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TVmonitor

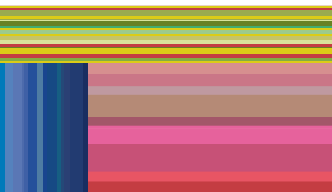
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FOREWORD

by Ross Biggam, ACT Director General

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- Rhys Noelke, Vice President Business Development RTL Group;
- Ross Biggam, ACT Director General

The summer is over in Brussels. We expect the autumn to bring heated debates about the future of TV, copyright, the digital marketplace, intellectual property rights, connected TV among others.

In this context, we asked Philippe Delusinne, ACT President & CEO RTL Belgium to tell us about the priorities for the European commercial broadcasters in the second half of 2012. Mr Delusinne explains the main challenges of digital age, the evolving viewing habits of our viewers and emphasises the importance of sustaining the investment in the digital evolution of our businesses via an appropriate copyright legislation.

In this edition, we showcase the innovative approaches of ACT members with a special focus on the Central and Eastern Europe and the UK. Robert Berza, Head of New Media Division CME kindly agreed to tell us about the pan regional video-on-demand service, Voyo, as well as CME's efforts to combat piracy.

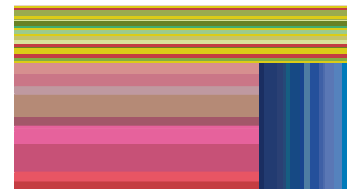
In the UK, the focus is on new internet TV service, called NOW TV which gives millions of people an easy and commitment-free way to enjoy movies.

The ACT members' news section showcases examples of innovative and multiplatform services across Europe. This is only a sample of the volume of our member companies' programming in non-linear mode, which has greatly increased over the past few years. You will find some facts and figures on the European commercial broadcasters' content online on page 7.

We are thankful to Mr Jean-Marie Cavada, MEP, for his considerable work on the report on the distribution of the audiovisual content online and for sharing with us his views and expertise on the sector.

And finally, we sought to highlight the importance of work done by the EU Media Futures' Forum that analysed the future of the European media in the context of the current economic situation and the digital revolution. We are grateful to Rhys Noelke, Vice President Business Development RTL Group who was a member of the Forum for his notable comment about the need for enabling digital growth and sustaining viable business models. ■

Commercial broadcasters' priorities for the 2H2012



Interview with Philippe Delusinne, ACT President & CEO RTL Belgium

What are the priorities for the ACT's work in the 2nd half of 2012?

We see three main challenges for our sector, each of which is reflected in current work at the EU Commission.

These are:

- 1· **fair competition,**
- 2· **protection for copyright and**
- 3· **innovation in advertising.**

First, **competition**. As the pace of change in the digital marketplace continues to accelerate, so we see competing services emerging from very different regulatory traditions. In broadcasting, we have a tradition of top-down, detailed regulation on subjective criteria like quality programming or balanced news reporting. In telecoms, regulation is much more driven by objective, competition law standards. And large parts of the internet business have never been regulated at all. So the converging of broadcast, devices also means a convergence of regulation ... what is the right mixture of the three traditions? We will explore these questions at the Cypriot Presidency Conference on Connected TV in October.

On **copyright**, there are a number of EU initiatives of interest, principally the directive on collective rights management and the follow up to the Audiovisual Green Paper. In each of these debates, we will argue for **greater respect for the investments made by commercial broadcasters in relation to intellectual property rights** for our content. It is a vital issue of principle that we support operators' contractual freedom in licensing and producing content.

Finally, **innovation** and **diversification** in television advertising. Contrary to what some internet evangelists have been telling us for at least a decade, **television advertising remains a viable business model**. But as advertising markets mature, so operators need to seek out new sources of revenue if we are to continue to grow, develop new services and compete with the well-funded global players now entering our markets, so we need to promote the value of advertising and seek growth of advertising and diversification revenue. Relevant EU dossiers here include an interpretative communication on the advertising rules in the Audiovisual Media Services directive, and an emerging policy on gambling.

