

## **Eureca Research forecasts 29.5 million mobile TV phones using the Digital Audio Broadcasting (DAB) standard by 2010**

### **Personal music players, portable video players and mobile PCs equipped with DAB chipsets will account for an additional 20.5 million units**

**Bangor, Wales, UK, 21<sup>st</sup> October 2005** - Developments in broadcast technologies means that it is now possible to deliver TV and a range of multimedia content reliably to small hand-held devices such as mobile phones. This has given rise to a new business – termed mobile multimedia broadcast services (MMBS) – which will bring about the convergence of the mobile and broadcast industries.

As with any emerging business, there is a bewildering array of different technology platforms to consider, ranging from a number of digital radio and proprietary satellite multimedia standards to TV-based standards such as DVB-H and ISDB-T.

Eureca Research believes that the Eureka-147 DAB standard offers an interesting lower risk alternative to most other technology platforms. “I expect to see a significant acceleration in the take-up of digital radio via DAB during the next 12-18 months as more spectrum becomes available in the all-important VHF band” said Gareth Owen, Research Director at Eureca Research. “Concerns about the spectrum efficiency of the Eureka-147 standard should be dispelled with the launch of the new DAB v2 standard which incorporates AAC+ codec technology” he added.

With mobile TV being such a hot topic nowadays, Eureca believes that many countries will use a lot of the new spectrum for mobile TV-type services and that the present 20 per cent data limit on DAB multiplexes will be relaxed in most countries, which would lead to more capacity.

Commercial mobile TV services based on the Eureka-147 DAB standard will commence in the UK and South Korea in early 2006. Increasing interest in other parts of Asia, particularly China, and in several European countries, means that Eureka-147-based technology could become a second global standard rivalling DVB-H, providing it can attract wider support amongst handset vendors. Clearly, a lot will depend on progress in the UK and South Korea during 2006.

Eureca Research believes that MMBS growth in Europe will be led by DAB-IP and T-DMB services, initially using shared capacity on existing DAB networks, with new DAB networks dedicated to MMBS becoming available in 2006 and 2007. In the medium to long term, the terrestrial MMBS landscape will consist of numerous smaller capacity DAB networks (many offering free-to-air services) and one or possibly two higher capacity DVB-H networks per country.

Mobile broadcast technologies will also be incorporated into a number of non-phone consumer devices such as personal music players, portable video players and mobile PCs.

“I believe that all new personal music players will be wirelessly-enabled by the end of 2010 and the majority of these will be equipped with DAB technology” said Owen. The first personal music player capable of downloading music from a DAB broadcast stream will be launched in early 2006. “Radio broadcasters are well-positioned to capitalise on the boom in music downloads and this could become a significant market opportunity for the radio industry” he added.

The recent launch of the video iPod from Apple could kick-start the market for portable video players and video download services. PVR vendors are preparing to launch a range of portable players which can be connected to a PVR via a USB connection, and which will enable pay-TV subscribers to download stored content to a portable device for viewing on-the-go. These devices will increasingly become equipped with a variety of MMBS technologies such as DAB-IP/T-DMB and DVB-H.

Eureca Research forecasts that the installed base of broadcast-enabled mobile phones will increase from approximately 450,000 at the end of 2005 to 155.5 million units at the end of 2010 representing a Compound Annual Growth Rate (CAGR) of 104.8 per cent.

Eureca also forecasts that the market value of these phones will increase at a CAGR of 40.2 per cent in the period 2005-2010 and will represent a €13.5 billion market opportunity for manufacturers in 2010.

Mobile phones using the DAB standard will account for 29.5 million units or 19% of the total global market representing a cumulative market opportunity of €0.1 billion for device manufacturers in the period 2005-2010.

### **About the Study:**

“**Mobile Multimedia Broadcasting – Opportunity or threat to mobile operators?**” is a 220-page, non-commissioned, independent report providing an objective analysis of the market potential of new mobile broadcasting services during the next 5 years. As well as detailed comparison of the various technology platforms and a discussion of key business issues, the report also provides a detailed analysis of spectrum availability in Europe and the latest information on MMBS trials and commercial services.

A key feature of the report is a 35-page review of the global roll-out of digital radio – both terrestrial and satellite - detailing how existing digital radio networks are being used to deliver multimedia content today, and how digital radio broadcasting can be used to offer mobile TV and music downloads services with minimal investment in network infrastructure.

Detailed 5-year global forecasts of MMBS growth broken down by technology and by region are provided, including forecasts for non-phone devices such as personal music players, portable video players, mobile PCs and automotive devices, which will also be equipped with mobile broadcast receivers.

Almost 100 interviews were undertaken to research this study, including interviews with regulators in 17 European countries in order to provide the most up-to-date spectrum and regulatory picture for mobile broadcast services.

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