MULIMOB
MULTILINGUALISH & MOBILITY

AIM **MuLiMob** event

Welcome!

"Supporting Independent Mobile music"

Information Society
Technologies

www.mulimob.org

Introduction

• This event is about gathering the music independent actors and the mobile industry,

  - to help the indies take part of the mobile pie

  - to have the mobile industry and audience benefit from the indies diversity.

  - to develop music and cultural diversity

•Panel   - Michel Lambot, Impala President and Play it Again Sam Co-Chairman ;

  - David Williams, Nokia - Music & Audio Industry Director

  - Edward Kershaw, Vodafone Group Services – Music Director

  - Simon Wheeler, Beggars Group- Head of new Media

  - Cibelle, artist and new media activist

  - Hélène Abrand, MuLiMob team leader

•150 persons booked to attend this event, half from the mobile industry and half from the music sector.

What shall we do this evening?

I- See how supporting independent mobile music goes for more multilingual and multicultural diversity.

II- Get to know speakers views about mobile music trends , threats and opportunities.

III- Cibelle will follow up the discussion with an eclectic DJ set of exotica, cabaret & assorted oddities, a perfect soundtrack for further networking between independent labels and mobile actors.

First, Douglas Rushkoff inspiring ideas

• Douglas Rushkoff has written ten best-selling books on media, technology and culture, including Cyberia, Media Virus, ScreenAgers, and Coercion, winner of the Marshall McLuhan Award. Get Back in the box, Innovation from the inside out is now being released. He's a regular commentator for NPR's All Things Considered, CBS Sunday Morning, Time magazine and the New York Times, a world-renowned speaker on society, business, and change, Founder of the Narrative Lab at New York University's Interactive Telecommunications Program, and the host and writer of PBS Frontline's The Merchants of Cool and The Persuaders.

•Language diversity and music diversity: Music, multiculturalism, cultural evolution, and the way industry can help or hinder these cultural agendas.

• "Learn to see people not as individuals looking for power or social status but as part of a group looking for cohesion."

MuLiMob, a consortium to discuss and enhance awareness about multilingual and multicultural issues

| Musiwave	RandomOne	PlusConnect Telecom	Crammed Discs	HAC
Paris	Barcelona	London	Brussels	Paris

→ Stimulate discussion and innovative ideas

→ Identify the points and new trends that need further research.

→ In music, which as content and sector has always been at the

forefront of society and technology evolution.

Please find our results, reports and demo online on www.mulimob.org
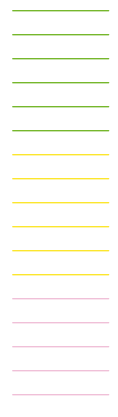
Multilingual opportunities

• As a person, artist or marketer, to better reach and impact your partner, audience or target, you have to speak his/her language.

• " Minority language communities [and nomads or mobile targets] represent some of the most potentially valuable markets still underserved by the mobile industry."

•" Consumers' intense appetite for personalized content and services is absolutely emblematic of the importance cultural and personal identities play in this market "
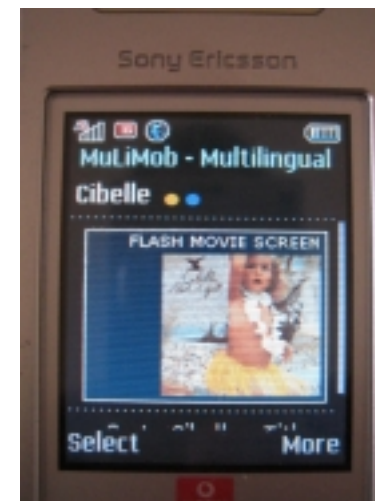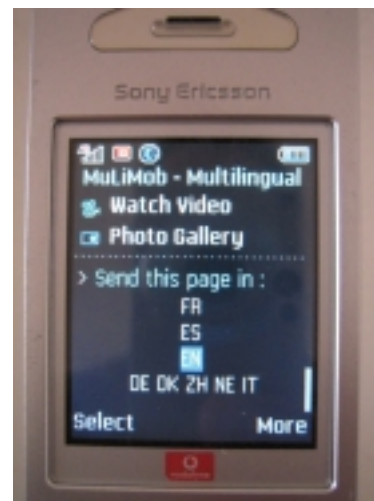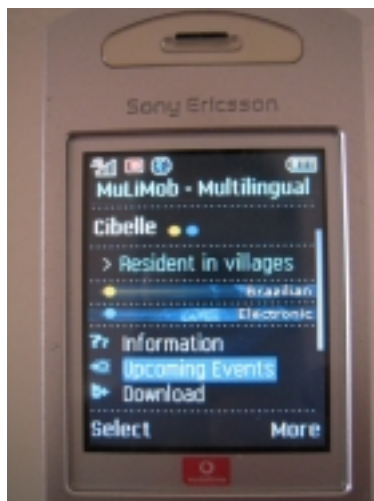
The music indies natural tendency for cultural diversity