It is an ambitious regulatory agenda, but the scale of challenges and the pace of change in our sector make it essential that we review every aspect of our business – and of our regulation.

How do viewing habits evolve with the expansion of new ways of watching audiovisual content? Does it affect the linear viewing time and how are commercial broadcasters responding to these changes?

The arrival of new developments in our sector has not taken place at the cost of linear viewing. Thanks to the explosion of digital technologies, our audiences now spend even more time consuming our content on other available platforms and screens, on PCs, tablets and smartphones.

Television remains an extraordinarily successful mass medium with average daily viewing in Europe at 228 minutes in 2011, a figure which has grown significantly over the past decade. For the moment, we can say: linear TV viewing is growing, non-linear TV viewing is growing – and so far, no cannibalisation effect is seen.

What could EU policy makers do to support commercial broadcasters in developing new digital services and drive innovation in Europe?

We are now in a very challenging period for commercial broadcasters in Europe. Advertising markets are influenced by businesses' confidence in the wider economy, so market conditions are currently challenging in many parts of Europe. And the challenges of the digital era are even greater with the new entrants on the market. But if one wants more professional content available on any platform, anytime, we need to continue our investment in this digital evolution of our businesses.

“ A recent study shows that European commercial broadcasters invested 15.1 billion Euros in content in 2010. And this investment is only possible if the respect for copyright in a rapidly converging system is ensured. ”

A strong and appropriate copyright legislation is a primary condition for the continuation of our investment in original, professional content.

Focus on the Central and Eastern Europe

Interview with Robert Berza,

Head of New Media CME on the pan regional video-on-demand service, Voyo



Central European Media Enterprises operates 33 commercial television stations across six central and Eastern European markets. **Robert Berza** is the Head of the New Media division which currently operates the pan regional video-on-demand service, Voyo. Starting life as a transactional VoD service in 2010, Voyo completed the roll out of subscription based service across Bulgaria, Croatia, the Czech Republic, Slovakia, Slovenia and Romania this year. It also has a transactional VoD element which shows major international Hollywood movies.



How has CME adapted its strategy to cope with the demand for online?

Our strategy is something we call **'one content, multiple distribution'**. This means that we are creating our own content and monetizing it through different distribution channels. We don't just designate our content for TV broadcasting. We are focusing on the diversification of our revenues and generating them not only from advertising but from paid windows too. We have also developed a number of applications for devices and we have brought Voyo to smart TVs.

Tell us about the popularity of VoD in your region...

I'm pleased to say that Voyo was a trend setter in the region in many ways, one of which was the move towards a subscription based service rather than a transactional or free one. Many assumed that we would never convince viewers to pay for online content in the CEE, but **there is a large group of people who are willing to pay a fair price for a good service** and within 6 months of launching the SVoD we were able to boast 78,000 subscribers. New Media has been our fastest growing segment in terms of revenues and Voyo has largely contributed to that.

What drives the subscriptions?

Our main differentiator is that CME's content division, MediaPro Entertainment, produces exclusive local content that is not available anywhere else. Voyo often premieres episodes of our most popular series in advance of television broadcast. Rather than negatively affecting the number of people who then watch it on television, we have found that it actually boosts numbers through the word of mouth it creates. VoD is also an opportunity to screen extra content and behind the scenes footage, which has proved very popular, for example with Big Brother in Slovenia. We hope to do more of that in the future.



The other advantage is that because a large amount of the content is produced by us, there is less opportunity for it to be pirated.

What are you doing to combat piracy in your region?

We're concentrating on decreasing the avenues that allow pirates to make a profit on content that is stolen from us. For example starting in Romania we have banded together with online payment services such as PayPal and PayU and major telcos to freeze payments to sites which illegally distribute content. We are cutting payment gateways across our regions. Big companies are already showing that they don't want to enable the pirates to continue to commit criminal offenses via their services. We are also pushing the habits of consumption to areas where pirates have less access, such as smart TVs and hand held devices such as smart phones and tablets, where the major device producers do not allow for pirate applications. We support these actions with information campaigns to inform honest consumers about illegal platforms. It is a long fight but we believe that over time paying for online content will be widely acceptable.

