

APRIL 2012

TVmonitor

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Commercial broadcasters as drivers of online services in Europe



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- EU media policy news



ACT

Association des Télévisions Commerciales européennes
Association of Commercial Television in Europe



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by Ross Biggam, ACT Director General

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The role of the content sector in the digital economy quickly generates a lively debate. Innovation, globalisation, disruptive technologies, the need to adapt business models, copyright and licensing ...

What is sometimes striking, even though we are now approaching the half-way mark of the European Union's Digital Agenda, is that these debates have generated relatively few statistics. Some believe that the content sector needs to innovate more. We would reply that media companies are launching new services every day of the year (375 new European television channels in 2011). The ACT and some of our member companies therefore commissioned an independent consultancy, E-media, to analyse the role of broadcasters and content companies in the digital economy. We want to move the debate on, to bring some facts and figures to the discussion :

- How much do commercial broadcasters invest in programme content?
- How popular is broadcast content online?
- Are there enough legal offers available to dissuade consumers from pirating our content?

The report will be published mid-April, and we look forward to presenting it to MEPs and to a fact-based discussion about the present and future role of our sector in the digital economy.

We already know that Europeans are watching more linear television than ever (228 minutes per day on average) and are also accessing audiovisual content on other devices and platforms.

How, in practice, are broadcasters exploiting the opportunities of online distribution? In this brochure, we asked two ACT Vice-Presidents to give us an insight into their national markets. Gina Nieri, Member of the Board Mediaset Group described how Mediaset incorporated multiplatform distribution into its strategy in Italy and explained the importance of responsible internet offering safe environment for businesses and consumers. David Wheeldon, Director of Public Affairs BSKyB told us about the need of the regulatory framework to incentivise both content investment and platform innovation. BSKyB have announced a new internet TV service, called Now TV, which will be available in every internet connected home and millions of devices in the UK and Ireland later this year.

In the words of Jeremy Darroch, the CEO of BSKyB,

"Any notion that Sky is still just a satellite broadcaster should well and truly have gone out of the window by now".

In the political arena, we are grateful to Piotr Borys, MEP, for agreeing to do an interview on the audiovisual content sector in the EU. Mr Borys, responsible for an opinion in the EP Legal Affairs Committee on the "Online Distribution of Audiovisual Content in Europe" emphasised the **significance of guaranteeing a legal security in the digital space for copyright and guaranteeing fair compensation to all authors for their works.**

Finally, we again seek to give evidence of how commercial television is seizing new opportunities by showcasing a selection of services launched by ACT members only since the beginning of 2012. We can see that the legal offer of on-demand services is booming in Europe and our members take financial risk to not only answer the demand from the viewers but also and especially to drive innovation. For instance CME - who developed its video-on-demand service in six markets across Central and Eastern Europe - is starting now to produce professional audiovisual content exclusively for online in Croatia and Slovakia.

And last, but not least you can get update on the EU policy news of high impact on media sector.

Wishing you enjoyable reading, Ross Biggam ■

Challenges & opportunities of new ways of distributing audiovisual works

Professional Storytelling: quality and responsibility at the core of Mediaset's online offer

by **Gina Nieri**, ACT Vice-President & Member of the Board Mediaset Group

The internet provides unprecedented opportunities to interact with viewers and to make professional content available anytime, anywhere and on any device. Mediaset was an earlier believer in the benefits of multiplatform distribution: our programming teams are keen on pursuing top-notch quality and in taking stock of anything which is made available to the public, be it offline or online. Storytelling is our job: it is what we do in providing viewers with stories they can trust and relate to, from news and current affairs to film, drama, documentaries and entertainment shows. In so doing, we never fail our responsibilities and are fully accountable to our public and to regulatory authorities.



CONNECTED TV



Amongst Mediaset's most successful recent ventures, I am proud to announce that **Premium Play**, Mediaset's over-the-top offer launched last November and currently accessed through personal computers, connected TV sets, HD decoders and X-box consoles, featuring over 2000 programmes (including news, sport, film, drama and entertainment) will be available on the iPad at the end of April. Its VOD titles include HD and 3D content, along with 400 catch-up programmes among the most popular aired by our linear channels in the previous week. Every week, 200 new programme items are added afresh.



