



# **China's Wireless Value Added Services Industry**

**Presented By  
Dr. Raymond Chin  
Chairman  
Mtone Wireless Corporation**

**Stanford University**

**November 2005**



# CONTENTS

- **Mtone Wireless Corporation**
- **Consumer Market**
- **Telecom Industry**
- **Wireless Value Added Services Market**
- **Wireless Services**
- **Marketing**
- **Industry Direction**



# Mtone\* - The Pioneer in China's Wireless Data Market

- **Founded in Silicon Valley**
- **Launched China's First Commercial Wireless Value Added Services in 1998 with China Telecom**
  - First wireless information services
  - First wireless stock trading worldwide
- **Nationwide operations in China, with a staff of 400 people**
  - Focus on Entertainment including Music, Sports, Games
  - Use SMS, IVR, MMS, WAP, & JAVA technologies

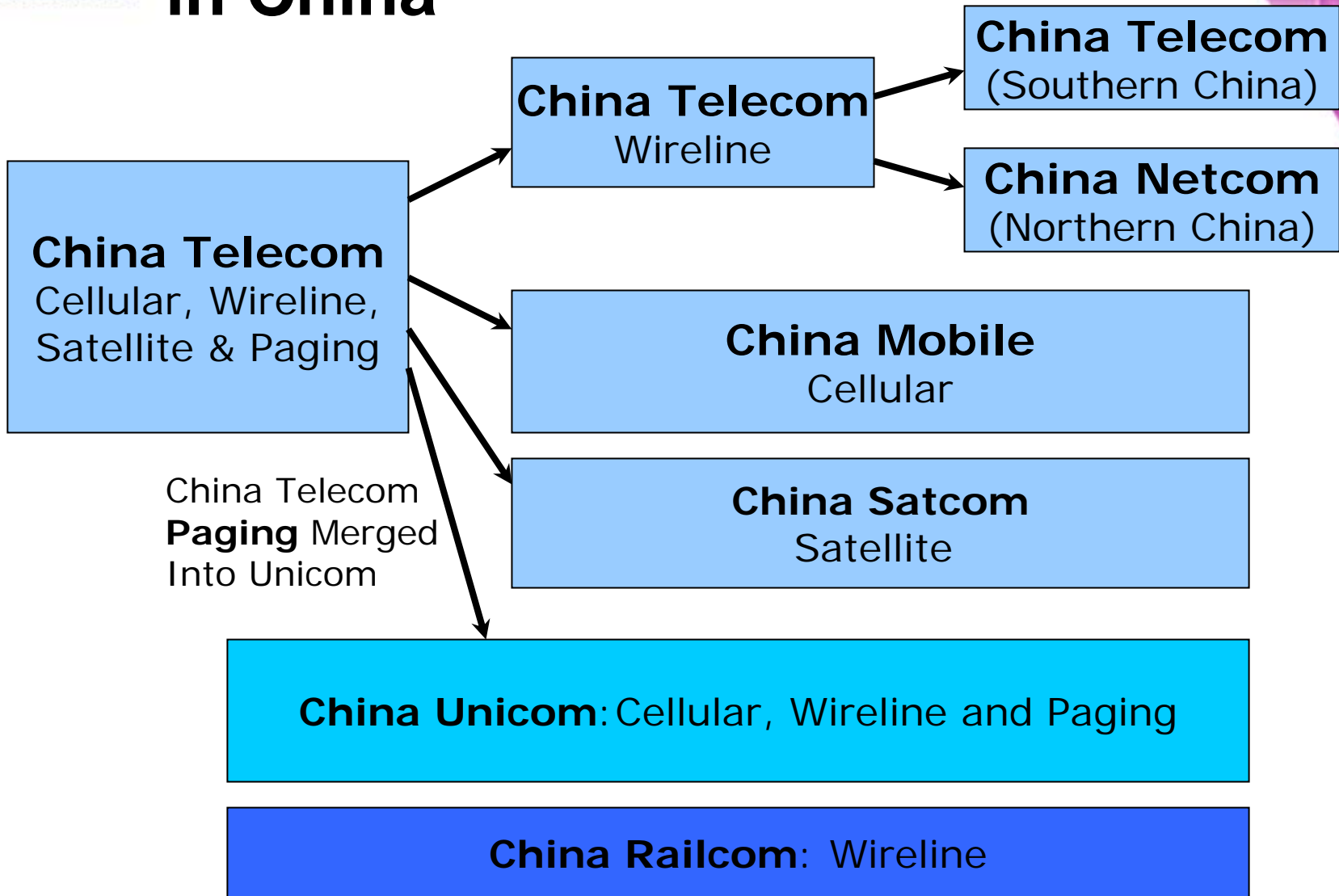
\*Formerly GWcom, Inc and ByAir



# China - Consumer Kingdom

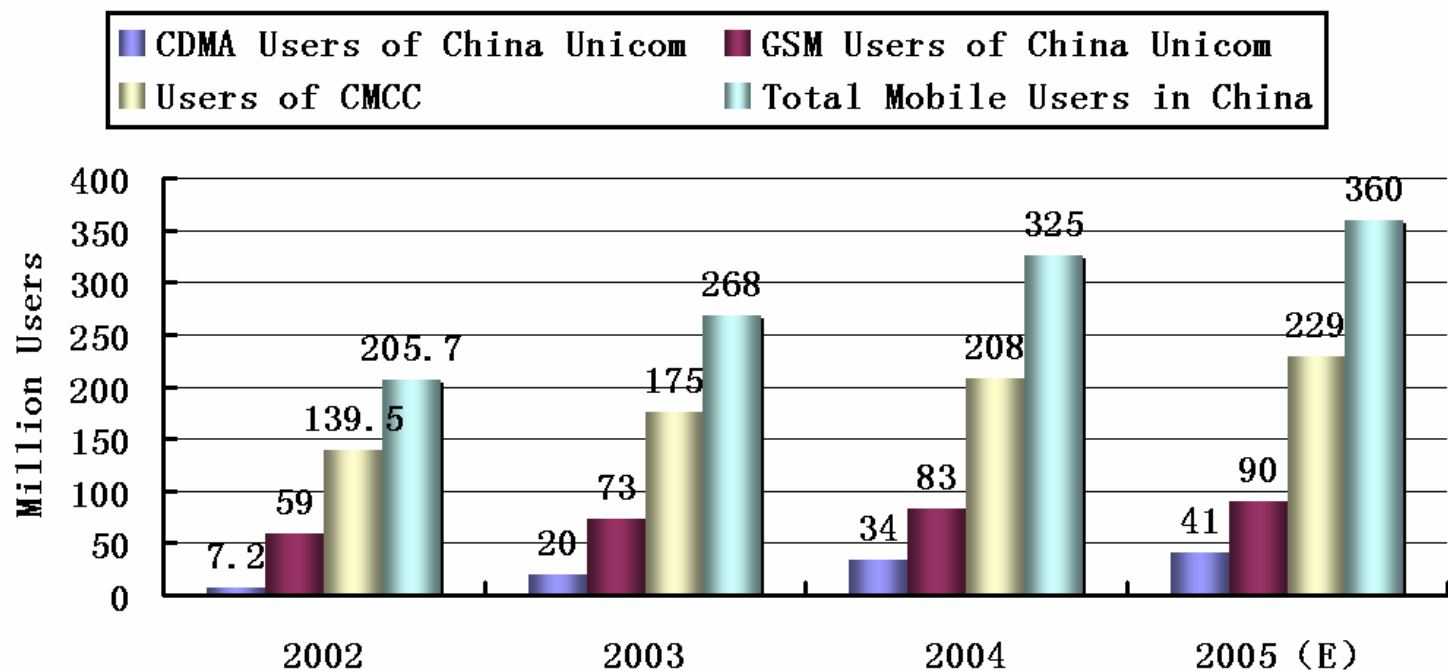
- **Over 400M people in the cities**
- **GDP growing 8-10%**
- **Oil exporter - became oil importer in 1993 - now imports 34% of its oil**
- **5M cars sold in China in 2004 (5.9M - Japan, 17M - US)**
- **Over 100M Internet users**
- **340M mobile phone users - to exceed 500M by 2010**
- **Strong growth = Opportunities**

