



IN BRIEF

■ **AT&T** has won a contract worth \$3 million over three years from **Cardo Group**, an international industrial group and leading supplier of door and logistics solutions, waste water technology solutions, pulp and paper solutions and residential garage doors. As part of the agreement, AT&T will provide a MPLS-based wide area network across 188 sites in 29 countries.

■ **HP** has teamed up with **Cisco** and **Midtvest Bredbaand (MVB)**, a Denmark-based broadband provider, to build a fibre-to-the-home network for the delivery of advanced services such as video on demand and interactive TV to homes and businesses. MVB's Content Denmark subsidiary will deliver to more than 200,000 customers triple-play IP-based services: internet, digital TV and voice. Content Denmark customers can use their TV sets to surf the web, access telephone voice mails, enjoy interactive TV and download movies. ■

Earthlink, PPL Telcom bring Wifi to Philly

Earthlink's municipal Wifi business unit has selected broadband provider PPL Telcom to help give the gift of Wifi to Philadelphia with a 135 square mile Wifi network.

"PPL Telcom demonstrated the flexibility and expertise Earthlink requires to build one of the largest citywide Wifi networks in the country," said Donald Berryman, executive VP of Earthlink and president of the ISP's municipal networks unit. "PPL Telcom's network architecture can scale to fit the demands of a project of this size to serve the needs of the residents, businesses, visitors, as well as those of the City of Philadelphia."

PPL Telcom is constructing and will manage a 96.5 route-mile fibre-optic network connecting Earthlink's antenna sites to the internet. This will ensure that the ISP will be able to provide city-wide Wifi to users in the city.

"Our core strength of building to the specific needs of the customer benefits Earthlink, Wireless Philadelphia, and the people of the city," said David Kelley, president of PPL Telcom. "And to be part of enhancing Philadelphia's continued technological expansion is extremely exciting for us."

Philadelphia's Wifi network will include subscriptions for wireless broadband Internet service for homes and businesses and roaming capability for outdoor use throughout the city. Selected wireless hotspots covering a total of 10 square miles of public parks distributed throughout the city will provide free Internet access.

Kelley added: "We are proud to be working with Earthlink as part of this historic effort to bring the wireless internet to the people of Philadelphia." ■

HOW TO GET AHEAD IN ADVERTISING

David Ballarini analyses the potential impact of Google's acquisition of Doubleclick, as the company fills out its online and offline advertising business

Analyst's Eye

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In April, Google announced its \$3.1 billion acquisition of Doubleclick. Aside from this being one of the biggest deals of the year so far, it is Google's largest, almost twice the size of the Youtube deal last year. I find it interesting to note that it was all cash – either Google feels there is still upside in the company's stock or Doubleclick's investors, which took the company private two years ago for \$1.1 billion refused to consider accepting Google's stock at \$475 per share. The cash premium to acquire Doubleclick was probably driven by defensive reasons – Google may have felt that it needed to improve its position against Yahoo, the market leader for internet display advertising, and Microsoft, which had its eyes on Doubleclick for a long time. The acquisition is also a driver for Microsoft and Yahoo to work on a broad partnership.

Acquiring Doubleclick is part of a bigger picture where Google is aggressively making moves across the full spectrum of the online and offline advertising business. It is clearly determined to leverage its strengths in other arenas, as it has come to dominate the search business in a way that is akin to how Microsoft dominated the desktop software market in the mid 90s. Recent moves include deals with Echostar for television, Directv and DMarc Broadcasting for radio. It remains to be seen how successful Google will be in these endeavours, especially since traditional media companies may not be receptive to Google's entry. If Google can build up knowledge of end-user patterns and preferences via profiling, it will gain leverage in attracting advertisers. With Doubleclick, Google believes it can leverage the internet model to sell the inventory to pools of advertisers who otherwise could not find traditional media buyers. In short, Google has an audience that traditional media cannot serve as well – primarily SMBs – and it can now bring these advertisers economical access to offline media.

I see two more issues. The first is Doubleclick's ability to prevent erosion of its business now that it is controlled by Google. More importantly, companies like Microsoft and AT&T are expressing concern about privacy risks that emanate from Google's influence and having both search and advertising under the same roof. This raises the possibility of advertisers misusing their access to personal profile information and could raise the attention of regulators. The potential ripple effects include even closer collaboration between Microsoft and Yahoo, a long-awaited sale of AOL, and deals involving potential targets such as aQuantive, 24/7 Real Media, and Valueclick. ■