QuickPlay – UK Mobile TV and Video Survey 2008 Summary

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Research Summary
Mobile TV and Video Survey 2008

With many mobile operators in the UK and European market now concentrating their efforts on new wave services (such as mobile TV and video), and providing unlimited data packages to support the adoption of these services, QuickPlay Media commissioned an independent survey which focused on the true consumption of mobile TV and video in the UK. This summary outlines the results of this survey, and reveals some interesting findings on the viewing habits of consumers using mobile handsets today. The results also highlight the 'tipping points' needed for mobile TV and video to be a success in this region. The survey was undertaken in May 2008 by independent research organisation Market Tools, and questioned over 650 mobile phone consumers aged between 18-34 years old.

The results highlighted:

- The current uptake of mobile TV and video in the UK
- The lack of awareness of mobile TV and video services
- The perception from consumers that the cost for mobile TV and video services is high
- That there is a willingness from consumers to watch a mobile advert if it means that mobile TV or video content is free or discounted
- That users of mobile TV and video services are most likely to watch while at home
- That mobile TV and video users also have a preference for "snacking" on content while on the move or in-between activities

Key Findings

Lack of awareness of mobile TV and video services

With all the major mobile operators in the UK market now offering mobile TV and/or video services the research found that there are several barriers stopping people from consuming TV and video content on their mobile phones. This includes a lack of awareness of the mobile TV and video services on offer to them, with nearly half (44 per cent) of consumers stating they did not know if these services are available, and one third (33 per cent) claiming that the cost of these service is too high. With operators in the UK and across Europe starting to offer ‘unlimited data usage’ as part of their monthly tariffs to support services such as mobile TV and video, these results highlight a clear lack of awareness by end-users about what services they can enjoy and what it will cost them.

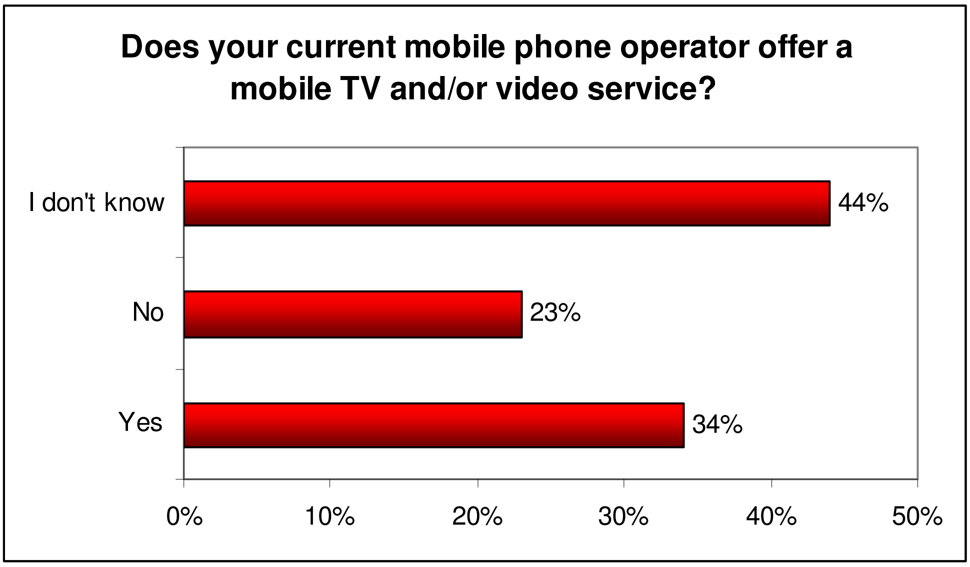

Figure 1

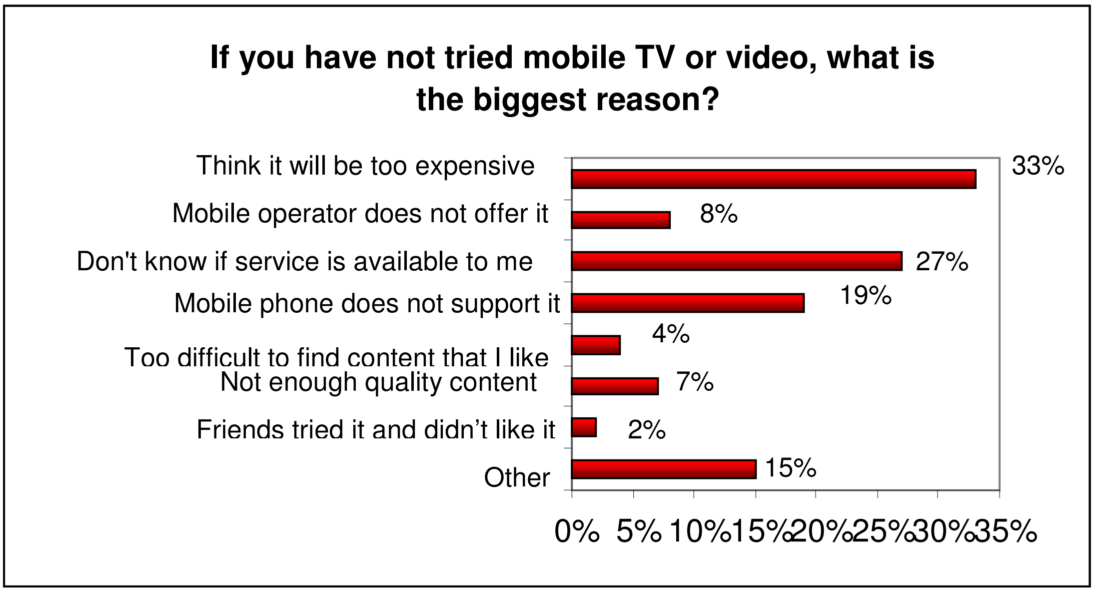

Figure 2

Demand for TV is increasing – the ad-supported model

When assessing current mobile TV and video usage in the UK the research showed that two in five* mobile handset consumers have already watched TV and video content on their mobile phone, with many now regularly using such services.

