

Growing competitive New Media...

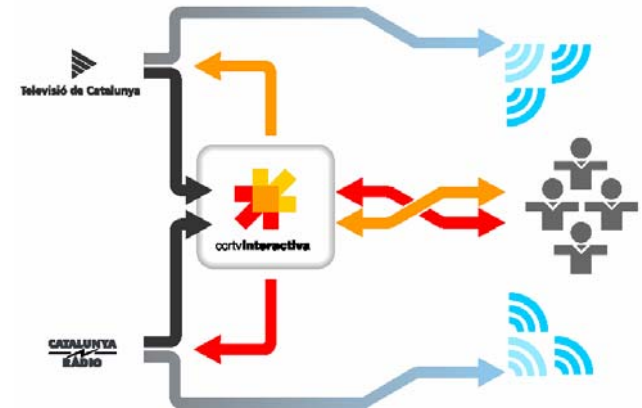
The experience of the Catalan Broadcasting Corporation , CCRTV

Agenda

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2. Why New Media? What for?
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 - Involvement of the Top Management
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4. CCRTV: Tangible results after 5 years of New Media

1. The environment

- RTV Broadcasting Organization. Born 1982 (Catalunya Ràdio), 1983 (TV de Catalunya), 2000 (CCRTV Interactiva: New Media)
- Public Group: Owned by the Government of Catalonia
- Mission: promote and extend (“normalize”) the catalan language and culture. The only Media Group to do so.
- 2.700 employees: 2000 TV, 400 radio, 58 New Media, 250 HQ and other services
- Audience leadership in all fronts: Radio, TV and New Media. TV now challenged by spanish private TV companies: Tele 5 and Antena 3 TV.



