

Skype 3G: 5 Million and Counting

2 weeks ago by Richard Martin, Editor in Chief, VON/xchange [0 Comments](#)
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The Skype for 3G application has been [downloaded 5 million times](#) since it was [released earlier this week](#), placing it among the hottest mobile applications ever. The accomplishment was all the more remarkable considering that marketing around the new app, which enables iPhone users to make Skype calls over their 3G connection, from AT&T, rather than Wi-Fi networks only, has been minimal.

Watershed, Rubicon, tipping point: pick your metaphor, but it's clear that the last few weeks have marked a significant acceleration in the spread of mobile VoIP, largely because wireless carriers have given up trying to slow the flood with their thimbles. As I pointed out yesterday, the driver behind AT&T's shift to tiered pricing is less an attempt to relieve congestion on its network than an acknowledgment that mobile data, including mobile VoIP, is the future, and the carriers must grab their slice of the resulting revenue stream while they can.

The first big crack in the dam came back in February, at Mobile World Congress, when Verizon and Skype hooked up to offer [Skype Mobile over Verizon's cellular network](#). That deal "marks a turning point for the mobile and wireless industry – a before-and-after moment that at a stroke renders obsolete the conventional minutes-based business model of incumbent carriers not only in the U.S. but around the world," I wrote at the time.

"We've seen a real change in the attitude of operators around the world" in regard to allowing (or, in this case, supporting) VoIP services on their networks, Skype CEO Josh Silverman said at the press conference in Barcelona, at Mobile World Congress. Skype's partnerships with wireless carriers like 3, in the U.K., "have demonstrated that they make more money when they work with Skype."

Consider some of the other recent developments: Telefonica acquired mobile VoIP provider Jajah, for \$207 million, a bargain-basement price for immediate integrated VoIP service over Telefonica's network. International pre-paid mobile VoIP provider [Vopium](#) said it will offer its overseas mobile VoIP service as a white-label feature for carriers and other service providers. Based in Copenhagen, the company said it expects to announce its first operator partner shortly. AT&T relented and said it would allow Skype to work over its 3G network, a precursor to the iPhone 3G Skype app.

Research firms have caught wind of the inevitable, as well: Juniper Research expects the total number of mobile VoIP users to [exceed 100 million by 2012](#), a number dwarfed by InStat's prediction of 288 million mobile VoIP subscribers by 2013. Morgan Stanley said mobile VoIP traffic will more than double every year at least through 2014. The spread of LTE – a pure data networking technology that doesn't even include a dedicated system for transmitting voice – will only hasten that growth.

Wired.com's Eliot Van Buskirk wrote [a good explainer last month](#), entitled "5 Reasons Cellphones and Mobile VoIP Are Forging an Unlikely Truce."

"No matter how you slice it, mobile VoIP is a battle that's not worth fighting for the carriers," Van Buskirk commented, "and is actually a development well worth encouraging." (The piece also includes a handy chart comparing mobile VoIP providers.)

This is not a development – it's a tsunami. Ride it or get destroyed.

For Carriers, It's Time to Choose VoIP Partners

February 19, 2010 [0 Comments](#)

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It's not the Nazi-Soviet Pact of 1939. It's not even the NFL merging with the AFL, in 1970. But the deal between [Skype](#) and [Verizon Wireless \(VZ\)](#), traditional adversaries whose growth has followed separate but parallel tracks since Skype was founded seven years ago, marks a turning point for the mobile and wireless industry – a before-and-after moment that at a stroke renders obsolete the conventional minutes-based business model of incumbent carriers not only in the U.S., but around the world.

Verizon and Skype [announced a new free application for smartphones](#) that will allow Verizon customers to make unlimited calls using Skype. Called Skype Mobile, the new application will be available in late March, the companies said at Mobile World Congress, the world's largest trade show for the mobile and wireless industry, in Barcelona.