# Basic Telecommunications in China



# Largest Sector is Mobile approaching 360M users

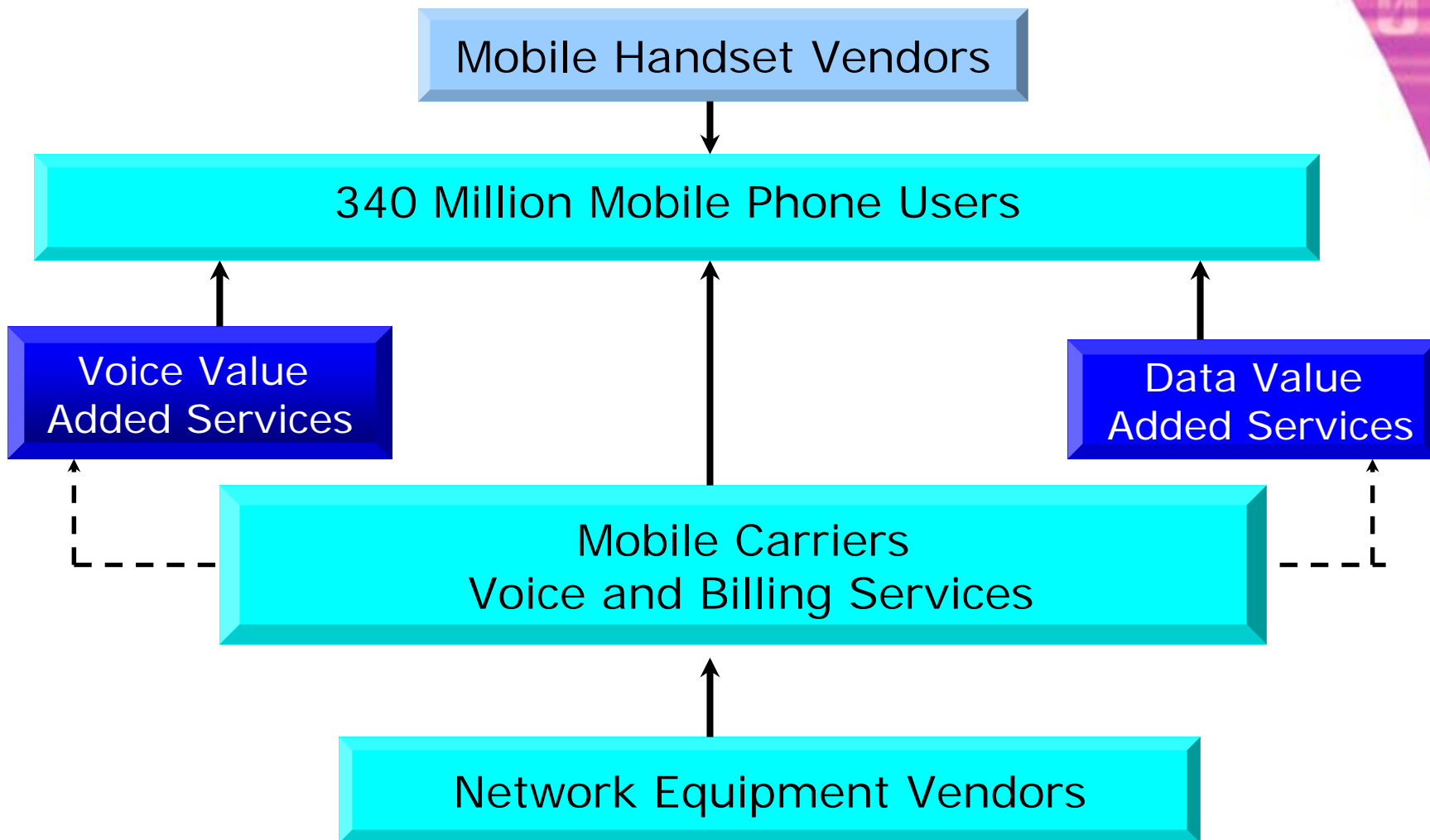
Growth curve of the growth in mobile users in China



Source: Analysys



# Opportunities in the Mobile Value Chain





# Wireless Value Added Services Market is over \$750M USD

## All Coexist

Emerging Next Wave – Handset Driven  
Single & Multi-user games  
Music  
Camera Driven

Second Wave – WAP/MMS/IVR  
WAP Browser Applications  
Voice Driven Information Services (IVR)  
MMS Image Downloads  
Ringback tones