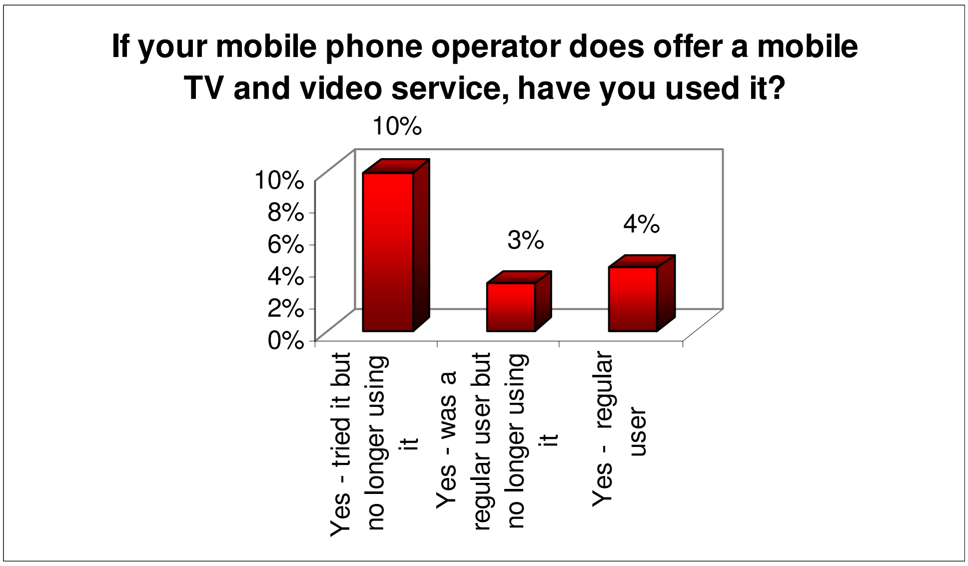

Figure 3

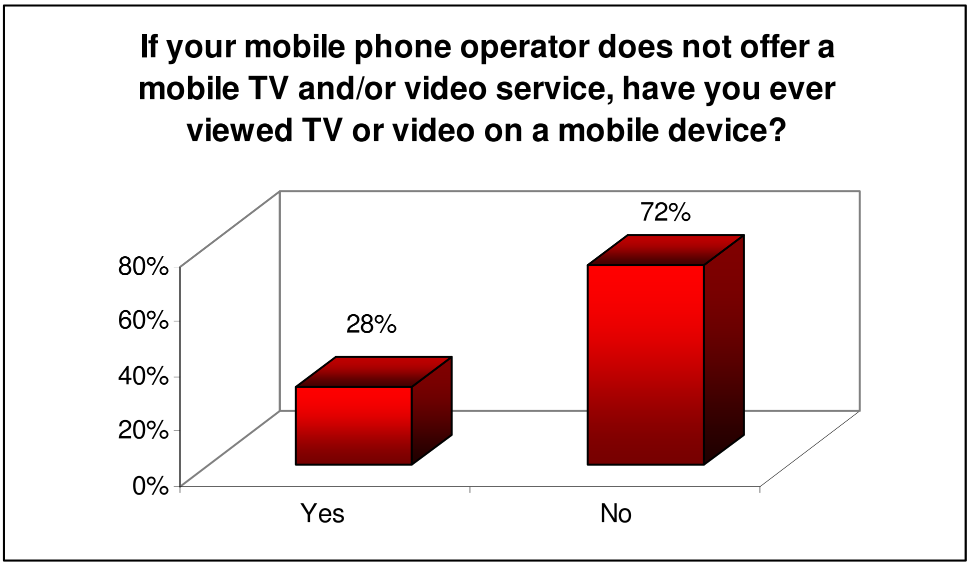

Figure 4

**The two in five statistic can be worked out with the following sum: Fig 3 = yes 17% + (0.28 (fig 4) x 84 % (fig 3)) = 40.5 per cent = 2/5).*

Of those that have tried a mobile TV and video service, as many as 40 per cent will watch on a weekly to monthly basis, with more than a third watching almost on a daily basis.

