

Linear, Connected or Social TV : What is the future of TV, and when?

Warsaw, September 2012





What we do :



Develop business relations among broadcasters;

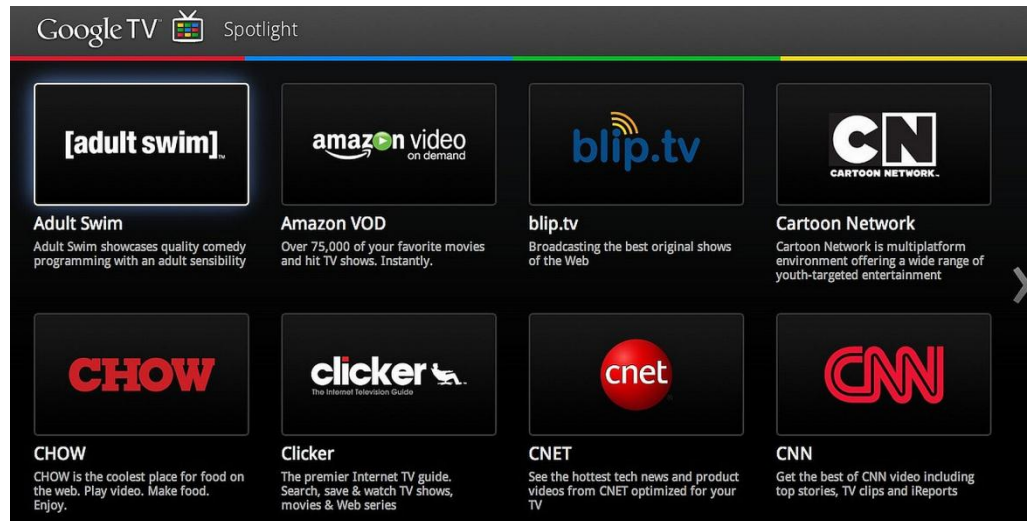
Representation of member companies at the EU/international institutions

- Advertising
- Competition/Public broadcasters
- Copyright (opportunity here for broadcasters?)
- Digital – Switchover, State Aid, Must-carry
- Revenue Protection/Anti-piracy

“Voice of European television” in communicating key trends

Current key topic in Brussels (and in Cyprus) : Connected TV

Connected TV : what is it?



... and how important? And when?

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- Enormous potential – including for European content players
 - Market data abundant but inconclusive;
 - Mass market or niche?
 - Internet-ready ... or actual usage?

Connected TV : Why is this such a challenge?

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- Pace of change
 - Impact on value chain, including in programme-making. Can television (as we know it) ever “be an app”?
 - Commercialisation of the schedule
 - regulatory questions
- ... and how should broadcasters respond?



European Parliament, Committee on Culture and Media
Hearing on the Audiovisual Green Paper, 27 February 2012

The legal market for audiovisual content is booming. European commercial broadcasters are enthusiastically developing new services to respond to, and indeed to drive, our customers' demand for choice in how and when to consume audiovisual content.

To illustrate the scale of innovation in our sector today, we have drawn up the list of services launched by European commercial broadcasters since 18 November 2011 alone. There is no prospect of this new and exciting market being left only to non-European players and new entrants.

- Antena 3 released a new app for Windows Phone 7.5 and the new Nokia Lumia, giving its users mobile access to the broadcaster's programmes and series in [Spain](#).
- Sky Go/ Sky Anytime+ on-demand services for Android launched in [UK and Ireland](#).
- Sky Sports News app released to watch live and on-demand content for the Apple iPad in the [UK](#).
- In 2012, Sky will launch a new internet based pay-TV service, and add the BBC iPlayer and ITV Player services to the connected TV service Sky Anytime+.
- CANALPLAY Infinity, subscription video-on demand launched in [France](#).
- CME launched Voyo on-demand app on Samsung Smart TVs in [Czech Republic, Slovakia, Slovenia, Romania, Bulgaria and Croatia](#).
- Clipfish.de added a new app for Android to a range of existing apps for iPhone, iPad & iPod Touch.
- Çukurova/Digiturk made its Digiturk WebTV service available [internationally](#) via over-the-top TV set-top boxes.
- Mediaset: Premium Play on-demand service became integrated with Xbox in [Italy](#).
- N-TV new service called "N-TV Digitaltext" based on HbbTV (Hybrid broadcast broadband TV) offers viewers the latest news from politics, business, and the stock market in [Germany](#).
- 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) before its premiere on TV.
- RTL Interactive in cooperation with M6 launched Game channel in France, a browser games portal with social gaming features.
- RTL Nederland launched the interactive RTL Nieuws 365 app for the iPad for [Dutch](#) users.
- Launch of RTL II Now on-demand service with 1,500 episodes and more than 1,300 hours of programming in [Germany](#).
- SBS launched connected-TV service in [the Netherlands](#).
- Sky Deutschland: Sky Go on-demand launched for iPad, iPod Touch and iPhone via WiFi and 3G in [Germany](#).
- TV4 launched an iPad app for its TV4 Play on-demand service in [Sweden](#).
- Tvnpol.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.
- [Pan Nordic](#) broadcaster Viasat has added nine channels to its online catch-up TV service Viaplay.

