

## **The big match on the (very) small screen**

*Anna Fifield*

When South Korea plays Togo in its first World Cup 2006 match this month, thousands of Koreans will flock to Seoul's City Hall plaza to watch the football game on huge screens. But a sizeable number at work or on the bus will also be watching the game on much smaller screens the 2in ones on their mobile phones.

South Korea's Samsung Electronics, the world's number three mobile phone maker, hopes to replicate this in Germany this month.

As part of a digital mobile broadcasting (DMB) commercial trial, matches will be broadcast on Samsung's SGH-P900 handsets in 12 cities, including Berlin, Munich and Cologne. Samsung hopes the trial will make Europeans associate cutting-edge mobile television technology with its brand, paving the way for another lucrative technology boom.

"We want to create a market and make an early case for mobile TV," says Park Ju-ha, telecommunications vice-president at Samsung Electronics. "Our primary target is not sales volume but to make people understand the benefits of mobile television and adopting it into their daily lives."

Samsung is working with Mobile Fernsehen Deutschland on content, Debitel on sales and T-Systems on networks. The phones will be subsidised, selling for about \$200, compared with a usual price of \$500-\$700.

"This is the first commercial attempt in Europe at broadcasting TV services through mobile phones, so we have great hopes for this product," says Mr Park. "This device is no bigger than a normal mobile phone so if you [feel you] can't miss a certain TV programme, you can easily watch it anytime, anywhere."

LG, Samsung's smaller Korean rival, is also launching its first DMB handsets in Germany, with its LG-V9000 model. Both companies hope the launch of a free-of-charge terrestrial service (T-DMB) T-DMB in Germany will encourage Europeans to trade up their phones. About 8m mobile television-enabled handsets have been produced, accounting for about 1 per cent of global sales. Samsung aims to capture a 20 per cent share of this market this year.

Korea has been at the forefront of mobile television: it launched the world's first commercial satellite digital media broadcasting service (S-DMB) in May last year, and a free-of-charge terrestrial (T-DMB) T-DMB service in December. There are queries over whether the satellite service in particular will be commercially viable but about 600,000 customers have signed up for the terrestrial service and the Korean government predicts that one-third of the country's 48m people will be watching television on their mobile phones by 2010.

Samsung has positioned itself at the top end of the market by producing stylish phones with advanced features. Analysts say it is well placed to take the lead on mobile television, where sales are expected to reach 120m units and be worth \$8.4bn (GBP4.5bn) within four years.

"Samsung did very well out of the camera phone boom over the past few years and sees mobile television as offering the next inflexion point," says Neil Mawston, a wireless device specialist at Strategy Analytics consultancy in the UK. "They will be trying to replicate their success in camera phones and, in terms of technology and devices, they are in a very good early position."

There are big hurdles to overcome, not least the fact that rivals Nokia and Motorola are not far behind on television technology.

Complicating the outlook, different standards are competing for supremacy. While Germany and the UK are adopting the DMB standard used in Korea, other western European countries and the US are leaning towards the Digital Video Broadcasting Handheld (DVB-H) platform.

Samsung is making phones that operate on both standards this month it is working with Telecom Italia, Hutchison and Mediaset to broadcast matches in Italy on phones that operate on the DVB-H standard but analysts say this will lead to increased costs and logistical issues.

Germany's adoption of DMB has given Korean manufacturers hope that this standard will prevail. Analysts say that while Samsung is trying to push DMB, other top-tier handset makers such as Nokia, Motorola and Sony Ericsson are rallying behind DVB-H.

But Kim Kyong-mo, an analyst at Mirae Asset in Seoul, says that if DMB is successful in Korea other countries "cannot help but accept it".

The bigger question is whether mobile television can be commercially viable. Even in Korea, where consumers are quick to adopt new technologies, the take-up has proved disappointing. TU Media, the DMB subsidiary of SK Telecom, Korea's largest mobile carrier, was aiming to have 600,000 subscribers for its Won13,000 (GBP7) a month satellite service by the end of last year but, so far, has only about 550,000 customers.

Analysts say operators such as SK Telecom are barely earning any revenues from mobile television. That could spell trouble for hardware providers. "It is very easy to sell handsets but it is more difficult to sell services because that depends on networks, content and pricing," Mr Mawston says.

**Fonte: Financial Times, USA, june 1 2006. Business Life, p. 7.**