Market composition

•The 4 majors record companies (EMI Recordings -Virgin and Capitol-, Sony BMG, Universal and Warner) control 74.7% of the world market and 80.6% of the European market.

•All others, ie 90% of the music companies are independent labels. Collectively they represent around 20 % of the market in both recorded music and publishing.

•95% of music companies are small and medium sized enterprises.

•The indie release a very wide diversity of music, that fit audience cultural diversity and can be distributed to aggregated niche markets thanks to new media , internet and mobile services.

The music indies natural tendency for cultural diversity (cont'd)

The indie awards show content diversity and that boarder breakers do exist.

From June to September 2005:

Double Platinum (1 million shipments)

Naïve - Carla Bruni Quelqu'un m'a dit –FR

Roadrunner - Nickelback Silver Side Up –NL

Playground Music -The Rasmus Dead Letters–SW

XL Recordings - White Stripes Elephant -UK

Platinum (500 000 shipments)

XL Recordings - Basement Jaxx Singles -UK

Wagram Music - Corneille Parce qu'on vient de loin -FR

!K7 Records - Kruder. Dorfmeister Sessions TM -DE

Roadrunner - Nickelback The Long Road –NL

Wall of Sound - Ro yksopp Melody A. M. –UK

Roadrunner - Sli pknot Subliminal Verses, Iowa –NL

Diamond (250000 shipments)

PIAS - 2 Many DJ's As Heard on Radio Soulwax Vol.2-BE

Panel experience, trends and solutions

- Michel Lambot, Impala President and Play it Again Sam Co-Chairman

- David Williams, Nokia - Music & Audio Industry Director

- Edward Kershaw, Vodafone – Music Director

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The Mobile Music Market – 2005 Breakthrough

