

Critical Capabilities for U.S. Wireless Telecom Providers

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Gartner scores services from four major U.S. cellular providers by assessing the capabilities most valuable to midsize and large companies. Mobile service and procurement managers can create shortlists using our ratings on enterprise-scale voice, mobile data and mobility management services.

Key Findings

- Enterprise buyers will find that in today's U.S. wireless telecom market, network geographic coverage, capacity, quality and service plan structures that align with typical usage are more valuable differentiators than price levels, core network technology, or contract terms and conditions.
- National wireless carriers, in deploying 4G Long Term Evolution (LTE), are also freeing up or enhancing voice and/or data capacity on their 3G networks.
- All major carriers now offer some form of voice and data pooling or sharing, but may not proactively include them in contract proposals.
- The top wireless telecom providers compete by offering ancillary services, such as cellular mobile device management (MDM) software and outsourced solutions from industry-leading vendors.

Recommendations

- Select providers that can meet your geographic coverage requirements through YE14, because coverage will vary by provider at least that long for use cases requiring LTE-class data throughput and latency, averaging at least a 5 Mbps uplink/2 Mbps downlink and less than 30 milliseconds (ms) of latency.
- Mandate in your RFPs that carriers include price options for data sharing or pooling; Gartner finds that this can cut monthly fees by 30% or more over individual unshared data plans.
- Consider smaller, regional carriers as secondary providers if they have superior service in select locations, such as smaller cities or rural towns.

What You Need to Know

All four U.S. national wireless telecommunications service provider (TSP) facilities-based carriers capable of providing enterprise-grade services, pricing and support are updating their networks to offer 4G LTE network service so that they can improve the available mobile data speeds and latency for users that have updated to LTE smartphones, tablets and aircards. However, none of the carriers expects to support LTE roaming on the others' domestic networks or with international partners before 2014. Each carrier's LTE user devices are typically configured to be incompatible with rival networks. These issues make the new 4G LTE core network technology less of a differentiator than other factors. We recommend that enterprises consider the more important differentiators:

- Overall 2G, 3G/4G network voice and data coverage and capacity
- Mobile data service plan structures conducive to usage and cost optimization
- Support for managing the mobile workforce
- Solutions to support mobile business initiatives, such as mobile ERP or cloud-based productivity applications

As the four major U.S. wireless TSPs expand their 4G LTE networks, the coverage disparities are shrinking:

- AT&T had LTE coverage of a population of nearly 200 million in 1Q13, and projects YE13 LTE coverage of a population of 270 million.
- Sprint Nextel had LTE coverage of a population of 57 million in 1Q13, and projects YE13 LTE coverage of a population of 200 million.
- T-Mobile USA had LTE coverage of a population of 20 million in 1Q13, and projects YE13 LTE coverage of a population of 200 million.
- Verizon had LTE coverage of a population of 287 million in 1Q13, and projects YE13 LTE coverage of a population of 300 million.

Gartner's Critical Capabilities research for service provider evaluations provides criteria to help wireless network service buyers and managers assess the services that best meet their specific organizational and networking requirements. Use the rating and scoring of these providers as part of an objective selection process. Buyers should weight the criteria according to their specific business, technology and operational requirements, and according to the objectives of their mobile strategy and policies.

Analysis

Introduction

Enterprises continue to use mobile telecom to drive business growth, cut costs and support strategic initiatives for the enterprise. The Gartner 2013 CIO Survey found that mobility is the second-highest 2013 priority for CIOs. Gartner's latest Enterprise IT Spending Study indicated that 48% of the companies surveyed consider smartphones a top three IT investment priority for 2013. Additionally, 46% of enterprises plan to go to 100% mobile and laptop use by 2016 (see "Research Presentation for 'Hunting and Harvesting in a Digital World: The 2013 CIO Agenda'"). IT service managers are grappling with evolving use cases that are driven not only by business mobile demands, but also by pressure from employees to choose their own mobile devices for work purposes. As a result, the promise of reliable voice, messaging and mobile data service is no longer enough to satisfy enterprise buyers. They also expect wireless TSPs to offer mobile device and service management solutions, acting as a single-source option for service and products that helps businesses address the costs and complexities of the bring your own device (BYOD) trend.

Cost control also remains a top priority for most IT managers. Newer plan structures for pooling mobile data allotments represent a potential savings of 30% or more over individual tiered plans, but cellular carriers do not always propose these plans proactively. Although international roamers represent less than 10% of overall enterprise cellular subscribers, high roaming costs can create a noticeable spike in monthly expenses. Thus, enterprises are looking to carriers to reduce their rates, or to provide more cost-effective plan structures to cover international usage.

In this Critical Capabilities research, Gartner provides a way for mobile wireless procurement and management professionals to evaluate the national wireless TSPs that are best suited for providing services in the context of several use cases. This research, formerly part of "Critical Capabilities for U.S. Telecom Services," provides a more detailed look at the wireless voice and data product portfolios for national cellular companies supporting mobile and, to a lesser extent, fixed wireless communication services for enterprise-scale customers.

Product Class Definition

Gartner describes the wireless TSPs covered in this research as offering cellular wireless service in the U.S., and as entities providing telecommunication voice and/or data service via mobile or fixed connectivity to cellular networks, including relays to wireline telecommunications networks, to all or a subset of consumers, enterprises, governments and wholesale wireless service providers. The focus of this research is on the carriers' capabilities to provide these and related services to midsize and large enterprises, and it does not cover consumer services and products. However, our evaluation takes consumer providers' select activities into account for evaluation based on specific criteria, such as financial viability and product portfolios.

Critical Capabilities Definition

To help our clients determine which providers can best meet their requirements, Gartner has identified eight critical capabilities:

- **Mobile Voice Services:** These use code division multiple access (CDMA)-based or Global System for Mobile Communications-based networks to provide voice transmission by connecting to other mobile devices, or to desktop phones connected to a LAN or wireline WAN.
- **Short Messaging and Enterprise Messaging:** These are alphanumeric or graphic one- or two-way services to send, receive and display messages to the mobile or fixed devices of individuals or groups. Included are SMS (texting) and Multimedia Messaging Service.
- **Mobile Data Connectivity:** This is packet-based connectivity via a cellular network to digital content and applications that are accessible through fixed and wireless WANs and fixed and wireless LANs (WLANs). This service includes support for mobile Internet and Web access, and for access to corporate- or cloud-based servers and networks for such applications as email and cloud-based software.
- **WLAN Data Connectivity:** This supports the connection of mobile devices to public or corporate WLANs, as a backup for weak cellular signals or to offload data traffic.
- **Hosted Mobile Applications:** These provide access to hosted applications designed for mobile devices so that companies do not have to build their own sophisticated wireless infrastructure. Products include cloud-based software as a service or hosting of internally developed or commercially purchased managed mobility solutions, including MDM.
- **Machine-to-Machine (M2M) Solutions for Mobile Computing:** These provide mobile data connectivity among data-centric devices, typically for a well-defined, limited set of vertical applications, such as telemetry, logistics, financial transactions or mobile health.
- **Mobile Application Gateways/Wireless Application Gateways:** These are the carrier-provided network infrastructures that enable users to maintain their sessions when they move from a mobile network to a corporate network, including wireless carrier-hosted gateways.
- **International Roaming:** This enables customers to make voice calls, send and receive SMS, and make cellular or Wi-Fi data connections when outside the U.S., using the same phone or data device they use domestically.

