



HOT TELECOM

Research • Consulting • People



IPX
**What customers
think and want**
Executive Summary

June 2013

Introduction

The IP eXchange or IPX, envisaged by the GSMA as the preferred way to interconnect all IP based service providers globally, is finally coming to the marketplace. However, little is known about what current and potential customers are thinking regarding IPX, how they plan to use it, what services and features they really want and when they plan to start their migration from existing platforms and services onto an IPX ecosystem. Through the course of this report, the third in HOT TELECOM's IPX report series, we aim to demystify what customers think and want when it comes to IPX. The study was conducted through detailed interviews and an online survey with over 70 service providers from all industry segments and regions.

Key Findings

During the course of our survey and interviews, we were able to clarify service providers' points of view relating to many key IPX issues, which are explained in detail in the report. This executive summary provides some of the highlights of our findings.

Status of IP migration

The migration of internal networks to a consolidated IP core is a key first step towards establishing end-to-end IP services and a large portion of the service providers we polled confirmed that they were well on the way to complete this migration – with 57% saying they were planning this before the end of 2013.

Status of TDM to IP migration

The migration of voice traffic from TDM to IP is another important step in the IP migration journey of a service provider and here again, we can see that this is well underway for most types of operators, although the complexities of international termination will push back the completion date through the end of the decade in some cases.

Satisfaction with International service providers

Overall, service providers are quite satisfied with both their voice and data International providers, with some variance by operator type. Mobile Operators, for instance, were the least satisfied.

IPX migration plans

IPX is steadily making its way into service providers' roadmaps, with 81% of the respondents stating that they had some plans over the next 3 years to start migrating their services to IPX.

Important IPX features and services

Guaranteed quality and capacity are seen as two of the most important features offered by IPX, while LTE roaming support is seen as an important capability.

Important factors when choosing an IPX provider

Service providers were then asked to identify the most important factors when choosing an IPX provider. Their responses indicated that global reach is by far the most important factor – and, of interest to new providers, prior dealings with the IPX Provider was seen as very low importance. Only 3% mentioned this as being a key factor.

IPX Interconnection preference

An important element of IPX is how service providers are planning to interconnect to it and reach their B-end partners. It is clear from our interviews and survey results that service providers are looking to interconnect with only a handful of IPX service providers to cover all their voice, signalling, roaming and data needs.

Advanced services launch plans

The next question sought the planned timescales for deployment of a range of advanced services in their network. It is clear from the results that a large portion of the Mobile service providers are planning to have launched VoLTE and HD Voice services by the end of 2014.

Factors delaying the use of IPX

Out of a range of 10 possible factors, the respondents were asked to choose the most important reason for delaying the use of IPX. The common agreement was that service providers had no immediate need for IPX and were happy with the current service they were receiving from the International providers at this point in time.

What is making IPX adoption difficult

The last question in our survey identified the main problems faced when considering migration to IPX and it was clear here again that the lack of clear cost/benefit case was the main reason that most operators found IPX adoption difficult.



More information

Our IPX report based on **interviews and surveys with over 70 IPX customers** provides an in-depth view of what customers really think about IPX.

The objectives of this report are to:

- Define the current status of service providers' IP migration as a whole
- Validate what service providers understand of IPX and how they define it
- Identify the services and features customers really need and want
- Determine what is important for customers when choosing their IPX providers
- Understand what are the main factors delaying the use of IPX for operators not already using it and what makes migration difficult
- Define the differences in service providers' opinions and needs based on their region of operation and core service offering

Who should purchase this report:

- **IPX providers** seeking to understand what IPX customers want and need in order to tailor their offering to meet their expectations and increase their chance of success in each segment and region.
- **IPX customers** seeking to understand what other IPX customers are thinking and their experience and opinion.
- **IPX vendors** seeking to understand the needs of IPX customers and their plans when it comes to migrating to IPX to help service launch and to acquire a detailed understanding of each of the segments' peculiarities.

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For more information or to order this report, please contact us at:

Tel: +1 514 270 1636
e-mail: sales@hottelecoms.com

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About the authors



Isabelle Paradis

Isabelle has worked for 20 years in the telecoms industry. Her personal experience ranges from International Wholesale through to Business Strategy, Marketing and Product Management along with extensive research and consulting experience. She has worked across all continents and has lived in North America, Europe and Asia.



Steve Heap

Steve is a senior telecom executive with 30+ years experience leading companies from small technology start-ups to global service providers. He is a recognized expert in voice services and VoIP, Internet backbones and IP services, optical and submarine networks with significant additional experience in operations.

For more information contact:

HOT TELECOM:

t: +1 514 270 1636

f: +1 215 701 7537

e: info@hottelecoms.com

w: www.hottelecom.com

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