



# TECHNOLOGY: CHANGING TORONTO IN FORM AND FUNCTION

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**HEADLINE: Sales on the fly: Mobile e-commerce's potential is only beginning to be explored**

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We can be in the car, on a plane, or walking the street and never miss a beat as we bank online, buy tickets, book reservations or direct critical memos around the globe. Our notebooks, cellphones, PDAs and pagers give us that freedom. This mobile commerce or 'm-commerce' is part of the larger technological revolution that is transforming the way we do business in this new century.

The Canadian Wireless Telecommunications Association says one in three Canadians has a mobile phone. The Meta Group estimates more than 32 million workers in the United States talk business in transit -- and by 2005, the Gartner Group estimates, there will be 137 million wireless data subscribers in North America, creating huge potential for new m-commerce services.

'Mobile commerce will take off when and where it makes commercial sense,' says Nick Hames, vice-president of the financial solutions division at NCR Canada. Technology has yet to seize a high volume business application. NCR is prototyping an automated banking machine with a cellphone interface. Another innovation is NCR's Xpress Payment Kiosk which, after user identification, scans a bar code from your bills and accepts payments. The touch screen kiosk shows you all transactions and account history and prints receipts. Because ABMs are everywhere, they provide a universal network waiting to be exploited.

An effective global infrastructure served by a wireless carrier is necessary to launch m-commerce. To hasten this development, firms and their technologies are joining forces. For example, American Express and computer technology group Hewlett-Packard last week announced they had joined a consortium of banks and cellphone makers that intend to set global rules for mobile commerce.

Nortel Networks and 724 Solutions, a provider of software for secure mobile transactions via the Net, also plan to integrate Nortel's Network Gateway Server and wireless infrastructure equipment. 724 Solutions offers FrameWorks software that

supports global shopping services, credit and debit card transactions, and links server-side shopping transactions to wireless devices.

Yet another alliance has Microsoft and Telus Corp. offering voice over Internet services. Business people can make voice calls via the Internet from any personal computer running Windows XP to virtually any phone number. The PC user enters a phone number and is instantly connected to another party anywhere, a service to be extended to PDAs.

According to Forrester Research, business-to-business (B2B) e-commerce in Canada will surpass \$270-billion by 2005, making it one of the largest Internet economies. Further, Forrester estimates global Net commerce will jump to US\$6.9-trillion by 2004. Expansion of e-commerce trade will drive m-commerce for smaller firms like the dot-coms, too.

Nik Nanos, managing director of SES Canada Research, says 'small businesses are now buying and selling significant amounts online and doing it more often.' That amounts to almost \$2-billion in the past year, according to SES. Once buying and selling moves to an electronic platform, a mobile workforce carries commerce in its pocket.

Bell Mobility now offers mobile browser services on any Web-enabled cellphone. Users call up a simple menu with categories such as Web and Mail or Finance and Biz or Shop and Find. From the mobile service, for example, you could go to an eBay.ca auction, buy best sellers at Indigo.ca and bank with the major financial institutions.

The transit business connects with every industry, demonstrating the powerful role wireless communications and m-commerce can play in revising our notions of commerce. United Parcel Services (UPS) delivers approximately 13 million parcels daily, 70% of this volume in North America. UPS maintains a constant information flow among its vast courier force, global business offices and customers so the company can track shipments, manage the logistics, calculate traffic, clear customs and have reliable two-way shipping for deliveries and possible returns.

The couriers update package information on a hand-held computer called a Delivery Information Acquisition Device, which wirelessly relays the status to a UPS data repository. With hand-helds such as the Palm Pilot, UPS and its customers can consult the latest shipping and delivery status on the UPS Web site.

Wayne Bosch, director of e-commerce for UPS Canada, underscores the new vital dimension in m-commerce. 'The delivery of the product is important, but the delivery of the information surrounding the product is also critical to our success and competitive advantage.'

The shipping information includes the routing, estimate of cost, an e-mail notification of the progress and arrival time and nearest drop-box depot location. Since this type of application is a boon for all industries, UPS works with its customers to have the information flow over a wired or wireless landscape. Mr. Bosch adds: 'Using wireless, we are fast and efficient and pass the savings on to our customers, whether they are wireless or not.'

Only six years ago, the Internet and Web access began to transform every aspect of

trade, marketing, corporate human resources and communications. Some observers still fear m-commerce has been hyped, doomed as a fad that will fail its investors. In fact, m-commerce is a key component in creating a rich, interactive global information network. It blends old and new business models, creating hybrids such as online auctions and wireless bidding that will spawn new industries worldwide.

Embedded with tiny computing chips, appliances and everyday objects will soon become dynamic communication tools when linked to the Internet, according to a report by the Accenture Institute for Strategic Change in the U.S., titled *The Future of Wireless: Different than You Think, Bolder than You Imagine*. Manufactured goods, embedded with sensors, could provide current information on their condition and location, signalling for help if stolen.

For m-commerce, then, it is safe to say, 'We ain't seen nothing yet.'

Before mobile e-commerce really takes off, a global wireless infrastructure will have to be put in place.

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