

IRTENZ
Technology 2000

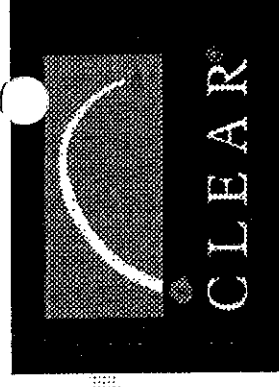
GARY CONNOLLY
E COMMERCE FOR OUR INDUSTRY

Web Strategy

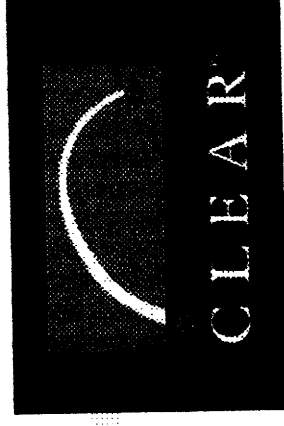
CLEAR
Business Seminars

Gary Connolly,
Senior Manager

CLEAR NET



Web Strategy

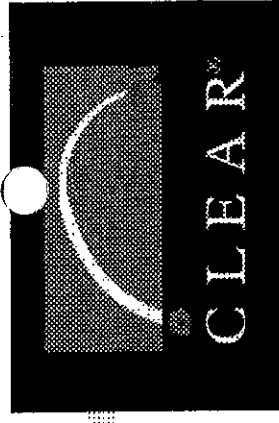


For years, observers have been a little dubious about electronic commerce.

Fortunes might be made from the Internet someday

- * But right now, the medium is too new,
- * The technology is immature,
- * The customers aren't ready somehow
- * The time just hasn't been right and
- * NZs so far away from everyone

Web Strategy



The Internet medium was originally written in 1969

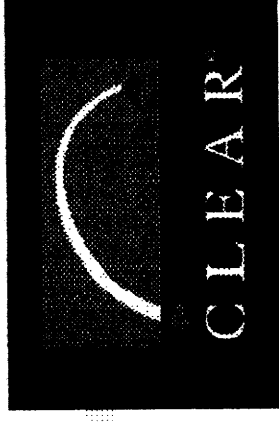
The Web Technology was invented in 1989

There are 100,000 Kiwis shopping online every Month

The competition is already online

London is 500Ms away **ROUND TRIP**

Web Strategy

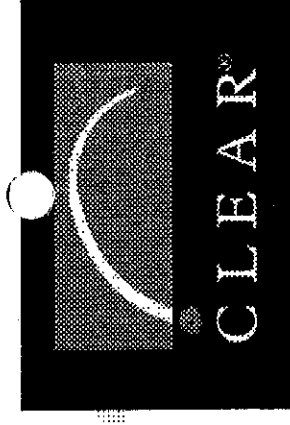


There are currently over 49,000 web sites in New Zealand (growth 8,000 last month)

But only 5% are involved in actually selling goods online

NZ Business appears scared to take the Net on; or they haven't understood the threat if they don't

Web Strategy

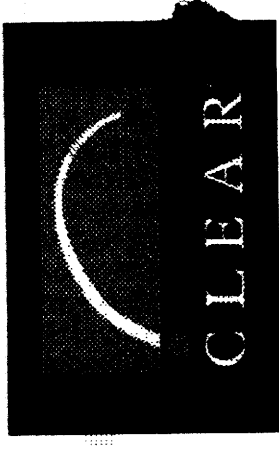


100,000 NZ on-line shoppers per month

90% of transactions with foreign companies

Why is New Zealand business so slow with
this technology?

