

TiVo becomes an ISP

Natalie Apostolou

THE Seven Network owned TiVo division will market its services as an ISP after securing a non-exclusive deal with ISP Internode to white label its high speed broadband service.

TiVo is targeting 500,000 new customers in the next five years. TiVo will begin marketing the ISP service from April offering a movie download service from the Franchise Entertainment Group, the owners of Blockbuster and VideoEzy but has yet to reveal details of full pricing.

TiVo licensee Hybrid TV chief executive Robbee Minicola confirmed to *Digital Media* that the "extremely competitive" bundled 24 month data

service plan would be priced within the \$79-\$99 a month range. Under the deal consumers will receive a TiVo box, a TiVo wireless adapter, a wireless router modem and an unmetered ADSL 2+ connection. All equipment is free and after 24 months, consumer get to keep the TiVo box.

It is understood that most movie content will be offered on a pay-per-view basis with advertising supported content offered for free.

Minicola said that the company has been in talks with carriers and ISPs for months but only a few can offer what the TiVo service requires.

"Any ISP that wants to bundle the TiVo service can call me but the speed needs to be a minimum of 1.5 mbps and unmetered downloads is a must," she said.

Internode will be handling the back end billing for the service. The deal with Franchise is not exclusive but according to Minicola it will not be open to other parties in the initial phase "its about respect, we are in a relationship we want to the service up and we want to make the relationship work."

"We are thinking of the consumer and unmetered downloads is essential for this service," Minicola said.

"Consumers are freaking out over

big bills, this effectively removes that scary bit," she added.

42% of all broadband customers have a minimum broadband access to 1.5 mbps.

Meanwhile speculation persists that TVNZ has put an offer on the table for A\$15 million to buy a one-third share of TiVo's business in Australia and New Zealand from the Seven Network. TVNZ would not be drawn on the speculation "If any such deal had been completed, it would be disclosed as part of our normal accountability to our shareholders," a TVNZ spokesperson said.

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5th Finger boosts US exec team

Natalie Apostolou

AUSTRALIAN digital executive Patrick Collins has taken the helm of mobile services agency 5th Finger as president, based in San Francisco.

Collins, a co-founder of the company, has been on the executive team of 5th Finger since early 2005 and most recently served as chief operating officer for 5th Finger Australia, which was acquired by Ninemsn.

Collins previously served as 5th Finger's chief technology officer, leading the development of its proprietary air-cast mobile marketing platform. Prior to joining 5th Finger Collins was chief technology officer at Fairfax Digital. Ninemsn does not have any stakeholding in the US based 5th Finger operations.

"There are a number of traditional interactive agencies out there



Patrick Collins

dabbling with mobile marketing. Our experience suggests that brands are ready to more deeply engage with their consumers on-the-go, and what

is missing in the market is proven global experience coupled with a disciplined approach to mobility planning. Through 2009, I look forward to articulating our vision for mobility planning," Collins said.

In his new position, Collins will work closely with former CEO Campbell Corfe, who will serve as executive chairman. The new management strategy will focus on ramping up 5th Finger's role as beyond a specialty mobile agency to a "mobility planning" expert.

According to Collins mobility planning, taps into a user's specific context and purpose, creating campaigns that enhance brand interactivity.

"The market needs specialist mobile agencies who can correctly think about mobility. We work directly

with brands to deliver well-envisioned campaign results for the consumer on-the-go. 5th Finger's recognized mobility planning expertise has already received a huge response from a market that needs and wants," Collins added.

Last June, 5th Finger secured \$7 million in Australian venture capital funding from Starfish Ventures to help fund its ongoing growth in the U.S. The sourcing of the funding locally is viewed as a huge coup for the mobile specialist given the tight investment climate particularly for digital ventures.

5th Finger was started by a team Australian mobile entrepreneurs including, Steen Andersson, Warren Billington, Matthew Costello, Luke Forman and Collins.

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Gen X and Y go mobile

Natalie Apostolou

MOBILE phones are the communication device of choice for the under-35 set, according to a new consumer research report from the Australian Communications and Media Authority.

The 'Australian household consumers' take-up and use of voice communication services' report conducted by Roy Morgan research found that the under 35's were ditching landlines for mobile phones in greater numbers than ever before. The level of mobile service take-up in this demographic

is among the highest in the country, at 95% of 25- to 35-year-olds. While 79% of 18- to 24-year-olds use their mobiles more often than a fixed-line service

"Younger adults are leading Australia's shift away from fixed-line communications, with many choosing not to connect a fixed-line phone in their new residence when they move out of the parental home," said ACMA chairman Chris Chapman.