Strategic Partnerships 2004-2005

- **Motorola - iTunes**
- **Nokia HP (Visual Radio)**
- **Telefónica - Warner Music Int.**
- **Warner Music Int.- Ericsson**
- **Napster – Ericsson**
- **Virgin Mobile – Universal**
- **Musiwave – Vodafone**
- **Apple - Nokia (Mobile Browser)**
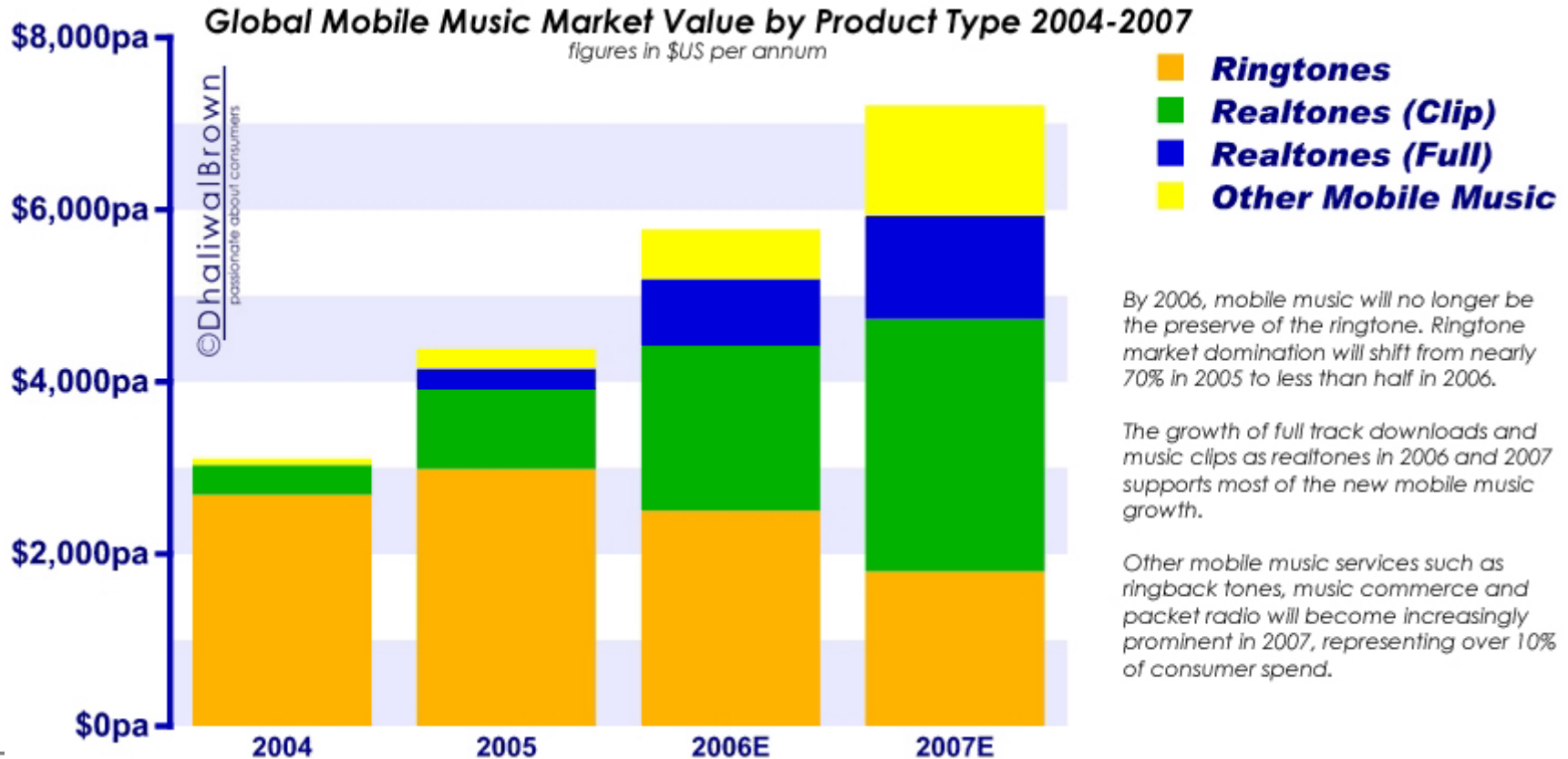
Deployment of Portal Services

- **Siemens -> Music2You**
- **AT&T Wireless -> mMode Music Store**
- **Microsoft -> MSN Music Club**
- **SONY – Streamman**
- **Nokia -> XpressMusic**
- **Nokia / EMI -> bFree Music Service**
- **O2 Germany -> Mobile Music Store**
- **Orange Music Catalogue**

Mobile music formats: ringtones and realtones(Mobile Music Report)

The mobile music market continues to grow. As ringtones begin to fade in 2006, realtone market growth continues to drive market. Emergence of new formats – ringbacks, music commerce and packet radio will further support growth in 2006.

Global Mobile Music Market Value by Product Type 2004-2007

figures in $US per annum

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passionate about consumers

- **Ringtones**
- **Realtones (Clip)**
- **Realtones (Full)**
- **Other Mobile Music**

By 2006, mobile music will no longer be the preserve of the ringtone. Ringtone market domination will shift from nearly 70% in 2005 to less than half in 2006.

The growth of full track downloads and music clips as realtones in 2006 and 2007 supports most of the new mobile music growth.

Other mobile music services such as ringback tones, music commerce and packet radio will become increasingly prominent in 2007, representing over 10% of consumer spend.