Web Strategy



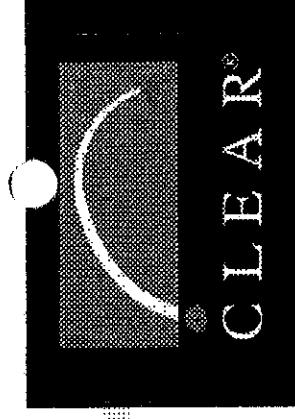
Is it important to business? No Not Really

**The Internet commodity market is creating a lot of noise
and HYPE**

**But relatively few sites are actually making the big cash -
The media in comparing all of the rest to those few
declare the rest failures**

**The REAL money isn't in Sales on eCommerce sites
It's in Business to Business savings**

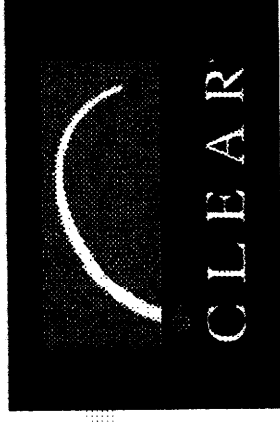
Web Strategy



In 2000, the US market is expected to grow 85% and surpass \$61 billion in revenues.

America today represents LESS than 50% of the Internet

Web Strategy

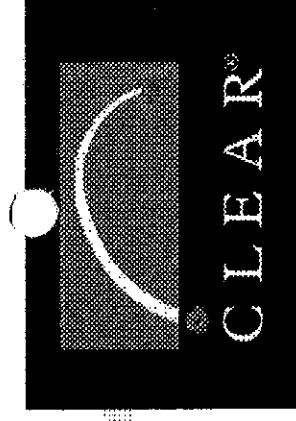


In 1997, the average income for all first-year B-to-B e-commerce Web sites was just under \$94,000.

Those B-to-B programs seeking revenue in their third year or better of e-commerce took in nearly \$13 billion on average last year.

Stats by Cyberatlas.com

Web Strategy



25% of all US business-to-business purchasing will be done online by 2003

By 2003, US b2b e-commerce will grow and reach \$2.8 Trillion in transactions

(The Boston Consulting Group)

Web Strategy



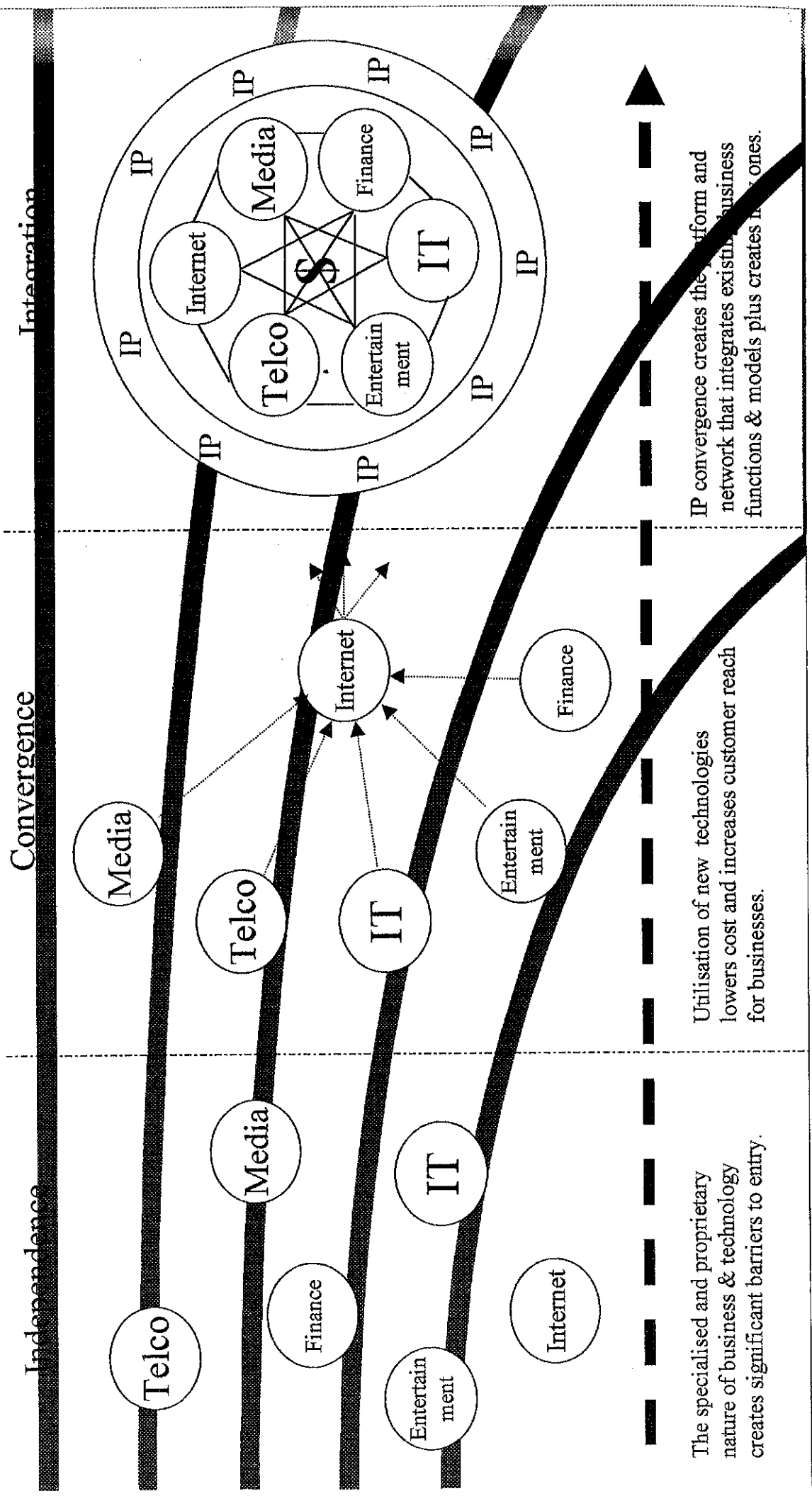
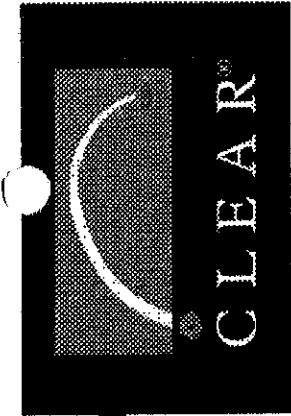
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What is the Cost of Sales?

