



## Mobile Movies

by Jeff Goldman

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*Will the future range of mobile entertainment eventually include film and television? Sure—but the hit shows will come in a format that none of us can even begin to imagine.*

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You're killing time waiting for the bus. It's a hot day, and there's nothing to do. You glance down the street, and there's no movement in sight: it's going to be at least ten more minutes before your ride shows up.

Hey, why not pull out your phone and watch the latest mobile movie?

As content providers search for the best way to entertain wireless users, the most obvious choices may be games, news, and sports clips—but as higher-bandwidth networks become a reality, something closer to film and television will also be a key part of the equation.

What will it look like?

Andy Nulman, President of Airborne Entertainment ([www.airborne-e.com](http://www.airborne-e.com)), says it's anybody's guess. "I guarantee you—and please, mark my words and put them in a time capsule for a couple of decades down the line—there will be video on the phones, but the use of it is going to be very different from what we think it's going to be," he said.

### Opening up to Mobility

Mobile devices, including phones and PDAs, are increasing in functionality at an amazing speed—and consumer interest in these enhancements, from color screens to MP3 players, is huge. Even with the economic downturn in the US, Compaq shipped its one millionth iPAQ in June: with that kind of activity, it was just a matter of time before the entertainment industry took notice.

And Rob Tercek, Vice President of Applications and Sales for PacketVideo ([www.packetvideo.com](http://www.packetvideo.com)), notes that wireless deployment is finally getting the attention it deserves. "The media companies have responded very enthusiastically to the prospect of mobile multimedia," he said. "They like the idea because their challenge is to get additional viewers, and they're not particular about which network those viewers are on."

Now that the big guys are paying attention, he says, the playing field has been leveled. "It's a chance for content companies now to get into all types of distribution," he said. "One thing you'll see is that some of the traditional media

giants, the big studios who make TV and movies, they're right up there next to streaming video companies from the web."

That's a huge—and very recent—shift. Tercek notes that there's now a digital distribution strategy, including wireless distribution, in place at pretty much every major media company—when only a year ago, most of those same companies were doing everything they could to halt digital distribution; the shutdown of Napster is the most prominent example.

Studios are now exploring everything from selling music downloads online to distributing films digitally to theatres. MovieFly ([www.moviefly.com](http://www.moviefly.com)), a partnership announced last month between MGM, Sony, Paramount, Universal, and Warner Brothers, will enable streaming video delivery of studio features—and, Tercek says, wireless is next. "We're starting to see a flood of interest in distribution over wireless," he said.

### **Better than the Internet**

And popular acceptance of the MPEG-4 standard will help enormously. Matt Thomas, Director of Product Marketing at Emblaze ([www.emblaze.com](http://www.emblaze.com)), observes that with a single standard, you don't have to worry about filling up your phone with players for a half dozen different formats, like you have to for the Internet—players like RealPlayer, Windows Media Player, QuickTime, and others.

"Being MPEG-4 compliant makes it very easy for the content provider to offer their services to multiple carriers worldwide, because they only have to create their content in a single interoperable format," Thomas said. "In the MPEG-4 space the characteristics are all the same, because we started from the beginning: we started creating standards from the ground up."

And, he contends, that's a key reason why wireless streaming media will succeed while web-based streaming media continues to struggle. Content providers don't have to worry about picking the winning side in the standards war, because the field is united—and that means they can develop and deploy content faster, with greater confidence.

Tercek notes that, standards aside, the real battle will lie in getting consumers to crave mobile entertainment—an area in which Asia is already far ahead of the US and Europe. Consumers in the West largely see mobile devices as extensions of the office, while the popularity of i-mode in Japan has already focused consumers' expectations on entertainment.

Early ads in Europe, Tercek recalls, focused on selling WAP as a business productivity tool, while in Japan, ads for i-mode generally showed teenagers chatting and sending each other smiley faces. "The lesson of i-mode is that they've been marketing what the service actually can do, and they market it in a way that makes it pleasant, appealing, and fun to people," he said. The challenge will be for companies in Europe and the US to do the same, successfully shifting consumers' attention to the entertainment capabilities of their phones.