NEWS & MOBILE APPS



Mediaset's all-news network **TGcom24**, launched last November, is an excellent example of how the internet brought about a new way of creating and delivering content. TGcom was our news site that, after a 10-year online success, paved the way to the creation of a news agency catering to our flagship channels and to all the platforms where Mediaset is available as a news outlet. TGcom24 enabled a complete makeover of our news gathering structure with a meaningful and efficient reorganisation of journalistic resources.

“ Our content is now a major driver of online mobile consumption. ”

It is worth highlighting that our content is now a major driver of online mobile consumption. TGcom24 features among the 25 most downloaded applications on Apple devices (and the only news app in the first 25!): 860,000 on iPhone and 210,000 on iPad. **TGcom24** mobile apps, now available on a mix of new devices and platforms - Android, Bada, Blackberry, Windows Phone - amounted to over **1,610,000 downloads**, an increasing trend that complements our broadcast delivery and an interesting prospect for advertising sales. All in all,



3.8 million Mediaset content apps have been downloaded so far: 3.6 million free apps and 200,000 pay apps. In line with our core free-to-air business, we believe in the advertising potential of free apps, and not just on Apple: Samsung, Nokia, Windows, Blackberry are all complementary vehicles to our information and entertainment services.

Did you know that..?

TGcom24 mobile apps amounted to over **1,610,000 downloads**.

3.8 million Mediaset content apps have been downloaded so far.

UGC: FROM NET TO TV



16mm - Mediaset's new born UGC site, just like in the case of our experience with the news, draws content from the internet to television. So far we have been used to professional TV services being redistributed on the open internet, but this new initiative goes the other way around: from the open internet to professional content. 16mm is meant to engage users and encourage their creativity. 16mm allows users to upload their own videos, watch peers' video, vote, comment, report abuse. Registered users may upload their own content according to a set of rules with criteria for videos to be published. Prior to posting a video file (600 MB maximum); a standard form must be filled out in order to provide the following information: title, description, thematic area, brand, tag. When the upload is completed, the service software will display a code associated with the relevant video. All videos and users' comments are pre-vetted and can only be published further to two levels of control. The first control is operated by a subcontractor which detects coarse language and unsuitable images. On the basis of this initial control, an editorial board assesses the opportunity to discard illegal and/or harmful materials. Controversial cases are subject to an ad-hoc editorial verification. Whilst in its infancy, 16mm has succeeded in fostering a **virtuous co-operation between responsible users and responsible platforms**.



I have been advocating the case for a responsible internet for quite a few years: the internet is a fantastic platform, mature enough by now to grow up and bear its responsibilities. Freedom of expression is no excuse to derogate from consumer protection and from granting families a safe environment for their children's online experience.

H I G H L I G H T

Challenges & opportunities of new ways of distributing audiovisual content

by **David Wheeldon**, ACT Vice-President & Director of Policy and Public Affairs BSkyB

The internet has created a whole realm of new opportunities for BSkyB to fulfil the wishes of our customers to experience the content they have paid for whenever and wherever they are. But these new opportunities to deliver content are worthless without the creation of attractive and compelling content in the first place.



After all, the drive by companies like Sky to invest in quality content has led to an increase in the amount of viewing in recent years, despite strong competition for viewers' attention between linear television, time-shifted viewing and video-on-demand. So while technological change is revolutionising the

industry, no content service can survive without providing exciting and innovative programming. That is why **Sky is now investing more than €2.4 billion a year in content and will double our spending on home-grown production over the next two years.**



“ The regulatory framework needs to incentivise both content investment and platform innovation, but not one at the expense of the other. Flexibility in content distribution and choice of business models will drive innovation and underpin the content creators' ability to reinvest ”

And the fact is that viewers don't care how programmes are delivered – whether it be through the air, through a pipe or via broadband – all they care about is having the best possible experience watching programmes they love. Sky's hybrid distribution model delivers content via a combination of satellite, the internet and mobile, providing customers with the widest choice of viewing. These include linear TV channels, programmes saved on the Sky+ planner, video-on-demand delivered to the set top box by satellite and by the internet, and linear and on-demand content to a range of connected devices via our **Sky Go service** - which is now **used by over 2.5 million people in the UK and Ireland just six months after launch.** Finally we have just announced our

new internet TV service, called Now TV, which will be available in every internet connected home and millions of devices in both countries later this year.



As long as we deliver the content viewers want in ways they want, where they want, we will continue to build on our success. However, to sustain that optimism, the regulatory framework needs to incentivise both content investment and platform innovation, but not one at the expense of the other. Flexibility in content distribution and choice of business models will drive innovation and underpin the content creators' ability to reinvest. So what do we need from policy makers to ensure this happens?