2. Why New Media? What for?

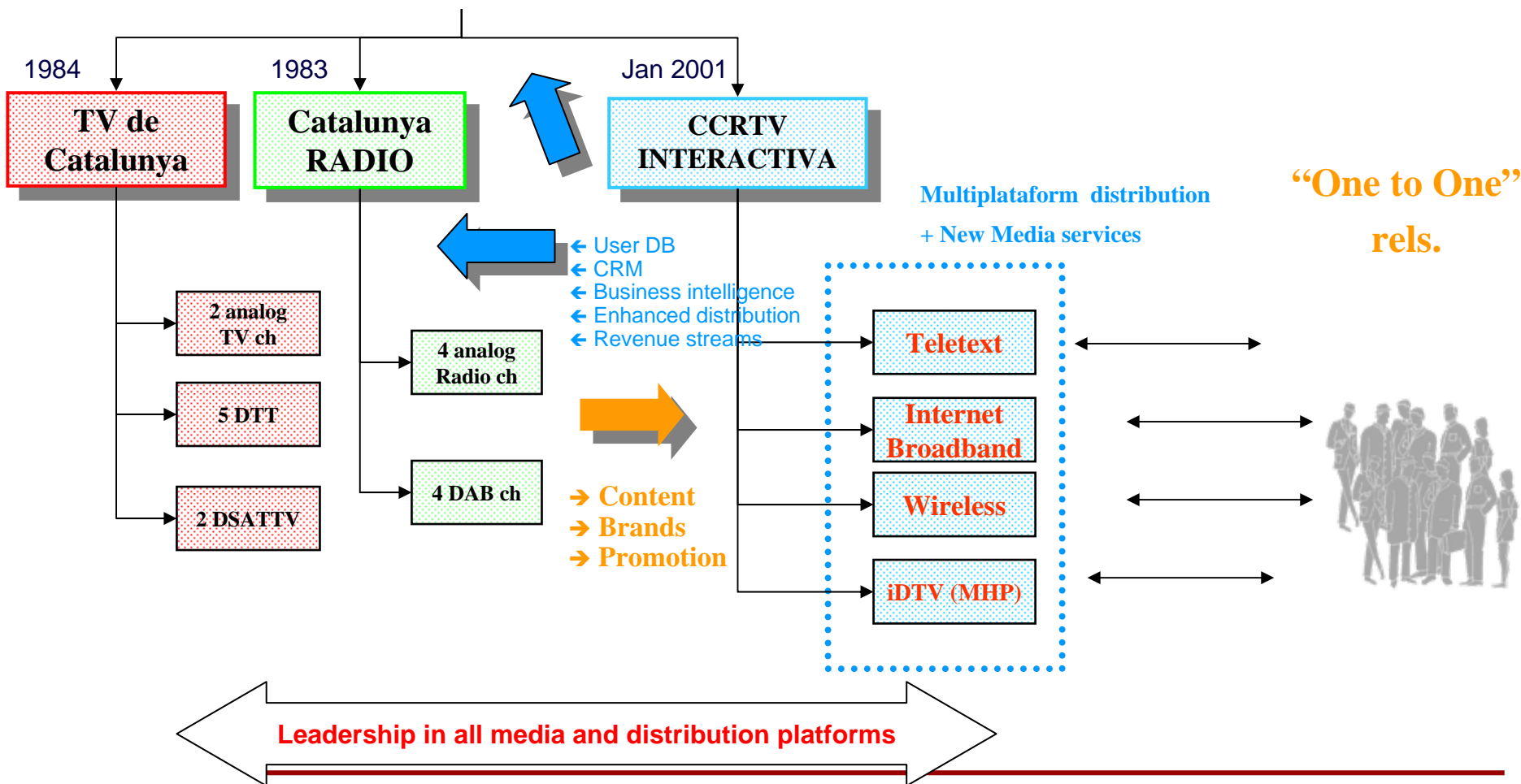
- **Mission (Public Media):** to make it possible that we continue to deliver an effective public service: to keep reaching citizens with quality content.
 - In the CCRTV case, the language is major issue of the public service.
 - **Strategic reasons:** No relevant growth can be expected from R/TV. In some age layers, teenagers, young adults, R/TV is fading out. And they grow adults. New Media is a competitive advantage.
 - **Economics of our companies:** Are we in a position to reject new business models?
 - NM means: new consumption cycles, new revenue streams, a fertile landscape for growth.
 - **Common sense:** for (almost) the same content, the same effort
 - ✓ One time, content funnel, synchronous consumption on a single device
- VS
- ✓ Multiple viewing cycles, unlimited space, asynchronous + multiplatform reach

