

# Content: finding a voice for video

19 September 2007

"We actually started off developing protocol stacks for 324M [the 3GPP umbrella protocol for video telephony in 3G mobile networks]. We helped drive some of the ITU standards that enabled mobile video, moved into test equipment a couple of years later and did our first video gateway about three years ago, just after 3G networks were being built out and people started rolling out video. So we have been at it a long time."

But enabling video applications is sometimes not enough on its own - or so converged video solutions specialist Dilithium Networks eventually decided. Mitch Lewis, senior vice president/general manager, service providers business unit and corporate marketing, continues: "The other fundamental change - about a year ago - was moving directly into applications. We've always enabled applications like video mail, video conferencing and video telephony. Part of what happened was we needed to do two things: one was to help move the market along, to roll out more video. The second was to move up the value chain as well." The result was a service creation environment called ViVAS on which the company develops its own applications.

If you're moving from enabling to creating applications, you would in all likelihood have formed some opinions about how people want to access them, and sure enough Lewis says: "We think it's quality and simplicity: not having to go into a WAP browser and poke around; you lose about ten per cent of your customers every time you have to click further down."

Turning to the ways in which mobile video can be effectively monetised, one trend - taking pictures or recording videos on the move - is clearly a major contender. If the full YouTube experience is difficult to replicate on mobile, then the next best thing is to use mobile's strengths in other ways to support activities related to this and similar sites. For Dilithium social networking has been a major focus for some while. Clearly people would take a video from the mobile phone and upload it directly if it was simple and easy to do - and that is what Dilithium claims to have enabled.

"The video blogging solution we have allows you to upload directly from your mobile phone through a simple 1,2,3 menu and allows you to post it to YouTube or a social networking site of your pre-choosing," says Lewis. "You don't have to go back, synchronise your mobile with your PC and upload it from your PC."

A market for this certainly exists - and not necessarily just the popularly cited 18-25-year-old segment. It could, says Lewis, be a lot younger. In fact he feels the only thing standing in the way of a 12-and-up market is 3G handset penetration; this, however, is starting to grow as such handsets become cheaper. What isn't happening, however, is coherent pricing of services.

"It is a concern of ours because there is too high pricing in some markets," says Lewis. "We would like pricing to decline and, obviously, traffic to go up - especially with voice revenue flattening out."

It's a surprise in a way that pricing isn't more aggressive given that many operators are still looking for ways to fill up their 3G networks. "We say that a lot," Lewis agrees. "The reason 3G networks were built was not for voice; they were built for high-speed data and multimedia."

True enough, but why is video appropriate? Not just technology but timing make it relevant, it seems. "Consumer awareness of video is not where it was a year and a half ago," says Lewis. It has evidently moved rapidly forward - for a number of good reasons: MySpace, YouTube, the iPhone and video iPods among them. These products or sites and the trends they encourage are now a powerful presence in the communications market, but they either did not exist or were still taking off 18 months ago.

Hence video blogging. But that's not the only way to adapt video to a popular trend. Video ringback is a new way of exploiting a multi-billion-dollar ringtone/ringback market and promoting video at the same time. It's also a way of monetising what would otherwise be revenue-free time.

As is ensuring that an owner of a video-enabled phone completes a call made to someone who doesn't own a similar phone. That's where Dilithium's video call completion concept comes in. This simply means that when the person you are video calling can't access video an avatar or static image takes the place of video on their phone screen and your call is completed as a voice call.

The point of all these innovations is clearly twofold: to encourage use of video by finding attractive models is one. Lewis explains: "We've been working on video ringback for about two years - long before the market really existed. It's less about enhancing the technology and more about being innovative and developing new video applications. We have to drive the market since it doesn't exist in many places today. So we try to sort out solutions such as video call completion to help people use video more often."

And that's the other point - to ensure the call is made. Hence call completion. It may not actually be video but it promotes the service and you at least complete the call, which is what the operator community care about.

But will video take off now? Part of the reason many 3G networks are underexploited is that voice is still a safer bet than many, possibly more appropriate, applications. But, as we have been saying for years, it can't last forever. The networks are there, the technology is there, the trends are there. Add attractive pricing and reliable and fast access and perhaps this could finally be mobile video's year.