

7. Conclusions

The market study described in this report and in UMTS Forum Report No. 9 has introduced a logical and consistent framework for categorising 3G services. Detailed revenue forecasts for each service category have resulted in an estimate of the total market demand for 3G services worldwide.

A conservative approach has been taken when forecasting potential revenues that will be retained by 3G network operators and services providers. Price models and service adoption rates consistent with those accepted in the market today for analogous services have been used throughout. No premiums have been imposed for the delivery of 3G mobility. Substantial price declines have been assumed as services mature.

The revenue forecasts only include services for which a demonstrable demand and a reliable pricing and adoption rate analogue exist today. Entirely new services will be enabled by 3G, but estimates of their revenue contribution can only be speculative. Such speculation has been avoided in this market study by omitting any revenue contribution from radical new services. The revenue forecasts resulting from this study, therefore, represent a readily achievable goal based on today's experiences – they are a floor rather than a ceiling.

Despite this conservative approach, the study paints an optimistic picture of the revenue potential for 3G services. Even with the assumption that less than one third of cellular subscribers will be on 3G networks by 2010, the cumulative revenue potential for mobile services providers over that period is over one *trillion* dollars when Simple Voice is included, and \$800 billion if it is not.

Significant market demand has been identified for compelling 3G services in this study. Forecast revenue growth assumes current estimates for commercialisation of 3G networks. Co-ordinated deployment of 3G functionality could dramatically accelerate this revenue growth. The market's expectations are for worldwide roaming capability for next generation mobile services.