First Wave – SMS  
Text messages and text driven applications  
Ringtones





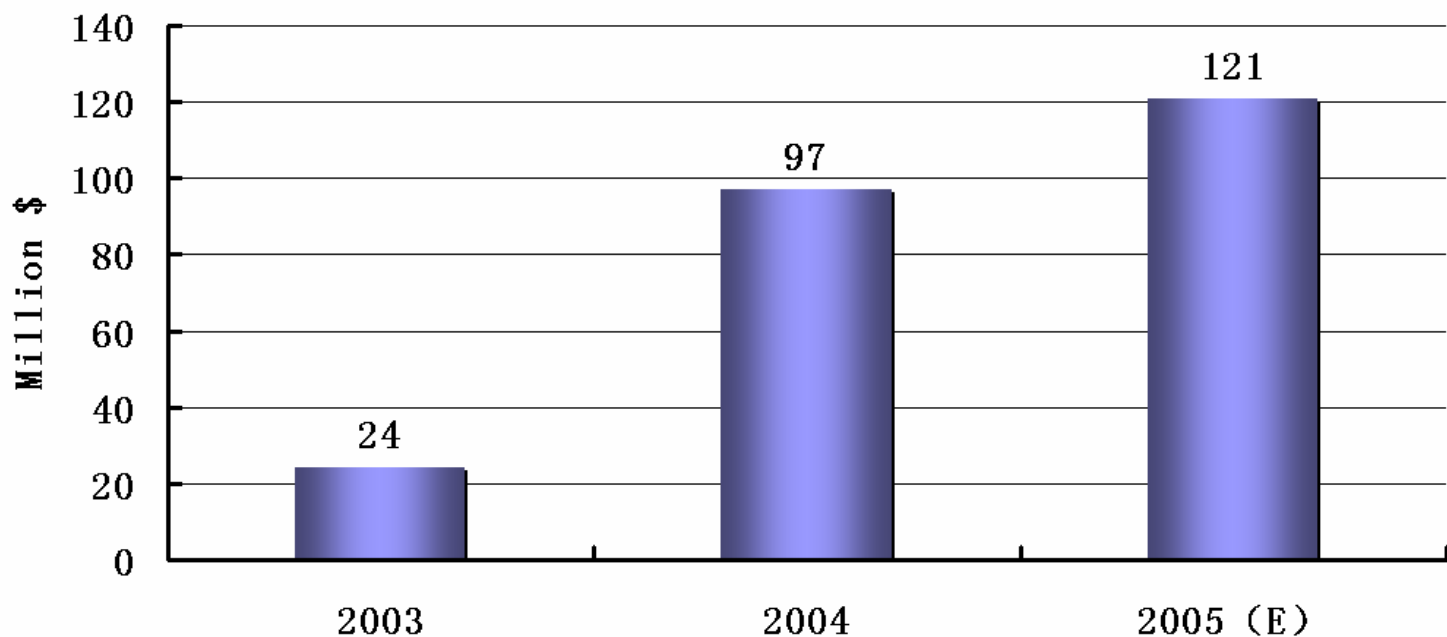
# SMS and Ringtones Revenue Remain Substantial

- **In 2004, 217B SMS messages were sent according to MII\***
  - At 0.1 Rmb per message, this is \$2.71B USD in Transport Fees
  - Over a \$500M USD WVAS market
- **Driven by personalization, ringtones remain a major revenue producer**

\*Ministry of Information Industries

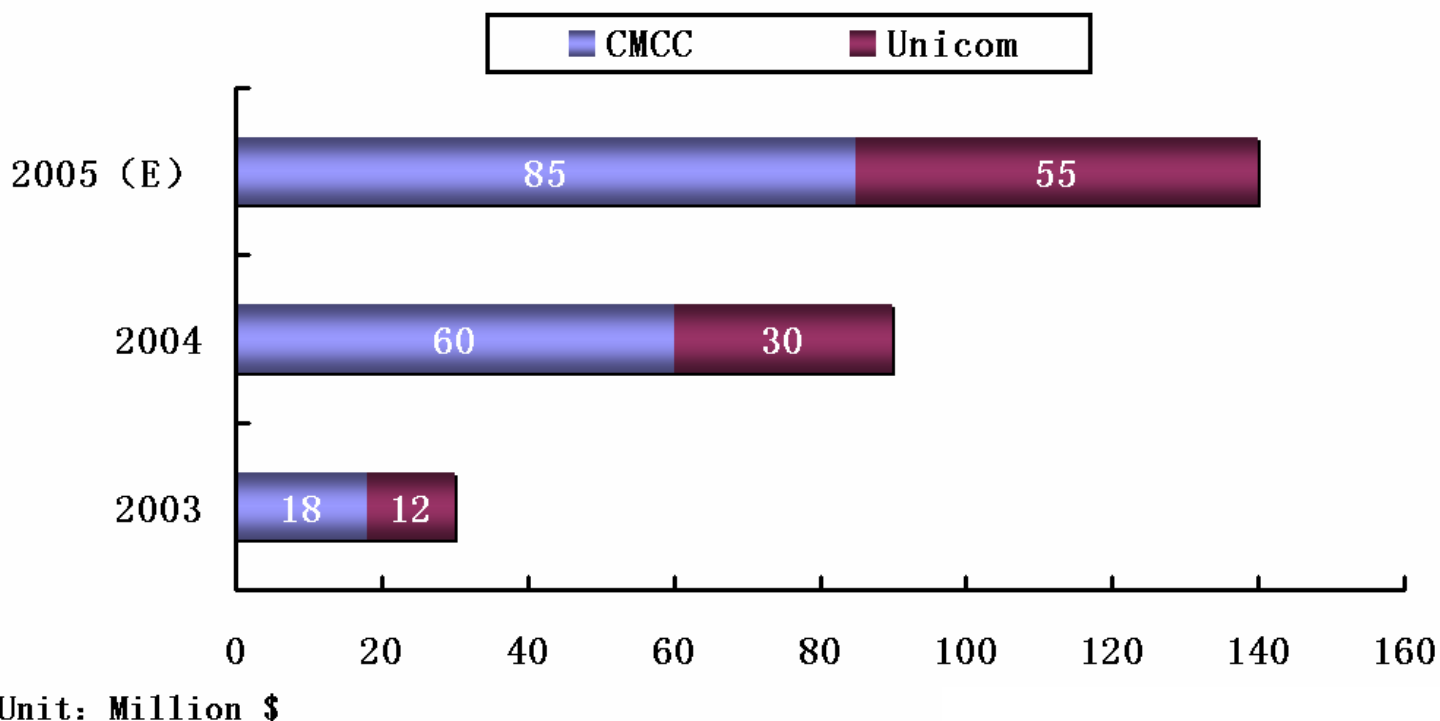
# Explosive Growth in Services using MMS