3. Organisation issues:

Overview: Structure of the Group



Generalitat de Catalunya
**Corporació Catalana
de Ràdio i Televisió**



3. Organisation issues:

Involvement of the Top Management

Some Needs:

- Agile top decisions
- Resources, (despite the growing needs of R/TV companies)
- New Media Strategy needs to be integrated (not only tolerated)
- The Mission of our Groups MUST embrace New Media

Recipes:

- Update the Vision and the Mission of the Group, making sure NM is integrated as a core activity.
- Formulate the Strategy, and “elevate” it to the Board. Make it become the Board’s Strategy. Then disseminate within the Organization in development/deployment plans.
- Build a mid-term business plan and keep it updated: define resources needed: get results that improve what’s expected. (Charter)
- Sit in the Group’s Executive Committee
- Have the CEO sponsor the main New Media presentations/developments/results

3. Organisation issues: *Human and labour relations*

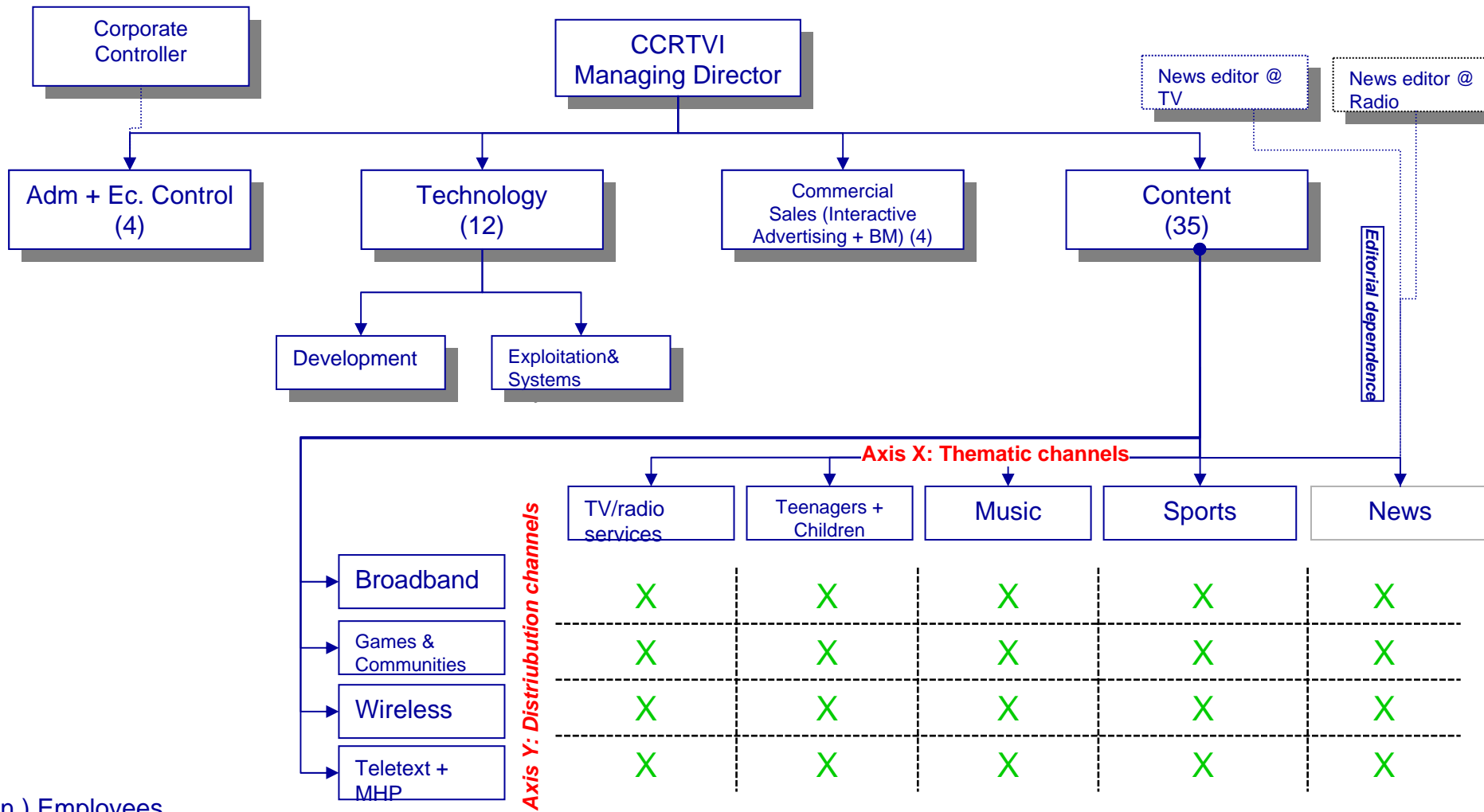
Some Needs:

- New profiles, new skills, new (lower) salary scales.
- Recruitment flexibility
- “Private company” style relations and procedures
- Employees tightly committed to the company’s performance

Recipes:

- Frame agreement with the syndicates/unions:
 - “Let us plant the seed and grow it for some time.... “
- Social responsibility by the Management: Open books, clear strategy and objectives, transparency with the employees, market salaries
- Communication and feedback with all employees about how the company performs: Co-responsibility on Key Performance Indicators KPI. Quarterly general meetings.
- Salaries (part of) according to KPI and success.
- Motivation through frequent education in latest technologies.
- Labour mobility across the Group’s companies: New Media company as a first stage for a Media career.

