

Mobile TV Development Bandwagon Stalls

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Editor's Note: We not only need to properly develop the infrastructure and standards for mobile TV, we need to do more to keep people from using their phone to watch TV while driving or operating heavy equipment. I thought texting while driving was bad, at least the idiot sending a text looks up at the road every few minutes.

HELSINKI (Reuters) - For years it was the talk of the wireless industry: beaming television to the world's four billion cellphones would be the icon of the digital age. Now, just three letters are hastening the demise of that vision. App. Short for "application," the programs people download from online stores to run on their portable phones have enabled consumers to choose for themselves which moving pictures to take in when they are on the go.

As Facebook and Twitter disrupt business models for mainstream media -- and on the platform that's a lifestyle statement for young adults -- the one-size-fits-all approach of broadcast mobile TV got stuck before it even properly took off.

"It is a financial disaster," said John Strand, a consultant who has followed the mobile industry closely for more than 12 years. "It's a nice product, but the customers won't pay for it."

One way to see why not is to watch young Brazilian footballers knocking a soccer ball around in the Helsinki Cup. A youth tournament currently playing in the Finnish capital, it's hardly a world event in the conventional sense.

But the video clips they are uploading from their phones will run on their parents' mobiles or PCs back home.

"It's even easier than with still images, and a much nicer and expressive way to tell them the news from over here," said David da Silva, spokesman for the team from Brazil.

The service they are using comes from a Web site which offers users the chance to send video from cellphones to their own TV channels on the Web. A small venture, it is one of thousands of offerings from the likes of Apple, Nokia, RIM and many others letting users drive their mobile entertainment.

BBC World and Al Jazeera English have recently launched apps for consumers to watch real-time news on their iPhones, through a London-based company, Livestation.

"This is mobile TV 2.0 -- completely reinvented and redesigned, and I think it's going to overtake the old models very very rapidly," said Matteo Berlucci, CEO of Livestation.

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Perhaps the best illustration of the fast-shifting outlook is the history of forecasts for the market. Strategy Analytics now expects the mobile TV broadcasting market to total \$280 million next year. Only three years ago the firm forecast the market to reach \$5.4 billion in 2010.

"We've downgraded our forecast a fair bit to reflect the slower-than-anticipated rollout of services and limited momentum from carriers and broadcasters," said Strategy Analytics analyst Nitesh Patel.

"Application and widget stores and mobile internet access have taken priority over mobile broadcast."

SATISFACTION

It's an important distinction, says Andrew Bud, Chairman of the Mobile Entertainment Forum (MEF), a London-based trade association for the mobile media industry. He talks about mobile TV -- which is broadcast -- as opposed to mobile video, which you load onto your device.

"Mobile TV is all about real-time, linear transmission ... where the timing of the programming was set by the broadcaster and the consumer would dip in and dip out," he said.

"Mobile video is much more about video-on-demand. It gives the consumer much more freedom. It's also a little less stressful on the mobile networks."

A survey by KPMG and the MEF found that nearly 40 percent of consumers had at one time watched a piece of mobile video on their handset: 52 percent of them said the experience was satisfying, against 38 percent of a much smaller number of users who said they had tried broadcast mobile TV.

The biggest problem for mobile TV is that it emerged in 2004-2006, just when the media industry started to change.

Cellphone makers and mobile operators have invested hundreds of millions of dollars in the infrastructure. Phones and networks are in place in many countries, and watching it is very popular in countries such as South Korea where the service is aired for free.

But even there the wide take-up has not created a flourishing business, and in the United States it has been a hard slog. Telecoms group Crown Castle International closed down its effort to launch a broadcast mobile TV network in 2007.

Technological strain has been a factor restricting the growth of broadcast television on mobiles, enabling swift-moving plug-ins to fill the gap.

"A lot of the discussion around mobile TV centered around the vexed question of broadcasting spectrum and special technical standards and it all got very tangled --

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problems that haven't been fully resolved, especially in Europe," said MEF's Bud.

Others have included the lack of a clear business model, fights for broadcasting rights, numerous different technologies competing for the leading position and a lack of affordable phone models.

SNACKING

The moving pictures coming slowly onto cellphones are testing demand for different experiences: Samsung and Sony Ericsson have launched movies, the offerings for Apple's iPhone include TV shows and Nokia has worked with "Heroes" creator Tim Kring to develop new content for launch in Europe's summer.

"Consumers are hungry to snack on their favorite content, be that the latest championship soccer goals or 'Desperate Housewives'," said Ben Wood, research director at CCS Insight.

"Old-fashioned broadcasters who are wedded to the old broadcast model have the biggest challenge because those days are over; consumers expect their favorite content when they want it, on whatever platform is most convenient -- TV, PC or a mobile phone," he said.

Samsung has launched a service allowing its customers to buy or rent movies and TV series to download to their mobile phones, with 24-hour rental prices starting from 2.49 pounds (\$3.55), and movies from 4.99 pounds.

The breadth of the offering, which includes over 500 blockbusters from top studios Warner Bros, Paramount and Universal, makes it competitive with other mobile media.

Sony Ericsson has unveiled a more limited offering -- PlayNow arena with movies -- a bundled movie service for selected handsets, allowing consumers to watch up to 60 movies a year on their mobile phone.

"We won't see major business in just taking TV programs to cellphones," predicted Andrea Casalini, Chief Executive of Italian firm Buongiorno, which sells mobile content like games, music, video in 57 countries and says it is the world's largest mobile entertainment firm.

"There can be big business in new formats -- in making shorter programs, shot for cellphone screens, and also in using interactivity."

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