Apple vs. Google, and other news makers

By *Phil Britt*

Google's Nexus One was one of the most talked about Internet-enabled devices unveiled at the Consumer Electronics Show (CES) in January, but it was only one of several devices expected to create more demand for bandwidth in the mobile arena.

The Nexus One phone features a 4GB removable SD card (expandable to 32GB) and a 1GHz processor. Google referred to device as a "superphone" during the unveiling.

"This is a first, not with the idea of Google and cellphones, but that Google is now officially in the equipment business," says Jeffery Kagan, an Atlanta-based wireless telecom analyst. "This is a big deal. How successful will Google be is the

The wireless marketplace has been reinventing itself over the last three years, Kagan adds. Until three years ago, the market was fairly steady, with regular handsets accounting for about 85 percent of the market and smartphones about 15 percent. Then Apple jumped in with iPhone and that started the gears shifting. So the industry looks much

question. We have not seen them market or sell anything that you can hold in your hand. This will be a new adventure for the company. With the attention it is receiving I think it looks like the world is ready to accept a Google device."

different today. The regular handset side has stalled (at least, in the US), while the smart phone side is growing rapidly, now comprising nearly half of the market.

"It looks like going forward the majority of attention will be on the new competitive battle between Apple and Google, the two newcomers in wireless," Kagan says.

Apple won one round of the battle at CES. The MOTO Development Group, which develops products and product/service strategies for startups and Fortune 500 companies, selected the iPhone as the winner of a touchscreen performance test between the Google Nexus One, the Apple iPhone, the Motorola Droid, and the HTC Verizon Droid Eris.

According to MOTO, "The iPhone's touch sensor showed the most linear tracking with the least amount of stair-stepping. The Droid Eris and Nexus

iPhone and Mac products – the largest display of its kind in CES history.

And, of course, in addition to the devices unveiled at CES, the highly anticipated Apple iPad was unveiled at the end of January. Apple had worked out deals with book publisher HaperCollins to provide e-books and the New York Times and other publishers to provide other content for the tablet device. The device is expected to run on the iPhone operating system and may cannibalize some iPhone sales as a result.

That doesn't spell disaster for the iPhone, by any means. Mobile applications for the iPhone and competing devices continue to grow. Gartner, Inc. predicts that consumers will spend $6.2 billion in

One tied for second with only faint wiggling – but actually performed best at the edge of the screen. Last in the line-up was the Motorola Droid, which demonstrated significant wavy artifacts or "stair-stepping."

Apple wasn't sitting still as Google introduced the Nexus One. According to the Consumer Electronics Association, which sponsors CES, the iLounge pavilion at the show included 100 companies and featured the latest apps and accessories for iPod,

2010 in mobile application stores while advertising revenue is expected to generate $600 million worldwide. Gartner predicts that mobile application stores will exceed 4.5 billion downloads in 2010, eight out of ten of which will be free to end users.

Gartner forecasts that worldwide downloads from mobile application stores to surpass 21.6 billion by 2013. Free downloads will account for 82 per cent

of all downloads in 2010, and will account for 87 per cent of downloads in 2013.

Mobile TV Push

While games are expected to dominate mobile downloads, much more bandwidth intensive mobile television could become more mainstream in the U.S. as more than a dozen companies at CES introduced more than 20 new mobile DTV products that they plan to roll out in the coming year, including netbooks equipped with mobile DTV; battery-operated portable mobile TV sets; mobile DTV USB receivers for laptop computers; Tivit, a Wi-Fi access point for mobile DTV reception; prototype cell phones with mobile DTV.

With some 30 stations already on the air, broadcasters are now upgrading their transmission systems to offer a variety of mobile DTV channels. Beyond basic programming, the mobile TV devices promise will offer electronic service guides, Web access, polling and voting. CES exhibitors also displayed transmission and test equipment for broadcasters.

Devices to Exceed 7 Trillion

New devices and new offerings will put increasingly more stress on the network resources of services providers. According to Amdocs, globally there will be more than 7 trillion devices requiring support, bandwidth and new business models by 2017.

That figure is based on a survey conducted by Frost & Sullivan. Among some of the surveys other findings: Wholesale services and partnering with consumer Internet companies such as Facebook and Google are increasingly providing business opportunities and outsourcing at least part of their operations will be critical for service providers to succeeding in the connected world. More than 80 percent of survey respondents cited investment in the network and network planning as the number one area of investment in terms of preparation for the connected world. In addition, respondents identified the areas of device activation, billing, charging, settlement and customer-directed self-service as essential to ensure future success. Seamless activation, self-healing devices, and "do-it-yourself" support were ranked as critical.

Cisco Execs Highly Positive

Networking equipment maker Cisco exceeded analyst expectations in its quarterly earnings announced in early January, and company executives were pointing to a strong outlook for their business.

Company CEO John Chambers said that the financial results indicated the economic recovery is entering the second phase. This starts to confirm some of the predictions from Gartner and other analysts that telecom-related spending will increase in 2010.

"During the quarter we saw dramatic across the board acceleration and sequential improvement in our business in almost all areas," Chambers said. "We believe that we are extremely well-positioned as economies around the world continue to improve and our customers increase their technology investments."

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