

Is the Wireless Web around the Corner?

After two years of promises for "a real wireless Web real soon," the U.S. market's still waiting to see something more than an interim wireless Web offering, and we're still listening to the same excuses about why the real thing can't happen quite yet. Carriers maintain they're doing all they can to push compelling data services out to the mass market: AT&T Wireless, Cingular, and Verizon are experimenting with General Packet Radio Service (GPRS) this fall, and Sprint PCS promises national third-generation (3G) rollouts next year. At the same time, we've seen a stronger data-services push using today's 2G networks from AT&T, Cingular Wireless, Sprint, and others. Is the industry finally getting the pieces together to create the Web-like wireless environment that so many companies are pinning their business hopes on?

MO SAYS: No, I'm afraid it's not. And that's both good news and bad news. The bad news is that the carriers have persuaded a good portion of the market to believe that they're serious about pursuing real wireless Web offerings when they don't seem to be doing that at all. (By "real," I mean usable, convenient, and intuitive, as opposed to the half-baked offerings we're seeing today.)

When I recently asked a Samsung spokesman why U.S. carriers weren't making any progress in improving their wireless Web services, he told me that, while the carriers are interested in selling consumers the option of using the wireless Web, they don't actually want consumers to use that option. The reason, he said, is that the U.S. consumer market is on an all-you-can-eat model, so the carriers stand to lose if they make their data services too usable. This won't change, he said, unless the carriers can change to usage-based pricing.

In the meantime, business-to-consumer companies betting portions of their business on creating a wireless channel are waiting in vain for the wireless-Web train to pull out of the station.

The good news is that the carriers won't be rolling out and marketing something that has little chance of turning a profit. Since we're relying on the carriers to pull through with their investments in next-generation, higher-speed networks, it's certainly in no one's best interests to see them squander funds on a no-ROI offering.

So instead of waiting for a 56Kbps-like all-you-can-eat (or, as Galen likes to say, "all-you-can-stand") Web to come to wireless, we need to focus on services that can pull in usage-based revenues—services such as messaging, m-commerce, and remote-control transacting (such as using a handset at an ATM, gas station, or other point of sale to complete a transaction).

GALEN SAYS: Agreed. Transactions and messaging are where it's at for consumers, and the sooner the industry embraces that, the sooner the revenues will come.

There's strong evidence of that on the enterprise side. Although the image of mobile enterprises conjures up executives in airport lounges or salespeople in offsite meetings, that's not the enterprise using mobile and wireless today.

The real examples are in logistics, transportation, and service. The business-oriented carrier Nextel Communications is doing what all wireless carriers should do: partnering with appli-

cation providers to offer a menu of software and services for specific needs. If you're in construction, Nextel can connect you to a wireless application that lets you check job schedules or order supplies. Ditto for truckers checking on loads or inventory controllers checking on parts. These applications work well in the 30-to-100Kbps environments that the initial

2.5G and 3G rollouts will offer in the next two years. And they are designed to work with the data phones and PDAs in place today.

Consumer-oriented carriers should use the same model and offer specific services to users. In addition to the payment options Mo described, examples include restaurant guides, direction finders, appointment reminders, travel updates, ticket ordering, sales finders, and so on. Who knows, maybe even child- and pet-tracking services. These don't take a lot of data, so the networks won't get bogged down even in bucket pricing models, yet they provide a tangible, beneficial service to the user at a manageable price.

M-business need not wait for the pie-in-the-sky 3G networks, Web-like graphical browsers, and multimedia technology that industry types go gaga over. Real m-business can happen now if we think about it realistically. ■

Each issue, Editor in Chief Mo Marshall and Editor Galen Gruman debate a key mobile strategy question. Send us your views at letters@mbusinessdaily.com.