

Internet
US
99-00

2000.2

MIT MEDIA LAB
Ichiya Nakamura

**INTER
NET
Y2K**

IchiyaNakamura@lantic
Ascii24

**ADSL
vs
CATV**

99

i-mode

**K to M
via
cable**

00

**K to M
via
mobile**

End ?

Giga ?

Consolidation
of
Telecom
Carriers

99

Reform
of

NTT

Vertical
Unification

00

Diversification

.com

99

.com

+

real

real

00

virtural + real

MINDSTORMS, Furby, AIBO...

99

mp3
Internet
for only
distribution

memory
pc→mobile

**Digital
TV**
didn't come

**Poke
mon**

Y2K

IDC

5

Internet
Stock
Correction

FREE
Access

Consumer
Internet
Not
Slowdown

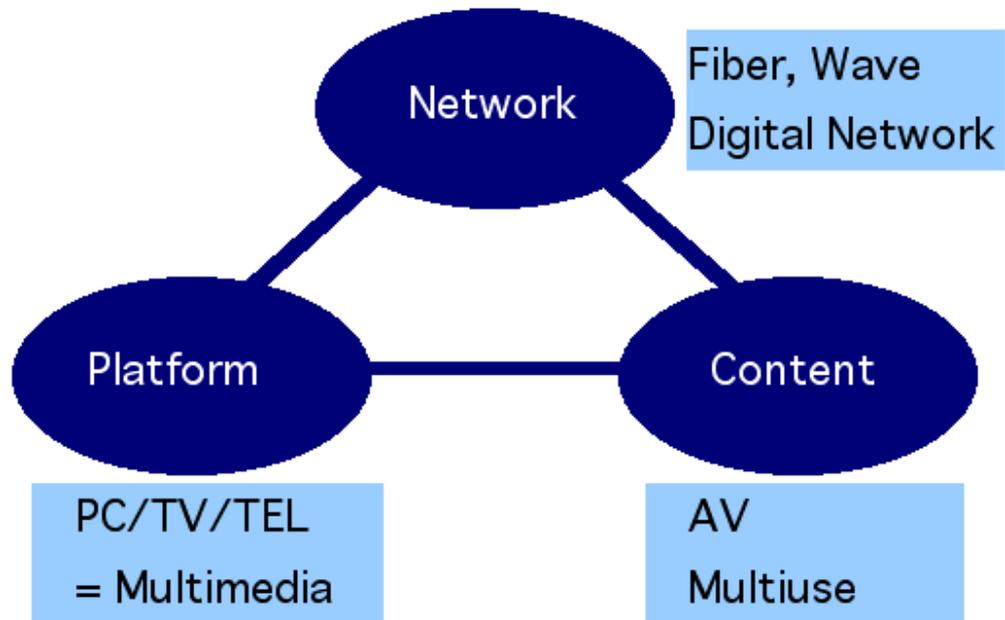
Consolidation

Death
of
.com

MEDIA
STRU
C
TURE

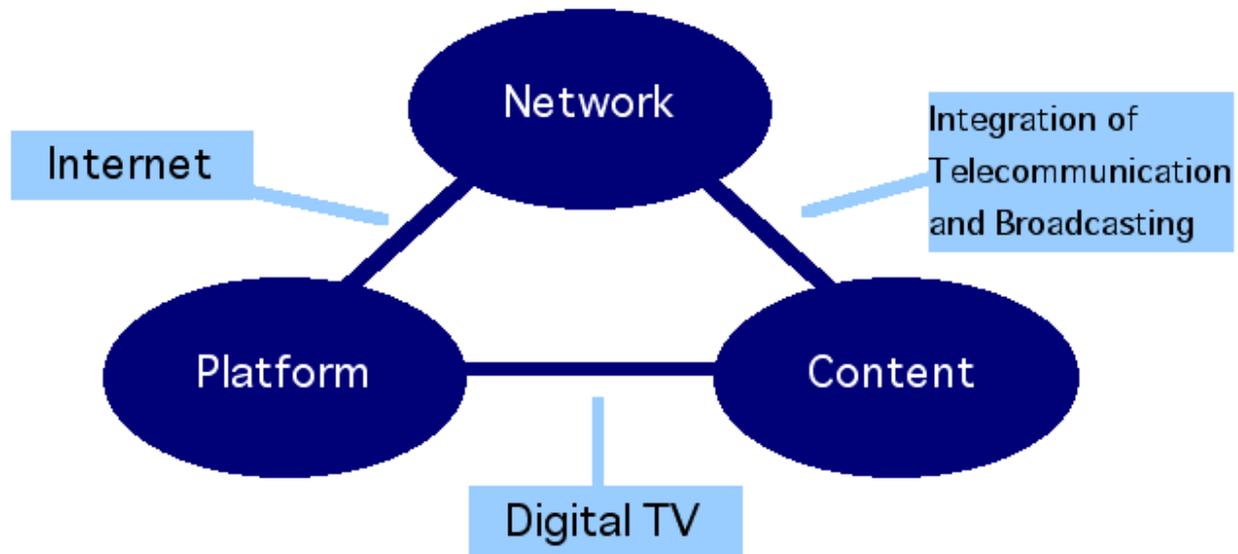
Early '90s

Three Digital Integrations



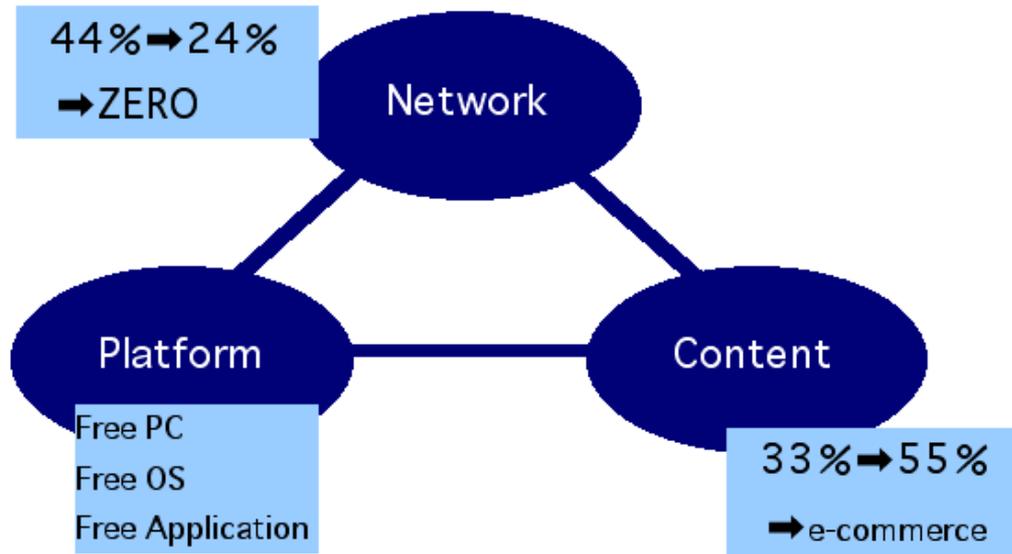
Now

