

Data key driver of UK mobile market; could overtake voice by 2017

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The UK's mobile phone market will see a continued decline in voice revenues over the next five years, as intense competition continues to push prices lower, finds Ovum.

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According to new figures from the independent telecoms analyst's mobile regional and country forecast pack 2010-15, revenues generated in the UK through voice services will fall from £13 billion** at the end of 2009 to just under £9.5 billion, by 2015.

At the same time, there will be healthy growth in revenues generated from data services, with an increase from £6.6 billion in 2009 to £8.4 billion by 2015, particularly led by the demand for mobile broadband.

However, while the increase in revenues from data services will offset the decline in voice revenues slightly, overall total UK mobile revenues will decline from £19.7 billion in 2009 to £17.6 billion by 2015. This is despite total connections increasing from 79 billion in 2009 to 84.8 billion and is in stark contrast to the picture in the US, where revenues will increase from £102.8 billion to £117.6 billion, over the next five years.

Steven Hartley, an Ovum principal analyst, said: "Data is now a key driver of the mobile market and revenues will continue to grow steadily. By 2015 there will be a much narrower gap between the revenues from voice and data and if data continues to grow at the same rate, it will overtake voice in 2017.

"It is a reflection on the way the market is moving; voice services have become commoditised, while demand for access to the internet on the move has grown rapidly."

**Ovum is one of the Datamonitor group of companies.*

***The £/R rate of exchange at time of publication was £1/R11.01.*