

Qualcomm hopes new technology can open up cell phone download market

by Kathryn Balint - CNS

SAN DIEGO - If Qualcomm has its way, cell phone users won't be limited to buying ring tones, games and other applications only from their wireless providers.

Instead, they'll be able to browse the Internet from their home computers to find downloads for their cell phones and have them installed directly to their handsets.

The San Diego wireless technology giant Wednesday announced its new technology, called BrandXtend, which will make it easier for companies to offer cell phone applications on their Web sites - and for consumers to buy them.

"You could be on a Web site and see an interesting wallpaper or ring tone and download it to your handset, whatever handset you have available," said Peggy Johnson, executive vice president and president of Qualcomm Internet Services.

QUALCOMM - Tokyo-based Media Socket showed how video games and songs can be downloaded to a cell phone. Photo by Nelvin Cepeda.

QUALCOMM - Of the 2,700 executives expected to attend Qualcomm's seventh annual BREW Conference, 15 percent are coming from other countries. Photo by Nelvin Cepeda.
Major League Baseball plans to announce today (June 21) at Qualcomm's annual BREW conference in downtown San Diego that it will be the first company to employ the BrandXtend technology to offer cell phone content directly to the public on the Web.

The BREW Conference, named for Qualcomm's binary run-time environment for wireless that enables games and other applications to operate on cell phones, continues through tomorrow. This year, it's expected to draw 2,700 wireless industry executives from around the world.

In its seventh year, the conference brings developers of cell phone applications that use Qualcomm's BREW technology together with wireless carriers, such as Verizon.

As the industry has traditionally worked in the United States, cell phone users find new games or ring tones by browsing the offerings provided by the wireless carrier on the handset.

About 75 percent of the revenue from mobile content in the United States comes from sales made directly on

cell phones, or "on deck," as it's known in the industry. Developers of that content scramble to get wireless carriers to offer their wares.

Some observers describe the U.S. wireless marketplace as a "walled garden" because cell phone users are largely limited to the choices their carriers offer. But with Qualcomm's introduction of BrandXtend, the industry is now focusing on ways that consumers can look beyond the walled garden.

In other countries, cell phone users are used to buying applications for their handsets "off deck." In the United Kingdom, more than 70 percent of the revenue from cell phone downloads comes from off-deck transactions, said Nick Lane, principal analyst at the Informa market research firm in London.

The U.S. market for sales of cell phone content on the Web is expected to grow.

By 2010, off-deck sales of content for cell phones are expected to grow to 40 percent of the market, according to Frost & Sullivan, a San Antonio, Texas, market research firm.

Qualcomm said its BrandXtend technology isn't meant to cannibalize on-deck sales enabled by the company's BREW technology. Instead, BrandXtend complements the applications that wireless carriers offer, Johnson said.

As it stands, Verizon is the nation's only major wireless carrier to use Qualcomm's BREW technology to sell applications for cell phones. With BrandXtend, any U.S. cell phone user can buy an application, no matter the carrier, Johnson said.

For content providers, BrandXtend gives them the chance to sell their applications directly to the consumer.

For Qualcomm, it opens up a potential new stream of revenue. The company takes a percentage of sales, just as it does with BREW applications.

With BrandXtend, consumers will be able to browse for applications on the Web using their computers. When they make a purchase, they'll be asked to provide their cell phone number, their carrier and the model of the phone. Their purchase will be sent to the phone.

The BREW Conference continues today with a keynote speech by Qualcomm Chief Executive Paul Jacobs, who is expected to discuss the use of BREW applications in health care and for tracking small children.

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