DMB Market and Audience Attitude

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INTRODUCTION

Since the late 1990s in Korea, there have been many users of mobile devices, and we have extended leisure time. The terrestrial broadcasting market is very competitive because a lot of media has emerged dividing the market. Therefore, terrestrial broadcasters introduced terrestrial DMB (digital multimedia broadcasting) service to sustain audiences for the terrestrial broadcasting market and increase audience satisfaction. In Korea, telecommunication businesses are saturated, and wireless network operators, in their effort to diminish their revenue dependence on mobile voice services on one hand, and to recoup the huge investments made on third generation networks on the other, try to develop new services and business models such as DMB service.

Consumer behavior research is critical toward accelerating the diffusion and consumer adoption of new media. However, consumer behavior in DMB has not yet been the subject of much research, though consumer adoption of DMB service is expanding rapidly in Korea.

While there is much discussion on the emerging DMB service, there is still little evidence indicating what influences consumers in their decision to adopt DMB service and which specific features they would like included in the DMB service.

This article examines behavioral intensions toward DMB service through consumer survey in Korea. More specifically, this study explores the specific using features of DMB service such as the motive for adoption, the satisfaction with DMB service, major using hours, and favorite contents. Additionally, this article investigates the favorite genre of consumers.

This study is to explore the emerging marketing challenges in the field of DMB and provide direct managerial implications to the key-market players.

BACKGROUND

DMB is defined as *multimedia*, personal media, and mobile broadcasting media, which receive television broadcasting, radio broadcasting, and data broadcasting using multi-channel for the purpose of mobile reception, and digital multimedia broadcasting that CD-leveled sound quality and video service is available and not only fixed, but also mobile reception is possible (KBC, 2003). DMB is based on digital broadcasting technology, and it is a new service that is able to receive the video, radio, and text of HD (high definition) level by max seven inches when we are moving. DMB is divided into Satellite DMB (i.e., S-DMB) and Terrestrial DMB (i.e., T-DMB) as categorizing Mobile Multimedia Broadcasting in Broadcasting Act in Korea (Table 1).

In Korea, SK Telecom has launched Hanbyul 1, DMB satellite in cooperation with MBCo of Japan, acquired S- DMB. This service started paid service in July 2005. At present, the consumer expense is approximately $13.00 including 12 channels for TV and 26 channels for radio (www.tu4u.com). T-DMB assigned two terrestrial channels (Channels 8 and 12) to multiplexer dividing three blocks. T-DMB, public resource using terrestrial wave is operated by KBS, MBC and SBS, terrestrial broadcaster and YTN DMB, HANKOOK DMB, KMMB, non-terrestrial broadcaster. According to business project, T- DMB was launched in the capital region in January 2006.

Actually, in Korea, academic research on DMB service is related to convergence issues. It is the first DMB service in the world that has not been studied yet in the academic field except in Korea. However, consumer behavioral research relating to *e-commerce* showed that delivering superior service quality is a well-established strategy for achieving high levels of consumer satisfaction, loyalty, increased spending, and profitability (Zeithaml, Berry, & Parasuraman, 1996; Zeithaml, Parasuraman, & Malhotra, 2002). Also, Zeithaml et al. (2002) have identified a number of criteria that customers use in evaluating Web sites and service quality delivery through Web sites. These include information availability and content, ease of use or usability, privacy/security, graphic style, and fulfillment. In relation to mobile service, some researchers represented e-service quality dimensions such as

Table 1. The comparison between terrestrial DMB and satellite DMB

	Terrestrial DMB	Satellite DMB
Technology standard	Eureka-147 (DAB standard in Europe)	System E (CDM)
Networks	Terrestrial network	Satellite network + aid terrestrial network (Gap filter)
Frequency	Available frequency in capital territory. TV channel 8, 12 (12MHz)	Upload: 13.824-13.883GHZ (Ku band) Download: 2,630-2,655Mhz (25MHz) 12.21-12.23GHz (Ku band)
Available channels	Number of available channels is small 3-6 per broadcaster (24-30channels)	Number of available channels is numerous Picture: max 14, Audio: 24, Data: 3
Mobile reception	Available	Not Available
Service coverage	Local broadcasting (metropolitan area)	National broadcasting
Profit model	Free service based on the program commercial	Subscribed service based on contents
Retransmission of terrestrial B	Available	Not available
End device	*Car device + Portable device *Combination Handset with cell phone	*Combination handset with *cell phone* first *Extension to vehicle and portable use

ease of use, security, inconvenience of mobile device, and personalization (Vrechopoulous, Consyantious, Mylonopoulos, Siferis, & Doukidis, 2002). Woo and Fock (1999) showed that e-service quality dimensions are transmission quality and network coverage, pricing policy, staff competence, and consumer service.

Most of the previous studies on DMB service and consumer adoption are related to the policy issues on convergence between broadcasting and telecommunications (Byun, 2004b; Kang, 2003), technological standards (Byun, 2005; Lee, Ham, & Lee, 2004), and the feature of potential demand for DMB (Byun, 2004a; Choi et al. 2004; Park, Ahn, Ahn, & Bu, 2004). In fact, those studies have been conducted to promote DMB service at industrial request, and the result is market research relating to investigating consumer attitude toward DMB service. Yoon and Lee (2004) analyzed the analysis of economical factors affecting satellite DMB focusing on average monthly bills of the mobile phone, the time to replace the mobile phone, government grants and other financial aid for the end device, and the exoneration from subscription payment. Byun (2004a) examined demand features of DMB service, and Choi et al. (2004) researched the economical ef-

fect of satellite DMB, while Park, Ahn, Ahn, and Bu (2004) studied the expectation of terrestrial DMB commercial market. These studies included the results such as favorite genre of contents, major using hours, and location for use.

Thus, this research tries to identify and primarily explore the features of consumer adoption of DMB service based on the dimensions from previous studies. This includes the specific using features, the intentions for adoption, the satisfaction with DMB service, and the favorite genre of contents.

DMB MARKET AND AUDIENCE BEHAVIOR ATTITUDE

Currently, in Korea, the number of S-DMB subscribers was approximately 500,000, and the number is at a standstill; however, it has rapidly grown by 30,000 during the two weeks of the World Baseball Classic season in 2006. This means that big sports events will be Killer contents for getting profits. In the case of T-DMB, the profit is from commercial broadcasting. The consumer number measurement by the diffusion

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