

15% or 40% WiMAX Share Could Hinge on Capital Markets

Posted January 23, 2009 by Gary Kim - Comments (0)

Whether WiMAX winds up being a 15-percent share or a 40-percent share of market might hinge on developments in the credit markets, in particular as it affects the fortunes of smaller and independent providers, says Paul Obsitnik, BridgeWave SVP.

Most observers think Clearwire is going to get the funding it requires, one way or the other. But "if credit markets stay frozen for 18 to 24 months," it could be another matter. Of course, we might all agree that if that happens, we are all going to have problems bigger than WiMAX availability.

"If I had to bet, I'd say LTE will be the market share leader," says Obsitnik, a prediction just about anybody would admit is the likely outcome, given the embrace Long Term Evolution has gotten by the global GSM mobile industry and even users of CDMA platforms.

"But WiMAX will have a good chunk of the fourth-generation business," Obsitnik says.

"On WiMAX side, the big challenge is that it is difficult to build that much infrastructure very fast."

But Obsitnik says mobile broadband is a huge opportunity. "Every operator I've talked to sees a big usage explosion when unlimited plans are instituted," he says. Some report that their demand is growing 100 percent every six to eight weeks.

The obvious challenge is to monetize that usage. "With full mobile broadband, all you can eat is an issue," he notes. In a sense, Clearwire is unfettered because it is not cannibalizing a big installed voice base or existing mobile data revenue streams, he says.

That will make it easier to market plans where multiple devices can use a single bucket of usage, as voice and text messaging now are offered as part of family plans.

"We add value by providing ability to assist the scaling of networks more effectively," Obsitnik says. TDM and SONET operations are an issue for cellular operators, who need to be careful about cutting over networks to IP. That's why BridgeWave allows mobile operators to run both TDM and IP simultaneously, and then gradually shift, when LTE is a real-world commercial issue, he says.

I do think mobile side of the house is following the fixed line pattern, Obsitnik says. "First voice drives the model, then email, then Web, then video," he says.

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