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Towards a realistic assessment of mobile TV developments

Anders Henten, Reza Tadayoni and Iwona Windekilde

Center for Communication, Media and Information technologies (CMI)
Copenhagen Institute of Technology
Aalborg University, Denmark

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Research question

- The objective of the paper: Discuss EU policies in the area of mobile TV

- What were the arguments for choosing a specific European standard?
- Was it right to choose the DVB-H standard?
- What are the deployed organisational models?

Source: Rethink Wireless, 2009

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Not a success (yet?)
(end 2008 figures)

www.aau.dk

Country	Standard	Subscribers	Funding model	Service providers
Austria	DVB-H	90,000 users	FTA	MEDIA BROADCAST
			Pay service	3 (H3G), (formerly One), A1, Red Bull Mobile
Italy	DVB-H	850,000 users	FTA	3 Italia
			Pay service	3 Italia, Vodafone , TIM
Finland	DVB-H	<10,000 users	FTA	Digita
Japan	ISDB-T ”1seg”	40 mill. handset	FTA	DoCoMo, KDDI, Softbank
Korea	T-DMB	15.4 mill. users	FTA	6 broadcasters: KBS, MBC, SBS, YTN DMB, U1 Media, KMMB
	S-DMB	1.85 mill. users	Pay service	TU Media Corp
USA	FLO	100,000 users	Pay service	AT&T, Verizon Wireless

Background

- DVB-H has been chosen as the preferred European standard and in March 2008 DVB-H was added to the (very limited) 'List of standards and/or specifications for electronic communications networks, services and associated facilities and services'
- Why DVB-H?
  - DVB is already the European standard for digital TV
  - Open standard – not the QUALCOMM FLO standard
  - European industrial policy

Background (cont.)

- EU has a policy on mobile TV
- Mobile TV is seen as a 'killer application' for mobile media
- Competition with other parts of the world
- Ideal precedent: GSM
- In this paper: Focus on the network aspects
- Example of convergence – but does not guarantee any success
- What's the problem?
  - Lack of attractive services
  - Technological uncertainty
  - Uncertainty regarding business model
- The situation is still in flux

Regulatory challenges

- **The answer of the EU has been**
  - Act fast + common European approach
  - First to ask the industry to opt for DVB-H by: Establishment of European Mobile Broadcasting Council (EMBC) in 2006. And, as this failed:
  - Select DVB-H as the preferred European standard and to promote the creation of a single European mobile TV market
- **Challenges from a regulatory point of view:**
  - Does not conform with technology neutrality
  - Spectrum
  - General framework; authorisation procedures; award procedures; and specific issues

3 main regulatory models

The Communication from EU identifies three main regulatory models :

- Extension of existing rules for DTT - Italy and the UK
- 'Plain wholesale model' – e.g. in Finland and focusing on the wholesale platform operator
- 'Integrated approach', where all the players in the value network have to find an agreement before the authorisation is granted - in Austria and is the model recommended by the Commission as it limits organisational deadlock

Trends and Outlook

- Wide range of different technological solutions
- Supplements and complements
- No confluence on technology solutions
- Standards 'war' strongest in mobile broadcast
- Satellite may become important
- Technology situation far from stable

Business model- Challenges

Main market actors

- Content providers
- Service providers
- Mobile broadcast platform operator
- Mobile operator

Differences on two accounts

- Ownership
- 'Ownership' of customers

Business model- Organizational issues

- **Italy: The extension of existing rules for DTT**
  - Closed model: Mobile operator 3 acquired Canal 7
  - Open model: RTI (Mediaset Group) acquired Europa TV
- **Finland: 'Plain wholesale model'**
  - Digita operates the platform (since 2006)
  - Only FTA
  - Lack of incentive at content side
  - No measures for diffusion of terminals
  - The model will work when there is demand pull

Business model - Organizational issues

- **Austria: 'Integrated approach'**
  - Media Broadcast got license in Feb 2008
  - Media Broadcast established cooperation with mobile operators
  - Four Mobile operators are active in the field: 3 and one (now Orange), A1 and Red Bull (MVNO)
  - Differentiation in price, subsidies to handsets etc.
- **Germany:**
  - Not a success. Mobile 3.0 returned its license in October 2008
  - Failed in establishing cooperation between the broadcast platform and mobile operators

Conclusion

Pro et contra (does a standard block or facilitate?)

In favour of the EU

- Good technical reasons for mobile broadcast platform
- DVB-H is a natural extension of choosing DVB in general for digital broadcast in Europe
- The European market is indeed more fragmented than, for instance, the US or Japanese markets, and common decisions are necessary if a single market is to develop in this field
- Such a single market has different advantages in terms of cross-border services for users but just as importantly in terms of delivering an industry policy support for the mobile manufacturing and service industry in Europe in the global environment

Conclusion

Against EU policy:

- The danger of politically supporting a standard, which runs the risk of being technologically or otherwise obsolete or bypassed.
- The fact that mobile TV, as at yet, has not turned out to be a market success

Our conclusion is that using DVB-H was not a failing strategy, but it is important to be open in relation to the technological development. In particular it is important to consider DVB-SH and next generation DVB-H (which is a hybrid terrestrial and satellite DVB-H combined with virtual TV services placed on the terminal)

Final observations

- Technology push rather than demand pull
- The media has not found its own language and current provisions are traditional TV on mobile
- Platforms need the different actors
- Lack of willingness to pay for content
- But there will be video on mobile platforms
- Maturation issue

Recommendations

Preconditions for future success

- Clear regulatory framework
- New services, including interactivity and personalisation
- Cooperation between broadcast platform and mobile operators
- Availability and diffusion of terminals
- Understanding the use context.