

# ExchangeAsia

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## Pan Asia

### **Polynesian cable will give Australia a new international link**

Plans have been announced for the South Pacific Islands Network (Spin) submarine cable project which will link three French territories in the South Pacific and with other planned systems will give Australia another **international link**.

### **Orange brings fixed-mobile convergence to Asia Pacific**

### **BT achieves Global Gold Cisco certification**

### **Ovum's forecasts for Asian voice services market**

## China

### **UUSee to deliver Olympic video live over the Internet**

## India

### **UTStarcom to expand Aksh IPTV service**

## Taiwan

### **Chunghwa Telecom upgrades 3G network**

## South Korea

### **Gangneung gets wireless mesh network**

### **Samsung to upgrade BroadSoft hosted IP PBX offering**

## Singapore

### **Savvis opens new data centre space in Singapore**

## Indonesia

### **PT Multi Kontrol Nusantara to roll out HD IPTV network**

## New Zealand

### **Telecom NZ plans 'green' head office**

## Technology

### **Sony leads new UWB consortium for short range inter-device communication**

Twelve Japanese companies have formed a consortium to develop a short range wireless technology for communication between handheld devices at up to 560Mbps.

### **ITU to study IT and climate change**

### **3G Americas updates 3GPP white paper**

## Comment

### **Mobile marketing – the time has come**

As yet the impact of mobile on core business processes is in its infancy. But now, a perfect storm is coming together in mobiles which will herald substantial change in many established business processes – what the economists call disintermediation.

## Pan Asia

### **Polynesian cable will give Australia a new international link** ***Plans have been announced for the South Pacific Islands Network (Spin) submarine cable project which will link three French territories in the South Pacific and with other planned systems will give Australia another international link.***

The 6500km Spin cable will connect New Caledonia, Wallis and Futuna and Tahiti and is planned to be in service in the second half of 2010. On the west side, Spin will interconnect with the OPT (the telco for France's Polynesian territories) New Caledonia submarine cable linking Nouméa to Sydney (2,150 km) that came into service in early 2008 and on the east side, with the OPT French Polynesia submarine cable linking Tahiti to Hawaii (4,650 km) which will be in service in the second quarter of 2010.

According to Spin's press release, "the three submarine cables will together form a new trans-Pacific link from Sydney to Hawaii with an overall capacity of 320Gbps and therefore, represent for Australia an alternative solution to transport the booming Internet traffic." It added: "Considering the restricted and overpriced Australian market for international bandwidth, Spin will undoubtedly generate the interest of the telecom industry."

Spin will have access to one fibre pair on the Sydney Noumea cable, one pair between Tahiti and Hawaii and one 'express' pair between Noumea and Tahiti plus an 'omnibus' pair for inter-island traffic. Spin launched an international open tender for supply and construction of the system in June 2008, and expects to sign a contract with its chosen supplier by September 2008.

#### **Private and public shareholders**

CEO Rémi Galasso told *ExchangeAsia* that Spin would be owned by a mix of private and public shareholders. API Group ([www.api.nc](http://www.api.nc)) is the main private shareholder and the Territory of New Caledonia is one of the public shareholders. The official announcement of shareholders is scheduled for September. API is a management consultancy and technology services company based in New Caledonia and French Polynesia that develops business throughout the Pacific Islands.

Galasso said: "Initial capacity of the system is 2x10Gbps, which is more than enough for Pacific islands' voice and data traffic by 2011. System capacity can be expanded up to 32x10Gbps. It means that we are able to propose large capacity to Australian or US telcos. He added that the company had already engaged in discussions and signed NDAs with potential customers. He said that details of how end to end services across these disparate networks would be sold would be announced with the shareholder announcement in September.

#### **Wider Pacific island cables possible**

Spin says it is also in a position to connect several Pacific Islands countries closely located to the Nouméa - Tahiti route and has already performed surveys in Vanuatu, Fiji, Tonga, Samoa, American Samoa, Niue and Cook Islands. "For these Pacific Islands states, the access to Spin submarine cable represents a unique opportunity to be connected to broadband Internet and consequently, to develop a digital economy and extend ICT benefits to health, education, tourism and administration.

