

Service operators and content providers in Asia-Pacific stand to gain from new offering

Qualcomm touts mobile TV for growth

Frederick Yeung

Qualcomm, the United States-based chip developer for mobile technology, says mobile television services will be a new growth engine for both mobile operators and content providers in the Asia-Pacific region.

Technology-savvy consumers in cities such as Hong Kong and Singapore will be especially receptive to television programmes and online chat rooms available through mobile devices, according to May Oh, the head of Qualcomm's MediaFLO Technologies in Greater China and India.

The company, which holds the patent to code division multiple ac-

cess mobile technology, is now promoting its MediaFLO digital terrestrial mobile television technology around the world following its launch in the US last year.

Mobile television is the new kid on the block in terms of the convergence of media and telecommunications. For operators, it is expected to be an entry point to bundling traditional voice, mobile entertainment and internet access services under one umbrella.

With traditional voice tariffs under pressure, the service also gives birth to new business opportunities such as mobile advertising.

While mobile television in the Asia-Pacific region is still largely in the trial stage, market watchers say it

could start to become a real revenue generator by 2013.

According to research house Frost and Sullivan, revenue from mobile video services in 12 Asia-Pacific countries excluding Japan will reach US\$1.88 billion by 2013, a compound growth rate of 27.4 per cent.

Datamonitor estimates that there will be 155.6 million mobile television subscribers by the end of 2010.

The mobile television business has the advantage of not being stuck with existing technology. For example, the digital terrestrial mobile television platform uses a new transmission network to deliver signals.

Bundling joy

The service allows users on the go to watch TV and chat to friends online

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\$1.88b

"The mobile television service can be viewed not only with mobile phones but also with other devices such as personal multimedia players which could boost the penetration of the service," said Qualcomm's Ms Oh.

It would allow users to watch television on the go and at the same time chat with friends online, she said.

However, there is still no clear direction on whether the new services set to be rolled out over the next few years will encompass a free or a user pays model.

Ms Oh said that after Qualcomm conducted a trial in Taiwan last year, it found mobile subscribers would be prepared to pay NT\$150

(HK\$38.47) to NT\$200 per month for a mobile television service.

"For a market like Korea, which has more than 10 million mobile television devices, it could be a good option for an advertising-only model, which means users do not pay for the service," Ms Oh said.

"However, the role of content providers may not be the key in a free model as advertisers focus on the user base, rather than content."

Ms Oh believed that a mixture of subscription and advertising-based models could be the best option as the business could establish a sound foundation from subscription revenue in the initial stages.

In Hong Kong, the government plans to issue licences for mobile

television next year with the service to be launched in 2010.

The service is on trial in other markets such as Taiwan, Malaysia, Singapore and India.

PCCW and Television Broadcasts joined hands to trial MediaFLO technologies last year.

MediaFLO has already kicked off in the US, with AT&T and Verizon carrying the service for their subscribers. More than six handsets and devices are currently compatible with the technology.

However, in Europe, another technology – digital video broadcasting-handheld (DVB-H) – is dominant in the market and has the backing of mobile-telephone giant Nokia.

Social networking sites take language learning out of classroom

Sherman So

Many would suggest the best way to learn a foreign language is to be surrounded with native speakers. If travelling abroad is not an option, a broadband-connected personal computer may do the job – bringing native speakers within reach over the internet for hours of practice.

That is the idea behind Shanghai-based italki.com, a free social networking website focused on language learning, and Beijing-headquartered Idapted.com, which supports professional language training.

"It's a twist to the original Web 2.0 concept," said William Bao Bean, director of the privately held italki and a partner at venture capital firm Softbank China and India Holdings. "Instead of just making friends online, why not find a language partner who can teach you English or Spanish, while you teach him or her Chinese?"

Launched last December after receiving its first round of funding in July, italki has joined a nascent group of social networking sites integrated with language-learning services.

Competitors include United States-based Livemocha.com, established in September, and VoxSwap.com, set up in Britain in January.

