



COMMENT: KARRFALT ON NEW MEDIA

## BROADCASTERS PUSH AHEAD WITH MOBILE VIDEO

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*Even though hype is outrunning reality, broadcasters are making strides in supplying local programming for cellphones.*

**By Wayne Karrfalt**

Despite all the hoopla about cellphones becoming a second-revenue-generating outlet for TV stations, not much has happened thus far. Early efforts with text messaging, WAP and other services have failed to spark a mobile revolution in broadcasting.

Research firms haven't even bothered to count or assess the early broadcasting efforts. There's just not enough there to attract their attention, it seems.

But broadcasters are keeping after it. And one of the more ambitious and widespread efforts is that of a Japanese company, Weathernews Inc. Operating as the WNI Network, it is building a nationwide mobile video service and is counting on broadcasters to supply the local news and weather.

The company has signed deals with several major broadcasters including Belo, Clear Channel, Meredith, Gannett and Young. Altogether, the deals involve 78 stations in 70 markets across the country.

Beta testing began late last year on Griffin Communication's CBS affiliate in Oklahoma City, KWTV. Roll out of the service in the other markets will occur this year.

To receive the LocalLive service, consumers with video-capable phones go to a Web site, download a simple program to their phones and pay \$4.99 a month. The fee is split among the Weathernews, the cellphone carrier and the broadcaster.

Subscribers access the service by entering a ZIP code and searching for video clips by genre or topic.

Jason Gould, Clear Channel's new media maven, says that the group plans to roll out LiveLocal in all but two of the group's TV markets. Clear Channel can't serve Tulsa and Oklahoma City because another broadcaster, Griffin Communications, signed an exclusive deal with Weathernews there ahead of it.

Clear Channel went with Weathernews because it had "a very strong, valid business plan," Gould said, declining to discuss the split of the monthly subscriber fee.

Participating in the venture requires each station to "slice and dice" news programming into cellphone-ready clips, Gould said. To do that, he added, Clear Channel is relying on content management software from DayPort Inc.

The Weathernews system also allows broadcasters to stream live programming to cellphones, but Gould doesn't see that as a major or common application.

Weathernews believes it has overcome the obstacles that have stalled some of the broadcasters' earlier mobile ventures. Other services are more difficult to use and not as immediate, said Daniel Scalisi, vice president of media services for Weathernews.

"Most of these services require you to input your phone's e-mail address to sign up, and most people wouldn't know where to look for such a thing on their phones," Scalisi said. "And because they used the carrier's e-mail gateway to deliver the data, there's no guarantee you'll get something like a severe weather alert quickly."

Of course, Weathernews is not the only player out there and it's not the only one eyeing broadcasters' rich local content. Cellphone carriers and third-party producers and aggregators like GoTV and MobiTV are eager to begin offering local content, acknowledging that it is one of the most requested types of programming.

AccuWeather offers stations a co-branded weather service that appears on carrier platforms, splitting the revenue left over after carriers take their cut evenly with stations. But the company is also preparing to launch an "off-deck" application to enable stations to brand weather reports, forecasts and satellite imagery on a variety of cell phones and carriers.

"We assume interest in this is going to be high," said Brian Kisslak, AccuWeather executive director of media sales.

Mobile video is still in its infancy and it's not entirely clear that it will ever grow up. Only about 8% of the 202 million phone in use in the U.S. today are video capable, according to the industry group Mobile Metrics.

But if it does grow, broadcasters are well positioned to grow with it. "Stations don't have a stranglehold on local content, but they have a good chance of establishing a dominant position if they can figure things out correctly and grab a hold of these new opportunities," said Keith Mallinson, executive vice president and wireless/mobile analyst for the Yankee Group. "It's a question to some extent of who gets there first."

"They're competing with so many other forms of content," said Jimmy Schaeffler, senior research analyst for The Carmel Group. "If they can create another platform where they're going to be seen before someone else, then they'll win."