REALITY TESTING

$tep 3 - how do we invest? (wireless)

(Return in)	Access (10 years)	Terminal (2 years)
Scenario #1 (intelligent network)	$2400	$0
Scenario #2 (smart terminal)	$0	$480
Scenario #3 (compromised architecture)	$1200	$240

REALITY TESTING

$tep 2 - how much of the revenue could be invested?

- revenue
  - wired: $60/month/home
  - wireless: $60/month/subscriber

- investment on server+access+terminal
  - 50%: $30/month for each
  - 35%: $20/month for each

REALITY TESTING

$tep 1 - how much are our customers willing to pay?

Phone:		Cable:		Cellular:
$44/month/home		$21/month/home (60% penet.)		(11% penetration)
		$34/month/subscriber		$62/month/subscriber
Local Access	$20	Basic Cable	$22	
IntraLATA	$13	Premium Cable	$10	
Long Distance	$11	Local Ad Sales	$ 1	
		Pay-Per-View Movie	$ 0.63	
		Pay-Per-View Events	$ 0.10	
		Home Shopping	$ 0.14	
(Source: Coyle Research, 1995)		(Source: Probe Research, 1995)		(Source: Communications Week,

REALITY TESTING

Algorithm: $$$

$tep 1 - how much are our customers willing to pay?

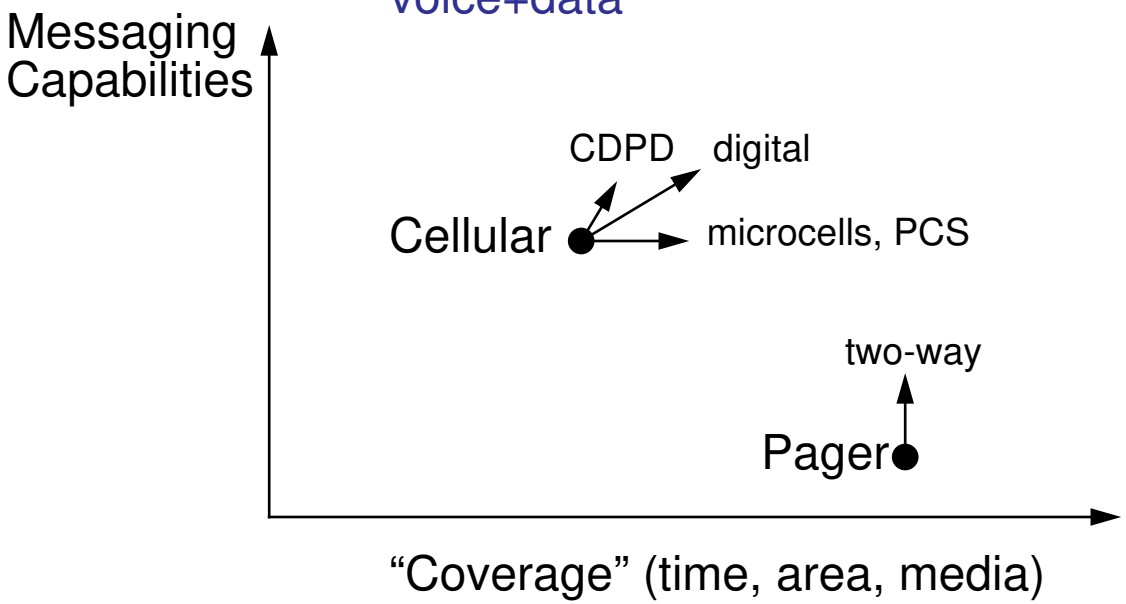
$tep 2 - how much of the revenue could be invested?

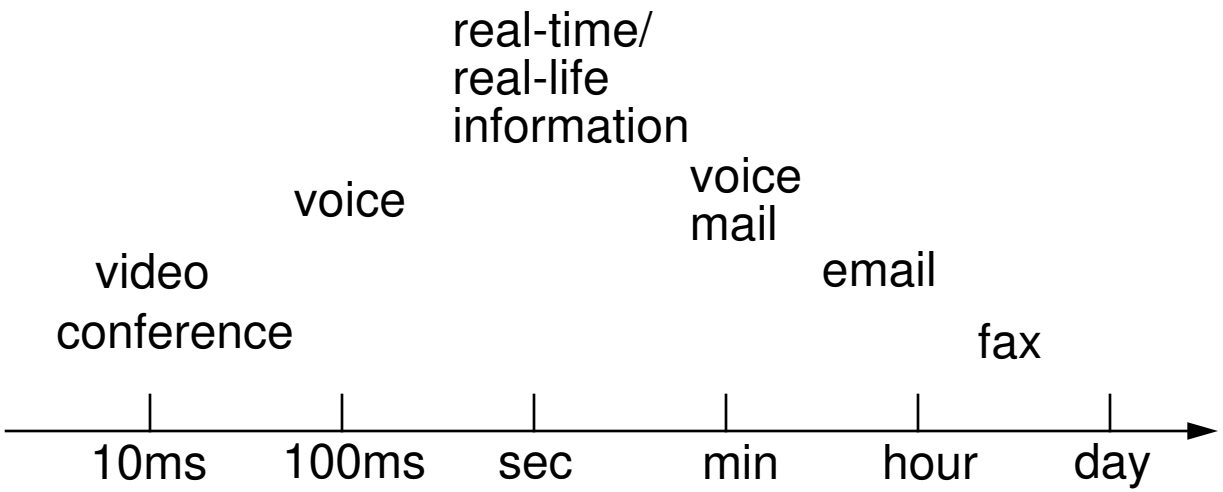
$tep 3 - how do we invest?

MESSAGE-DRIVEN COMMUNICATIONS

Implementations

- **wider and easier access**
  - more bandwidth density
  - personal number (Intelligent Network)
- **smarter terminal**
  - multiple air interfaces
  - voice+data



MESSAGE-DRIVEN COMMUNICATIONS

- different “time” value for different messages
- different expected response time