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## Shot in the arm for mobile content

By Cynthia Ann Peterson

It is well-known fact that content can drive mobile operator's data services revenue up, but what will get subscribers to go beyond voice and basic data services is anybody's guess.

Enhanced mobile TV is the latest attempt by telcos at increasing average revenue per user (ARPU). So far, two players have so far taken up mobile content provider, Qtelmedia (M) Sdn Bhd's (Qtelmedia) service offering, DiGi Telecommunications Sdn Bhd (DiGi) launched its D'Channels service mid last month featuring seven channels, including sports and cartoons, for a flat rate of between RM6 and RM14.00 per month.

Maxis Communications Bhd (Maxis) is expected to launch its Sports TV services this month at an estimated flat fee of RM20 per month. Maxis appears to be going for sports-related content, specifically soccer to attract more mobile TV subscribers. The company will have the honour of having the global first launch Liverpool and Arsenal TV. The clubs have committed to mobile-only content, which opens up an exciting opportunity for Maxis to increase subscriber wallet share and attract new subscribers.

### Hitting the ground running

Ireland-based Qtelmedia is a global private content network provides "live" TV and events, video-clips and value-add services to mobile operators. The company's operations in Malaysia is its core central operations centre for its Asian services rollout, and the country's talent pool and vibrant market convinced the Irish company to set up shop here.

"The investment we have made here is substantial, running into eight figures in ringgit and constantly increasing," says Sinead O'Sullivan, chief executive officer (CEO) of Qtelmedia. Things has been happening at a blistering pace for the company with business rolling in fairly quickly even though it has only been here for the last few months.

Apart from working with DiGi and Maxis, Qtelmedia is negotiating with operators in Pakistan and Bangladesh, and is running its China operations out of its Malaysian office.

The company's owns and operates all its technology investments, including investments to help facilitate telco operations. The company has setup its infrastructure or each telco's service. In turn, the telcos commit to marketing the product. O'Sullivan says it is constantly increasing its editing team and has about 12 local editors to complement an all-European team of experts.

Utilisation of local talent is important to the company, and it foresees the team consisting of 85 percent local talent, with the rest made up of international staff.

"Skills shit and knowledge transfer will take time, but we do see the operation being managed by an Asian team," She says.

### Growth market

According to data from consulting firm Frost & Sullivan, mobile data services are the next wave of growth for the mobile communications industry amid the increasingly saturated subscriber base.

"While messaging will continue to be the main revenue contributor in most emerging and developing mobile data markets, much of the growth potential also lies in premium mobile content. Greater 3G (third generation) coverage and deployment, expanding regional subscriber base, declining cost of advanced multimedia handsets, and the race to secure a continuous stream of content through partnerships are likely to drive growth of mobile data revenues," says the research.

Frost & Sullivan's Asia Pacific Premium Content Market report shows that the region's content earned revenues of US\$9.4 billion in 2005 and is estimated to reach US\$32.9 billion by end-2011.

The Asia Pacific mobile data market is forecasted to grow at a CAGR (compound annual growth rate) of 19.9 percent between 2005 and 2011, says the report.

Messaging revenues still constitute the majority of telco-generated data revenues, and in 2005, messaging accounted for approximately 39.6 percent of total telco's data revenues (excluding revenue share of third-party content providers), according to the consulting firm.

"Subscribers in most Asia Pacific countries have strong preference for local content, which creates the impetus for the fast-growing mobile content market," says Frost & Sullivan industry manager Janice Chong. "The pace of 3G adoption, to a certain extent, influences the development of premium content applications by providing greater bandwidth and faster data transmission."

The research also shows that total premium content market, which includes both telcos and third-party content provider revenues, held by 29.5 percent of total mobile data revenues in 2005, and is expected to register a CAGR of 23.2 percent from 2005 to 2011.

**Differentiator**

Qtelmedia's mobile TV service is not restricted to 3G subscribers, and this is its key differentiation factor. Its services can be viewed on 2.5G and EDGE network as well, instead of providing the service only on 3G platform to entice subscribers.

"Operators can offer extra channels to subscribers to give them a reason to migrate to 3G," says O'Sullivan.