

Wireless carriers muddy waters with '4G' marketing

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The marketing world is full of vague adjectives like "new," "better" or "healthy" that don't necessarily mean much.

The wireless industry has its own buzzword: 4G. Carriers have taken the technical-sounding term for fourth generation and turned it into a vehicle for competing advertising claims that could confuse consumers.

Starting with Clearwire Corp. and [Sprint Nextel](#) Corp., [wireless carriers](#) have used 4G to describe a major leap in speed, capacity and power over other networks. But operators don't agree on what constitutes that technological milestone. As a result, 4G has become a marketing term almost unrelated to its technical definition, which is determined by industry standards bodies.

Earlier this month, T-Mobile USA Inc. said it had expanded its 4G service to six markets, adding them to a roster of "America's largest 4G network." The carrier's announcement prompted grumbling from some of its competitors, which said T-Mobile was trying to pass off an improved 3G network as a new 4G network. Critics noted that the carrier itself had refrained from using "4G" to describe its technology, called HSPA+, when it was introduced.

T-Mobile is unapologetic.

"For customers, it's setting an expectation of a significant change in their experience," said Bentley Alexander, T-Mobile's regional vice president

of engineering and operations. "It's a step above and beyond the experience folks are having today. ... It's appropriate to call it a 4G network, and we're proud to call it that."

The raised eyebrows over T-Mobile's 4G announcement underscore the ultracompetitive nature of the wireless industry, which is hungry for revenue from mobile data services - [Web surfing](#), video streaming and photo sharing - that will be further enabled by the newest network technology. Every carrier wants to show it has the best pipelines for that data, and 4G is elegant marketing shorthand.

"To us, what it means is it's the next generation of technology," said Mike Sievert, Clearwire's chief commercial officer. "It has to be more than just faster. ... It also has to have higher capacity, the tons of megabytes of data that we know people want. And, finally, there has to be a breakthrough in the cost of the technology."

Verizon Wireless plans to launch its 4G network in 38 markets on Sunday, while AT&T Inc. says it will make its 4G debut in 2011. Both carriers use a technology called Long Term Evolution, or LTE. Clearwire and Sprint's [network technology](#), also used by Comcast Corp., is known as WiMax.

If a carrier is pitching "4G-like speeds, or 'Yesterday I had a [3G network](#) ; today I'm going to brand it as a 4G network,' you've got to look under the hood a little bit and do a true comparison," said T.J. Fox, president of the Illinois and Wisconsin region at Verizon Wireless.

In the wireless industry, various agencies coordinate how the radio spectrum is used globally and set technology standards, which are important for interoperability between communications systems. In October, the International Telecommunication Union, a United Nations agency, announced its designations for "true 4G technologies." All of the

U.S. networks touted as 4G fall short of ITU criteria.

"None of the networks today meet the ITU's specifications for 4G," said Chris Nicoll, a distinguished research fellow at the Yankee Group. "It's like saying, 'My bicycle is a car because it has wheels and has the same (technology) roadmap to get to the automobile.'"

Still, with so much momentum behind making 4G a household name, the carriers aren't giving up the term. And because there is no agency with legal authority over how 4G should be used in advertising, carriers are free to describe their technology however they please. This dynamic mirrors how "all natural," for example, has become a ubiquitous yet hazily defined term.

"It was clear this was a brand-new network. It had never been built before, and it was clearly an advanced network," said Todd Rowley, vice president of 4G at Sprint. "Because a group of very smart people that are recognized said, 'Hey, this is the bar,' does that mean it's the bar? I say no."

According to Yankee Group, the message is not reaching consumers. A survey conducted this year showed 66 percent of participants were unfamiliar with the term 4G. Even 3G was confusing.

"Our research shows that it made no sense to label the technology 4G," Nicoll said. "Over half of the consumers we surveyed either had never heard of 3G or didn't know what 3G was. So if they don't know what the baseline was, going to the next G doesn't give you a moving point. They could have called it anything, and the consumer would have been just as confused."

AT&T is moving its marketing focus away from using 4G, said Dave Fine, the carrier's vice president and general manager in Illinois. He said

that while "the number is getting across, the message might be lost in the number" because of competing claims over whether a network is 3G or 4G.

"We've changed our message in our advertising and out in public because it's about the fastest mobile broadband," Fine said. "Do you want the fastest mobile broadband network or do you want G's? We want to simplify the message to the consumer."

COMPARING 4G CARRIERS:

-Coverage: Early adopters may find they have just one or two operators with 4G service in their city, and it will be several years before all the operators have nationwide coverage.

-Speed: Speeds will vary by location and other factors, but 4G speeds are supposed to be at least three times faster than 3G. Operators say the difference should feel like moving from dial-up to a broadband Internet connection.

-Latency: A 4G data connection should feel significantly more real-time. This means audio and video should be synced while streaming a TV show or holding a live videoconference. Latency is important for online game players.

-Devices: Sprint offers two 4G smart phones. T-Mobile sells 4G-ready devices optimized for the upgraded network, but many of its 3G phones are also compatible with its 4G technology. A greater variety of phones, as well as netbooks and tablet computers, is expected to hit the market as operators roll out their networks.

-Price: Carriers may experiment with different plans, with some offering unlimited packages while others introduce tiered pricing. Users of

Sprint's 4G smart phones pay a \$10 monthly premium. [T-Mobile](#) does not charge extra for [4G](#). Verizon and AT&T have not announced their pricing plans.

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