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EXCERPT: Europe to See Huge Growth in Mobile Broadband Services despite Recession

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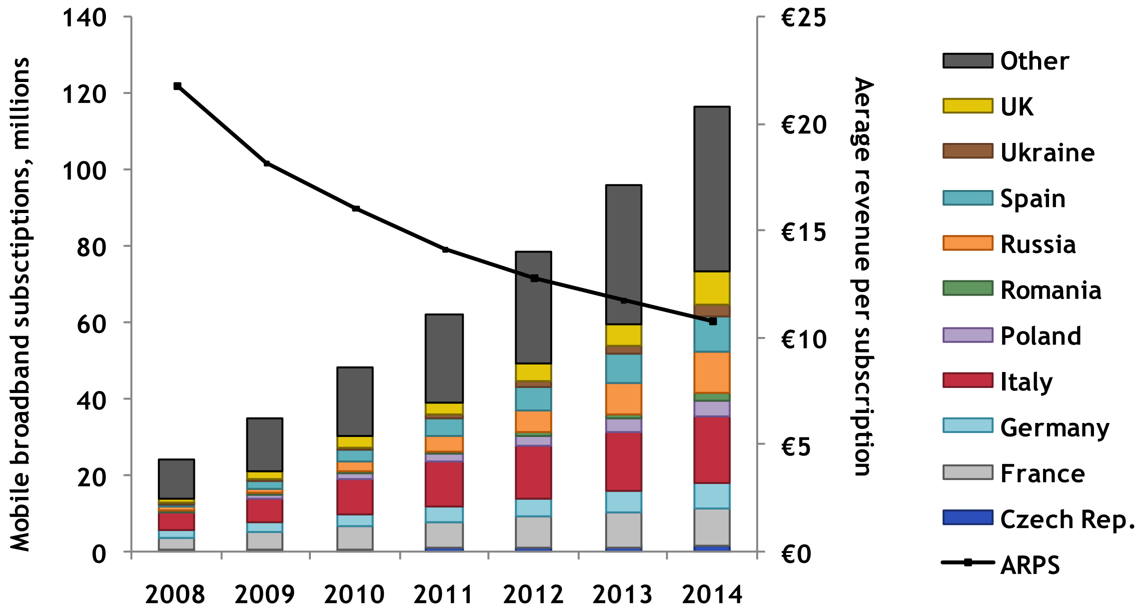
Telecom Insider report overview

High-speed mobile data access is clearly gaining popularity across Europe. More than 10.7m new mobile broadband connections were added in the region in 2008, compared with 6.5m in 2007. Both mobile and fixed operators have now joined the mobile broadband race, and mobile broadband offerings are now available in almost every market in Europe. In 2008 we even saw the introduction of prepaid mobile broadband, which is proving to be a huge success, especially as home and business budgets tighten.

We believe that in spite of the economic slowdown, mobile broadband adoption will continue to grow relentlessly across Europe. Driving adoption will be improved availability and quality, boosted by the introduction of 3G+ and 4G, expanding device selection and usability, and the gains mobile networks are making in affordability and pricing compared with fixed networks. We project that the number of European mobile broadband users will reach 116.6m in 2014, up from 24.3m in 2008. In 2008, mobile broadband revenue made up only 2.6% of total mobile service revenue; by 2014 it will have more than doubled to 6.9%.

This Telecom Insider analyzes the growth potential of mobile broadband computing in Europe, focusing on the three main factors affecting adoption: Networks, user devices and pricing. It looks in detail at the four markets that best represent the different regions of Europe: Poland, Russia, Spain and the UK.

Mobile broadband subscriptions and ARPS in Europe, 2008-2014



Source: Pyramid Research

Key findings

- Thanks to the right conditions existing in Europe — including the wide availability and high quality of mobile broadband, attractive pricing and user-friendly devices — the number of European mobile broadband users will reach 116.6m in 2014, up from 24.3m in 2008.

- As prices decline and prepaid options become widely available, mobile broadband ARPS in Europe will decline from €21.82 to €10.78 between 2008 and 2014. At the same time, as the improving affordability of services attracts an extra 90m users, revenue will reach a whopping €13.8bn in 2014, up from €5.0bn in 2008.

- Prepaid mobile broadband is expected to be popular in most markets. In Western Europe prepaid mobile broadband will be preferred as an addition to fixed broadband, while in some CEE countries it will provide a viable alternative to basic fixed broadband offerings.

