

Making mobile multimedia work



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Knowing what your subscribers want and what they will pay is vital to creating new revenue-generating services. This knowledge is particularly important for operators pushing a wide mix of multimedia content - and seeking to derive advertising dollars or subscription revenue from such services.

According to a survey by 3ple Media, a mobile multimedia specialist, mobile subscribers are becoming more receptive to multimedia content, including free content "pushed" to their handsets by operators.

Globally, 45% of subscribers, up from 15% the year before, say they already receive free, relevant multimedia content on their mobiles. In Asia Pacific, this number jumped to 39% from 21% a year ago.

The percentage of subscribers looking forward to receiving such kind of content, however, has dropped to 39% from 55% last year. This is indicative of the transition being made to active users as free and relevant multimedia content makes inroads to more mobile subscribers.

Almost 300 subscribers and operators participated in the online survey globally, with 30% of respondents from Asia Pacific.

Okay if it's free

Although free multimedia content has been relatively well received, operators have to be cognizant of the fact that cost will be a big factor in determining the take-up of content that is not offered free of charge.

The survey results show that 58% of subscribers polled globally think multimedia on their mobiles will be too expensive. This is a considerable increase from last year's 32%. In Asia Pacific alone, the cost challenge is even higher, with close to 70% of subscribers believing receiving multimedia content on their handsets will cost too much.

Apart from the cost issue, operators face other hurdles, particularly those related to available multimedia content.

According to the survey, 31% of subscribers worldwide simply do not know what services are available. This number increased slightly despite more services offered - a clear indication that operators need to step up efforts to promote their services to the market.

Also, 29% of subscriber-respondents say none of the services available appeal to them, suggesting an insufficient range of offerings or inadequate service promotion.

"Last year's percentage of subscribers thinking the same (just 15%) shows the urgency with which operators need to act in order to entice subscribers to take on new, personally relevant services," says 3ple Media chief commercial officer StJohn Deakins.

In Asia Pacific, while subscribers are relatively more aware of what multimedia offerings are out there, many of them do not see any content that they want.

The survey shows that more than 30% of APAC subscribers polled find the current range of multimedia offerings lacking. More than 20% are not aware of what services are available to them.

The multimedia dream also faces content-device and content-network compatibility challenges. According to the survey, almost 30% of subscriber-respondents in Asia Pacific believe multimedia services will be too slow. This shows the importance of launching new services that are suitable for the network and handsets of the subscriber base.

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Overcoming hurdles

The first step to responding to these challenges is knowing that they exist. For the cost issue, 65% of global operators and 77% of Asia-Pacific service providers are aware of the fact that cost is the biggest barrier to pushing more multimedia content to subscribers.

Operators also recognize spam or the perception of spam as an important challenge to overcome if subscribers are to become willing to receive more multimedia on their handsets.

"Consumers receiving unwanted content when roaming abroad is a pitfall for operators," Deakins explains.

Asia-Pacific operators also acknowledge that their current range of multimedia services is not sufficient, with close to 60% of respondents saying there is currently no type of content that their subscribers want.

To remedy the situation, operators have to listen to the pulse of their subscribers. Some 72% of subscriber-respondents globally said multimedia services relating to local information will be the most popular type of content in three years. Only 12% of respondents thought the same last year.

"This gives weight to the notion that personally relevant content on the mobile device is one of the most fundamental concepts to making mobile multimedia work, and awareness of this has resonated strongly with the majority of subscribers in the last 12 months," Deakins notes.

News-based content ranks a close second as indicated by 70% of those polled, a huge jump from last year's 15%.

Music and sports are also expected to drive multimedia content adoption, having been ranked by 61% of respondents as the most popular content types in the next three years. Last year, only 10% and 11% thought these types of content will be worth their while.

"The substantially higher figures this year suggest subscribers are becoming more certain of the value they place on specific types of content than they were last year, which saw comparatively flat agreement figures across all content types," Deakins says.

Asia Pacific results more or less track the global results.

Raising the stakes

To further monetize content and make multimedia advertising work, it is not enough for operators to know which particular content will be a hit. They also need to know what sort of incentives they can offer subscribers to prompt forwarding of ad content.

The survey shows that 43% of subscribers, up from last year's 34%, will most likely forward mobile advertising if they will be given free talk-time minutes.

Around 41% of subscribers say they are "quite likely" to forward sponsored multimedia content if free downloadable music tracks will be given to them. As this is higher than last year's 30%, Deakins says this may be an indication that operators need to forge new relationships with other industries or leverage local user-generated content more effectively.

Discount coupons are also a great way to encourage subscribers to forward multimedia ads, as revealed by 40% of respondents who say they are "quite likely" to forward ads in exchange for such coupons.

The promise of free SMS does not provide enough incentive for subscribers to forward mobile ads, as 43% of those polled say they are "fairly unlikely" to forward mobile ads if they will just be given free SMS in return.

This is a significant shift from last year's results (30%), and suggests the incentive stakes must be raised to make mobile advertising work.