

# THIS BOX WAS MADE FOR WALKING...

How will mobile television transform  
viewers' experience and change advertising?



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## Introduction

### First comprehensive report on the impact of mobile television

Mobile television and digital video content services are being introduced by operators around the globe. According to forecasts, by 2011 demand will explode with more than half a billion customers subscribing to video services on their mobile phones.<sup>1</sup> How will mobile TV transform the traditional experience of television viewing? Who will use it? Why will consumers use mobile TV? What will people watch? What genres and programmes will be popular? Where and when are people most likely to use mobile TV? How will mobile TV change advertising? What opportunities does it present to advertisers? Will consumers watch TV ads on their mobiles? This report presents the first comprehensive research into these questions.

Mobile TV is in its infancy both in terms of adoption and production and it is difficult to predict how it is likely to develop and what its impact is going to be. Its development will be determined by various technological, commercial, social, political, regulatory and other factors. However, mobile television does not evolve in a vacuum. It builds upon existing platforms, primarily those of television, mobile telephony and the Internet. The rich research on the mobile phone, television, and the Internet, pilot studies of mobile TV use and experts in industry and academia have all provided invaluable insights into the potential impact of mobile television on consumers' experience and on advertising.

The report is divided into two parts. The first part focuses on the use of mobile television: how are users likely to consume mobile TV, for what purposes and in what contexts? It also explores who is likely to use mobile TV. The second part is concerned with the ways advertising is likely to change with the introduction and adoption of mobile television. Though advertising for mobile TV is in its early stages, we reviewed relevant literature and talked to key experts in the industry who have already started working in this area, and offered insightful answers to the question of mobile television's impact on advertising.

The report presents the combined findings emerging from data on mobile TV globally, with specific attention to the Chinese market. These data were obtained by an extensive literature review of publications in English and Chinese, interviews with key academic and mobile advertising experts, and attendance at conferences on mobile TV (see Appendix 1).

"Mobile TV is an exciting new world for us at Nokia, for consumers and for advertisers. We commissioned this report from Dr Shani Orgad at the LSE to give us an insight into the emerging technology as it stands today. We hope you find this report useful and thought provoking reading."

Harri Mannisto, Director, Multimedia, Nokia



## What is mobile television?

Mobile television is likely to have two key features:

### 1. Television on-the-go

Mobile TV will offer television as viewers know it and understand it. Users will be able to watch content with which they are familiar from traditional broadcast television on their mobile devices. The main differences are that they will be able to watch it on the go, instead of 'going to' the information as they do with television, radio and the Internet,<sup>2</sup> and that instead of a big screen they will watch it on the small personal screen of their mobile device.

### 2. Multimedia device

Mobile TV will offer more than just a 'television on the move' consisting of merely broadcast, traditional television content on mobile devices. Mobile TV will increasingly be delivered by a device with multiple multimedia functions. Features such as radio, music player, camera and video recorder are already available on mobile devices. With these and new multimedia functions mobile TV will offer a more active, interactive and personal viewing experience than that of traditional television.

### Television as you know it, but also as you don't

Mobile TV will combine both the good-old familiar TV as viewers know and understand it, with new interactive, personalised multimedia features.

Mobile TV may replace traditional television in situations when users do not have access to a television set, and compete with television in some areas and products. But overall mobile TV will complement rather than replace traditional television.



**“Mobile TV should offer TV as viewers know and understand it, but available on the move, and with extra interactive functionality.”**

Jeff Henry, Chief Executive, ITV Consumer Division<sup>3</sup>





# Part One

The Impact of Mobile TV on How People Consume Television

## Why will people use mobile TV?

### Requirements for consumers' willingness to use mobile TV

Industry experts and pilot studies show that there is a clear desire for mobile TV broadcast services, and that people are already using it. However, there are several prerequisites for consumers to use mobile television:<sup>4</sup>

- Affordable cost and suitable pricing models;<sup>5</sup>
- Good technical functionality;
- Simple and intuitive usability;
- High-quality pictures and sound;
- Mobile device functions uncompromised by TV applications;
- Suitable content for mobile viewing conditions (an issue that will be discussed later).

## Reasons people are likely to use mobile TV

### 1. Flexibility, independence and a sense of security and 'being part of'

The introduction of television facilitated social situations that are no longer defined by where we are: we can watch things happening miles away in the comfort of our living rooms. Watching television is however still place-bound in one sense: it depends on being in a place that has access to a television set, usually the home.

Mobile television releases viewers from this constraint; they do not need to be at a place with a television set in order to watch a particular programme. They can have access to television almost anytime anywhere. This flexibility is one of the major reasons people are likely to watch mobile TV. Users consider the independence from the television set as one of the key benefits of mobile TV.<sup>6</sup>

The ability to watch television anytime anywhere also gives users a sense of control and security. Television plays an important role in how we manage our time. For example, the idea that we can watch the news every day at the same time, gives us a sense of control and confidence. We feel discomfort and sometimes even panic when we cannot watch the news or our favourite programme at the regular time.

Having a personal portable television that ensures we can watch television anytime anywhere and remain connected may maintain the sense of control that watching television gives us. People will watch mobile television when they do not have a television set available, when they are travelling or stuck at work, but want to make sure they are 'part of': to find out who was selected to be part of a particular show, who received best-performance accolades, or watch live breaking world news.<sup>7</sup>

### 2. Enhanced personal and intimate viewing experience

Watching television, which used to be a communal experience primarily in the context of the family, is becoming more private, individualised and personalised, especially among young people.<sup>8</sup> Similarly, users consider the mobile device a highly personal and private device.<sup>9</sup> Mobile TV combines the trend to watch television in a private environment with the private, individual-based experience of the mobile device, offering users an enhanced personal and intimate viewing experience.

Users consider the ability to view television in private as one of the important benefits of mobile TV.<sup>10</sup> Recent pilot studies confirm that participants used their mobile TV devices as a personal screen at home, either because they wanted to avoid other members of the household and have a private viewing environment, or because the television set was busy and they wanted to watch something else. In public spaces, experts say that people are likely to watch mobile television with headphones as a buffer for privacy (as well as enjoying a good audio experience). This way, not only will mobile TV provide an enhanced private viewing experience on the move, but will also be a 'socially considerate' technology unlike the more disruptive nature of talking on the mobile device in public spaces.<sup>11</sup>



### 3. Seeking time and location-sensitive information

Consumers are likely to use their mobile televisions to seek time and place-sensitive information, especially in situations when they are on the go, do not have Internet access on a desktop PC, and need real time access to information about their timetable and/or current location. Users expect their mobile television to supply “context aware infotainment” including location-based information, for example a local weather forecast.<sup>12</sup>

Travellers arriving in a new place may use their mobile TV to look for maps of the area, public transport timetables and information on places to stay, eat, shop and be entertained. Tourists may watch a televised tour in hotels they consider staying in,<sup>13</sup> or educational programmes about the places they visit, using their mobile television as an audio guided tour.<sup>14</sup>

Business people can also benefit from accessing location and time-sensitive information on their mobile devices. Analysts in China believe that mobile TV will help business people who travel to better understand the local conditions and customs of new places they visit.<sup>15</sup>

### 6. Mobile intimacy, networking, fandom and boosting love life

Users are likely to use mobile television to enhance what mobile media expert Carsten Sørensen calls ‘mobile intimacy’: to extend their personal relationships, socialise and network through their personal mobile devices<sup>23</sup> A recent study shows that mobile devices are revolutionising the love lives of young adults who send and receive invitations for dates and sexually explicit texts.<sup>24</sup> Users will most likely use their mobile TV devices to enhance their love lives further by sending and receiving videos and other self-generated personal content.

New fan communities could evolve around mobile TV programmes and allow users to interact with celebrities and fans, similar to the kind of communities that emerged with traditional television and the Internet. This has already happened in Korea, where the Korean Broadcasting Company claims it made superstars out of its made-for-mobile TV programmes.<sup>25</sup> There are also mobile sports programmes that create communities of sports fans, such as Berlin or Bust that was broadcast during the 2006 World Cup and invited users to contribute their thoughts during the tournament.<sup>26</sup>

“There is now virtually no event that can happen on the planet that cannot and will not be recorded by mobile devices and then transmitted to the world. The mobile device makes reporters of us all.”

The Mobile Life Report 2006<sup>22</sup>

### 4. Filling empty time

People are likely to watch mobile television to fill empty spaces in their day such as:

- Travelling and commuting;
- Unoccupied slots during the day such as lunch breaks;
- Waiting situations such as queues.

