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The short clip goes a long way toward creating online communication

Forget the hype about TV shows on iTunes. The latest video buzz surrounds YouTube.

YouTube.com only lit commercially in December, but the viral-video destination is already racking up a massive 100 million page views a day. Much of the site is devoted to user-generated content from Joe Public, with personal video clips and mashups aplenty. Visitors don't have to pay a penny to browse thousands of clips, create playlists, join video groups and integrate YouTube videos into their own sites, MySpace or other online-community profiles (*CM*, 13 Mar, 2006). And those communal links are vital. An estimated 25% of YouTube hits come from MySpace alone, a site that now boasts 67 million members.

YouTube delivers 30 million videos a day, a dramatic increase from the 3 million a day it was racking up at launch. The outfit is certainly riding a rising wave: There were almost 18 billion video streams served up in 2005, up 50% from the previous year, according to AccuStream iMedia Research. Paul Palumbo, research director at AccuStream, noted that the largest streaming-video networks tend to break out along major Internet-media lines, such as Yahoo,

Real Networks and AOL. But he also pointed to the emergence of a new group of successful independent video publishers, such as YouTube, and including the likes of Break.com, StupidVideos.com, Roo and VideoDetective, which together account for significant industry growth.

YouTube makes great play of the communal nature of its offering, where people are motivated to watch and share clips because it enables them to "experience real life through the eyes of people like themselves, not only through the lens of traditional television."

The site hosts 21 separate channels that include genres such as arts and animation, sports and humor, with music boasting the greatest number of cumulative clips: nearly 440,000 (see fig. 1).

One of YouTube's big attractions is the fact that users don't need any of a variety of media players to view content. Uploaded clips are simply converted into Flash video, and the company reckons that particular format makes them accessible to 97% of the world's Netizens.

Such ease of use and YouTube's burgeoning popularity

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The price can be right for mobile music

Is a white-label offering about to put color into mobile-music downloads?

The majority of Europe's cellcos have done little to push tunes over wireless. 3 in the UK is an exception, having racked up 1 million song sales in just four months, but most services have been hampered, with operators piling data fees on top of download fees. There's little appetite for cellular music when a 1MB track can cost as much as £8 (US\$14) in data levies.

A recent move by mBlox and New-Visions in the UK could provide the answer to sluggish song sales. The partners have launched an off-portal track-download wholesale service offering songs for a flat £1.50 a pop from labels Ministry of Sound and V2. Vodafone is the first to come onboard, with other ops set to follow.

Beth Appleton, head of new media and business development at V2, called the launch of wholesale data tariffs "a giant leap forward" for both the mobile and music industries, enabling the label to offer tracks "in a consumer-friendly way."

There is huge potential in cell-phone music. Japanese wireless subs racked up an incredible 181 million music downloads – including tracks and ring tones – in the first

nine months of 2005, corresponding to 96% of the entire audio-download market. It should be noted, though, that iTunes only launched in Japan last summer.

But a recent global survey, conducted by Siemens, indicates that 68% of mobile users are interested in getting music for their handsets, a category second only to mobile e-mail (74%) among a selection of different apps. In addition, respondents in mature and growing markets said they were prepared to stump up about €1 (US\$1.22) per music download. They also expressed a willingness to pay €5.50 a month to get regular music (see fig.). All cellcos have to do is deliver it at reasonable rates.

Facts on mobile-music downloading

Today's barriers	Too expensive; users don't know how it works
Who	Interest is higher among the younger demographic
Cost	Users willing to pay €5.50 (US\$6.74) a month; calculated ARPU potential of €0.60 per month per active user
Where	Highest interest is in South Korea and Brazil, with above-average interest in Italy and China

Source: Siemens Comms user survey (Feb-06)

Editor

Steve Mullins (London)
T: (44) 20 7403 0967
steve.mullins@informa.com

Senior Reporters

Matthew Reed (London)
matthew.reed@btinternet.com

David Simons (Australia)
david@jdsimons.demon.co.uk

Lesley Brown-Ramis (Paris)
lesleyb@club-internet.fr

Chief Copy Editor

Chuck Gordon (London)

Copy Editor

Kim Charlton (London)

Production Editor

Rainford Bowley (London)

Marketing

Stuart Harrison (London)
stuart.harrison@informa.com
T: (44) 20 7017 5296

Main Office

Informa Telecoms & Media
37-41 Mortimer Street
London W1T 3JH, UK
T: (44) 20 7017 5000
F: (44) 20 7017 4288

Web Site

www.informatm.com

Subscriber Service

Informa Telecoms & Media
Sheepen Place
Colchester
Essex CO3 3LP
UK
T: (44) 20 7017 5533
F: (44) 20 7017 4783
telecoms.enquiries@informa.com

Online license 1-5 users
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North America

T: (1) 978 258 2500
F: (1) 978 258 2500
colleen.barron@informa.com

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ty – originating in large part from the powerful traction of viral video – has, of course, created friction with traditional media, which have taken umbrage with the site's users posting copyrighted clips taken from broadcast platforms. CBS, for one, issued a removal request when a segment from *CBS Evening News* went up on the site. NBC Universal got YouTube and other sites to take down hundreds of videos, including a hugely popular *Saturday Night Live* clip.

