



## Social Nets the Next Step for Cell Video

by Daisy Whitney

February 12, 2007

If the cellular phone continues to mimic the Internet, then social networking will be the next big application on wireless phones.

In fact, a number of new media research firms predict that social media is likely to be the tipping point for mobile video adoption.

Research firm eMarketer recently reported that mobile social communities—a grouping of like-minded people interacting on cellphones—should grow from 50 million users worldwide today to 174 million in 2011. TV networks haven't experimented with social communities on the phone yet, but they are beginning to explore the possibilities to market their shows via mobile social communities in the same way that networks have promoted their shows on MySpace.

The potential for social networking on phones is huge. MySpace, the biggest social networking site on the Web, now commands nearly 5 percent of all Internet visits. Audience measurement firm Hitwise reports that one of every 17 Internet visits is to a social networking site, with MySpace commanding 81 percent of those visits.

"Mobile video can follow the path if providers make it sharable in a way that makes business sense, and nudge consumers to share and thereby market the services," said Andrew deGaravilla, an analyst in the wireless practice with research firm Compete.

### Common Interests

Mobile social communities cost a few dollars a month and usually center around interests including music, sports or ethnicity, said Fred Ghahramani, director and founder of mobile software company AirG. AirG creates "mobile communities" and counts more than 10 million users worldwide, with more than 6 million of those in the United States. Carrier partners include Sprint Nextel, Cingular, Verizon and T-Mobile.

Mr. Ghahramani is talking to broadcast and cable networks about developing mobile communities around their shows, giving fans a chance to interact with other fans while watching or after the show runs. Users could also send video clips from the show or take videos of themselves while watching, he said. "The possibilities are limitless and are being explored now," he said.

Networks are intrigued with social networking implications for cellphones as they dig deeper into the cellphone business. Discovery is exploring the capabilities that GPS-enabled devices could present for social networking in connection with Discovery and Discovery Travel Media, said Clint Stinchcomb, executive VP and general manager of HDTV and new media at Discovery.

Mobile content provider GoTV Networks allows messaging among users and expects to add the ability to share and send video clips as cellular technology improves, said David Bluhm, chairman and CEO of GoTV Networks.

While demand is growing for mobile video, usage is still limited overall. By the end of the third quarter of 2006, the United States counted about 5.1 million mobile video subscribers, double the number at the end of the first quarter, according to mobile research firm Telephia.

According to Compete's research, 47 percent of people who engage in social networking do so to find interesting content, like photos and videos. Therein lies the opportunity in social networking for cellular carriers and TV networks.

## Young, Affluent Users

Consumer characteristics of social commerce usage line up with mobile video interest-users are young and tend to be affluent, Mr. deGaravilla said. "The people that look at social commerce have the same demographics and align well with same behaviors," he said. He added that other mobile services, such as text messaging, ringtones and ringbacks, grew as a result of viral adoption. "It's the ability to share clips and see what your friends think, or share a made-for-mobile show," he said.

The communities AirG powers on mobile phones feel like the more familiar online social networks. Once a user joins the community, he or she can create a personal profile and then message other users, search for friends or join Internet-based lounges to chat, Mr. Ghahramani said. They can also shoot a video on their mobile phones, tag the video to make it searchable, rate their favorite videos and earn points for the most downloads. Then they upload their video from their phone or from a PC. The AirG software converts the video to the proper format so users can either forward it to their friends or view it online. About 30 percent of AirG's current 10 million-plus users interact with the service each month and the company adds 35,000 new users daily.

The mobile phone has already played an important role in the social networking revolution. But so far, it's been a tool to get video onto social networking sites. "People take impulsive video and post it up and it becomes a hit worldwide," said Kanishka Agarwal, VP of new products for mobile research firm Telephia. "Mobile is the most spontaneous of the mediums. You actually have the phone with you almost all the time. So mobile is a rich source of user-generated content, and it's user-generated content that makes social networking sites really exciting."

In fact, many of the photos and videos users post on MySpace and YouTube originate from cellphones. "It's more of a tool for user-generated content. The core of a social network is the content that binds it. The source of that content is coming from a mobile phone," he said.