

NFC Takes Baby Steps to Market

BY ANDREW BERG

Have you personally seen or executed an NFC transaction? That was the question posed by Nokia's director of business development for devices, Damien Balsan during a panel on near field communications (NFC) at yesterday's Money Over Mobile session. About a third of the audience raised their hands.

"Actually, you all have," Balsan corrected, citing the door attendants that touch their Nokia feature phone to attendees' badges when they enter an educational session here at CTIA Wireless.

While Balsan and the other three panelists agreed that this is truly the "launch year" for NFC, they also came to the consensus that it's going to be baby steps from here. Citing a host of challenges

still ahead for the mass adoption of contactless payments on the mobile phone, the industry will first deploy "simple" solutions (like badge scanning) in order to condition the public and exploit the many use cases for the technology.

"At least people are talking about it," remarked Amitabh Malhotra, co-founder and COO of DeviceFidelity, which was one of the first companies to get NFC technology onto MicroSD cards.

And indeed people are talking about NFC, as well as bringing various solutions to market. Almost every major OEM in the past few months has talked about their plans to get NFC onto their devices, to the point that it's starting to sound like a standard feature for most smartphones. And then there's the carriers clamoring to get in on the ground floor with

initiatives like ISIS.

But NFC, at least as a payment solution, is still fragile. "The banks,

"For this technology to be successful, we need everyone to be comfortable, from the issuers to the user."

the financial institutions have to be ensured that we're offering both an open solution, as well a secure one," said Jean-Louis Carrara, vice president of business development for Gemalto.

"For this technology to be successful, we need everyone to be

comfortable, from the issuers to the users...All it takes is the slightest bit of bad press and NFC solutions get rolled back," Carrara said.

Getting everyone on the same page and comfortable is part of those initial solutions. While you may not be paying for groceries with your smartphone this year, it's very possible you could be checking out a trailer for new movie just by touching your phone to the movie poster. It's those kinds of tasks that get consumers acquainted with a new technology.

It seems like we've heard these visions of the NFC-enabled future year in and year out, and you're forgiven if you're still skeptical. Nevertheless, the evidence is pretty strong that another life-changing technology from the wireless industry is beginning to see adoption.

Had your badge scanned lately? ●

Engineers Stroll, Drive Convention Area to Test Voice, Data Networks

BY MONICA ALLEVEN

You might notice some engineers walking around the convention center with backpacks. Well, they're not your standard backpacks. They're actually housing gear for collecting data on the performance of wireless networks.

Global Wireless Solutions (GWS) says it performed a baseline test on Monday to monitor the performance of the four major national carriers. Inside the convention center, testing showed that two tiers emerged on the voice networks, with AT&T and Verizon Wireless edging out Sprint and T Mobile USA, according to GWS President and CEO Paul Carter.

In terms of data, download throughput tests showed that T Mobile's HSPA+ network had no trouble keeping pace with Verizon's LTE network, he reports. However,

Verizon's network exhibited variability in throughput and also had the most failed tasks of any carrier. AT&T's network throughput came in right behind these two carriers, while Sprint's EV-DO results rounded out the lower tier.

GWS also had a van perform testing along the roadways and parking lots surrounding the convention center. Outside, the voice performance on each of the four major wireless carrier networks averaged one failed call, while MetroPCS got hit with two failed calls.

The Verizon LTE network was more stable and consistent than inside the convention center, according to GWS. Verizon and T-Mobile were again in the top tier on download throughput, but this time, T Mobile struggled more with failed tasks. AT&T again was

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strong business model to use mobile search as a tool to reach the local audience, especially as more people own and use smartphones with GPS built in. He said 93 percent of the purchases made by Americans are within 15 miles of where they live and work.

AT&T Interactive, a business unit of AT&T that grew out of paper business directories, expanded into an online directory linking businesses and consumers and now uses the Web as a "funnel" to get into mobile applications, he said.

Williams said AT&T Interactive uses both the mobile Web and phone applications to reach its two audiences. Both methods have their advantages, with the mobile Internet being less expensive and time-consuming, while apps are more persistent and targeted.

"We did both," he said. "If we can catch you with the mobile Web, we can get you into applications."

The future is bright for mobile commerce, Williams said, because of the growth of smartphones and their location awareness. Marketing and advertising to smartphones using text messages, application alerts or links through display advertising can become very powerful because of the ability to know a user's location and personal preferences, he said.

AT&T Interactive has started using "HyperLocal" advertising that alerts phone users with coupons and other incentives based on their location.

Another speaker, Remco van den Elzen of the app store data firm Distimo, said free mobile applications are growing in importance. But he said there is a wide difference in how people access

applications on a mobile phone versus a tablet. Gaming is very important to iPhone users but not so for iPad users, who also use productivity apps much more than iPhone users, he said.

There also is a big difference in the popularity of applications in various regions, van den Elzen said. Ninety percent of the mobile applications downloaded in Korea are not downloaded at all in the U.S.

"Few applications can be successful across all markets," he said. "There's a huge opportunity for local applications."

A recent Distimo report said Apple is far and away the app store leader, with 300,000 apps in its iTunes store. Google's Android platform finished last year with 130,000 apps, while Nokia's Ovi store had 25,000 apps and BlackBerry had 18,000.

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just behind each of these carriers on download throughput but was the only carrier of the top three to consistently deliver success-

Engineers plan to test networks throughout the week.

ful tasks both inside and outside. Clearwire came in quite a bit slower, with a significant amount of task failures, the testers say. Not surprisingly, Sprint's and Verizon's EV-DO (which would represent the Verizon iPhone user experience) networks rounded out the lower tier.

GWS engineers plan to continue their tests throughout the week. ●

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Survey: U.S. Data Traffic Doubles; Smartphones Up 57% in 2010

BY MAISIE RAMSAY

The industry knows that mobile data traffic is increasing, but by how much? CTIA is shedding some new light on the trend in new numbers from its semi-annual survey.

CTIA reports that 226.5 billion megabytes of data were transmitted over wireless networks in the United States during the last half of 2010, more than double the 107.8 billion megabytes transmitted during the same period in 2009.

The rise in data traffic corresponded with an increase in the number of active smartphones on the market, which rose 57 percent in 2010 to 78.2 million. The number of feature phones on the market rose slightly, as did wireless tablets, laptops and modems, which rose 14 percent to 13.6 million.

"Whether it's sending a text,

making a phone call or accessing the wireless Internet, the facts prove our industry continues to offer innovative and competitive services and products that consumers love and are using more than ever," CTIA President and CEO Steve Largent said in prepared remarks for his Tuesday keynote address at the association's spring trade show.

Despite the rise in data usage, the survey found that the average wireless bill actually decreased slightly to \$47.21 last year, from \$48.16 in 2009. However, overall service revenues grew nearly 5 percent to \$159.9 billion and sales from mobile data grew to \$50.1 billion.

The report also found that use of SMS and MMS messages also increased. The number of text messages sent and received in the United States climbed to more than 2 trillion in 2010, from 1.56 trillion in 2010. ●