



Islander July 2013

Technology Update

The predicted use of video on data networks is happening right now and at a pace that defies logic.

We've been hearing for a long time how video was going to be the biggest traffic generator on our data networks. I mentioned it in 2008, in this column, when we started predicting the future Capacity Crunch. If you thought that was panic talk by the big vendors trying to sell more equipment to handle the video explosion then think again. It's happening right now and at a pace that defies logic.

YouTube has announced that it has hit an incredible milestone of 1 billion unique monthly visitors. This represents 15 per cent of the population of the planet watching videos using YouTube.



Those global fan communities are watching more than 6 billion hours of video each month on YouTube; almost an hour a month for every person on earth and 50 per cent more this year than last.

Evidently the growth has come from the corporate world. It's no longer just the user-generated content that is accounting for this steep growth. It seems that the corporate world has not only discovered YouTube, it has embraced it. YouTube reports that media companies like Time Warner, The Chernin Group, Bertelsman, Discovery Communications and Comcast have all made significant investments in companies that create, aggregate or service content for YouTube in the last 12 months.

I think this does represent another shift in the way we prefer entertainment to be delivered to us. Will YouTube challenge the existing network TV and cable providers? YouTube seems to think so. I would agree that we are getting used to, and like, having entertainment delivered via data connections on our laptops, tablets or PCs. However I don't think YouTube will challenge all the existing TV networks as the networks are delivering their content via data networks as can be seen with services such as iPlayer from the BBC. BBC iPlayer already serves 7 Petabytes of bandwidth per month. I explain below what that means and, subsequently, how you can watch the full iPlayer here.

YouTube says it is seeing "a myriad of brands increasing their media spend, building channels, and discovering first-hand that the interactions they have with their fans on YouTube drive

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engagement.” I wonder how long it will be before YouTube starts charging?

What’sUp at WhatsApp?

So following on from the phenomenal growth of YouTube over the last year I also heard this last week that the mobile messaging service WhatsApp announce that it had recently reached 27 billion messages processed in a single 24 hour period!

The company tweeted that it processed 10 billion inbound messages and 17 billion outbound messages. The difference in the figures is due to the inclusion of group messages; meaning one inbound message in a group chat could result in several outbound messages to the other participants.

The new benchmark is a huge increase (50 per cent) on the previous 18 billion record — set on New Year’s Eve 2012 — when there were seven billion inbound and 11 billion outbound messages.

WhatsApp CEO Jan Koum recently said that the company has more than 200 million active monthly users, making it larger than Twitter. The service supports iOS, Android, Windows Phone, BlackBerry, Asha and Symbian platforms.

The company has signed up with several operators and recently partnered with Nokia to offer a physical WhatsApp button on the Asha 210 feature phone.

WhatsApp and its fellow Over-The-Top (OTT) messaging players (Viber, Apple iMessage, LINE, Nimbuzz) have seen huge growth in recent years.

Over-The-Top messaging describes the delivery of messages that simply uses the broadband service available and it is not tied to a service provider who would control the distribution. Therefore the messaging service works over the top of the built in services. This means the service providers are losing out SMS and call income but I suppose they must also benefit from data use.

However this issue seems to be where WhatsApp and other OTT services are getting into trouble in Saudi Arabia.

Another report I read this week from Reuters, quoting local Saudi papers, states that unless US-based WhatsApp complies with Saudi Arabia’s telecoms regulation, national authorities have plans to block the messaging service.

“We have been communicating with WhatsApp and other similar communication platforms to get them to cooperate and comply with the Saudi telecom providers. However, nothing has come of this

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communication yet,” Abdullah Al-Darrab, governor of the Communications and Information Technology Commission (CITC), told *Arab News*.

CITC reportedly wants to monitor usage of these Over-The-Top (OTT) applications, which steer call and texting revenue away from operators. Details of what OTT compliance actually entails, however, are sketchy.

Viber has already been banned in Saudi Arabia. Skype is also under review. The regulator issued a directive in March saying that Viber, WhatsApp and Skype broke local laws but without saying how.

Latest mobile data growth predictions – the Petabyte world!

Global mobile data traffic expanded by 69 percent in 2012 and is anticipated to grow by another 72 percent in 2013 to reach 23,000 Petabytes. By 2018 total mobile data traffic will likely surpass 131,000 petabytes, according to **ABI Research**.

Does that mean anything to you? Let me explain what a Petabyte is. It is a million Gigabytes or 20 million four drawer filing cabinets filled with text or 13.3 years of watching HD-TV video. Fifty Petabytes is equivalent to the entire written works of mankind!

Based on an ABI Research report, strategic options are available for mobile carriers to better manage the expanding mobile data traffic outlook.

Strategic Network Growth Options – what are they?

Land based network architecture options are available, as mobile operators can optimise their network base station assets to make the best possible reuse of their allocated spectrum. As of 2013 first quarter, only a handful of mobile operators have been fully engaged on a small cell strategy that incorporates Wi-Fi hotspots and small cell 4G LTE base stations.

These land based 4G LTE networks are emerging gradually. We had the first true 4G LTE service from Digicel in Antigua over the winter, and we are promised 4G LTE from Vodafone in Palma any day now!! There are trials taking place in most Med bordering countries.

There is a massive growth in satellite capacity planned with new Ka and new Ku band High Throughput Satellites being launched under the names of Global Xpress from Inmarsat and Epic from Intelsat.

We have run a couple of presentations this last week called Connecting to your Future, which we will run every few months

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