

Publication: Mobile Communications Europe
Date: 20 June 2008
Circulation: n/a

Mobile Communications Europe

STRATEGIC INTELLIGENCE ON MOBILE OPERATORS & MARKETS

MOBILE TV

Free-to-air gaining traction as mobile TV business model

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Mobilkom Austria has followed 3 Italia in announcing free-to-air mobile TV, although the Telekom Austria Group member has segmented its offering and will not supplement revenues with an advertising-based model.

At the beginning of June, 3 Italia became one of the first operators in Europe to announce plans to offer mobile TV access to existing DVB-H subscribers free of charge and in exchange for targeted advertisements that the end-user will be able to interact with.

The operator will broadcast RAI 1, RAI 2, Mediaset, Sky Meteo 24 and Current TV, as well as its new in-house channel La3, at no extra cost between 8am and midnight.

3 Italia launched its DVB-H mobile TV service in May 2006, and three months later counted more than 100,000 subscriptions. By 3Q07 the subscription base had risen to 719,000, making it the largest mobile TV provider in Europe.

According to a recent independent survey in the UK conducted by QuickPlay Media, which operates a mobile-TV and video-services platform, 65% of respondents said they were willing to spend time watching an adver-

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tisement if it means that mobile TV or video content is free or discounted.

“Operators across the world have invested heavily in improving their network structures to handle high-speed data transfer, but as an industry it seems that we are challenged by the last hurdle in marketing and selling these innovative data-based services to the public,” said Wayne Purboo, CEO of QuickPlay Media. “There is a clear lack of awareness by end-users about what services they can enjoy and what it will cost them to start watching.”

Lack of awareness was named by 44% of respondents in the UK as the main reason they did not watch TV and video content on their mobile phones, while 33% said it was cost, making an advertising-based model attractive to both operators and end-users.

The survey showed that 40% of respondents have watched TV and video content on their mobile phone, while 18% of those that have done so watch on a weekly basis and more than 33% almost daily.

Purboo said the shift by European operators to offer unlimited data packages will also start to remove the barriers to consumers testing and adopting data-based services such as mobile TV and video.

Mobile TV packages

Mobilkom Austria last week launched a mobile TV portfolio, A1 TV Plus, after signing a cooperation agreement with Media Broadcast, the owner of the DVB-H licence in Austria. The service combines UMTS streaming with the DVB-H technology, offering 22 TV channels, 15 via DVB-H and seven via UMTS streaming, initially using the Nokia N77.

The N77 costs €49, including a subscription to the A1 Komplett mobile tariff, and customers who acquire the device by August 14 will get A1 TV Plus free until end-2008. As of August 15, the service will cost an additional €9 a month.

A1 customers can also access mobile TV via the LG HB620 UMTS handset, which uses DVB-T technology and costs €99. This service encompasses six channels and is free of charge, while the E510 HSPA modem from Huawei offers mobile TV on laptops and PCs.

“Our customers can now choose between a wide range of mobile TV offerings based on different technologies, comprising a free-of-charge DVB-T basic package with six channels, which can be viewed also on PCs and laptops via a HSPA modem, and a full mobile TV offering with 22 TV channels and five radio programmes via a combination of DVB-H and UMTS streaming for a very attractive price,” said Hannes Ametsreiter, chief marketing officer of Mobilkom Austria.

“For our customers, it is not the underlying technology [that is] of significant importance but the price, the number of channels available and the mobile handset

supporting mobile TV services.”

Rival Austrian operator One also launched DVB-H services on June 6, offering 14 channels and five radio stations. One started selling the DVB-H-enabled Nokia N77 handset on March 27 and expects to launch more DVB-H-enabled handsets in the coming months.

Elsewhere, Netherlands-based KPN launched DVB-H mobile TV services on June 5, offering 10 channels with unlimited viewing from €9.95 a month. The new service is available on either a Samsung P960 TV or LG KB620 handset, with more compatible devices from Samsung, Nokia and LG due for launch later this year.

German player Mobile 3.0 has also begun test broadcasts of mobile TV services in Hamburg, Hanover, Frankfurt and Munich, based on DVB-H technology. The offer includes nine TV channels (ARD, ZDF, Deutschland 24, RTL, VOX, SAT1, Pro 7, N-TV and N24) and three radio stations (BigMusic, MyFun Radio, and 90elf).

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