In September 2007 Dr Jimmie Rogers, director general, Secretariat of the Pacific Community (SPC) announced two major initiatives for Internet connectivity for the Pacific Islands during PacINET 2007, the leading Information and Communication

Technology (ICT) conference organised every year by the Pacific Islands Chapter of the Internet Society (PICISOC).

One was a satellite network, the other an ambitious plan for a regional cable network of which the Spin network would form the core. Rogers announced that SPC and PIFS had been facilitating a submarine cable initiative since March 2007 that would link twelve South Pacific Island countries and territories: French Polynesia, Cook Islands, Niue, American Samoa, Samoa, Tonga, Fiji, New Caledonia, Vanuatu, Solomon Islands and PNG in the west.

The proposed cable network was to have three terminating points, one in Honolulu and two in Australia, one in Sydney from Noumea and one in Cairns from Port Moresby. According to an article on the PiSoc web site, dated September 2007 "All 12 countries have expressed their interest in this new network and assuming they confirm their commitment by the end of 2007, it is likely that the new South Pacific Islands Network can be implemented in 2008."

This vision is yet to eventuate. In the meantime, PNG has pulled out opting instead to go with Pipe Networks which will install a branch of its PC-1 cable into Madang connecting PNG to Guam. The ASH cable will link Samoa and American Samoa with Hawaii by February 2009 and a World Bank study is underway and due for completion later this year looking at how to fund links for other Pacific Island nations.

Galasso said: "We have started working on a Spin North potential link, but we won't make any announcement until we have demonstrated an economical viability of this link."

## **Orange brings fixed-mobile convergence to Asia Pacific**

***Orange has followed BT in launching fixed mobile convergence offerings for corporate customers in Asia Pacific markets.***

Orange announced plans for its 'Unik for corporate' (sic) service globally on 2 July, ahead of BT's Asia Pacific announcement, but did not announce it locally until 16 July.

Unik for corporate is described as a fixed-mobile convergence solution that seamlessly integrates mobile and office phones. "Employees can be reached anywhere by dialing one number, which rings their office and mobile phones at the same time. Employees can effortlessly move from desk phone to mobile, and back. Voice messages go to one mailbox simplifying life. In addition, international calls from employee's mobile phones can be routed through their IP PBX to their Business Talk Global voice network, saving money [Orange Business Service's international voice offering]."

For customers with Cisco IP telephony, Nokia E-series smartphones are supported and for customers with Alcatel IP telephony, Windows Mobile 6 Nokia E-series smartphones and PDA devices are supported.

Unik for corporate is designed for businesses with more than 200 employees, and can support thousands of users with availability in over 200 countries including Australia. Like the BT Corporate Fusion it is an extension of the Orange Unik services for home and for SoHo customers offered in its European domestic markets.

## **BT achieves Global Gold Cisco certification**

***BT has become only the fourth company to be awarded global certification from Cisco having met the training requirements and program prerequisites to sell, deploy and support Cisco network equipment worldwide.***

Allen Ma, president of BT Asia Pacific, said: "Global certification allows us to deploy Cisco solutions to our customers wherever in the world they do business."

While Cisco Select, Premier, Silver and Gold Certifications recognise expertise within a single country, the Global Certification recognises partners who have extended this expertise across multiple geographic regions. To achieve Global Certification, a channel partner must demonstrate its abilities to provide contracting, procurement, security and business continuity services across all continental regions around the world.

## **Ovum's forecasts for Asian voice services market**

***According to market research firm Ovum, the Asian voice market will grow from 2.2 billion connections at the end of 2008 to 3.8 billion by 2017.***

It says that emerging markets already dominate the Asian market, with 84 percent of total connections and that this percentage is set to increase to 90 percent by 2017. In addition, the proportion of connections that are mobile across Asia will grow from 76 percent to 83 percent of total voice connections over the same period.