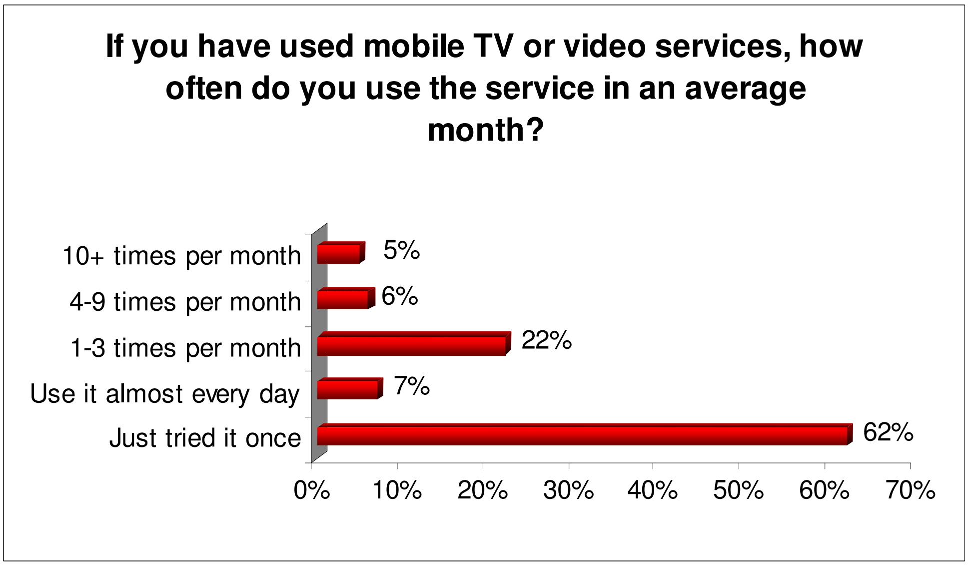

Figure 5

These figures also show that 10 per cent have already watched a full length television programme on their mobile phone. This is a positive sign for services that are so young to market.

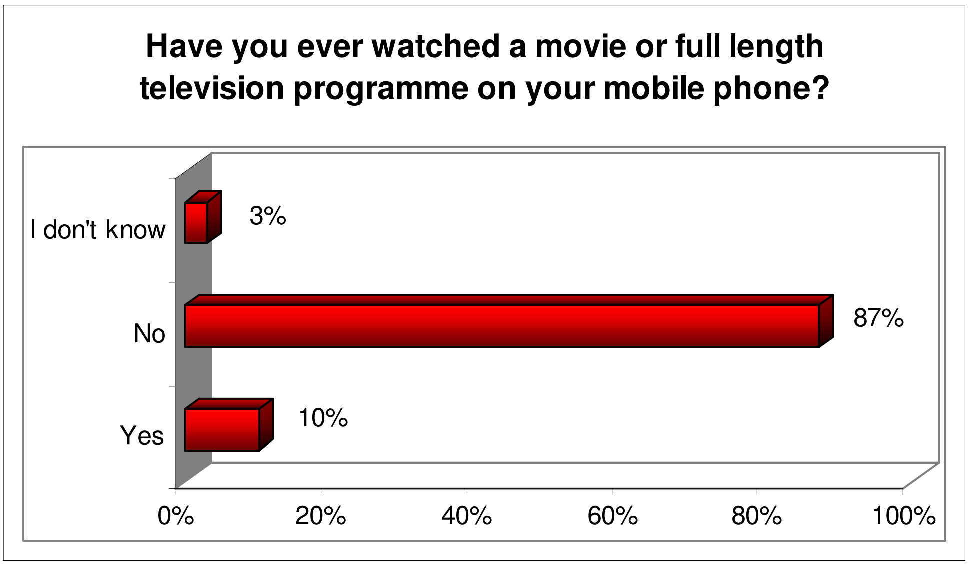

Figure 6

The research also demonstrated that, despite a number of UK consumers not using mobile TV and video services today, 65 per cent of respondents stated that they would be willing to spend time watching an advert if it meant that the mobile TV or video content they consume is free or discounted.

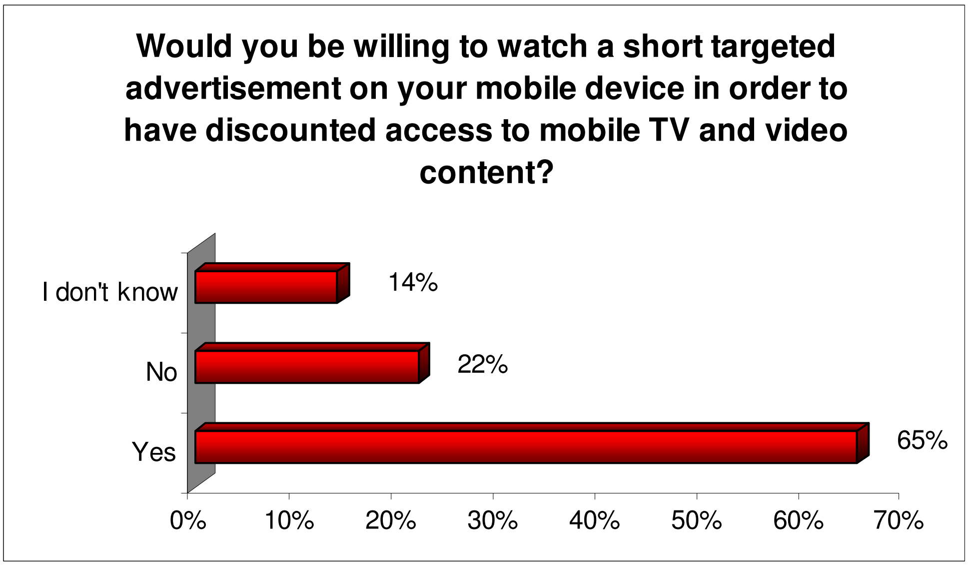

Figure 7

On the other hand, if mobile TV and video were to be charged for, 22 per cent said that they would prefer a pay-per-use business model and 13 per cent outlined a preference for an additional monthly subscription that would deliver the content without adverts.

