



**NRK, pioneer**

*John Bernander, Director General, NRK*



# pioneers

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*Director General, NRK*

We are all experimenting in the field of the mobile TV market . . .

. . . but NRK has been one of the early starters.

If we look at some of Norway's demographics, we have reached a stage where there are 4.5 million Norwegians and even more mobile phones. We know that 500,000 mobile phones have video players and more than 150,000 have 3G access.

We also saw that with the start of the football season this summer, we had more than a 30% increase in the number of downloads. Like most other broadcasters, we have seen that on-demand highlights for sports events, and in particular football, are a big driver behind mobile telephony.

The mobile phone market is one that is viable for us and for which we are providing content that is of value to the user. We have readily available content that is used by those who have the technical capacity to take advantage of it. And that is what mobile telephony is all about!

## 139 seconds

What is quite astonishing is that the average viewing time per download is 2 minutes and 19 seconds. That is quite a lot. People also download on a one-to-one basis – albeit uneconomically – short clips when we run special highlights from drama series and light entertainment programmes. This market is still being developed but we must rationalize the downloading clip time so that it is more cost-effective for the consumer.

There is a very strong market potential for live streams, in particular news bulletins or push services that can reach people wherever they are and when they expect they should be notified. Research indicates that newscasts, along with football, are the most popular downloads.

NRK has developed both commercial and non-commercial products. The former are paid either through subscription, billing by the minute or per download. And this leads us to one of the important issues: how do we develop this market?

The Norwegian market is fairly mature. A recent survey indicates that 6% of the population has actually tried mobile television, and the demographics show that this figure is

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largely made up of a younger audience. When content from one of these platforms experiences a 30% monthly increase, it is because we are reaching the younger audience. It is not the late movers who are driving this.

There are a number of other interesting figures that are encouraging for the development of mobile telephony: 72% say that they want their next phone to have this possibility, 50% prefer downloads and 42% are satisfied with streaming. Therefore downloading has a large market potential for the mobile phone as a telephony vehicle.

## Charging

However, the choice of method to charge for commercial services is a little less clear cut as there is an impression that it depends on the types of service and viewer: though 53% of users would prefer monthly fees, nearly one half of the remaining 47% prefer price per minute and the other half price per clip per programme.

I would suspect that the late movers would probably go more for subscription, particularly those who are seeking NRK's content. For example, subscriptions for monthly

news bulletins or push-news would cater for the more mature audiences who have more brand recognition than younger audiences. And different services have to be developed for the younger crowd.

In Oslo we have tested DMB, which is based on the existing DAB network. The DAB network has proved extremely efficient in providing television signals for mobile users. Whether DMB or DVB-H is chosen, there is one thing that unites both systems and it's that little strange vehicle that we all carry in our pocket – the mobile. And it is its mobility which makes it the ideal vehicle for the phone, radio, television, etc. and which gives it such a great market potential.

Let us muse over the idea of public service on new vehicles. Is this all just a commercial game? No, it isn't. It gives broadcasters more chance to provide signals in a more efficient manner to minorities, for example we have on-demand services for people with hearing disabilities and for indigenous people we have news in Sami which they can easily access. So again, mobile TV gives access to those who need it, when they want it.

There have been changes to broadcasting regulations in Norway and it

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is now laid down in NRK's statutes that the public service broadcaster must be available on all platforms, wherever there is public demand for it. The mobile telephony trials that we are currently conducting in Norway clearly show that we are fulfilling our statutory obligations and, indeed, what we are doing is important. However, it is vital to find the drivers that build on traditional public service values, where we are a necessity.

On the access side, we have been able to restrain access to only known addresses in Norway. This is of course essential because, if you take the example of the last Olympics, there would have been no way that we could have used this content or used the rights that NRK had actually paid for unless we would have been able to guarantee access restrictions.

## Demand

As public service broadcasters we already have the content to satisfy the demand for mobile TV. So what could stop us? Well, there are several challenges.

The first is the lack of access to rights. The need to secure mobile rights is extremely important so that these can be developed whenever we decide.

The second is statutory restrictions. Should public service broadcasters be in these markets? My opinion is: Yes, we should be there whether it is for strict traditional public service reasons or because PSBs use mobile telephony to market their potential.

Finally, if we do not, or are not allowed, to enter this market and apply commercial logic practices, we

will simply be shut out because we will not be the preferred partners for the telcos. If we cannot provide telcos with extra revenue because we simply hand out free services to all, then they will turn to commercial partners who will give them something back either through exclusivity or revenue paid to present their services. If we do not face up to this we will gradually be marginalized or even totally excluded. So we need to walk the tightrope, do the balancing act and combine our potential commercial capacities with traditional public service products. It is only if we understand and apply this logic that we will eventually succeed.

But it is not only enough to be there. We also have to market ourselves and use our television channels to promote what we are doing today on the mobile.