"What emerges clearly is that developed and developing markets in the Asian region are on different growth tracks", said David Kennedy, research director at Ovum. "Developed markets in Asia display similar growth patterns to developed markets in Europe, with fixed voice playing an ongoing role and tougher competition in mobile. But emerging markets are dominated by mobile voice, and this dominance will continue for the foreseeable future."

Ovum predicts that traditional fixed telephony prices will fall at an average 3.1 percent per annum in developed markets and 3.4 percent per annum in emerging markets between 2008 and 2017 and that mobile voice prices will fall 5.8 percent and 4.7 percent per annum over the same period.

"We expect total voice revenues to decline 14.7 percent between 2008 and 2017 in developed markets as price competition bites, especially in mobile," said Kennedy. In contrast, emerging market voice revenues will grow 47. percent over the same period due to spectacular mobile connection growth, despite declines in mobile prices.

## **China**

### **UUSee to deliver Olympic video live over the Internet**

***UUSee, which claims to be the leading Internet TV and interactive broadcasting service operator in China with almost 100 million users, is partnering with CCTV.com, China's largest TV network and the only authorised Olympic TV channel in Greater China.***

UUSee will broadcast live the opening ceremony, closing ceremony and all the important sporting action of the 2008 Olympic Games via the Internet in China.

"Since 2005 we have successfully collaborated with UUSee to broadcast TV content and distribute breaking news over the Internet," said Wenbin Wang, the general manager of CCTV.com. "Expanding this partnership to include live broadcasting of the 2008 Olympic Games will be a major digital media milestone in the history of the Olympics."

UUSee was recently awarded an online video broadcasting license from SARFT - China's State Administration of Radio, Film and Television - becoming one of the first online P2P video platforms to broadcast legally TV programs and video content via the Internet. Its newly released client platform, UUSee 2008, claims to be the first product to add a video-search function to Internet TV, enabling users to quickly find and record favourite video content from various online video sites and enjoy customised lag-free streaming video.

According to Dan Nova, general partner at Highland Capital Partners and a board member of UUsee "With nearly 100 million users, UUsee is one of the largest web-based media companies in the world. In many ways, China is more advanced in their adoption of technology than the US and UUsee continues to revolutionise content delivery and online broadcasting in bringing the next generation of television to mainstream markets."

UUsee was founded in late 2004 by Zhu Li and Harold Liu, who today serve as the company's CEO and CTO, respectively. The company provides live, online broadcasting of 150 TV channels, 750 customised channels, short-clip video-on-demand and downloading services to PC, mobile and Internet users. Through its partnerships with content providers such as CCTV, BTW and ESPN it provides its users with a library of licensed content ranging from TV drama, sports, entertainment programs to news and movies.

## India

### **UTStarcom to expand Aksh IPTV service**

***Aksh was originally selected UTStarcom in early 2007 to deliver the first commercial IPTV service in India through MTNL in Delhi. The new contract will help Aksh extend its reach to subscribers of MTNL in Mumbai, India.***

Aksh announced the launch of its IPTV and VoIP services in Mumbai on the MTNL network in March 2008, as an expansion to the initial launch of these services on the MTNL Delhi network in July 2007.

"UTStarcom's RollingStream IPTV solution is a completely IP-based platform that will enable better delivery of the interactive entertainment services we plan to extend to our customers," said Dr Kailash S Choudhari, managing director at Aksh Optifibre.

UTStarcom claims that its RollingStream end-to-end IPTV system supports more than 850,000 live IPTV subscribers globally and has a current total system capacity exceeding 2.5 million subscribers as a result of recent deployments in China with China Netcom and China Telecom, in India with Bharti Airtel, MTNL/Aksh and United Telecoms Limited, in Sri Lanka with SLT, in Japan with Softbank, in Latin America with Brasil Telecom, in Taiwan with Markwell and in Europe with Jersey Telecom.

