

Mobile TV in Brazil and Latin America

by Alon Ironi, Co-founder, CEO & President, Siano Mobile Silicon

Brazil and other Latin American countries have an enormous potential for successful mobile TV deployment. With a unified standard, and content-hungry populations, there is no limit for mobile TV in Brazil and in the greater Latin American region. Brazil's adoption of mobile digital TV cannot be overstated. It is the test bed and trial for the industry in Latin America. Success in Brazil, and the lessons learned there, will pave the way for a mobile TV revolution throughout the continent.



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Football crazy

You've seen the photos. During the World Cup this summer, millions of fans in Brazil and around the world were glued to their television sets at home, in the office, or at their local café or bar to follow their favourite stars. If there is one thing that major sports events such as this show us, it's the power of TV to attract and maintain viewer attention - and it goes beyond just sports. Whether we are tuning in to watch our favourite TV show, or the latest breaking news items, TV has a unique

power to serve as a window to the world and helps us see beyond ourselves.

In Brazil, and in Latin America as a whole, the way people will be able to view TV is undergoing a dramatic transformation. According to analysts, Mobile Digital TV - a family of technologies for delivering a live broadcast TV signal optimized for mobile handheld devices - has a high potential to be successful in Latin America. The ability of users to watch television on mobile devices, which include cellular phones, PDAs, portable media players,

laptops, netbooks, portable navigation systems, portable game consoles and portable DVD players, among others, will really revolutionize the way in which people watch TV on-the-go, on the street, at a shopping mall, restaurant, hairdresser or even at home.

Dr Windsor Holden, Principal Analyst at Juniper Research, commented recently on the potential of mobile TV in Brazil: "Sports broadcasting and the evolution of mobile TV go hand-in-hand. Given the football-mad Brazilians and the World

“Mobile TV is generally speaking a joint venture between broadcasters - and mobile operators. Typically, the infrastructure is laid by a broadcaster, and the service is then offered by the broadcasters themselves as a free-to-air, dedicated service and by the mobile operator - as part of the rich media bouquet offered on the carrier’s mobile phones.”

Cup in 2010, and with Brazil also hosting the 2016 Olympic Games, there’s fertile ground for mobile TV to really take-off. With the help of major sporting events in the coming years, Brazil could prove the first market in South America to make mobile TV a success.”

Mobile Digital TV (*MDTV*) services are already available in more than 40 cities in Brazil, covering a population of more than 70 million. These services are being offered for free, with concrete plans to introduce advanced data and interactive services in 2011, creating exciting new revenue generation possibilities for the various players involved.

Mobile TV is expected to be a boom for the telco and consumer electronics industries in Brazil. A BRIC country (Brazil, Russia, India and China) with a stable political infrastructure and a flourishing economy, the dynamic Brazilian market represents huge potential for Mobile Digital Television (*MDTV*). With the third highest television revenues in the world, a 189 million strong nation of sport lovers and phenomenal recent growth of the mobile communications industry, much fertile ground exists for the burgeoning *MDTV* market. Coupled with the favourable economic foundations, the Brazilian Government is mandating an analogue-switch-off and an extremely attractive business model of free-to-the-users services, aimed at delivering a new TV experience to the Brazilian people.

Key statistics and the big picture

It goes further. The numbers tell a clear story. Almost 93 per cent of Brazilians 14 years old or over watch television and nearly 43 per cent spend more than three hours a day in front of a TV. Almost 95 per cent of Brazilian homes have at least one TV set. Brazil has the third-highest television revenues in the world. The number of cell phones in Brazil is already very close to surpassing the rate of one phone per person, according to recent data.

These statistics show that the convergence between TV and mobile devices is bound to happen within a short period of time. The successful growth of mobile TV will completely change the way that television content is absorbed. In addition to widely expanding the option of when and where viewers can watch TV, it would also mean the rise of a new reality for advertising agencies and advertisers, who will be able to reach their audiences no matter where they are. It’s worth noting that Brazil is the world’s third fastest growing country in TV advertising, paving the way for mobile TV broadcasts to penetrate this market.

Furthermore, as the early bird and catalyst for adoption of new technologies in Latin America, Brazil will be the blueprint for the successful rollout of mobile digital TV services throughout the entire Latin American market. Having recently debuted *MDTV* services in Argentina and Chile, other countries are very likely to join, including Uruguay, Peru, Venezuela, Bolivia and Paraguay. These countries are expected to launch services within the next year. Overall, this has the potential to generate one of the largest unified Mobile DTV markets worldwide, totalling more than 300 million potential viewers.

How will it work?

Mobile TV is generally speaking a joint venture between broadcasters - and mobile operators. Typically, the infrastructure is laid by a broadcaster, and the service is then offered by the broadcasters themselves as a free-to-air, dedicated service and by the mobile operator - as part of the rich media bouquet offered on the carrier’s mobile phones. In most cases the content will be regular TV content such as sports, news, soap operas, talk shows and adult entertainment, with the exception of movie channels. In the case of mobile phones, obviously a phone maker manufactures the actual device, which is then marketed, by the mobile operator, and then the end user can experience the programming. To give an actual example, earlier this year Vivo began marketing a 3G data card designed by ZTE. The data card enables

viewing of 13 DTV channels comprised of Sports, News and Entertainment. The end user can insert the card into any standard notebook, netbook, or desktop PC to enjoy the mobile TV viewing experience.

On the consumer electronics part of the market, manufacturers that produce PND’s (*portable navigation devices*), PMP’s (*portable media players*) - and other such devices that are able to receive the broadcast signal freely - can simply design and market such devices directly to the consumer via retail stores.

To further increase the potential in broadcast TV, Brazil has also chosen a mobile TV business model that has proven successful in other regions around the world. The service in Brazil will be free of charge - at least for the first couple of years, as in Korea and Japan where mobile TV has been most successful.

Brazil has a very significant and fast-growing market for TV-ads, a huge and enthusiastic base of TV consumers, and a phenomenal growing market for mobile subscribers. With a flourishing economy and a rapidly growing number of mobile phone and portable computer users, Brazil is fertile ground for a rapidly expanding mobile TV market.

Beyond Brazil, other Latin American countries also have a quite high potential for successful mobile TV deployment. With a unified standard, and with content-hungry populations, the sky is the limit for mobile TV in Brazil and in the greater Latin American region. The country’s adoption of mobile digital TV cannot be overstated. It is the test bed and the crucible for the industry in Latin America. Success in Brazil, and the lessons learned there, will pave the way for the mobile TV revolution throughout the continent. ●