

## **This Week's Stories**

### **ESPN's World Cup Content Yields 8 Million Mobile Views**

June 14, 2010

Ratings for the first two days of ESPN's multi-platform 2010 FIFA World Cup coverage are up sharply compared to the 2006 tournament, led by viewer interest in Saturday's stirring United States/England match, a 1-1 tie that proved the most-watched U.S. Men's National Team game since 1994. According to ESPN, the match averaged a 7.3 household rating, attracting 8,391,000 households and 12,956,000 viewers--through five matches, ESPN and broadcast partner ABC are averaging 3,427,000 households and 4,937,000 viewers, up 95 percent and 108 percent respectively compared to the first five games of the 2006 World Cup.

World Cup content on ESPN.com (including ESPNSoccernet.com and ESPNDeportes.com) accounted for 9.5 million visits and 34.5 million page views over the first two days of the tournament, with users spending an average of 10 minutes per visit engaging with tournament content. The sports media giant's mobile offerings, including ESPN Mobile Web, the ESPN 2010 FIFA World Cup App and ESPN ScoreCenter App yielded 8.2 million visits and 50.4 million page views over Friday and Saturday. ESPN adds that mobile platforms also generated 555,000 video views over those two days.

For more on ESPN's World Cup ratings growth:  
- read this [release](#)

<http://www.fiercemobilecontent.com>

### **T-Mobile to Offer Family Plan Free Phones on Saturday**

June 15, 2010

Just in time for Father's Day, T-Mobile has announced a one-of-a-kind deal to take place on Saturday: for only one day, every single phone in every T-Mobile store across the nation will be free. The catch? A family plan is required; either sign up for a new one, or add another line to an existing plan. Individual plan subscribers are out of luck.

And when T-Mobile says every phone, it means every phone. This even includes recent smartphones like the myTouch 3G Slide, the HTC HD2, and the Garminfone. Of course, the phones are only available while supplies last, so you might want to queue up before the 8 a.m. start time to get your preferred device. As with all family plans, you're limited to five lines per plan.

<http://www.cnet.com>

### **Apple, AT&T struggle to Handle iPhone 4 Pre-order Demand**

June 16, 2010

Technical glitches caused AT&T Mobility and Apple to struggle to handle the preorder rush for the iPhone 4. Despite the chaos, both Apple and AT&T sold out of the preordered iPhone 4 devices for launch day, June 24.

The trouble started early Tuesday morning when customers tried to register for the new smartphone on the websites of Apple and AT&T. Many were met with error messages, although the cause of the errors remains unclear.

Additionally, some customers reported that when they tried to register an iPhone 4 on AT&T's site, they found themselves in the accounts of other customers. AT&T acknowledged that it had received reports of such occurrences and is investigating the issue. "We have been unable to replicate the issue, but the information displayed did not include call-detail records, Social Security numbers or credit card information," AT&T spokesman Mark Siegel told the *New York Times*.

As of Wednesday morning, AT&T had temporarily suspended iPhone 4 preorders, but Apple's website appeared to be working.

The snafu, which caused people to go into physical stores to try and reserve their iPhone 4's, is the latest batch of bad news for Apple and AT&T. Last week, a security group, which AT&T deemed "hackers," exposed a security flaw in AT&T's website and revealed the email addresses of more than 114,000 Apple iPad 3G customers.

Despite all of the glitches, AT&T said it sold out of its stock of preorders for the iPhone 4, and said it was the busiest online sales day in AT&T's history. "As of Tuesday afternoon, customers who preorder iPhone 4 moving forward will receive their device on June 25 or later, depending on when the order is placed," AT&T said in a statement. "We'll email customers with confirmation once their order is placed, and again when it ships. In addition, we will have devices available on a first-come, first-serve basis in our stores beginning on June 24."

Apple, meanwhile, had pushed back the ship date of iPhone 4's ordered online to July 2 from June 24.

<http://www.fiercewireless.com>

## Verizon May Follow AT&T's iPhone to Tiered Pricing

June 17, 2010

Verizon Wireless, the largest U.S. mobile-phone carrier, may follow AT&T Inc. in introducing tiered pricing and eliminating unlimited data plans this year as it moves to its faster fourth-generation network technology.

"We will probably need to change the design of our pricing where it will not be totally unlimited, flat rate," John Killian, chief financial officer of Verizon Communications Inc., the wireless unit's parent, said in an interview at Bloomberg's headquarters in New York today.

