

Putting mobile services on the map

Wireless carriers hope to cash in on your need for everything from turn-by-turn mapping instructions to keeping close tabs on your teen.

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(Business 2.0 Magazine) -- By the end of last year, all four major U.S. wireless carriers had launched location-based offerings such as turn-by-turn directions, mapping and "family finder" services for cell phones.

Indeed, ABI Research predicts that, within five years, 335 million North American consumers will subscribe to location-based mobile services on their handsets.

All of this begs the question: Are that many of us getting lost? And, more importantly, why are carriers and analysts so bullish on the future of location-based services?

As far as the first question goes - yes, most people I know are geographically challenged. As for the second question, what makes location based services so appealing as a business proposition is the fact that they can be marketed to consumers as a need, not just a want.

Take, for example, Sprint Nextel's Family Locator service. Launched last April, the feature lets parents track the geographic location of their child (or rather, the GPS receiver in their child's phone) for \$10 per month.

For \$10 a month, what mom or dad wouldn't sign up for a service that has the potential to save their child's life? Sprint's service even got an endorsement from the safety director at the National Center for Missing & Exploited Children, a non-profit organization that helps recover abducted and abused kids.

Like home alarm systems and pricey car seats, family-finder features have the power to make parents believe that if they don't shell out just a little bit of extra money, they're not doing their utmost to keep their kids safe.

Of course, arming your child with a GPS phone isn't foolproof. For one, the phones can only be tracked when they are turned on (so if the battery dies, you

won't be able to tell where your child is). Also, GPS is spotty in heavily forested areas and doesn't work well indoors.

Location-based mobile services may also catch on as a cheap alternative to stand-alone navigational devices, like those made by TomTom and [Garmin \(Charts\)](#) (which typically cost anywhere from \$200 to \$600).

Last year, [Verizon's \(Charts\)](#) Verizon Wireless arm launched VZ Navigator, a service that uses GPS to give subscribers turn-by-turn directions to their destinations. Like [Sprint \(Charts\)](#), Verizon's navigation service is offered at a monthly fee of \$10, but customers can also buy the service ala carte for \$3 a day. That means users can get turn-by-turn directions for a few bucks (while on vacation, for example) without having to sign up for the monthly service.

"That really opened the door for other users," says Sean Ryan, a research analyst with IDC. "It's finally being priced right."

The downside to having a cell phone double as a navigational device is that you can't take calls while listening to directions. (Though perhaps so much multitasking while driving is unwise anyway.) Makers of stand-alone navigational devices also argue that the three-inch phone screen is too small to view maps, but most customers using the service while driving are probably listening to the spoken directions.

But standalone devices, while popular (especially in Europe), aren't likely to be a huge threat to location-based mobile services. The biggest challenges these services face is the lack of both customer awareness and capable phones.

Many customers don't even know whether or not their phone has built-in GPS - or why they'd want it. And while all of Sprint's devices have it, Verizon has a few high-end GPS-enabled handsets, and phones from [AT&T's \(Charts\)](#) Cingular unit require the use of a small, external GPS receiver. But who wants to carry (and charge) another device?

"We've just barely seen the launch of some of these devices," says Ryan.

But that could soon change: It's estimated that, by the end of this year, as many as 63 percent of phones sold in North America will have built-in GPS chipsets, up from 55 percent in 2006, according to Gartner Research.

"Within the next couple of years, we envision that navigation functions will be a standard on mobile phones," says Kim Fennell, CEO of deCarta, maker of the mapping software that powers most U.S. carriers' location-based offerings.



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These days, the first question out of a caller's mouth is usually "Where are you?"
But soon, we may not have to ask.