

Europe will soon walk the talk with "walkie-talkie"

STOCKHOLM - 23 February 2004. Push-to-talk is a "walkie-talkie-type" service implemented over mobile networks. US operator NexTel first introduced the service on their iDen network almost ten years ago and the service has since its introduction shown impressive growth in popularity and created quite a buzz in the mobile industry.

In the latest white paper from Northstream, one of the world's leading independent mobile analysts, the technical and service related mist is cleared around push-to-talk and it points to a quite positive market outlook.

European mobile operators have yet to offer such a service, and there are two main issues around this; Firstly, the business opportunity as such, including positioning, pricing and user attractiveness. There are indeed very attractive aspects of push-to-talk, and if positioned and priced correctly it will likely create traffic and revenue growth rather than confusion or cannibalisation. The second issue is technical as there has been scepticism regarding the feasibility of providing Push-to-talk over the European GPRS networks. Northstream has studied whether the network infrastructure i.e. GSM/GPRS radio technology, can meet the requirements generated by Push-to-talk services.

So, how does push-to-talk perform over different packet networks then? According to Ericsson Research, their Instant Talk PoC system, based on OMA specifications*, shows an equal performance over GPRS, WCDMA and CDMA2000 networks. Results from these tests indicate that the central delay/latency question is not a showstopper.

Other telecom vendors are quoting similar research results. The figures are promising and suggest a performance very close to Nextel's successful iDEN service. The results show that GPRS networks can, if tuned correctly, be used for push-to-talk implementations.

"From this, one can conclude that the radio technology used is not the determining factor for a successful deployment of push-to-talk." says Bo Åström, strategic advisor at Northstream. "A key determining factor for the commercial success is however the operators ability to tune and deliver the service from an end-to-end perspective is. Deployment requires expertise in the entire service delivery chain including service networks, core networks, radio networks, terminals and the push-to-talk service packaging itself." says Mr Åström.

Northstream expects that European push-to-talk service launches will take place during the second part of 2004, but points out that there are still a few challenges to overcome to make these launches successful.

*In the autumn of 2003, Ericsson Motorola, Nokia and Siemens submitted their jointly defined PoC (Push-to-talk Over Cellular) specifications to OMA to facilitate multi-vendor interoperability for Push To Talk products.

About Northstream:

Northstream provides strategic technology and business advice to the global wireless industry. Northstream has assembled a multinational team with some of the world's best experts and analysts on wireless communication business and technology. Northstream's list of clients includes several of the world's leading operators and system suppliers as well as some of the leading investment banks and financial institutions. For more information please visit us at: www.northstream.se

For more information please contact:

Bengt Nordström
Tel : +46 705 58 47 09
bengt.nordstrom@northstream.se

Bo Åström
Tel : +46 702 09 91 35
Bo.astrom@northstream.se

***Meet us in Cannes at the 3GSM World Congress 2004,
Hall 2, Hospitality Suites 3.01 and 3.02.***