	Airline Tickets	Banking	Bill Payment	Term Life Insurance Policy	Software Distribution
Traditional System	\$8	\$1.08	\$176 to \$185	\$400-\$700	\$15.00
Telephone-based		\$0.54			\$5.00
Internet-based	\$1	\$0.13	\$0.16 to \$0.20	\$100-\$350	\$0.50 to \$0.50
Savings Percentage	87%	88%	85%	80%	97-98%

Web Strategy

New Business Opportunities



Independence

Convergence

Integration

The specialised and proprietary nature of business & technology creates significant barriers to entry.

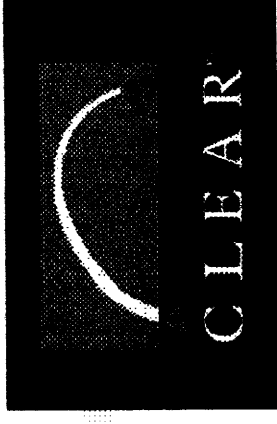
Utilisation of new technologies lowers cost and increases customer reach for businesses.

IP convergence creates the platform and network that integrates existing business functions & models plus creates new ones.

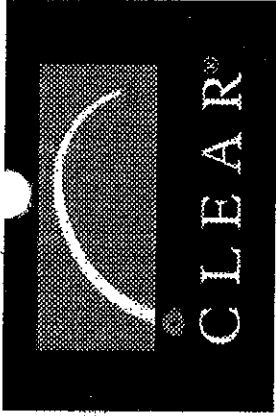
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The reduced costs of Internet access and the growth of locally based online merchants will drive the birth of large-scale e-tailing throughout the world