Such idle times can be filled by what one mobile content provider calls “bus stop content”: entertaining content that does not demand full attention and could be ‘snacked on’ in short periods such as waiting for a bus or the doctor.<sup>16</sup>

### 5. Do-It-Yourself: Creating personal content

Users are already using mobile devices to create personal content such as personal videos. Mobile TV will take it a few steps further. People will use mobile television as a tool for self-expression and creation: to record, edit, share and broadcast content such as “self-authored reality TV” with a mobile handset.<sup>17</sup> In China, for example, it is expected that people will use mobile TV to create and send personal Happy New Year messages, with short clips and movies.<sup>18</sup>

We are likely to witness a proliferation of applications such as YouTube or See Me TV that allow users to upload and broadcast their own videos from their mobile to the Internet. As Matthew Postgate, Executive Producer for the BBC says, “mobile television will be an important step in the process of moving from a one-way to two-way relationship between broadcasters and audiences, in a personalised way and in an immediate sense...The challenge for broadcasters is to manage this cultural shift.”<sup>19</sup>

User-generated-content applications on mobile television will also enhance the trend towards citizen journalism. A recent study shows that more than a third of mobile device users said they would use the camera or video facility on their mobile device to snap a celebrity or other newsworthy event.<sup>20</sup> With mobile TV, more users will do these kinds of things, more often. Another area for which users are likely to produce their own content is travel and tourism. For example, a made-for-mobile-television Lonely Planet, based on people’s self-authored content about places they visited.<sup>21</sup>



## How will people use mobile TV?

Users' experience of mobile televisions will be characterised by five key features:

### 1. Personalisation: The person is the portal<sup>27</sup>

People will increasingly become personalised communication centres<sup>29</sup> and mobile TV will be a big step in this process: users will be able to receive and create content almost anywhere anytime, deciding what is relevant for them and consuming it in the environment that is most relevant to them. The success of mobile TV will largely depend on service providers enabling users to customise the content they receive, make it relevant and specific to their interests and contexts, and provide them with platforms for creating their own personal content.<sup>30</sup>

### 2. Interactivity

One of the key attractions of mobile television is the potential interaction between users and content. The mobile device, which is essentially an interactive device, is better suited to interactive content and applications than regular television. Recent studies reveal that users have an appetite for interacting but need to be motivated by attractive content: something that feels fresh, rewarding, and is adapted to shorter viewing times, in order to be engaged by this new medium.<sup>31</sup> For example, the Millionaire TV quiz mobile show gives viewers the opportunity to participate when studio contestants walk away from the next question with the chance to win £1,000. Each message costs a pound, and figures showed nearly 250,000 responses, suggesting potential for some serious revenue.<sup>32</sup>

### 3. Immediacy

One of the important features of users' experience of mobile TV will be a sense of 'get-it-now'. Consumers will use mobile TV to receive, produce and send content on an immediate basis, without having to wait. "Today," says Graham Brown, CEO of Wireless World Forum, "consumers want to be able to control who gets to be number one by SMS voting. They do not want to have to wait until Thursday night to find out, as was the case with Top of the Pops. Especially for today's young viewers, watching Top of the Pops is a waste of time in comparison to watching iTube, Napster, or MTV!"<sup>33</sup>

### 4. Interdependency across platforms

Mobile TV will be interconnected with and be interdependent upon consumption of other media, mainly television and the Internet. The content of television, movies, and mobile television programmes will depend on each other and be moulded together. Popular TV programmes will ride their popularity to create mobile versions, as ABC's *Lost* and Fox's *24* have recently shown. Content could also migrate the other way around, with a new made-for-mobile *Lara Croft* migrating over to traditional television.<sup>34</sup>

### 5. Content snacking

Mobile consumers tend to have short attention spans and do not have long chunks of time to spend on their device for content consumption. Therefore, people will 'snack on' television programmes on their mobile devices in short periods, rather than watch full-length programmes.

## How are the content and format of television likely to change?

### Supersize me: Talking heads and close-ups

Because of the small size of the screen mobile TV programmes are likely to lend themselves to focusing on talking heads, where viewers will be able to watch close-ups and see the details, rather than capture a wide scene. Broadcasters such as MTV are also re-subtitling their programmes with slightly different wording using shorter, sharper, and bigger fonts.<sup>35</sup>

### 'Snackable' content<sup>36</sup>

Mobile TV content has to be suitable for 'snacking': to accommodate consumers' limited attention span and the limited sustained times they have available as well as the limited life of the battery. 'Snackable' content is not expected to be watched from beginning to end. "You get to grab a quick bit, and if you're interrupted it's no big deal."<sup>37</sup> Recent pilots show that the majority of users 'snacked on' between 5 and 40 minutes of mobile TV per day. The average length of each individual programme watched was less than five minutes.



### From episodes to 'mobisodes'

'Mobisodes' are fragmented and small made-for-mobile episodes that cater to bite-sized portions of content while on the go. The short duration also helps users avoid feeling fatigued from staring at the small screen for too long.

### From narrative to visual spectacle

Because of the distracted viewing of mobile users, programmes will tend to emphasise visual spectacle over conventional narrative and be image-oriented. Dialogues will be minimised to the extent that they only serve as catch lines for each character. Directors are already using predominantly cinematic techniques that enable an efficient movement of camera within limited spaces, including close-ups, medium shots, zoom lenses and panning camera.<sup>38</sup>

### Local content first

Because of the emphasis of mobile television on the personalised aspect and the importance of content being relevant for the here-and-now of viewers, consumers may have a preference for local content, broadcast in their language, at their time. In a pilot study in Finland familiar programmes available through national Finnish television channels proved to be the most popular followed by regional and global sports and news channels such as CNN and BBC World.<sup>39</sup> Global, especially news and sports channels, will continue to be popular.

"We are now starting the second marathon in the industry, which is the personal TV and video consumption."

Mr. Harri Mannisto, Director, Multimedia, Nokia<sup>28</sup>

## What will people watch?

There are two types of content for mobile television:

### 1. Broadcast content:<sup>40</sup>

Migrated content: programmes originating in broadcast television and transmitted on the mobile screen, for example news. They can be transmitted untouched, or adapted for the mobile screen, and they ride on the popularity of their TV counterparts.

Original content: programmes made for mobile television, featuring shorter, fragmented episodes with interactive features tailored to the small screen.

### 2. User-generated content: users create and upload their own mobile television content, such as personal videos.

#### Good-old familiar genres tailored to the mobile screen

The popular categories and genres on mobile TV are likely to mirror traditional TV: news, entertainment, sports, and music.<sup>41</sup> This does not mean that we will see only traditional TV content on mobile TV. The main categories for mobile television may be the same, but there is room for both traditional and adapted content from traditional TV and made-for-mobile content. For example, a familiar reality show like Big Brother tailored for the mobile screen and an original made-for-mobile 'manipulated reality' show launched by News Corps called Love & Hate.<sup>42</sup> In China, analysts warn that the success of entertainment and news – which are likely to be the main categories on mobile TV – will largely depend on the development of fresh content, which needs to be significantly different from what people can get on traditional television and online.<sup>43</sup>



#### News: short, personalised, modular and focused

Recent pilot studies indicate that news is expected to be the most watched category on mobile TV.<sup>44</sup> Most people watch news at some point in the day. The value of news depends very much on watching it in real time. Therefore, the ability to have fast access to real time news anytime anywhere is likely to be one of the most vital features of mobile television.<sup>45</sup>

Indeed, news is one of the key areas broadcasters see as potential revenue. Although they have great expectations that big events such as the Olympics in Beijing will be peak times of mobile television use, news is happening all the time, and is always watched.

- The format of news on mobile TV will be different from that of traditional television.
- It will be short and concise. China Unicom, for example, created made-for-mobile news that is only one minute long.<sup>46</sup>
- It is likely to be in a modular format, similar to the way news is presented on the web, where users are given the basic news briefly, and, if they are interested, can expand the item of interest for a more detailed report.<sup>47</sup>
- Users may be able to customise the news they receive by their interests and their context, for example, by defining specific categories they are interested in.



## Entertainment

### Soaps: Not to be missed

Soap opera is already making inroads in mobile television. The world's first mobile soap opera was launched in Venezuela in 2005 with Tune-In Con Nokia, an on-demand streaming video application between MSCorp and Nokia, and has proved very popular.<sup>48</sup> Mobile TV could also appeal to viewers of traditional TV soap operas who would like to make sure they do not miss anything "because it's going to come out and everyone will be watching it in your circle!"<sup>49</sup> In a UK pilot study, soaps were among the most popular genres, particularly daytime soaps that were watched during lunch breaks.<sup>50</sup>

### Reality TV and game shows: Fragmented format with enhanced interactivity

Reality TV is likely to ride on its popularity on traditional TV and attract many mobile TV viewers. It may be especially suitable for the mobile watching situation, because of its fragmented format which does not require full concentration.<sup>51</sup> Shows such as UK Big Brother or US The Simple Life are already offering mobile versions, with enhanced interactive features such as voting or ranking and interacting with other viewers. Immediacy is also enhanced: there are none of the delays that are often present in call-in voting and the vote-toll database on the show is immediately updated.<sup>52</sup>