Three Integrations Connection



Markets Integrated

Japan	\$250B	'95
	→\$1T	'2010
US	\$1T	
World	\$1.8T	



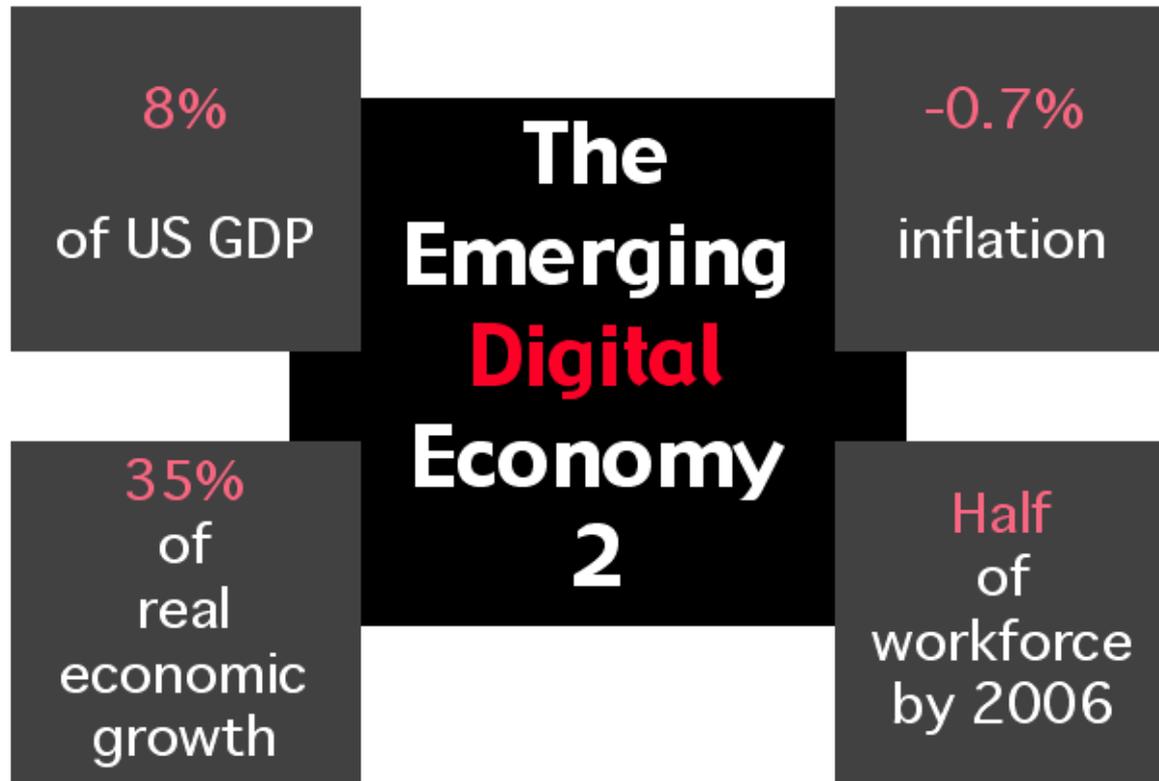
Internet Penetration

37%
in US

99.6
Department of
Commerce

13%
in JPN

99
Telecom
WhitePaper



8%
of US GDP

-0.7%
inflation

35%
of
real
economic
growth

Half
of
workforce
by 2006

The Emerging Digital Economy 2

MEDIA
MO
N
EY

More
Financial
Channels
and
better
Portfolio

Allocation
Model
among
Network
Platform
Content

3 times bigger
IT Investment
in US

Ventures
are
Rockbands

4 times bigger
AD market in
US

Iron Triangle
in US

Net AD is
20 times bigger

Seen in R&D

Money to
Stock
vs
Money in
Drawers

Mobile vs Comics
Friends vs
Professionals

Everyone's WEB
expression era

**Free
Service**

Network
or
Content
for
Money
Entrance

AOL + TW

AT&T

**Vertical
Unification**

Industry
Awaked

Japan
is
also
changing

Net
AD

+100%

Market
is
what
you
can create

To
Stock
From
Drawers

IPO in '98 611 vs 84

Years to IPO 5 vs 29

Shut up rate 11% vs 4%

"EquityMind" Masahiro Aozono

VC's investment in '97
\$13B vs \$1.5B

Start up - 10years ratio
70% vs 40%

To "IT" 50% vs 19%

"IT NewBusiness RG MPT"

When
will

Ventures

come
in
Japan?

Where is the post
Silicon Valley ?

Suburbs to InnerCity
Technology to Art

NY:publishing, SF:photos,
LA:film, Boston:university

TEAMWORK!

Tech, Art, Business

Business School,
VC, Incubater

CONTENT
&
APPLICATION

15 times bigger
EC market
in US
because of
inconvenience

Portal
Consolidation
vs
Agent

Hollywood
power
for
EC content

TV
Lovers

GAME
ANIMATION
KARAOKE

Loose
regulation
(You Know?)