Focus on the UK

More choice for consumers with new internet TV service: NOW TV



NOW TV, the new internet TV service from BSkyB, is about to give millions more people an easy and commitment-free way to enjoy movies. The service is available to anyone in the UK with a broadband or 3G connection across a wide range of connected devices including PC, Mac and selected Android smartphones from launch; with iPhone, iPad, Xbox, Roku streaming players and Sony Playstation 3 to follow.



NOW TV offers access to some of Sky's most popular programming, giving access to 600 different movies on demand including up to five exclusive Sky Movies premieres each week, and most of the year's biggest blockbusters. In addition, over 1,000 movies including 'now on DVD' and classic titles will be available to rent on a pay-as-you-go basis through Sky Store.

There will be no minimum contract so customers will be able to choose from a variety of pricing options:

- 1) **'pay & play'** for instant access to over 1,000 movies through Sky Store including the latest 'now on DVD' releases and much-loved classics. 'Pay & play' movies on NOW TV range from 99p for classic titles to £3.49 for the latest blockbusters.
- 2) NOW TV also offers the monthly **Sky Movies Pass** with instant and unlimited access to over 600 movies. Following the end of a free 30-day trial period, the Sky Movies Pass is available for £15 a month.

More content will also be added in the coming months, with Sky Sports due to launch on NOW TV before the end of the year. This will enable NOW TV customers to enjoy live action from the Barclays Premier League, UEFA Champions League, England Test cricket, Heineken Cup rugby, ATP tennis, the Masters from Augusta and much more. The introduction of Sky Sports will be followed on NOW TV by must-see shows from Sky 1, Sky Atlantic, Sky Arts and Sky Living, including home-grown drama, original comedy and US shows.

“*NOW TV will bring more choice to UK consumers and an easy way to enjoy amazing movies, instantly. Following the explosion in internet-connected devices, we know that more and more people are looking for great content to watch over the web, and that's where NOW TV comes in. Offering a new and exciting way to enjoy Sky Movies on some of the most popular internet-connected devices, NOW TV gives films fans everywhere a new choice.*”

Simon Creasey,
Director, NOW TV

ACT Members News:

Audiovisual content everywhere and at any time

Austria & Germany



Sky is the first entertainment company in Germany and Austria to implement a comprehensive multi-platform strategy. Since April 2011, Sky Go has provided customers with greater flexibility and convenience, allowing customers to watch live and on-demand TV, on platforms such as the Web, iPad, iPhone, iPod Touch and Xbox 360, with over 250 blockbusters, 350 series episodes and thousands of hours of live sport available.



Since May 2012, the best series and films are also available on the iPhone and iPod Touch and social elements have been introduced on Sky Go on the iPad to enable customers to interact with friends while watching their favourite programmes. Sports offerings on the Sky Go iPhone app have also been majorly expanded, with the addition of three high definition sport channels.



Right in time for the start of the upcoming Bundesliga season, Sky has completely redesigned its 360 degree sport news and data service on Sky Go. The new Sky Go sport data centre will soon be fully interactive, allowing users to access both live and archived information, all while watching their favourite live sport!

Greece



ANT1TV has been present in the online landscape since the late '90s. Since then, more than 50 mini-sites, 20 Facebook fan-pages, 3 Twitter accounts, 2 YouTube channels and a Google+ profile have been created.

ANT1TV online goal is to build a bridge to connect the values of the traditional media heritage with the dynamic nature of digital publishing in the era of social media.

