Nokia and WaveMarket Help to Break European GPS Chicken and Egg Quagmire

Contributed by IMS Research
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Clearly GPS was the major talking point at 3GSM this year, with handset manufacturers , such as Nokia and RIM, jumping on board the faster, smaller, more power efficient GPS train. The foremost talking point was Nokiaâ€™s decision to actively integrate GPS in their high end phones as well as making people more aware of LBS as a whole.

Previously in Europe, the old chicken and egg scenario existed between the handset vendors and the operators; to drive uptake of accurate LBS, GPS is required in a large proportion of handsets and visa versa. Nokiaâ€™s announcement at 3GSM appeared to be a cellular Sat-Nav play, skipping a major link in the LBS chain, in the form of operators, and launched with autonomous GPS, rather than waiting for A-GPS to be in place to offer a broad range of location services and improved user experience.

Historically, autonomous GPS in the handset has issues with time to first fix, processing requirements and ultimately power consumption, resulting in a frustrating user experience. Furthermore, GPS in the phone should not be viewed as just a convenient and potentially cost effective alternative to PNDs. To drive the uptake of LBS, consumers need to get away from the GPS equates to Sat-Nav philosophy which currently prevails, when thinking about GPS-enabled handsets. In this situation, the wide-ranging benefits of LBS are removed from the equation. Focusing very much on navigation rather than LBS could hinder the uptake of a myriad of other services that can be offered when operators have the correct assistance infrastructure, services and pricing in place.

In IMS Researchâ€™s report, â€œThe Worldwide Market for GPS in Cellular â€“ 2006 Editionâ€•, handset manufacturers and A Europe are forecast to fill the A-GPS void left by operators in 2007 with autonomous solutions. However, Nokia didnâ€™t get to where they are today by standing on operators toes. In fact, Nokia may well have found an ideal (and possibly the only) way of kick starting LBS in Europe without having assistance technology on the majority of networks.

IMS Research Analyst, Patrick Connolly said â€•Todayâ€™s announcement with WaveMarket illustrates that Nokia is looking beyond the short term gain of Sat-Nav via a handset and is looking to work with operators on other location services. By initially focusing on just navigation, Nokia can meet current consumer demand and expectation, while also providing a platform for a broad array of location servicesâ€•.

He went on to say, â€œNokia is essentially offering a similar service package and user experience to what is already on offer from other ASPs such as Telmap and Wayfinder. Furthermore, the issues associated with autonomous navigation are not as poignant for navigation as consumers accept a relatively long TTFF. Problems with power consumption are also easily rectified in-car. There is still plenty of room for the operator to expand beyond navigation as and when they get an assistance technology up and running. Despite the current optimism and hype in the industry, IMS Research still believes that 2008 rather than 2007 will be the real breakout year for LBS in Europe. When it does arrive, Nokia will have a broad portfolio of handsets already in place and a tidy navigation business bringing in additional revenues all the while.â€•

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