- **First**, it is essential to underpin the value of content through a **robust copyright regime.**
- **Second**, we need to ensure that **licensing of audiovisual content is flexible** and does not force right-holders to adapt their business models to a single licensing regime. For example, single EU-wide content licenses may suit some business models but not all. In fact we already see content licensing across EU borders – witness BSkyB in Britain and Ireland, Modern Times Group (MTG) in Scandinavia and Sky Deutschland in Germany and Austria. It is clear that where there is demand, content will follow.
- **Third**, **content supports the growth of new distribution platforms**, like connected TVs, but investment in heavily regulated content services may be held back if they are unable to compete with un-regulated services available on the same devices. Sensible deregulation needs to recognise that consumers will choose the brands they trust and companies will be motivated to meet their expectations without the burden of inappropriate regulation.

What makes us optimistic for the future is that it's in everyone's interest to tackle these challenges. The ultimate beneficiaries will be consumers, who will continue to enjoy great, high-quality content in a world of new opportunities.

Did you know that..?

- Sky is now investing more than €2.4 billion a year in content and will double its spending on home-grown production over the next two years.
- Sky Go service is used by over 2.5 million people in the UK and Ireland just six months after launch.
- Sky's new internet TV service, called Now TV, will be available in every internet connected home and millions of devices in the UK and Ireland later this year.

ACT Members News:

New online services in Europe

The legal market for audiovisual content is booming - Today TV is much more than just a big screen in the living room. Our professional audiovisual content reaches our viewers on any platform, at any time and wherever they are.

European commercial broadcasters enthusiastically embrace online opportunities and we continuously increase our offer of new services. This section presents a selection of online services launched by commercial broadcasters since the beginning of 2012.

Belgium/France



RTL Belgium's channels are now available on tablet PCs providing users with "second-screen" applications to accompany their favourite shows.



Season three of *Top Chef* on M6 and RTL-TVl prolongs fans' culinary experience thanks to new features on the respective websites, such as cooking webinars or games inspired from the show.



France



Canal Plus has signed a deal with **The Walt Disney Company** to include Disney content on its subscription video-on-demand service CanalPlay Infinity. The deal will see movies including *Pirates of the Caribbean*, *Air Force One* and *Armageddon* and series including *Desperate Housewives*, *Lost* and *Grey's Anatomy* made available to CanalPlay Infinity subscribers.

CanalPlay Infinity is currently available via SFR and Free, and on Bouygues Télécom's Bbox service. CanalPlay Infinity will also be soon available via PCs and iPads, and via the Xbox 360 games console and Samsung Smart TVs later this year.



Central and Eastern Europe



CME's video-on-demand (VOD) service, Voyo, was rolled out last year in six markets across Central and Eastern Europe including Czech Republic, Slovakia, Slovenia, Romania, Bulgaria and Croatia. Voyo has a subscription based element; carrying premium locally produced content, as well as local and foreign feature films, a transactional VOD element devoted to Hollywood and independent movies.



Developments in 2012 include a partnership with Samsung to bring Voyo onto Samsung smart TVs. There is also a growing amount of local content that has been created specifically for the platform, including a spin-off from the Croatian hit TV series Lara's Choice (Larin izbor) called *Nikol: confidential* (Nikol: povjerljivo), Voyo Music (a Slovakian talk show) and footage from formats (such as The Farm) that have not been broadcast on TV.



Croatia



CME: Hit TV series spin-off exclusively for online. As of March fans of the hit series *Lara's Choice* (Larin izbor) are able to view a spin-off series *Nikol: confidential* (Nikol: povjerljivo) created specifically for the Croatian video-on-demand portal Voyo.

"CME's local content has so far proved popular online in all of its markets and now we want to move to the next level: **producing original content for Voyo**. The model we believe in is building content that compliments what is already successful on TV and online" said Robert Berza, head of CME's New Media Division.



Jan Andruško, General Director of TV Nova about the VOD service Voyo.cz:

“ We offer viewers not only exclusive local programmes produced by Nova and our group, but programmes, films and series by international studios, as well as sports shows. (...) When you develop products such as Voyo where you must pay fairly and dearly for every single item you place on there for the public, then it's horrible to see servers (globally and locally) showing illegal content while pretending "It's not us who uploaded it here, it's someone else.” ”

(Source: Mlada Fronta DNES, 28.01.2012)



Slovakia



CME: new exclusive online music show. The weekly talk show, called Voyo Music is produced by CME's content division Media Pro Entertainment. Aimed at the target group 12-42, the programme focuses on the Czech and Slovak music industry featuring interviews with well-known music stars and producers, introducing unknown musicians, hosting video clips and reporting on music news.