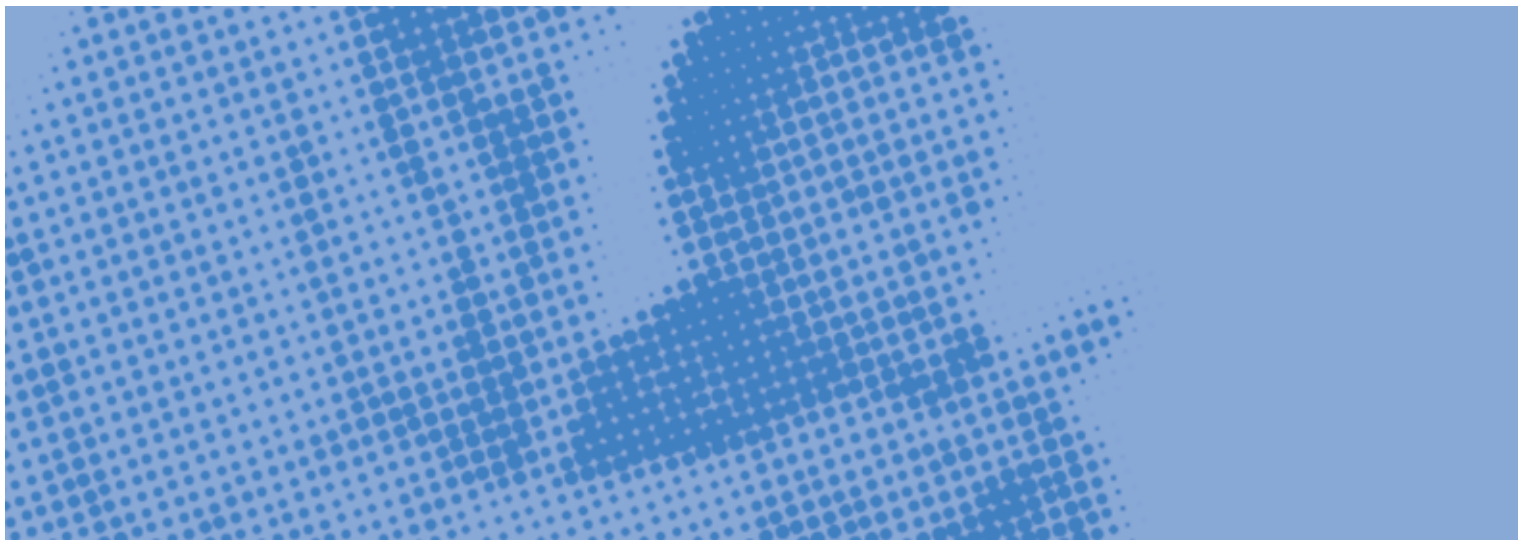
There are also original made-for-mobile reality TV and game shows. In Korea, one of the most successful programmes developed specifically for mobile TV was a dating game show, where in each episode users had to decide which of five boys would get the love of the heroine.<sup>53</sup> In China a made-for-mobile music show similar to The X Factor was very popular.<sup>54</sup>

There is also a growing market for user-generated reality TV programmes, with interactive services such as See Me TV and YouTube.com, which allow users to upload and broadcast their own videos direct to the websites from their mobile devices and network with others who are interested in viewing these videos.

### Drama: Condensed and simple

Mobile dramas are based on short 'mobsisodes', with an extremely heightened sense of drama, coupled with a very simple premise. Existing examples of mobile television versions of popular drama series include Lost and 24, and lessons gleaned from these programmes are being applied. For example, Fox found that a 1-minute episode is too constricting.<sup>55</sup> There are also drama series made exclusively for mobile TV. In China, SMG and Beijing Jingdu Century Culture Development Company are planning to launch a pilot interactive programme in which viewers can choose the actors and determine the ways in which the drama's plot will develop using SMS voting.<sup>56</sup>





### Film: Moving moving images

Because of the short and fragmented nature of viewing, it is unlikely that people will watch full-length films on their mobile television. However, there is consumer demand for made-for-mobile films.

Unlike conventional films, mobile films are discontinuous and fragmented, emphasising visual spectacle over the narrative, and tend to use unconventional camera techniques and a fast editing style.<sup>57</sup> In Korea mobile films such as June and <20:Yigong> launched in 2002 have met with commercial success.<sup>58</sup> In China, the movie Kung Fu Hustle was made into ten segments for mobile television<sup>59</sup> and China Mobile, the country's Mobile Communications Corporation, announced that it is intending to make the new movie Seven Swords available on mobile device.<sup>60</sup>

### Animation: A quick shot of adrenaline

Animations are very suitable to the 'snacking' condition of mobile consumers. They offer audiences a bite-sized burst of humour, and "work as a quick shot of adrenaline – something creative and fun which can be enjoyed and used while on the move", say comic producers Mikael Wullf and Anders Møregnthaler who co-produced the first made-for-mobile animation with MTV.<sup>61</sup> Mobile animation is likely to be especially successful in China, where cartoons are particularly popular.<sup>62</sup>

### Comedy: Make me laugh now!

Mobile comedy is very different from regular TV comedy, and yet seems to be quite successful, judging by examples such as the channel Comedy Time, whose content is comprised entirely of made-for-mobile shows. Mobile comedies need to make viewers laugh very quickly and are therefore based on very short sketches, with joke after joke. "The first joke," Comedy Time's CEO David Goldman says, "has to come before 15 seconds are up. There is no room for subtlety, no scenery, very few props, and very few people in a given shot."<sup>63</sup>

### Sports: "For anyone addicted to TV, this could be a real drug"<sup>64</sup>

The World Cup attested to the power of watching sports on mobile television.<sup>65</sup> Football fans across the world could watch on their mobile devices highlights of the day's soccer games, score bulletins, titbits of news about the activities in and outside the stadiums and football commentaries from German television studios.<sup>66</sup>

There is an expectation that the next global sporting event, the 2008 Olympic Games in Beijing, will see a boom in mobile television consumption, in China and globally.<sup>67</sup> By the 2010 Football World Cup, some media analysts predict that one in 13 mobile device users worldwide will own a mobile TV handset.<sup>68</sup> Sport is likely to be a popular viewing category on mobile TV not just around big events like the World Cup. Recent pilots reveal that a substantial number of sports programmes such as the San Marino, Monaco Formula One race and football matches are among the most popular programmes watched.<sup>69</sup>

The interactive features that can be incorporated into programmes are likely to prove one of the biggest attractions for viewers. There are already some successful examples of programmes such as Soccer Addicts<sup>70</sup> that feature video content made by fans, and companies like Accenture are developing mobile TV platforms that allow viewers to vote on players, bet on the final score and predict from where the goals will be scored.<sup>71</sup>

That said, broadcasters are still struggling with the quality of the pictures received in 3G streaming, and with the bigger challenge of whether viewers will watch games, especially fast sports such as horse racing or ice hockey, on a small screen.<sup>72</sup> There is also the question of whether people are likely to watch sports programmes, which they would usually watch with other people in the pub or at home, on their personal mobile screens.<sup>73</sup> Some experts think that users will not choose to watch sports on their mobile television as a first choice, but may find it a great benefit when they cannot watch it on a regular television and do not want to miss a match, for example if they are stuck at work. In China, analysts predict that viewers will watch live NBA games which are usually broadcast during working hours.<sup>74</sup>

### Music: Immerse yourself

People are used to consuming music while mobile on MP3 players and mobile devices.<sup>75</sup> Mobile television is likely to enhance users' mobile audio experience with visual clips. Short clips seem to particularly suit the small mobile screen and the 'snacking' experience of mobile users. Broadcasters such as MTV are already offering various music mobile TV products, and looking to introduce new services, for example subscription video on demand, where consumers can ask for a certain number of videos to be streamed in every month.<sup>76</sup>

### Adult content: The big industry driver?

There are indications that erotic content has been, to date, a key driver of mobile TV viewing outside the US.<sup>77</sup> Mobile TV industry sources say that as much as 30 percent of the video content viewed on mobile devices outside the U.S. is pornography.<sup>78</sup> In Korea, it is believed that one in two users buy mobile porn.<sup>79</sup> This will raise the need for governments to come up with measures to protect minors from pornography on their mobile devices.

### Children's programmes: Snappy makes them happy

Early findings suggest that this may be another popular category on mobile television,<sup>80</sup> which would suit the technologically savvy generation. A recent UK study of 10-12 year olds reveals children's desire to watch short and snappy, humorous content which can be shared with others, especially when travelling.<sup>81</sup> In a recent study completed by Ogilvy, mothers of young children also expressed an interest in having video-enabled devices that could entertain their kids with suitable programmes while their mother was shopping or driving.<sup>82</sup>



## Where and when will viewers watch mobile TV?

### Commutes

Users are likely to watch mobile television mostly when travelling on trains, buses and other forms of public transportation.<sup>83</sup> When commuting, people are more likely to use mobile TV during sustained periods of travel of at least 10 minutes, and less when their journey involves many transitions from one form of transport to another. In countries such as Japan, where there are restrictions on mobile device usage in public spaces, people may not be able to use mobile TV on public transport. However, even these countries may allow its use on public transport if used with headphones and therefore not disturbing other commuters.<sup>84</sup>

### Waiting situations

People are likely to watch mobile TV to fill idle times in their day, particularly in waiting situations. Pilots conducted in China showed that mobile TV has proven to be an irreplaceable source of information for people waiting for a bus and waiting at the airport.<sup>85</sup>

### Home

Recent pilots show that about a third (and in some studies almost half) of the users watched mobile TV at home. This suggests that users are likely to use mobile TV at home either because the main television is occupied by other family members or flatmates, or because they are frustrated with traditional television offerings and have access to more channels on their device than their own TV. People may also watch mobile TV to relax before going to sleep, when they do not have a television set in their bedroom.<sup>86</sup>

### Work and school breaks

Recent studies reveal that students and homemakers are likely to view mobile TV during breaks from classes or housework, while minding children or when spending time with friends. Mobile TV can also give office workers a chance to have short bursts of 10 to 20 minutes of news or entertainment during breaks and lunchtimes.<sup>87</sup>

### Days of the week

Several studies in Finland show that mobile TV was used more during the week than at weekends,<sup>88</sup> possibly because mobile TV is mostly watched when commuting, which takes place mainly during the week.