These language training-dedicated, free social networks enable their users to practise with other members – aided by online communications tools like Skype, and essential peripherals such as webcam and microphones attached to their personal computers. Quality of training is not guaranteed, but the service is free and more interesting than traditional classroom language programmes.

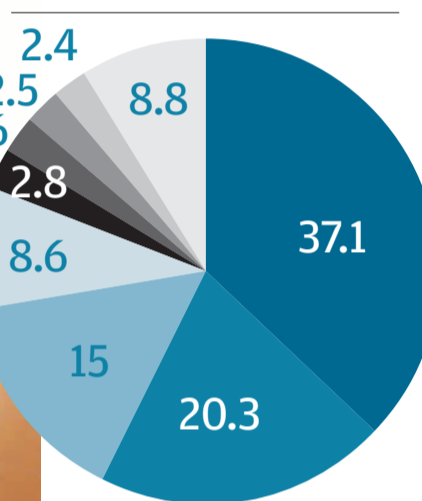
So far, italki has attracted 250,000 registered users. In April alone, the site attracted 45,000 new users. About 20 per cent of its users are from the mainland and the rest spread across the globe, including 7 per cent from the United States, 4 per cent in India and 2 per cent in France.

Speech patterns



SCMP GRAPHIC

Traffic by language (%)



- ▶ English
- ▶ Chinese
- ▶ Spanish
- ▶ French
- ▶ Russian
- ▶ German
- ▶ Portuguese
- ▶ Arabic
- ▶ Others

Traffic by nation

Country of origin	Apr 08 (%)
China	20
United States	7
India	4
Egypt	4
Columbia	3
Morocco	3
Brazil	3
Algeria	3
Germany	3
Saudi Arabia	2
Russia	2
Mexico	2
Peru	2
France	2
Italy	2
Britain	2
Turkey	2
Spain	2

SOURCE: ITALKI.COM

While gaining popular use has not been a problem, the next challenge is to generate steady revenues.

"Just like Facebook, we intend to sell advertisements [to raise revenue]," said Mr Bean. "There are many language-learning schools and other advertisers who will find our user base attractive."

While equally enthusiastic about online language learning, Idapted co-founder and chief executive Adrian Li is unconvinced advertising would make a reliable revenue source. "We have thought about a

business like LiveMocha, but there is no revenue model," he said.

Instead, Idapted sells English training courses online. For 2,000 yuan (HK\$2,278) a month or 60 to 70 yuan an hour, each mainland student receives one-on-one language training from members of a US-based network of professional-at-home native speakers using the proprietary Idapted online training system called EQEnglish.

Mr Li said their rates were a bargain compared with a typical one-on-one English lesson on the main-

land with a native speaker that costs up to 300 yuan an hour.

There appears to be a large domestic market for such services. Every year millions of Chinese students take English-language proficiency examinations to study or work abroad. The country's largest private education provider, New Oriental Education & Technology Group, built its empire on such examinations. Beijing-based New Oriental made more than US\$136.4 million in revenue last year.

For International English Lan-

guage Testing System examinations, there were over a million students every year, said Mr Li. And test preparation for IELTS is the top seller on Idapted's menu. It sold over 1,000 hours of English training last month, and it expected to do 10 times more in 12 months.

"Learning a language is an investment. If the quality is good, people are willing to pay," he said. Idapted guarantees students joining its test preparation course for IELTS exam would improve their oral English score by 0.5 on a scale of 9.

What's On

Today

Handsets Asia (IBC Conferences and Event Management Services), Kempinski Hotel Shenzhen. Tel: 86 21 5292 8862; e-mail: register@ibcchina.com.cn

Today to July 10

GreenBuild Asia 2008 (Beacon/Facility Media), Renaissance Harbour View Hotel, Hong Kong. Tel: 2219 011; e-mail: info@BeaconEvents.com; website: www.greenbuildingsasia.com

Tomorrow to July 11

Mobile Payments World 2008 (Magenta Global), Swissotel Merchant Court Hotel, Singapore. Tel: 65 6391 2552; e-mail: register@magenta-global.com.sg; website: www.magenta-global.com.sg/mobillepayments

