

### TELECOMMUNICATIONS COMPANIES IN FOR A DIFFICULT TIME

Consumer spending on communications services is flat, after falling off at the end of last year.

The prospects for the near-term are that such consumer spending will continue to be flat – if it does not fall, dramatically, further.

The reasons: The uncertain economic climate, worldwide; and, very shaky consumer confidence, both of which are weighing heavily on consumers' appetites for communications services.

In addition, the financial failures of numerous broadband and traditional Internet Service Providers (ISPs) have led to higher prices for Internet services; and, this has aggravated the already deteriorating situation.

As a result, many Internet customers have determined to leave themselves, disconnected from the Internet, until better times come along.

These (now prospective) customers view consumer spending on new communication devices as being non-essential and, therefore, an unnecessary expense.

As for being reconnected to the Internet in the future, unless there is a pressing need for such services, they view the situation as being akin to purchasing a wristwatch: Such a purchase can wait until the old one is worn out, completely, or the battery needs to be changed.

New technology has, traditionally, been warmly embraced by consumers.

Consumers quickly snapped up new-fangled, electronic gadgets as they became available.

It was exciting and, relatively, a cheap and satisfying thrill when times were good and when wealth was expanding on the back of an ever-rising stock market.

These same consumers, also, appeared to relish the idea of upgrading existing computer systems, such as stepping up the power of the personal computer, faster Internet access, new, souped-up computer software, etc.

Mr Bill Gates, Founder of Microsoft Corporation, the largest computer software company ... [CLICK TO ORDER FULL ARTICLE](#)

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