

# INDIVIDUALISED TV WILL BE A BOON FOR CONSUMERS AND NETWORK OPERATORS

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**The emerging “Individual TV Experience” will offer consumers an amazing new world of television viewing, while offering significant opportunities – and – challenges – for network operators and service providers.**

This week Ericsson brings its Televisionary Roadshow to Australia, showcasing new technologies and services designed for the emerging television and video market. The company will share its vision for a future of personalised, interactive communication services available across all three screens - TV, PC and mobile - which Ericsson has termed the “Individual TV Experience.”

Drawing on a wide range of the latest global research, Ericsson highlights several key industry developments:

- The three driving factors behind television’s evolution are new consumer behaviour, digitisation of content, and broadband penetration
- The market opportunity for consumer multimedia services is vast and TV/video will be the largest segment in the global multimedia business by 2011
- Data traffic will grow tenfold by 2012, with TV/video the largest component of fixed networks
- Universal network transformation of networks, both wireline and wireless, is required in order to support the demands of high-quality TV and video delivery

The Ericsson Televisionary Roadshow also brings a number of live technology demonstrations to Australia for the first time, including:

- MeOnTV over mobile broadband – enabling live video participation in TV shows
- Sharing video between three screens, using IMS
- On Device Portal – providing an active desktop on the mobile phone
- IPTV – delivering high-quality on-demand and broadcast content over a managed IP network
- Embedded HSPA modules – providing laptops with in-built mobile broadband

## **The Individual TV Experience**

The television experience, and the way in which consumers regard it, is changing rapidly. Ericsson foresees that the individual television experience will be the key driver of business growth for the telecoms sector over the next 10 years. The opportunities presented by television are set to underpin a broader strategic shift in the industry, requiring new business approaches, models and technologies. All players are faced with critical decisions about what role they will take.

IDC global research commissioned by Ericsson forecasts that the global market for consumer digital multimedia presents a massive revenue opportunity for service providers, growing from US\$27 billion in 2006 to US\$149 billion in 2011. TV/video will surpass VoIP as the largest revenue source, and the global TV/video market will grow from US\$3 billion in 2006 to US\$35 billion in 2011.

In Australia, the fastest growing segment is TV/video, growing at a Compound Annual Growth Rate (CAGR) of 116 percent from US\$51M to US\$419M in 2011, representing 43 percent of the projected total consumer multimedia market. As fixed and mobile broadband users increase, TV/video will overtake the audio/music segment as the largest revenue generator, in keeping with global and regional trends.

According to Kursten Leins, Strategic Marketing Manager - Multimedia, Ericsson Australia, the extent of network transformation required is far-reaching, impacting all layers including service-layer, core, edge and access network elements.

"Video services, such as IPTV, WebTV and Mobile TV, will account for the vast majority of network traffic in the near future. However, this will pose significant challenges for Australian broadband networks, both fixed and wireless, as the delivery of high-quality video services requires new network capabilities such as broadcast and multicast, as well as guaranteed Quality of Service," said Mr Leins.

"Operators are already seeing their networks swamped by file sharing and video traffic, such as in the UK with the BBC's recent launch of the iPlayer. These trends, combined with massive capacity growth driven by video and TV, will require operators to re-architect their networks for the new individual TV experience," he added.

In addition to building next generation networks, operators and internet service providers will need to look at new ways of differentiating their service offerings to customers, with video and integrated communications offerings being the key to attract and retain customers.

"Advancements in fixed broadband technologies will see FTTx and VDSL2 networks today deliver up to 100Mbps, which will support multiple concurrent High Definition (HD) video streams per household. By 2009, mobile networks will deliver up to 42Mbps (with HSPA evolved) and by 2010 up to 100Mbps (with Long Term Evolution or LTE). However, this represents only the 'last mile' of access to the end-user, whereas the delivery of mass-market video requires a complete end-to-end network view.

"Higher network access speeds demand smarter traffic handling upstream in the network, where broadcast and multicast capabilities are essential to support mass-market video services, otherwise traffic bottlenecks will occur and TV/video services will degrade," said Mr Leins.

### **Ericsson Solutions**

"Ericsson sees this evolution as a step change for the entire industry that offers significant opportunities for operators and broadcasters; so much so that we have made significant strategic investments with the recent acquisitions of Tandberg Television and Redback Networks," said Mr Leins.

Ericsson's Televisionary Campaign was launched globally in February 2008 and targets the growing TV market. Ericsson now offers a complete end-to-end IPTV and mobile TV solution based on its open-architecture approach for full service broadband, ecosystem leadership and extensive consumer insights. This includes multimedia solutions, network infrastructure, IP Multimedia System (IMS), advertising solutions, as well as the professional services and support necessary to implement them.

"Ericsson personalised communication with the introduction of mobile phone networks in the 1980s, personalised broadband in 2006 and 2007 with HSPA launched globally, and is now driving the individual TV experience through global standardisation initiatives such as IMS, the Digital Living Network Alliance and co-founding the Open IPTV forum," said Mr Leins.

## **IPTV**

IPTV represents an initial step towards the Individual TV Experience. Worldwide, there have been around 650 IPTV commercial launches, including both IPTV and Web/Internet TV, with Ericsson technology used in six of the of 10 largest IPTV deployments.

IPTV is having a huge impact on operators as they become transformed into media and lifestyle providers. Leading overseas IPTV operators, such as PCCW in Hong Kong and AT&T and Verizon in the US, have strong content, combined with such features as network PVR and Time-Shift playback capability.

However, their experience shows that IPTV services require robust, high-performance broadband networks as consumers will not tolerate pixelisation or picture freeze. This has architectural implications for the entire network, from the household to the core network.

## **Mobile TV**

Around 170 mobile TV services have been launched around the world, the vast majority over 3G or HSPA networks, with Ericsson supplying 60 of these.

Successful Mobile TV operators overseas, including Vodafone UK, Verizon, and Swisscom, have introduced innovations such as free trials, flat rate pricing, fast channel switching, and interactivity to drive their growth.

***More information on Ericsson's Televisionary campaign can be found at:***

<http://www.ericsson.com/campaign/televisionary>

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*Ericsson is the world's leading provider of technology and services to telecom operators. The market leader in 2G and 3G mobile technologies, Ericsson supplies communications services and manages networks that serve more than 120 million subscribers. The company's portfolio comprises mobile and fixed network infrastructure, and broadband and multimedia solutions for operators, enterprises and developers. The Sony Ericsson joint venture provides consumers with feature-rich personal mobile devices.*

*Ericsson is advancing its vision of 'communication for all' through innovation, technology, and sustainable business solutions. Working in 175 countries, more than 70,000 employees generated revenue of USD 27.9 billion (SEK 189 billion) in 2007. Founded in 1876 and headquartered in Stockholm, Sweden, Ericsson is listed on the Stockholm, London and NASDAQ stock exchanges.*

*For more information, visit [www.ericsson.com](http://www.ericsson.com) or [www.ericsson.mobi](http://www.ericsson.mobi).*

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**FOR FURTHER INFORMATION, PLEASE CONTACT**

John Papanidis

External Relations Manager

Ericsson Australia

Tel: +61 (0)2 9111 4412

Mob: +61 (0)401 237 854

E-Mail: [john.papanidis@ericsson.com](mailto:john.papanidis@ericsson.com)