The company anticipates "explosions in data traffic" over wireless networks as new phones on 4G networks incorporate data-heavy applications, such as video downloads, he said. Verizon is working to keep its network running smoothly as more of its customers switch to smartphones that connect to the Internet.

The company is finalizing new data plans for the 4G network, which is expected to provide 10 times faster data rates than older networks, and isn't ready to announce specifics, said Killian, 55. AT&T, the exclusive U.S. carrier for Apple Inc.'s iPhone, said this month it will introduce plans based on the amount of data customers use and stop offering unlimited plans to manage the soaring data traffic.

"The more bandwidth that you make available, the faster it will be consumed," said Craig Moffett, analyst at Sanford C. Bernstein & Co. in New York. "From Verizon's perspective, the last thing you want is for another generation of consumers to be conditioned to the idea that data is always going to be uncapped."

### Vodafone Dividend

Verizon's customers for smartphones, like the Droid and Incredible, are using between 600 and 800 megabytes of data per month, similar to what iPhone customers consume, Killian said. Smartphone users will make up 70 percent to 80 percent of the company's customers "over time," up from about 17 percent today, he said.

Verizon co-owns its wireless network with Vodafone Group Plc. So far, New York-based Verizon Communications has gotten cash out of the wireless operation through payment of a debt that Verizon Wireless owes Verizon Communications. That debt will be paid by 2011, Killian said.

To continue getting cash out of the company, Verizon Wireless may start paying a dividend to both its parents in 2012, Killian said. The companies meet in December each

year to discuss their partnership, he said. The wireless business accounts for about 70 percent of Verizon's cash generation, Killian said.

"We control the decision," said Killian. Verizon owns 55 percent of the wireless company. "It's a Verizon-controlled decision as to when we pay the cash out and how much we pay."

<http://www.bloomberg.com>

## Product & Service News

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### Sprint Plans Target 3G Data Roaming

June 15, 2010

Sprint is taking aim at laptop customers who use excessive amounts of data while roaming by asking customers to accept a metered option for overage charges or risk having their service cut off until the next billing cycle.

Sprint's mobile broadband plans for USB dongles and 3G/4G-enabled laptops already include a 300 MB off-network data limit and a total 3G data limit of 5 GB. Beginning in July, Sprint will ask customers close to exceeding those limits to sign up for metered overage charges of 5 cents per MB on Sprint's network or 25 cents per MB off Sprint's network.

Customers who don't agree to the overage charges and who exceed the data caps "are subject to having their mobile broadband service suspended until the beginning of the next bill cycle," said a company spokeswoman. Customers will be notified by text message or e-mail when they reach 75 percent and 90 percent of the 300 MB data roaming and 5 GB total data usage limit.

The limits do not apply to Sprint's smartphone customers and a company spokesman said last week that Sprint had "no plans to change our pricing plans at this time."

The change for Sprint's laptop customers comes in the wake of AT&T's decision to implement data caps for its new smartphone customers. The carrier is cutting its unlimited plan for new customers in favor of cheaper plans with a limit on how much data subscribers can consume.

<http://www.wirelessweek.com>

## **Industry News**

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### **Embedded Devices: Module Vendors Talk Demand**

June 14, 2010

With wireless connectivity spreading like weeds from handsets to laptops to machine-to-machine (M2M) and an increasing variety of consumer electronics, the companies that make the chips to support the connectivity are enjoying a boost to their bottom line.

Just look at Texas Instruments (TI), which is strengthening its grip on the embedded device space with its OMAP processor. The company saw first-quarter sales in its wireless division rise 27 percent in the first quarter to \$717 million.

Then there's Intel, which said its mobile microprocessor revenue hit record levels last quarter. Finally, Qualcomm CEO Paul Jacobs said during the company's second-quarter results that new and emerging categories of wireless devices are "gaining traction" even as dongles and embedded laptops continue to drive the majority of non-handset chip sales.

"Over the years, we've really expanded into areas of embedded applications like gaming, medical, retail, and we've seen quite a bit of activity on digital signage and in-vehicle entertainment," says Sandra Rivera, Intel's director for its embedded and communications group. "Everything is going to be connected in some shape or form."

Her statement is echoed by Matt Kurtz, platforms and ecosystem manager for emerging connectivity solutions at Texas Instruments. "There are more people out there evangelizing the sea of connected things and there's real development going on in all these areas," he says. "How fast they get to you and me is a matter of pull/push. The companies want to get these things out to consumers and then the market will decide."

Demand for connectivity is expected to increase across the board, but Kurtz believes that consumer adoption will be the ultimate decider of whether M2M can pass from the enterprise space into mainstream electronics.