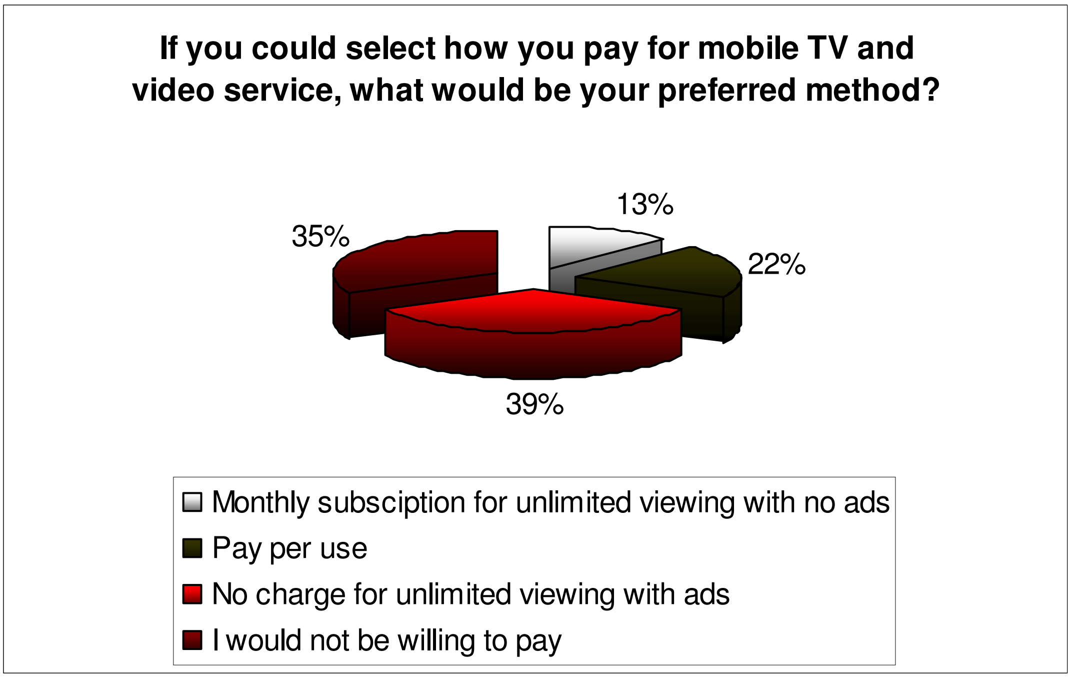

Figure 8

Where do they watch and how much time do they spend watching?

For consumers that are currently using mobile TV and video, the research highlights that as many as 46 per cent have used it at home, an interesting statistic when consumers have other platforms available to them, such as TV and computers, to consume TV and video content. This may be due to the propensity of the age group questioned (18-34yr olds) who may have been testing the service at home or just conducting multiple activities. In relation to this, 30 per cent stated that they would watch mobile TV and video in between activities and 28 per cent said it was a service that they used while in transit. The figures also show that 81 per cent* have a preference for mobile content "snacking" versus setting dedicated time aside for viewing.

**81% mobile "snacking" = 28% (while in transit) + 30% (in between activities) + 23% (while waiting in a queue) = 81%*

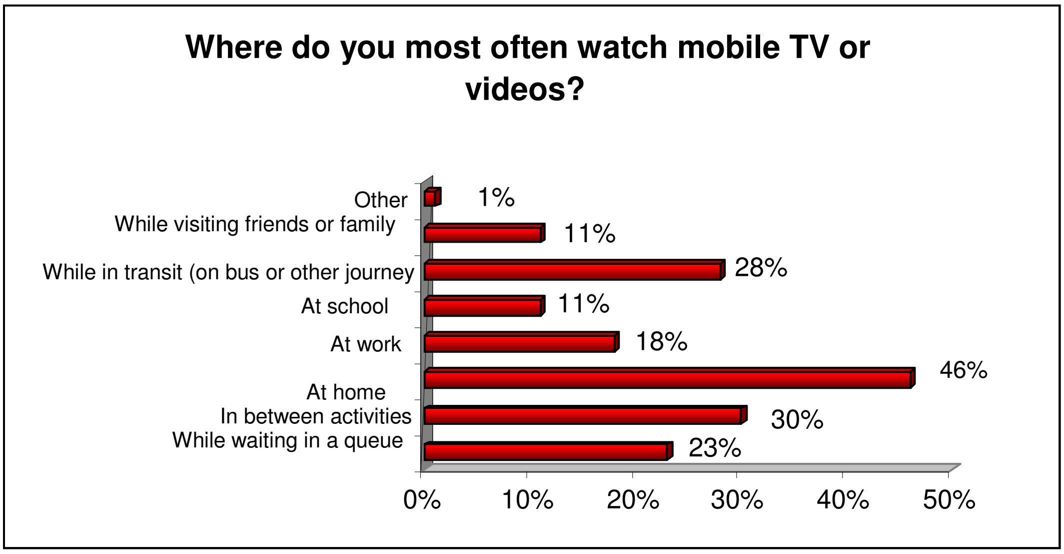

Figure 9

In addition, as many as 33 per cent have watched TV or video on their mobile for up to 60 minutes or longer.