$8,000pa / $6,000pa / $4,000pa / $2,000pa / $0pa

2004   2005   2006E   2007E

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Market comparison: mobile music vs mobile games (Mobile Music Report)

Although technologically more advanced, mobile games is outsold by music by a factor of 4:1. The universal appeal of music combined with its ease of use, product longevity and increasing commitment from non-mobile media will continue to make music products a greater revenue generator than games.

Mobile Music Market Valuation in comparison to Mobile Games 2004-2007

figures in $US per annum

Music represents the single most important form of mobile content, outperforming games by a factor of nearly 4:1. Ease of use, combined with widespread availability gives game a wide consumer base especially in developing markets with low functionality handsets. The success of mobile music services has also created a virtuous cycle whereby providers have reinvested their profits into product development and marketing in order to further drive market demand, further stimulating market growth.

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- $3,105mn (2004 Mobile Music)
- $863mn (2004 Mobile Games)
- $4,381mn (2005 Mobile Music)
- $1,223mn (2005 Mobile Games)
- $5,769mn (2006E Mobile Music)
- $1,577mn (2006E Mobile Games)
- $7,210mn (2007E Mobile Music)
- $1,751mn (2007E Mobile Games)

Mobile Music ■ Mobile Games

Mobile music formats: Ringtones and realtones

► **Ringtones**

► **Realtones (clip)**

► **Realtones (full)**

► **Other Mobile Music (ringback tones, packet radio, ...)**

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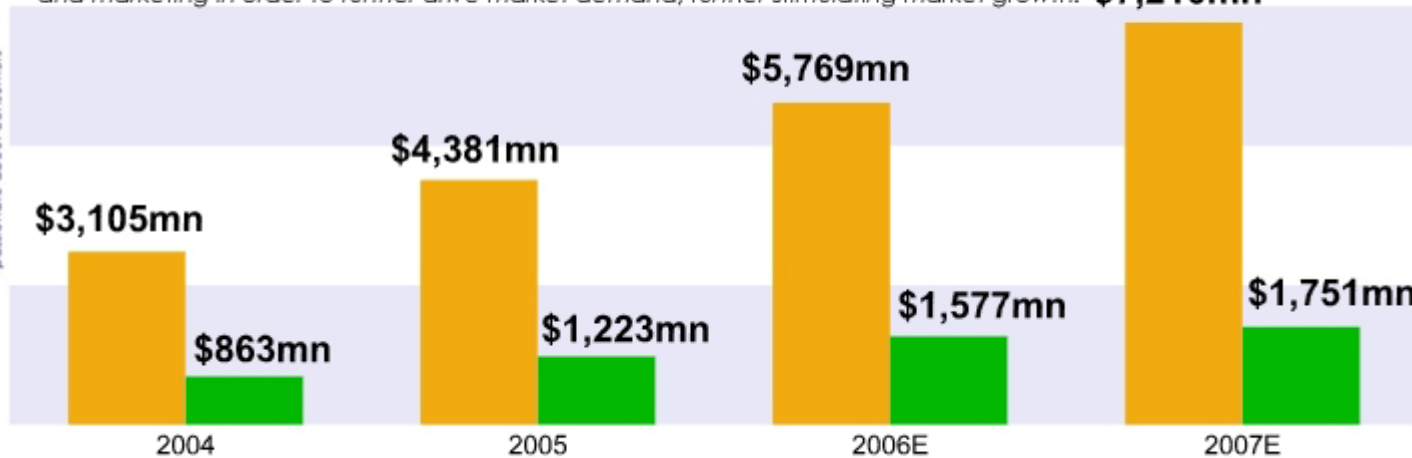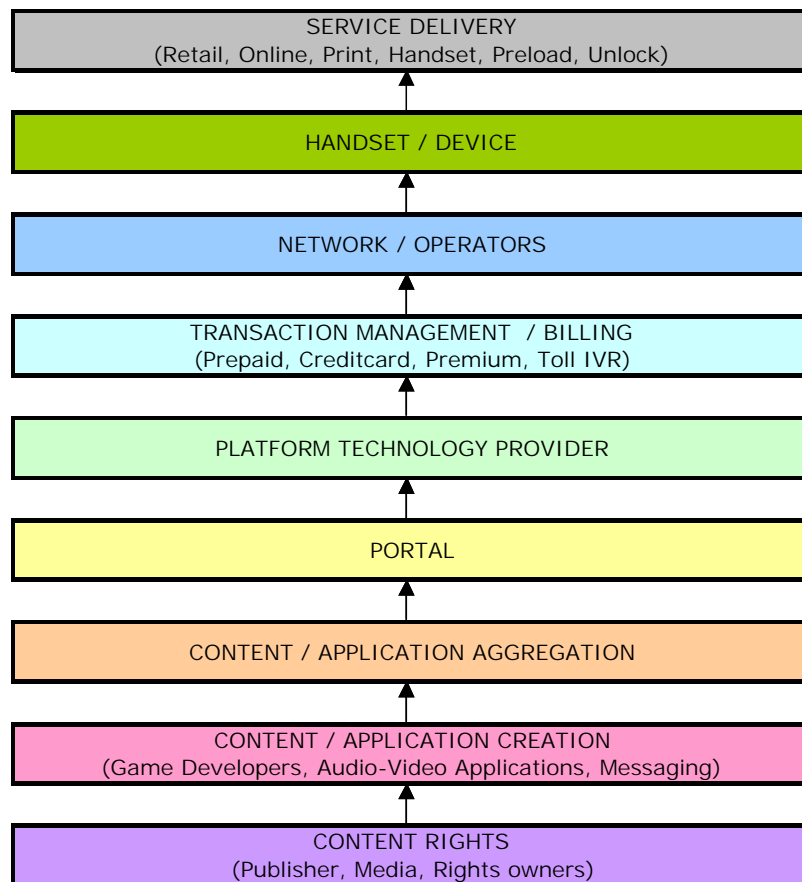
3 Mobile Music market slides with permission from Dhaliwal Brown –