August 18-20

In-Building Asia Summit 2008 (IIR Telecoms), Langham Place Hotel, Hong Kong. Tel: 44 0 20 7017 7483; e-mail: registrations@iir-telecoms.com; website: www.iir-events.com/IIR-conf/Telecoms

September 2-3

CIO Executive Summit 2008 (Market Intelligence Group), HKCEC. Tel: 2159 4219; e-mail: paul.szeto@mig-events.com

September 17-18

Wireless China Industry Summit (InfoEX-World), The Landmark Tower Hotel, Beijing. Tel: 86 10 6277 1798; e-mail: isabel.shi@infoex.com; website: www.wirelesschina-summit.com

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BT to increase mainland workforce up to 15pc

Jeff Pao

BT Group, formerly British Telecom, plans to expand its workforce on the mainland by 10 to 15 per cent within a year to meet increasing demand from the banking and logistic sectors.

"We will focus on IT development to provide software systems instead of just telecommunications services," said Bill Lam, BT's vice-president for Greater China.

"We have seen rapid growth in the number of our mainland customers, which only represent 20 to 30 per cent of our Chinese customer base at present."

On the mainland, the company's customers include Industrial and Commercial Bank of China, Bank of Communications, Air China Logistics and China Shipping Container Lines.

We have seen rapid growth in the number of our mainland customers

Bill Lam, vice-president for Greater China, BT Group

Multinational customers include Reuters, Nestle and PepsiCo.

China Netcom and China Telecom provide BT with network support in the country while Huawei Technologies and ZTE Corp supply hardware to the company.

"We are now competing with several telecoms giants, which include AT&T in the United States, France Telecom and Deutsche Telekom in Germany, to gain market share on the mainland," said Mr Lam.

BT set up its first representative office in Beijing in 1995 and later established BT China, a wholly foreign-owned enterprise with offices in Beijing and Shanghai.

In September last year, the company's technology and service centre in Dalian, Liaoning province, was opened to provide 24-hour support to customers.

"The Dalian centre meets the operational requirements for North Asian language support for customers in Greater China, Korea and Japan," Mr Lam said. "The centre has become a main service support hub for China."

The company now has about 1,500 employees on the mainland and plans to add more technicians in Dalian. It has about 25,000 employees in Asia-Pacific, mainly based in India.

In February 2006, the London-based company announced a US\$21 billion investment in a global internet protocol-based voice platform named 21st Century Network.

"21st Century Network can help us cut costs in network infrastructure as all its modules, such as billing systems, can be duplicated without hardware investment," said Mr Lam.



HSBC's Peter Brooks says that half of the bank's customers are either "digital natives" or "digital adaptives". Photo: Jonathan Wong

HSBC embarks on hi-tech road to consumer service

Bien Perez

Hongkong and Shanghai Banking Corp, the city's largest retail bank, will deploy a range of technologies – including an application for Apple's iPhone 3G handset – this year to bolster its consumer financial services operations.

Breaking with its traditionally conservative approach to adopting innovation, the bank has formed a new unit called Business Solutions to swiftly identify, evaluate and create prototypes for new technologies beyond the industry's typical channels, such as internet banking.

Peter Brooks, the head of Business Solutions, said this year's projects included application widgets for the online banking page, Wi-fi connection and radio frequency identification (RFID) at all premiere centres, as well as text-to-speech and remote video-conferencing services.

"You can imagine in an organisation of this size, technology projects often are large and can take a reasonable period of time to deliver," Mr Brooks said. "What we're looking for in Business Solutions are short-term deliverable projects which are simple, low-cost and can be developed fast to show how it can add value to the business."

He noted that close to half of HSBC customers were either "digital natives" or "digital adaptives", individuals to whom technology – including instant messaging, blogs social networking and internet search use – "is a big part of their lifestyle".

That led his team to introduce widgets – portable chunks of software code used to add content to a Web page. The free, downloadable widget provides snapshots of the Hang Seng Index, stock quotes, exchange rates and interest rates in a small box with the HSBC logo on the online banking page.