### Times of the day: New prime times<sup>89</sup>

The most popular slots when viewers are likely to watch mobile TV are:

- **Early evenings:** several studies in Europe show that the highest percent of viewing took place after 18.00, with the heaviest usage between 18.00 and 20.00.<sup>90</sup>
- **Early mornings:** the second largest slot of mobile television viewers in those studies was 06:00-09.00.<sup>91</sup>

The popularity of viewing during early evenings and early mornings corresponds with commuters looking either for something to unwind after a day at work, or to 'kill' the time or keep up to date with the news, during the commute to work. Mobile TV offers a portable and potent source of entertainment, and an alternative to books and newspapers in the tight quarters of buses and trains.<sup>92</sup>

- **Lunchtime:** UK pilot results reveal a lunchtime peak higher than normal television viewing, suggesting that people are watching it while on their lunch break.<sup>93</sup>





## Who will use mobile television?

### The young and the restless

The primary group of mobile TV users will be aged 18-34. They include users who are comfortable with texting, streaming, podcasting and other technologies built into small, mobile communications devices and/or have a passion for new technology.<sup>94</sup> Among some of them conversation is dying and other forms of communication such as texting and sending pictures and videos are becoming more dominant. These users are likely to use their devices to snap celebrities and newsworthy events and sending sexually explicit texts, photos and videos.<sup>95</sup>

The Korean and Japanese experience suggests that in China too, young people, especially under the age of 25, will be inclined to use mobile television.<sup>96</sup> However, the high price for the device may be a hurdle for young people whose salaries are much lower than their peers in Japan and Korea.<sup>97</sup>

### The younger and the restless: Teens and children

Teens and children are also likely to adopt the new medium and add it to the repertoire of technologies they already use. Although the two groups are quite different, they share a strong emotional attachment to their mobile devices, a need to stay connected so they do not feel left out in peer group conversations, and a tendency to chase the latest must-have. Their current viewing patterns of traditional television reflect a desire for short and snappy, humorous content which can be shared with others. Teens and children are also likely to tolerate the small screen better than adults and previous generations, if clarity is sustained. For them it may become fashionable to watch television on small mobile screens instead of big static screens.

One of the issues that may arise if teens' and children's take up of mobile television becomes substantial is parents' concern about their children's technological experience and their security and safety.<sup>98</sup> Disney Mobile, for instance, has already developed parental controls to allow parents restrict their children's access to certain numbers, and it is likely that similar mechanisms will be developed for content control on mobile TV.<sup>99</sup>

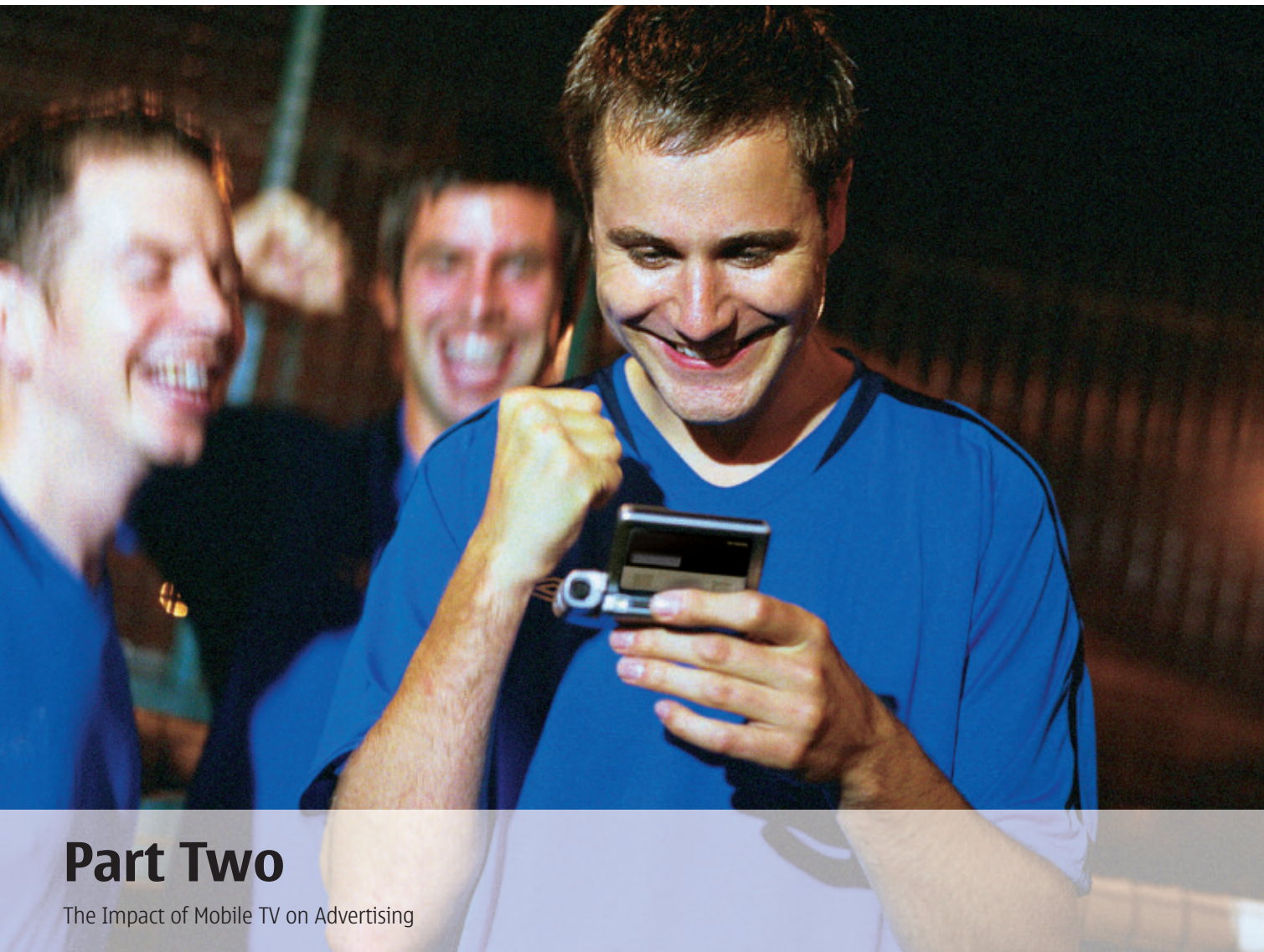
### Business people on the go

A third important group who is expected to use mobile TV is business people. These are users who are often away from home and on the go and for whom remaining connected and consuming information is an essential part of their lives. In China, because of the expected high prices for the first stages of the introduction of mobile TV, it is expected that users will be mostly businessmen and government officials from the major cities in China.<sup>100</sup>

### Minorities

Recent research shows that minority groups in the US take up mobile TV service at a higher rate than cell phone subscriptions.<sup>101</sup> Mobile TV could develop as a popular technology among minority groups as well as diaspora groups and migrant workers, especially if it were to provide channels and programmes from their homeland and/or their local communities in their mother-tongue. Preliminary research in China suggests that migrant workers are heavy users of mobile devices<sup>102</sup> and use them to develop new friends and maintain contact with families. According to some estimates, the Chinese 'floating population'<sup>103</sup> topped 140 million in 2003, and accounts for more than 10 percent of the total population. Needless to say, for mobile TV to be taken up among these groups, it will have to be affordable.





## Part Two

The Impact of Mobile TV on Advertising

## An advertiser's ultimate dream?

Most mobile video service providers acknowledge that in order to offer first-rate content continuously at reasonable rates the current subscription model will need to be augmented if not replaced by advertising.<sup>104</sup> According to recent surveys, participants expressed a dislike for advertising similar to that found for traditional broadcast TV, but they also indicated that they would accept advertising over mobile TV if it were to help them keep subscription prices low and/or entitle them to discounted or free content.<sup>105</sup>

While advertisers face technological, creative and business challenges in developing advertising for the new medium, mobile TV also holds great potential for them. Heidi Lehmann, VP of Strategic Alliances at ThirdScreen Media says that mobile television offers advertisers their ultimate dream: opt-in, interactive, impulse driven, with targeted opportunities based on location, time of day, and an instantly redeemable offer.<sup>106</sup>

## What opportunities does mobile TV present for advertisers?

### Need to think outside the box

Throwing advertising content into a user's private space is very intrusive. The challenge is therefore to engage consumers through their mobile television devices and provide them with relevant content that they will accept and want.<sup>107</sup> "On mobile television and across the board, advertising needs to shift from being advertising to being brand-related engaging and entertaining content", says Maria Mandel, Executive Director of Digital Innovation Ogilvy Interactive. Such entertaining content should integrate the brand in subtle ways, for example by using product placement or a tag at the end of the programme.<sup>108</sup>

**"There is a huge appetite from consumers for mobile video, and if advertisers can produce entertaining content with exciting audiovisual elements, they will reach a very captive audience."**

Luca Pagano, Vice President and Director of Buongiorno UK.