But while the media giants gripe about unauthorized property appearing on the site, they're also eager to cut deals with YouTube to put videos up there. They quite rightly see YouTube as a supercool channel for viral marketing that can reach the valuable youth demographic. That's good news for YouTube, because the company's business model is built around constructing promotional partnerships with media firms rather than drawing advertising revenue.

Cablenet MTV2, for one, has become an "official partner" of the site and is providing clips from upcoming series such as *The Andy Milonakis Show* and *Wonder Showzen*.

Indie label Matador Records is getting YouTube users to put up original videos for the band Pretty Girls Make Grave. The winner gets a US\$1,000 cash prize and a trip to New York to hang out with the band and go to a live concert.

YouTube has also inked a deal with U.S. entertainment-news and lifestyle outfit E Networks. Under the agreement, it will link to E's Cybersmack satirical video content, which is slated to get a dedicated broadband channel.

In addition, the UK's dominant pay TV outfit, BSkyB, has turned to viral marketing for its Sky One network, creating a new opening-sequence video of *The Simpsons* using real actors. The company put the clip on YouTube and other video sites.

"If we had only showed it on air, you might turn to someone and say that was really cool," said BSkyB Communications Director Matthew Anderson on the Simpsons Channel, a Fox site (both Fox and Sky are units of News Corp.). "Putting it online, there's a fantastic discussion between millions of people. It's bringing *The Simpsons* to them instead of having them tune in."

Sky said that the clip racked up 1 million streams in less than a week after it was placed on YouTube. In early April, *Real Life Simpsons* was doing even better, having drawn more than 5 million views (see fig. 2).

U.S. movie studio New Line Cinema is claiming a world's first with its "mashup" trailer – also up on YouTube – of the movie *Take the Lead*, starring Antonio Banderas. Footage was remixed by UK-based VJ outfit Addictive TV to produce a music video comprising sounds and dialogue from the movie. Two additional mashups are in the pipeline.

"There's nothing new about movie trailers," says Justin Kirby of UK-based connected-marketing consulting firm Digital Media Communications, which worked on the *Take the Lead* campaign with New Line Cinema. "But what we did here is trend-spot what's going on online with

Fig. 1: YouTube top channels by clips

Channel	Total No. of clips (cumulative)*
Music	439,883
Humor	430,198
Entertainment	427,002
Odd & outrageous	158,096
Sports	151,358

*As of 3-Apr 06

Sources: Converging Media, company reports

Fig. 2: YouTube top-ranked clips

Video clip	Months posted*	Views (mil.)*
Pokemon Theme Music	4	7.0
Real Life Simpsons	1	5.1
Hey Clip	7	2.5
Guitar	3	2.1
Mortal Kombat Theme	4	1.7

*As of 3-Apr 06

Sources: Converging Media, company reports

user-generated content. We've got two of the world's top 20 VJs and a rising star and got them to remix. The film's about ballroom and hip-hop, and with the mashup, we have a dance track that stands in its own right."

Kirby says that using mashups to create a buzz gets influential people to create material they will show in the real world – such as in night clubs – and that it gets an audience talking online and sharing via the likes of YouTube, Google Video, MySpace, et al.

Kirby points out that people have been producing their own videos and putting them online since the start of the Internet age, with MySpace responsible for bringing that kind of content into the mainstream. He adds that businesses aiming to work in the video space using viral marketing need to understand that this is about doing communications differently.

"You have to ask, 'What is it that you do that will ignite conversations among the consumer, and how do you support that?'" Kirby explains. "You have to focus on creating contagious communication." He adds, "It's about newness. You get people to say, 'Have you seen this? Check this out.' And it needs to be more than just funny. It's creating communications, creating stories."

For Steve Henry, creative director at UK ad agency United, virulent communication is all about grabbing the audience. "There's a role for short film in marketing brands, but it will certainly be virals," he told *The Guardian* newspaper's Changing Media Summit in London last month.

The point of virals, Henry said, is that they have to be entertaining. "Web sites are brilliant places to sell," he acknowledged. "But how do you create PVR-proof advertising? You have to dial down the selling. In the past, ads have been interruptive. But that's now flawed. Brands need to build entertainment value."

Henry pointed out that the clip culture of YouTube – where ads are said to be among the most-requested videos – is also transferable to the cell phone. "The value of short, viral films is that they can be put onto mobiles," he said.

steve.mullins@informa.com

Converging Media

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