"We're working to take this application to the iPhone 3G and the Touch [portable media player], and

make it available for free via Apple's App Store, hopefully, by this third quarter," Mr Brooks said. He noted the devices' interface suited the widget and provided opportunities for HSBC to build its brand.

Wi-fi services, which started at six premiere centres, will be rolled out in 45 centres within the year. The bank has about 300,000 premiere customers, each of whom has a minimum total relationship balance of HK\$1 million or a foreign-currency equivalent with the bank.

Mr Brooks said RFID and video-conferencing services were likely to be rolled out to those centres. Text-to-speech services, similar to what Towngas provides, will be available in the fourth quarter to all customers.

What we're looking for in Business Solutions are short-term deliverable projects

Peter Brooks, head of business solutions, HSBC

The trend of improving services has not been lost on competitors, especially the Bank of East Asia, which has constantly made upgrades since becoming a major provider of online banking services in Hong Kong, says Vincent Hui, the bank's head of e-distribution. Mr Hui said Bank of East Asia was keen to provide more personalised wireless services.

HSBC's efforts to improve customer-interface functions come at a time when the bank has been hit by negative publicity over security breaches. Last month, a courier lost a tape containing customer data in transit from Guangzhou to Hong Kong. In April, details of 159,000 accounts went missing with a computer server from a Kwun Tong branch.

In Brief

Sina Corp to implement Cisco video-conferencing technology

Mainland online media company Sina Corp, which runs the country's largest web portal sina.com, will implement TelePresence, the high-definition video-conferencing system from United States-based networking equipment maker Cisco Systems, to bolster its domestic services. Four TelePresence systems, purchased from Cisco for an undisclosed sum, will be installed at Sina's studios in Beijing, Shanghai and Guangzhou. Charles Chao Guowei, Sina's president and chief executive, said the co-operation with Cisco would help advance the

company's technology platform and boost its brand-building efforts. Bien Perez

CCTV awards ku6.com rights for Olympics video on demand

National television network China Central Television (CCTV) has awarded ku6.com, a domestic video-sharing website operator, the rights to offer online video-on-demand services for broadcast events during the Beijing Olympic Games next month. Li Shanyou, the chairman and chief executive of ku6.com, said the website would be upgraded under its co-operation with CCTV. Financial terms were not

given. The site, which has also received a broadcast licence from the government, currently has 9 million users and more than 80,000 videos are uploaded everyday. Bien Perez

Huawei wins commercial WiMax network deal for Pakistan

Huawei Technologies, the largest telecommunications equipment manufacturer on the mainland, has won a contract for an undisclosed amount to deploy a commercial WiMax network in Pakistan. The high-speed wireless data system will be set up for Mobilink, the country's largest GSM network operator, and

will cover the central business districts of six major cities, including the capital Islamabad. To date, Huawei has won 19 commercial WiMax contracts in Asia, the Commonwealth of Independent States, North America, Europe, the Middle East and Africa. Bien Perez

Baptist University adopts Moodle e-learning platform from NetApp

Hong Kong Baptist University has adopted key technology from United States-based computer-storage and data-management firm NetApp to implement "Moodle", a real-time online e-learning platform for its students and teachers. The

Moodle course management system, which helps more than 25,000 students and 1,000 teachers, supports online discussions, e-mail exchange, upload and download of course materials, and lecture notes. Joseph Leung, director of the university's Information Technology Services Centre, said the NetApp storage infrastructure, which can handle up to 24 terabytes of data, had helped put in place "a reliable solution to ensure this system works as it should". Bien Perez

Pacnet, Zhong Ren Telecom in mainland joint venture

Telecommunications service

provider Pacnet, formed by the merger of Hong Kong-based submarine cable operator Asia Netcom and Pacific Internet in Singapore, is expanding into the mainland under a new joint venture with Zhong Ren Telecom. The mainland internet service provider and Pacnet will each hold a 50 per cent equity interest in Pacnet Business Solutions. Financial terms were not given. "Pacnet Business Solutions will leverage the enhanced capabilities from both companies to deliver value-added communication services to businesses," said Bill Barney, the chief executive of Pacnet. Bien Perez