Japan
is
TV
and
Mobile

Cell Phone
Penetration
40%
US Germany
UK France
25%

Blind touch
e-mail
by
KIDS

Japanese
GANGRO girls
are leading the
world culture
after 1000
years interval

Network
Game
determines
all

GAME
is basis for
EC
expression

Japan's
Only
Resource
is
KIDS'
ability

GAME
ANIMATION
Policy
not for
business

Tel Flat Rate
is
Culture Policy

EC
'98

Retail

US \$7-15B
JPN \$1.4B

B to B

US \$160B
JPN \$72B

Xmas
'99

US \$6B
AOL \$2.5B

Search Engine

Yahoo!, Excite,
Lycos, Infoseek,
.....

SHOPPING

AOL (Brand Mall)
Yahoo! (Free Market)
Amazon (SuperMarket)
.....

Customization

news,
weather
forecast,
.....

Get
Customers

AUCTION

ebay,
Yahoo!, Amazon, Excite
.....

Free Service

Mail,
HomePage,
.....

Community

Chat,
Forum,
.....

Theme

Wemen: ivillage
Kids: etoys
Senior: maturemart
Sports: Quokka
Music: mp3
.....

From
Mr.Roji Koike's
report etc.

Transaction
+
Real Estate
on Network

C
to
C

ebay
1457 T/day

Amazon.com
815 T/day

99.11 MediaMetrix

Steel	matelsite
Real Estate	realtor, homebuilder
Air Ticket	priceline
Conference Site	passkey
Machines	sranction
PC	ubid
Searching these	auctionwatch
Connecting these	fairmarket

.....

From
Window
to customers
to
Control
of
Stock,
Distribution,
Finance

Virtual
to
Real

Real Business
to
.com

GM - AOL
Ford - Yahoo!
GE
P&G
Finance...

EC policy
is needed
because
EC is closer to
national interest
than former content