### Contextual targeting: Personalised and relevant content

When consumers are asked if they want mobile advertisements, invariably many say 'no'. However, consumers may be receptive to advertising content that is relevant to them and has educational or informational value, and that has been carefully selected and personalised.<sup>109</sup> For example, during the World Cup an Adidas-sponsored portal was built to give football fans information specific to the World Cup that they could view on their mobiles. Some two million people visited that portal.<sup>110</sup>

### Pinpointing consumers

On mobile TV advertisers can pinpoint their messages to users according to very specific levels not possible with traditional television and at success rates higher than those of the Internet. This is a significant advantage, especially in light of the common frustration of advertisers that "on television half of the budget I spend is wasted, but I don't know which half".<sup>111</sup> Advertisers can recognise their users by their personal interests, browsing and purchasing activity and tailor their advertising to specific time slots and handsets.

## Interactivity

Given the interactive nature of the mobile device, interactive offers such as 'buy tickets' following a movie trailer clip, or a coupon following a commercial, are likely to be met with a much higher degree of success than on traditional television or the Internet.<sup>112</sup> Early results on applying Internet banner advertising strategies to mobile devices have already proven successful, providing a banner advert clickthrough rate of 4 percent on mobile devices versus 1 percent for typical Internet banner advertisements.<sup>113</sup> Use of mobile handsets as payment devices is already well established in Europe, US, Japan and South Korea and works to the advantage of advertisers to create a direct link from the advert to the purchase of the product advertised.<sup>114</sup>

Some advertisers create 'advergames': games to engage users with audiovisual interactive features related to the brand. Nokia produced a snow-sledding game to promote SMS. After each race the users' results are messaged to a device that appears on their screen, and better sleds are available by texting a secret password.<sup>115</sup>

**"Mobile video might just resurrect and make successful interactive television advertising models that haven't yet proven ROI [return on investment] in the older and more passive broadcast medium."**

Heidi Lehmann, VP Strategic Alliances, ThirdScreen Media<sup>116</sup>

## Creating affinity between the consumer and the product

Advertisers can effectively create an affinity between the consumer and the brand by incorporating elements from the advertising content into users' experience of their mobile device, for example, by creating a catchy ring tone similar to the commercial's tune.<sup>117</sup>

### Advertising on demand and mobile search

Some believe that advertising on mobile television is likely to move away from the traditional 'push' model which is supply-oriented, to an 'on-demand' model where consumers will determine what advertising content they want to watch, when and where. According to Maria Mandel, Executive Director of Digital Innovation Ogilvy Interactive, consumers will actively search for advertising content, particularly for time and location-sensitive information such as train timetables and maps.

**"The good news for consumers is that [...] they will only look at ads for things they are interested in, and will find the quality of the ads and the special offers improve as companies exert themselves to be worthy of that active participation."**

James Pearce, analyst, ZDNet Australia<sup>118</sup>

## More accurate tracking and measuring

One of the things with which advertisers struggle when it comes to television is tracking who watched their advertisements and how effective they were. On the mobile device advertisers could better track the money they spend and understand where it goes.

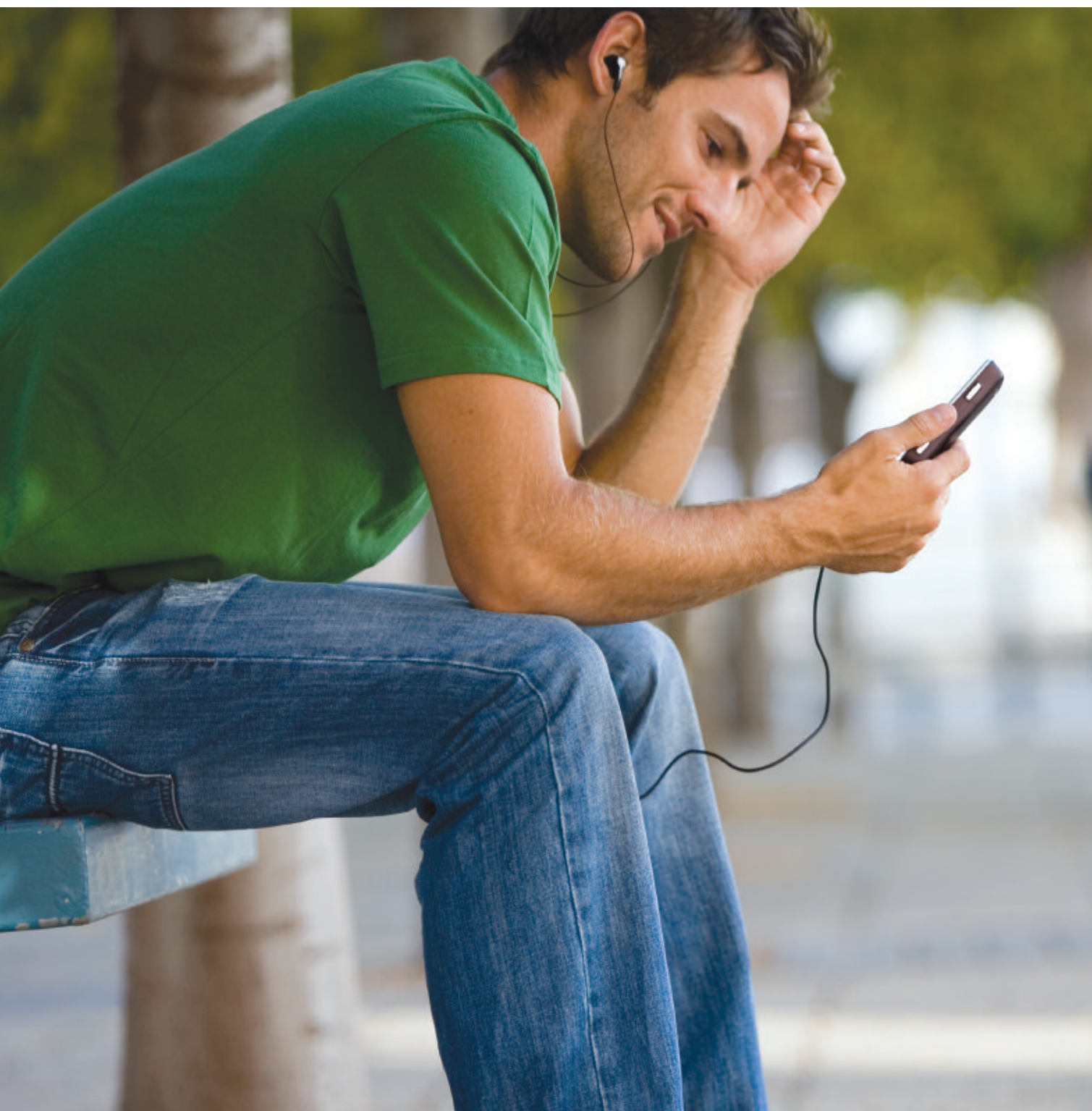
## How are advertising content and format likely to change?

Advertising on mobile TV will have to suit itself to the 'snacking culture' of mobile TV viewing. Advertisements will need to be much shorter than the 15 and 30-second-long TV spots: advertisers are currently experimenting with five and seven second-long advertisements. Like broadcasters, advertisers will also have to develop new production techniques which are adapted to the small screen, for example, increased use of close-ups.<sup>119</sup>

While traditional spots that run between content segments may become one way to advertise on mobile TV, it is likely that interactive, consumer-initiated models will resonate best with consumers.<sup>120</sup> The big challenge and promise for advertising is to produce more compelling, entertaining content with subtle advertising messages rather than explicit advertisements.

“Make the ad subtle, appropriately integrated, contextually relevant and user-driven, and you may just have one of the best interactive, direct marketing conduits ever.”

Heidi Lehmann, VP Strategic Alliances, ThirdScreen Media<sup>121</sup>



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## Interviews

Interview 1: Dr. Leslie Haddon, June 6, 2006.

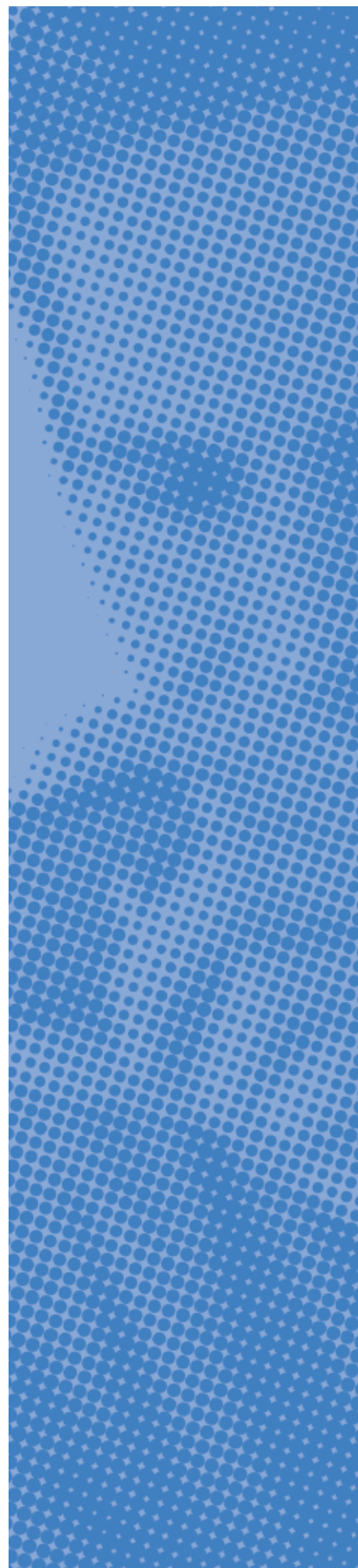
Interview 2: Dr. Anxo Cereijo Roibás, June 21, 2006.