## Taiwan

### **Chunghwa Telecom upgrades 3G network**

***Taiwan's largest cellular service provider, Chunghwa Telecom has awarded Nokia Siemens Networks a €72 million (\$US114m) contract to upgrade its 3G network to improve transmission speeds and expand coverage.***

Chunghwa Telecom will trial Nokia Siemens Networks' Internet High Speed Access (I-HSPA) network. The trial, which, according to Nokia Siemens Networks marks the first such initiative in the Asia-Pacific region, will pave the way for a smooth migration to an flat all-IP architecture that is faster, but and more cost-effective to deploy and operate.

Nokia Siemens Networks will deploy its Flexi base station and mobile softswitching solutions, along with a high capacity/connectivity RNC and packet core solution, including CombiSGSN and FlexiISN, to boost the overall HSPA performance of the network. Also, Nokia Siemens Networks will continue to rollout its IP backhaul system to further reduce traditional transmission costs. Deliveries are due to start immediately and the project is scheduled to be completed by July 2009. Nokia Siemens Networks will also provide network implementation and design, optimisation, systems integration and maintenance services.

## South Korea

### **Gangneung gets wireless mesh network**

***KT Corporation (formerly Korea Telecom) has deployed a municipal wireless mesh network in Gangneung City and Gyeongpo Beach areas, the second largest tourist beach in Korea.***

The "Gangneung U-Blue City" (Ubiquitous Blue City) project uses technology from Firetide to enable both a city-wide sensor network for emergency preparedness and free Internet access for tourists visiting the beach area.

Gangneung is the economic centre of Korea's Yeongdong region and has a population of more than 225,000 over an area of approximately 1000 square kilometres. It is a popular national tourist destination known for being the only location with easy access both to the Sea of Japan and Gangneung's lake.

"Bringing the beach online provides an added incentive for city visitors who can use the network to learn about the city and its many attractions. Having access to the data gathered from video cameras and weather sensors also helps Gangneung be more proactive in ensuring the safety of its citizens," said Hyung-Kuen Ryu, project manager of KT Future Technology Laboratory's Next Generation Internet Research Division. He added "Introducing Firetide wireless mesh along the coastline was the most feasible solution, especially considering the time and money involved in deploying an equivalent wired network."

The network in and around Gangneung City includes 21 Firetide HotPort mesh nodes and 8 HotPoint access points. According to Firetide "Altogether, the network...comprises one large Ubiquitous Sensor Network (USN) using IPv6 that provides city residents and visitors with quick and reliable access to online sports, weather, disaster prevention and other information.

### **Samsung to upgrade BroadSoft hosted IP PBX offering**

***Samsung Networks Inc (SNI) will expand its deployment of hosted voice services for large enterprises in South Korea, provided on BroadSoft's BroadWorks VoIP application platform.***

SNI already provides 200,000 hosted PBX seats on the BroadWorks platform. Now the company plans to introduce more VoIP services offerings, including BroadWorks Business Trunking, a SIP connect-compliant solution that extends advanced calling features to enterprises using the customers' existing telephone facilities and equipment. These services include advanced calling features, such as fixed-mobile convergence functionality with Simultaneous Ring and Remote Office, which makes any phone -- such as home or mobile -- a user's office phone.

Michael Tessler, president and CEO of BroadSoft, said: "SNI's success serves as a case study for carriers around the globe on how to package and sell the inherent value of hosted PBX to large enterprises."

## Singapore

### **Savvis opens new data centre space in Singapore**

***IT infrastructure services provider Savvis has opened its expanded Singapore data centre, with more than 17000 sq metres of floor space.***

Savvis Singapore provides a broad range of IT infrastructure services including managed hosting, virtualised and utility computing, managed networks, managed security services and consultancy services, to meet the requirements of current customers and other enterprises within the Asia Pacific region.

