
SUFFOCATED BY CHOICE?

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INTRODUCTION

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- Radio and TV used to be very simple
 - Only a few radio and TV services could be provided – because of spectrum scarcity
 - Spectrum scarcity is no longer the big problem:
 - cable TV
 - digital broadcasting
 - the Internet
 - Today, people can choose from hundreds of radio and TV services
 - the NEW problem is finding good content to fill all of the available channels

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SHOULD WE PANIC NOW ?



- Over the past 25 years, broadcasters have been frightened by new delivery platforms:
 - cable TV
 - satellite TV
 - digital TV
- In retrospect, these new platforms have:
 - increased competition
 - fragmented audiences and markets
 - reduced influence of incumbent broadcasters
- BUT the world did not collapse

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NEW DELIVERY PLATFORMS



- In the next few years, the public will be faced with a bewildering array of new delivery platforms
- Radio
 - AM, FM, DAB, DRM, Internet, mobile phones . .
- TV
 - Analogue TV, DVB-T, DVB-S, DVB-C, DVB-H, DMB, MediaFlo, 2.5G, 3G, Wi-Fi, WiMax, IP-TV, broadband,
- How will consumers choose between these delivery systems?

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RADIO



- Radio has been affected by a dramatic increase in the number of analogue services – but the amount of listening is increasing
- Radio consumption will be modified by:
 - digital broadcasting
 - listening via Internet
 - mobile devices (such as iPods)
- Poor long-term prospects for commercial radio – because it is based on music interrupted by advertisements
- Public service broadcasters have a big advantage



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CHOICE



- Giving more choice to the public is GOOD
- Limiting choice is BAD
- A quote from Eastern Europe in 1997:
 - “In the old days, there was nothing in the shops and we queued for hours in the hope of buying anything: bread, milk, sugar, eggs, potatoes, cabbages, etc.”
 - “Now we have embraced capitalism, the shops are full of things to buy but ordinary people cannot afford anything”

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FRAGMENTATION IS THE ENEMY



- **Fragmentation of markets damages the prospects for success of new delivery systems**
- **Mobile broadcasting**
 - DVB-H v. DMB v. MediaFlo v. 3G v. ???
 - technology and business issues
 - which system to choose – now or later?
 - expensive to build transmitter networks giving reliable coverage for mobile handsets
- **Public service broadcasters cannot afford such networks – and telcos will build them only if there is a good business case**

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MAKING MONEY



- **Mobile operators want to make money from:**
 - “enhanced” on-demand services on 3G
 - “basic” services on DMB or DVB-H
- **Public service broadcasters would like their services to be delivered to mobile phones at no cost to consumers**
- **BUT somebody must pay for the networks**
 - cable TV networks charge consumers for delivery of “basic package”
 - mobile operators will not build free networks

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OPEN QUESTIONS



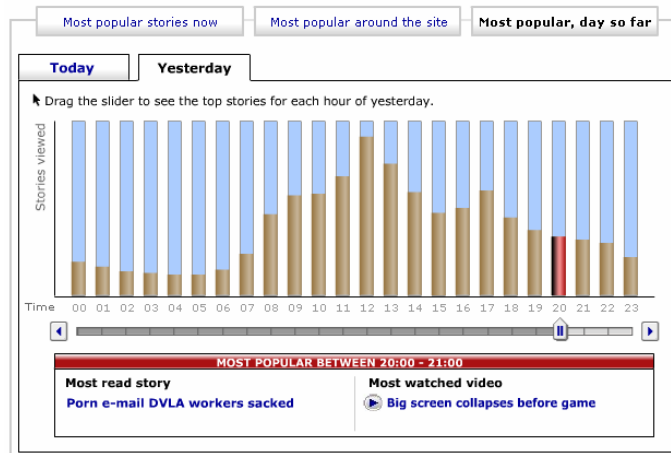
- Is there a business case for delivery of “pay” video services to hand-held devices?
- Is there any case for multiple “free-to-air” video services to hand-held devices?
- Do people really want to watch TV whilst travelling in cars, buses and trains?
 - if so, do they want short clips or live TV?
- Will Pocket Video Recorders be as popular as iPods?
 - if so, will they become the mass market whilst mobile TV becomes a niche market?

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MOST POPULAR ITEMS



BBC News Most Popular Now
Thursday, 22 June 2006



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BROADBAND



- **Broadband delivery networks can extend the reach of content produced by broadcast services**
- **During the working day:**
 - most people do not have access to radio or TV
 - many have a computer connected to the Internet (for business reasons)
 - huge untapped audience
- **Broadband allows users to have on-demand access to broadcast content**
 - not possible with traditional broadcasting

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PREDICTIONS



Internal memo, Western Union, 1876

- **“This 'telephone' has too many shortcomings to be seriously considered as a means of communication. The device is inherently of no value for us.”**

HM Warner, Warner Bros, 1927

- **“Who the hell wants to hear actors talk?”**

INCUMBENTS BEWARE!

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MY PREDICTIONS FOR 2015



- Portable media players will transform the way in which people consume audio/video content
 - much of that content will still be “illegal”
- Marginal cost of re-authoring content for new platforms means that broadcasters will still be the dominant source of new content
 - 90% of the audience share?
- Broadband will have high take-up
- TV and radio reception on mobile phones will be important
- Media players will be even bigger

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CONCLUSIONS



- New delivery systems (broadband, mobile, etc.) threaten the existing “business models” of broadcasters
 - but they also allow broadcasters to extend the reach of their **CONTENT**
- Creation of high quality content is the most important role of public service broadcasters

THREAT and OPPORTUNITY
- If you do not use these new delivery systems, others will (threatening your business”)
- If you do, the public will appreciate you even more

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