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[2008 Mobile Industry Trends: Hope, Hype and Opportunity](#)

Last Thursday I attended an interesting panel session on the mobile industry – Mobile Outlook 2008: What’s Next in Wireless was a Potomac Tech Wire Breakfast Round Table at the Ritz Carlton in Tysons Corner, VA. The panelists were

- Kevin Bertram, CEO and Founder, Distributive Networks
- Paul Palmieri, President and CEO, Millennial Media
- Pragnesh Shah, President & CEO, Mobilans International
- Tom Stroup, CEO, SquareLoop
- Tom Wheeler, Managing Director, Core Capital Partners



Mobile Video – Overhyped Trend?

One of the first questions posed by moderator Paul Sherman (Editor, Potomac Tech Wire) was “What would you consider the most overhyped trend in mobile today?” Kevin Bertram suggested mobile video, noting that while it is useful for short clips and breaking news, the market really isn’t there for longer broadcast video streams on mobile devices, asking, who would really want to sit and watch a film or even a half-hour TV show on a tiny screen?

Tom Wheeler and Prag Shah countered pretty forcefully. Prag noted that the youth market is a very different demographic from the panel’s audience (“old” guys like me) – millennials are embracing mobile content of all forms despite the limitations of today’s devices and networks. Tom cited forces of history which continually drive content to highly targeted viewers with each new wave of technology. The consensus seems to be that while mobile video is still in nascent stages, it will evolve into an important factor over the longer term.

I like Tom’s line of thinking – new technologies and products follow definite patterns throughout history. Once email was the province of us geeks and few others thought it worth the bother. But as the technology and the market evolved there came a tipping point where seemingly everyone got on board at once. From the personal computer to mobile phones the same pattern held - early adopters were in the minority for what seemed a very long time until the rest of the world caught the fever. So I believe mobile video (as well as near-ubiquitous use of mobile IP connectivity, which is also in the minority today) will indeed have their day.

Other Mobile Trends to Watch: Advertising Model and Open Access

Next, panel members offered their thoughts on other trends to watch in the mobile industry. Paul and Prag nominated the advertising-supported revenue model, believing that mobile access could one day become free. Prag noted that the Apple iPhone interface has woken up every carrier and OEM to realize the importance of innovation at the user handset and interface. Paul believes the days of handset makers kowtowing to the carriers' demands are numbered.

Related to the handset innovation trend is the move toward open access. Although Tom Stroup and others believe open access is the most important trend in play today, Tom Wheeler put it in the overhyped category. He noted that open standards are yet to be defined. Although "any movement toward opening the networks is a step in the right direction", he cautioned that the carriers are still positioned as the middleman between businesses and their customers. Open access to the handset, open access to the network and open access to the consumer are different things. Paul said the open access is here today in the WAP world but that "open in the carrier world is farther off." All the panelists agreed though, that with Verizon and AT&T broaching the subject of Open Access, "the cat is out of the bag."

Prag chimed in to note that not only do the carriers have huge investments in their networks, they also highly subsidize handsets today in exchange for service contracts. To make up the revenue this business model must change. The Apple iPhone is not subsidized and is thus expensive. If something like an ad-supported revenue model doesn't come to pass, then consumers will see the cost of their handsets rise dramatically as carrier subsidies disappear. But this change in the market will, in Prag's words, stop the carrier practice of "carpet bombing the market with one-size-fits-all devices."

Panel: Carriers Ignore WiMax at Their Peril

Prag is a big believer in WiMax. He sees WiMax access as complimentary to the carrier networks and an enabler of the day when every device from phones to digital cameras to portable game players will be connected to the net 24/7. "Build it and they shall come", he says, envisioning a plethora of new mobile devices and applications.

Tom Stroup said that "carriers ignore WiMax at their peril." Many devices now have native WiFi and WiMax capability. Some carriers now allow calls to switch between their cell networks and private WiFi networks; they have the ability and confidence to do this because they still own the relationship with the consumer, and consumers still place confidence in their carrier to seamlessly manage the calling experience. This network sharing will only increase over time to everyone's benefit. Prag believes that the carriers will still have a major role in ad targeting due to their detailed customer data.

Paul's advice to mobile entrepreneurs is not to crusade against the carriers, but to engage them. Tom Stoup stresses finding a champion within a carrier, but says be patient – success will come only over time. Prag's advice is both pragmatic and promising: "know exactly what customer problem you're solving, and plan for scale."

The Mobile World to Come

I found the panel session very interesting and informative, and thank Potomac Tech Wire for pulling it together. They assembled a smart bunch of panelists, and their words rang true with me. WiMax, Open Access, mobile video and much better handsets and other devices are all on the way, just not tomorrow. The devices may be more expensive than we're used to, but this could be tempered a bit with an advertising-supported model. Count me in.

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