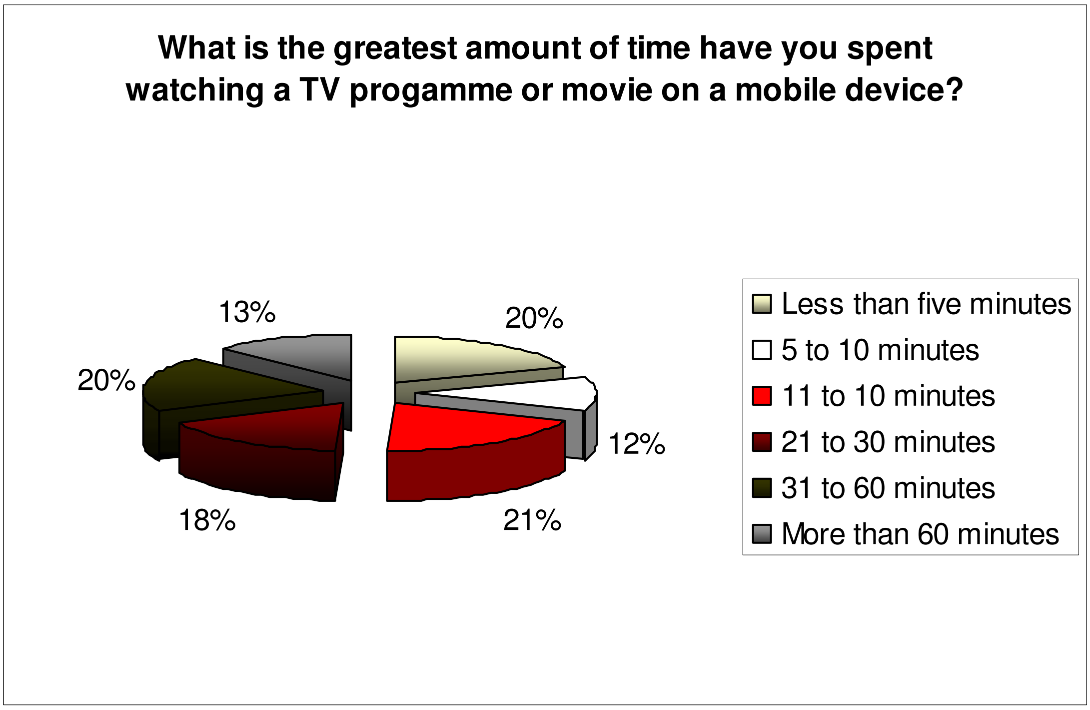

Figure 10

Nearly half of those surveyed (41 per cent) would consider the ability to pause and resume content, a potential deciding factor in whether or not they would watch longer forms of content, such as full-length movie, on a mobile device.

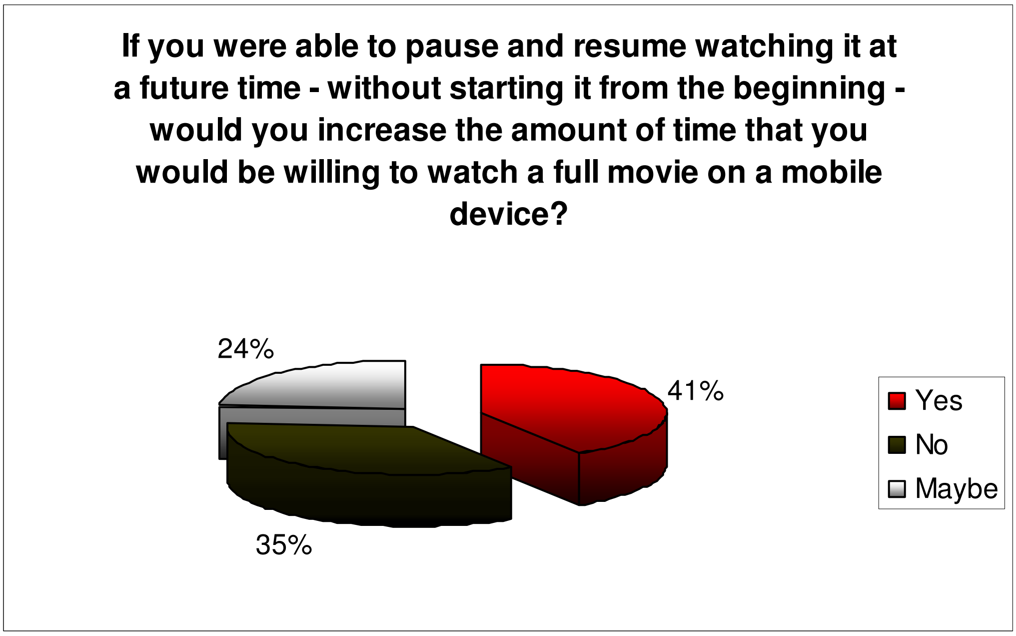

Figure 11

Other notable findings

Despite 65 per cent of consumers questioned saying that they would consider watching an advert on their mobile handset if it meant that the mobile TV or video content they consume is free or discounted (figure 7), 72 per cent said that they still have not yet viewed adverts on their mobile device to date. These figures highlight an opportunity for mobile operators to provide targeted advertising to consumers in exchange for free or discounted mobile content. Targeted advertising and discounted mobile TV could ultimately improve the viewing figures of adverts while increasing adoption rates for mobile-related content.

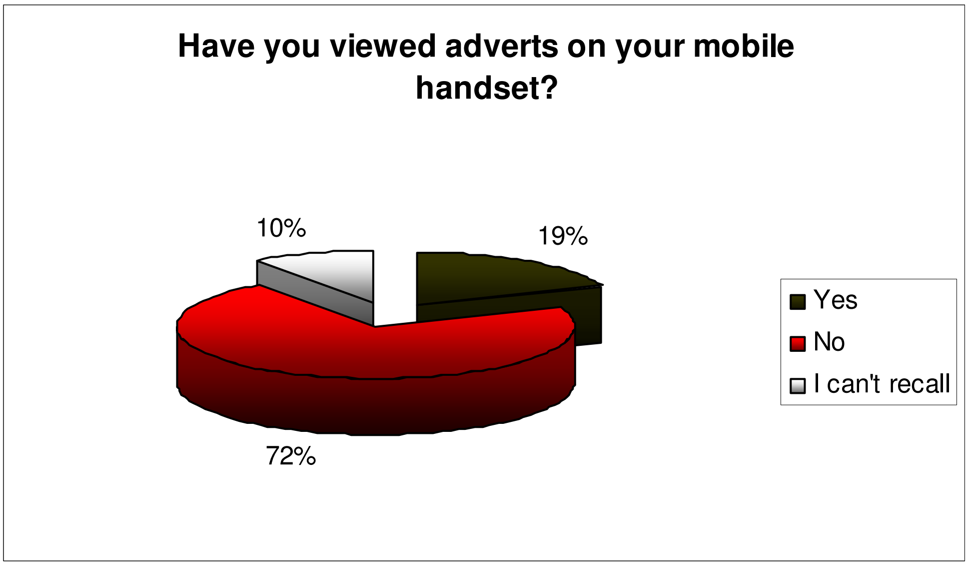

Figure 12

For those that had viewed advertising on their phone, 53 per cent said the ads viewed were received as SMS/text ads, and 34 per cent said that these were video ads.

