



## Mobile 2.0? More like Smoke and Mirrors 2.0

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If all you knew about UK telecoms came from TV adverts and the consumer press, you could be forgiven for thinking that the status quo hadn't changed much since the late 1990s. Dig a little deeper and you'll find that more than a few roles have been reversed.

On the face of it, the mobile operators seem much the same young, dynamic companies that once brought fresh air into a stale telecoms world dominated by the former state-owned monopoly, BT. They continue to promote this image through TV adverts featuring urban pseudo-bohemians performing magical feats or sentient bubbles traversing futuristic cities, all backed by a nu-folk or electronica soundtrack. On top of this, they talk of "freeing" the web from its fixed-line shackles through association with some of the world's most truly innovative companies, such as Google, eBay and MySpace.

BT, meanwhile, seems to only just be coming to terms with this brave new world. Its adverts feature a couple, perhaps unmarried, and the woman's children, with the stepfather figure trying to earn their respect. They promote conservatively priced products that demonstrate a smidgen of innovation but not enough to intimidate middle England: a home phone that uses broadband to make cheap calls but doesn't really do much more.

But beneath these respective layers of marketing gloss, BT is the radical while the mobile operators are the conservatives. The issue was brought into sharp focus - well, for this commentator at least - by the recent wranglings over BT's Web21C software-development kit (SDK).

The SDK represents one of the boldest gambles the telecoms industry has seen since the introduction of broadband: the transformation of BT's largely closed network into an open platform that anyone can program. For example, even a bedroom programmer could build a so-called "mashup" that knits voice, SMS and conference-call services from BT into any number of desktop-, server- or web-based applications.

BT reasons that only this same openness will help realise the true potential of telecoms networks, where innovation has historically been inhibited by the closed and protectionist thinking of their operators.

It's early days, but the SDK appears to have met with some success. According to BT, the kit itself has been downloaded more than 4,100 times since its launch earlier this year with users from software giants such as Microsoft and Oracle to SMEs and hobbyists. More than 2,530 applications have been created in a "sandbox" test environment, while 37 have reached the production stage. To put this into context, more than 2,300 mashups using similar web-services platforms have been posted to the web since the trend began in around 2005, according to ProgrammableWeb, a website tracking the phenomenon.

Perhaps surprisingly then, no other telecoms provider appears to have plans to open up its network in a similar way. Indeed, mobile operators may be the last to do so, given their attitude to BT's SDK.

The mobile operators have been reluctant to grant BT access to their location-based services (LBS), they say, because of concern for the privacy of their subscribers. A number of observers suggest that operators are also looking to protect interests closer to home. Whereas BT's SDK offered pay-as-you-go access at around 20p (US\$0.40) or less per location request, each mobile operator tends to ask third parties for around £50,000 to £100,000 upfront before any information has even exchanged hands, says Andrew Grill, sales and marketing manager for LBS-technology vendor Seeker Wireless.

The problem for BT is that the mobile operators seem to have the same reasons for keeping their networks relatively closed as the fixed-line operator has for opening its up: competition from Internet companies. BT has cut its losses and decided that the only way it can compete with Google and others is to cooperate in the new open business world such firms are helping to create. The mobile operators, meanwhile, have largely remained isolated from this world, thanks to their failure to make mobile broadband a success, and seem determined to remain so.

This is a problem for BT in particular, as mobile services such as LBS represent one of the few services the Internet firms can't easily replicate. Although its SDK could provide information on the location of BT Mobile users, this was of little use to developers because the service has only 304,000 subscribers.

The question for mobile operators is whether they are happy to keep their networks closed in order to charge high prices only a small number of customers are willing to pay. Or whether they are prepared to open up to a market that promises to stretch well beyond the bounds of traditional telecoms. History suggests the former. Until then, don't believe the mobile 2.0 hype.

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