US policy
is
SIMPLE
direct to profit
protect copyright
stop tariff

98 - 99
WTO/OECD/APEC
Business, Goods
VS
Culture, Service

Policy

Signature/
Certification

Private Sector Basis
Legislation by states
vs
Legislation by nation

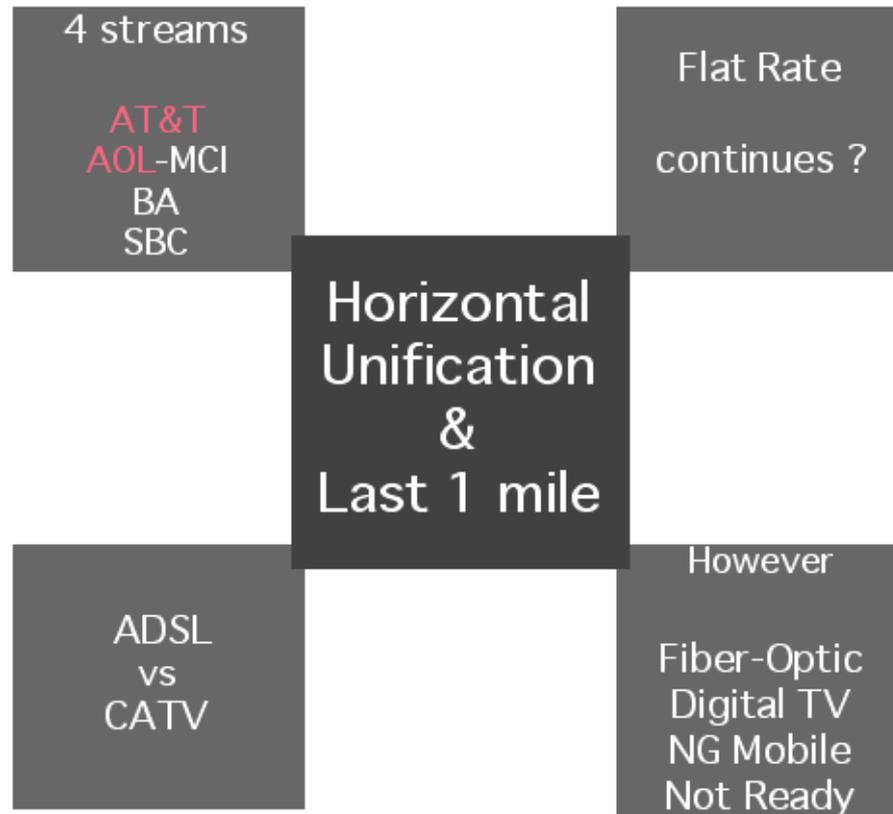
Cyber
Government

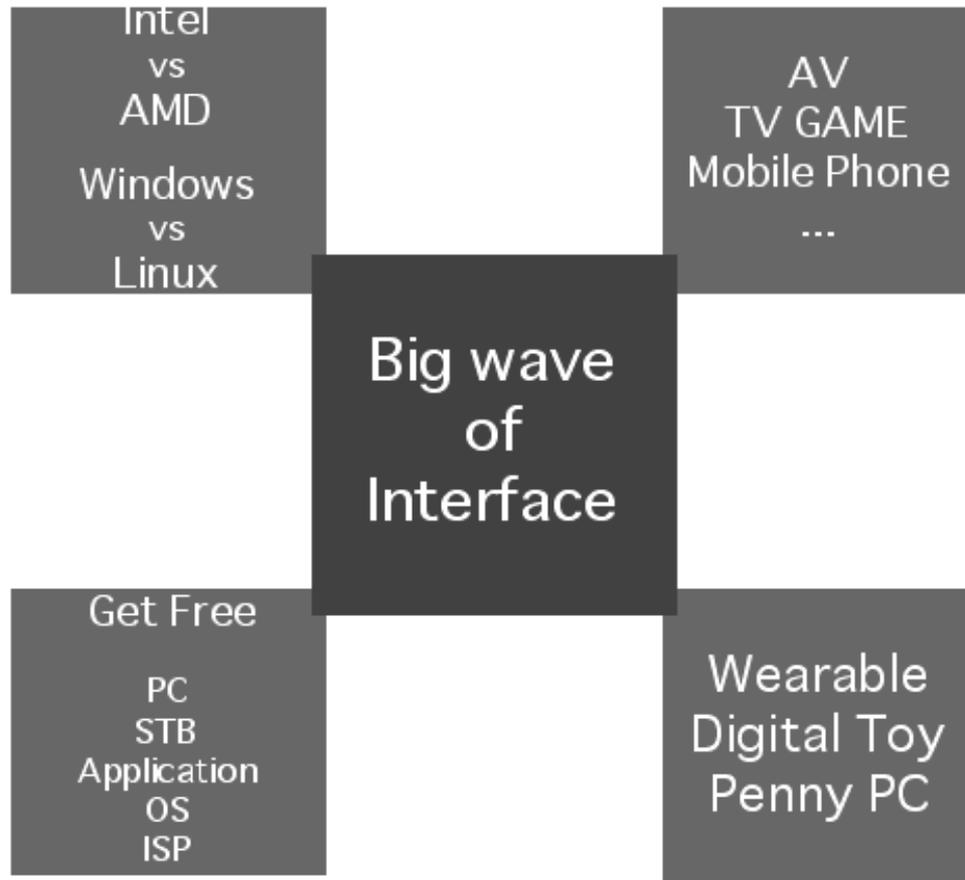
Disclosure
Procurement
Tax payment 80% by 2007
UK's aggressive policy

