

Perspectives on the emerging wireless market

Broadband speeds, devices power wireless business

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Analysts:

Karen Brown
Matt Stump

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Issue: Results from AT&T demonstrate that rising usage and ARPU associated with data services are powering economic growth in the wireless category, as a new breed of do-it-all handsets encourages consumers to embrace new applications and functionality.

Background: AT&T has reported a huge disparity in revenue contribution from iPhone 3G customers (\$95/month) vs. its traditional postpaid customer base (\$59/month), a sign that the right combination of devices, services and price points can propel impressive gains. "Wireless data is the industry's best growth area today and for the future," Paul Roth, President, retail sales and service, AT&T Mobility and consumer markets said Nov. 20 at a Morgan Stanley investor conference in Barcelona.

Implications: New entrants and established players in the wireless sector must recognize how the playing field is being redrawn as data services transform the category. The challenge for carriers is to broaden the user base and fine-tune data service pricing to appeal to a wide market even as they contend with challenges in assuring that network performance remains robust as traffic demand rises.

ABOUT THE AUTHORS



Karen Brown, Director, Industry Intelligence
karenb@onetouchintelligence.com

Karen Brown has been tracking broadband communications technologies since 1999, when she joined *Cable World* magazine as associate technology editor. She has since monitored and reported on emerging technologies in the cable, Internet and wireless communications sectors for leading business publications including *Multichannel News*, *Wireless Week* and *CED Magazine*. She joined One Touch Intelligence in 2006.



Matt Stump, Vice President, Communications Intelligence
matts@onetouchintelligence.com

Matt has been covering the media and entertainment industries for 28 years. He began his career as a reporter and editor for *Broadcasting Magazine* in 1980, covering the fledgling cable industry. He worked for *Cable World* from 1990–2000, first as national affairs editor, then as editor and publisher of *On Demand* magazine from 1994–96, then as editor for *Cable World* from 1996–2000.

He served as technology editor at *Multichannel News* from 2000–2006. He joined One Touch Intelligence as VP, Communications Industry Intelligence in May 2006, and developed the ONETRAK service for launch in October 2006.

Stump is a frequent moderator at industry events and has been quoted in national newspapers and on CNBC.

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