In addition to the suite of managed hosting services, the facility will offer financial customers the ability to host their trading applications in close proximity to major derivatives markets via Savvis Proximity Hosting. Customers will be able to connect via low latency network access to the Singapore Exchange. New and emerging alternative trading systems can also use Savvis Proximity Hosting while accessing the Savvis community of financial customers.

Aye See, Tan, managing director of Savvis, Asia Pacific, said: "The region is experiencing tremendous growth, which creates pressure on companies to manage their IT infrastructure and at the same time manage their costs. We offer IT infrastructure as a utility, completely changing the way companies can manage capital expenditure. With Savvis' infrastructure-as-a-service strategy, businesses now have the option to remove the burden of running their IT operations and increase their focus on business growth. The expanded Singapore data centre and Savvis' recently announced plans for a new UK data centre, increase Savvis data centre footprint to 130,000 square metres in 29 data centres worldwide at year end.

## Indonesia

### **PT Multi Kontrol Nusantara to roll out HD IPTV network *Hong Kong based BNS is to design and HD & SD IPTV platform for Indonesia's PT Multi Kontrol Nusantara (MKN).***

The service is set to be launched in the Rasuna area in Jakarta by the end of 2008 before being rolled out nationally within three years. BNS has been contracted by MKN, a subsidiary of Bakrie Group, to design and procure a turnkey platform that will enable MKN to deliver high and standard definition video, including multicast, VoD, network PVR, time-shift-TV, online shopping, games and other services.

According to BNS, the service will be built on a core fibre backbone, metro ethernet and various broadband access network technologies and will enable "cost effective and highly reliable delivery of multimedia services to residential, office buildings and hotels. Central to BNS's IPTV solution is the design of an IP-centric IPTV head end that will enable MNK to seamlessly and cost-effectively migrate to future generation IP video systems." It added: "BNS's vendor agnostic approach will provide MNK with best-of-breed equipment from BNS's global partners to cover all major IPTV components of the platform, including video encoder, ingestion system, streaming server, content security, middleware and IP set-top-box."

Through its Content 360 business division, BNS will also provide a content strategy and roadmap that, it claims, will enable MKN to differentiate its service with unique content that is specifically relevant to the Indonesian market.

## New Zealand

### **Telecom NZ plans 'green' head office *Telecom New Zealand plans to build new environmentally sustainable offices in Wellington, at 52 Willis St.***

It has contracted The Wellington Company to build the five green star rated buildings, linked by a central glass atrium, to create a campus-style development of approximately 26,000 square metres. Telecom will be the majority tenant in the property, committing to 19,000 sq metres of office accommodation for an initial 12-year lease term. The building is scheduled to be ready for Telecom occupancy in mid-2011. The new premises, to be known as Willis Central, will house 1,700 employees from across all parts of Telecom with the exception of staff from the separated Chorus business.

Telecom CEO Dr Paul Reynolds said the new development would bring together employees currently located in six properties throughout Wellington. "We are committed to Wellington and having a purpose-built campus will maximise future operational efficiencies as well as meeting our environmental sustainability commitments."

The new Willis Central development will feature active chilled beam cooling technologies, energy efficient lighting, solar panels and possibly wind turbines, a thermally active exterior, and during construction will use materials and technologies which minimise environmental impact.

Reynolds said that The Wellington Company had been chosen because of its proven excellence in developing environmentally sustainable facilities. It recently won the Property Council of New Zealand Excellence Award for its redevelopment of the former Mid City movie theatre complex as New Zealand's first five Green Star-rated building, now home to the Department of Conservation. Telecom is also constructing a new four-building campus development at 167 Victoria Street in Auckland that will provide environmentally sustainable offices for over 2,500 Auckland based staff. It is due to be completed in 2010.