3. Organisation issues: *Company structure (jan 2006)*



3. Organisation issues:

Teamwork with Radio and TV companies

Some Needs:

- TV and Radio people (TV/Rp) MUST be involved.
- TV/Rp MUST create programmes with the interactive dimension in mind.
- TV and Radio MUST promote their NM services
 - The channel, as promos
 - The programmes, as added value services for the viewer/listener

Recipes:

- Pedagogy and “evangelisation”: organise internal seminars showing the results of NM: audience, registered users, interactivity indicators, new income,
- Organize workshops for TV and radio people at the NM company: 1 month
- Co-design NM services with TV/R people: hybrid teams.
- Invite the anchors of the main programmes, the “starsystem”: let them touch the value NM adds to his/her (R/TV) objectives (Participation, fidelisation, direct contact, polls, games, etc..)
- Earn prestigious NM Awards: e.g digital journalism awards, Promax Gold Awards, design Awards, etc...

3. Organisation issues:

Production, Operations, Technology

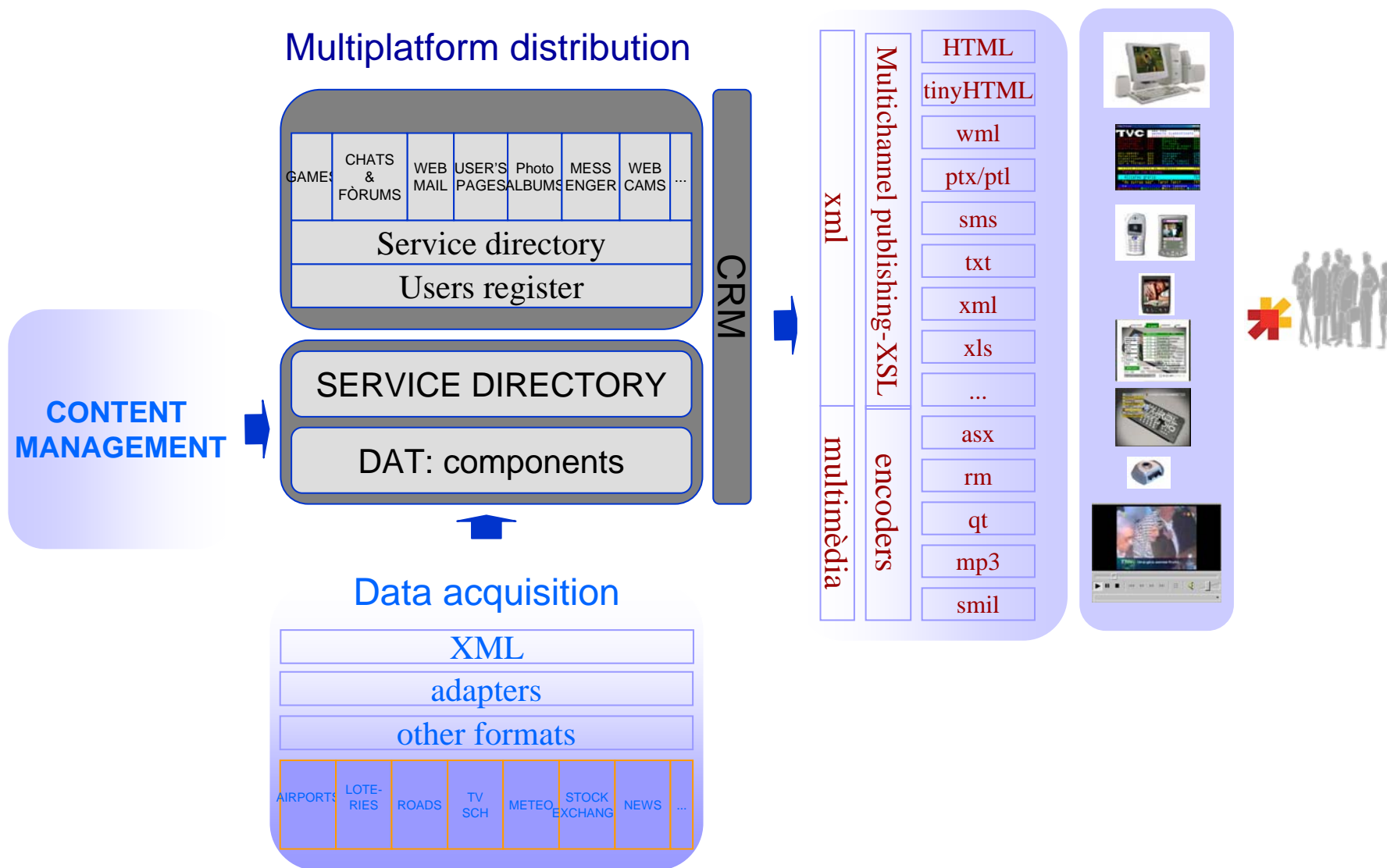
Some Needs:

