

Wireless World: Free cell phones for all?



Broadcast television has always been free for consumers -- courtesy of advertising sponsors, ranging from the makers of Alka-Seltzer to the purveyors of Viagra and Propecia. Now that mobile phones are as integral to American culture as television, isn't it about time to think about making them similarly "free" of cost for consumers too? That's the question that advertising -- mobile-phone company -- executives are debating now, experts are telling United Press International's Wireless World.

If things go according to the current speculation, ads for all sorts of bodily dysfunctions may be financing the functionality of your mobile phone, PDA or pocket PC very soon.

"The industry is sorting out the economics and how it will impact everyone involved," a spokeswoman for the Mobile Entertainment Forum, an industry trade group based in London, told Wireless World.

A survey released this week of members of the MEF indicates that advertising sponsorship of mobile services and content is a "growth opportunity" for the industry. Only 19 percent said advertising on mobile phones would be disruptive to consumers, according to the "Ad-Funded Mobile Entertainment" study.

Survey respondents anticipate that mobile-content developers will generate the largest share of the revenues. Producers are expected to obtain 42 percent of revenues, while mobile operators gross 27 percent. This will lead to completely free mobile content, or mobile content that is nominally priced, the survey said.

"The consultation highlights the clear need for cross-industry collaboration to tap this new revenue stream," said Rimma Perelmuter, executive director of the Mobile Entertainment Forum.

Experts tell Wireless World that with the right systems in place, consumers could be targeted precisely with ads on their mobile phones and be given a "response path" to follow if they wish to purchase goods or services immediately. "We believe that these benefits will drive significant ad-spend in the future," said Jessica Sandin, head of the mobile practice at the consultancy, Fathom Partners. "Advertising will cut prices for mobile entertainment."

The survey was based on input from 48 leading industry executives and was conducted during the last week of March. The industry -- led by MEF and members like France's Alcatel, Fathom Partners and Upsteed -- is planning to develop a white paper to continue the dialog on advertising sponsorship of mobile content.

The survey comes just as other developers are announcing ways to facilitate mobile commerce. The San Jose, Calif.-based online banking service PayPal this week introduced PayPal Mobile, a

text-messaging-based service that allows consumers to send money anywhere, at anytime, from their mobile phones. "With the overwhelming popularity of mobile phones, the time has never been better for the merging of e-commerce and wireless devices," said Jeff Jordan, the president of PayPal.

Companies like 20th Century Fox Home Entertainment, Bravo, MTV and the NBA Store are already offering items especially for purchase over mobile phones and will accept PayPal payments, a spokesman for PayPal tells Wireless World. Charities like UNICEF, Amnesty International and Starlight Starbright are also accepting donations through PayPal wireless.

Right now, PayPal has more than 100 million accounts, across the globe, for consumers to purchase goods over the Internet, at outlets like eBay and Amazon.com. "Now, making payments is as easy as sending a text message," said Jordan, who announced the new service this week at the CTIA Wireless Conference in Las Vegas.

The future is emerging -- free, or nearly free, advertiser-sponsored mobile phones, which enable you to spend your money, not on monthly wireless charges and overages, but on purchasing products from marketers.

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