



You may recall the sound of an economic bomb hitting around the time of the Millennium. It came in the form of massive bets by mobile operators worldwide playing to sew up 3G spectrum for mobile video and rich media. The likes of Hutchison, Vodafone, Deutsche Telekom, Telefónica and all paid dearly.

A few years on and these organisations have collectively written tens of billions of dollars off their balance sheets as the dream of cellular, always on, broadband mobile dimmed. 3G has turned out to be a premature technology that may have many of its sexier functions superseded by wireless networks. Maybe we'll see 3G and other wireless platforms complementing each other. Or perhaps we'll get a type of "intermodal competition," as the FCC puts it.

And what of mobile media itself? Well, it's finally in the spotlight. At MIPCOM in Cannes recently, the Mobile TV Screenings and Awards attracted 235 innovators from 135 companies in 30 countries putting forward their mobile content creations. Of course, everyone would like



By Howard Greenfield

Gersh, Senior VP, business development for ABC Entertainment, speaking at Digital Hollywood last month. "We've spent the better half of the last year trying to develop a strategy for how mobile video fits into all the other areas we've already developed: interactivity, ring tones, games, and now video. 'Clip-casting' is what we call it." Fox calls its video content 'mobisodes'.

So, is it possible to predict when mobile video will present a workable business model? For years many pundits said 'never', because a four centimetre screen wouldn't hold any-one's attention. But along comes Apple with a video iPod. Wow! It's the psychology, stupid! Apple's Steve Jobs claims "because millions of people around the world will buy this new iPod to play music, it will quickly become the most popular portable video player in history."

The beauty of the new device, as the Wall Street Journal has pointed out, is that video appears to be a bonus. That is, Apple's device is still called an iPod, not iPod Video. So, video is an insanely cool extra. The elegant consumer experience delivered by iPod and iTunes should ready the collective inner couch potato consciousness for mini-video.

Will we all watch postage stamp video? And will it one day hijack the broadcast industry through highly available, affordable TV programming? Maybe. What the broadcast

# Mobile Media

## Video Snacking or

## Magic Threshold?

**Our US correspondent poses the question.**

to trend-spot for mass consumer mini-video uptake. The billion-dollar question is: What does the public want and what will they pay for video on mobile devices?

"It's still expensive at ten and fifteen dollars a month," according to Tole Hart, Gartner mobile and wireless research director. But, Hart does see progress. "Verizon VCAST [costing about \$15 per month on top of existing voice plans] and Sprint each have several hundred thousand subscribers. There's a magic threshold of cost for consumers and Verizon's \$99 EVDO CDMA phone offer has boosted subscriptions."

Other motivators will come in the form of advertising to defer costs and improved interfaces for accessing content segments more easily. 3G Video Short Codes are a sign of this improvement. The growth, as Hart puts it, will "begin with most consumers using mobile video for snacking and short intervals".

Big content providers are casting around for market entry and traction. "Mobile video is of great interest these days," says Bruce

industry fears most is a 'Napsterisation' of video content. Some ABC affiliate stations have already objected to Apple offering prime time TV such as Lost and Desperate Housewives because it could undercut their market.

The major mobile operators have already accepted they're in a long game with mobile media. It may be longer than they think. On paper at least, according to eMarketer, very few mobile phone users rank watching TV or movies on their telephone as "very important" (around 5%).



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