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## **Irish firm powers local mobile TV content** By H. Amir Khalid

For a flat fee of just RM20 a month and no hidden costs – so it is promised – you can now get live television on your 3G cellphone, or 2.5G handset with General Packet Radio Services (GPRS) or Enhanced Data rate for GSM Evolution (EDGE) capability.

And you have an Irish company to thank for that.

The company is Dublin-based Qtelmedia Group Ltd. Whose chief executive Sinead O’Sullivan is currently working out of Malaysia as she oversees the expansion of its Malaysian operations, which have become the hub of its operations in Asia.

Live television on a cellphone is an important potential new revenue stream for cellular operators at a time when competition from each other and from Internet-based voice call providers like Skype is driving down the prices that can be charged for voice calls, O’Sullivan said.

In some European markets, she noted, the price for all voice calls has dropped all the way down to zero, and premium charges for long-distance and international calls are getting harder for network operators to define as more people turn to Skype.

“Local mobile operators will need something else to make money from,” she pointed out. Increasingly, they would find themselves promoting 3G capabilities as a lifestyle and entertainment solutions.

But thus far, the uptake of television on cellular in Malaysia has been discouraging. There are three main reasons, which are the cost of accessing video on a cellular phone, particularly with packet-based services; second, the prices of the third-generation phones themselves, which are four times or more the price of 2.5G phones; and third, the storage of compelling content.

Qtelmedia is addressing these three issues, O’Sullivan said. The first issue it is addressing with a pricing model that consists of a low flat fee and no hidden charges.

Second, it is making television accessible and affordable to users of cheaper 2.5G phones via GPRS and EDGE technologies. Thirdly, it is seeking out partners to help provide that compelling content.

Some of the content would be brought in from abroad. Taking advantage of the longstanding Malaysian craze for English Premier League football, Qtelmedia has signed content-provider agreements with Liverpool FC and Arsenal FC, two of the Premier League clubs most popular here, (Manchester United FC, even more popular with Malaysian fans, wanted too high price, she grumbled).

But local content is what drives mobile television in other countries, particularly in Europe, O’Sullivan noted.

She has a sneaking suspicion that Malaysia might turn out differently, but that has not stopped Qtelmedia from looking hard at local content providers. And she is impressed with local content providers, especially animation houses, whose work she generously described as “magnificent”.

Qtelmedia is also in talks with a company to provide local news content, she said.

Of the cellular network operators in Malaysia, Qtelmedia has signed up with Maxis and Digi Communications, both of which have launched their mobile television offerings, and is in talks with Celcom.

O’Sullivan hopes to reach other cellular operators, particularly through DiGi’s Norwegian majority owner Telenor which also has stakes in other cellular operators in the region.

Why base her company’s operations in Malaysia? Because people around the region watched Malaysian cellular operators to see what they will do, O’Sullivan said, because Malaysians are especially willing to learn and try new things.

And not least, because of the Multimedia Development Corporation’s support, she added.

What Qtelmedia does for its money is receive incoming content from the content providers and encode it so that it is readable on each of customer cellular networks and each model of phone use in the network. Then it sends the information to each cellular network via leased line for distribution to the network users.

"We get a lot of co-operations from the cellphone manufacturers. We get to work with their new models while they are in development, and in return we demonstrate streaming video on the phones," she said.

Qtelmedia's business is based on sharing revenues with cellular operators and content providers. Out of every ringgit of the monthly flat fee, Qtelmedia takes a 70sen share and the cellular operators gets 30sen. Out of its 70sen, Qtelmedia does another 70%-30% split; it keeps a final share of 49sen, and phases on the rest to the content provider, which gets 21sen.

O'Sullivan believes that all parties – content providers, technology providers and network operators – should share the risks involved in developing the mobile content market for 3G, since it is a very new market and there are potential rewards for all parties once they get through learning curve.

Traditional television fare like feature films, hourlong dramas and drawn-out sports events are not practical for a medium that people watch in odd moments on the commuter train or while stuck in their cars in a traffic jam, she said.

The emphasis has to be on short video segments that people could watch at these moments, like match highlights, news stories, music videos and short animation segments, a few minutes long at most, she added.