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## 3G must not promise more than it can deliver

While wireless may turn out to be saviour of the tech sector, it must guard against the industry disease of unrealisable marketing projections

By NIALL MCKAY

While the technology industry takes a thrashing, with dotcoms dying, PC sales down, and even the software giants such as Oracle posting disappointing earnings, many believe that there is at least one growth sector left. Wireless.

Last week I was in Cannes at the 3G World Congress, the annual love fest for the wireless communications industry, where companies such as Nokia and Ericsson promised that a whole slew of devices and services will transform every aspect of our working and home lives.

So what if mobile phone sales have reached saturation point. They say 3G will enable us to download videos and music to our mobiles or handheld computers, it will spark the proliferation of connected devices in every domain of our lives, from cars to fridges, and they believe it will succeed where electronic commerce failed.

Meanwhile, in San Francisco and Silicon Valley, evidence of a tech slowdown or outright recession is in evidence everywhere. "For rent" signs loom large and job postings are now for companies such as Home Depot and Starbucks rather than Yahoo and Oracle.

In Cannes, the lavish spending continued just like it did in the good old dotcom days. There were big parties each night in one of the fancy hotels along the sea front, companies rented out \$40,000 a week yachts to entertain

clients, and companies shipped delegates out from the convention centre by speedboat to their company briefings across the bay.

The mood was buoyant as companies, in the face of declining sales, were betting their futures on tomorrow's third generation networks. The large telecommunications providers were saying that third-generation services should arrive as early as 2002.

However, for the past 18 months the 2.5 networks, seen as a stepping stone to 3G, have been with us; the only problem is that there are no telephone handsets to take advantage of these services that promised to boost our short messaging service to full-blown e-mail.

Indeed, some people in Cannes believed that there was a conspiracy afoot. Apparently, there are an estimated 50 million second-generation handsets still languishing on shop shelves. This is because the mobile phone makers over-estimated demand and that is why people are being offered a free handset with every packet of cornflakes. The conspiracy theorists believe that mobile phone companies are holding off providing consumers with 2.5G handsets until they have cleared their inventories. But whatever the reason, the fact remains that providers have yet to offer the public 2.5G and it is equally unlikely that 3G will arrive on time.

Indeed, one of the things killing the technology industry is this kind of foolish over-promising. Every time there is a new technology you have companies painting pictures of how it is going to be the next "revolution".

Then, whatever arrives is overpriced, takes a PhD in computer science to operate and only works on Mondays, Wednesdays and Fridays between the hours of 2 p.m. and 5 p.m.

Hear this: any device, technology or software aimed at the general public that takes more than three commands to operate will fail to reach the mass market.

Now nobody is more convinced that the wireless industry can succeed where the dotcom sector failed in providing us with true electronic commerce in a way that is convenient and usable.

However, in this industry I believe that you can probably take any marketing message and add five to their delivery time, cut sales projections in half, and reduce the number of companies competing in the sector from 300 to three and you will probably have a fair idea of what it will look like when it hits the mass market.

After all, this is what has happened in the PC market, with Dell, Compaq and Gateway, and in electronic commerce with Amazon, Yahoo and Ebay.

So let's cut the bull. Thirdgeneration wireless devices that provide you with the ability to download and view movie trailers, buy a ticket and guide you to the cinema using mapping technology will arrive, but they will not become a mass market item for quite some time yet.

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