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REPORTER'S NOTEBOOK

By Andy Reinhardt

At 3GSM, Wireless Offerings That Wow

The mobile field is now telecom's main area of innovation, as the dazzling range of clever ideas at the trade show demonstrates

At the big mobile communications show in Cannes, France, in mid-February, the big focus was on third-generation (3G) networks and phones, with a particular emphasis on downloadable and streaming music (see BW Online, 2/25/05, "[The Buzz is Back in Mobile](#)"). But that wasn't the only news. After several tough years, the mobile business is infused these days with a new sense of energy and promise (see BW Online, 2/22/05, "[A Telecom Show's No-Show: Gloom](#)"). Here's the third and final report highlighting some of the action at this year's 3GSM show.

Perhaps the most striking aspect of the show was the hundreds of small companies exhibiting eye-popping mobile innovations. It's striking by contrast how little innovation occurs these days in fixed-phone telephony, where all the focus seems to be on containing price erosion and navigating the transition to voice-over-IP services before the fixed-line market evaporates. Following are a few examples of the rich stew of ideas bubbling up at 3GSM.

Mobile gaming

One of the hottest categories of software applications for mobile phones is downloadable games, most of which use Java technology. One of the leaders in the \$1.3 billion market is In-Fusio, based in Bordeaux, France, which used 3GSM to highlight its dozens of titles, including new games such as *Rambo* and *Tomb Raider 2*. In addition to games, In-Fusio also offers a service to mobile operators that lets them outsource management of their gaming areas. Arch-rival Digital Bridges, based in London, also sells dozens of titles and struck a partnership earlier this year with American video-game giant Electronic Arts ([ERTS](#)).

Multimedia messaging

Ever since the introduction of camera phones, operators have been trying with limited success to get customers to zap photos to each other over the airwaves using a richer version of the popular SMS texting technology called Multimedia Messaging Service, or MMS. The problem: Many users don't even know they have MMS, and among those that do, the price -- usually three times the cost of an SMS -- is often a barrier.

Britain-based startup Yospace is trying to rectify the situation by selling applications to stimulate use of MMS. The company is focusing on MMS as a tool to create online communities. For example, it helped Nokia ([NOK](#)) and British mobile firm mmO2 run a contest last year using photos submitted via MMS. More than 10,000 people sent in photographs of themselves, which were posted on a Web site where people could vote for their favorites. Twelve finalists were reviewed by a modeling agency, and the male and female winners each won a one-year modeling contract.

Yospace also offers a "personal blogging" service, where participants can set up their own blogs and update them via SMS and MMS. Carriers including Vodafone ([VOD](#)), O2, 3, and Portugal's Optimus have signed up to offer such blogs to subscribers.

Streaming media

Handset makers and operators are rushing to roll out support for digital TV on handsets during

the next year. For the most part, these schemes will involve broadcast signals, not true interactive TV or video-on-demand. Paris-based startup Streamezzo, a spinoff of the France Telecom ([FTE](#)) multimedia lab in Rennes, demonstrated technology at 3GSM that turns mobile phones into receivers for customized video programming.

With a slick browser interface and simple on-screen controls, subscribers can flick from broadcast TV to streaming digital video clips to information services delivered over the mobile network. The content could be anything from maps to music videos to cartoons.

Streamezzo is working with Alcatel ([ALA](#)) and French IT services company Capgemini, which will help operators tie video content into their networks and billing systems. Streamezzo is also talking to Motorola ([MOT](#)), Qualcomm ([QCOM](#)), and Bell Canada about possible deals.

Speeding up wireless browsing

A common complaint about surfing the Web from a mobile phone is the pokey performance. It's not just a matter of network speed. Most Web pages are also designed with a wired, or even broadband, connection in mind, yet the characteristics of a wireless connection are quite different, resulting in jerky performance even over zippiest 3G connections.

Enter Bytemobile, a startup based in Mountain View, Calif. The outfit has devised a set of technologies that dramatically boosts the perceived speed of Web pages delivered to mobile phones. The company's software works by sorting out the different types of data on a Web page and, for instance, sending the text first before the graphics. It can also compress photos and other bandwidth-hungry elements to speed their delivery.

For the most optimal performance, it gathers up all the elements of a Web page -- which usually pour into a PC from dozens of different locations around the Web -- and prepackages them before sending them out to a phone. Bytemobile is working to get its software built into the Symbian operating system and has scored two operator customers it will reveal in April.

Managing data services

One big problem carriers face in offering snazzy new data services is that most of these offerings come from different suppliers. Operators thus offer downloadable ringtones from one source, Java games from another, and music or shopping services from yet another. This creates huge headaches in tying all the services together into a single menu -- not to mention problems with billing, customer tracking, and product support.

Worst of all, operators can't mine the data gleaned from customers in each of the separate services to personalize their offerings. Case in point: A subscriber who downloads a Britney Spears ringtone is more likely than most to be interested in purchasing a Britney screen saver or a streaming preview of the pop star's latest music video.

Yet if the services are managed separately, a carrier might not be able to make the connection and exploit the cross-selling opportunity. What's more, each of the services likely has a different user interface and navigation, which makes them harder to use and undermines the carrier's brand identity.

NMS Communications ([NMSS](#)), based in Framingham, Mass., has developed a services management platform called Mobile Place that puts wireless content under a single service umbrella. That way, carriers can develop profiles of their customers, in much the same way that Amazon.com ([AMZN](#)) offers recommendations based on customers' past purchase habits. This lets carriers deliver more personalized services to customers and, NMS says, get closer to the Holy Grail of customer "stickiness" or loyalty that prevents them from switching to rival carriers.

The services can still come from a variety of sources, but by uniting them on a single delivery platform, carriers have better control over the user experience and gain better knowledge of

customer preferences. NMS has signed up Vodafone as a customer and is working with Logica CMG and Ericsson ([ERICCY](#)) to integrate its software into operator networks and billing systems.

INNOVATION SHIFT. No doubt, some of these technologies seem obscure. But what's remarkable about them is how obvious and desirable they seem -- and how little of this sort of innovation is taking place in the fixed-line communications business. After all, you can't even send a text message from a mobile phone to a fixed phone in most countries, not to mention services like ringback tones, downloadable games, or streaming video.

The locus of innovation in telecom has shifted to the wireless arena -- one reason Nokia predicts that by 2007 fully half of the voice-call minutes carried by the world's telecom operators will be via mobile networks. If the ferment of clever ideas on display at 3GSM is any indication, wireless will not merely substitute for fixed, but considerably enhance the range and usefulness of services consumers and businesses can enjoy from their handsets.