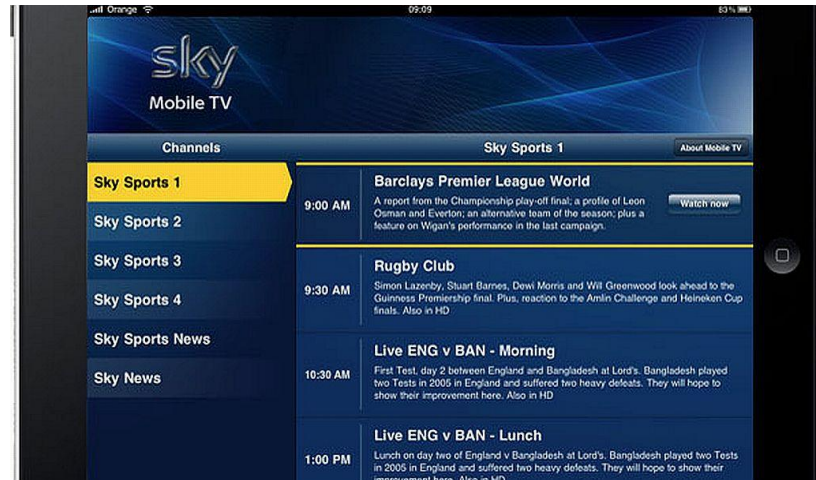
This is of course in addition to a range of services launched, or reportedly to be launched, by our established competitors and by new entrants. We believe that our sector is more than fulfilling calls from policymakers for more legal offers to be available to combat piracy and unauthorised distribution of content.

27 February 2012, ACT



Pace of change

- State of TV today : viewing, advertising, pay and demand for content
- High level of innovation and risk-taking among commercial broadcasters



- Connected TV needs to be seen in context of proliferation of platforms – which will be most consumer-friendly?

Threat or Opportunity? The (long-forecast) death of linear television isn't happening



“Certain things like elections or the Olympics really point out how TV is terrible. You have to wait for the guy to talk about the thing you care about or you miss the event and want to go back and see it,”

Bill Gates, World Economic Forum, Davos, 2007

“TV has coped well with technological change, Other media can learn from it”

“The Economist ; In praise of television, the great survivor” May 2010

« The Future of TV is TV »

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- Connected, or social TV allows media groups to meet Bill Gates' criticism while retaining viewers' attention;
 - Increased relationship with consumers allows for targeted – personalised? – advertising. Fewer but better...
 - But raises significant privacy issues;
 - The “second screen” : new platforms have always created new advertising opportunities – “chat”, “play”, “buy”, in-app advertising, in-depth information about the main screen;
 - All part of revenue diversification ...

Revenue Diversification in Commercial TV

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- A key metric for market analysts and investors since 2002;
 - Broaden revenue base to protect against fluctuating (but overall, solid) spot advertising;
 - Core to all commercial groups' strategies, but can mean many things ...
 - Secondary TV channels, online advertising, online sales of content, e-commerce, teleshopping, product placement, sponsorship, third party airtime deals, programme sales, ancillary sales, pay TV, multiplex operation, retransmission fees, football club ownership...
 - More likely to be a 65/6:4:4:4:4:3:3:3:2:1:1 model than a 65/35

Connected TV : Impact on value chain



- New entrants are a fact of life – European TV has grown from 47 to 9000 “channels” in twenty years;
- But Connected TV is more than “some more television channels”;
- Could allow manufacturers access to revenue (after sale) and potentially at least facilitate the entry of vertically-integrated global players ...
- Who is the “editor” and who has “responsibility” Highly controversial at a political level – last week’s riots in Middle East, ISP liability for content ... and pornography???
- Also raises the key commercial issue of who controls the last section of the chain – i.e., the screen in the living room?

Commercialisation of schedule

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- Single most important strategic question : who can earn revenue from the [broadcasters'] content and relationship with viewers?
 - Which impacts on ...