The Future of Mobile Music – http://www.dhaliwalbrown.com/

The Mobile Music Value Chain

SERVICE DELIVERY (Retail, Online, Print, Handset, Preload, Unlock)

↑

HANDSET / DEVICE

↑

NETWORK / OPERATORS

↑

TRANSACTION MANAGEMENT / BILLING (Prepaid, Creditcard, Premium, Toll IVR)

↑

PLATFORM TECHNOLOGY PROVIDER

↑

PORTAL

↑

CONTENT / APPLICATION AGGREGATION

↑

CONTENT / APPLICATION CREATION (Game Developers, Audio-Video Applications, Messaging)

↑

CONTENT RIGHTS (Publisher, Media, Rights owners)

Platform Providers (also called **Acces** and **Service Providers**) provide the link between the content and the applications to the operators; they most often provide DRM solutions for the **Content Publishers**.

Portals are where the content is gathered and offered to the customer (HTTP or WAP).

Content / Application Aggregators gathers the content (and/or sometimes applications) from different sources for reuse or resale.

Content / Application Creators produce the mobile content/application like news, logos; ringtones purchased by the mobile user and/or develop messaging, audio-video applications, games and LBS software.

Content Rights (Owners/Publishers) own the content and provide value-added services for mobile phone users such as music labels do for Mobile Music services.

Wireless Standard Organisations such as ETSI, OMA, W3C, organise the technology standards for the mobile industry.

The Future?

Cellular Telephony

WiFi Telephony
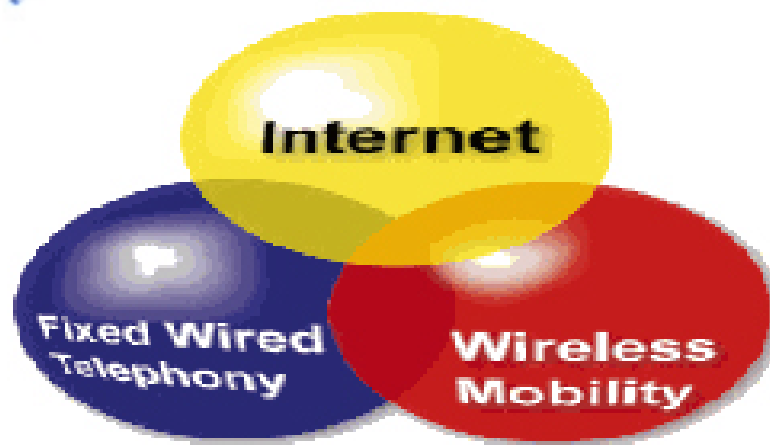
Fixed Mobile Internet Convergence