Germany



The **RTL Inside app** gives users access to various interactive features related to RTL Television programmes. RTL II Now, the on-demand website from RTL II, offers more than 1,300 hours of full-length programming, anytime, anywhere, while the Clipfish music video platform is now also accessible on TV screens thanks to HbbTV.



Sky Deutschland presents TV Entertainment of the Future. Sky Go, Sky+, Sky Anytime - these innovative Sky services enable the customers to enjoy the TV experience of the future already today. With Sky Go, Sky presents exclusive live sports, films, TV series and other attractive entertainment offerings anytime and anywhere on the web, the iPad, iPhone, iPod Touch and the Xbox 360. A vast selection of content is available live and on demand.



Brand new: Starting from May 2012, Sky Go will make it possible to watch films on the iPhone. And with Sky Anytime, the viewers can watch their favourite programmes on Sky+ HD DVRs whenever they want. Sky is the HD market leader in Germany with more than 40 channels in brilliant HD image and sound quality.



With the launch of Sky Atlantic HD at the end of May we will introduce a channel that shows exclusively new series and productions of the most successful US pay-tv channel.



ProSiebenSat.1 started its "online first" strategy in Germany with the successful launch of US hit series "Sons of Anarchy" on MyVideo (free video platform) with currently 3.5 million video views before its premiere on TV. In March MyVideo launched the next "online first" series with "Spartacus: Blood and Sand" with 1.5 million video views to this day.



Italy



Sky Italia has expanded the range of devices for Sky Go multiscreen service, which is now available also on PCs, Macs and iPhones. Previously it was offered on iPads and Samsung Galaxy Tabs. The service offers 25 channels including Sky's sports channels.

Poland



TVN launched its video-on-demand platform last year. In 2012 tvnplayer.pl became available on smartphones, tablets, connected TVs and the DTH platform n decoders in Poland. It is to be launched on game consoles shortly. tvnplayer users can now access a library with series, shows and other programmes broadcast by TVN and free-to-air and thematic channels. tvnplayer allows its users to watch popular TV productions even before they are broadcast on linear TV. tvnplayer reached 4.1 million unique users within 5 months.



Tomasz Plata, Head of Online Department:

“ tvnplayer is our response to the changing market and evolving habits of our audience. In line with our key slogan for our programming offer - we are in both, in TV and in the internet. We will meet online these users, who are not attached to the linear media consumption. ”

The United Kingdom



ITV content available on multiple platforms and devices. The ITV Player is now available on Android and Apple devices, the Freesat Platform and PS3, contributing to a 44% increase in long form views to 376 million in 2011 (261 million in 2010). There have been over 3 million downloads of the ITV Player app. Furthermore, the ITV Player will be available on YouView later this year.

ITV also has contractual arrangements in place for VOD catch-up services on all three UK pay-TV platforms: Sky, Virgin Media and BT Vision.

ITV is also deepening the ITV Player proposition, bringing more ITV archive content to consumers. For example, ITV has recently agreed VOD deals with Lovefilm and Netflix. We will also be trialling our new online pay mechanism later in the year.



ITV unveiled in March its brand new 24-hour news site, which is optimised for use on mobiles and tablets and brings real-time rolling news to the public in a brand new slick and efficient digital product.

Putting digital at the heart of ITV's news operation, the site will draw on ITV's award-winning national and regional news gathering operation, offering journalists the tools they need to quickly and efficiently break news and update stories online from wherever they are based. The site will also reflect the conversations around breaking news on other sites and platforms such as Twitter. To check the website, go to: www.itv.com/news/

The Netherlands



RTL Nederland hosted a unique "RTL Tweetweek" end of February, where famous RTL 4 faces tweeted about their shows. The *RTL Nieuws 365* app for the iPad gives Dutch users access to extensive news contents.



The Voice Kids now offers a whole new game-playing experience: a combination of TV, smartphone and board game. The innovative game is played during the broadcast of The Voice Kids. Players only need the free app and a free game board, which can either be downloaded from TheVoiceKids.nl or picked up from any Dixons store. To get ahead in the game, players have to answer three questions related to the show, which are asked via the app. The more questions a player answers correctly, the faster they move ahead on the board – on their way into the spotlight. More information is posted at TheVoiceKids.nl.

