

Wireless World: 'Black hole' of convergence

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For decades, it seems, esteemed techno-sages have been touting the coming of "convergence." Personal computers were said to be poised to merge with home stereo systems -- back in the 1980s. Then set-top boxes were said to be ready to overtake PCs at home. None of that has ever, even remotely, come close to happening.

But, experts are telling United Press International's *Wireless World*, the technology dreamers shifted their soft focus, subtly, during this decade to the mobile phone, and, all of a sudden, their predictions of convergence are starting to come true. Mobile phones are being combined with computers to make smart phones. Video and picture applications are being brought to these personal digital assistants, like the Sprint PPC-6700, among others. Mobile phones have become a black hole of sorts -- in a good way -- drawing all manner of technology with their gravitational pull. "Two-way walkie talkies, Web browsing, e-mail, e-commerce, instant text messaging, games, music, photos, videos, TV shows, even full-length feature films," a spokesperson for dotPhoto, a wireless technology developer, told *Wireless World*.

Simply put, the wireless phone has become a black hole of convergence, sucking in every new digital technology that comes along, often in ways that the experts didn't foresee.

Managing this kind of convergence -- experts are saying -- is going to generate massive amounts of revenues for the industry in the coming years.

A new study by Compass Intelligence, an industry research firm based in the Netherlands, indicates that, with all of the new applications and features available for wireless, business customers are starting to ask solution providers for detailed advice. Right now, 35 percent of the 1,600 firms surveyed by Compass said that they ask for ideas as to how to use new voice and data applications from wireless providers. That is going to increase by at least 3 percent in the next three years, the survey said.

That means that solution providers -- systems integrators, as well as wireless carriers themselves -- are going to have more influence on what is purchased and why. This will lead to greater efforts to "educate" customers about what technologies can accomplish which tasks -- a bureaucratization of the process of selling mobile technologies that are widely seen as having democratizing value.

The gravitational pull of mobile-phone technology just keeps getting stronger, experts tell Wireless World. Another new survey, released yesterday, indicates that global wireless phone shipments grew at a 31 percent rate during the first quarter of 2006, reaching 229 million units sold during that time frame. "We expect strong demand to continue throughout the coming months, and we forecast that full-year sales will reach a record 1 billion units by the end of 2006," said Neil Mawston, a London-based analyst with Strategy Analytics, an IT market research firm. "This represents a 22 percent growth from 817 million units in 2005."

There are a handful of firms benefiting from the hardware sales now -- Motorola, Sony and Korea's Samsung and LG.

"Motorola was the star performer in terms of volumes, but the growing need to compete in low-cost markets adds fuel to the theory that it has reached its profit ceiling," said Chris Ambrosio, an analyst with Strategy

Analytics. "Samsung and LG are also both feeling the profit pressure. This is a strong illustration of the need for design and platform balance, in order to maximize profits as a global competitor. Otherwise, profits rest in niche products aligned to emerging mobile demands."

In other words, convergence now pays, somewhat handsomely, for mobile-phone makers, and the consulting companies that work in their wake. That may be a supernova, rather than a black hole, of profitability for the technology industry.

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