Internet

Fixed Wired Telephony

Wireless Mobility

Hybrid Phones

Web 2.0

Wapedia – mobile search
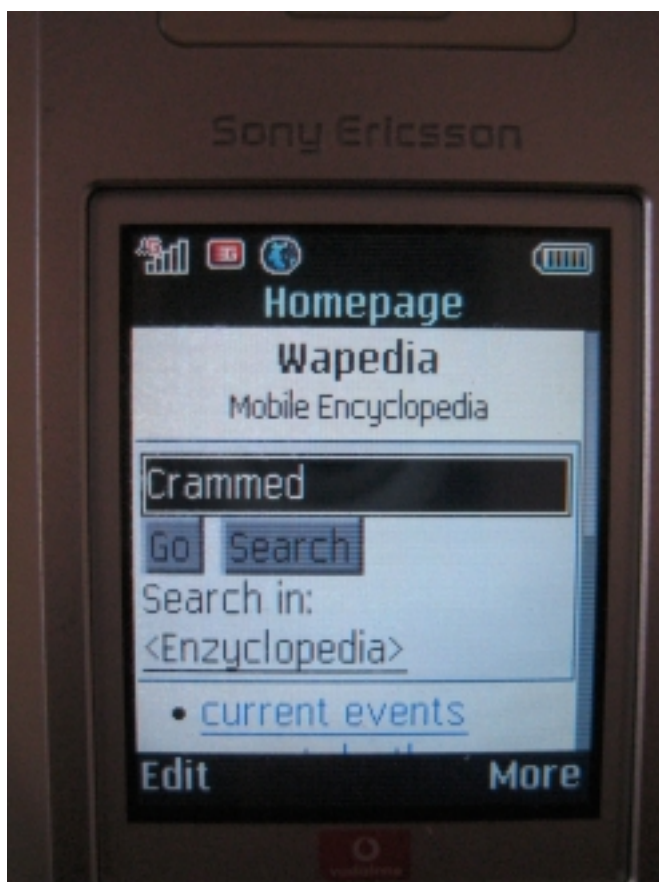
MVNO's : Mobile Virtual Network Operators

► A Mobile Virtual Network Operator is a company that does not own a licensed frequency spectrum, but resells wireless services under their own brand name, using the network of another mobile phone operator.

- ► Virgin Mobile
- ► NRJ Radio - France
- ► Hello MTV
- ► ID&T Mobile
- ► Boost Mobile

Other Use of Mobile Music

► Direct download <u>vending machines</u>

► Napster ClearChannel (<u>concert download</u> immediately after live gig)

► Wi-Fi / Bluetooth <u>download booths</u> (Hotspots)

► <u>Mobile Internet</u> (insert Artist info + possibility to download catalogue through different payment models such as PayPal on mobile portals)

Threats

► DRM -> incompatible, complex and slow implemented DRM solutions... need to proactively address DRM issues along with the deployment of mobile music solutions and mobile online services as such

► Unclear and different pricing models -> too many different models ex. cheap iTunes full tracks, expensive realtone clips, confusing with fulltrack downloads over 3G, subscription models... very confusing for the end-user

► Visibility -> not be found or not being visible in the mobile music space can be another thread for independents - need to be present to be found easily through mobile search solution(s)

► Mobsharing -> P2P and filesharing will happen between mobile users too

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Opportunities

► **(Geo-) Location-Based Community Services ->** promote/market towards target communities (mobile social software)

► **Always on Culture->** everybody becomes more and more 'connected' all the time whenever, wherever

► **New kinds of sales/distribution points ->** interaction with vending machines, hot spot shopping will become part of mobile music distribution

► **Use web2.0 in your development strategy->** new web 2.0 technology to mobile web (web as a platform)

► **Diversification is a PLUS->** think global, act local towards different and diverse communities (closer to your customer when communicating in his/her own language)

Contact!

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