Interview 3: Mr. Harri Mannisto, June 28, 2006.

Interview 4: Ms. Maria Mandel, July 12, 2006.

Interview 5: Mr. Luca Pagano, July 19, 2006.

\* all online sources were last accessed on August 10, 2006





## Appendix 1: Research methodology

The report presents the combined findings emerging from data on mobile television globally, with specific attention to the Chinese market. These data were obtained by:

### 1. Literature review

The aim of the literature review was to identify the key issues discussed in relation to the impact of mobile television on viewers' experience, and on advertising, and how they are likely to evolve. The review also sought to learn from existing research on the social impact of the mobile phone and television, about the likely ways in which people will consume mobile television and in which advertising will change with the introduction of this new medium.

In particular, three key areas of literature were surveyed:

**A. Mobile TV:** literature in English and Chinese on mobile TV adoption and its future was closely examined. This included academic publications, conference and workshop proceedings, data from pilot studies with early adopters, industry reports, press and other media.

#### English literature survey

Major world publications and UK and international newspapers were surveyed using the Lexis Nexis database. Google News, industry websites and related journals were also studied. The key words searched were 'mobile television' 'mobile TV' 'MobiTV'. With Lexis Nexis Professional and Lexis Nexis Executive databases, search terms were limited to anywhere in the article to ensure adequate capture of all articles. If the resulting number of articles exceeded 10,000, the time period was shortened to 'previous 2 years'. With Google News' search results, articles were selected out of the entire results according to their relevance. The data represent the results of searches conducted between 20 May 2006 and 15 July 2006.

#### Chinese literature survey

The Chinese government's official newspaper The People's Daily Online and the news agency's Chinese-language websites Xinhua Net were reviewed. The key words searched were 'shouji dianshi' (literally: mobile phone television) and 'dianshi shouji' (literally television mobile phone). Articles on these websites were found by identifying a recent article on the topic and then working backwards to 2004 using connecting links between the different postings. Several links provided by Chinese postgraduate Media Studies and Communications students were used as snowballing departure points. The websites provided were searched for further content and connecting links were pursued, going back to 2004. Google searches were also conducted, and articles were selected out of the entire search results according to their relevance. Finally, searches were conducted on the Chinese Academic Journals database, available through LSE and on Chinese literature and relevant journals at the School of Oriental and African Studies. The period searched was 1994-2006. Search findings were all examined, and articles that appeared to be most relevant were read, with priority given to recent articles regardless of the publication source. The data represent the results of searches conducted between 1 June and 8 July 2006.

**B. Mobile phone:** key academic research on the social impact of the mobile phone was reviewed.

**C. Television:** key academic research on the consumption of television and its social impact was reviewed.

### 2. Expert interviews

Five interviews with industry and academic experts were conducted. The interviews focused on the question of how television consumption and advertising are likely to evolve.

The following experts were interviewed:

**Dr. Anxo Cereijo Roibás**, senior lecturer at the School of Computing, Mathematical & Information Sciences, University

of Brighton, UK. Dr. Cereijo Roibás is an expert on the development of user-centred design interactive services, and has been working with Nokia, Vodafone and BT.

**Dr. Leslie Haddon**, visiting research associate in the Media and Communications Department at the London School of Economics. Dr. Haddon has researched extensively the consumption of television and other Information and Communication Technologies in the home and recently has been studying issues of mobility and social networks in relation to the mobile phone.

**Mr. Harri Mannisto**, Director, Multimedia, Nokia. Mr. Mannisto heads up Nokia's mobile TV activities globally.

**Ms. Maria Mandel**, Partner and Executive Director of Digital Innovation at Ogilvy Interactive. Ms. Mandel consults across the Ogilvy group on emerging communication platforms such as broadband, wireless, gaming, digital out-of-home, mobile advertising and interactive TV.

**Mr. Luca Pagano**, Vice President and Director of Buongiorno UK. Buongiorno is a multinational company active in the field of multimedia content for telephony and digital channels and one of the first groups worldwide in the mobile value added services area.

### 3. Attendance at a conference and a lecture:

Two events were attended. The content was documented in detail, and key participants were informally interviewed during the breaks.

**Mobile Meets the Media** Round-Table Summit, hosted by Wireless World Forum at the London Marriott Kensington, July 11, 2006.

**Lecture by Dr. Qing Xuan, Director of Business Strategy (Europe), Huawei Technologies**, July 5, 2006, London School of Economics and Political Science. Huawei is a huge Chinese telecoms network products manufacturer that is growing very fast and competing at the forefront of telecoms and Internet technologies.

## Appendix 2: The Mobile Television Market in China

### Lucrative market

Much of the world's mobile phone subscriber growth is expected to take place in the Asia-Pacific region, particularly between 2006 and 2011. China will soon have more than 500 million mobile phone subscribers. Of these users, approximately half upgrade their cell phones every one to two years.<sup>122</sup> Some project that there will be 635 million mobile phone subscribers by 2010.<sup>123</sup> Meanwhile, China also has an estimated 350 million household television sets.<sup>124</sup>

China is the largest potential market for mobile television.<sup>125</sup> Research indicates that there will be 52.2 million mobile TV subscribers nationwide by 2008,<sup>126</sup> and as many as 120 million by 2010.<sup>127</sup> More conservative estimates predict that the entire Asia-Pacific region will have some 95 million subscribers by 2011.<sup>128</sup>

Currently, however, mobile TV is still in its infancy in China, especially compared to South Korea or Japan. Some experts believe that there were one million mobile TV users by the end of the 2006 World Cup,<sup>129</sup> but that the World Cup was just a warm up for the real prospects of mobile TV's development is the 2008 Beijing Olympics.<sup>130</sup>

### Pilot study in Shanghai

In February 2006, a pilot study was carried out in Shanghai. There was a lot of interest from potential users: the first quota of 500 free participants was completely filled within two days. The content that was broadcast included six live channels and eight on-demand channels. Every day, viewers had a choice of between 60 and 80 different items to watch, mostly news, sports, entertainment, business, short movies,

and music.<sup>131</sup>

A special short programme titled "xin nian xing shi" was prepared with ten 3-minute segments. It included a line-up of Shanghai's favourite TV hosts and hostesses, each telling a short personal story about the Chinese New Year, and proved very popular.<sup>132</sup>

### Cautious optimism

Some Chinese experts and journalists are sceptical about the practicality of mobile television in China. They think that the market is facing too many hurdles. The major concern is the high cost of the phone that will make it unaffordable for the majority of consumers. They are also concerned about issues such as connection speed, handset prices, professional disputes, battery capacity, the implications of government regulations on the content to be offered, and whether unique content will be developed exclusively for mobile television or will be mainly re-transmitted content from Chinese broadcast television. Analysts warn that the success of entertainment and news – which are likely to be the main categories on Chinese mobile TV – will largely depend on the development of fresh content, which needs to be significantly different from what people can get on traditional television and online.<sup>133</sup>

At the same time, there is also a sense of optimism that these problems will be resolved and that mobile television will become an attractive and popular medium. With the pace of life accelerating and people's lifestyle habits changing, Chinese analysts predict that the market will mature for mobile television in the years to come.<sup>134</sup> Experts believe that Asians are more likely to eagerly accept new technologies than others.<sup>135</sup> Furthermore, commuters in over 30 major Chinese cities can already watch television on screens installed on public buses,<sup>136</sup> suggesting that people are used to watching television while mobile, and are likely to be receptive to mobile TV as a personal mobile TV.

As one Chinese reporter wrote:

*"With all the new expenses of getting a new phone and paying for the services, it is inevitable that the wallet will bleed. However, as soon as one thinks of watching, without lifting a finger, Beckham kicking, then it will all be worthwhile."*

Qin Yalan, Liberty Times.