## Technology

### **Sony leads new UWB consortium for inter-device communication**

***Twelve Japanese technology companies have formed a consortium to develop a short range wireless technology that will allow files to be transferred between handheld devices at up t 560Mbps.***

Sony, Canon, Eastman Kodak, Hitachi, Victor Company of Japan, KDDI, Kenwood, Matsushita Electric (Panasonic), Nikon, Olympus, Pioneer, Samsung Electronics, Seiko Epson, Sony Ericsson and Toshiba are to form a consortium to develop specifications for interconnecting products using 'TransferJet' a new interoperable wireless technology that enables rapid transfer of high resolution video, music etc.

The TransferJet Consortium (<http://www.transferjet.org>) plans to promote a wide range of products and services incorporating TransferJet technology with the aim of accelerating its adoption throughout the consumer electronics industry. The consortium plans to accept general members, but has given no details so far. It also notes that there are founding companies that will be announced at a later date.

According to its backers, TransferJet wireless technology enables a high speed data transmission rate of 560Mbps, while eliminating the need for complex setup and operation. "Directly touching two compliant electronic products together allows files to be transferred automatically, without the need for an access point. For example, touching a TV with a digital camera enables photos to be instantaneously displayed on the TV screen," they claim. "Alternatively, downloaded music content can be easily enjoyed by touching a mobile phone to a portable audio player. TransferJet can be used as a universal interface across all consumer electronics devices."

TransferJet will be an ultra wideband (UWB) technology that operates over a very wide range of frequencies at very low power to avoid interference with other transmission. Its centre frequency will be 4.48GHz at an average power of less than Under-70dBm/MHz. Peak data rate will be 560Mbps and effective throughput 375Mbps. The effective range of the technology will be less than 3cms.

The TransferJet Consortium plans to develop specifications and guidelines ensuring interoperability between products incorporating the technology, establish licensing schemes and administer the use of the TransferJet logo. The Consortium will also promote the advantages across industries and to consumers. No indication has been given of when specifications will be available.

## **ITU to study IT and climate change**

***The International Telecommunication Union has set up a new group to work on standards covering the impact of information and communication technologies (ICT) on climate change.***

It is estimated that the ICT sector produces between two to three per cent of global greenhouse gas emissions. But ICTs are also seen as a part of the solution to the climate change challenge. The ITU says the new group will focus in particular on the reduction of ICT emissions and how ICTs can assist in cutting emissions in other industry sectors such as energy, transportation and buildings.

According to the ITU, "ICTs could help cut global emissions by between 15 to 40 percent, depending on the methodology used to make these estimates." Two recent ITU symposia on ICTs and climate change in Kyoto in April and in London in June this year drew attention to the wide variation in these estimates, and a key objective of the Focus Group will be to develop internationally agreed methodologies to describe and estimate the impact of ICTs on climate change, both directly and through their application in other industry sectors.

The Kyoto and London symposia also highlighted the importance of ICT standardisation to deal with the impact of ICT on climate change, as did a study by the Global e-Sustainability Initiative (GeSI) - a group comprised of key technology companies and organisations, including ITU. The reports of the two symposia were submitted to the G8 Summit held in Hokkaido, Japan, on 7-9 July 2008.

Participants in the symposia - representing ICT companies from around the world called on the ITU to increase its activities in ICTs and climate change, as did United Nations secretary-general Ban Ki-moon. He told the London symposium: "The information and communication technology sector has much to offer in creating a cleaner, greener world. But it must also apply international standards in reducing its own greenhouse gas emission."

The ITU says it has responded by moving quickly to create the Focus Group on ICTs and Climate Change, with an ambitious work plan to conclude by April 2009. Malcolm Johnson, director of the ITU's Telecommunication Standardisation Bureau, said: "This group is open to all and I encourage contributions from the ICT sector as well as other industry sectors, research institutes, and any other specialists in this field."

The group intends to start immediately and will conduct most of its work using remote collaboration tools to the maximum extent. Its members will meet face-to-face for the first time at ITU headquarters in Geneva on 1-3 September 2008 under the chairmanship of David Faulkner of BT. A web page for the Focus Group will be made available shortly, via the ITU-T homepage: <http://www.itu.int>.