Content
Regulation

France > US > Japan
Laws made in '96-98
are still floating

NETWORK
&
PLATFORM





'99 = AT&T

AT&T + CATV
AOL + ADSL

CATV 1.5M users
ADSL 300K users
99.12

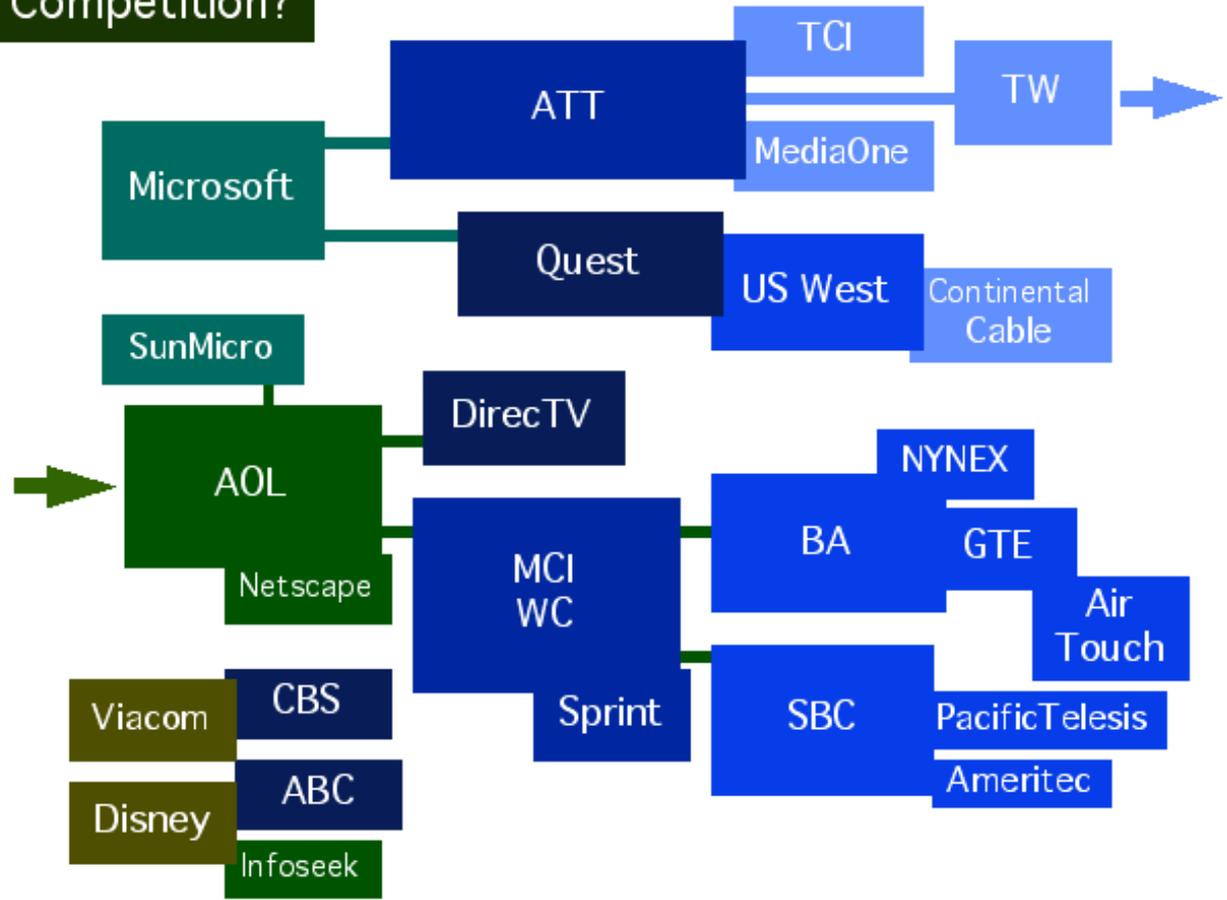
2
to
1
to
Reset

'00 = AOL

AOL + TW
resets all

Multichannel
+
Content

Competition?



Local Tel Charge?
Long Distance -
Local?
Facilities evolution?