The report shows a strong correlation

between age and consumer attitudes to communication technology with a key reluctance by Australians over 50 to relinquish their fixed line phone.

3G mobile and data usage has been strongly bolstered by the closure of the national Telstra CDMA network in April 2008. Since June 2007, the number of mobile services operating in Australia has risen by 4% to 22.12 million with 39% of users subscribed to 3G services. Overall take-up of 3G

services, grew by 88% in 2007-08. While total mobile phone revenues rising by 6.9% during 2007-08 to \$11 billion.

The surveys reveal that 83% of the Australian adult population currently use a mobile phone service with a growing number of children are also using mobile phones. The report found that 78% of Australians aged 14 to 17 are now armed with a mobile phone.

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Mooter cuts all staff, changes tact

Natalie Apostolou

FORMER Fairfax Media darling, online advertising technology developer Mooter Media, has gone into 'stealth mode' after reducing its staff to zero and going back to the drawing board on its overall strategy.

The ASX listed company which reported a loss of \$1.8 million for the six months to December 2008 was forced to concede that its experimental contextual ad serving technology platform was struggling to get traction and financial backing. "In the current economic climate it is very difficult to fund technology that is not yet proven commercially," Mooter Media Chairman Stephe Wilks told *Digital Media*.

The company had ambitious plans to commercialise its technology and had struck a number of deals internationally for its deployment.

Back in December 2005 former Fairfax Media CEO David Kirk took a \$4.1 million punt on the company, taking a 19.9% stake, stating "we see strong potential for substantial growth opportunities and we want to nurture its technology and exploit it commercially". Less than a year later Fairfax tipped in another \$1 million and Fairfax Digital CEO Jack Matthews took on a board position until December 2007.

Fairfax has now walked away from the venture with a less than 5% stake in the company.

While the company has been struggling with capital raising initiatives and a languishing share price it did manage to secure a US video platform deal in May last year with online open source video advertising provider Adap.tv, for the supply

of Mooter's contextual advertising services.

Bolstered by the deal Mooter was focusing heavily on international digital markets, ramping up its activities in the US market and hoping to develop this 12 month deal into further international opportunities.

Mooter informed the market last week that it would cease to develop its contextual advertising platform until the market was ready for it and has let its 12 development staff go. Mooter has no permanent employees or full time contractors at the moment. "The recent turmoil in equity markets made it difficult for the company to raise capital and to pursue further technical development. We are going into stealth mode and reducing our need for capital" Wilks said.

In a change of tact, Mooter will acquire Project Search, a joint venture between Planet W and Excite Digital Media. Project Search was recently formed to leverage the market penetration and global reach which both companies have. "By including Mooter in the alliance, that objective can be significantly advanced and expanded and will potentially bring into play both Mooter's proprietary Mooter adVantage Platform and its global relationship with Yahoo! Search Marketing," the company said.

While shareholders have approved the transaction, and directors intend to arrange a convertible loan of up to \$250,000 for the deal the company warned, "given the current economic climate, there can be no guarantee that the Directors will be successful in this endeavour."

Pay TV viewers visit channel websites

Tim Addington

SUBSCRIPTION TV viewers are at least 50% more likely to visit a broadcaster's website if they regularly watch its channel, according to research by Multi Channel Network (MCN).

The Galaxy report for the pay TV sales house found that 48% of Fox Sports viewers also visited the brand's website at least once a month.

Nearly a third of Lifestyle Food's audience went to the corresponding

website each month, while 24% of E! viewers logged onto E!Online.

The study found that "significant" numbers of non-subscription TV viewers also log onto pay-TV channel websites, with between one fifth and one third of online traffic to the sites coming from FTA viewers.

Murray Love, research and strategy director of MCN, said: "The combination of television and a corresponding web channel creates the perfect advertising eco system - with each

medium feeding off the qualities of the other.

"This new research shows between a quarter and a half of the people who view the channel visit the corresponding website. We expect these numbers may climb even higher as more advertisers harness the power of the 'create once, publish often' approach to provide special follow up offers and information on web channel sites."

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Twitter search vs Google search – have we reached the Eureka moment for mobile?

Andrew Grill



WHILE reading my twitter feed (on my mobile via dabr.co.uk) I came across a reference to an article in *Ad Age* that looks at how twitter views its search capability compared to Google search.