ANT1TV's website serves as the core of its digital strategy. Mobile and social media have been utilised to build the brand image and the relationship with the viewers. Here are some steps that have been taken to re-imagine and re-architect the digital presence of ANT1TV:

- Running Facebook fan pages, Twitter accounts, You Tube channels and Google+ profiles as publishers/ content contributors in order to **build audiences around the brand**;
- **The content is key to a social media plan**, hence a fully dedicated team has been employed to create audiovisual content especially for all social media platforms;
- **Meaningful and fun content**, that helps to complete the viewer experience, is being created constantly, as for instance: exclusive backstage photos and footage of ANT1's shows, exclusive previews of new shows (avant premieres), only for Facebook fans or WebTV users;
- **ANT1TV application for iPhones** launched in 2012 includes: TV schedule, Live TV player, full access to the WebTV archive for catch up, access to web series, "Coming soon" section with spots of all the TV shows that are about to air, access to the Twitter account.

Examples of social media activities of ANT1



Social TV Chatter: For the final of Greece's Got Talent, an online chat platform has been launched, where users can login via Facebook/Twitter and chat about their favorite show, while watching it online though ANT1's WebTV. Via the Social TV Chatter, conversations have been provoked.



My ANT1: In June 2012 a UGC contest called "My ANT1 video contest" took place. The viewers were asked to send a video of them, commenting on the channel's shows. The five winners got to shoot their own professional TVC's, which was aired as part of the 2012 on air campaign. These five winners are now the new faces of AN1TV.

The UK



ITV - Later this year, ITV will launch a Pay Player which will for the first time offer viewers the chance to rent content from 1,000 hours of archive programming alongside its seven day catch-up content which remains available for free.

Launching into public beta this Autumn the all new integrated ITV Pay Player will offer viewers the chance to:

- Access full seven-day ad-funded catch-up content for free;
- Rent single ad-free episodes from ITV's back catalogue;
- Rent full series box sets.



Continued on page 6

Later this Autumn ITV will also be trialling programme premieres giving viewers the chance to watch the next episode straight away in the ITV Pay Player without having to wait for the next linear episode.

A range of other online download-to-own and rent services are available, which offer variety and flexibility for consumers wishing to access ITV content. For example, ITV has agreed VoD deals with Lovefilm and Netflix. ITV has also agreed a deal with Sky to add archive programmes and seven-day catch-up to Sky's on-demand Sky Anytime+ service.

Turkey



NTV - Taking into consideration the evolution of consumers towards an increasing on demand and mobilized nature of accessing premium content, **Dogus Media Group** is currently building a digital platform with the goal to provide free access to the latest content as well as an archive. The platform offers all kinds of digital content through several digital channels including mobile and smart TV which allows users to enjoy on demand content including national and international TV series, live TV, music videos, sport content and many more.



By putting all these services together and combining it with the state of the art technology, the aim is to build up a highly engaged community within social platforms around the appeal of content. Our entertainment based **social networking site, SosyoTV**, will also contribute to the glamour of these discussions. As the digital world offers a new and different TV experience, Turkish audience will have the chance to live this experience to its fullest in just a few months with the launch of the new Dogus platform.

Italy



Mediaset is aiming to enhance its TV offer with the Interactive Media Direction, chaired by Yves Confalonieri and built by a group of social media editors who moderate posts and blogs on Mediaset fan pages. Mediaset has conceived the first Italian community on Facebook, reaching about 5 millions of fans and almost 1,5 million comments.

Through Facebook, viewers exchange opinions during a television program, comment and discuss within their online community. Besides live blogging, you can find videos of past Mediaset TV shows, interviews or programs previews. Mediaset has also become one of the first to launch the TV-vote through Facebook, thanks to the Big Brother's last edition.

Mediaset has recently launched a trial of a social media platform in programs like: Quinta Colonna, Pomeriggio Cinque and Mattino Cinque, where viewers can communicate live and send comments, which will be broadcast on TV.



Pan-European



Viacom International Media Networks - *MTV under the Thumb* App was launched for iOS & Android in Germany, Switzerland, Poland, the Netherlands, Belgium, the UK and France. The app gives access to premium MTV content on-demand and enables users to co-view the shows and chat with friends at the same time. The app can be paired with any web browser on a computer, enabling users to use their mobile phone as a remote control. They can also link with Facebook to share favourite shows and encourage others to watch them.