MMS Market in China



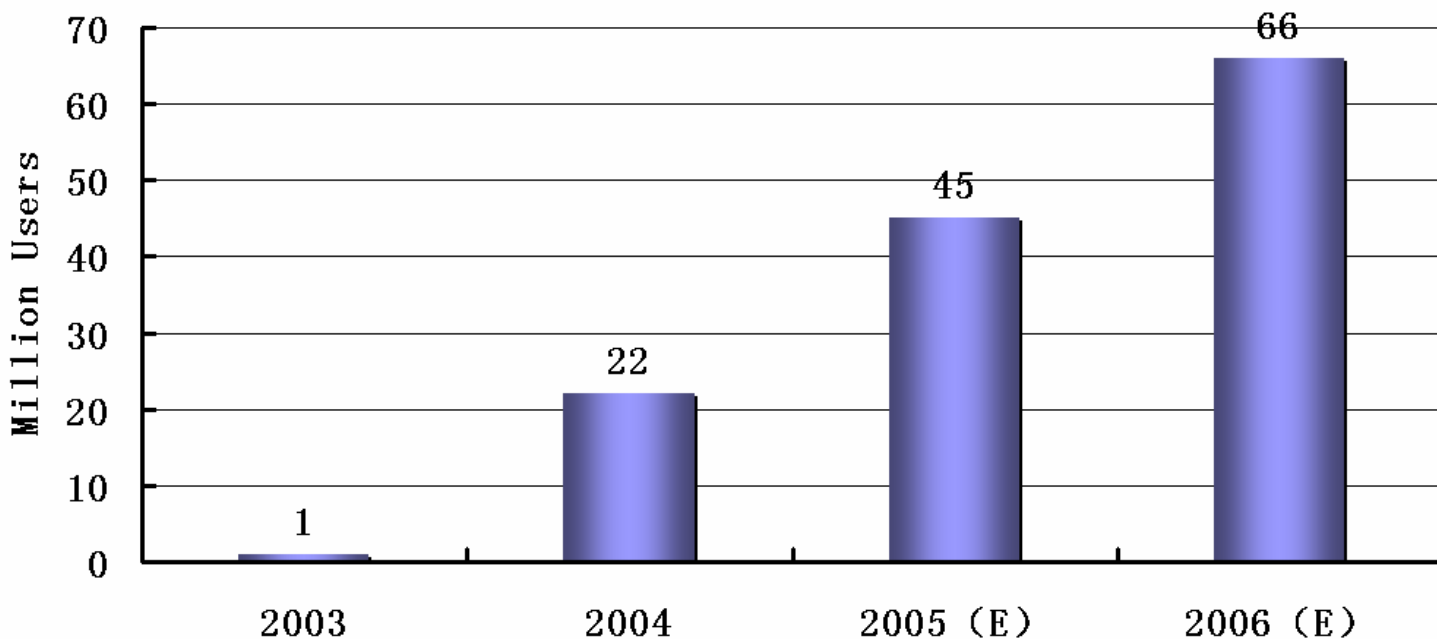
# Strong Growth in Services using WAP technology

