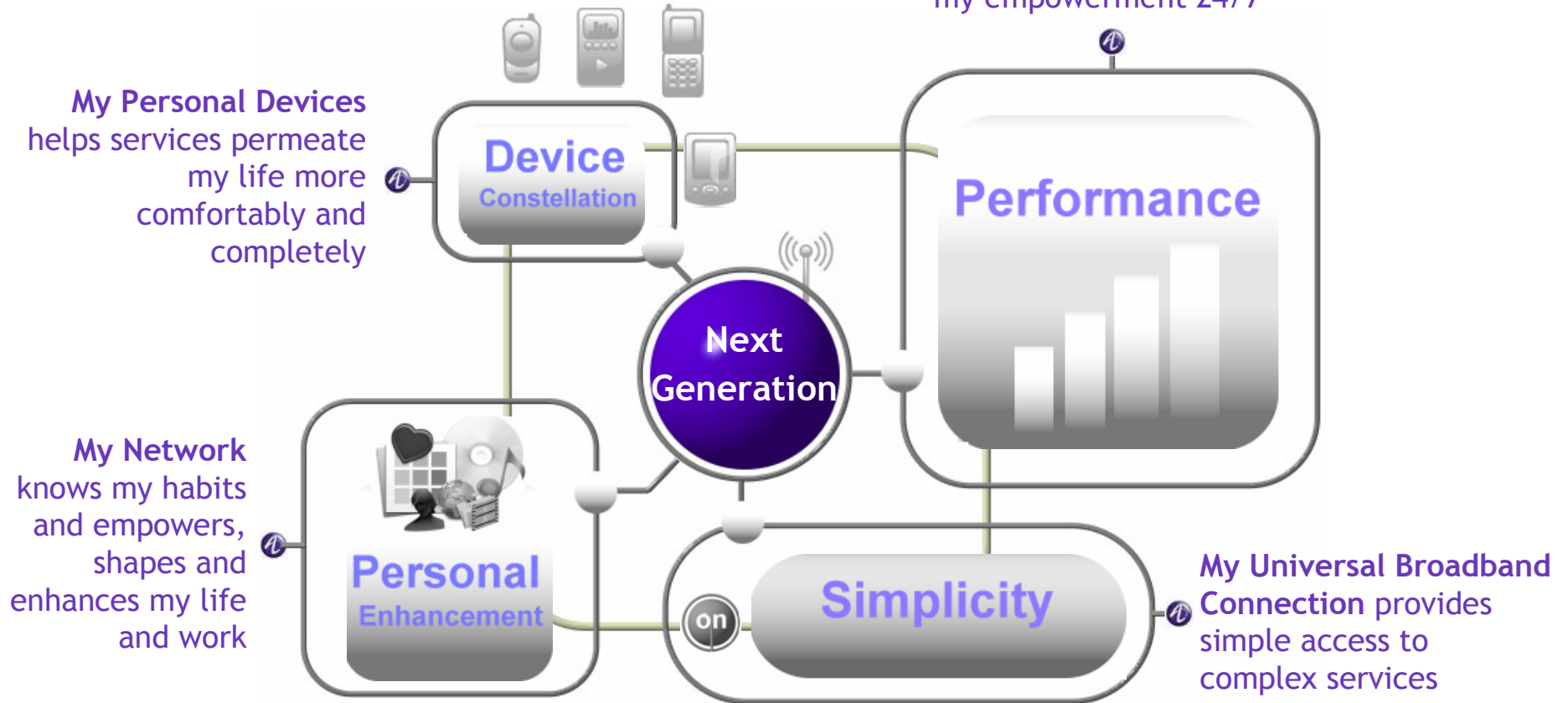
## 2011 Drivers

- Brand Strength
- Diversity of devices
- Unique, diverse & personalized content choices
- Alternative pricing plans (bundles, advertising) to accommodate diverse needs
- Drivers do not change

The industry is evolving from “Can you hear me now” to “Can you see me now”.

# Alcatel-Lucent's Next Generation Wireless Vision

Herculean Networks with Streamlined Architectures enable my empowerment 24/7



## Key Takeaways

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- Significant opportunities for growth exist for the Mobile Industry
- End user behaviour trends lead to interactive, personalized and high-resolution communication
- Digitization is driving adjacent markets and wireless domain towards convergence and increased data usage
- These forces are transforming wireless services from basic data services to content/media rich experiences that are blended and personalized
- To capture the growth and enable service transformation, competitive network evolution is necessary

The image features a blue background with a fine grid pattern. A bright, glowing light source on the right side creates a lens flare effect, with light rays and curved lines radiating across the scene. The URL 'www.alcatel-lucent.com' is centered in white text.

[www.alcatel-lucent.com](http://www.alcatel-lucent.com)