Legal/Regulatory Questions



- These issues are often debated in a context of micro-management (“how many minutes of advertising?” “what criteria for a broadcasting licence?”);
- Connected TV potentially goes beyond this to the heart of how broadcast media are regulated : i.e., the notion of *editorial responsibility* for all on on-screen output;
- How do operators, regulators and society react if that responsibility can no longer be guaranteed?
- How can the current structure of sports rights deals be sustained?
- Hence need for fundamental rethink not another “amendment”

Use case NOT compliant with French Regulation



Partial overlay on top of the video not controlled by the channel



Incentive to buy (link to amazon.com) not respecting children protection



Content used for promoting services (betting on Bwin) not controlled by the channel



Full overlay not controlled by the channel



Mixing video and other contents not controlled by the channel



Smart TV - March 2011

TF1

19 octobre 2010

CHARTRE

*des éditeurs
sur les modalités d'affichage des contenus et services
en ligne sur les téléviseurs et autres matériels vidéo connectés*

Les éditeurs signataires de cette charte :

- Souhaitent le développement des nouvelles gammes de téléviseurs et autres matériels vidéo* connectés à Internet.
- Demandent le respect de l'intégrité du signal de chacune des chaînes signataires reçues sur les téléviseurs afin que les éditeurs puissent continuer à exercer un contrôle total et exclusif sur les contenus et services affichés en surimpression ou autour de leurs programmes diffusés. Les éditeurs TV sont en effet les seuls acteurs habilités à garantir la conformité des contenus affichés avec les contraintes réglementaires en vigueur, leur convention ou cahier des charges et les dispositions contractuelles qui les lient avec les ayant droits dont les œuvres/programmes sont diffusées sur les chaînes.
- S'opposent à toute démarche visant à tirer profit de leurs programmes ou de leur audience (et notamment des données d'usage) en redirigeant les téléspectateurs vers d'autres contenus et services sans accord préalable de la chaîne concernée.

* Par autres matériels vidéo sont entendus tous les équipements permettant la réception des chaînes et leur affichage sur les téléviseurs tels que les adaptateurs TNT, certains lecteurs et enregistreurs DVD ou Blu-Ray, certaines consoles de jeux.

Charte sur les modalités de mise à disposition par les éditeurs des contenus en ligne sur les téléviseurs connectés - 19 Octobre 2010

Dans ce but, les engagements suivants sont pris :

1. Les éditeurs entendent ne passer des accords portant sur la mise à disposition de leurs contenus et services en ligne que sur les téléviseurs et autres matériels vidéo dont le fabricant respecte les articles 2 à 4 de cette charte sur tous ses nouveaux modèles connectés.
2. Lors de l'affichage du programme d'une chaîne, en plein écran ou en écran partiel (« redimensionnement d'image »), les surimpressions, incrustations ou apparitions de services, contenus éditoriaux, publicitaires, raccourcis, sollicitations publicitaires ou d'achats ne peuvent être maîtrisés et contrôlés que par le seul éditeur de la chaîne concernée. Ni un choix proposé par un tiers, opérateur, industriel ou fournisseur de service, ni un choix paramétré par le téléspectateur lui-même ne sont acceptés, y compris si ce choix provient d'un autre matériel connecté au téléviseur.
3. Les éditeurs souhaitent faciliter l'usage par le téléspectateur de ces nouveaux services et visent l'utilisation de principes de navigation communs à tous les téléviseurs et autres matériels vidéo et à toutes les chaînes.

Cette question fera l'objet de travaux instruits de façon concertée entre les éditeurs et les constructeurs de matériels.
4. Les éditeurs s'engagent à favoriser une solution technologique commune permettant d'associer l'utilisation de données diffusées dans le signal et de services en ligne. Ils souhaitent l'adoption d'une norme technique harmonisée pour les téléviseurs et autres matériels vidéo connectés afin d'éviter des développements spécifiques pour chaque fabricant. Dans le cas de la mise en œuvre d'une telle solution, les éditeurs signataires demandent aux industriels de faire leurs meilleurs efforts pour adopter la technologie retenue.
5. Les principes adoptés dans cette charte concernent les modalités d'affichage de contenus et services en ligne à partir du signal de chaque chaîne.

Charte sur les modalités de mise à disposition par les éditeurs des contenus en ligne sur les téléviseurs connectés - 19 Octobre 2010

How should broadcasters react?

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- Vital to remain open to new forms of distributing content and to respect competition law;
 - New platforms are, long-term, a positive for our sector
 - What matters here :
 - protection of the signal/commercialisation of the schedule
 - Rights deals
 - anti-piracy provisions
 - One approach : French broadcasters' charter
 - But in the end, the consumer will decide how important connected TV is, and when
 - All we can do is prepare and anticipate...



Thank you! Questions?

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