

MEDIA

Grammy awaits okay for 3G

SRISAMORN PHOOSUPHANUSORN

GMM Grammy is moving to broaden its digital music download channel to third-generation wireless broadband in a bid to reduce costs and capitalise on 3G mobile application services.

The country's largest music and entertainment company expects revenue growth of 20% this year, fuelled by satellite TV and online shopping services, said chief financial officer Premon Pinskiul.

Grammy received a mobile virtual network operator (MVNO) licence from the National Broadcasting and Telecommunications Commission. It had asked TOT Plc to provide 3G service under the provision of an MVNO.

TOT was on the verge of selecting its new MVNOs to promote its 3G nationwide service last June, replacing existing inactive operators. The state telecom enterprise plans to create three MVNO categories: strategic partners, conven-

tional MVNOs and resellers.

"We plan to become a 3G reseller for TOT, pending the state's approval," said Mr Premon.



Premon: Grammy would be 3G reseller

become a mobile operator or an internet service provider," Mr Premon said. "Our MVNO will only complement the group's digital music service to increase revenue and streamline business operations."

Grammy now has to share revenue

Under the group's MVNO concept, Grammy plans to buy mobile airtime from TOT wholesale. It will then sell the airtime to customers for data services such as music and ring-tone downloads.

"We have no plan to either become a mobile operator or an internet service provider," Mr Premon said. "Our MVNO will only complement the group's digital music service to increase revenue and streamline business operations."

with mobile operators when customers download the group's music via an operator's network. Having its own wireless download channel would help the company expand value-added services without revenue-sharing payments.

Grammy expects a revenue to rise 30% for its digital music service this year, helped by the new MVNO service.

However, Mr Premon said MVNO would not generate significant revenue for Grammy. Satellite TV and online shopping will be the big revenue streams.

"We expect to see 20% growth in revenue this year," he said.

Grammy posted a 30% increase in total revenue in 2011. Net profit rose by 15%. Of total revenue, digital music made up 39%, media accounted for 54%, and the remainder came from events and radio business.

For 2012, the share of digital music revenue will rise to 42%, media will make up 39% and new business, 12.5%.