

Mobile TV – Is India ready to Grab the opportunity?

—Dr, Devendra PS Seth

Former Member, TRAI, Former Member, Telecom Commission; and Former CMD, BSNL

Market researchers have projected huge growth for mobile TV worldwide. The numbers quoted by various market analysts may vary substantially, but by and large it is agreed that the relatively new market of China and the presently untapped market of India will be the main contributors to this growth. Coinciding with the 2008 Olympics, when mobile TV was launched in China this has been a success. What kind of prospects do we have in India? This paper systematically examines all issues and tries to arrive at conditions under which India prospects will indeed fructify and what are the chances for such conditions being met.

When one talks of deployment of mobile TV in a really big way, it is the broadcast mode Mobile TV which easily scores over the GPRS or 3G network based mobile TV for reasons of lesser demand on spectrum resources for a large load of customers. Doordarshan -the government owned entity empowered to run broadcast TV in India – has indeed introduced Mobile TV in the city of Delhi. However, this service has several limitations in regard to coverage range as well as the available content despite the richness of the movie and entertainment segments in India besides the thirst of Indians for this type of entertainment. Therefore, for the Indian market for mobile TV to flourish, the first requirement is to ensure that terrestrial broadcasting is

permissible for private operators so that a competitive environment is created. The Broadcast rules in India do not allow this freedom to private operators currently. Telecom Regulatory Authority of India (TRAI) which has the mandate to regulate the telecom and broadcasting sectors, in its recommendation of January, 2008 to the Ministry of Information & Broadcasting has recommended immediate amendment to the law to enable competition to enter this sector. Action on this as also several other recommendations on Mobile TV is pending despite nearly 18 months having elapsed already.

Since Mobile TV requires over-the-air terrestrial broadcast, and each channel requires adequate bandwidth, availability of such bandwidth in a suitably identified frequency band is a pre-requisite before serious proposals for launching mobile networks can be expected to fructify. In this regard the 700 MHz band is well suited but in India, currently this band is not officially declared as available and more so whether this band will be made use of for mobile TV. There are, however, indications that this will be done though no time frames have been set. Even after the frequency band for mobile TV is identified, there will be a need for the government to come out with a clear approach for allocation (auction procedure) and carry out the auction. Despite the fact that the



Ministry of Information and Broadcasting had displayed excellent initiative and progressive approach in coming out with the guidelines for IPTV, when it came to mobile TV the same dynamism was not shown possibly because of the timing since by the time action could be taken fresh elections were announced with the election code of conduct precluding major policy decisions.

The next issue to be considered for India is which business model will work? The two models available are the subscription based model and the free-to-air model. In the former, the subscriber pays a subscription to view pay channels and this is the main source of revenue for the mobile TV service operator. In the free-to-air model, the revenues accrue for the operator from carriage fees charged for the channels he/she carries. While in the west the pay-channel model has been used, Asian countries seem to have preferred the free to air model. The situation is not very clear in India because the Doordarshan experiment in Delhi shows that there is currently no great and compelling content in FTA and the uptake of the pay channels has not been tested other than in

DTH services. It is hypothesized that it will probably be a hybrid model that will work in India.

Another key issue where a lot of debate has taken place and a lot of time has been wasted is which technology for mobile TV should be used? This is a strange situation since with the availability of multiple technologies each having their pluses and minuses, it should be for the market to decide the technology rather than the government expecting to do so. The technology decisions are usually controlled by business case considerations for the type of model and area of operations an operator chooses. Technology neutrality has been a great success in telecom sector in India and there seems to be no reason why it will not be the case for the broadcast sector. After all, while Europe adopted DVB-H technology, US has seen greater popularity for MediaFlow technology and Japan and Korea have followed some other approaches. Even the EU has now turned away from single technology approach in their latest directives. India will do well to follow a technology neutral approach and there need be no loss of further time on this aspect of the policy guidelines.

The two other issues before the mobile TV market can be meaningfully developed are the approach of the policy guideline paper to the geographical area of license and the need and directive for infrastructure sharing. Considering the nature of subscriber distribution, interest and demand it appears that both national and regional licenses would be required. As for the need for infrastructure sharing, it is clear that for competition to appear quickly in this sector, the TV towers and the related support infrastructure should be shared. Since currently, the existing broadcast towers are owned either by the government owned operator Doordarshan or the government owned infrastructure company BECIL, government will have to issue a directive to these companies to carry out infrastructure sharing. Equally importantly, to avoid the well known pitfalls of monopoly powers in negotiations for infrastructure sharing, the regulator TRAI will have to quickly come up with specific infrastructure sharing guidelines and will have to be proactive ex-ante to

bring about sharing agreements and their speedy implementation.

It is interesting to examine what factors other than an enabling regulatory and policy environment have led to the growth of mobile TV services in various countries around the world. In China it was during the Olympics, 2008 that mobile TV was launched. China took steps to make available 3000 mobile TV capability handsets free of cost. The net result was that 3.4% viewers watched the Olympics on mobile TV which is a grand success considering that the well entrenched classical TV was watched by around 10% viewers. In Japan, there was a huge boost to mobile handset sales during the Olympics with nearly 70 percent of them being mobile TV capable handsets indicating that customers bought these handsets to watch the Beijing Olympics. In the US it was once again the Olympics and some other, mostly sports related, events which led to a spurt in mobile TV demand. In Germany, it was the FIFA Football World Cup event in 2006 that provided a filip to mobile TV. Finally, in Australia, the Commonwealth Games of 2006 provided the launch pad for the popularity of mobile TV.

It is thus clear that some important event particularly related to sports, has acted as the booster for popularizing mobile TV. One recalls that in India, it was the 1982 Asian Games which led to the introduction of colour TV which later became so popular. India is once again getting a similar opportunity with the upcoming Commonwealth Games in 2010. If the country learns a lesson from history and is able to tackle the above listed issues related to mobile TV well in time, there is every reason to believe that the projections of the market analysts can indeed come true. The key is the timely and enabling action from the policy makers and the regulator. The IPTV Forum of India which helped in the case of IPTV guidelines, has also taken up the mobile TV cause with the Commonwealth Games in mind. It is understood that a technology neutral draft policy guidelines document is ready with the Ministry of Information & Broadcasting and considering the nature and type of mandate provided to the new government in the recent elections and the appointment of a visionary and dynamic minister, there is every reason to believe that mobile TV should get a boost in India in the very near future. ■

“For the Indian market for mobile TV to flourish, the first requirement is to ensure that terrestrial broadcasting is permissible for private operators, and the upcoming Commonwealth Games in 2010., could very well act as the booster.”