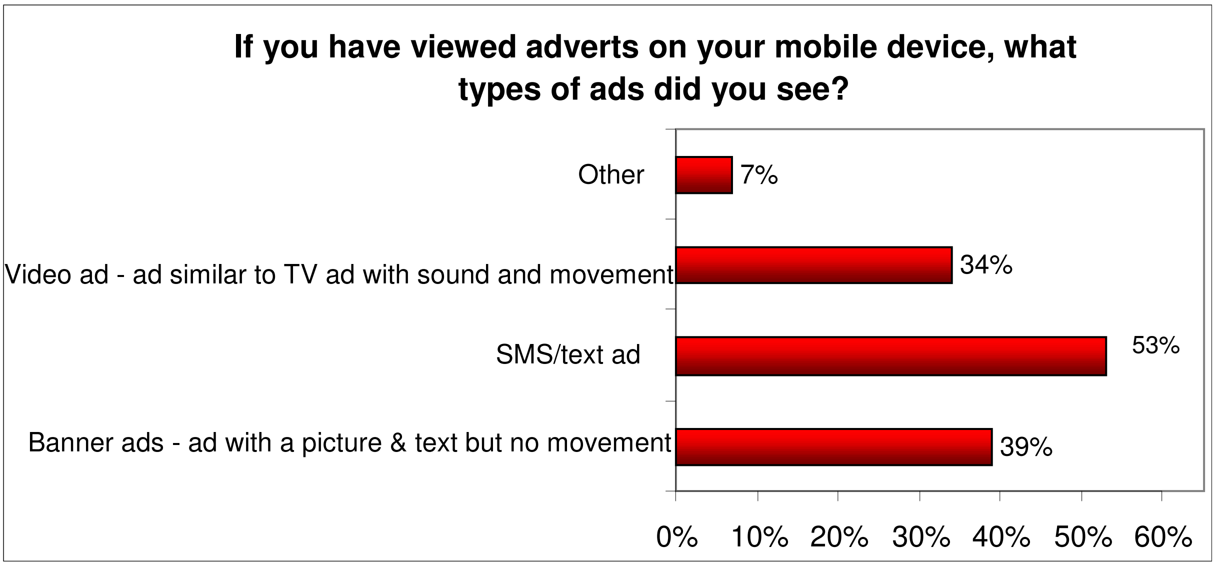

Figure 13

41 per cent of consumers questioned said that if they could control the categories of services for which ads were received on their mobile device they would be more willing to watch a short targeted advertisement.

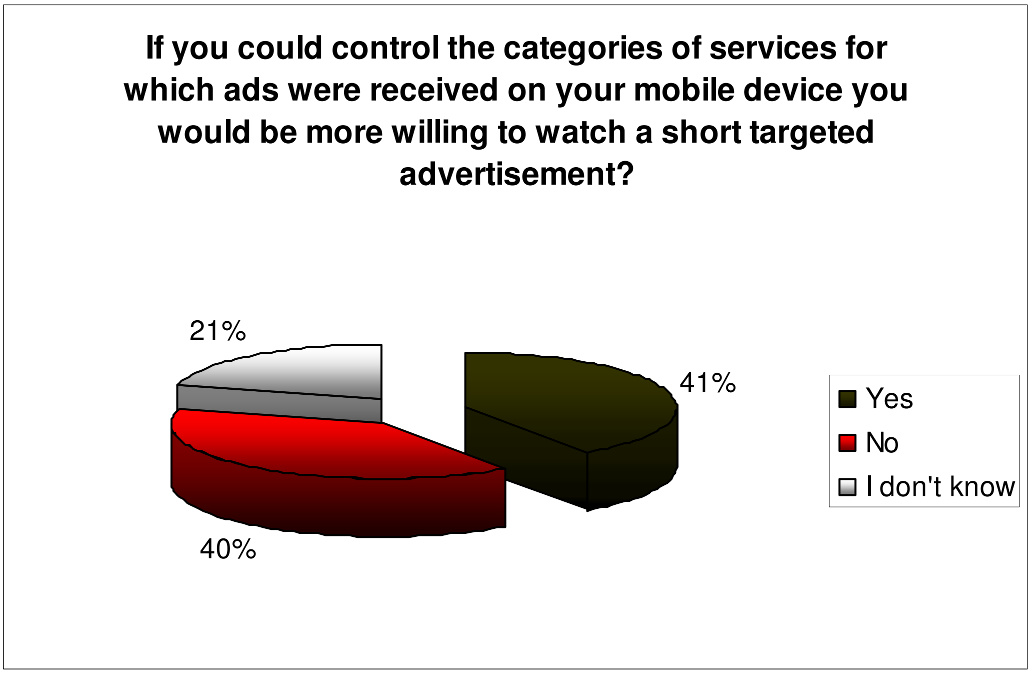

Figure 14

Currently 53 per cent of users in the UK have a monthly contract with a mobile operator. The additional 3 per cent which is obvious in these results is most likely where respondents have more than one mobile, such as a pre-paid and a contract phone and have provided an answer for both.

