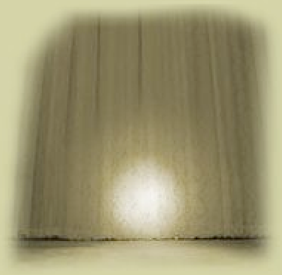

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Cingular Seeks to Make WAVEs in Wireless Data

In February, Cingular hosted its 7th annual Wireless Alliances and Vision Exchange (WAVE) Conference, bringing together a wide array of developers, solution partners, and enterprise customers to learn about the carrier's enterprise wireless data offerings and strategies.

Event Analysis

Market Impact

Cingular's WAVE event began as a developer's conference for its Mobitex data network. The conference has evolved as Cingular's data strategy has pointed toward GPRS and EDGE, and as wireless intersected with the corporate IT environment. The presence of more traditional enterprise IT vendors among the sponsors (Sun, IBM, HP) and the impressive number of corporate IT attendees (550 of roughly 1,200 total attendees) reflects this evolution. Consequently, the Cingular WAVE event is unique among U.S. carriers, since it brings multiple constituents together and allows enterprises to look under the hood of wireless data solutions.

Vendor Winners and Losers

- **Mobitex developers and the international Mobitex Operators Association (MOA) are still in the wireless data game.** At this year's WAVE there was strong indication of Cingular's recommitment to Mobitex for the foreseeable future. Even when EDGE is available throughout the Cingular footprint, the carrier still envisions a future for Mobitex specifically in telemetry, point-of-sale (POS), and dispatch areas. For MOA, Cingular's commitment ensures that its international organization of 20 public Mobitex network operators continues to include a significant U.S. representative.

Vendor Conclusions

- **The WAVE conference will increase in importance to Cingular, especially as a means to inform enterprise customers.** After speaking with many of the corporate IT attendees, we came away surprised at the need for education in wireless and mobile computing among these professionals. Many individuals were still trying to understand some of the basics: network migration differences between CDMA 1X and GSM, and GPRS and EDGE; the reality surrounding next-generation wireless data speeds; where and when wireless data coverage would be available; and device capabilities.
- **The conference shows that wireless carriers can act as an aggregator of the wireless data value chain.** Carriers cannot hope to be the primary or lead vendor for enterprise wireless data because of the complexities of the corporate IT environment. However, bringing together multiple constituents—developers, ISVs, systems integrators, device manufacturers, potential customers, and others—provides an exchange of information and can act as a catalyst for a nascent market.

Bottom Line

Vendor Recommendations

- **Cingular should continue to emphasize what can be done today with wireless data, rather than highlighting visions of the future.** Although attendees must understand where the technology is going, particularly in a rapidly changing market, enterprises especially want to understand what they can do currently with wireless technologies to change their business processes.

  The keynote of Sun Microsystems CEO Scott McNealy described a world of broadband wireless networks and a pure server-based computing environment that would allow individuals to carry their lives on a smart card. Although this vision is intriguing, it doesn't mean much to an IT director in the audience trying to understand how to implement a field wireless data solution that will yield a 1-year ROI and pass budgetary muster.
- **Cingular should connect the dots by helping developers and enterprises understand how the solutions developed on today's technologies can be easily migrated to those of tomorrow.** Cingular did a great job emphasizing the benefits of its legacy Mobitex data network and communicating that the network remains in its plans for the foreseeable future. But the carrier must articulate how enterprises that deploy on Mobitex

in the next 6 to 12 months can migrate to GPRS/EDGE in 2 to 3 years without incurring major professional services, administrative, and device costs.

Competitive Recommendations

- **The other five national U.S. wireless carriers should take Cingular's lead in creating a network of enterprise users and technology partners to spur adoption of mobile computing.** With intense pressure for wireless firms to be profitable, the researching of revenue opportunities is becoming increasingly more sophisticated, particularly on the consumer side. Although carriers are also trying to understand the enterprise, for the most part activities are less developed and ad hoc. Sprint PCS encourages a meeting of customer CIOs to clarify enterprise needs, but it appears to be a closed-door forum and it is unclear how often or regularly they convene.
- **With carriers competing to gain the mind share of the same group of application developers and systems integrators, they must develop their own individual tactics for differentiation.** Carriers need to demonstrate the value for partners to create solutions for their network by providing tools to facilitate application development and committing resources to wireless data market development.

Enterprise Recommendations

- **Corporate decision-makers should actively talk to current vendors (including carriers, ISVs, integrators, and hardware vendors) to understand how they can work in concert to enable enterprise mobile computing solutions.** Forums such as the WAVE conference are a perfect opportunity for this, but they only happen once a year. Wireless data decisions will have to be made in conjunction with overall IT infrastructure decisions, such as those surrounding application integration and Web Services. Mobile computing is another component of the overall IT computing environment, so enterprises must understand how vendors work together.
- **Enterprises should evaluate their wireless application requirements in terms of coverage, throughput, and so forth, and decide if they really need the promised higher speed of GPRS/EDGE or if the Mobitex networking capability is sufficient today.** The superior coverage, inbuilding penetration, and affordability may make it a more suitable near-term solution.

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