It comes on the heels of Eric Schmidt, CEO of Google having to apologise after calling twitter a “poor man’s email system” recently.

Comparing twitter to email means that Eric just doesn’t get twitter. I’m going to hazard a guess that he probably does not even have a twitter account (@ericsschmidt is a fake).

Going further, for a CEO so fixated on taking Google mobile, he misses the Eureka moment around twitter + mobile + search – which forms the subject of this short post.

The very fact that I came across the inspiration for this post via twitter on my mobile should give you a good indication of how I have started to consume news and information.

While twitter’s eternal question is “what are you doing”, as more and more people join the twitter revolution and use it via their mobile, the question is becoming “what are you doing and where are you doing it?”

Recent tragic global events have been reported, even broken via twitter – thanks to those eyewitnesses micro-blogging via their mobile.

Most recently we had the story of a mountain rescue co-ordinated by *twitter*, the Turkish airliner crash at Schipol airport broken by twitter *15 minutes ahead* of major news outlets, and apparently even CNN picked up the *news* via twitter. Sky news in the

UK has also just employed a “*twitter correspondent*”.

Clearly – something is happening when major news outlets start turning to social media. The *Ad Age* article however highlights that twitter’s end game (and where the money may come from) is not just about trumping news outlets – it is about completely disrupting the Google business model of paid search. Twitter can only do this however by tapping into the unique utility and immediacy of the mobile phone.

In each of the disasters reported above, the only way possible to report these was by mobile. In each case the eyewitnesses did not have the luxury of their desktop PC or laptop connected to an internet connection – in each case they grabbed their mobile (because it is always with them) and started twittering what they saw – live and unfiltered to the entire world.

In 2008, twitter bought and integrated *summize.com* to become *search.twitter.com* - twitter’s search engine. Until recently I didn’t think I had any real use to “search twitter” but these global news events have drawn me to it, allowing me to get a live stream of what is happening in the world – filtered not only by different subjects or themes, but also by real people.

And here’s the Eureka moment with twitter + mobile + search that should be worrying the heck out of Google, and probably prompted Eric Schmidt’s feeble attempt to hide what can only be described as his professional envy about a web2.0

service that is rising towards critical mass and adoption at a much faster rate than Google.

The way I personally use twitter is to carefully select who I follow, and actually block my updates – making them available only to those I’d like to follow me. Many have challenged me as to why I have an “invitation only” model for followers – but it has allowed me to put a quality control filter on my twitter stream.

Twitter celebrities such as *Stephen Fry* cannot realistically manage a follower base of 200,000 people. I follow around 1,000 people and in turn I have over 700 follow me that I have in a way hand-picked. This means that I can keep out the spammers and scammers that have started to infiltrate twitter and instead concentrate on quality news and views from my followers.

This does mean that my twitter stream follows pretty closely what I am interested in – and therefore it was no surprise to receive the Google vs twitter piece from *Ad Age* via twitter.

This is where twitter search will start to win out over Google. We all know that many Google search results are either paid (adwords) or as part of search engine optimisation (SEO) undertaken to make the results appear on the first few pages of Google. With twitter however (or at least at the moment) the information is being supplied by real people in real time. Even the most powerful Google computers cannot keep up with real updates from real people.

Making these “tweets” searchable

adds a new dimension to search, and in particular search via the mobile.

Perhaps going forward, a mobile user will turn to their twitter stream to search for a local restaurant recommendation, safe in the knowledge that the answer comes from a human who is familiar with the area, or has actually been to somewhere suitable, or is actually at the restaurant at that moment.

Google will have to pull something out of their not insignificant hat to keep up with mobile social networking, coupled with search. While “local search” may be the holy grail, localised, personalised and user regulated search via the mobile could end up being the real winner.

I can understand why the twitter VC’s have just recently pumped a further \$35M into the company. I am sure they can also see the value of social media search ahead of traditional advertising models such as banner ads splashed across the website. The next challenge will be how to monetise this unique form of search without alienating social media consumers.

Andrew Grill is a London based mobile advertising evangelist and thought leader. He is also founder and chief editor of LondonCalling.mobi – a blog dedicated to mobile advertising, location and mobile social networking, and currently he is consulting to companies in the mobile advertising space. He will be visiting Sydney from April 20th – 24th and can be contacted via andrewgrill.com/contact and naturally, he is on twitter as @andrewgrill

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