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Two new iGR studies forecast the Global CapEx and OpEx Benefit of Mobile LTE infrastructure virtualization

Studies describe implementation details and benefits of both Mobile LTE EPC and RAN virtualization

AUSTIN, Texas, December 6th, 2013 – Mobile network virtualization is a hot topic in the wireless industry, especially after a major U.S. operator recently announced that it was moving towards a fully virtualized network. However, there is still considerable lack of knowledge as to what constitutes mobile virtualization and how it will be implemented by mobile operators. To answer these questions, iGR has recently completed two major studies that fully define mobile virtualization and its potential impact.

Two types of mobile network virtualization can be used by mobile operators. One type of virtualization, Mobile EPC virtualization, extends into the EPC - the evolved packet core that is unique to LTE networks. The other type of mobile virtualization, mobile RAN (radio access network) virtualization, involves splitting the conventional base station into a Remote Radio Head (RRH) or Remote Radio Unit (RRU) and a pooled group of baseband processors, referred to as a BTS hotel.

Mobile EPC virtualization requires that the EPC functions and processes be recreated using off-the-shelf hardware and then deployed in a data center. A virtualized EPC could be used to provide additional core capacity to a legacy EPC for a mobile operator or could be used by a third party to provide services to a specific group of customers.

With a mobile RAN virtualization architecture, mobile network operators can place RRH/RRUs where required and then connect them to the baseband unit via fiber optic. The baseband units are located in a convenient data center. In a metro market, for example, the baseband units serving multiple RRH/RRUs can be co-located, pooled and could use standard hardware, hence reducing cost, improving reliability and easing maintenance. The pooling would allow lightly and heavily loaded RRH/RRUs to be load-balanced across the pool.

“Both mobile EPC and RAN virtualization provide significant cost savings through reduced CapEx and OpEx,” said Iain Gillott, president and founder of iGR, a market research consultancy focused on the wireless and mobile industry. “In addition to these savings benefits, the EPC solution also provides easier scaling to meet capacity needs, the ability to target specific services to certain market segments, and flexibility in how the virtualized EPC is deployed for different business needs. The RAN solution also potentially provides improved spectrum utilization by using RRHs as small cells, increased flexibility of the RAN, and increased capacity and performance of the overall network with intelligent switching of the baseband units and RRH.”

iGR’s two new market research reports, *Global Mobile LTE EPC Virtualization Forecast, 2013-2017: Impacts and Benefits* and *Global Mobile LTE RAN Virtualization Forecast, 2013-2017: Benefit of the BTS Hotel*, discuss the potential impact of mobile virtualization, the potential benefits both in terms of CapEx and OpEx to operators deploying LTE, and the global implications. The reports forecast the potential CapEx and OpEx savings at the global level and for each of the following six regions: North America, Latin America, Europe, Middle East and Africa, Asia-Pacific, and Japan.

The following key questions are addressed in the new research studies:

- What is mobile EPC virtualization and mobile RAN virtualization?
- What types of mobile EPC and RAN virtualization exist and how do they differ?
- What are the current standards efforts and industry groups associated with mobile virtualization?
- What is the relationship between virtualization of the EPC, SDN and NFV?
- How is a virtualized EPC implemented?
- What is the potential opportunity for BTS hoteling?
- What are the strengths, weaknesses, opportunities and risks associated with both types of mobile virtualization?
- What new business models are enabled by mobile virtualization?
- How much are the mobile operators expected to spend globally on LTE EPCs and RAN in terms of CapEx and OpEx?
- What are the potential savings associated with mobile LTE virtualization for the world’s mobile operators (by region) in terms of CapEx and OpEx?
- What is the potential impact of mobile virtualization on the mobile infrastructure OEMs such as Alcatel-Lucent, Ericsson, Cisco, Nokia Solutions & Networks, Samsung, ZTE and Huawei?
- What are the opportunities for new virtualized EPC vendors such as Connectem?

The information in these reports will be valuable for:

- Mobile network operators and MVNOs
- Mobile infrastructure OEMs
- Mobile EPC vendors and OEMs
- Small cell vendors and OEMs
- Virtualization software and solution vendors
- Financial analysts and investors.

The new reports can be purchased and downloaded directly from *iGR*'s website at www.igr-inc.com. Alternatively, contact Iain Gillott at (512) 263-5682 or at Iain@IGR-inc.com for additional details.

About iGR

iGR is a market strategy consultancy focused on the wireless and mobile communications industry. Founded by Iain Gillott, one of the wireless industry's leading analysts, in late 2000 as *iGillottResearch*, *iGR* is now entering its thirteenth year of operation. *iGR* continuously researches emerging and existent technologies, technology industries, and consumer markets. We use our detailed research to offer a range of services to help companies improve their position in the marketplace, clearly define their future direction, and ultimately improve their bottom line.

iGR researches a range of wireless and mobile products and technologies, including: smartphones; tablets; mobile applications; bandwidth demand and use; small cell architectures; DAS; LTE; WiMAX; VoLTE; IMS; NFC; GSM/GPRS/UMTS/HSPA; CDMA 1x/EV-DO; iDEN; SIP; macro-, pico- and femtocells; mobile backhaul; WiFi and WiFi offload; and SIM and UICC.

A more complete profile of the company can be found at www.igr-inc.com.