

Broadcasting

Mobile TV's war chest gets boost

New player enters the television broadcast space to take on MultiChoice's DStv Mobile

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MOTHABI Mutloatse founded Mobile TV because of his frustration at the lack of access to television services in certain areas due to electricity supply constraints.

This week Mobile TV received financial backing from the National African Federated Chamber of Commerce and Industry (Nafcoc), which bought a 20% stake in the company.

"Mobile TV will allow people in rural areas to afford television for the first time," Nafcoc president Lawrence Mavundla told Summit TV.

"Also, business people are very busy, therefore they can't keep up with everything that is happening — if they have mobile television, they can. The other important thing is to disseminate information to people that otherwise never see that information."

Nafcoc joins current Mobile TV consortium members Narevest, an investment company; the Communications Workers Financial Services, a Communications Workers Union investment vehicle, and hotel, restaurant and lifestyle group Moloko Investment.

Mutloatse, now Mobile TV's chairman, said Nafcoc was persuaded to invest after realising the technology would have a knock-on effect on sectors such as education and small businesses.

Mobile TV uses the Digital Multimedia Broadcasting (DMB) format, a South Korean technology allowing for TV and radio broadcasting. It also allows for datacasting, which transmits internet services over a broadcasting signal using a small dongle.

"We're enabling [users] to move into the digital arena using this dongle," he said.

He said children could use iPads from a very young age, so the dongle would come in handy in the classroom.

Mobile TV will square up with MultiChoice's DStv Mobile iDrifta, a plug-and-play dongle launched last month for Apple devices. Mobile TV's offering will retail in the R500 to R600 price range. Another device for other mobile platforms will retail between R800 and R1 000, competing with DStv Mobile's Drifta mobile decoder launched two years ago.

Mutloatse said Mobile TV had an edge over DStv Mobile as it would give subscribers the choice of only watching what they wanted to watch through its pay-per-view billing method instead of having to choose a set of pre-determined channels, as is the

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case with DStv. Subscribers could also choose between prepaid and post-paid payment on either a daily, weekly or monthly basis.

Maiyo Simapungula, DStv Mobile's communications manager, said DStv Mobile was not threatened by Mobile TV.

"Competition comes from a number of sources, whether it be gaming, mobile web, social networking and so on," said Simapungula. "We anticipate that more such services will enter the market over time and currently very few are regulated in the same way that mobile television broadcasting is regulated. In building and growing the DStv Mobile service we take into account all these competitors."

Mutloatse believes Mobile TV actually has no real direct competition as it will bring internet connectivity to places

which had "no history of connectivity". The consortium would also have a wider reach through its longer-range transmitters, needing only one transmitter for every 70km, compared with the standard seven to 10 transmitters needed to cover the same distance.

Mobile TV is hopeful it will receive a permanent broadcast licence from the Independent Communications Authority of SA after running a battery of tests to fine-tune the technology using a temporary broadcast licence. Mutloatse expected services to be rolled out within three months of the licence being awarded.

As for content, Mutloatse said Mobile TV was in talks with a handful of radio stations about broadcasting their services over its network. A deal with SABC Radio had already been struck. For TV content, discussions were being conducted with BBC World Service, with SABC TV services already in the bag.

The real test of Mobile TV's mettle will lie in the area of content, according to Arthur Goldstuck, MD of technology consultancy World Wide Worx.

"The more content-rich the licensee, the more likely it is to dominate the arena," said Goldstuck.

"One of the big advantages Mobile TV does have is that it will be building its service from the ground up, which will give it a better chance of designing a service that is very specifically, intentionally and effectively mobile."

This could give it an edge over existing content offerings which have to be re-purposed to fit the mobile television format.

"Ultimately though, the existing contacts and contractual relationships that DStv has, is likely to be an advantage that it will hold for years to come. Mobile TV can only truly compete by being nimble and clever," said Goldstuck.



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This phone booth in New York is one of 10 that the New York City Department of Information Technology and Telecoms has converted into free wi-fi hot spots as part of a pilot programme to determine if it is possible to expand all city pay phones into a city-wide wi-fi network. PICTURE: REUTERS

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GLOBAL spending on direct mobile marketing is set to increase eight-fold by 2017, according to a study by Juniper Research.

But laws regulating the use of personal information are constricting faster growth and SA will not be exempt when the Protection of Personal Information Bill is passed into law.

"Customer information is among the most valuable of network operator assets," said Charlotte Miller, who ran the Juniper study. "But their ability to monetise it is constrained by privacy regulations and knowledge that, even where such use is legitimate, it may harm consumer perceptions to provide third parties

Bill threatens direct marketing

with access to such data."

These third parties will die if they did not adapt, said Terry Kelly, associate director of risk advisory services at Deloitte.

The bill aims to ensure personal information is only used for the purpose for which it was gathered, which could have a material effect on SMS or e-mail spam.

Deloitte expects the bill to be passed into law soon. What does this mean for direct marketers?

Michael Sham, director of database company Vibrant Media, said the bill threatens the marketing industry.

Telesure Investment Hold-

ings, which owns and operates several insurance brands in SA, markets its products directly through SMS messages.

Robyn Farrell, MD of 1st for Women Insurance, and Bradley du Chenne, a senior executive at Dial Direct Insurance, said direct marketing forms part of their businesses as direct insurers.

"[Telesure brands] 1st for Women and Dial Direct make use of database companies to supply us with prospective customers details," they said.

"We have since the outset of our business complied with all prevailing legislation, most definitely that which relates to

customers and prospective customers' personal information. The database companies who we make use of also contractually agree to comply with all such legislation."

Businesses will get a year to comply with the law once it is passed. Telesure said it would ensure that any changes required by law would be implemented within that window.

Hollard Insurance said it ran SMS campaigns periodically, usually lasting three weeks. Its senior legal adviser, Danny Joffe, said the bill would not only affect these campaigns, but almost all areas of information management.

"Companies managing customer information will carry a large responsibility to ensure the personal information is responsibly stored and destroyed when the relationship with the policyholder ends," said Joffe.

"The bill also has bearing on functions insurers typically outsource, such as surveys of property, claims investigation, and financial background checks of clients. This information would need to be managed accordingly with the policyholder's consent."

Joffe said Hollard welcomed the bill, and would take appropriate steps to comply with it when it is passed into law.