## **3G Americas updates 3GPP white paper**

***3G Americas, a wireless industry group supporting the GSM family of technologies in the Americas, has provided an update to its popular white paper on 3G technology.***

The paper, UMTS Evolution from 3GPP Release 7 to Release 8: HSPA and SAE/LTE, explains the evolutionary roadmap for the GSM family of technologies to 3G and beyond. The updated version offers a further review of 3GPP Release-7 - which has completed standardisation since the first edition of the white paper was published - and contains an introduction to the improved features of 3GPP Release 8.

Upon the finalisation of Release 8 later this year, 3G Americas says it will publish a new white paper on the 3GPP standards that will include the completion of Rel-7 HSPA+ features, voice over HSPA, SAE/EPC (Evolved Packet Core) specification and common IMS among other new developments and features. The white paper is available for free download from [www.3gamericas.org](http://www.3gamericas.org).

## Comment

### Mobile marketing – the time has come

*As yet the impact of mobile on core business processes is in its infancy. But now, a perfect storm is coming together in mobiles which will herald substantial change in many established business processes – what the economists call disintermediation.*

The converging capabilities that will drive this include:

- high penetration of 3G network capability;
- handoff capabilities between different networks;
- dramatically increased functionality of handsets, including the growth of smartphones (and, of course, the iPhone);
- mobile saturation in mature markets forcing operators to look at innovative ways to drive content usage for incremental revenue;
- decreasing cost of mobile data;
- new mobile friendly internet domains ;

These are together at last to provide the potential for the user to enjoy a compelling mobile content experience. Nowhere - except perhaps eventually in financial services - will this impact be more significant than in marketing.

The internet has previously created big disruptions in many traditional value chains – including particularly marketing. Online now accounts for anything between 10 and 20 percent of advertisers' media spend in many Western countries, including Australia, and continues to rise. Is there any reason why we would not expect the mobile to show a similar level of disruption to traditional media spends over the next ten years? It is surely the most perfect medium for effective personalised interaction available.

#### The perfect marketing channel

The mobile phone has 100 percent penetration in markets that matter to most marketers. Arguably it is the most personal possession in many people's inventory - a high percentage of people have their mobiles within reach at all times. People move home far more frequently than they change mobile number, so why wouldn't that number be the prime addressing medium for marketers in the future?

However, to date the history of the mobile in marketing has been dominated by low value propositions – spam, competitions, special offers, etc. These, combined with the very poor experience suffered by WAP users when the mobile Internet was first hyped by operators a few years ago, and network and handset capabilities were completely inadequate, have conspired to create a negative image of mobile marketing in many users' minds.

Some successes are now being claimed with operator controlled portals that carry advertisements, but unless the portal is accessible by the whole subscriber base – or at least a substantial majority of it – it will only have limited appeal to major advertisers. 'Walled garden' portal approaches will not be able to deliver the level of accessibility or available inventory for the medium to truly flourish, just as they did not in the early days of the Internet.

#### Mobile ad campaigns not yet mainstream

At mobile marketing award ceremonies the majority of campaigns recognised seem to be small, clever, and specialised – but very few access the budgets of major advertisers into this emerging medium, which I believe is the acid test of when mobile marketing has 'arrived'. Significant progress has been made with SMS response to broadcast media, pioneered around the world by Ad.IQ - including Australia where SMS to 13 numbers has been piloted very successfully for the last 12 months by Telstra and Optus with Ad.IQ. Major advertisers and government departments have been using the service with generally high response results, convincing advertisers that their prospects are more than happy to communicate with them via mobile. In some of these cases mobile has increased brand engagement by over 300 percent.

Some advertisers are now starting to use the initial SMS response to give the consumers the option of a mobile content promotional experience, and several are taking the option. This in turn will drive the building of WAP sites, and increased data traffic – exactly what operators want on their shiny new 3G networks. Building a community of opted-in parties' mobile phone numbers to allow them to receive continuing information on the product or service in the future – either by SMS or, increasingly, by content download - as some companies are doing successfully already, then becomes the next stage of leverage of this most personalised of media. Exchanging information within that community is then a brand extension for which the mobile is clearly ideally suited.