Insufficient
Competition

**How are you
doing,
'96
Telecom Law
?**

All
Service
over
IP

Unfixed
Rules
FCC-States-Court

Priority
of Media Policy
&
National Vision

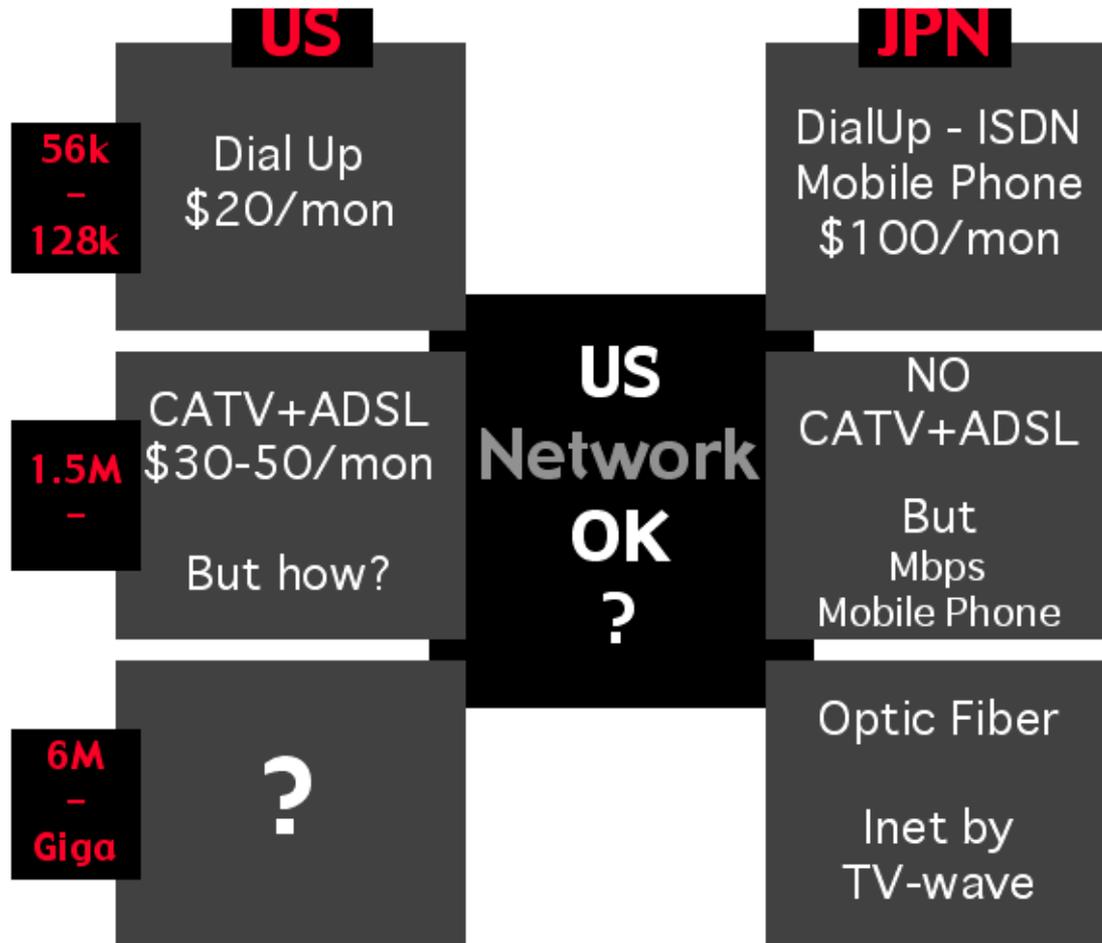
'93 NII
'94 GII
'96 NII=Inet
'97 from network
to e-commerce
and education

Information Super Highway

Last mile
Competition

Backbone
National project
NGI Inet2

Compatibility
of
Competition Policy
&
Universal Service



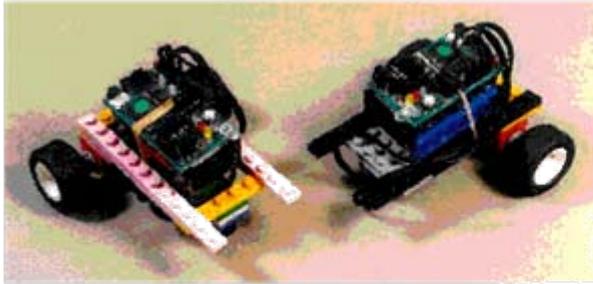
Wearable

'99 i Mode
PocketBoard
'89 GameBoy
'79 Walkman

Got
Bits
?

Tangible

MINDSTORMS
AIBO
Furby

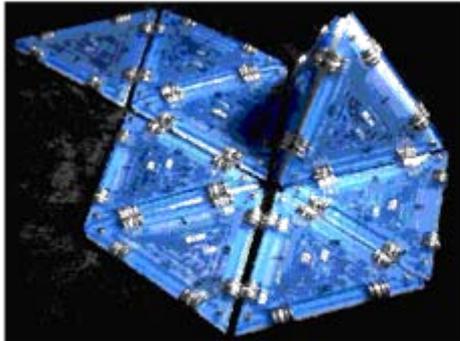


Embedded





Networked



Media
will
disappear