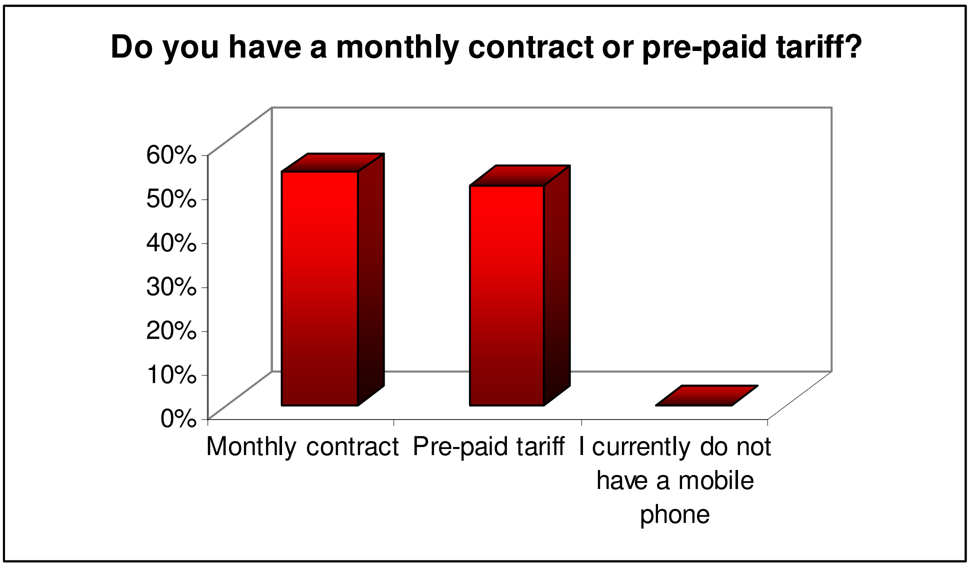

Figure 15

The three most important criteria for people when they are choosing their mobile phone package are cost (82 per cent), phone selection (48 per cent) and quality of service (31per cent).

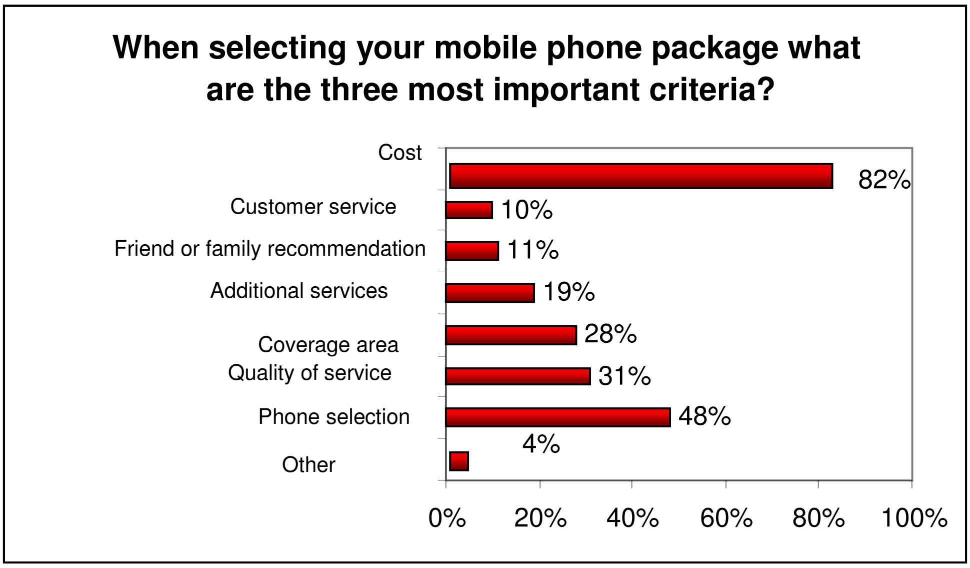

Figure 16

Most research respondents have been with their current mobile operator for more than two years (46 per cent).