Use Cases

This research evaluates the capabilities of U.S. wireless telecom providers to participate in four different use cases (see Table 1):

- **Large Enterprise Cellular Only (Including International Roaming):** We define this buyer as a business with 1,000-plus mobile service users that purchase a combination of wireless voice, messaging and data services, plus equipment such as smartphones, aircards and cellular hot spots. This buyer wants national coverage, as well as international voice and data roaming capabilities and options for offloading cellular data use to a private or public WLAN. The buyer typically manages its cellular services internally, but is interested in outsourced solutions such as MDM to address expected growth in cellular data use and potential implementation of BYOD policies.

- **Midsize Enterprise Cellular Only (Domestic Focus):** We define this buyer as a business with anywhere from 500 to 999 corporate-liable cellular voice and data service users, with an occasional need for international roaming. This buyer typically self-manages its cellular services.
- **Distributed Enterprise (Remote and Backup 3G or 4G):** In addition to cellular voice and data service for mobile workers, this buyer may require wireless WAN voice and data connectivity at locations not readily accessible via wireline networks. This group may include workers or facilities in remote locations, or for backup connectivity complementing a wireline network connection.
- **M2M:** This buyer needs a cellular network data connection to support specific mobile workforce applications on generic (for example, tablets) or special-purpose devices, and/or for automated data transmission and measurement between mechanical or electronic devices, including field-deployed devices with sensors or RFID and remotely deployed transactional devices, such as wireless point-of-sale terminals or automated teller machines (ATMs).

Table 1. Weighting for Critical Capabilities in Use Cases

Critical Product Capabilities	Overall	Large Enterprise Cellular Only (Including International Roaming)	Midsize Enterprise Cellular Only (Domestic Focus)	Distributed Enterprise (Remote and Backup 3G or 4G)	M2M
Mobile Voice Services	30.0%	25.0%	30.0%	35.0%	0.0%
Short Messaging and Enterprise Messaging	5.0%	5.0%	8.0%	10.0%	10.0%
Mobile Data Connectivity	35.0%	30.0%	35.0%	30.0%	35.0%
WLAN Data Connectivity	7.0%	8.0%	5.0%	5.0%	5.0%
Hosted Mobile Applications	2.0%	1.0%	2.0%	5.0%	5.0%
M2M Solutions for Mobile Computing	9.0%	10.0%	8.0%	5.0%	45.0%
Mobile Application Gateways/Wireless Application Gateways	2.0%	1.0%	2.0%	0.0%	0.0%
International Roaming	10.0%	20.0%	10.0%	10.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Gartner (May 2013)

Inclusion Criteria

To be considered for inclusion in this Critical Capabilities report, a provider's service must meet all the following criteria:

- Previous year's overall wireless service revenue: More than \$10 billion
- Percentage of network-oriented revenue: More than 80% derived from services such as voice, SMS and mobile data
- Wholesale revenue: Less than 10% of total revenue
- Percentage of enterprise-oriented wireless service revenue: More than 5%
- Enterprise-dedicated sales force: Required

Critical Capabilities Rating

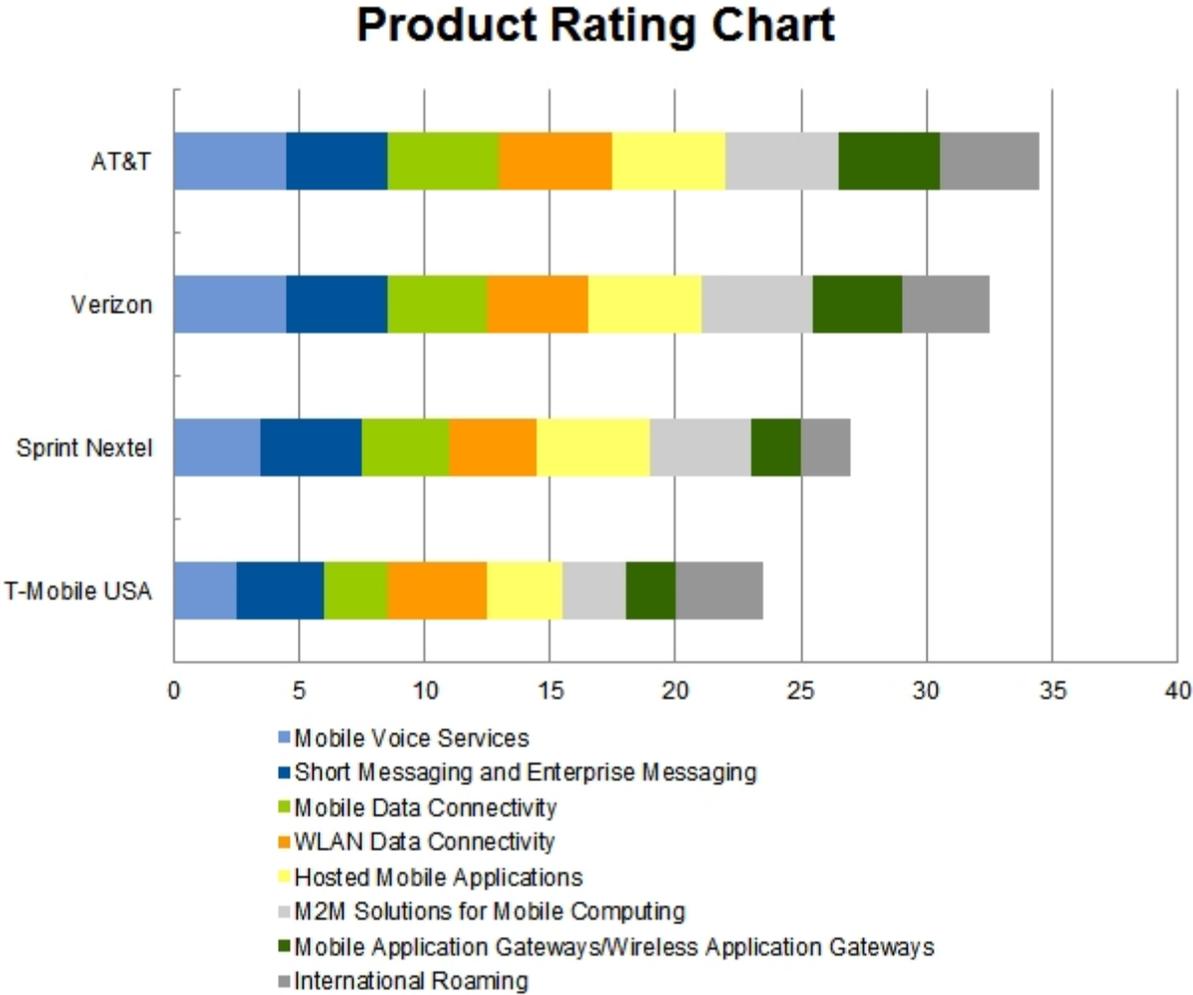
Each product or service that meets our inclusion criteria has been evaluated on several critical capabilities (see Table 2 and Figure 1), on a scale from 1.0 (lowest ranking) to 5.0 (highest ranking).