## Footnotes

1. Broadcast and unicast mobile TV services (June 21, 2006), ABI Research.
2. Groebel (2006, p. 242).
3. Henry (November 3, 2005).
4. Finnish mobile TV pilot a resounding success (August 30, 2005). Nokia.
5. Pilots in Finland and Spain and the BT Movio DAB-IP study in London (Lloyd, Maclean & Stirling, April 2006) reveal that the majority of the pilot users would be willing to pay for mobile broadcast services, with variations in terms of the pricing models and costs involved. The pilot studies in Finland and Spain showed consumers' propensity to pay for mobile TV service in DVB-H technology and the pilot study in London revealed similar findings in relation to mobile TV broadcast through DAB-IP technology. In China, given current high costs, it is still not clear whether a large majority of consumers are ready to pay for mobile television broadcast services. See Chen (May 10, 2006) and Feuillherade (June 22, 2006).
6. Sodergard (2003).
7. See: Making TV mobile. (November 25, 2005). Nokia News. This point was also made by Ms. Melissa Goodwin, Vice President, Interactive and Telephony FremantleMedia Licensing Worldwide, at the Round-Table Summit on 'Mobile Meets Media', July 11, 2006.
8. Pan-European research on children reveals the growing importance of the 'bedroom culture' and young people's preference to watch television in private (Livingstone & Bovill, 2001).
9. See for example Ling (2004) and Horst & Miller (2006).
10. Sodergard (2003).
11. Dr. Leslie Haddon, interview 1, June 6, 2006; Dr. Anxo Cereijo Roibás, interview 2, June 21, 2006.
12. Cereijo Roibás & Johnson (22-27 April, 2006).
13. Dr. Leslie Haddon, interview 1, June 6, 2006.
14. For example, BBC's programme Coast offers viewers mobile walks that can be accessed by dialling a number from a waymarker on one of the elected coastal walks. Viewers can then watch a BBC film as well as a video highlighting points-of-interest specific to that local walk. For more information, visit [http://www.bbc.co.uk/pressoffice/pressreleases/stories/2005/07\\_july/14/coast\\_further.shtml](http://www.bbc.co.uk/pressoffice/pressreleases/stories/2005/07_july/14/coast_further.shtml).
15. Dianshi shouji: cong lixiang dao xianshi (Mobile television: From ideal to reality) (January 28, 2005). Xinhua Net
16. Freid (June 25, 2006). The UK's first interactive entertainment WAP site, The Lab, was designed specifically to kill boredom, see [http://web.thelab.tv/?page\\_id=4](http://web.thelab.tv/?page_id=4).
17. Cereijo Roibás & Johnson (22-27 April, 2006).
18. Shouji dianshiji kan di yi bu shouji duanju 'xinnian xing shi' (Watching on mobile television the first short movie made for mobile phones: 'Stars' new year stories') (March 7, 2005). EzIT.
19. Comments made by Matthew Postgate, Executive Producer, BBC, at the Round-Table Summit on 'Mobile Meets Media', July 11, 2006.
20. The mobile life report 2006.
21. Dr. Anxo Cereijo Roibás, interview 2, June 21, 2006.
22. p. 42.
23. The mobile life report 2006.
24. The mobile life report 2006.
25. Dr. Leslie Haddon, interview 1, June 6, 2006.
26. Three launches first mobile world Cup TV show. (May 26, 2006).
27. Wellman (2001).
28. Mr. Harri Mannisto, interview 3, June 28, 2006.
29. The mobile life Report 2006.
30. Mr. Luca Pagano, interview 5, July 19, 2006
31. Lloyd, Maclean & Stirling (April 2006). See also results of mobile TV pilot in Spain.
32. Grenville (April 6, 2005).
33. Comments made at the Round-Table Summit on 'Mobile Meets Media', July 11, 2006. See also Fitchard, 2006.
34. Comments made by Melissa Goodwin, Vice President, Interactive and Telephony FremantleMedia Licensing Worldwide, at the Round-Table Summit on 'Mobile Meets Media', July 11, 2006.
35. Kelly (May 17, 2006).
36. Krazit (May 24, 2006).
37. Osterhout (July 4, 2006).
38. Ok (2005).
39. Finnish mobile TV pilot a resounding success (August 30, 2005). Nokia.
40. The distinction between migrated and original content is made by Ok (2005).
41. A study carried out by Orange revealed that consumers want to watch on their mobile television the same programmes that they get on their television sets, commented Dieter Reyntjens, Global Manager Mobile TV & Video for Orange at the Round-Table Summit on 'Mobile Meets Media', July 11, 2006.
42. Fitchard (2006).
43. See a) Shouji dianshi yu dazhong chuanbo (Mobile television and mass communication) (2006, February 8). People's Daily Online (remin wang); b) Wang, Wu, & Du (2004, December 14); c) Luo (April 17, 2006).
44. News was the most watched category across all users, except for children, in the BT Movio pilot study in London (Lloyd, Maclean & Stirling, April 2006) and in mobile TV pilots in Madrid, Barcelona and Oxford.
45. Comment made by Dr. Leslie Haddon, interview 1, June 6 2006. See also mobile TV pilot in Seville which confirms this point (Seville gives the thumbs up to mobile TV, Abertis Telecom, Nokia and Telefonica Moviles). .
46. Bai (2005).
47. Dr. Anxo Cereijo Roibás, interview 2, June 21, 2006. See also Cereijo Roibás & Johnson (22-27 April, 2006).
48. More than 50,000 subscriptions were purchased and a 20-chapter format will be rolled out across Latin America in 2006 (see MSCorp creates world's first mobile "soap opera"). Another recent example is Girlz, an innovative daily mobile Israeli soap opera for teenagers, that ran over 200 episodes for four seasons (see Freid, 2006).
49. Dr. Leslie Haddon, interview 1, June 6, 2006.
50. See Mason (April 2006).
51. Dr. Anxo Cereijo Roibás, interview 2, June 21, 2006.
52. Qin (June 13, 2006).
53. Ok (2005).
54. Wang (February 15, 2005).
55. Fitchard (2006).
56. SMG to launch interactive TV project (June 20, 2006). China Economic Net.
57. Ok (2005).
58. Ok (2005).
59. Wang, Wu & Du (December 14, 2004).
60. Shouji kan 'qi jian' Zhongguo yidong jixu dazao 'shouji meiti' (Watching 'Seven Swords' on mobile phone - China Mobile continues to forge ahead with 'mobile phone media'). China Mobile Weekly
61. MTV int'l's first made-for-mobile animations debut globally (July 5, 2006).
62. Dui qianjing pubian kan hao, Huana: shouji dianshi hai chuzai shiyan jieduan (The foreground for popularisation looks good, Huana: mobile television is still in an experimental phase) (2005, February 1).
63. Fitchard (2006).
64. Blau (June 20, 2006).
65. Netimperative (July 13, 2006).
66. See Blau (June 20, 2006) and Liao & She (June 13, 2006).
67. Luo (April 15, 2006).
68. Pradhan (June 10, 2006).
69. In the Finnish pilot study the Ice Hockey World cup games, the San Marino and Monaco Formula One race and the UEFA Champions League match between Liverpool and AC Milan were among the top 10 programmes viewed ([www.mobiletv.nokia.com/pilots/finland/](http://www.mobiletv.nokia.com/pilots/finland/)). Sports were the second most watched mobile television category in an 02 UK trial, totalling 41% of all programmes viewed (Mason, April 2006).
70. See <http://www.somethinelse.com/project/socceraddicts/106.html>
71. Reid (23 June, 2006).
72. Sodergard (2003, p. 174).
73. Dr. Leslie Haddon (interview 1, June 6, 2006).
74. Shouji dianshi: quanqiu re bo weilai xin lirun de zengzhang dian (Mobile television: The world's hot item, the new future point of increased profit) (January 11, 2006). Hui Cong Wang HC360.com.
75. Some studies suggest that 19 percent of all mobile phone owners listen to music on their phones, with levels as high as 26 percent in South Korea (see TNS, November 3, 2005; IFPI, January 2006, Digital Music Report).
76. Comment made by Tom Erskine, Commercial Director, MTV Networks International, at the Round-Table Summit on 'Mobile Meets Media', July 11, 2006.
77. Sullivan (April 28, 2006). This finding was also mentioned by Mr. Luca Pagano, interview 5, July 19, 2006.
78. Sullivan (April 28, 2006). See also Grenville (April 6, 2005).
79. Digital Chosun Ilbo (March 30, 2005).
80. Bughin (April 1, 2006). See also Sodergard (2003, p. 171).
81. Quaestor conducts study exploring mobile TV use amongst children (July 11, 2006). Mobile TV News.

