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Mobile TV's Last Frontier: U.S. and Europe

By KEVIN J. O'BRIEN

BERLIN — When South Korea plays Greece on June 12 in its World Cup soccer opener in Port Elizabeth, South Africa, life will not necessarily grind to a halt back in Seoul.

Many fans will instead follow a live broadcast of the match on their mobile phones. In South Korea, free-to-air mobile TV is a five-year-old fact of life. According to the country's broadcasters, 27 million people — 56 percent of the population — watch regularly.

While South Koreans are the world leaders in mobile TV viewing, the technology is also catching on in China, southeast Asia, India, Africa and Latin America, where 80 million people now have cellphones that can receive free, live TV broadcasts.

“There have been a lot of hype cycles with mobile TV technology,” said Anna Maxbauer, an analyst at IMS Research in Austin, Texas. “But with recent advances in battery life, and consumer acceptance, there is real potential for widespread viewing.”

At least 40 million people are watching live TV this year on mobile phones, Ms. Maxbauer said. Most live in emerging markets where operators, which prefer to sell TV programming for a fee through their wireless networks, do not control the sale of handsets.

Free, on-the-go viewing is common just about everywhere except the United States and Europe, where operator resistance and a maze of conflicting technical standards and program licensing hurdles have kept the technology out of the global mainstream.

But that may be about to change, according to one handset maker.

“This technology has huge potential,” said Hankil Yoon, the vice president of product strategy at Samsung, the South Korean electronics maker and U.S. cellphone market leader. “Our experience shows that people like watching TV on mobile phones, even on smaller screens. And they like watching it for free. It is only a matter of time before this goes global.”

In the complex world of wireless communication, free-to-air mobile TV technology is relatively simple. With a tiny receiver chip and telescoping antenna, a mobile phone can receive free digital or analog programming like any other television.

In South Korea, 25 million people watch free digital terrestrial broadcasts on mobile handsets and two million pay to subscribe to satellite programming, according to Korean broadcasters. The typical screen made by Samsung is a three-inch, or 7.6-centimeter, diagonal. Batteries support three to six hours of viewing. In Korea, free mobile TV broadcasts are interspersed with ads.

“In the markets where people use this, we have found that viewing tends to be pretty high,” said Diana Jovin, a vice president for corporate marketing and business development at Telegent Systems, the leading mobile TV chip maker, which is based in Sunnyvale, California.

Telegent is shipping about 750,000 chips each month to handset makers, most designed for viewing analog broadcasts in markets like Brazil, Peru, Argentina, Russia, Nigeria, Thailand, Egypt and China. Brazil is one of Telegent’s biggest markets.

In Rio de Janeiro, Marcelo Mendonça Guimarães, a 42-year-old taxi driver, said he watched local and national TV news on his mobile handset through his operator, Claro.

“My analog TV phone gives me the opportunity to watch television news while I’m waiting for a fare, or when I am on a break,” Mr. Guimarães said. “I actually have a digital TV in my cab, but I prefer to use the phone. The reception is much better.”

Following a favorite team or soap opera on a cellphone may take longer to reach Western markets, where broadcasters and wireless operators have been slow to embrace the technology. In the United States and Europe, where operators tend to control what technology goes into handsets, a major hurdle to free-to-air broadcasting is, ironically, that it is free.

That offers no incentive to operators focused on raising revenue per customer.

“Ask anybody if they want to watch free TV on their phone. Everybody is going to want to say sure,” said Jim Oehlerking, the senior director for mobile TV business development at Motorola. “The challenge is getting the mobile media marketplace to the point where content owners, carriers and broadcasters work out a business model.”

But with the level of data traffic surging on wireless networks around the world, some operators are beginning to look to free-to-air mobile TV — which operates independently and adds no additional traffic burden on an operator’s network — as a way to retain customers.

In April, 12 broadcasters and television content owners in the United States, including Fox, NBC, Gannett Broadcasting, Hearst and Cox Media, formed a joint venture to pool their broadcasting spectrum and eventually deliver mobile TV to 150 million people.

“We are excited about building a platform that makes mobile television universally available and economically viable,” Jack Abernethy, the chief executive of Fox Television Stations, said at the time of the announcement. “This venture is the first step in forging cross-industry and company partnerships to deliver content to consumers.”

The U.S. effort is in its initial stages, and no deadlines have been set for adoption.

Samsung, which includes mobile TV chips as standard technology in its high-end smartphones in South Korea, is making a handset for Sprint that works on the U.S. mobile broadcast standard, ATSC-M/H. Samsung also makes a DVB-H phone for Europe, two that work on Latin America’s ISDB-T standard and an analog handset for Southeast Asia.

On May 24, Sprint and nine broadcasters in the Washington-Baltimore area began a four-month trial that will broadcast programming to mobile phones, netbook computers and portable DVD players made by Samsung, LG Electronics and Dell.

Dave Lougee, the president of Gannett Broadcasting, said the organizers of the trial, a group of 900 U.S. television stations called the Open Mobile Video Coalition, were hopeful consumers would take to the technology.

The trial is being supported by every facet of the U.S. television industry, including content owners, broadcasters, broadcast equipment makers and advertisers, represented by the Television Bureau of Advertisers and The Ad Council.

“We are looking forward to hearing how consumers use the technology,” Mr. Lougee said in announcing the trial.

If South Korea is a guide, U.S. consumers will use it just as much, if the price is right.