- Easy flow of content and data across the Group's systems
- Efficiency:
 - multiplatform CMS: single production → multiple distribution on all channels
 - Maximum automation: ingestion, transcoding, publishing processes
- Fully digital environment: R/TV

Recipes:

- Digitize R/TV with multiplatform in mind.
- Drill the “tunnels” from the multiple ends (and work with convergence in mind). Each at its speed. (Don't wait till a whole multipurpose, multiplatform system is designed to start developing NM).
- Progressively integrate production workflows and processes across TV, radio and NM
- Long term tech coordination, OK. But, allow the different media to grow and compete in their markets.

3. Organisation issues: *Production, Operations, Technology*



3. Organisation issues: *Economic control and performance*

Some Needs:

- Your P/L and Treasury cannot be another source of worry: a heavy load.
- New Media, as a profit center
- Significant growth in external (consolidated) sales every year. + Improvements in margins every year.
- Have Financial people on your side

Recipes:

- Build revenue streams: focus the company and stick to them. Some will fail, but some won't. The market is there: make sure to be in the industry with competitive advantages.
- Manage as a Profit Center: margins always in mind, roadmap to break-even, even if EBITDA still < 0 .
- Good info to Controllers
 - Offer better reporting than RTV companies: Margins, superior analytics, relevant ratios... .
Make the best use of IT to explain your performance.
 - Excellent dashboards and communication.
- Open books policy with everyone: including employees

3. Organisation issues:

New Media Sales and RTV Sales

Some Needs:

- The value chain (advertisers, agencies, media planners) must know your NM activities: audience, performance, results....

Recipes:

- Start small... sales will grow.
- Multiple small operations = One big sales operation → fight for every operation, no matter the amount.
- Sales depts of RTV will not easily sell NM: volume is below their threshold, poor understanding of the product, etc...
- ... but, coordination, yes! Just 2% of RTV ad turnover puts NM beyond break-even.
- Make sure NM ad products are perceived as what they truly are: differentiators, better ROI than RTV, the future of advertising
- Plant seeds → help your clients try, they will stay. Share risk with them (at the beginning)
- Make pedagogy along the value chain: interactive agencies, planning, marketing and management schools, seminars, etc...

3. Organisation issues:

Other issues

- **Rights:**
 - cleared for all the NM platforms + Instant information on availability
- **CRM:**
 - is a key tool to build Competitive Advantages for Media in the digital age.

Recipes:

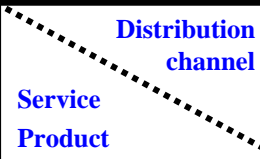





NM Rights

- TV and radio are the main systematic rights buyers: → integrate NM rights in their patterns of contracts: in-house production + external production.
- If marginal costs for NM rights: don't give up: allow the NM company to decide.
- Build information systems that carry multiple rights lanes: not only TV. Integrate them with DRM systems when needed.
- Frame agreements with rights collecting organisations, bundling TV+Radio+NM (it's cheaper)