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Russ Shaw, the general manager of Skype's mobile business unit, elaborated in an interview with VON: "It's a significant milestone, because up until today many carriers would look at us and say, 'We won't work with Skype.' They see us as a potential threat. But with Verizon and ourselves coming up with this agreement to work together, now many more carriers are going to have to pause and rethink their strategy."



The crepes are extra.

Indeed, what happens next is almost certainly an elaborate mating dance as other major carriers queue up to make partnerships with other VoIP providers, not only Skype, but the dozens of startups that have sprouted over the last few years.

Cross-Border Pacts Proliferate

While the Verizon-Skype alliance marks the first time a major U.S. incumbent has chosen to partner with a VoIP provider, it is hardly the first of such cross-border pacts.

“Skype on Verizon is another manifestation of a growing shift, in which this kind of cooperation between incumbents and providers will continue to grow,” said Polycom CTO and co-founder Jeffrey Rodman, in an e-mail.

Two years ago, in one of the first major acquisitions of a VoIP startup by an established carrier, [BT Group \(BT\)](#) acquired VoIP provider Ribbit. And last month [Telefonica \(TEF\)](#), a major Euro telco, finalized its purchase of U.S. VoIP startup Jajah.

Earlier this month, [Comcast Corp. \(CMCSA\)](#), the nation’s No. 1 cable provider, agreed to purchase privately held VoIP provider [New Global Telecom Inc.](#) That purchase will mark the first major acquisition of a VoIP provider by a top-tier cableco. Based in Golden, Colo., NGT had previously announced a series of private-label deals, under which it supplies branded VoIP services to operators like American Broadband Inc.

Verizon-Skype Deal To Open Up Networks

February 19, 2010 [0 Comments](#)

Posted in [Articles](#), [Business & Finance](#), [VoIP](#), [IP telephony](#), [Hosted Voip](#), [Verizon](#), [Carrier business](#), [Skype](#), [Competitive service providers](#), [Mobile & Wireless](#), [Mobile Voip](#), [Software & Applications](#), [Google Voice](#)

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It’s important to note that Skype calls will travel over Verizon’s circuit-switched 3G network, not the Internet, and customers must have a Verizon voice and data plan to use the service. Skype calls on Verizon, then, are not technically free, but they will not count against the customer’s pool of minutes.

Asked if Skype will make money off the application, CEO Josh Silverman said, “Sure we’re going to.”

The question, then, becomes, when will other carriers take the leap, and with whom?

In late 2009 [AT&T \(T\)](#) said it would allow VoIP applications to run across its cellular network, not just Wi-Fi, for the first time. The carrier had previously blocked IP-based voice apps for the iPhone from running on 2G and 3G networks in the past, including Skype and, famously, Google Voice. AT&T has not, however, announced a partnership with a VoIP provider. It will now likely be forced to.

[Google Inc. \(GOOG\)](#) last month said it has produced a Web app that functions like Google Voice on the iPhone – several months after [Apple \(AAPL\)](#) and AT&T effectively banned the popular voice, call management and text message service from the device. That app, though, does not include free VoIP calls; calls made through Google Voice on the iPhone are still charged to the user’s cellular calling plan.

To read the full, in-depth article on our sister site, [VON](#), [click here](#) or on the source link below.

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Global Smartphone Market Grows 57%

Posted By: [Ryan Kairer](#) Friday, May 07, 2010 9:28:19 AM

Growth of the worldwide converged [mobile device](#) market (commonly referred to as smartphones) more than doubled that of the overall mobile phone market in the first quarter, a sign the segment is in high-growth mode again. According to the International Data Corporation (IDC) Worldwide Quarterly Mobile Phone Tracker, vendors shipped a total of 54.7 million units in the first quarter of 2010 (1Q10), up 56.7% from the same quarter a year ago. In contrast, the overall [mobile phone](#) market grew 21.7%. Converged mobile devices accounted for 18.8% of all mobile phones shipped in 1Q10, up slightly from 14.4% in 1Q09.

