

Wireless World: VCs eye mobile TV, WiFi

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The number of new wireless companies funded by venture capitalists is rising, indicating that a "pre-dot-com" boom level of confidence has returned to the market, experts tell United Press International's Wireless World.

A new survey from the firm Datamonitor, based in London, indicates that VC investment in IT totaled \$3 billion during the first quarter of 2006.

The area that has attracted most investment notoriety is wireless technology, which received \$216 million in new funding during the first three months of 2006.

Though the value of total investments has gone down slightly, the overall number of deals has increased significantly, the report said.

According to Datamonitor analyst Thomas Jowitt, ongoing industry debates over future standards are helping to generate investment in the wireless sector. This includes discussions over technologies like Wireless Fidelity (WiFi), WiMax and other emerging technologies like location-based services for mobile phones and content deployment for mobile TV.

Other experts confirm the findings.

This week Santa Clara, Calif.-based Beceem Communications, a provider of chipsets for Mobile WiMax technology, disclosed that it had

received an investment from DoCoMo Capital, the venture-capital investment arm of NTT DoCoMo, the Japanese telecom company. The two companies are collaborating on the evaluation of the performance of Mobile WiMax and its desirability as a wireless broadband solution.

"We have chosen to invest in Beceem due to its advanced technology position in wireless, especially when it comes to MIMO and Smart Antenna techniques," said Nobuyuki Akimoto, chief executive officer of DoCoMo Capital. "This relationship will give us a good view of the capabilities of the wireless broadband technology as we investigate the future of OFDMA based Wireless Broadband solutions."

Also this week Los Angeles-based Amp'd Mobile, a wireless entertainment service, said it has closed a third round of funding of \$150 million, pushing the start-up company over the \$260 million mark.

A host of venture-capital firms, technology companies and content partners are providing the funds, including Qualcomm, IntelCapital, MTV and Universal Music Group, for Amp'd, a mobile virtual network operator.

"We are thrilled to receive enthusiastic support from leading technology companies such as Intel Capital and Qualcomm, as well as such highly-respected global investment entities as Tudor, Heights, Polygon, Quilvest and Rho," said Peter Adderton, chief executive officer of Amp'd Mobile. "This is a significant milestone that will allow us to quickly ramp up Amp'd Mobile and fulfill our goal of delivering a completely unique, broadband wireless experience."

Another firm to receive funding this week is a provider of wireless robotic retail services that enable retailers to create stores that service customers automatically -- without bored teenage clerks at the counter who sigh or roll their eyes at the purchase.

San Francisco-based Zoom Systems this week disclosed it has closed a \$10 million "Series C" financing round led by Goldman, Sachs & Co. that will speed deployment of the company's network of 40-square-foot robotic stores that place well-known brands and high-demand products directly in the path of consumers.

The venture capitalists are coming to these wireless markets just as consumers are pitching out their landline phones in favor of wireless, experts tell Wireless World.

A new survey released recently by Cambridge, Mass.-based Forrester Research Inc. indicates that last year about 8 percent of consumers gave up their landline phones, up from 5 percent in 2004. The cost of using mobile phones all the time used to be expensive, but that is no longer the story. More than 6 million U.S. households are now using wireless phones -- and have no landline whatsoever, Forrester said. Surprisingly, those "cutting the cord," so to speak, are not all youths. Many are older adults -- meaning that there is even more money to be made off of wireless services in the near future.

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