

Entertainment and content are key for future of 3G

TV, mobile surfing and the potential power of advertising are exercising minds of visitors to 3GSM in Barcelona, writes **Majja Palmer**

Leaders of telecoms, media and technology companies are gathered this week in Barcelona for the mobile industry's biggest event of the year.

Among the 60,000 visitors and 1,300 exhibitors at the 3GSM World Congress will be heavyweight keynote speakers such as Vodafone's Arun Sarin and Carl-Eric Svanberg of Ericsson.

But the speakers will not just come from the telecommunications sector. There will also be luminaries from the entertainment industry such as Warner Music's Edgar Bronfman.

As usual, a key theme at the event will be how to increase usage of third-generation mobile phone networks, so that operators will be able to recoup the billions of pounds they spent on 3G licences at the beginning of the decade.

A host of new phones will be unveiled, boasting bigger screens and enhanced capabilities, such as mobile TV and hard disc drives, to tempt mobile users to watch movies and surf the internet.

The launch of a relatively low-cost 3G phone, made by LG Electronics, is also aimed at expanding 3G usage, according to an executive at one of the leading mobile operators.

Operators have also been striving to offer more com-

elling content for mobile phones.

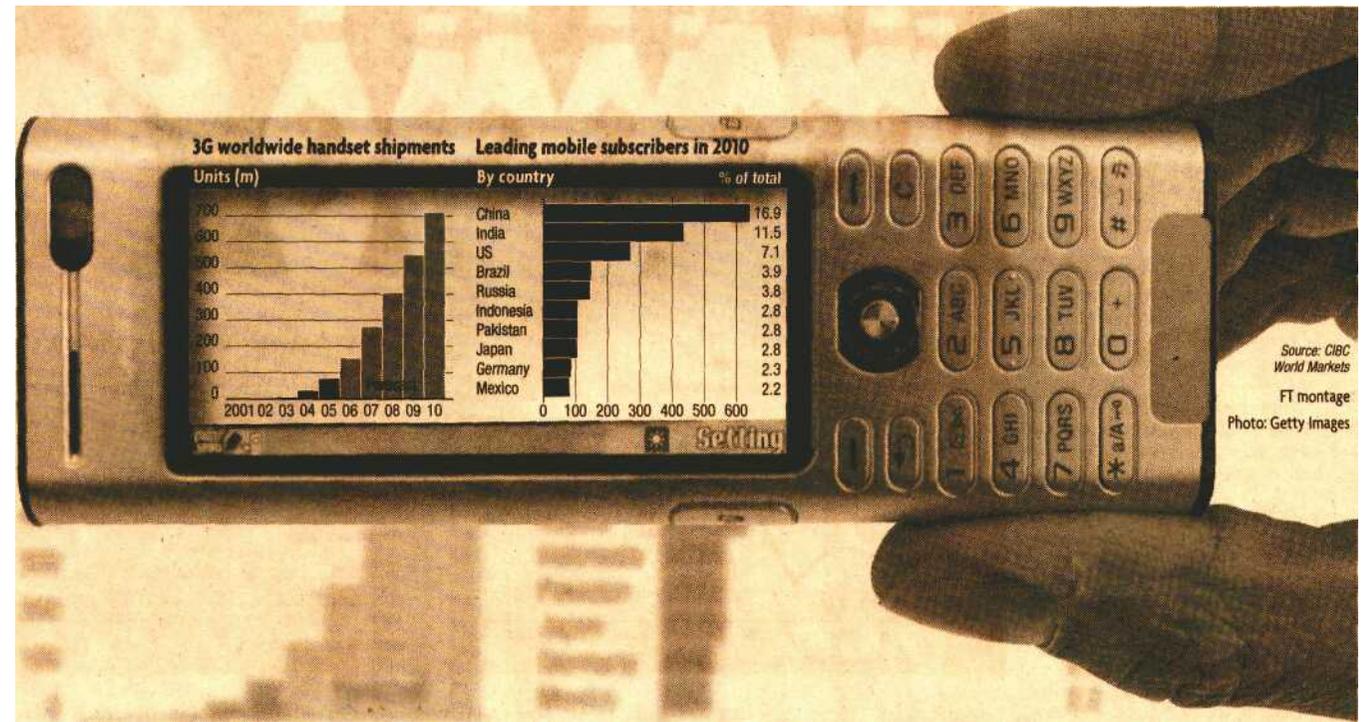
There has been an emphasis recently on offering mobile versions of popular internet sites. Last week, Vodafone announced a series of partnerships with MySpace, the social networking site, Ebay, the auction service and YouTube, the online video sharing site.