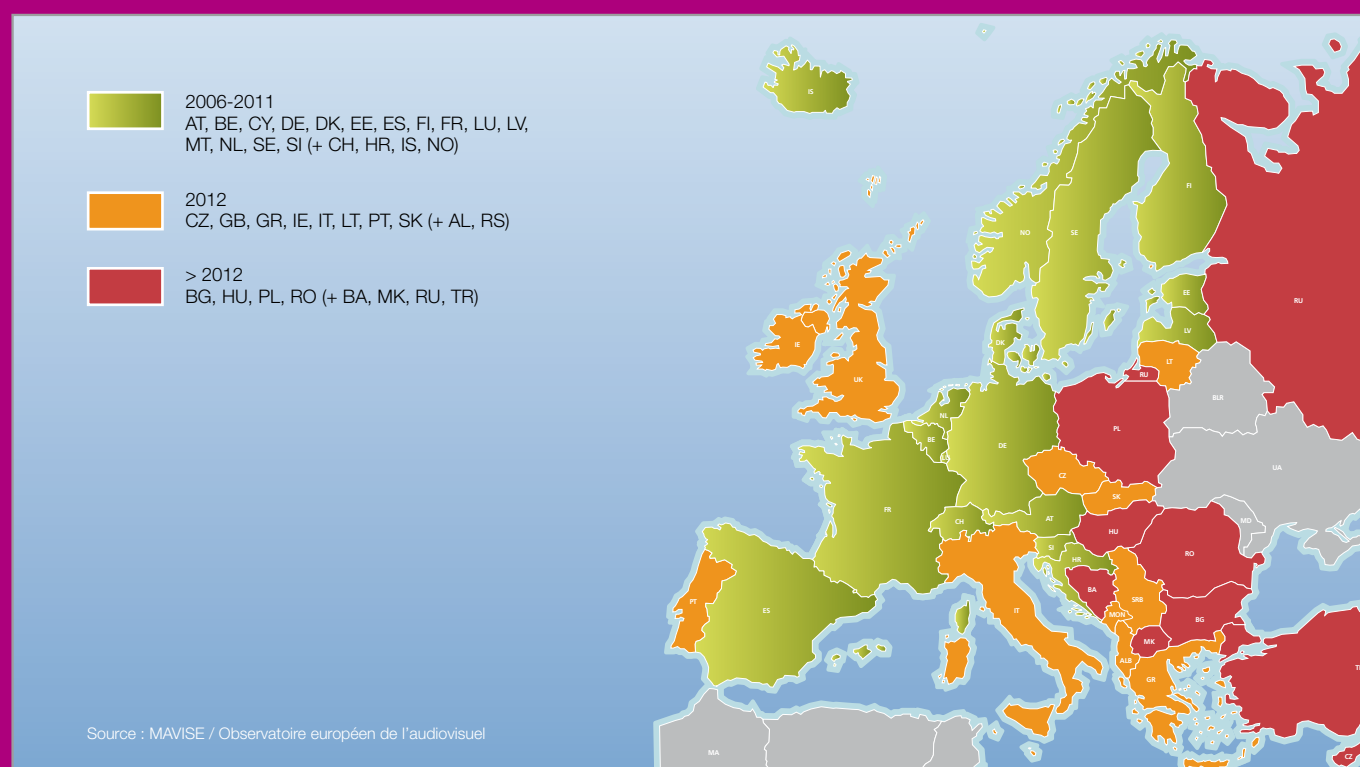


SBS catch-up TV. The catch-up TV service from SBS in the Netherlands is available on Philips smart TVs as of April. The new app unlocks content from the three Dutch private channels from SBS Broadcasting, SBS6, net 5 and Veronica to owners of Philips smart TVs. Until now, the app was exclusively available on Samsung smart TVs. With the addition of SBS, Philips TV owners now have access to the catch-up service of all major Dutch broadcaster, the public and private channels.

Facts & Figures

- The number of high definition channels operating in Europe has grown by 47.8% in 2011 or 375 channels in the last year alone.
- There are 7,400 channels based in Europe.
- In 2011, a further three EU member states completed analogue switch off: Cyprus, France and Malta, and the following eight countries are expected to do so in 2012: the UK, Greece, Ireland, Lithuania, Portugal, the Czech Republic and Slovakia.

