

Capitalizing on Wi-Fi for Fast-Growing Mobility in the Middle East Mobile Data Offload Can Save Mobile Operators Millions

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The world is going mobile, and the Middle East is no exception. Two examples recently studied by the [Cisco® Internet Business Solutions Group \(IBSG\)](#) are Saudi Arabia and the United Arab Emirates (UAE). In both countries, there are more mobile subscriptions than people — the Saudi Arabian mobile subscription rate reached 181 percent of the population in 2012, while the mobile subscription rate in the UAE surpassed 159 percent. Mobile data is a big part of this growth, accounting for nearly half of UAE mobile subscriptions. In Saudi Arabia, wireless broadband subscriptions reached 11.7 million in the third quarter of 2012 — more than five times the number of landline broadband subscriptions. The fast-growing number of smartphone and tablet broadband connections is projected to consume more than 1.1 exabytes of data in Saudi Arabia, and 677 petabytes in the UAE, by 2017.

This growth threatens to overload the capacity of regional mobile operators, who may be struggling to ensure availability of high-speed packet access (HSPA) and long-term evolution (LTE) spectrum. Wi-Fi could hold a solution, transforming wireless Internet access by offering higher speeds, improved security, and more availability on almost any connected device.

Demand for Wi-Fi is growing fast. International Data Corporation predicts that the number of home access points (APs) globally will reach a quarter-billion by 2014, compared with 154 million in 2011. The [Cisco Visual Networking Index \(VNI\)](#) projects that global IP traffic transmitted over Wi-Fi will represent 46 percent of all IP traffic by 2015.

Globally, mobile operators are expected to drive Wi-Fi growth through accelerated technology adoption. Because of this, service providers must consider Wi-Fi a key pillar of their broadband strategies to increase revenues and decrease costs. In recently published white papers, we discuss four business models that can help operators in the [UAE](#) and [Saudi Arabia](#) provide Wi-Fi to achieve maximum results: 1) direct Wi-Fi service to end users, 2) indirect Wi-Fi service through third parties, 3) wholesale Wi-Fi service to other mobile operators, and 4) mobile data offload.

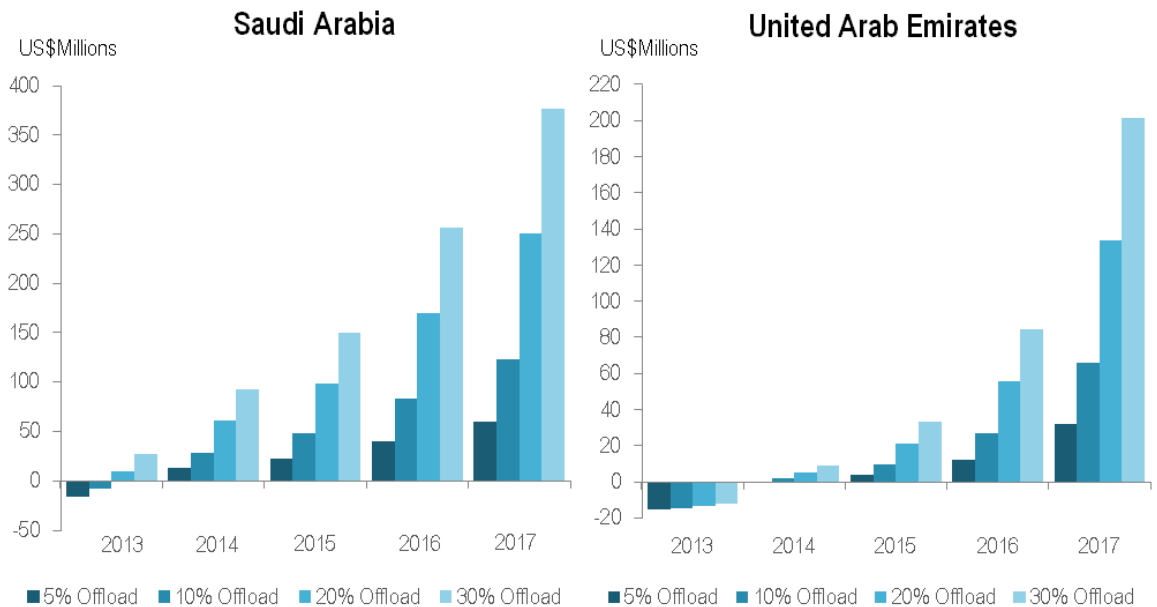
 Cisco Internet Business Solutions Group (IBSG)

Mobile Data Offload Can Reduce Costs, Improve Service

The fourth business model, mobile data offload, offers mobile operators a tremendous opportunity to optimize capital and operational expenditures, and improve the user experience. It is a viable alternative for serving mobile broadband users in crowded locations such as shopping malls, where spectrum availability for HSPA and LTE mobile access networks is limited. In addition, mobile data offload will give operators the opportunity to reduce data costs, allowing them to accelerate adoption and increase market share.

Cisco IBSG calculated cost reductions operators can expect between 2013 and 2017 under four offloading schemes (see Figure 1). The results showed significantly greater savings as the percentage of mobile data offload increased. This model can help mobile operators in the Middle East reduce HSPA and LTE infrastructure costs by roughly 26 percent — or \$901 million in Saudi Arabia and \$316 million in the UAE.

Figure 1. Savings from Mobile Data Offload for Saudi Arabia and UAE Operators Under Various Offloading Scenarios.



NOTE: Under some scenarios, savings may be in the negative for the first year due to significant Wi-Fi infrastructure rollouts.

Source: Cisco IBSG, 2013

To optimize the benefits of Wi-Fi investments, operators should take a strategic approach, with user experience and long-term efficiency in mind. The approach would include:

- Creating a detailed business model
- Conducting a network assessment
- Selecting the right indoor and outdoor Wi-Fi locations

Further benefits of mobile data offload — including recommendations on which Wi-Fi business models and technologies will help support Middle East operators’ strategies and maximize their investments — are discussed in two new white papers from Cisco IBSG. For details, please download “[Wi-Fi for Saudi Mobile Service Providers: Offloading Mobile Data Traffic to Wi-Fi Can Save Saudi Operators up to US\\$901 Million](#)” and “[Wi-Fi for UAE Mobile Service Providers: Offloading Mobile Data Traffic to Wi-Fi Can Save UAE Operators up to US\\$316 Million](#).” While the research is specific to the Middle East, the principles can be applied more broadly to other geographies.

More Information

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