How RTL Group's companies get closer to viewers

France - In July **Groupe M6** unveiled a revamped version of its Replay catch-up TV platform. It not only offers social television and continuous viewing functions that are unified across all media, but affords access to a second screen service dubbed *Devant ma TV*. Viewers can comment on and interact with a programme whenever they want.



Germany - In April the webpages produced by Mediengruppe **RTL Deutschland**, which include the homepages of its different channels and their VoD portals among other websites, generated 116.8 million video views of professionally produced content, their second-best monthly score ever. Mobile video views hit a new high at 15.9 million. An IVW survey published in April counted 33.9 million visits for *N-TV.de*, making it once again one of Germany's most popular news portals. The N-TV apps also recorded new record values.

Belgium - Thanks to the broadcast of "US premieres", **RTL Belgium's** VoD platform, *RTL à l'infini* lets viewers watch a series that has just aired in the US, in the original version with French subtitles. It also offers a second-screen service.



RTL Group continuously expands its digital portfolio and covers all major topics, including VoD and catch-up TV, multiscreen TV, social networks, second screen services and eCommerce.

- In the first half of 2012, the Group's online platforms and on-demand offers across Europe collectively generated more than **1.2 billion video views of professionally produced content** – up 33% year-on-year.
- Mobile video views **up 92% in Germany** and **up 99% in France**.
- In total, RTL Group companies have launched **more than 220 mobile applications**; registering 65 million downloads to date.
- Every month, RTL Group's online network of 200 websites and digital services reach an average of **60 million internet users**.
- RTL Group's online network has **36 million Facebook fans**.

Interview with Jean-Marie Cavada, MEP and President of the EP MEDIA Intergroup

on the “Online distribution of audiovisual works in the EU”

As rapporteur of the report on the “Online distribution of audiovisual works in the EU”, you have certainly deepened your knowledge of the particularities in the media industry. According to you what are the future challenges and opportunities for the content industry in the years to come?

I was founding President of the public television channel “5” in France and President of Radio-France. That means that I had a rather precise idea of what should be expected from the television of the future prior to my work on the draft report.

“*The cultural and creative industries in Europe already represent a very important economic potential in terms of their added value, as their contribution equals 2.5% of the GDP.*”

The first challenge in this time of crisis seems to be **sustaining jobs** in the sector, **promote the creation** and develop all the opportunities that will foster the growth and European exchanges in the field of education and culture.

The second challenge is to successfully negotiate the development of the **single European market**, which offers new perspectives for consumers, creators and service providers.

The third challenge, which is far from the smallest, is how to **ensure legal certainty in the European online environment** and **avoid situations of unequal treatment** between online and offline services.

How can the European Parliament assist European television in responding to the challenges of the digital revolution?

EU policy should aim at the establishment of an environment encouraging the development of widely accessible legal offer, at protecting copyright and improving collective rights management.

However, we need to remember that **the cultural wealth of Europe lays in its diversity and not in imposing legal constraints in negotiating licenses** covering several territories, languages or platforms. I emphasised this aspect in my report.

Finally, I am convinced that the role of the European digital library might be vital, because it is essential to boost the economy of culture and to ensure responsible and ambitious digitisation of audiovisual works of our heritage.

How can commercial television contribute to advancing innovation in Europe?

The most remarkable phenomenon of this decade is clearly **the enrichment of the European audiovisual landscape** to which commercial television has greatly contributed.

Commercial television should continue to promote production of European works by appropriate means, such as by their financial contribution, by the acquisition of rights to these works, and by reserving for these works a significant part of the programme catalogue they offer.

We must **ensure the right balance between all stakeholders in the sector**, respect the neutrality of the Internet and media pluralism, and remain very cautious in choosing the content. It is obvious that the success of the audiovisual content online depends on the quality and diversity of the provided offer.



