

T-Mobile Czech Republic

Fixed on success with wireless



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Today's competitive and transformative communications environment means that even market leaders have to make bold moves not just to stay at the top, but to stay in the game. And Deutsche Telekom subsidiary T-Mobile Czech Republic is no exception. The mobile operator's Executive Director B2C Dusan Svalek explains how Fixed Wireless Access (FWA) in the form of WTTx can plug a connectivity gap in the nation of nearly 11 million and open up new business models in readiness for 5G.

By Gary Maidment



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– Dusan Svalek, Executive Director B2C CMO, T-Mobile Czech Republic



Quality gap

With nearly 6.2 million subscribers under its belt, T-Mobile Czech Republic enjoys a decisive market lead.

In the first three quarters of 2017, it grew its user base by 128,000 and kicked up revenues by a healthy 3.2 percent. However, according to Svalek there’s still plenty of opportunity for growth, “A lot of broadband coverage is either mediocre, with low speeds, low-quality, or, I would say, based on obsolete technologies like Wi-Fi.” Indeed, the surge in home device connections and blind spots are providing a substandard Wi-Fi experience for many, while all-you-can-eat data plans and the rise in competing technologies like LTE-U and FWA are challenging the wireless stalwart’s popularity.

Svalek explains that a lack of fixed infrastructure in the Czech Republic is creating a quality gap that fast movers in the mobile domain can exploit, “Other players haven’t been investing heavily in future-proof fixed broadband technologies like FTTH [and so] broadband penetration isn’t at acceptable

levels.” He goes on to state the surprisingly large opportunity this presents given that, “The product offering for over 40 percent of the population isn’t very good.” Therefore, agrees the company’s Innovation Manager Jan Fiser, “It’s logical for us to migrate those users to WTTx because of higher margins compared to reselling DSL.”

Shifting to fixed

T-Mobile Czech Republic has its eye on FWA technology – specifically Huawei’s WTTx solution – as the key to bridging the quality gap, a bold move considering that FWA is uncharted waters for most mobile operators. Though FWA in form, in practice it’s more like a fixed offering, “I don’t think it’s a wireless product in the nature, in quality, and in the sales processes,” explains Svalek.

For a mobile operator, sailing into fixed territory requires a change in mindset and operations. “It’s not a trivial thing for the mobile frontline to start selling fixed products,” Svalek says. “It requires transforming everything behind it, starting from training, the incentive system, and steering

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mechanism, because the provisioning process is completely different from mobile.” He points out that in the FWA scenario, provisioning an outdoor antenna takes about two weeks, unlike the immediacy of mobile provisioning. For T-Mobile Czech Republic, that means restructuring the frontline, something that Svalek concedes “is not easy, but not unbeatable.”

FWA goes urban

FWA generally suits SMEs and homes in rural areas and emerging markets that lack the fixed infrastructure to deliver broadband using fiber, copper, or hybrid schemes. It uses wireless technologies such as 4G or 5G to connect base stations to fixed wireless terminals, which provide backhaul capabilities for customer premises equipment (CPE). FWA’s major selling point is that it connects the disproportionately expensive last-mile at a far cheaper rollout cost than FTTH. It’s also faster to deploy and incurs less OPEX.

T-Mobile Czech Republic is planning to expand FWA deployment in the nation’s bigger cities, including Prague, targeting pockets of population that aren’t well-covered by existing infrastructure – an approach that brings with it challenges. Covering densely populated areas with FWA with

high population density is tricky. You have to really think twice how much capacity you have for the given zones or given regions,” explains Svalek. Poor planning will fail to bring to bear FWA’s competitive advantages against both Wi-Fi and xDSL, the network technologies it’s competing against, especially in, he says, “low-speed DSL areas or areas saturated with DSL.”

According to the operator’s FMC Director Juraj Bona, FWA also delivers another clear OPEX advantage, “It’s utilizing our network, which is sometimes not fully utilized.” And this isn’t just confined to under-served urban areas. “It gives high and quick access to rural areas where customers also demand high-speed Internet,” says Bona.

Despite its advantages, the cost of CPE is a major factor when deploying FWA at scale. Svalek warns that, “CPEs are sometimes prohibitively costly, especially for Czech households.” CPEs serve as wireless gateway routers for LTE-based, high-speed data services. For its FWA project, T-mobile Czech Republic is continuing its long-term partnership with Huawei, having selected Huawei’s flexibly mounted outdoor CPEs, which provide LTE connections of up to 600 Mbps downlink and

150 Mbps uplink, 4x4 MIMO, and 5G capabilities.

Two differentiators

Alongside the tech, Svalek knows that experience sits at the heart of subscriber loyalty, “We’re keen to differentiate with our quality of service and customer care, including taking care of all household telecom needs,” he says, proceeding to give two examples of how the operator plans to keep consumers happy.

This first is tariff. T-mobile Czech Republic will offer unlimited data in conjunction with a speed-based tariff for FWA services. “You have to bring in a tariff that addresses customer pain points,” says Svalek. In this case, his rationale goes back to FWA as a fixed product, “Without unlimited tariff, i.e. with the introduction of FUP (Fair Usage Policy), you wouldn’t be clearly positioning against other fixed product where non-FUP is a standard in the Czech market. So if you want to conquer the fixed product market, you have to structure the product in the fixed-line domain.”

Additionally, he’s clear that brand equity plays a strong role, “That’s why FWA as a technology, and consequently the tariff, can have success, because it’s a higher-quality product that’s provided by a major telco operator. That in itself is something that customers in the Czech market value,” Svalek says.

The second differentiator that T-mobile Czech Republic offers is services, “We’ve done a major shift in our portfolio...We upgraded our mobile portfolio completely, and also launched new products, including new broadband services,” he says. One such product is IPTV, an area where

T-Mobile Czech Republic earned pioneer status in Q2 2017, becoming the first operator ever to launch the service over a wireless network, outpacing fast-movers like America, Japan, and Korea. Svalek also mentions that the operator is considering the viability of 4K TV in the future, but is pragmatic in that the viability of ultra-high def depends on a number of factors, “Throughput, stability, the utilization of our existing network capacity...If these conditions allow for it, we’d love to use 4K. 5G may enable it, but it’s more like a, I would say, 5-year horizon.”

5G, of course, is still on the operator’s radar. “We’re definitely looking at it quite closely. We’re working on up to 10 groups of use cases... like the automotive industry and especially mHealth,” says Svalek. “We’re also thinking big about what to do with 5G on the IoT side.”

5G FWA

As a mobile broadband add-on, FWA is an excellent choice for connecting homes and enterprises that lack FTTH infrastructure. When it’s rolled out, 5G will take service provision and low-latency to a level that can easily compete with high-capacity fixed solutions, with network tech like beamforming and Massive MIMO enabling better coverage at higher frequencies.

Right now, technological progress in the 4G arena positions FWA as a sustainable choice for T-Mobile Czech Republic to try something new when it comes to coverage, services, and revenues – something that will consolidate its current leadership and pave the way to a fully connected future. [www](#)