Table 2. Product Rating on Critical Capabilities

Product Rating	AT&T	Sprint Nextel	T-Mobile USA	Verizon
Mobile Voice Services	4.5	3.5	2.5	4.5
Short Messaging and Enterprise Messaging	4.0	4.0	3.5	4.0
Mobile Data Connectivity	4.5	3.5	2.5	4.0
WLAN Data Connectivity	4.5	3.5	4.0	4.0
Hosted Mobile Applications	4.5	4.5	3.0	4.5
M2M Solutions for Mobile Computing	4.5	4.0	2.5	4.5
Mobile Application Gateways/Wireless Application Gateways	4.0	2.0	2.0	3.5
International Roaming	4.0	2.0	3.5	3.5

Source: Gartner (May 2013)

Figure 1. Overall Score for Each Vendor's Product Based on the Nonweighted Score for Each Critical Capability



Source: Gartner (May 2013)

To determine an overall score for each product in the use cases, the ratings in Table 2 are multiplied by the weightings shown in Table 1. These scores are shown in Table 3.

Table 3. Overall Score in Use Cases

Use Cases	AT&T	Sprint Nextel	T-Mobile USA	Verizon
Overall	4.4	3.4	2.8	4.1
Large Enterprise Cellular Only (Including International Roaming)	4.4	3.3	2.9	4.1
Midsize Enterprise Cellular Only (Domestic Focus)	4.4	3.4	2.8	4.1
Distributed Enterprise (Remote and Backup 3G or 4G)	4.4	3.5	2.8	4.2
M2M	4.5	3.8	2.7	4.3

Source: Gartner (May 2013)

Product viability is distinct from the critical capability scores for each product. It is our assessment of the vendor's strategy, and of the vendor's ability to enhance and support a product throughout its expected life cycle; it is not an evaluation of the vendor as a whole. Four major areas are considered: strategy, support, execution and investment. Strategy includes how a vendor's strategy for a particular product fits in relation to the vendor's other product lines, market direction and overall business. Support includes the quality of technical and account support, as well as customer experiences with the product. Execution considers a vendor's structure and processes for sales, marketing, pricing and deal management. Investment considers the vendor's financial health, and the likelihood of the individual business unit responsible for a product to continue investing in it. Each product is rated on a five-point scale, from poor to outstanding, for each of the four areas, and is assigned an overall product viability rating.

Table 4 shows the product viability assessment.

Table 4. Product Viability Assessment

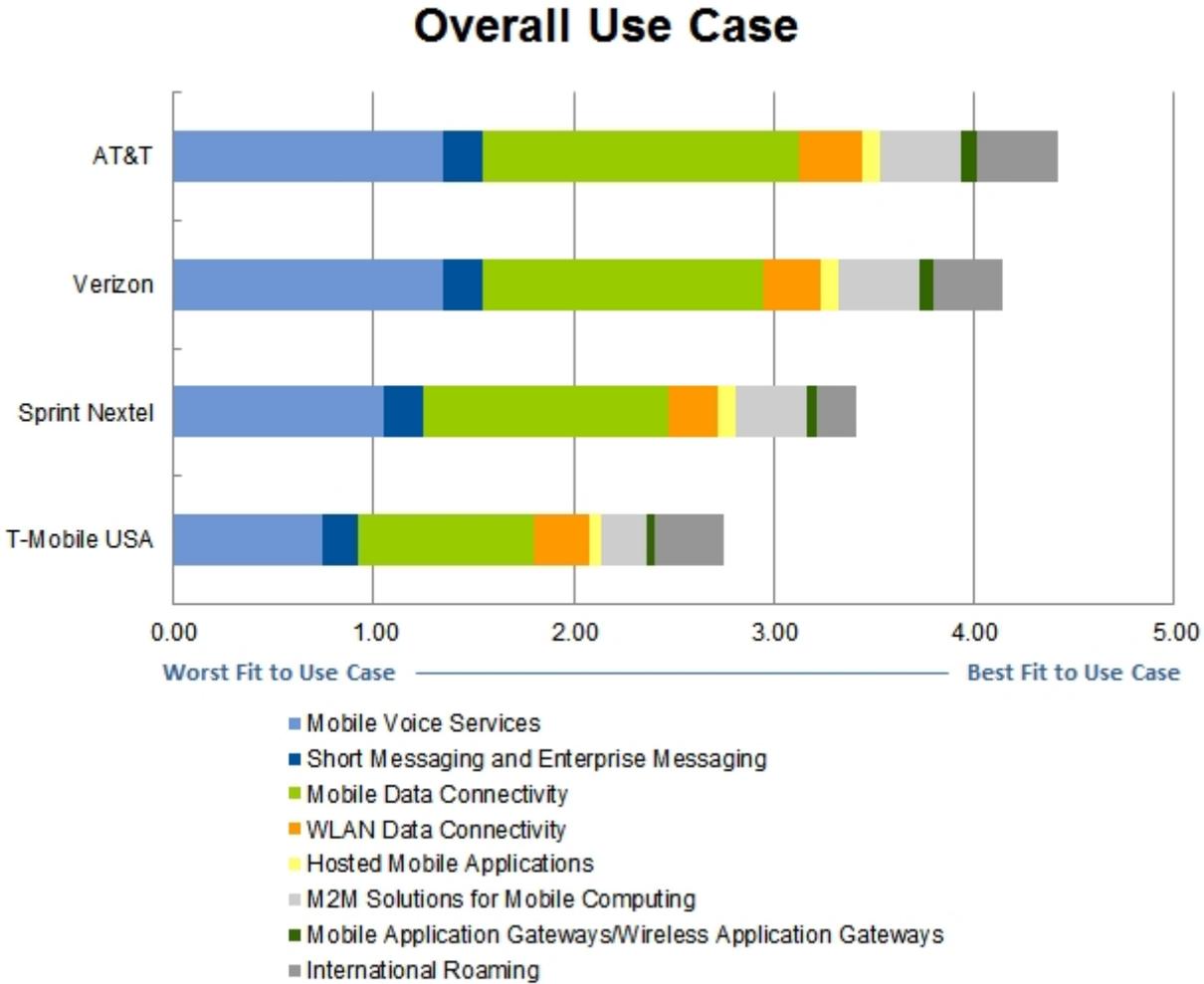
Vendor/Product Name	AT&T	Sprint Nextel	T-Mobile USA	Verizon
Product Viability	Excellent	Fair	Fair	Excellent

Source: Gartner (May 2013)

The weighted capabilities scores for all use cases are displayed as components of the overall score.