The [smartphone](#) market's growth is impressive too when contrasted to the 38% growth in the fourth quarter, which is typically the strongest of the year. This demonstrates the tremendous potential of the market and the depths to which it plunged in the first quarter of last year.

"2010 looks to be another year of large-scale consumer adoption of converged mobile devices," says Ramon Llamas, senior research analyst with [IDC's Mobile](#) Devices Technology and Trends team. "Consumers will gravitate to smartphones not just because the devices themselves look 'cool' and 'slick', but because the overall experience aligns with their individual tastes and demands. Users are seeking – and finding – experiences that are intuitive, seamless, and fun. Already, we've seen what Palm's webOS and Google's Android can do. This year, we expect updates for BlackBerry, Symbian, and Windows Mobile to spark greater smartphone demand with their offerings."

Mobile Market Outlook for 2010

Kevin Restivo, senior analyst with IDC's Worldwide Mobile Phone Tracker, said higher smartphone sales this year will be a result of greater awareness, increasingly affordable data plans, and the global economic recovery. "More consumers are aware of smartphones now due to positive referrals from friends and family and manufacturer's mass media campaigns," said Restivo. "Coupled with increased confidence on the part of consumers, these factors will create a perfect storm of demand for suppliers this year."

Top Five Smartphone Vendors Q1 2010

Nokia firmly maintained its position as the leading smartphone vendor worldwide during 1Q10. In addition to introducing several new models – the C3, C6, and the E5 – Nokia announced its first Symbian^3 model, the N8. This, and other Symbian^3 devices, are expected to launch in the fourth quarter of this year. According to CEO Olli-Pekka Kallasvuo, Symbian^3 will be more intuitive and fun for end users, and on par with other competitive offerings available on the market.

Research In Motion kept its position as the number two smartphone vendor worldwide on continued growth of its popular BlackBerry devices. Key to its success were its BlackBerry Curve 8520 and BlackBerry Bold 9700, as well as stronger consumer adoption. Co-CEOs Mike Lazaridis and Jim Balsillie recently unveiled the company's [new BlackBerry](#) OS 6.0, which promises a smoother and more interactive user interface.

Apple more than doubled its shipments from a year ago, with more iPhones arriving outside its home territory of North America. CEO Steve Jobs announced the latest [operating system](#) update, enabling multi-tasking, folders, enhanced email, iBooks for consumers, and iAd, a mobile advertising platform, for developers. A fourth generation iPhone is expected to arrive this summer.

HTC posted high double-digit growth to start off the year, driven primarily by its growing stable of Android-powered products including the Hero, Droid Eris, and MyTouch. The company shows no signs of slowing down, having announced several new devices, including the first WiMAX Android phone, the EVO 4G, slated to launch later this year. HTC also remains committed to Windows Mobile devices, with the HD2 receiving a warm reception and Windows [Phone](#) 7 devices expected to launch before the end of the year.

Motorola, having stormed back into the smartphone space in the fourth quarter of 2009, followed up with a new milestone in its short history of shipping Android devices. Now that the DROID and CLIQ (known as the Milestone and DEXT respectively outside the United States) both have a full quarter of availability, the company followed up with six additional devices. The company expects to launch 20 different models and ship 12–14 million Android smartphones this year.

Top Five Converged Mobile Device Vendors, Shipments, and Market Share, Q1 2010 (Units in Millions)

| Vendor | 1Q10 Volumes | 1Q10 Market Share | 1Q09 Volumes | 1Q09 Market Share | 1Q10/1Q09 Change |
|-----------------------|--------------|-------------------|--------------|-------------------|------------------|
| 1. Nokia | 21.5 | 39.3% | 13.7 | 39.3% | 56.9% |
| 2. Research In Motion | 10.6 | 19.4% | 7.3 | 20.9% | 45.2% |
| 3. Apple | 8.8 | 16.1% | 3.8 | 10.9% | 131.6% |
| 4. HTC | 2.6 | 4.8% | 1.5 | 4.3% | 73.3% |
| 5. Motorola | 2.3 | 4.2% | 1.2 | 3.4% | 91.7% |
| Others | 8.9 | 16.3% | 7.2 | 20.6% | 23.6% |
| Total | 54.7 | 100.0% | 34.9 | 100.0% | 56.7% |