"I'm convinced we can almost never make this stuff easy enough for the average user... The more we invest in making these things easy and not scary to a non-technical person, the better," he says. "I think that's the biggest single thing for the industry."

Intel connected device director Kevin Johnson says cheerleading from wireless operators is helping raise the profile of the segment's potential. "We're at the front end of the growth curve on this and now you have major telecom

service providers picking up this banner," he says. "They're pushing the boundaries of the imagination, talking to innovators, enabling connectivity."

Wireless operators won't be the only ones to benefit from increased adoption of connected devices; that connectivity can come from a multitude of different standards, from low-power ZigBee to long-distance 3G. However, connectivity is proving to be a rising tide, and it's taking all the boats in the ecosystem with it.

<http://www.wirelessweek.com>

### **The Temperature of Tablets: How the Mobile Industry is Responding to the iPad**

June 14, 2010

With the iPad, Apple has laid down yet another challenge to the wireless industry's incumbents. The book-sized gizmo, now past 2 million shipments in just two months, represents a new device category for consumers, a chance for additional data revenues for carriers and a slap in the face to handset makers already struggling to stanch the rise of the iPhone.

So how will the world's cell phone and smartphone makers—Nokia, HTC, Motorola, Samsung, Acer and the rest—respond to Apple's new iPad challenge? Are tablets the next battlefield in the mobile war, or will the wireless industry's handset makers cede the arena to Apple and its PC brethren like Lenovo, Archos, Asustek and others?

#### **Long tale of the tablet**

To be clear, tablets are nothing new to the world's entrenched handset vendors. Players both large and small have been dabbling in the bigger-than-a-cell-phone, smaller-than-a-laptop market for years. After all, Nokia released its Booklet netbook last year (and its N800/900 Internet Tablets and Communicator devices before that), Palm toyed with its mini-laptop Foleo device, and HTC once boasted of its unique Shift and Advantage devices (HTC even designed a specialized tablet for the U.S. Census). Indeed, just weeks before Apple unveiled the iPad, Motorola showed off a prototype Android tablet running over LTE.

So tablet-style gadgets are by no means new to wireless. What is new, however, is the possibility that major profits can be reaped from the sale of the devices, as highlighted by Apple's iPad.

## A moving target

But what exactly is a tablet? And how can the market be defined and measured? The world's leading analyst firms have been struggling with that very question, and many have had to rework their approach to the tablet market in the wake of the Apple iPad.

"We consider the iPad the inaugural addition to the media tablet category," said Susan Kevorkian, program director for mobile media and entertainment at research firm IDC. The firm defines media tablets as having a lightweight operating system like iOS or Android and a 7-12 inch color screen. Tablet PCs, on the other hand, sport "full" operating systems like Windows and run an X86 processor.

Kevorkian explained that tablet PCs have been around for decades, and are used by workers in a variety of vertical markets, but newer media tablets are geared toward the mass market and entertainment purposes.

IDC forecasts vendors will ship 7.6 million media tablets in 2010, and 46.7 million in 2014.

Sarah Rotman Epps, an analyst with Forrester, said the research firm is reworking its own forecast for tablet sales in the wake of the massive success of the Apple iPad. Epps said Forrester define tablets as devices featuring an integrated screen for touching or stylus input, as well as cloud connectivity via WiFi or cellular. The screen? 5-12 inches.

"We think of tablets as multimedia, multi-functional devices," she explained. "We see cannibalization coming mostly at the expense of netbooks, as the tablet market grows."

ABI's Jeff Orr bemoaned the difficulty in covering the tablet market.

"The media tablet market is so early--and there's only one outlet to talk about, Apple--that it makes my job really difficult," he said. To frame his research, Orr tackles all gadgets, gizmos and devices between laptops and smartphones--since that is the space of such massive upheaval. "The market is evolving in between" laptops and smartphones, he said.

Nonetheless, ABI currently uses the same "media tablet" nomenclature to describe iPad-like devices, and defines the gadgets as intended for entertainment and media consumption rather than communications. The screen? 7-12 inches. The forecast? Eight to ten million this year, 40-50 million in annual shipments three years from now.

"It's so early" in the tablet market, Orr said. "It's still an experiment."

## How is the mobile industry responding to the iPad?

In struggling to meet user demand, Apple has shown the light on the market potential for tablets. Indeed, 69 percent of U.S. online consumers own more than one PC--evidence, according to Forrester, of pent-up demand for additional computing devices.

"Consumers are not taught to want tablets until companies like Apple teach them," noted Forrester's Epps. "Tablets will become their other computer."

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