We'll see the forging of new partnerships that no one has thought of before



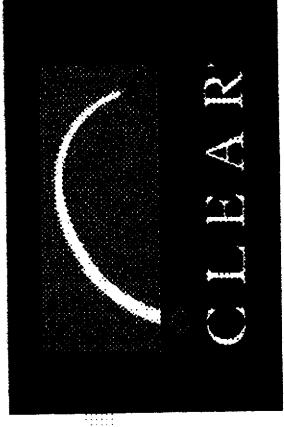
Web Strategy



	Have Now	Thinking About
SME (UNDER 50 EMPLOYEES)		
Setting up e-mail or Internet between offices, suppliers or customers	0.44	0.26
Doing business or transactions with customers or suppliers over the Internet	0.32	0.34
Setting up a website	0.29	0.37
Integrating or standardising computer systems across offices or sites	0.28	0.16
Allowing employees to work from home with access to business computer systems	0.18	0.12
Webhosting	0.11	0.19
Designing and setting up a call centre	0.03	0.07
Video conferencing	0.02	0.08
Does your company have any budget to develop e-business?		
	Yes	0.15
	No	0.82
	Don't know	0.03
Setting up a website	20%	
The Internet and / or e-mail	16%	
Doing business or transactions with customers and suppliers over the internet	10%	
E-commerce	5%	
Setting up email or Internet between offices, suppliers or customers	5%	
Upgrading communications and telephone systems	5%	
Integrating or standardising computer systems across offices or sites	4%	
Reviewing computer systems to cope with business growth	2%	
Webhosting	2%	
Development	2%	
Software	1%	
Hardware	1%	

N=1195 SME Companies

Web Strategy



SONY Musics' Net Operating Policy

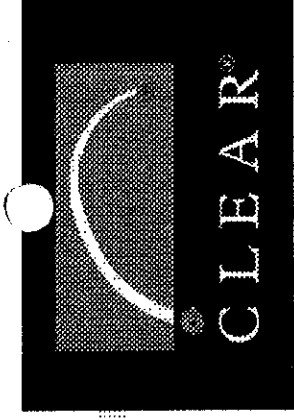
If you have a new idea and can get it to implementation, ready for market, in 5 days

GO FOR IT

If you can't - Then Stand Aside ...

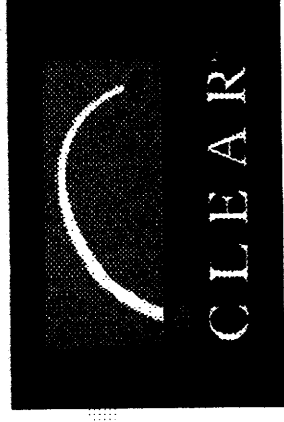
You are in someone else's way!

Web Strategy



- » Make an eMailing List and ask your clients to join it.
- » Use existing Web Software and customise
- » Look for partnerships within your supply chain
- » Join with people who KNOW what they are doing
- » Offer your product knowledge Online
- » Gain knowledge of your clientbase
- » Look at ways you can streamline a path to market
- » Don't Build a Static Webpage

Web Strategy



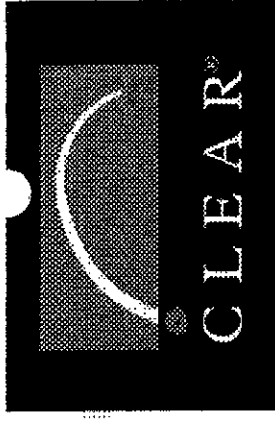
How can small business survive?

By climbing on the Web express.

The supply chain need not disappear, those who add value will come become “information brokers and deal makers.”

Corporates have been slow to adapt. Smaller, lighter, more flexible counterparts can rearrange themselves more easily.

Web Strategy

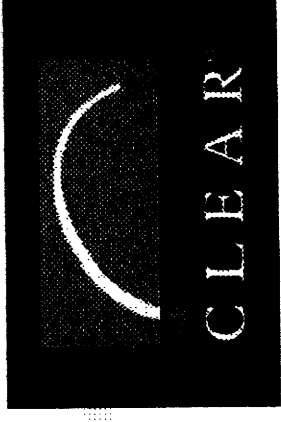


Information Is Irresistible

Information is what Web surfers are after when they
come onto commercial sites

YOU KNOW THINGS WORTH DOLLARS

Web Strategy



- * Create learning organisations
 - * Provide access to information
 - * Keeping tabs on your industry and technology *
- Become a knowledge centre

Add value through information, customisation, and convenience

Your client base will expand - Globally

Web Strategy

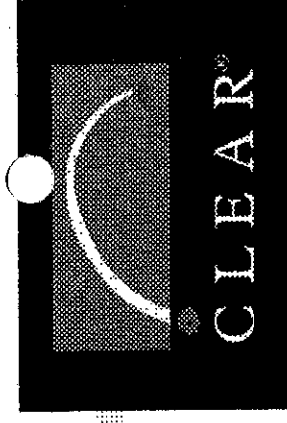
New Zealand is at the

*intersection between the copper loop and fibre,
between satellite and mobility*

Building next-generation networks profitably in a small market takes revolutionary solutions.