Table of exhibits

Companies mentioned in this report

3 UK
Asus
BSkyB (Sky)
BT
Comstar
Dell
Deutsche Telekom
Era
France Telecom
Hewlett-Packard
Huawei
Hutchinson
Jazztel
Lenovo
MegaFon
Movistar Spain
MTS
MTS Ukraine
NetCom
Ono
Orange Poland
Orange Romania
Orange UK
P4 (Play Mobile)
Plus GSM
PTC
R Cable
Scartel
Si.mobile
Sibirtelecom
Simyo
Skylink
Svyazinvest
Talk-Talk
Tele2
TeleCable
Telefónica O2 UK
Telefónica Spain
Telekom Austria
Telenor
Telesystems of Ukraine (PEOPLEnet)
T-Mobile Germany
T-Mobile Poland
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Pyramid Research (www.pyr.com) offers actionable solutions to the complex demands our clients face in the global telecommunications, media and technology industries. Our analysis is uniquely positioned at the intersection of emerging markets, emerging technologies and emerging business models, powered by the bottom-up methodology of our market forecasts for more than 100 countries — a distinction that has remained unmatched for nearly 25 years. As the telecom research arm of the Light Reading Communications Network, Pyramid Research works with Heavy Reading to provide the communications industry's most comprehensive market data, trusted research and insightful technology analysis.

Related resources

Recent products from Pyramid Research

Western Europe Mobile Data Forecasts, Q1 2009
Forecasts published March 2009
Updated on a quarterly basis, our Mobile Data Forecast products provide complete pictures of demand trends for 16 geographical markets in Western Europe. The Excel output includes five years of historical data and five years of market projections for metrics such as penetration, mobile subscriptions (by type of package, by operator or MVNO and by network technology), users of specific data services (SMS, music, etc.), MOU, ARPS (by operator, by subscription type, by service, by application) and revenue (by messaging and non-messaging applications). The Forecasts are based on extensive field research and use a consistent methodology, aiming to capture the total spending on mobile data services in each market.

Mobile Broadband Computing Services: Complement or Substitute for Fixed Broadband?
Research Report published March 2009
This report examines mobile broadband services enabled by 3G and WiMAX networks on a global, regional and market-by-market basis, focusing on service plans offered for computing devices (mainly netbooks, laptops and MIDs). It assesses the positioning of mobile broadband relative to fixed alternatives, helping to identify the best strategies for both developed and emerging markets. Built on extensive case studies, the report provides a five-year outlook on mobile broadband computing trends, including subscriber numbers, penetration levels and revenue expectations.

Mobile Enterprise Services: Growth in Data Services Provides Resilience in Difficult Market
Telecom Insider published March 2009
Despite slowing revenue growth, Pyramid Research expects the enterprise market in a sample of seven European countries — Austria, the Czech Republic, Germany, the Netherlands, Poland, Romania and the UK — to reach 37.5m subscriptions in 2013, up from 33.9m in 2008. This Telecom Insider examines the mobile enterprise services market in Europe, focusing on the economic environment, overall mobile market trends, business segment developments and the impact on revenue and technology adoption by business and subscription types. The report includes case studies of the following markets: The Czech Republic, Germany, Poland and the UK.

Central & Eastern Europe Fixed Communications Forecasts, Q1 2009
Forecasts published March 2009
Updated on a quarterly basis, our Fixed Communications Forecast products provide a complete picture of wireline voice and data communications in each of 8 Central & Eastern Europe markets. The Excel output includes five years of historical data and five years of market projections for metrics such as demographics and economic trends, penetration of broadband and narrowband lines, Internet users, business users, voice telephony lines, VoIP, PCs, IPTV and revenue. We believe our Fixed Communications Forecasts are superior because they capture granular data gathered through extensive field research and use a thorough methodology consistently applied to all markets.

Upcoming 3G/WiMAX Auctions to Trigger a Broadband Access Revolution in Latin America
Telecom Insider published April 2009
In 2009, 3G or WiMAX auctions will take place in Argentina, Brazil Chile, Mexico, Peru and Venezuela. We believe these spectrum auctions are essential stepping stones for the further development of broadband in the region and will contribute to overall growth in broadband subscription penetration. This Telecom Insider analyzes the impact of the upcoming auctions on the competitive environments and the expansion of broadband services in Latin America. The report includes case studies examining three markets in more detail: Chile, Brazil and Mexico.

Fiber in the Last Mile: Best Practices, Adoption Trends and the Impact of the Economic Downturn
Research Report published December 2008
This report examines the deployments of FTTx networks in Asia-Pacific, North America and Western Europe, by both telecom incumbents and competitive broadband network operators. Built around extensive case studies, our analysis covers broadband strategies, services, operational and financial performance and best practices. It compares FTTC/VDSL2 networks, GPONs and P2P fiber networks, and provides a five-year outlook on fiber adoption trends, all in light of the ongoing global economic contraction.