Figure 2 shows the overall use case.

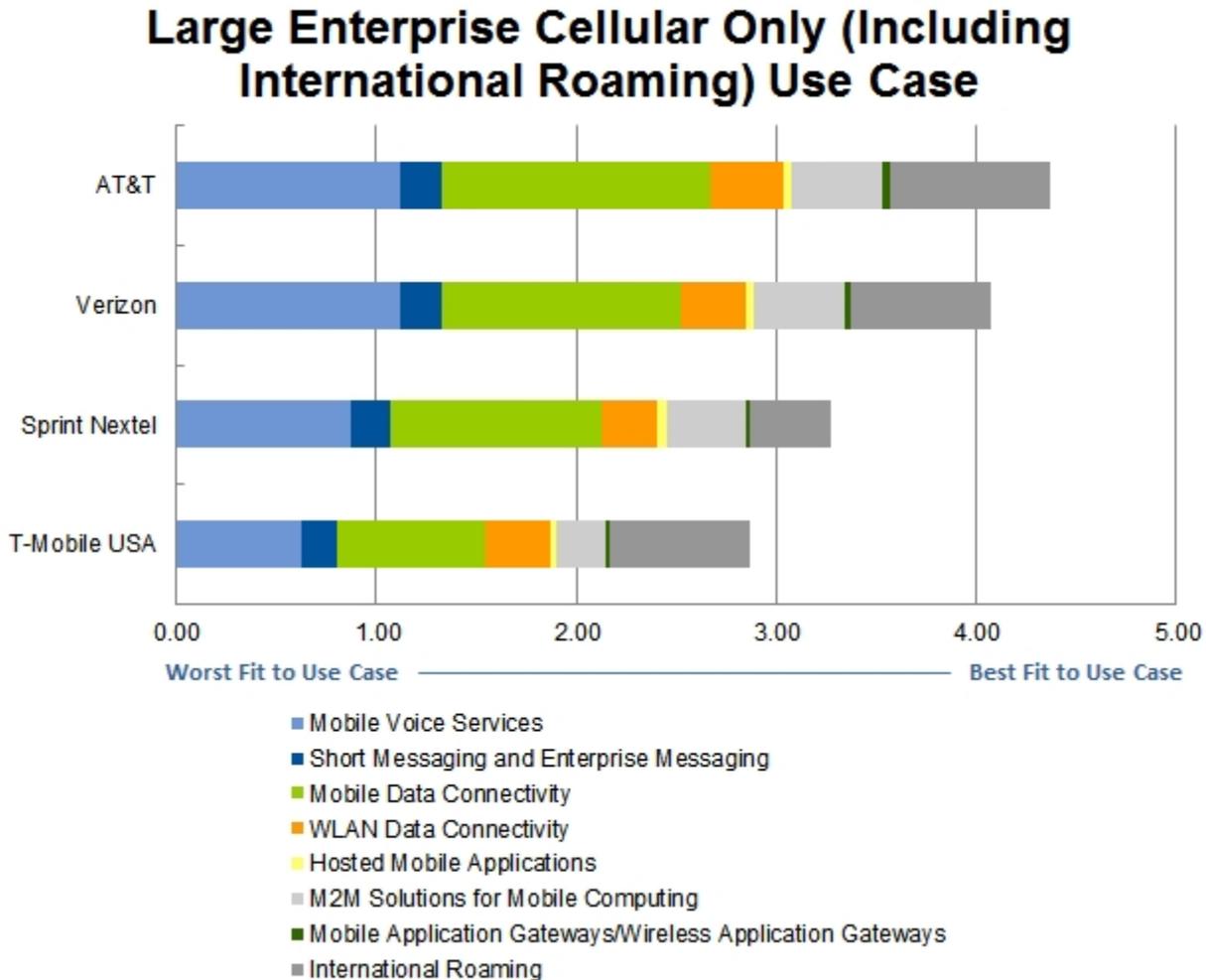
Figure 2. Overall Use Case



Source: Gartner (May 2013)

Figure 3 shows the large enterprise cellular only (including international roaming) use case.

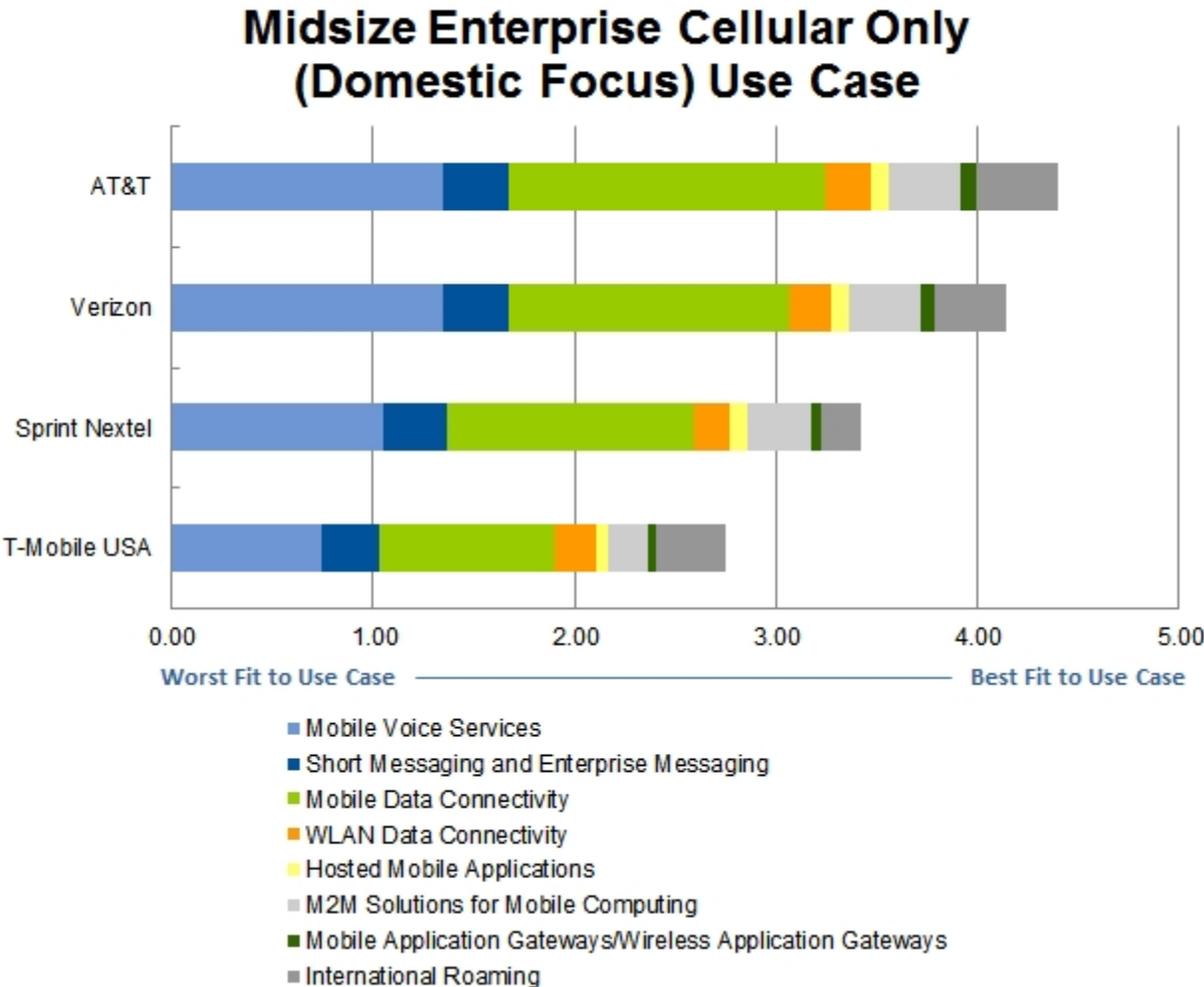
Figure 3. Large Enterprise Cellular Only (Including International Roaming) Use Case



