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<u>Home</u> > <u>Magazine Contents</u> > Behold the Power of the Videophone! Dec eCompany Startup 2001 SI. Behold the Power of the Videophone! A Finnish company offers mobile video-on-demand. Busi By Marc Spiegler, December 2000 Issue ✓ eCo As we have all heard ad nauseam, in some not-too-distant future, Fort our cell phones or PDAs will become portable entertainment CNE systems. This third-generation mobile telephony, nicknamed 3G, will pair powerful processors with high-speed transmissions, FSB offering up untold wonders: Watch CNBC on your subway ride to Mon work! Stare transfixed at sports highlights while sitting at the laundromat! Check out archived movie trailers while browsing for videos at Blockbuster! FREE GOÞ Of course, this anytime, anywhere, video-on-demand miracle device has yet to arrive. Thus, Jussi Koski's job is to approximate it. Demonstrating a cobbled-together "3G emulator," the 27-year-old Finnish engineer delicately lines up the infrared ports of a Compag iPAQ PDA and a Nokia 6210 phone. The very model of a Scandinavian hipster, in his shiny, aubergine shirt and black Fi jeans, Koski thumbs his way through the phone's menus, then taps several times on the PDA's screen. It's not a particularly elegant Α exercise, but it works; as the phone downloads data and pushes it Tŀ to the PDA, we view streaming clips of everything from Moby videos to travel films. Μ All over the Helsinki area, this scene is being repeated in a public YC field test organized by Mspace, a mobile-applications research DF project funded by Sonera, Finland's biggest telecommunications company. After doing some internal testing of 3G last spring, Mspace decided to put it in the hands of Finland's early adopters Wii this October. SPI While most companies might try to strictly limit a test of this sort, SER Sonera threw it open to the marketplace: Anyone willing to participate in the study could buy the phone and the PDA at a deep ΤΑΚΕ discount, with all the necessary streaming software preloaded. 1300 Cash-strapped students were allowed to simply borrow the setup. And if you happened to already own both an iPAQ and the Nokia 6210, you needed only to download some software. The initial response has been encouraging, even fervent. "People were just so enthusiastic to try it," recalls Koski. "When we made this system available to the public, there was a queue at 8 o'clock in the morning outside our building." This, despite the fact that October mornings in Helsinki tend to be bleak, and that everyone who'd lined up to collect the devices had already enrolled in the pilot program. Rather than waiting for the first true 3G devices to start testing,



Mspace has rolled out this makeshift approach for one simple reason: to avoid repeating the mistakes of the past -- as in, the past 12 months. Last winter, every self-respecting gadget freak wanted a WAP Internet-browsing phone, seduced by the promise of being able to surf the Web from anywhere. Today, the hype on WAP has curdled into a sort of festering disenchantment. In part, this has to do with frustration over the WAP phones' slow download times, but what truly seems to gall users is the clunky user interface and, worse, a paucity of useful applications. "WAP was just a technology release, without any services well developed, and that was a big mistake," says Mspace content producer Mikko Sairanen. "With 3G, we want to learn how to create services before the devices arrive." (For more on 3G, see our <u>Cheat Sheet</u>.)

Rather than just creating its own services, Mspace has focused on helping content companies grasp how their services will mesh with the 3G medium. "We want to create an environment where they can bring their ideas," Koski explains. "Because if those companies wait on developing until the 3G phones actually come, it will be 2008 before we see good applications." Working with producers that range from WOW, a Finnish tech-news website, to MTV Europe, to the Switzerland-based Worldzap broadband sports service, Sairanen helps adapt existing content to the PacketVideo PV Player, a program developed by California's PacketVideo to handle streaming content on cell phones. The results vary widely. "Obviously, you have problems when you try to play a wide-screen movie trailer on a cell-phone screen," Sairanen says. "And something like soccer highlights is hard to do, too, because there's so much motion."

Indeed, with the ball only a few pixels wide, what might well be an exquisite goal looks more like grainy images of interpretive dance. Nonetheless, Sonera usability expert Titti Kallio says Mspace's early adopters have been surprisingly satisfied with this version of the PacketVideo player. Obviously, that's somewhat skewed by the fact that most such users have tried watching streaming video on a PC and understand the limits of the technology. The less tech-savvy will probably expect an image guality more akin to television broadcasts, something impossible anytime soon. But Worldzap's Dominic Clancy predicts that even soccer plays will one day become viable 3G content. "Right now, we're still developing an understanding of what works in the medium," he explains. "Once we're able to process more data fast and reliably, you'll be able to see the plays quite clearly." And if 3G devices wind up resembling PDAs more than phones -- a distinct possibility -- it will reduce one more obstacle to mobile video: the tiny size of cell-phone screens.

Sonera is still figuring out plenty of details -- among them, designing a user-friendly interface and devising advertising campaigns that won't annoy people. Meanwhile, the video portion of Mspace's study will run until late December, with a constant flow of new content. While Sonera will refrain from drawing any final conclusions until the tests are complete, already one thing seems certain: Individualized mini-portals will be popular. "We've seen heavy indications that people using mobiles don't really want to surf around on the Web like they would with a fixed line," Koski says. "Even at high speeds, there's just too little information on the screen. So everything has to be personalized and very cleanly designed."

Lest anyone doubt Mspace's commitment to thorough research, soon the Mspace field team will actually follow half a dozen users through all of their daily activities, monitoring their use, or nonuse, of the 3G emulator. "When you ask users questions, you find out what they want," explains Kallio. "To find out what they *need*, you have to get closer. But before we 'shadow' people, we have to wait a few weeks, until the system has become more everyday nature, not just a new toy."

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