

MWC 2009: The Austerity Congress?

With three years to go, there is already talk of the 2012 Olympics being another 'austerity games'. In less than a fortnight, the mobile industry has its annual gathering in Barcelona. Will this be the 'austerity congress'?

Opinions seem divided on the impact of the downturn on the mobile industry. Back in September an optimistic Ovum report suggested that there has been little impact from the crunch to date and that the usual competitive and regulatory pressures were of greater concern than limited consumer cash.

Two months later the report's author, Emeka Obiodu, recognised that the European market was beginning to suffer but still concluded on a high note: "Mobile services have become the de-facto consumer communication tool of choice, and with... the opportunities enabled by high-speed mobile data services, there is still money out there to be made in the mobile market."

Unfortunately he doesn't say how that money is to be made, but lessons from previous slumps suggest two possibilities. One option is to look for new revenue from existing assets. Successful software can be quickly ported on to new platforms, and much of the existing sales and marketing collateral can be carried over, creating a new revenue stream with minimal investment. With platforms such as iPhone continuing to attract new users, now may be the time to look at entering that market.



The second option is to invest in innovation. With consumers and businesses alike tightening their belts, products and services that offer increased efficiency or entertainment on a budget have a good chance of success. Think of the mobile equivalent of video rentals or takeaway pizzas, both businesses that boom when people are short of cash. In the business sector look at cut-rate phone services, or systems that track and trim travel expenses. Maybe you have an idea that would appeal to the budget-conscious?

News Links:

- Ovum: [Mobile network operators' revenues undented by credit crunch](#)
- Comms Dealer: [Mobile network operators in Europe hit by credit crunch](#)
- Disruptive Analysis: [Mobile Broadband in 2009: 'Credit Crunch' and 'Capacity Crunch' demand new business models](#)