CRM

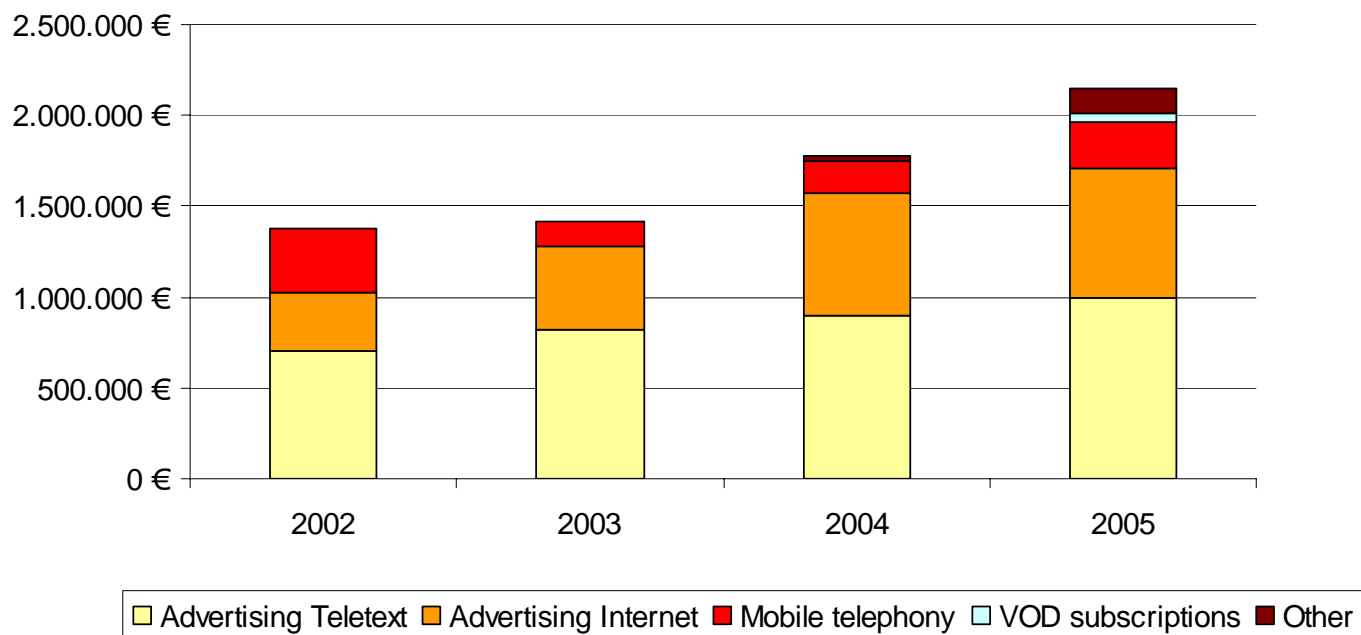
- Build a database of users. Every service/product should carry personalised services.
- Have a full view of THE USER: single record, no matter how many services he subscribes to.
- Imagine and build CRM procedures. Implement them on IT afterwards. Re-think Marketing at Radio and TV companies
- Enable peer to peer services: Our Media → a Node of the network: facilitate third party fluxes (and take advantage)