## Why look beyond SMS?

Indeed, SMS as an initial access tool is so simple and familiar to the consumer, one is forced to wonder why alternative means of getting consumers to access WAP sites, including those that require a learning process (eg use the phone to read a bar code), are being experimented with. But the cost to the subscriber of data downloads – and the uncertainty around the likely bill - is still a constraint on growth, despite recent 'as much as you can eat' capped offers becoming common. Much has been made of the success of the iPhone as a content downloader in the US, but it is relevant to point out that the deal with the phone's distributors in the US meant that the sale of the iPhone had to be combined with a no limit data plan. Researchers identified that certainty regarding data costs was the biggest driver of mobile content usage in that situation.

If we draw the analogy with the Internet, we will see that the successful models then were based on that much-used word: enablement. After early attempts simply to use the Internet as another broadcast medium, completely new models came along – Yahoo, Google, eBay, Facebook, etc. These were based on enabling the individual to use the Internet more effectively, and at the same time receive advertising messages that were related to that user's self-evident interest. These innovations are what have driven the substantial increase in online advertising in recent years.

Historically broadcast advertising channels had generally been based on 'push' – information is pushed out to groups of consumers that the advertiser thinks could be interested in their offer. Increasingly sophisticated segmentation tools accompanied push promotion to move from shotgun to rifle targeting of prospects.

## 'Pull' advertising is the future

Online however has truly demonstrated that 'pull' advertising is the future – the prospect specifically opts to receive the information as a segment of one, and their interest is counted as an irrefutable indication of the advertisement's or product's relevance to that consumer, providing a level of accountability for marketing budgets never possible previously with broadcast advertising. Mobile response is potentially one step further on in the development of highly personalised 'pull' segments of one, that are measurable and continually addressable, provided that what the marketer delivers continues to be relevant. There is of course a 'chicken and egg' situation in mobile marketing – there is still a great shortage of WAP sites truly geared to a great mobile user experience, reinforcing the current feeling that this is a minority medium. Consumers will access more content if the content is compelling and relevant, and when they do so, more and more companies will build sites, driving a classic adoption curve towards critical mass.

## Catalogue of catalysts

So what are the catalysts needed to drive the leap up this adoption curve of the mobile channel as a 'serious' marketing medium by large marketers with big advertising budgets, and those interested in their products and services? We can postulate several:

- 1) Continued reduction in and increased certainty of the cost of data downloads by consumers and business users. This is happening, but the tipping point is still some way off;
- 2) Innovative models that allow marketers to fund the cost of the mobile data channel, in the same way that they fund broadcast channels – TV, radio, press, billboards, etc. This, incidentally, may also protect operators' margins as competition pushes consumer data prices towards the margin.
- 3) Development of innovative platforms to build communities of interest for 'pull' of continuous marketing messages and related experiences on the mobile – vouchering, m-commerce, etc – exploiting the 'perfect storm' characteristics of mobile highlighted earlier;
- 4) Continued increased penetration of fuller functionality handsets, including new 'secure' innovations such as NFC (near-field communication), likely to revolutionise much hyped m-commerce possibilities;
- 5) Rigid application of standards regarding spam, opt-outs, content specifics, etc, to improve the poor image of mobile marketing to date.

This list is almost certainly not exhaustive. However, there is an inevitability about the value proposition of mobile marketing as a serious channel which leads many of us to be very confident that the shape of the adoption and media spend curves will emulate – and even exceed – those of online marketing in the foreseeable future.

*John Edwards was formerly the CEO of Cap Gemini's Asia Pacific Telecom and Media business, and subsequently the VP and GM in charge of Motorola's Asia Telecom Solutions business. These days, operating out of Sydney, he has a number of directorships and advisory roles in the technology sector in Australia and Asia, including Ad.IQ Pty Ltd.*