Source: MAVISE, 2012



Interview with Piotr Borys, MEP,

on the audiovisual content sector in the EU



What are the main challenges for the audiovisual content sector today?

In order to be present in the rapidly-developing environment of online distribution it is essential to catch up with technology and to offer online services along with the change of generations. The online distribution market opens up for new opportunities both for producers and consumers, even though there are still many barriers on the path to its achievement. It is very important that the audiovisual sector faces the challenges and foresees towards which direction the technology will move forward. One of the biggest challenges is to meet the needs of customers, who become more demanding in their choices and dictate what they want to watch. The audiovisual sector has to create a certain framework so that audiovisual reality is present online in a legal way. Bearing in mind that every year Europe produces over 1,200 films, it is important to create good, legal and widely-available systems for online distribution. It is crucial to guarantee a legal security in the digital space for copyright and enforcement of these rights in practice. To this end, we encourage the contracts to be signed between authors and producers, as well as we emphasize protection of cultural diversity and pluralism in the media. We should also promote an international system of identification and a reduced VAT rate for audiovisual works.

How to guarantee fair and proportional remuneration to rights holders of audiovisual works in the digital age?

There is a considerable group of MEPs, including myself, who support fair and proportional remuneration to authors for online exploitation, which we consider as their right. We insist on guaranteeing fair compensation to all authors, artists and performers for the commercial use of their audiovisual works, whether it is through the introduction of collective agreements, contractual terms and only if the previous fail, the voluntary collective management.

“ Bearing in mind that every year Europe produces over 1,200 films, it is important to create good, legal and widely-available systems for online distribution. It is crucial to guarantee a legal security in the digital space for copyright and enforcement of these rights in practice. ”

In my opinion in the Legal and Home Affairs Committee, I ask the Commission to initiate a study concerning means of remuneration for authors, artists and performers in the audiovisual sector, to highlight the best practices that shall be implemented and adopted by the Member States. First and foremost, the specificity of individual countries must be respected. When it comes to the particulars, we will wait for the decision of the Commission.

What is your view on the multi-territorial licensing of audiovisual works?

We have to remember that European film production occurs in a peculiar way. It is very often that the film producers, who acquire rights to the audiovisual works, have to invest a large amount of capital, so that many films are brought to daylight on the annual basis. Taking into consideration many cultural differences in Europe, I support the territorial licensing system. I am strongly convinced that if there is such a need they should be granted and this process should be facilitated and simplified. However, the system is very expensive, so at the moment the multi-territorial licenses should remain optional.

“ It is very often that the film producers, who acquire rights to the audiovisual works, have to invest a large amount of capital, so that many films are brought to daylight on the annual basis. Taking into consideration many cultural differences in Europe, I support the territorial licensing system. ”

Latest EU media policy news

The European audiovisual industry has never been stronger as technology companies rush to join broadcasters in the connected TV business. Our sector is attractive to these companies precisely because of its growing popularity with viewers.

Online distribution creates great opportunities for broadcasters, increasing the availability of our content to viewers, and allowing access to new revenues.

Everything we do, offline and online, is underpinned by a robust copyright system. It is the foundation stone not just of the €84.4bn European television industry, but also of the wider creative content industry, "among the most dynamic sectors in Europe" Without strong copyright protection commercial operators would have no incentive to reinvest in content. And it is investment in content – sport, fiction, news, entertainment – which distinguishes broadcasters from pure aggregators and distributors of third-party content. The copyright regime rightly recognises that these models are different by giving broadcasters an exclusive neighbouring right over distribution of their content.

The retention and development of the broadcasters' neighbouring right is vital for the future of European content production. It allows broadcasters to control distribution and monetise their content, underpinning a broadcast and production industry based on contractual freedom and individual management of rights.

I mention this because the European Parliament is currently debating the Commission's Audiovisual Green Paper. Every MEP to whom we have spoken agrees that the starting point here is that those who take financial risk or bring creative



talent to a programme should have the right to be paid. How this is achieved may be more complex. Our three core principles here are:

- content owners must retain control over distribution;
- this can only be done via a system founded on contractual freedom which recognises the audiovisual producer as the central point for clearance and management of rights;
- the Green Paper should take fully into account the need to enforce IP rights against theft and unauthorised redistribution.

If the EU institutions and the industry can get this right, we have a great opportunity to build on the success story of European television into the digital era.



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