4. CCRTV: tangible results after 5 years with New Media: Products and services

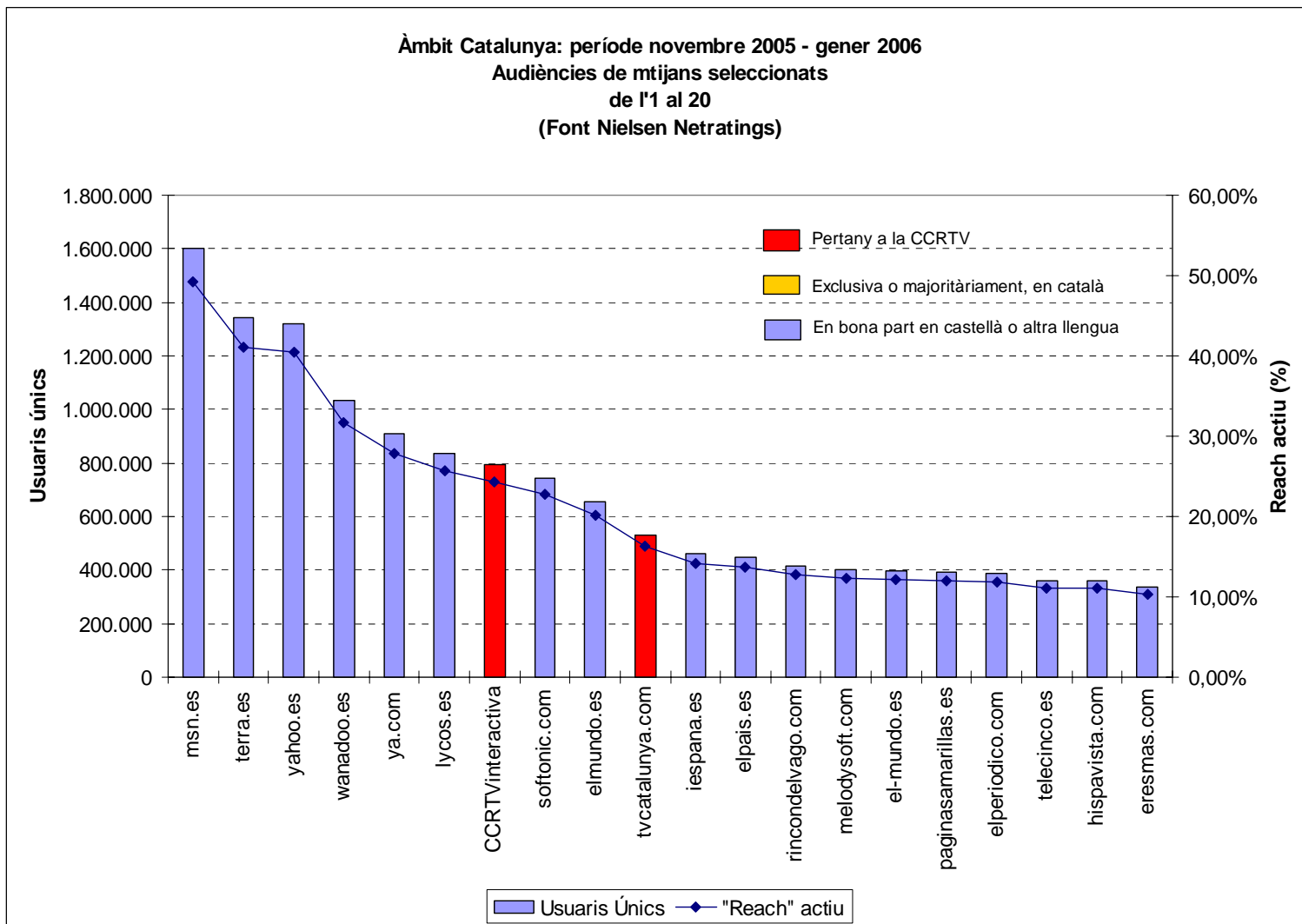
<div>  </div>	TV	Radio	TXT	Internet	Wap	3G DVB-H	SMS / MMS	PDA	TV Digital Interact MHP	Broadband On Demand	HOME MEDIA CENTERS
CATALUNYA RÀDIO		*	✓	✓	✓		✓	✓	✓	✓	
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4. CCRTV: tangible results after 5 years with New Media: *Income*

Income generated by CCRTV New Media



4. CCRTV: tangible results after 5 years with New Media: *Audience, competitive position*



4. CCRTV: tangible results after 5 years with New Media: *Other KPI*

Other KPI:

- 2004: TV3 first TV channel available via 3G in Spain.
- 2005: Video streaming: 170.000 hrs (no relevant figures in 2004)
- 2005: Audio streaming: 1.700.000 hrs. (100% growth vs. 2004)
- 2005: Internet services: 254 million pageviews
- 2005 First concept phone (2.5 G) launched and sold out (a 3G version is on its way, 2006)
- 2005: 3 Promax Gold Awards for CCRTV interactive services
- 2005: CCRTV, only Media service available for MSFT Windows Media Center in Spain
- Dec 05: Launch of TV3i, MHP service + multiple enhanced TV services on DTT: Football, Basketball, (16 + will be launched in 2006)
- Dec 05: Launch of our own Messenger (enabling fluxes)
- Feb 06 VOD service (www.3alacarta.com): 30.000 + videos available
- Apr 06 Launch of new Radio Channel (FM+DAB) synchronized with multiplatform info and video services (Broadband, mobile, MHP on DTT, IP)

Thank you for your kind attention.

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Please, see more @:

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