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Worldwide Mobile Phone Sales Grew 17% in Q1 2010

Posted By: [Ryan Kairer](#) Monday, May 24, 2010 2:26:04 PM

Worldwide [mobile phone sales](#) to end users totalled 314.7 million units in the first quarter of 2010, a 17 per cent increase from the same period in 2009, according to Gartner, Inc.

Smartphone sales to end users reached 54.3 million units, an increase of 48.7 per cent from the first quarter of 2009. Among the most successful vendors were those that controlled an integrated set of [operating system](#) (OS), hardware and services.

"In the first quarter of 2010, smartphone sales to end users saw their strongest year-on-year increase since 2006," said Carolina Milanese, research vice president at Gartner. "This quarter saw RIM, a pure smartphone player, make its debut in the top five [mobile devices](#) manufacturers, and saw Apple increase its market share by 1.2 percentage points. Android's momentum continued into the first quarter of 2010, particularly in North America, where sales of Android-based phones increased 707 per cent year-on-year.

Growth in the mobile devices market was driven by double-digit growth of smartphone sales in mature markets, helped by wider product availability as well as mass market price tags. "Increasing sales of white-box products in some emerging regions, in particular India, also drove sales of [mobile phones](#) upward. We expect sales of white-box products to remain very healthy for the remainder of 2010, especially outside of China," said Ms Milanese.

The first quarter also saw some movement outside the top five mobile handset vendor rankings (see Table 1), Hong Kong-based manufacturer G-Five made its debut into the top 10, grabbing 1.4 per cent of market share in the first quarter of 2010. The rise of white-box manufacturers from Asia has also helped the "others" section, as a proportion of overall sales, increase its market share to 19.20 per cent in the first quarter of 2010, up 2.7 percentage points. "This is having a profound effect on the top five mobile handset manufacturers' combined share that dropped from 73.3 in the first quarter of 2009 to 70.7 per cent in the first quarter of 2010," said Ms Milanese.

Worldwide Mobile Terminal Sales to End Users in 1Q10 (Thousands of Units)

| Company | 1Q10 Units | 1Q10 Market Share (%) | 1Q09 Units | 1Q09 Market Share (%) |
|-------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|
| Nokia | 110,105.6 | 35.0 | 97,398.2 | 36.2 |
| Samsung | 64,897.1 | 20.6 | 51,385.4 | 19.1 |
| LG | 27,190.1 | 8.6 | 26,546.9 | 9.9 |
| RIM | 10,552.5 | 3.4 | 7,233.5 | 2.7 |
| Sony | | | | |
| Ericsson | 9,865.6 | 3.1 | 14,470.3 | 5.4 |
| Motorola | 9,574.5 | 3.0 | 16,587.3 | 6.2 |
| Apple | 8,359.7 | 2.7 | 3,938.8 | 1.5 |
| ZTE | 5,375.4 | 1.7 | 3,369.6 | 1.3 |
| G-Five | 4,345.0 | 1.4 | | |
| Huawei | 3,970.0 | 1.3 | 3,217.9 | 1.2 |
| Others | 60,418.1 | 19.2 | 44,972.2 | 16.5 |

| | | | | |
|--------------|-------------------|--------------|-------------------|--------------|
| Total | 314,653.50 | 100.0 | 269,120.10 | 100.0 |
|--------------|-------------------|--------------|-------------------|--------------|

In the first quarter of 2010, Nokia's mobile [phone](#) sales to end users reached 110.1 million units, a 1.2 per cent decline in market share year-on-year. Although Nokia's midtier products sold well, Nokia lacks a high-volume driver in the high-end. "MeeGo based devices and other high-end products will not rejuvenate Nokia's premium portfolio until the end of the third quarter of 2010 at the earliest, and Nokia will continue to feel pressure on its average selling price (ASP) from vendors such as HTC, RIM and Samsung," said Ms Milanese. The reorganisation announced last week demonstrated that Nokia is trying to streamline the reporting process to deliver results quickly, which we believe shows its recognition of the pressure it faces from investors.