This follows the launch in December by Hutchison Whampoa's 3 mobile phone group of the X-Series serv-

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ice, which seeks to recreate the PC experience on mobile handsets with partnerships with Google, Yahoo, Ebay and Skype.

Google, which made headlines at 3GSM last year when it announced a search deal with Vodafone, is not expected to make any large announcements this time, but Yahoo, which has been working frantically to secure its own place on the mobile internet, will unveil a series of enhancements to its



Source: GIGC World Markets
FT montage
Photo: Getty Images

mobile internet search engine.

Yahoo will also kick-start a new era of mobile advertising as it announces a deal to bring a number of its big-name advertising partners - including Pepsi, Procter & Gamble, Intel, and Singapore Airlines - on to its mobile internet site on a global basis.

Informa Telecoms & Media, the research group, has forecast that the mobile advertising market will grow from \$900m in 2006 to more than \$11bn by 2011.

Searching the mobile internet will be a key issue at the conference. Mobile operators such as Vodafone have deals with Google and Yahoo to provide search, but many believe that if they created their own search technology, they would get a bigger slice of lucrative advertising revenues.

Operators have denied rumours that they will meet in Barcelona to discuss designing their own rival to Google and Yahoo. However, dotMobi, the company that

runs the .mobi internet address designed specifically for mobile phones, will announce today that it will launch a directory of all mobile internet content, which could be used as a basis for a search engine.

Increasing data revenues by getting users to watch television on their mobile handsets will also be a key theme. Nokia, Samsung, LG and others are expected to unveil new, medium-priced TV phones in Barcelona.

Strategy Analytics forecast that 20m mobile broadcast TV phones, 2 per cent of total phones sold, will be

shipped in 2007. The GSM Association, the trade body representing more than 700 mobile operators, will also show a number of short films in Barcelona, commissioned by Robert Bedford's Sundance Film Institute and Bollywood, specifically for the mobile phone.

While mobile operators focus on consumer-facing features, Nokia and Microsoft will square up against each other in a battle to capture the business market.

Not only are business users generally buyers of more expensive phones, but the market for applications

such mobile e-mail is still largely untapped.

Nokia estimates that there are about 650m corporate e-mail boxes globally, and only 5 per cent of these are accessed via mobile phone.

Microsoft is launching the latest version of its Windows for Mobile operating system, with numerous enhancements for accessing e-mail and Microsoft office tools.

Microsoft will also announce that two new handset manufacturers - LG and Toshiba - will put Windows Mobile onto their phones.

Samsung, Motorola and

Palm already have Windows devices, but these have been popular mainly in the US, while Microsoft has much ground to make up in Asia and Europe.

Nokia, meanwhile, will launch three new business phones and a new version of its own mobile e-mail and office software.

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MUSICSTATION GIVES MOBILE PHONE USERS MUSIC AND APPLE A RUN FOR ITS MONEY

The mobile phone and music industries hope to start mass consumption of music over handsets today by unveiling a low-priced service to challenge Apple's music-playing iPhone, writes **Majja Palmer**.

Twenty-three mobile phone operators with a collective subscriber base of 690m

are backing the plan, to be launched before June.

The MusicStation will give phone users unlimited access to the music libraries of labels such as Universal for a flat rate fee of £1.99 (\$3.88) per week.

A £2.99 premium service will allow downloads to a PC

Users will be able to listen to songs and store them on the phone but not on CD.

Unlike most existing mobile music download services, MusicStation does not require an expensive 3G handset.

Apple's iPhone, to launch this year, will come with a

pricetag of about \$499.

"By leveraging the hundreds of millions of handsets sold every year by operators, we believe we can give Apple a run for its money in digital music provision," said Rob Lewis of Omnifone, the UK company that will run the music service.