Source: Gartner (May 2013)

Figure 4 shows the midsize enterprise cellular only (domestic focus) use case.

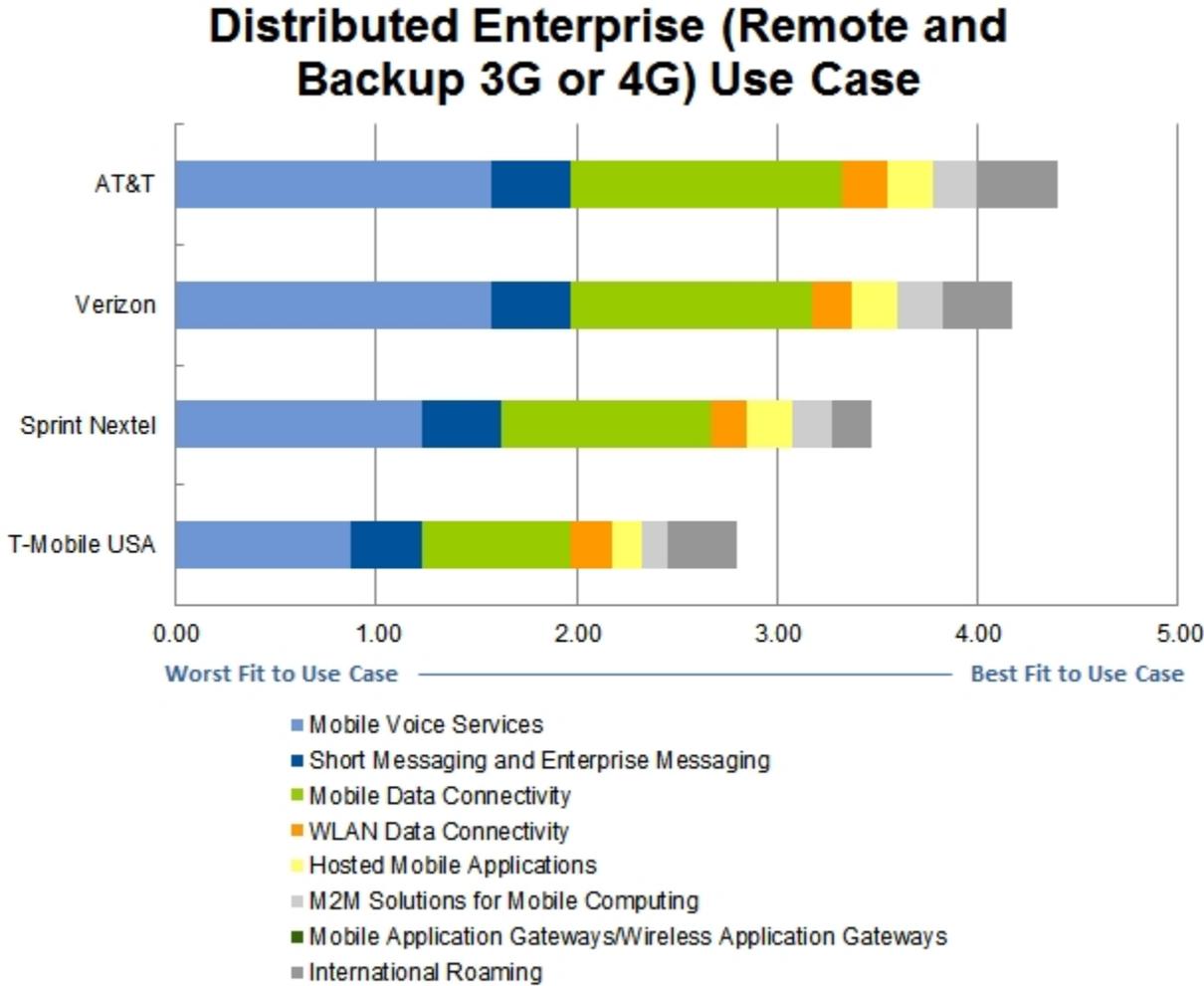
Figure 4. Midsize Enterprise Cellular Only (Domestic Focus) Use Case



Source: Gartner (May 2013)

Figure 5 shows the distributed enterprise (remote and backup 3G or 4G) use case.