82. Ms. Maria Mandel, interview 4, July 12, 2006.
83. A recent study revealed that 39% of pilot users watched mobile television while commuting (Lloyd, Maclean & Stirling, April 2006).
84. Dr. Leslie Haddon, interview 1, June 6, 2006; Dr. Anxo Cereijo Roibas, interview 2, June 21, 2006.
85. Bai (2005).
86. See, for example a) Finnish mobile TV pilot a resounding success (August 30, 2005); b) Abertis Telecom, Nokia and Telefonica Moviles unveil results of first digital mobile TV pilot in Spain (February 15, 2006); c) Lloyd, Maclean & Stirling (April 2006).
87. See: a) Lloyd, Maclean & Stirling (April 2006); b) mobile TV pilot study in the UK; c) Shouji dianshi: quanqiu re bo weilai xin lirun de zengzhang dian (Mobile television: The world's hot item, the new future point of increased profit) (January 11, 2006). Hui Cong Wang HC360.com.
88. Sodergard (2003, p.183).
89. <http://www.mobiletv.nokia.com/>
90. See mobile TV pilots in the UK, Spain and France (Mobile TV set to be very popular, March 8, 2006) and the BT study in London (Lloyd, Maclean & Stirling, April 2006).
91. Early morning was a popular viewing slot in a mobile TV pilot in France (see Mobile TV set to be very popular, March 8, 2006) and in the BT study in London (Lloyd, Maclean & Stirling, April 2006).
92. Lloyd, Maclean & Stirling (April 2006).
93. See mobile TV pilot in the UK (in Mobile TV set to be very popular, March 8, 2006) and Lloyd, Maclean & Stirling (April 2006).
94. This was indicated by Mr. Luca Pagano (interview 5, July 19, 2006) and the mobile life report 2006. See also the following pilot results:
- Portio Research's survey of 750 mobile phone users across 10 European countries revealed that 80 percent of European teens and youths were interested in mobile TV versus 30 percent of those above 50 years of age. (New Report Predicts Strong Future for Mobile TV, June 12, 2006, Portio Research).
  - The US market has shown that early adopters of mobile TV were youngsters and youth and mostly urban from 18-24. (Mobile TV and video attracting a high percentage of the coveted young male and adult audience, according to Telephia, Telephia, March 22, 2006).
  - A 2003 study of 81 Finnish citizens found that younger mobile subscribers (18-24) have the highest penetration for mobile TV and video usage with a 3.3% rate. (Marlowe, May 26, 2006).
  - Another Finnish study revealed that young people's attitudes towards mobile television were more open and positive than adults' (Sodergard, 2003).
  - Evidence from an Israeli mobile television content provider indicates that the biggest buyers of mobile content of its products are 12-18-year old youths (Limbach, February 13, 2006).
- Though these studies provide important indications as to who is likely to use mobile TV and how, they are limited insofar as participants in early trials often tend to be enthusiasts of new technologies and as such do not represent the 'average user'. Furthermore, such studies did not usually require a fee for watching mobile television.
95. The mobile life report 2006 classifies these users as the 'Generation Mobile' and 'Phonatic' tribes.
96. Hu (May 27, 2005).
97. Chen (January 18, 2005).
98. Dr. Leslie Haddon, interview 1, June 6, 2006.
99. Seals (June 6, 2006).
100. Quanshi shouji dianshi gainian (The concept of mobile television) (2005, March 8). Hui Cong Wang HC360.com
101. In the US Hispanics comprise 23 percent, African Americans make up 19 percent, White or Caucasian 47 percent and Asian or Pacific Islander 7 percents of mobile TV viewers. Burns (May 24, 2006). See also Horst (April 29, 2005).
102. Law (October 20, 2005).
103. People's Daily Online (July 27, 2005).
104. Lehmann (April 18, 2005).
105. See: a) Mobile TV: The next big "killer app" in wireless? An executive overview (July 2005); b) Johansen (June 20, 2006).
106. Lehmann (April 18, 2005).
107. Comments made by Rory Sutherland, Executive Creative Director and Vice-Chairman for Ogilvy Group U.K and by Rhys McLachlan, Head of Broadcast Implementation (TV) for Mediacom UK, at the Round-Table Summit on 'Mobile Meets Media', July 11, 2006.
108. Ms. Maria Mandel, interview 4, July 12, 2006.
109. Ms. Maria Mandel, interview 4, July 12, 2006; Mr. Luca Pagano, interview 5, July 19, 2006.
110. Comments made by Dusan Hamlin, Brand Director for Inside Ltd., at the Round-Table Summit on 'Mobile Meets Media', July 11, 2006.
111. Mr. Luca Pagano, interview 5, 19 July 2006.
112. Lehmann (April 18, 2005).
113. Richtel (January 16, 2006).
114. Elkin (August 5, 2005).
115. Pearce (December 8, 2004).
116. Lehmann (April 18, 2005).
117. Mr. Luca Pagano, interview 5, July 19, 2006.
118. Pearce (December 8, 2004).
119. Ms. Maria Mandel, interview 4, July 12, 2006.
120. Lehmann (April 18, 2005).
121. Lehmann (April 18, 2005).
122. Feng (2006).
123. Mobile in China Booms. (June 27, 2006). eMarketer.
124. Zhuanjia yuce: shouji dianshi jiang cheng shouji yewu xin de jingzheng dian (Experts predict: Mobile television will become the focal point of the mobile phone industry's competition) ( May 22, 2006). Guangxi Online News.
125. Feuilherade, P. (June 22, 2006).
126. Feng (2006).
127. China to shoot its first mobile TV play. (March 28, 2005). Xinhua News Agency.
128. Feuilherade (June 22, 2006).
129. Xue (June 14, 2006).
130. Yang (June 13, 2006).
131. Shouji dianshiji kan di yi bu shouji duanju 'xinnian xing shi' (Watching on mobile TV the first short movie made for mobile phones: 'Stars' new year stories') (March 7, 2005). EZT.
132. Shouji dianshi xin jiemu: zhongguo shou bu shouji duanju zai hu tuichu (Mobile TV new programme:

China's first short programme for mobiles comes out in Shanghai) (March 18, 2005). China Information Industry Net .

133. See a) Shouji dianshi yu dazhong chuanbo (Mobile TV and mass communication) (February 8, 2006). People's Daily Online (remin wang); b) Wang, Wu, & Du (December 14, 2004); c) Luo, (April 17, 2006).
134. Liu (2006).
135. Wang, Wu, & Du (December 14, 2004).
136. Feuilherade (June 22, 2006).
137. Qin (June 13, 2006).



## Executive summary

### First comprehensive report on the impact of mobile television

This report is the first comprehensive study of how mobile television is likely to transform people's experience of television and how it will impact on advertising. Mobile television is in its infancy so it is difficult to predict its impact. Much however can be learnt from what we know about the mobile phone, television, and the Internet, and from pilot studies of mobile TV use and experts in the field, to indicate how mobile TV may evolve.

### Television as you know it, but also as you don't

Mobile TV will be 'television on-the-go'. It may replace traditional television in situations when users do not have access to a television set but, overall, it will complement traditional TV rather than replace it. Initially it is likely to re-transmit existing channels and programmes. Ultimately it is likely to become more than just 'television on the move'; it will become a multi-media device which emphasises interactivity and enables users to produce and personalise content.

## The impact of mobile TV on how people consume television

### Why will people use mobile TV?

- To watch their favourite programmes on the go, gaining increased flexibility and a sense of control
- To watch television on a personal screen, particularly when the television set is busy or because they have access to more channels on the phone than on TV
- To seek time and place-sensitive information, especially on the go, when they do not have Internet access and need real time access to information
- To fill empty times and kill boredom
- To create personal content with their mobile handset
- To extend personal relationships and interact with users who watch similar programmes

### What will users' experience of mobile TV be like?

- Highly personalised
- Interactive, with an emphasis on immediacy in receiving and producing content
- Interconnected with other media, such as television and the Internet
- Based on 'content snacking' rather than watching full-length programmes

### How are the content and format of mobile TV likely to be different from traditional TV?

- Programmes will focus on talking heads and close-ups to suit the small screen
- Content will be 'snackable', with programmes of less than five minutes based on 'mobisodes'
- Programmes will be image-oriented and have a highly intensive visual style to accommodate the distracted viewing of mobile users and the small screen
- Viewers may prefer local content although global, especially news and sports channels, are still likely to be popular

## What will people watch?

- People will watch broadcast content (retransmitted from traditional television, or fresh content developed by broadcasters specifically for the new medium) and user-generated-content
- The popular genres and programmes on mobile TV are likely to mirror their counterparts from traditional television, but will be tailored to the new medium
- News is likely to be the most popular category, with an adapted format that will be short, focused, and possibly personalised and modular
- Entertainment is likely to be the second main category, with programmes such as soaps, reality TV shows, drama series, comedy and animation. These will include familiar programmes adapted to the small mobile screen with enhanced interactive features and original made-for-mobile programmes
- Sport is likely to be a popular category around big events such as the Olympics and for regular games, when people cannot watch it on a television set
- Music clips particularly suit the small screen and mobile situations and will enhance users' current mobile audio experience with devices such as MP3 players and iPods
- Adult content may be a key driver of mobile TV viewing
- Children's programmes are likely to attract children with snappy and humorous content

## When and where are people likely to watch mobile television?

- Commuting on public transport
- Waiting situations such as waiting for a bus or an appointment
- Work and school breaks





## Home sweet home

Surprisingly, people are also likely to use mobile TV at home, either because the main television is occupied by other members of the household, or there is more choice on the phone than the TV, or to relax before going to sleep, when there is no television set in the bedroom.

### New primetimes

The most popular slots when viewers are likely to watch mobile TV are early evenings (18:00-20:00), early mornings (06:00-09:00), and lunchtime.

## Who will use mobile TV?

### The young and the restless

The primary group of mobile TV users will be aged 18-34, and include users who are comfortable with texting, streaming, podcasting and other technologies built into small, mobile communications devices and/or have a passion for new technology.

Other groups of potential users include teens and children, business people, and minorities.

## The impact of mobile TV on advertising

### Difficult challenges, great opportunities

- Mobile TV presents advertisers with several challenges, including consumers' resistance to watching ads on their personal mobile phones, no clear business models and no pre-existing creative solutions suitable for the new medium.
- But mobile TV also offers some very interesting opportunities to advertisers:
- Shifting from advertisements to engaging and entertaining content which integrates the brand in subtle ways;
- Contextual targeting: offering relevant content to receptive audiences;
- Pinpointing users and targeting them by very specific parameters;
- Resurrecting interactivity into advertising, with interactive offers and 'advergames';
- Creating affinity between the consumer and the brand, by incorporating brand experience into users' experience of their mobile phones;
- Moving away from the traditional 'push' supply-oriented model to an 'on-demand' model, where consumers actively search for advertising content;
- Tracking consumers more accurately and effectively.

## Forget advertising, it's entertainment

Advertising content and format will be 'snackable' with shorter ads, most likely 5-seconds-long. Specific new production techniques will need to be developed, using more close-ups unlike advertisements shot for the big screen.

Rather than explicit ads, advertisements will increasingly become brand-related, engaging, and entertaining content.





