

A year in mobile: mobile TV - A bad news story?

Has it been all bad news for mobile TV? David Adams searches for the successes in 2008

This time last year there were high hopes that 2008 would see significant progress for mobile TV in Europe. Those hopes have not been realised. The most high profile event of the year was probably a bad news story: the demise of MFD [Mobiles Fernsehen Deutschland]'s DMB-based service in Germany, finally withdrawn after struggling for the best part of two years to increase viewer figures, and as MFD shifted its strategy towards DVB-H. The one big success has been the continued growth of 3 Italia's DVB-H service, cunningly launched on the back of the 2006 football World Cup (won by Italy), which now has more than 850,000 subscribers and has added a free to air bouquet to its pay TV offering. Progress elsewhere in Europe continues to stutter, for technical and economic reasons.

Yet technology specialists remain positive, suggesting that while there may be technology and business model issues still to iron out, 2008 was a year when important lessons were learned, technical innovation continued at a rapid pace, and more of the supporting elements that could support mass market services fell into place.

"Despite the bad news the underlying trends for mobile TV still register strong positives," claims Dr Kamil Grajski, president of the FLO Forum. "There is optimism in the air: as people get used to browsing the web and consuming video and music on their mobile devices, they set the stage for TV and other richer content in the not-too-distant future. It's certainly a question of when and not if for mobile broadcast TV."

Dr Claus Sattler, managing director of bmcoforum (the Broadcast Mobile Convergence Forum), is similarly positive. "I would say one of the highlights of the year would be that more European countries, like Switzerland and the Netherlands, have started to use mobile TV," he says, pointing also to progress in Hungary and Poland in preparing the ground for services, and suggesting that even if there have been disappointments in Europe, the progress of mobile TV elsewhere in the world, in particular in Asia and South America, has maintained its momentum.

Yann Courqueux, director of broadcast development, IPTV and mobile TV at Thomson, is optimistic about the potential of the Russian market, where three operators are set to launch services in 2009. "That's a very active market, because they're vertical operators, unlike in European countries, where we see many players in the value chain," he says. "It's a model that is easier to put in place, because you don't have endless discussions between players. I expect mobile TV to be very significant in Russia."

Throughout 2008 the same basic factors continued to be responsible for slowing the pace of development and adoption in mobile TV: ongoing technical issues relating to the various competing standards and a lack of spectrum space, the potentially negative impact of national and EU regulation, and continued uncertainty about which business models will actually generate revenue.

On the technology side, supporters of DVB-H and DVB-SH feel 2008 was the year when their standard established a clear lead over its rivals. Alain Ferasse-Pale, vice-president, marketing and sales, Alcatel-Lucent, cites the 3 Italia service, along with progress with DVB-SH, currently being assessed by the Italian and Indian regulators,

and the focus of trials in Italy, France and the US. The great hope for DVB-SH is that it can both reduce costs and improve coverage through greater efficiency and the use of satellite. The launch of a new satellite in 2009 that will support S-Band deployments of DVB-SH will help.

Naturally, the FLO Forum's president has a different view. "In the medium term, the realisation that capacity - spectral efficiency - is pivotal to broadcast TV's success has seen a review of the different technologies on offer," says Dr Grajski. "This is of critical importance in Europe, where there is much greater pressure on the amount of spectrum available from country to country. MediaFLO, operating in an 8MHz channel, can deliver 30-plus channels streaming video at 25 frames per second [using QVGA]. So a ten channel free-to-air requirement still leaves up to 20 channels for subscription-based services, or data and interactivity services."

Jon Hambidge offers another view. He is chief marketing officer of NextWave Wireless, the key technology partner in a forthcoming trial of mobile TV services in London, backed by Orange and T-Mobile, which will use TDtv, a UMTS TD-CDMA MBMS technology which runs on 3G spectrum. "We've seen a surge in interest in the last few months, as people start to understand the economics," he says. "We think that across Europe the idea you can use your 3G spectrum to provide mobile phone TV is really gaining traction. I've read articles about DVB-H in France, and the cost of building that infrastructure, which will cover 30 per cent of the population, and mobile operators are being asked to provide 87 per cent of that number. We think they could do that with 3G at a tenth of the cost.

"This spectrum is unused, it's just sitting there. I think a lot of people have become disillusioned with mobile TV in 2008, but if you can get the economics right and make it a seamless 3G service we think we've got a better business case than ever."

Of course, most consumers are currently blissfully unaware of these issues. What they will have noticed during 2008 has been the appearance of a new generation of handsets and mobile devices, including the Nokia N96 and the BlackBerry Storm. "Another interesting step forward is the fact that more and more mobile TV-compatible devices have become available, along with accessory devices which take a mobile TV stream and put it out over WiFi or Bluetooth," says Omar Javaid, vice-president of business development at Qualcomm. These include PacketVideo's Mobile Broadcast Receiver, which can stream mobile TV to devices which aren't mobile TV-compatible, like the iPhone and the iPod Touch.

Another service that some believe will be crucial to the prospects of mobile TV in the longer term is DVR capability, but there were no significant steps forward in this area in Europe during 2008. Here again, technology issues may not be as problematic as the need to find an effective business model.

"We are waiting to see how successful business models based on downloads or streaming of on demand content taken from libraries are, compared to broadcast models," says Andrew Bud, global chair of the Mobile Entertainment Forum (MEF) and executive chair of the mobile transaction network mBlox. "Some people suggest that on demand models for video are reliant upon either the availability of flat rate data plans or of sender-pays data models from the carriers. Otherwise the costs are frightening to consumers."

Finally, there is the evolving regulatory environment. Licensing and spectrum availability issues remain unresolved, and there may be further trouble ahead in the

shape of the EU Audio-Visual Media Services Directive (AVMS). "AVMS may impose some quite strict legislation designed for broadcast on a medium that is completely new," says Andrew Bud. "Our concern has been that AVMS legislation does not strangle mobile TV at birth. The MEF has been at the forefront in both explaining that to the industry and interacting with Brussels in trying to moderate its impact on mobile."

But Bud doesn't think the disappointment of 2008 can be blamed on regulators or on squabbles over technology or business models. "I think that there was no prospect whatsoever of mobile TV being a big success in 2008, so any disappointment is purely related to unrealistic expectations," he says. "I always felt that mobile TV was suffering from the classic hype curve."

He thinks it will be at least two more years before we begin to see mass adoption of mobile TV across Europe, and hopes the legacy of 2008 will be a little more realism about how long it will take for mobile TV to live up to its potential: "People have come to understand we're at the dawn of a new medium, and there's going to be lots of hard slog ahead for companies that want to earn money out of it." We'll have to wait and see whether 2009 brings a bit more good news.