



## **Enhancing the User Experience and Driving Mobile Video Growth**

by André Pagnac, Chief Executive Officer, ActImagine

The market for video on mobile phones is growing rapidly and future prospects are good. According to the leading firm of analysts, Juniper Research, global mobile TV revenues will exceed US\$6.6 billion per year by 2012, as the potential market for the service grows tenfold.

The company predicts that mobile-broadcast TV services will be available to 120 million mobile users in 40 countries by the next decade. And smartphones are keeping pace with this growth. According to analysts, ABI Research, the smartphone market will increase from 218 million units in 2007 to 426 million units in 2012.

In tandem with these developments, high-quality, high-resolution LCD screens are now available in ever greater numbers, featuring low power consumption and low prices, and available bandwidth is growing as HSPA networks continue to proliferate.

### **Changing Role of the Consumer**

While the development of new technology is crucial, much of the growth in the mobile video market is being fuelled by the increasing demand among users for content-on-the-go on their mobile phones. Increasingly, users want access to multimedia services 'anywhere, anytime, anyhow' and they don't want to wait for this functionality.

Access to a broad range of TV services from video-on-demand to free TV channels and user-generated content on the Internet is increasingly taken as a given. Recent years have seen the convergence of web services and mobile devices creating an entirely new dynamic.

Industry observers are predicting that 2008 will be the year of Mobile 2.0, an embryonic business model that combines the mobile platform with next-generation web applications and services to create a pioneering class of services that leverage mobility but are as easy-to-use and ubiquitous as the web.

Mobile 2.0 is all about flexibility. Its emergence has meant that consumers, whether for business reasons or for their own personal communication or entertainment are increasingly able to customise their mobile phones to create their own content as well as downloading material that has been developed by others.

Advances in technology have also led directly to the development of citizen journalism where individuals play an active role in collecting, reporting, analysing and disseminating news and information and user generated content on websites like YouTube and MySpace Videos. Much of this activity is now being carried out over the mobile platform.

This combination of increasing user sophistication and rapid technological development bodes well for the future of the mobile video market. It also means that the commercial battleground is now firmly focused on how to deliver the best multimedia experience for users. And the ability to provide

this will be key to the future success of mobile carriers, handset manufacturers and content publishers alike.

### **Tackling Key Challenges**

Currently, the main factor restricting growth in the mobile video sector is picture quality. Today's consumers are becoming used to a 'diet' of satellite television, HDTV and DVDs, all of which offer high-quality images. Conversely, the frame rate of mobile video is often slow and image resolution is frequently poor. A further constraint is that the bandwidth available on carrier networks is often not sufficient to transfer files quickly.

Finally, the breadth of content that is available to the consumer is typically quite limited. In many cases, the content is selected by the carrier and often it is targeted at one specific demographic sector, typically teenagers and young people, rather than addressing the whole market.

For video codec developers like Actimagine the challenge is to develop solutions that help deliver not only the quality users are seeking for but also the breadth of viewing experience they are increasingly looking for.

Users want to be able to access a broad range of different content types from advertising to free web content or user-generated material to sports events and entertainment shows. They also crave flexibility in the way they watch programming.

They want to have access to high-quality pre-recorded content but they also want to be able to 'side-load' material from their PC to their mobile phone or vice versa. Actimagine demonstrated this capability during the recent Rugby World Cup, with a documentary about the New Zealand All Blacks, which could be stored on a PC and then sideloaded for playout on a Nokia N95 phone with the help of Actimagine's video codec, Mobiclip™.

Viewers also want to watch material that has been delivered live 'over the air', using a mobile 3G or EDGE network, for example. The key here, once again with the quality of the user experience in mind, is for the solutions provider to deliver flexibility. The user should ideally be able to access the content he or she wants instantaneously and then have the choice of whether to stream, download or side-load that content.

The chosen operator will largely depend on the network capability available to users. For example, if they have access to a high-speed WiFi network, they might decide to download video to their mobile – a particular convenient approach if the viewer is travelling. If they do not have access to a high-speed network they may choose to stream the content instead. Finally, if they are using a PC, they can sideload material, synchronising it from your computer to your mobile phone.

In the future, not having access to a high-speed network should not be a barrier to accessing high-quality video content.

Actimagine is currently focusing its developmental efforts on using Mobiclip to enable users to fully synchronise pre-selected web content with their mobile phone. This capability will allow users to have their own webcam running at home and to view it from their mobile at any time. Ultimately, Actimagine expects its technology will support users in creating their own video space on the web in addition to having the capability to exchange and share content with other users.

### **Emerging Markets**

Another area in which flexibility is vital is the delivery platform offered to the end customer. Emerging technology markets like India are taking the lead in this area. Actimagine recently partnered with Mobile Magic, India's largest chain of retail stores for mobile phones and accessories, in a pioneering initiative to deliver high-quality movies and music videos over mobile phones via retail channels across the country.

The two companies have worked together on a new initiative called Media Magic. Media Magic is a content delivery platform, through which movies and music videos can be easily and securely transferred from retail stores' PCs to customers' mobile handsets. In less than five minutes, anyone can go into a retail store, purchase a movie or a music video, have it loaded into his phone and start to enjoy it in DVD-like quality.

In light of the rapid expansion of the Indian telecoms sector - currently growing at a rate of six million new subscribers a month - and the huge popularity of Bollywood movies and music across India, the potential for the Media Magic service is vast.

### **Positive Prospects**

The roll-out of Media Magic is further evidence that we are in the midst of a worldwide revolution in the deployment and use of mobile video content. Consumer demand is increasing all the time. Leading research company, *Screen Digest* recently forecast that mobile TV will put gaming and music in the shade.

It predicted that there will be 140 million global subscribers generating revenues of £3.1 billion by 2011. It seems that mobile phones are already beginning to fulfil their potential as 'video iPods', becoming the third medium of entertainment after traditional TV and cinema.

Yet, as this article demonstrates, if the vast potential of the market is to be fully realised, the quality of the user experience must continue to be the overriding focus for handset manufacturers and solutions and technology providers alike. After all, that was why this technology was originally invented and why consumers want it.

Equally, the market will only be able to continue on its current exponential growth curve if technology solutions providers and handset manufacturers alike prioritise this need above all others. At Actimagine, we are fully committed to pursuing this objective and playing our part in ensuring that the most positive vision of the mobile video future rapidly becomes a reality.