



The mobile content revolution: How gaming, music and TV will transform the mobile market by 2011

London 8th May 2007 Screen Digest today launches its latest mobile research, with analysis and forecasts of the impact three very different offerings of mobile content will have on key mobile markets by 2011. As mobile phone penetration reaches saturation point in some regions, network operators are looking to their content offering to deliver differentiation, new subscribers and increased revenue, but will gaming, music or TV rise to the challenge?

Playing the mobile game

In terms of mobile content, gaming has been around the longest, with 'Snake' being first made available on handsets back in 1997. The market is currently worth €1.6bn, with 50% of that revenue based in South Korea and Japan, but market growth is slowing. By 2011 it will be worth €2bn – increasing only incrementally in the next five years. Screen Digest mobile analyst David MacQueen believes that as operators shift focus onto music and TV services, the mobile games market will stall unless current business models change.

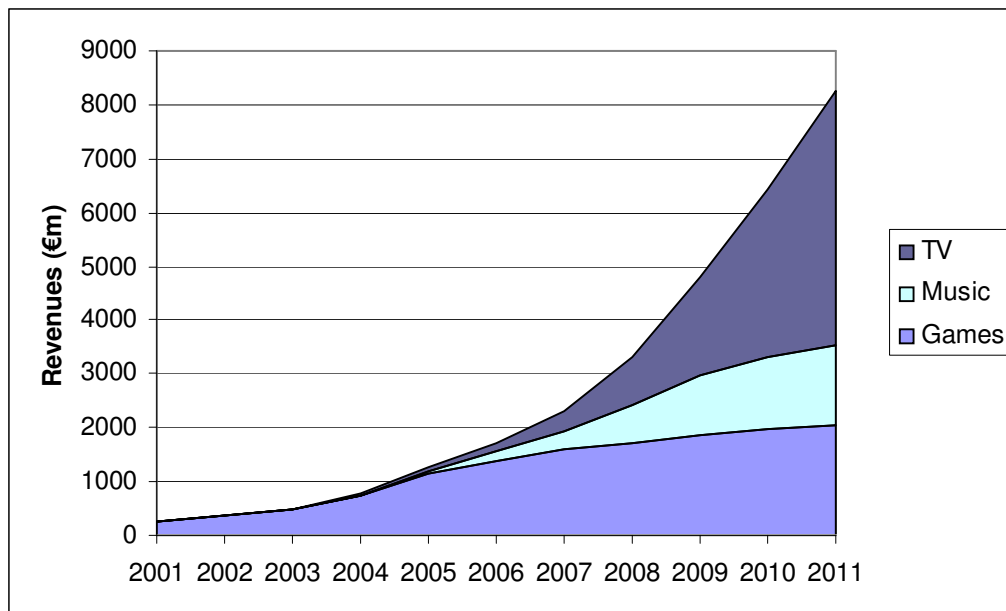
Mobile music a strong contender

Screen Digest forecasts that the global over-the-air full track music download market will grow explosively over the next five years, reaching €1.47bn by 2011 – an eight fold increase from 2006. One of the major contributing factors to this growth is going to be the availability of subscription services which offer more than just audio tracks. However, the majority of music on mobile phones will still be 'side loaded' from the PC.

Mobile TV will put gaming and music in the shade

It is the newest of all mobile content offerings – TV – that looks set to emerge as the strongest performer globally, delivering €4.7bn of revenue from 140 million subscribers by 2011. The new broadcast services, launched in only a handful of markets, are growing rapidly. For instance, Unicast services, delivered over existing 3G networks, have begun to generate real revenues in Europe.

Global mobile content revenues 2001-2011



Source: Screen Digest Mobile Intelligence

While cynics doubt that consumers will be happy watching TV on such a small device, consumers are proving them wrong. Just under 6m people watch broadcast mobile TV in Japan and South Korea and the new broadcast networks in Italy have already attracted just under half a million subscribers only a few months after launch. Mobile TV's revenue potential is greater than that of games or even music due to the mass market nature of the product. Screen Digest Mobile TV specialist Ronan de Renesse believes customers will subscribe to 'simulcast' channels – that is, simultaneous broadcasts of conventional TV programming.

David MacQueen says “Regulatory and competitive pressures have pushed down the average consumer spend on voice and messaging. Mobile operators must now look to new content offerings to deliver the business growth they’ve enjoyed over the past decade. Screen Digest believes that the revenue is out there – and operators should be looking to TV, music and games to deliver it.”

Ends

For more information please contact:

Screen Digest:

Fay Hamilton, Marketing Manager

Tel: +44 (0) 20 7424 2847 fay.hamilton@screendigest.com

Media enquiries:

Lucy Green

Tel: +44 (0) 7817 698366 lgreen@greenfieldscommunications.com

About this research

The data in this press release is taken from Screen Digest's newest online service – Mobile Media Intelligence. The service continuously tracks and forecasts the market for all areas of mobile content in more than 25 key markets globally, including Europe, N America, South Korea and Japan. It was presented for the first time at a breakfast seminar in London on May 8th.

About Screen Digest - Global media intelligence

Screen Digest is the pre-eminent firm of industry analysts covering the global media markets. We employ a team of 30 specialist analysts covering television, broadband, mobile, home entertainment, cinema and gaming. With our unrivalled network of contacts within the media industry we have the information and provide the analysis that hundreds of media companies base their decisions upon.

To find out more, please contact Screen Digest sales/sales@screendigest.com

Tel: +44 (0) 20 7424 2820. www.screendigest.com