

Recession to cut mobile entertainment growth by nearly \$13 billion over next five years, warns Juniper Research

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HAMPSHIRE, UK: April, 7th 2009 -- Growth in user spend on mobile entertainment services will slow dramatically over the next two years unless key markets emerge from recession, according to a new report from Juniper Research. In addition, the report argued that slower deployment of content services meant that revenues were likely to be lower than previously forecast even after markets emerged from the downturn.

The Mobile Entertainment report (<http://www.juniperresearch.com/shop/viewreport.php?id=174>) found that, under a worst case scenario of a prolonged global recession, mobile entertainment revenues would increase by nearly \$13 billion over the next five years, against a pre-downturn forecast of more than \$26 billion. It argued that the decline in consumer discretionary spend was likely to lead to both reduced adoption of, and churn away from, subscription-based content, while the frequency of ad hoc, one-off downloads of games and music would also be adversely affected.

Furthermore, according to report author Dr Windsor Holden, other factors continue to constrain growth, notably ease of access and the cost of data services. "While operators have made significant strides in reducing the costs of bundled data, the overwhelming majority of mobile users are prepaid customers who want to sample mobile Internet usage before committing to a bundle. And in most cases, data costs are so high that they act as a disincentive to such initial usage."

Nevertheless, the Mobile Entertainment report (<http://www.juniperresearch.com/shop/viewreport.php?id=174>) notes that despite the downturn in growth, the revenues derived from Mobile Entertainment Services will still be significant. "Andrew Bud, global chair of the Mobile Entertainment Forum, said "We concur with this report's identification of so many factors driving growth in mobile entertainment worldwide. It is clearly positive that Juniper concludes this market will grow so substantially over the next few years despite the recession."

Other findings from the report include:

- Mobile TV is likely to be the most severely impact sector of mobile entertainment, followed by music and user-generated content
- The Far East & China region will generate the largest share of entertainment revenues

Whitepapers and further details of the study Mobile Entertainment in a Recession: Scenarios, Markets & Forecasts 2009-2013 (<http://www.juniperresearch.com/shop/viewreport.php?id=174>) can be freely downloaded from www.juniperresearch.com Alternatively please contact John Levett at john.levett@juniperresearch.com, telephone +44(0)1256 830002.

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