WAP Market in China



# Ringback Usage has High Growth

RBT Users in China





# Rapid Growth Driven by a Large Consumer Market

- **Personalization**
  - Ringtones
  - Ringback Tones
  - Screen Savers
- **Entertainment**
  - Images
  - Games
  - Sports and Music
- **Communications**
  - SMS messaging and chatting
  - MMS messaging and chatting
  - Video messaging



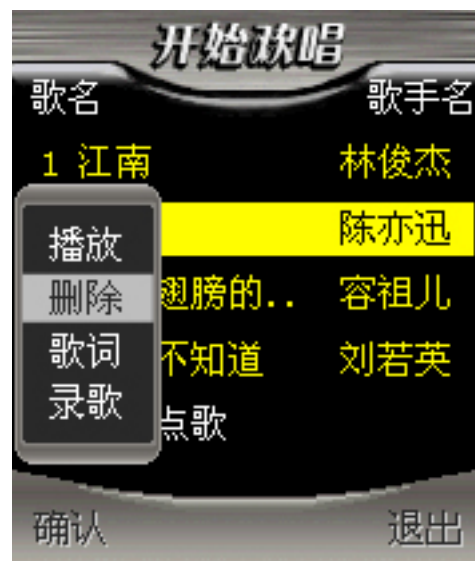
美通无线

# Wireless Services Examples

# Mtone's Xiao Xin Character from SMS to MMS to WAP



# Mtone's Mobile Phone Karaoke





# First Interactive Online Multiplayer Mobile Game

## San Jie by Mtone



# Fantasy NBA – WAP Game

## NBA梦幻联盟



昨天您的球队增加了  
59.53分,G.阿里纳斯得  
了30.64分,J.汀斯利得  
了0.00分,L.休斯得了  
0.00分,D.迈尔斯得了  
3.60分,K.加内特得了  
25.29分,请继续努力吧  
!!!

[我的球队](#)  
[联盟排名](#)  
[总排名](#)  
[退定球队](#)



分数每天在累计,排名每天在  
变化。将所有联盟的所有球队  
相比较,分数最高者,将以总  
冠军的身份前往NBA现场。

所有球队排行榜前50名

No.1 梦10队(135\*\*\*\*3016) 分数  
:27641.52

No.2 梦y队(139\*\*\*\*3456) 分数  
:26538.60

No.3 MzoneBoy(138\*\*\*\*0500)  
分数:26445.28

No.4 梦5队(139\*\*\*\*3456) 分数  
:26409.06

[下一页](#)  
第1页/共10页

[我排第几](#)

[返回首页](#)

您在整体联盟大排名中排行  
第10位,您的分数是  
25692.45。

您前一位的分数是25725.66  
您后一位的分数是25495.80

[返回总排名](#)  
[返回首页](#)