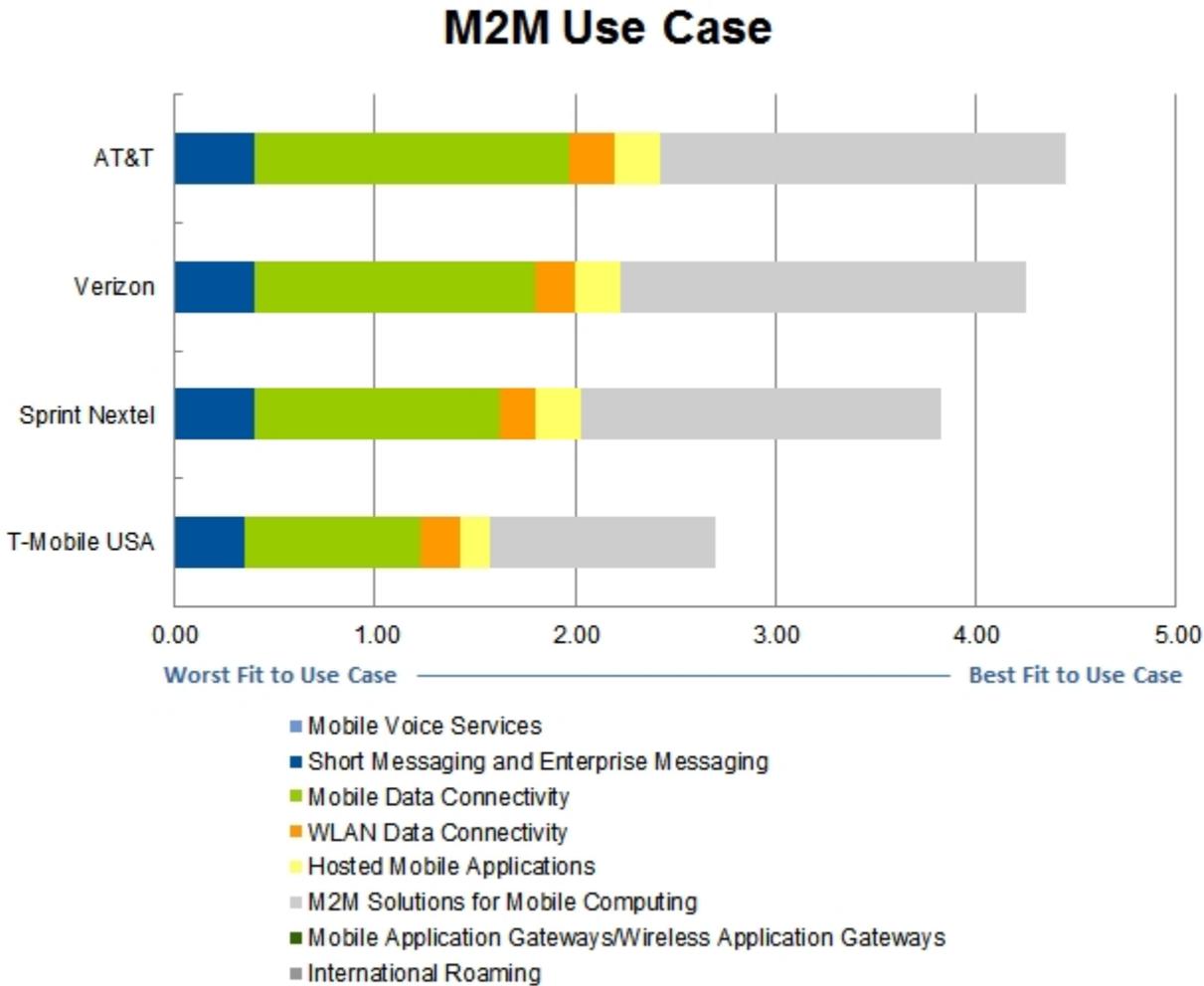
Figure 5. Distributed Enterprise (Remote and Backup 3G or 4G) Use Case



Source: Gartner (May 2013)

Figure 6 shows the M2M use case.

Figure 6. M2M Use Case



Source: Gartner (May 2013)

Vendors

AT&T

AT&T continued in 2012 to invest in the expansion of its LTE footprint, and in additional spectrum to broaden its network capacity. Both investments address past complaints about AT&T's mobile broadband data service availability, especially during peak periods. Beginning in 1Q13, the carrier also improved cell density by deploying Universal Mobile Telecommunications System (UMTS)/High-Speed Packet Access Evolution (HSPA+) small cells, as part of its Project VIP initiative to use tens of thousands of small cells and distributed antenna systems (DASs) to complement the AT&T macrocell network. Despite trailing Verizon in overall LTE coverage, AT&T is still the stronger domestic enterprise cellular provider, based on its international roaming, cellular to Wi-Fi data

offload, which it integrates for free into domestic and international roaming service plans, and based on strong integration with its wireline networking capabilities in the U.S. and internationally. The carrier also expanded its portfolio of mobile management solutions; in 2013, it reworked its AT&T Toggle dual-persona software solution for enterprise MDM to address customer requests for antivirus and anti-malware integration not included in Toggle's initial 3Q12 release. AT&T also resells the most comprehensive lineup of hosted and on-premises managed MDM solutions. The solution set includes vendors described in "Magic Quadrant for Mobile Device Management Software" as industry leaders, such as Good Technology, AirWatch and MobileIron, as well as AT&T's own branded mobile application management solution using Apperian. AT&T recently began offering more standardized enterprise options for pooling or sharing mobile data. The offering is a shift from the company's custom sharing plans, which its sales representatives typically did not offer proactively in their proposals.

AT&T remains a primary choice for all use cases in this research. Its rating reflects the depth of the company's overall product capabilities and its explicit strengths in such areas as its ability to provide HSPA+, a robust 3G fallback technology, in areas where it does not yet have a 4G LTE footprint (see Table 5).

Table 5. AT&T Products and Ratings

Critical Capability	Product/Service Name and Description	Rating
Mobile Voice Services	There are competitive pooled voice plans, plus an updated push to talk (PTT) offering that now includes PTT over cellular or WLAN connections. Newer global voice roaming bucket plans provide a significantly cheaper option than AT&T's pay-per-minute rates.	4.5
Short Messaging and Enterprise Messaging	Domestic and global messaging rates are competitive, including international roaming packages comparable to domestic per-message rates.	4.0
Mobile Data Connectivity	HSPA+ provides a faster fallback data network than rival CDMA-based systems. AT&T trailed some competitors in offering enterprise-scale smartphone data sharing in 2012, but expanded the options in early 2013. AT&T offers extensive 3G data roaming coverage, with most customers using basic add-on data bucket plans.	4.5
WLAN Data Connectivity	AT&T integrates unlimited access to its more than 37,000 U.S.-owned and U.S.-managed Wi-Fi hot spots into all its enterprise mobile data plans. International data plans of more than \$60/month now include 1GB of international Wi-Fi access, in addition to the cellular data allotment.	4.5
Hosted Mobile Applications	A broad portfolio of proprietary or partner applications includes hosted and on-premises solutions for Tier 1 solutions that include SAP Business Suite, Oracle E-Business Suite and Microsoft Office 365, plus branded solutions for unified communications, global messaging, mobile application development and management, and mobile commerce.	4.5
M2M Solutions for Mobile Computing	AT&T's enterprise M2M business accounts for half of its total connected endpoints, with asset/fleet tracking, telematics and security for its top three vertical industries.	4.5
Mobile Application Gateways/Wireless Application Gateways	AT&T serves a multimillion population user base that accesses corporate applications through hosted mobile application gateways or wireless application gateways.	4.0
International Roaming	Newer global voice roaming bucket plans are priced at competitive rates that are significantly cheaper options than AT&T's pay-per-use rates. SMS roaming packages can be comparable to domestic per-message rates. AT&T offers extensive 3G data roaming coverage, with basic add-on data bucket plans used by most customers. Other options include a managed mobility solution covering users in 100 countries.	4.0

Source: Gartner (May 2013)

