Welcome and Introduction

Wireless and Mobile Commerce Track - Future Markets, Current Realities

Professor James Short
Center for eBusiness@MIT
Annual Conference
April 17, 2002
Our Objectives for the Day

To Gain A Deeper Understanding of

• Where are the new, emerging, early-stage markets for wireless?
  – Views from Asia, Europe, the Americas
  – Is This Globalization of Innovation

• What are key innovations, lead practices and trials underway in innovative verticals, corporates?
  – Infrastructure plays, applications, services ...
Morning and Afternoon Panels

Ventures
- Anthony Cirurgiao, General Partner, Clarity Capital
- Kari Laento, Managing Partner, CEO, SNV Partners
- Rod Randall, General Partner, St Paul Venture Capital
- David Skok, General Partner, Matrix Partners
- Greg Tarr, Managing Partner, GT Ventures
- Moderator: Timothy Rowe, MIT Sloan Digital Business Strategy Track

Corporates
- Richard Barnwell - Axeda
- Wesley Chan, HP Laboratories
- Jim Goodwin - FleetBoston Financial Retail Banking
- Bengt Horsma - Global E Business, MasterCard International
- Mysore Prakash - Wireless Strategic Marketing, Nortel Networks
- Moderator: Sharon Gillett - MIT Program on Internet & Telecoms Convergence
New Markets, Current Realities
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New Markets, Current Realities
Some Scenarios Out There

• Fashion accessory
• Information appliance
• M2M not C2C
• P2P
• Platform evolutions (fields of dreams)
• Killer apps
• All of the above
• None of the above
MIT Wireless Research Snapshot

Main Sub-Projects

• **Consumers:** Wireless Adoption, Affinities and Consumer Transitions
  - Comparative Adoption, Affinity Surveys: Japan, Korea, US, China. Europe planned.
  - Platform Transitions Study: Japan

• **Firms - Early Stage Ventures:** Core & Complimentary Technologies
  - Comparative Venture Surveys: Korea, Israel, Sweden, US
  - Attributes: Core Technology Investments, Consumer Mediation, Market Signaling and Information Transparency (Firm Disclosure Content Analysis)

• **Market Sectors:** Lead Adopter Markets, Market Structure, Standards
  - Proximity Payments & eCommerce Transactions: US, Asia, Europe
  - Core Technology & Standards

• **Historical Wireless Industry**
  - Historical Studies of British, Italian and US Wireless Companies (1900s)

Case Studies & Reports

• **Case:** Mobil Speedpass, Stop&Shop
• **Case:** NTT DoCoMo 3G, Japan Railways
• **Case:** Hong Kong Jockey Club, Octopus
• **Case:** Wireless Music (Vivendi)
• 10 Core Cases & Reports Underway

Geographical Focus

• Japan
• Korea
• US (summer)
• Europe (fall 02)

Data and Methods

• Content Analysis of Firm Disclosure Data
• Consumer Surveys, VC Surveys
• Historical Data Analysis (Content Analysis)
• Company Case Studies, Sector Reports
The Telephone Newspaper--New Experiment in America

Description of Operating Methods of Organization which Transmits to Its Subscribers, via Telephone, News of Day, Advertisements of Importance and Varied Entertainment--A Plan Transplanted from Budapest, Hungary, Where It Has Long Operated

By Arthur F. Colton

While all the rest of the nation had to stop work and hang around the newspaper bulletin boards waiting in an agony of suspense for news from the Polo Grounds, in New York, last October, for half an hour, or perhaps thirty-three minutes, after the epoch-making innings there were ended, a privileged few in Newark, N. J., were able, while sitting in their own homes, to follow instantaneously, play by play, the demonstration of the fact that the Giants were next to the best baseball experts. These Newark folk who received news more promptly than that commodity had ever before been served in America were the first subscribers to the Telephone Herald, a newspaper which is independent of the Typographical Union and the Allied Printing Trades Council, for it is published over wires instead of upon paper. In other words, the subscriber does not read the Telephone Herald, but merely listens to it. He may listen to as much or as little of it as he likes; but whether he listens or not the Herald grinds on in one continuous edition from 8 o'clock in the morning until 10:30 o'clock in the evening. Its news is constantly on tap, like water or gas, for the small sum of $1.50 a year, or five cents a day. Additional news taps in one house are installed for $7 a year, or two cents a day. The Telephone Herald gets out a Sunday paper seven days a week with all the usual "magazine" features, fiction, fashions, children's stories and all the rest of it. Its one redeeming feature is that it has no comic supplement, thank Heaven!

More about the Telephone Herald, including its reports on the New York baseball games and its description of the subscriber's entire family, can be found in the source material.
The editorial offices measure up to the finest traditions of journalism. There is the usual bare-like room, meagerly furnished, with dirty windows, grillesless of shades, the floor littered with waste paper, and the regulation paste pot that has not been cleaned since the year one. In these familiar surroundings a couple of editors smoke cigarettes and clip the morning papers, go through press reports, proofs from a local evening paper and correspondents' manuscripts, and receive telephone messages, condensing everything to the utmost, two hundred and fifty words being the maximum limit for the most important items.

The subscriber gets a little wooden disk to be attached to the wall, with a little hook on which to hang the receivers when not in use. Ordinarily a receiver is held to each ear, though in a great crisis, such as one of the big football games, one will suffice for one listener. There is no transmitter for the subscriber. He cannot talk back nor ask the stenot to repeat nor ask questions nor interrupt the service in any way. His only way of expressing disagreement of bad news is to hang up the receivers, though if circumstances warranted it he might slam them against the wall.

In order that no one may wait in vain for the kind of news in which he is interested, everything is classified and sent out over the wires according to an exact schedule. The subscriber has a program tacked up beside his instrument so that he always knows when to expect certain things. When a bit of news of unusual importance comes in, the regular service is interrupted while a bulletin is sent out, the subscribers being called by a whistle signal. Here is the daily program:

- Exact astronomical time.
- 9:00 Weather, late telegrams, London exchange quotations; chief items of interest from the morning papers.
- 9:00-9:45 Special sales at the various stores; social programs for the day.
- 9:45-10:00 Local personal and small items.
- 10:00-11:30 New York Stock Exchange quotations and market letter.
- 11:30-12:00 New York miscellaneous items.
- Noon Exact astronomical time.
- 12:00-12:30 Latest general news; naval, military and congressional notes.
- 12:30-1:00 Midday New York Stock Exchange quotations.
- 1:00-2:00 Repetition of the half day's most interesting news.
- 2:00-2:15 Foreign cable dispatches.
- 2:15-2:30 Trenton and Washington items.
- 2:30-2:45 Fashion notes and household hints.
- 2:45-3:15 Sporting news; theatrical news.
- 3:15-3:30 New York Stock Exchange closing quotations.
- 3:30-5:00 Music, readings, lectures.
- 5:00-6:00 Stories and talks for the children.
- 8:00-10:30 Vaudeville, concert, opera.

In a Newark department store which installed a number of instruments to draw trade the innovation was so successful that a restaurant next tried it. Patrons became so interested in the news that they forgot to find fault with their victuals. Then the clubs took up the Telephone Herald. Altogether there were over 1,000 subscribers by the middle of November, though only a
To Learn More

• If you would like to learn more about the MIT Wireless and M-Commerce Research Project, or consider participating yourself, please leave a business card at the conference table or email Professor James Short, jshort@mit.edu.