# MARKETING

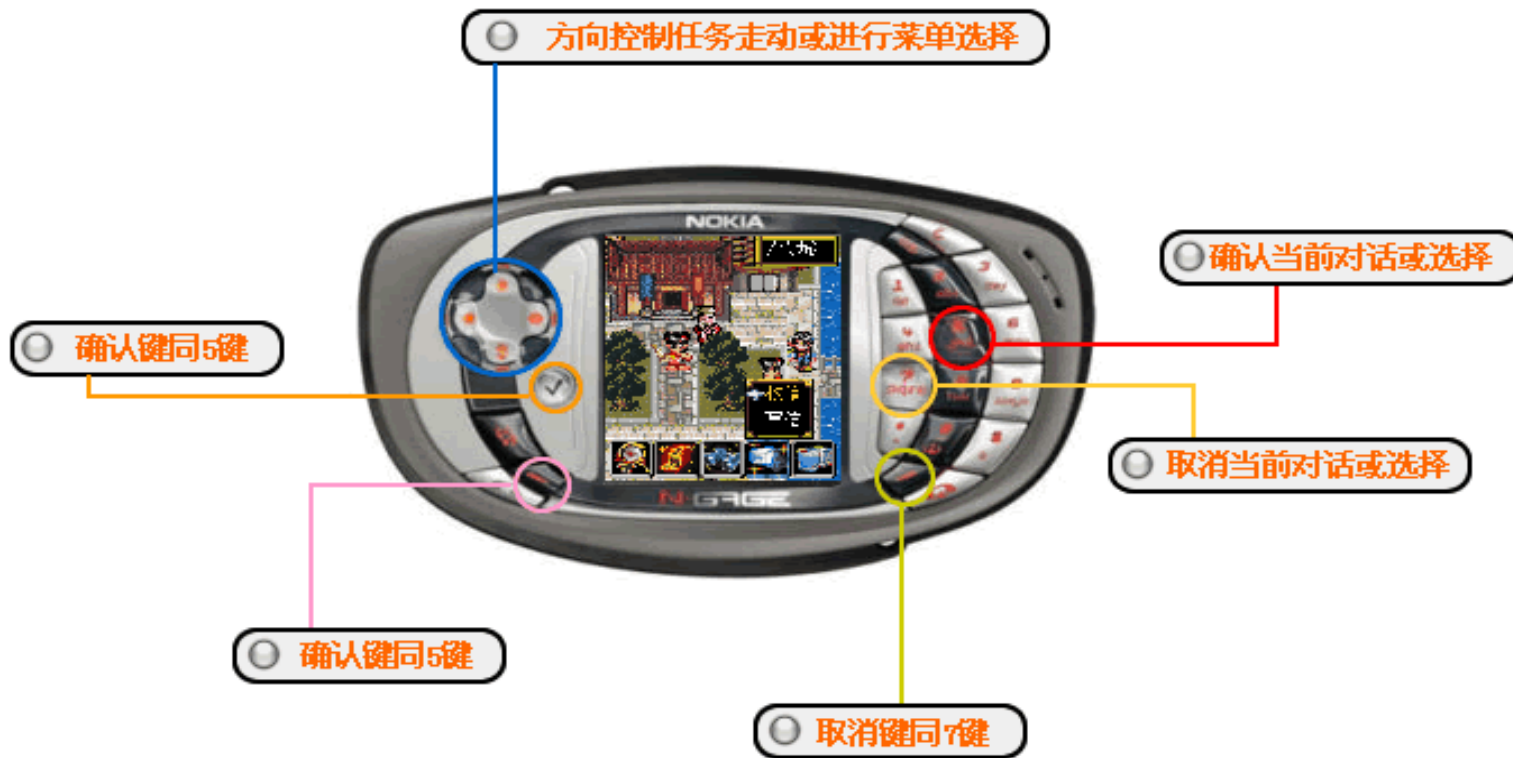
## 340M Users = Consumer Marketing

- **Expanding recruitment channels**
  - Carriers - Traditional
  - Internet
  - Handset Vendors
  - Consumer Channels
  - Retail Channels
- **Recruitment costs is the critical parameter**
- **Hire consumer marketers**

# Consumer Channel Mtone @ NBA Summer Jam



# Handset Channel - SanJie Preloaded Nokia Handset



N-GAGE™ QD 操作示意图

# Internet Channel: Typical Web Page

- 首页 - - 彩信 - - 铃声 - - 酷图 - - 妙语 - - 游戏 - - 交友 - - MY美通 -

用户登录 用户名:  登录 注册 移动梦网-我的服务 | 密码查询 | 退订

**发NBA到1818 边走边猜赢NBA大奖**

**HOT NEWS 最新推荐**

**美通城入口**

**Mobile TCL** TCL彩信合作网站

参与“天下无贼”与明星面对面

NBA季后赛竞猜开始了

**新闻中心**

NBA在中国发布首个手机梦幻游戏

三界传说第一款手机玩的网游

**三界传说**

**第一款原创武侠手机网游**

**游戏地带** 终极对抗 闯关夺宝 烧死脑细胞 >>更多游戏

 <p><b>三界传说</b></p> <p>多人互动, 虚拟人物和虚幻世界</p>	 <p><b>泡泡小新</b></p> <p>国内首创的卡通人物日志类游戏</p>
 <p><b>娱乐花生派</b></p> <p>娱乐圈内与明星相关的一切信息!</p>	 <p><b>明星对对碰</b></p> <p>虚拟情人走进你的生活.</p>