Sprint Nextel

Even before SoftBank agreed in late 2012 to acquire Sprint and to provide at least \$8 billion in new capital, Sprint had been investing heavily to update its wireless network for LTE, to prepare for upgrading to LTE-Advanced technology by 4Q14 and to improve the performance of its legacy 3G mobile infrastructure. Sprint has launched some 60 LTE markets as of 1Q13, and concurrently updated 3G networks in those markets to add voice and data capacity, although the 3G upgrades in some areas have inadvertently caused notable voice service degradation (see "Sprint Upgrades Are Disrupting Voice Service in Select Markets"). The network updates help support Sprint's broad lineup of business solutions from high-profile partners such as Microsoft, Cisco and CSC, including hosted and cloud-based solutions for mobile business productivity, infrastructure as a service, fully managed unified communications with enhanced mobile integration, and M2M, with a significant play in telematics/fleet management that includes its Sprint Connected Vehicle Platform and Sprint Velocity integrated telematics solution for automobile manufacturers. Sprint also sells managed MDM solutions from Gartner-top-rated partner providers AirWatch, Good Technology and Zenprise (now part of Citrix Systems). In 2012, Sprint introduced its own turnkey BYOD solution that includes MDM support, although customer adoption initially appeared light. Gartner expects Sprint to make further enhancements to its enterprise wireless services and its product portfolio after the closing of the SoftBank deal and Sprint's planned acquisition of Clearwire; this would substantially increase Sprint's spectrum holdings, which are necessary to provide mobile broadband capacity that rivals or surpasses its competitors, in at least half of the top 100 markets. SoftBank also may help address Sprint's global voice and data roaming options, which generally are pricier and provide fewer plan options than its competitors.

Sprint's overall rating in Figure 1 reflects its progress in executing its forward-looking network strategy. The rating also addresses Sprint's challenge in closing the significant LTE coverage gaps between it, AT&T and Verizon, which currently cover three to four times the population footprint of Sprint's LTE. Despite its updates and extensive solutions lineup, Sprint also is dealing with 2012 client concerns over support and reliability stemming from localized service problems related to Sprint's phasing out of the Nextel iDEN network, and to the ongoing 3G network upgrade. Sprint remains a viable national choice for most corporate use cases. But unless it provides newly compelling enterprise offerings and improves its LTE coverage in the next 12 months, it merits only secondary provider consideration (see Table 6).

Table 6. Sprint Nextel Products and Ratings

Critical Capability	Product/Service Name and Description	Rating
Mobile Voice Services	Sprint provides voice service nationally over its network and via roaming partners, highlighting its unlimited monthly service plans. The Direct Connect PTT service runs over the cellular network.	3.5
Short Messaging and Enterprise Messaging	This features unlimited texting, along with Enterprise Messaging service aimed at providing federal-regulatory-compliant texting for such vertical industries as healthcare, finance and public services.	4.0
Mobile Data Connectivity	As of 1Q13, this has remained primarily 3G, with 57 LTE markets in service. The focus is on unlimited and tiered plans, although Sprint has introduced shared data options for small or midsize businesses (SMBs).	3.5
WLAN Data Connectivity	Sprint is developing its own embedded voice-over-WLAN solution, limited to Sprint smartphones. The company also offers a managed Wi-Fi solution.	3.5
Hosted Mobile Applications	Sprint provides hosted unified communications and Complete Collaboration solutions plus applications from Microsoft, Good Technology, Trimble, Symantec, Mobl21 and other leading vendors for collaboration, security, field productivity and vertical-industry-specific apps.	4.5
M2M Solutions for Mobile Computing	Sprint provides connectivity, product development, management, implementation and service delivery for a footprint of more than 5 million deployed mobile computing devices and M2M data modules. The company works with nearly 30 partners and covers vertical industries that include telematics, asset management, retail, insurance and healthcare.	4.0
Mobile Application Gateways/Wireless Application Gateways	Sprint did not provide information for this category, but offers gateways supporting enterprise messaging and M2M applications.	2.0
International Roaming	International roaming options can be pricey and, for Direct Connect, limited and confusing when working with cross-border subscribers that still use a Nextel iDEN network. International data roaming options are more limited than those of the top competitors, and are not used by most Sprint corporate-liable accounts.	2.0

Source: Gartner (May 2013)

T-Mobile USA

T-Mobile USA aims to rebuild its share of the enterprise mobile service market through its national network update to LTE, spectrum acquisitions and refarming of its existing spectrum to further boost network performance and domestic geographic coverage, as well as its global roaming capabilities and innovative plan structures, such as international data sharing, which is strengthened by ties to its parent company, Deutsche Telekom. Although SMBs constitute much of T-Mobile USA's business customer base, the company also has been actively investing to expand its share of the enterprise market. One such move was to enhance its national coverage by updating its existing network, and through the May 2013 acquisition of MetroPCS, which addresses the coverage shortcomings that many businesses say have relegated T-Mobile USA to secondary-carrier status. The company also has created enterprise-friendly plan structures that allow data sharing across smartphones, tablets, cellular hot spots and aircard-connected devices, plus unlimited data plans for international roaming. T-Mobile USA has expanded its partnerships with top-tier MDM solution leaders such as MobileIron, Good Technologies and AirWatch, plus niche provider Soti. T-Mobile USA has been rebuilding its B2B direct sales force, which Gartner expects to top 1,000 by the end of 2013.

T-Mobile USA's overall rating in Figure 1 reflects its strengths in providing innovative mobile data plan structures, such as international data sharing, international voice and data roaming plans that typically cost less and provide more flexibility than competitors' offerings, and Wi-Fi connectivity for voice and data service. The rating also reflects the reality that until early 2014, the company will trail its competitors significantly in U.S. network coverage, especially for LTE service, while investing to increase its share of the enterprise market (see Table 7).

Table 7. T-Mobile USA Products and Ratings

Critical Capability	Product/Service Name and Description	Rating
Mobile Voice Services	T-Mobile USA's coverage footprint is smaller than its competitors, although roaming agreements help offset this. The company offers pooled domestic voice plans at competitive per-minute rates.	2.5
Short Messaging and Enterprise Messaging	T-Mobile USA offers a bulk SMS solution that is IP-based and supports SMTP, TAP, SNPP, WCTP and SMPP protocols. The solution is available for either corporate- or individual-liable accounts.	3.5
Mobile Data Connectivity	The network will remain primarily HSPA+ until LTE becomes more widely available in 3Q13; AT&T is a major HSPA+ U.S. roaming partner.	2.5
WLAN Data Connectivity	This supports a Wi-Fi voice solution and a global hot spot presence of more than 1 million T-Mobile USA-owned or partner locations. The Global Corporate Access solution enables a single login to a hot spot network for up to five devices per subscriber.	4.0
Hosted Mobile Applications	T-Mobile USA's MDM offerings include a hosted MobileIron MDM solution, Good Technology and mobile app hosting, and development with partner Mission Critical Wireless (now part of DMI).	3.0
M2M Solutions for Mobile Computing	The carrier relies heavily on primary aggregator partners, such as RACO Wireless, Wyless and Jazz Wireless Data, to provide solutions for fleet management and asset tracking, security/connected home systems, telematics and mobile health. T-Mobile USA also manages direct M2M relationships with major customers such as Audi, and offers its own M2M management platform for fleet management and tracking.	2.5
Mobile Application Gateways/Wireless Application Gateways	T-Mobile USA provides mobile application gateway solutions from vendors that include MobileIron and Soti, along with outsourced IT and MDM support. T-Mobile USA also works with partner DMI to provide mobile app development.	2.0
International Roaming	T-Mobile USA sells international voice roaming with discounted pay-per-use pricing, often at the lowest rates of all major competitors. Innovative data roaming plan structures include data sharing across all device types, international data sharing and European flat rates, and unlimited data roaming.	3.5

