

A Good Year for Mobile?

At issue: It's no secret the mobile market has had a tough year, due both to infrastructure delays and the recession. Companies are struggling, with many folding as the market stays small. And, in fact, this is *M-Business'* last issue for now.

Most of the movement for data-based applications has stayed with the tried-and-true mobile adopters, such as transportation and field service. For many mobile strategists, the basic question now is: Will mobile data move significantly beyond those established markets this year? Knowing the right answer is key to pacing your mobile strategy.

GALEN SAYS: No. I believe the mobile data market will be largely on hold this year, as companies regroup from the recession and the major hit to enterprise and consumer adoption of new technology. Capital spending and forward-thinking investments will be the exception in 2002's climate, unfortunately.

It's funny, because a year ago when you and I had a similar debate, I was the optimist. I advised companies not to wait for their competitors to move, but to instead seize the opportunity to build when everyone else was hunkering down. I still believe that's what companies *should* do, but I am fully unconvinced that's what they *are* doing. It takes enough forward thinkers to move a market, and for whatever reasons, there aren't enough right now to create enough of a market.

Don't get me wrong: The fast, next-generation networks are finally coming, and the devices are starting to be built with them in mind. Nextel, Verizon, AT&T Wireless, VoiceStream, and Sprint PCS are all now moving definitively. Handspring and Research in Motion are building some of the first devices designed for mobile data, and even laggard Palm is following suit. Microsoft, of course, has seen the light and is doing its part. So has Nokia. There *will* be a mobile market one day.

But not in 2002. This year is a year of infrastructure, with the network effect on adoption following in 2003 as the recession lifts and companies think yet again about how to outdo their rivals, not just wait out the bad times. The consumer and enterprise benefits and opportunities of mobile remain strong. They just won't happen this year for significant new markets.

Mobile strategists should use the year to plan their efforts and line up their possible partners, but more than that will simply not cut muster when it comes to the reactionary "bottom line at all costs, we'll worry about tomorrow tomorrow" thinking that presides at many companies. Right or wrong, this approach is what the market has taken, and mobile strategists need to acknowledge it.

MO SAYS: I couldn't disagree more. There's absolutely no doubt that we'll see a broadening of the wireless market this year.

Yes, we're still hearing mostly about all the usual suspects: brokerages, banks, logistics, transportation, etc. But I'd argue that those industries – at least logistics and transportation – are entering a more mature, second stage of wireless deployment. They've proven the value of wireless and are continuing to invest in more sophisticated, more long-term wireless strategies.

In the meantime, right behind them, a whole slew of new industry verticals are making their way into first-stage wireless. They're still in the testing stages, still reluctant to talk about strategy and ROI with the outside world, but

nonetheless strong movers.

Although we haven't been able to get many of these companies to talk publicly, we've seen them from behind the scenes: retail, security, construction, and event venues are all good examples.

But I'll go even further and argue that, if you want to see really big uptake numbers, the enterprise markets aren't even the place to look.

Yes, they're sure money for the vendor community today; but the biggest profits will eventually come from the mass market – and that'll happen sooner than you think.

With the next-gen network rollouts you mentioned, which are occurring as we write, and the significantly more consumer-friendly devices coming to market, I'm certain that the end of the year will see the first real mainstream-consumer uptake of wireless data. Granted, the consumer market will take 2003 and 2004 to mature, but we'll see some healthy roots begin to grow in 2002. That's big news for the U.S. wireless industry.

And, with that kind of uptake, *M-Business* may be back. ■

Note from the editors: Yes, it's true. *M-Business* is halting publication. However, for all of you hooked on our daily news, we're happy to say that *MBusinessDaily.com* is alive and well and will continue to produce our popular twice-weekly newsletters. If you're not signed up, go to www.mbusinessdaily.com.