Samsung sold 64.9 million devices in the first quarter of 2010, an increase of 26.3 per cent year-on-year. Samsung was one of the five vendors in the top10 vendors ranking to grow its market share, which increased by 1.5 percentage points year-on-year. Samsung saw healthy margins in the first quarter of 2010 and was also able to grow its presence in developing markets such as India and the Commonwealth of Independent States.

RIM's mobile phone sales reached 10.6 million units in the first quarter of 2010, a 45.9 per cent increase year-on-year. RIM is making its debut into the top five worldwide mobile handset manufacturers ranking. RIM's focus this quarter was centred on its ecosystem strategy, its tightly integrated control of store, OS and device played to RIM's strengths.

Sony Ericsson sold enough units to remain in the top five mobile handset manufacturers, but its market share declined 2.3 percentage points in the first quarter of 2010. The channel held some inventory for Sony Ericsson in the first quarter of 2010 as some new products reached the channel late into the quarter. One of Sony Ericsson's most important future differentiators is its relationship with its parent company, Sony. This partnership, combined with Sony Ericsson's ownership of the strongest portfolio it has had since 2007, place it well to lead the trend toward increasingly connected consumer devices.

The first quarter of 2010 was Apple's strongest quarter yet, which placed the company in the No. 7 position with a 112.2 per cent increase in mobile devices sales. "Growth came partly from new communication service providers in established markets, such as the UK, and stronger sales in new markets such as China and South Korea," said Ms Milanese. "The second quarter of 2010 will be a very important one for Apple. We expect that Apple will present its new iPhone in June during its Worldwide Developer [Conference](#), which will be the first to feature the latest release of the iPhone OS that includes welcome improvements for developers and users, such as multitasking."

In the smartphone OS market, Android and Apple were the winners in the first quarter of 2010 (see Table 2). Android moved to the No. 4 position displacing Microsoft [Windows Mobile](#) for the first time. Both Android and Apple were the only two OSs vendors among the top five to increase market share year-on-year. Symbian remained in the No. 1 position but continued to lose as Nokia remains weak in the high-end portfolio.

Smartphones accounted for 17.3 per cent of all mobile handset sales in the first quarter of 2010, up from 13.6 per cent in the same period in 2009.

As seen with the iPad and web books based on Google's Android platform, mobile OS ecosystems are developing and will move beyond smartphones to continue to deliver consumer value and a rich user experience," said Roberta Cozza, principal research analyst at Gartner.

*Worldwide **Smartphone** Sales to End Users by Operating System in 1Q10 (Thousands of Units)*

| Company | 1Q10 Units | 1Q10 Market Share (%) | 1Q09 Units | 1Q09 Market Share (%) |
|-----------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|
| Symbian | 24,069.8 | 44.3 | 17,825.3 | 48.8 |
| Research In Motion | 10,552.6 | 19.4 | 7,533.6 | 20.6 |
| iPhone OS | 8,359.7 | 15.4 | 3,848.1 | 10.5 |
| Android | 5,214.7 | 9.6 | 575.3 | 1.6 |
| Microsoft Windows Mobile | 3,706.0 | 6.8 | 3,738.7 | 10.2 |
| Linux | 1,993.9 | 3.7 | 2,540.5 | 7.0 |
| Other OSs | 404.8 | 0.7 | 445.9 | 1.2 |
| Total | 54,301.4 | 100.0 | 36,507.4 | 100.0 |