Facts & Figures – Commercial broadcasters’ content online

- The volume of our programming in non-linear mode has increased greatly over the past few years. In **France**, for instance, in early 2009, **53%** of the programmes offered by the seven national generalist channels in prime-time and access-prime-time was available on catch-up TV services. By the end of 2010, this proportion had risen to around 70%.
- At **TF1**, 75% to 80% of programmes from the 6 pm-12 pm TV schedule (except films and some sport events) are now available for FTV catch-up usually for seven days after transmission.
- At **M6**, the proportion of programmes from the 6 pm-12 pm TV schedule available for FTV catch-up rises to about 90% with the same seven-day availability and some programmes made available through the Pass M6 SVoD service after that period.
- Over 80% of the programming from the five **CANAL+** premium channels is available for catch-up to subscribers.
- In **Germany**, RTL’s three Now-branded FTV catch-up TV / TVoD services offer seven-day catch-up for full-length primetime content and 30-day catch-up for full-length daytime content. The combined video volume offered by the three websites is close to 12,000 titles or around 8,000 hours.
- **ProSiebenSat.1**’s Maxdome VoD service is Germany’s largest video download site, offering more than **35,000 film** and TV titles.
- In **Poland**, **TVN Player VoD** and catch-up TV service had an initial offer of around 4,500 episodes, from series and programmes aired on its channels.

E-Media, Creative Media Europe: Audiovisual Content and Online Growth, April 2012

Observations from the EU Media Futures' Forum



“ The Media Futures Forum demonstrated how important a level playing field for all players in the digital media world is – for fair competition, ongoing innovation and above all for offering consumers the greatest possible choice. Media convergence may be happening on a technical level, but market structures are still far from converging. It is crucial that the European Union – as well as the member states and their regulators – enable digital growth in a way that we can meet our viewers' demand and ensure that new services such as on demand and mobile TV are backed by viable business models. ”

Rhys Noelke,
Vice President Business Development,
RTL Group

Reports on the future of the media industry are not in short supply. The sheer scale of the disruption, the opportunities and the challenges posed by digital technology for the media business and our consumers, coupled with the economic weight and wider societal importance of the media have produced a flood of studies and projections at national, European and global level.

Inevitably, some reports are more influential than others. A good early example of this was a European Commission Green Paper on Convergence from 1997, parts of which still accurately frame the policy choices for Europe today.

A recent report for European Commission Vice-President Neelie Kroes entitled “Fast-Forward Europe : Eight solutions to thrive in the digital world” has the potential to be just as influential as that earlier Commission paper.

The **Media Futures Forum** was chaired by Christian van Thillo, CEO of the Flemish media group de Persgroep. It was composed of 28 personalities from a wide range of sectors and acting in their personal capacity (broadcasters, publishers, advertisers, audiovisual producers, academics, ICT and new media players). It was tasked by Vice-President Kroes **to analyse the future of the media in Europe** against the background of the current economic crisis and the Internet revolution, and **to make practical recommendations to ensure that Europe takes full advantage of its potential.**

As the executive summary to the Media Futures Forum notes, Forum members “come from different sectors so our interests do not always coincide. We have different business models and, in many cases, we compete with each other. So it should come as no surprise that we did not agree on everything”.

But the Forum did manage to agree on **a vision of a European media and content industry with consumers' interests at the centre** of its activities. In this way, the “cake” can become a lot bigger and we are all better off with a smaller piece of a much bigger cake than with a larger piece of a small cake.

The Forum's eight recommendations cover the following areas :

- Turn Europe into a Digital Single Market by 2015
- Promote new business models
- Reward creators and creation of content
- Adapt financial support for audiovisual creation
- Treat like as like
- Avoid new barriers to entry
- Increase access to and use of legal content and services from anywhere in the EU on any device for all citizens in the EU
- Quickly roll out the infrastructure of the future

There will be disagreements about the detail. But the report is an impressive summary of the challenges ahead, and is one report which deserves to be re-read and remembered in the years ahead.

Ross Biggam,
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