



## **Mobile TV: Global subscribers to multiply, but mobile operators will struggle to generate revenue**

*Global mobile TV market to generate €4.4bn from 140m subscribers by 2011*

**London 3<sup>rd</sup> December 2007:** The latest report from media analysts, Screen Digest ([www.screendigest.com](http://www.screendigest.com)), examines the market for mobile TV in 25 countries worldwide including Europe, the US and Asia. Entitled 'Mobile TV: Business Models and Opportunities' the analysis provides two perspectives on the market: one from the TV industry and the other from the mobile content industry. According to the report there are a myriad of issues for mobile operators, broadcasters and content owners to address if they are to make a profit from increasing customer demand for mobile TV services.

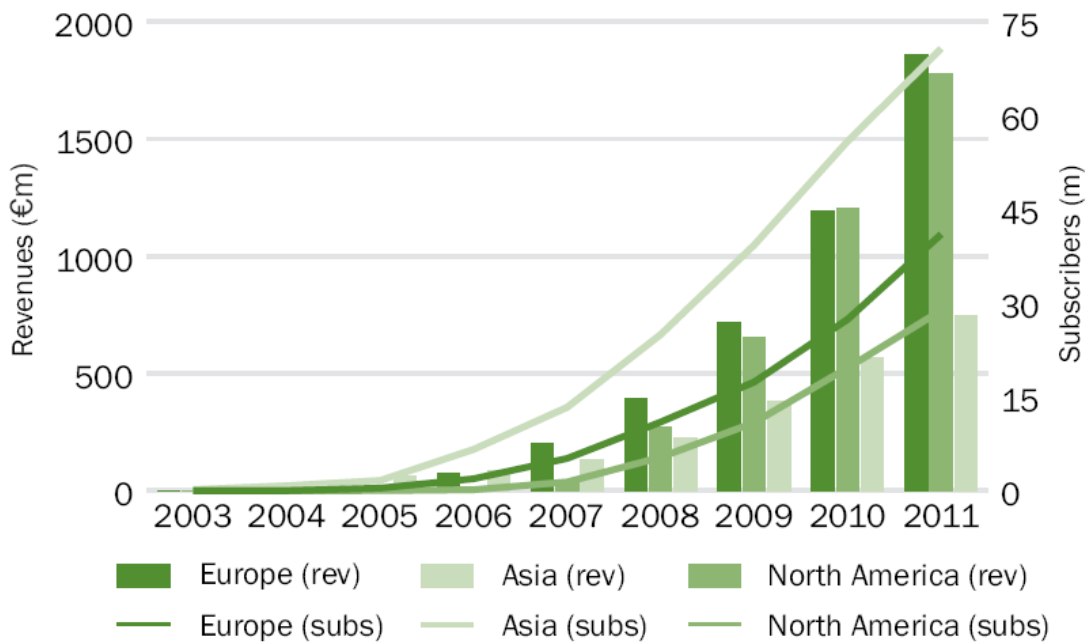
There are two delivery methods for mobile TV - Broadcast and Unicast. Throughout the report figures are provided for both in each of the three main regions, Asia, Europe and North America. The Broadcast market is expected to experience rapid growth, with the number of markets offering the service tripling in the next two years to stand at 18 by the end of 2008. In the last two years new services have been launched in Italy, the UK, Germany, the US and Japan. Screen Digest believe that Broadcast will become the most prevalent method to deliver TV to mobiles, with the more niche approach offered by Unicast complementing it with premium and added value services.

### **Subscriber numbers to increase dramatically – particularly in Europe and N America**

There are currently more than 15 million subscribers to mobile TV in Asia where the majority of broadcast networks are offered free-to-air. Italy has 850,000 paying subscribers, and France has more than half a million subscribers to Unicast services. Screen Digest predicts significant growth in subscriber numbers globally, with 140 million subscribers and revenues of €4.4bn by 2011. North America will experience

the biggest increase, growing its subscriber base 20 fold to 28.8 million and revenues as much as 50 fold to €1.8bn by 2011 (see chart).

### Mobile TV market by region



Source: Screen Digest

However, subscriber numbers do not equate to revenue; despite its large subscriber numbers and longevity of mobile TV services, Screen Digest believes that by 2011 the Asian market will generate less revenue than Europe and the US. Europe will lead with a 42.5 per cent share of global revenues, followed by the US at 40.5 per cent and Asia accounting to the remaining 17 per cent.

Screen Digest analysis reveals that in the short term network operators don't stand to make much profit from offering mobile TV services – yet they must offer it to remain competitive. Operators who do not offer mobile TV will simply lose their subscribers to other operators or other media devices, such as the in-car devices so popular in Asia. The lion's share of the income from offering mobile TV services will be shared between the handset manufacturers, software companies, content creators and network owners.

However, the experience in Italy does offer mobile network operators an opportunity and that is to upgrade pay-as-you-go customers to contracts in order to access the rich content. By doing this, operators can enjoy up as much as three times the revenue per unit, without increasing the already-saturated subscriber base.

### **Consumers switching on – but revenues a way off**

Ronan de Renesse, author of the report, believes that while mobile TV will attract more and more viewers in the immediate term, significant revenues for mobile operators, broadcasters and content owners won't be enjoyed until 2011. "The free-to-air services are the success stories for subscriber uptake, yet business models for mobile pay-TV are still to be proven. Content owners and handset manufacturers can gain in the short term with incremental revenues through a different distribution channel or by selling more expensive handsets. While mobile TV may not generate significant revenues for operators over the next four years, bundling to move subscribers to contract will. The operators not investing now in mobile TV risk losing out when the subscriber base finally becomes established enough to generate revenues through pay-TV models and advertising."

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### **About this research**

The data in this press release is taken from Screen Digest's latest report, Mobile TV: Business Models and Opportunities. The report includes analysis of the current market situation, business models and value chain, as well as analysis of the delivery mechanisms, broadcast technology and the impact of regulation. 25 countries are reviewed in the report at local and regional level, and 11 company profiles are included.

### **About Screen Digest - Global media intelligence**

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