Even then, it'll great to be popular, but how will it make money?

### **At a Theatre Near You**

Kate Connally, Director of Business Development at AtomShockwave ([www.atomshockwave.com](http://www.atomshockwave.com)), says the most obvious way for mobile streaming video to be profitable is to promote content that's valued elsewhere, like streaming a preview for a film that's being shown in theatres. "It can be a very effective promotional platform for larger format entertainment," she said.

A video on Nokia's Mobile Internet page ([www.nokia.com/networks/mobile\\_internet/download.html](http://www.nokia.com/networks/mobile_internet/download.html)) shows a man using mobile messaging to book theatre tickets for a date that evening. Just using text, the capabilities are impressive; but imagine how much more attractive it would be to book those tickets on a phone if you could view short clips of each movie or show you're thinking of seeing.

Thomas suggests that a combination of that kind of offering with location-based services could provide consumers with unique functionality. Take the Nokia example from above, and let's say you're suddenly struck with the urge to catch a movie: not only could your phone show you previews of the hot films that are out right now, it could organize them in order of the proximity of the theatres that are screening them.

It's that kind of functionality, says Tercek, that's most appropriate for phones and PDAs: we're never going to sit down to watch a full-length movie on a phone, but other things are perfectly suited for mobile devices. "A trailer? Absolutely," he said. "A promo for a TV show? Absolutely. Mobile users are very, very active users. They want to graze; they want to skim the stuff and move on—they want short bursts of information."

Tercek says it's all about adding purpose to the content you provide. "People want instant access, through an always-on network, to information at their fingertips," he said. "That might be a city guide; that might be traffic or weather or news updates. But it might also be movie trailers, which is information that verges on entertainment; a lot of things are information combined with entertainment."

And a key factor in profitability is that wireless, unlike the Internet, is targeted at a specific user group. "Wireless is an extremely local business," Tercek said. "It's not like the Internet, where you publish a web site and it reaches the whole world." Rather than simply publishing content and hoping that viewers will come to your site, content providers on mobile phones have the benefit of a captive audience.

That combination of purpose, entertainment, and a subscriber base could be a gold mine. "Every person using a wireless phone is a subscriber from day one," Tercek said. "There's a business model there, and this is great news for carriers who've invested billions in wireless spectrum and infrastructure, because they desperately need to introduce premium services—and video is a very good premium service."

### **Only On Your Phone**

What about that mobile movie? Connally notes that there's one more way to guarantee income that doesn't limit you to streaming previews and promos: offer something entirely unique. "Our biggest hope for getting money directly from the consumer is that we're providing them something they can't get any place else," she said.

That doesn't mean, she says, that it won't be something like television or film—but the true brass ring is going to be on a completely different level. "To really get the killer application, the thing that's really going to grow the market, you've got to look for differentiated content," she said.

How different is different? Nulman suggests that those of us who grew up with television and movies can't perceive of a medium so unlike all the others that it truly breaks the mold. It's the twenty year olds of today, he says, who are going to come up with the killer apps, because they're not stuck in the preconceptions tied to film and television.

And the possibilities, he contends, are huge. Radio, film, and television all created stars, but the stars of the Internet are companies and entrepreneurs—wireless, Nulman says, is made for entertainment. The Internet has to compete with the television that's often sitting in the same room, while wireless, wherever you're using it, is usually the only entertainment of its kind available in that space. That fact alone is enough to justify a whole new breed of entertainment.

What will it be like? Think short, think funny, think interactive—but don't think too hard. "Anybody who says they know is a liar," Nulman said. "We're all in the same boat: we're all testing, trying, and hoping. One of us will find it—but remember, when somebody found the magic formula with television, it opened up a whole brand new industry, and there's been hundreds of zillionaires that have come out of the TV business. The same thing's going to happen here."