**火热定制**

- 三界传说
- 星座之约
- 手机
- 对抗夺宝
- 空降情缘
- 泡泡小新
- 娱乐花生派
- 烧死脑细胞

**订阅**

**NOKIA 异类当**

**空降情缘 发短信516到1818** 这个城市的市民, 以追求更多的情人同时减少情敌为最终目标.

**星座之约**



美通无线

# What is the Industry Direction?



# Industry Trend - Handsets Driving Opportunities

- **Latest Handsets in Market**

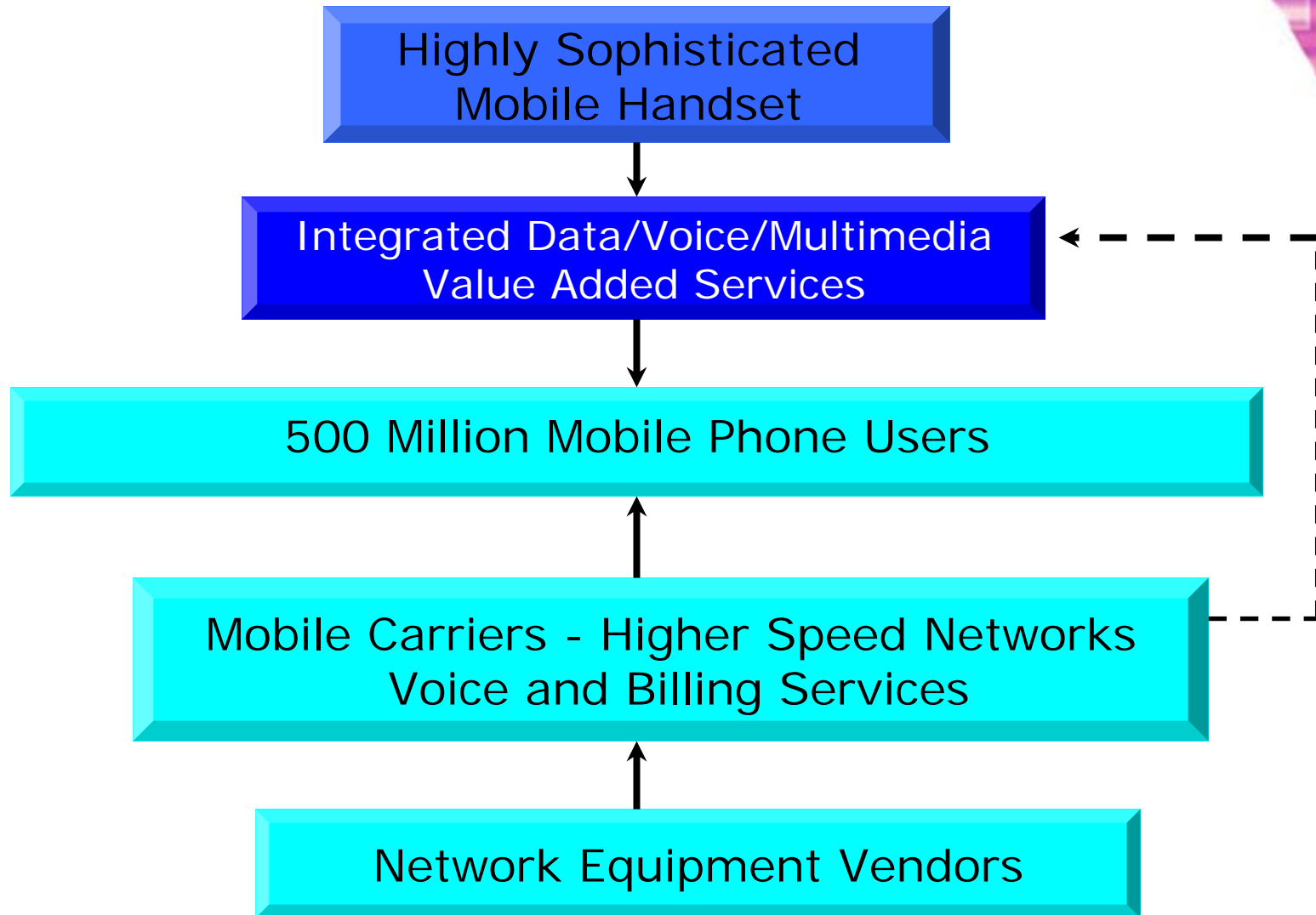
- 1Mpixel Camera
- QCIF Color Screen
- MP3 Player
- MPEG 4 Movie Capture and Player
- 128-256 MBytes of Memory
- E Mail & Browser
- Programmability

– **UNSUBSIDIZED STREET PRICE → \$120 USD**

- **Music and Video are economically viable**



# Trend - More Functionality at Network Edge - Devices & Servers





美通无线

# Hiring in the US and China

**Rchin@mtone.com**

**English website is [www.mtone.com](http://www.mtone.com)**



美通无线

# Discussions