Source: Gartner (May 2013)

Verizon

Verizon is focused on developing and providing wireless services in a unified strategy that joins its wireless and wireline products under the Verizon Enterprise Solutions organization. However, in 2012, many Gartner clients told us that contracts for each service type remain separate, a sign that the integration strategy is not complete. Verizon has maintained its early lead in nationwide LTE geographic coverage, and has continued the expansion of its managed solution portfolio. Notably, this included the launch in late 2012 of the cloud-based Enterprise Mobility as a Service package. It offers — priced on a per-user, rather than a per-device, basis — bundles of partner solutions for managed mobility, such as managed security, including a dual-persona solution created by Enterproid, mobile application development via partner SAP, and mobile app management and distribution via its branded Verizon Private Applications Store for Business. Verizon's outsourced MDM solution partners include Good Technology and Gartner visionary vendor BoxTone. Verizon's 2012 acquisition of Hughes Telematics has substantially increased Verizon's already-broad M2M capabilities, which include more than 100,000 vehicles subscribed to its Networkfleet fleet management solution. Verizon also is leveraging the Hughes assets to develop solutions for other emerging M2M applications, such as mobile health, where telematics provides technology for fall detection and the transmission of patient monitoring data, such as temperature and heart rate.

Verizon provides strong offerings for all the listed use cases, with its overall rating in Figure 1 reflecting the superior geographic reach of its LTE network upgrades, extensive mobile application portfolio, expanding Wi-Fi offload footprint and 3G/4G private network access to Verizon's MPLS network. The rating also reflects that Verizon frequently directs midsize customers, those with fewer than 1,000 lines of service, to procure its services through group purchasing organizations, which may not always be a good fit for the client. Gartner clients have expressed dissatisfaction with being pushed toward such arrangements, and sometimes with Verizon's lack of responsiveness in providing detailed account usage information in a timely fashion. Verizon clients that buy wireline and wireless services have complained about the lack of a true unified contract that covers both services, and about the inability to use their combined spend to secure lower cellular service prices (see Table 8).

Table 8. Verizon Products and Ratings

Critical Capability	Product/Service Name and Description	Rating
Mobile Voice Services	Verizon continues to support voice, with its national footprint covering a population of 300 million. PTT over cellular is available.	4.5
Short Messaging and Enterprise Messaging	SMS pricing is competitive with other competitors' enterprise offerings. Verizon also offers an enterprise messaging product for bulk SMS to large groups.	4.0
Mobile Data Connectivity	Verizon has the largest U.S. LTE footprint, accompanied by options for sharing data among tablets, cellular hot spots and aircard-connected devices. Verizon added enterprise-scale smartphone data sharing early in 2013.	4.0
WLAN Data Connectivity	Verizon has expanded its Wi-Fi offload footprint to more than 600,000 hot spots globally, including access to Boingo-managed access points. Verizon offers partner solutions to support its voice-over-WLAN service.	4.0
Hosted Mobile Applications	This includes field workforce management tools, as well as Enterprise Mobility as a Service, bundling security, MDM, app development and app store capabilities.	4.5
M2M Solutions for Mobile Computing	This offers connectivity via LTE plus legacy 2G/3G networks. It also offers solution development and deployment for vertical industries, including telematics/fleet management, asset tracking, wireless retail points of sale (POSs) and energy/utilities.	4.5
Mobile Application Gateways/Wireless Application Gateways	Verizon offers a network-based gateway for wireless access to enterprise applications, including the capability to route the cellular connection to the applications via Verizon's Private IP network.	3.5
International Roaming	International voice plans can be pricier than those of major competitors. Customer use of Verizon's international data roaming plans is minimal. Basic international data roaming is expensive, although some customers can get cost-competitive custom plans that combine domestic and international data allotments.	3.5

Source: Gartner (May 2013)

Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"Critical Capabilities for U.S. Wireline Telecom Services"

"Reducing Costs for Global Mobile Voice and Data Roaming"

"Use This Guide to Smartphone Data Pooling for Increased Savings and Flexibility"

"Sprint-SoftBank Will Need to Show Its Value to the Enterprise"

"T-Mobile-MetroPCS Combination Will Create a Strong U.S. Mobile Market Contender"

Critical Capabilities Methodology

"Critical capabilities" are attributes that differentiate products in a class in terms of their quality and performance. Gartner recommends that users consider the set of critical capabilities as some of the most important criteria for acquisition decisions.

This methodology requires analysts to identify the critical capabilities for a class of products. Each capability is then weighted in terms of its relative importance overall, as well as for specific product use cases. Next, products are rated in terms of how well they achieve each of the critical capabilities. A score that summarizes how well they meet the critical capabilities overall and for each use case, is then calculated for each product.

Ratings and summary scores range from 1.0 to 5.0:

- 1 = Poor: most or all defined requirements not achieved
- 2 = Fair: some requirements not achieved
- 3 = Good: meets requirements
- 4 = Excellent: meets or exceeds some requirements
- 5 = Outstanding: significantly exceeds requirements

Product viability is distinct from the critical capability scores for each product. It is our assessment of the vendor's strategy and its ability to enhance and support a product over its expected life cycle; it is not an evaluation of the vendor as a whole. Four major areas are considered: strategy, support, execution and investment. Strategy includes how a vendor's strategy for a particular product fits in relation to its other product lines, its market direction and its business overall. Support includes the quality of technical and account support as well as customer experiences for that product. Execution considers a vendor's structure and processes for sales, marketing, pricing and deal management. Investment considers the vendor's financial health and the likelihood of the individual business unit responsible for a product to continue investing in it. Each

product is rated on a five-point scale from poor to outstanding for each of these four areas and it is then assigned an overall product viability rating.

The critical capabilities Gartner has selected do not represent all capabilities for any product and, therefore, may not represent those most important for a specific use situation or business objective. Clients should use a critical capabilities analysis as one of several sources of input about a product before making an acquisition decision.

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