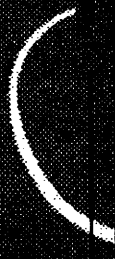
We have to begin move to broadband services access platforms that deliver voice, video and data services

We are implementing scaleable broadband multistreaming devices for extended network reach as well as multi-tenanted buildings across all needed services



Web Strategy

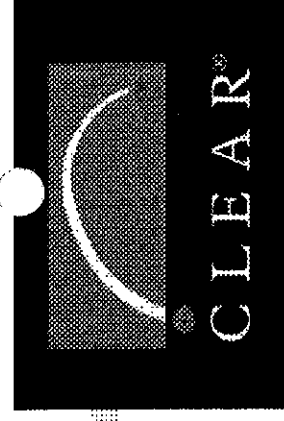
CLEAR's network



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- Nationwide, fibre optic network with:
 - Digital microwave radio links
 - Satellite
 - LMDS
 - Digital switches
 - 155 Mbit frame relay and ATM network
 - IP-based WAN

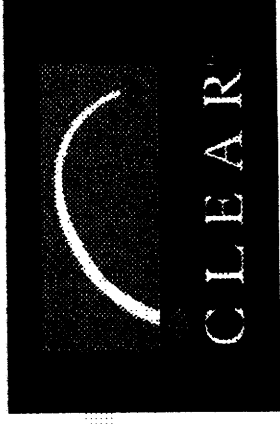
Web Strategy



Broadband wireless is quickly emerging as a strong network access alternative for the delivery of data, Internet, voice, video and multimedia applications to users.

Ease and speed of deployment, minimal disruption to community and environments, and lower infrastructure and real estate requirements are also contributing to the increasing popularity of broadband wireless.

Web Strategy



The demand for cost-effective delivery of multiple communication and broadcast services over resilient broadband networks is growing at a staggering rate.

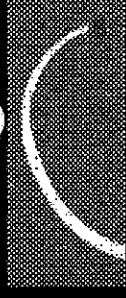
The demand is driven by an increase in bandwidth intensive applications, and by the need to deliver them to a range of enterprise and remote user customers

The copper network was invented 75 years ago
NZ has to force its' way out of the dead-end

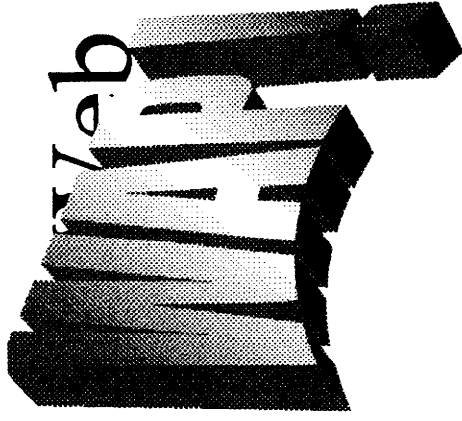
Web Strategy

BT Belgium

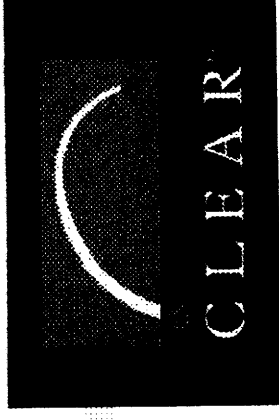
LMDS or 'local multipoint distribution system', will allow corporations and SMEs to by-pass the bandwidth bottleneck of the local loop, granting high speed access to sophisticated broadband services



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Web Strategy



Yet ANOTHER buzzword <grin>

Mobile web solutions for information, transactions entertainment & marketing. Accessible anywhere, secure, personalised & Interactive.

By 2003 there will be over One Billion Mobile Phones
Existing and New services are popping out of the woodwork on WAP
Not only Net, But extranet, RAS, Pager, Messaging, Intelligent Phone

By 2005 there'll be more mobile users than landline based connections
Watch this space - it's going to be busy ...