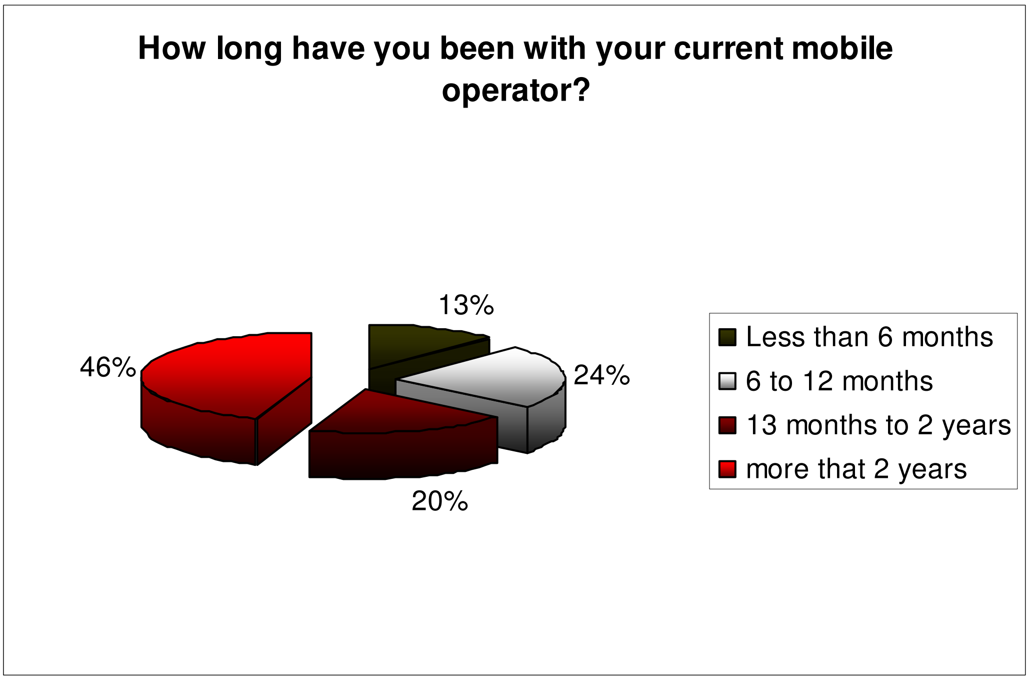

Figure 17

And 74 per cent of consumers questioned have been a customer of two or more mobile operators to date.

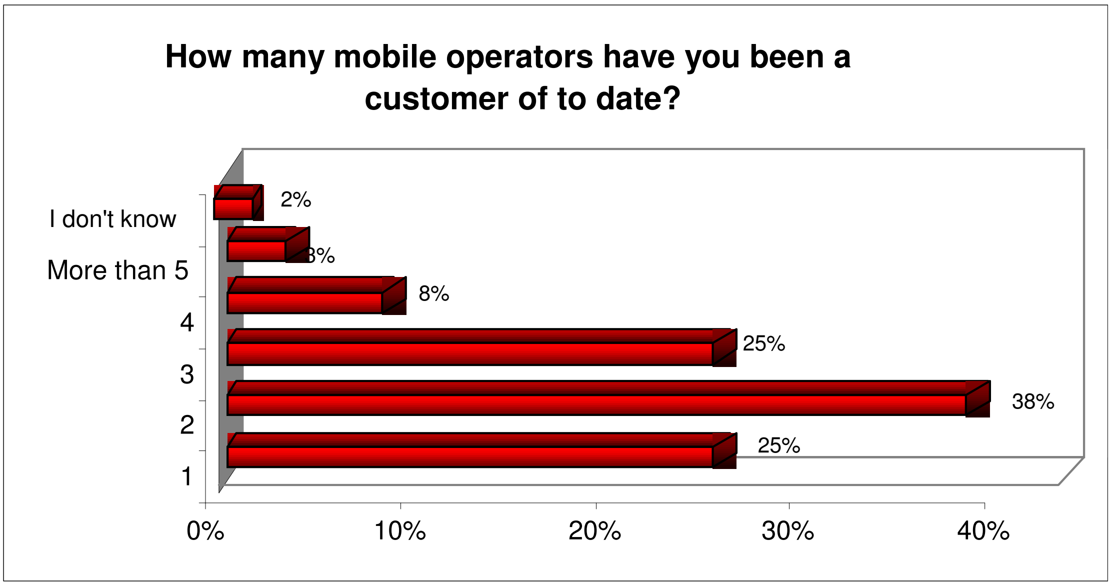

Figure 18

The primary reasons respondents gave for switching mobile operator was again cost (52 per cent)

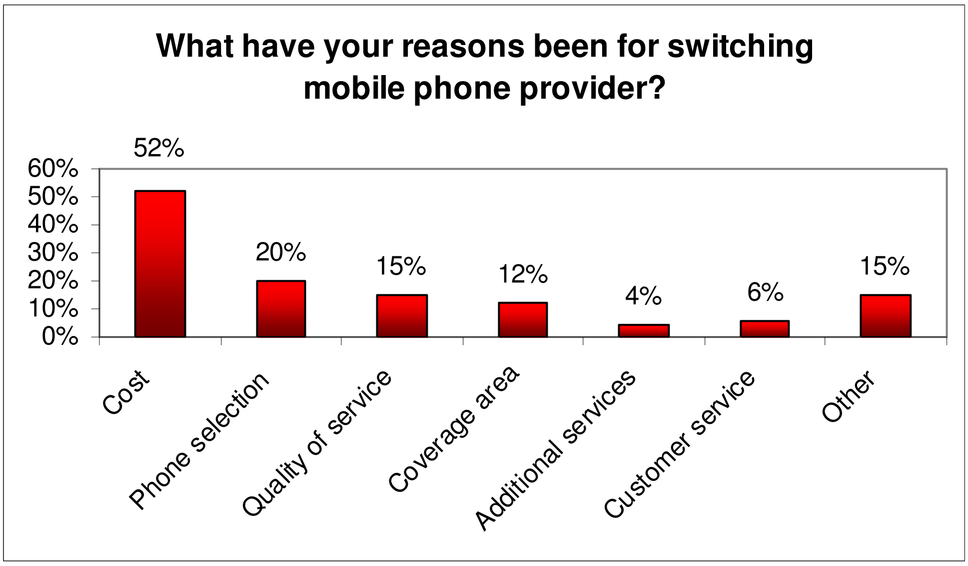

Figure 19

About QuickPlay

QuickPlay Media provides media management and distribution solutions for mobile television and video services.The QuickPlay OpenVideo™ platform offers maximum flexibility and streamlined application integration for mobile operators, media companies and technology partners. The platform powers mobile video services for 13 major mobile operators in North America and Europe, providing both live and on-demand content from more than 150 different media companies. OpenVideo works in many different mobile content ecosystems, seamlessly operating with major search, advertising, billing and user interface frameworks. QuickPlay Media Inc. has offices in Toronto, San Francisco and London. For complete information, please visit www.quickplay.com.