

## The Great debate – Are the mobile networks at risk of a meltdown?

~ Steve Nicholson, CEO at The Cloud discusses the capacity crunch affecting the mobile internet ~

Five years ago the thought that we could be on the move accessing applications such as You Tube or Facebook, or watching TV or listening to music using our mobile phones was no more than a dream – today it's a reality.

If we take a step back and assess the journey of the mobile phone over the past few years it has been nothing short of epic. It has progressed from a piece of technology for the modern business person to a consumer must-have and can't-do-without item. A mobile phone is no longer just for making calls or for sending texts. Apple, Google and traditional stalwarts of the mobile industry like Nokia are increasingly adding sophistication and functionality that turns our phones into multi-media entertainment devices - capable of watching TV, listening to streamed music, downloading films and even playing high quality interactive games.

The majority of TV broadcasters are making their TV programmes available via the internet / their iPlayers - thus starting the process of enabling people to watch TV using their mobile phones. Facebook has over 350 million active users and YouTube we are viewing over 1 billion video clips on You Tube each day and over 2.5 billion photos via Facebook each month with a clear and increasing trend to do so using our mobile phones. There are many more examples that culminate in a massive surge in our collective demand for bandwidth hungry Internet services that are slowly beginning to outstrip the available capacity on traditional mobile networks.

Curiously, just as we finally have a mobile internet service, we strongly suspect lurking not too far in the future is a real threat that mobile operators simply will not have the required capacity nor economic capability to meet our ever growing demand for such services. Therefore do not be surprised when you hear the busy tone or suffer from the line dropping as demand outstrips the available capacity. The good news is that there is a growing recognition within the mobile industry that this scenario is very real and that alternative solutions must be found.

For those of you who use WiFi it should be abundantly clear that it provides a far better medium to connect to the Internet and a very credible alternative to an expensive cellular connection. However the majority of mobile operators make it as difficult as possible for people to connect over WiFi – the exception unquestionably being the highly successful Apple iPhone which has WiFi as the phones default setting falling back to 3G if WiFi is not available.

We surmise that as consumer demand for mobile internet services grows so will the pressure on mobile operators to offer flat rate tariffs. There is a real need for pricing plans that the public can easily understand - without limitation on how the internet can be used and for what duration. In our opinion the complexity of current mobile tariffs will be replaced one way or the other. The Cloud is at an advanced stage of developing a simple application called FastConnect – removing the complexity of connectivity to WiFi and enabling unlimited access to our network for a small flat rate charge per month. We believe this initiative will act as a further catalyst to bring better and faster services to the public in 2010.

To conclude, we do not believe the public has any interest in what type of network they use to connect to the internet – they just want to connect easily and cheaply and then to receive a brilliant mobile internet service – if such a service is not available via their current mobile operator we speculate people will vote with their feet. It's not a case of simply wait and see - mobile operators are under immense pressure and if their networks are not able to cater for demand we could find ourselves on the road to a full scale mobile meltdown.