Fernsehen in der vernetzten Medienwelt der Zukunft

Television Media in the Networked World of the Future

- **Richard Kastelein**

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  Publisher – www.appmarket.tv
  Columnist – Association of International Broadcasting Magazine, The Channel.

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March 2012 – Berlin, Germany

What lies in the Future of TV?

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$500 Billion TV Market New Battlefield For Internet Companies

Trefis Team, Contributor

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The Internet is finally upending the mother of all content markets, the $500 billion TV market. Cigar-chomping East Coast incumbents like Comcast and Time Warner Cable pitted against left coast tech giants like Google, Apple and intrepid TV mogul wannabes.

"The future isn't either traditional or digital: it's a feedback loop between the two.

Television fans want to get involved and be counted. It's how creative we are in engaging those fans – and keeping them connected even as they may move away from the traditional network – that will determine how potent and profitable we will be in the future."

Kevin Reilly, President of Entertainment, Fox Broadcasting

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• The Storm is a' Coming

- Shotsberger (2000) reported that though it radio took 38 years to reach 50 million listeners. TV took 13 years to reach 50 million viewers.
- The internet took four years, iPod took three years… Facebook added 100 million users in less than 9 months and iPhone applications hit 1 billion in 9 months.
- How long before 100 million tablets and smart phones appear in front of 100 million smart TVs? Not as long as you think…. 2014 most likely.

THE NEXT FIVE YEARS OF TELEVISION

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THE NEXT FIVE YEARS OF TELEVISION

"The second screen will act as a universal remote control - in the home and out…"

- Cloud services will make 'TV everywhere' a reality.
- EPG, content discovery and content dissemination will move to the second screen.
- Longtail metadata creation and curation will become a brand necessity.
- Linear TV will not die - it will become social, participative and curated… and like the music industry – will focus on live and event-driven revenue.
- Second screen engagement will drive curated, interactive experiences and new monetisation models.

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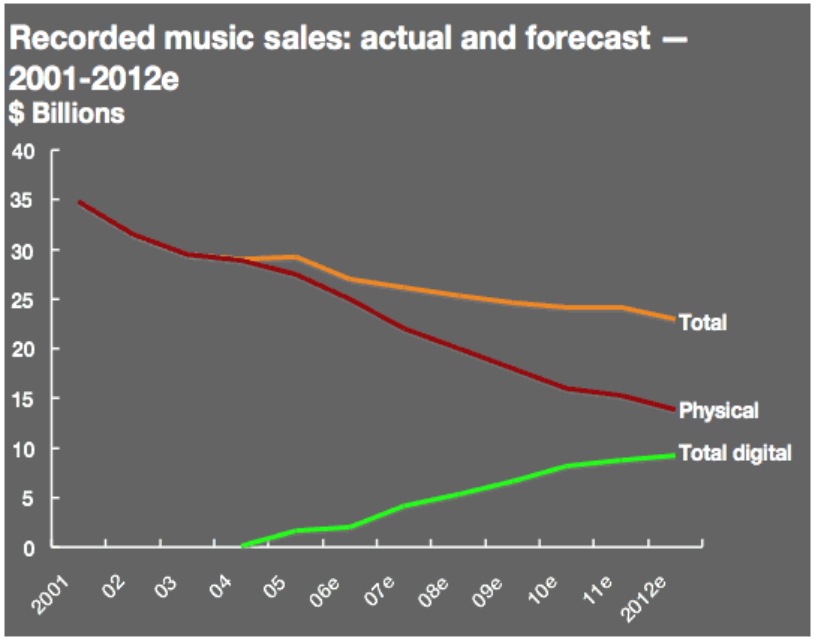
A Connected World with TV Everywhere and New Content Gatekeepers in the Living Room.

Internet Technology disrupted every facet of the music business, challenging old models and creating new ones.

- Music discovery rapidly shifted from MTV/radio to the internet, iTunes and especially social media.
- Artists adopted direct-to-fan models and cutting out the middleman altering the value chain.
- A growing population is consuming music via streaming rather than "owning" it.



- As record sales decline, ticket sales have been growing. Live and Merchandising are the new oil in the industry.
- Labels are trying to diversify their revenue away from recorded music, while promoters and managers are expanding into label-like models.

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Internet Technology disrupted every facet of the print media business, challenging old models and creating new ones.

- News and print media discovery and consumption has rapidly shifted from print newspapers and magazines to the internet and especially social media.

- Traditional publishers have tried to adopt pay structure to the Internet with limited success.

- A growing population creating content via blogs and social media competing with the traditional value chain.

- Traditional print publishers are trying to diversify their revenue away from print and moving to video and multiplatform to compete with TV.

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Do you think the TV Industry will not be Disrupted … or as some say Democratised?

Of course it will. And the stakes are huge. The intersection of the web and linear broadcast TV is fundamentally going to change the way TV is found and consumed.

For fifty years, nothing much has changed. Brands buy TV time via agencies. Broadcasters and Pay TV incumbents collect billions. State broadcasters rumble along… content producers create. There's been no direct route between creatives and fans in TV.

But that's about to change… And technology is going to drive it. Consumers want more. Like in Music and Print, scarcity will die.

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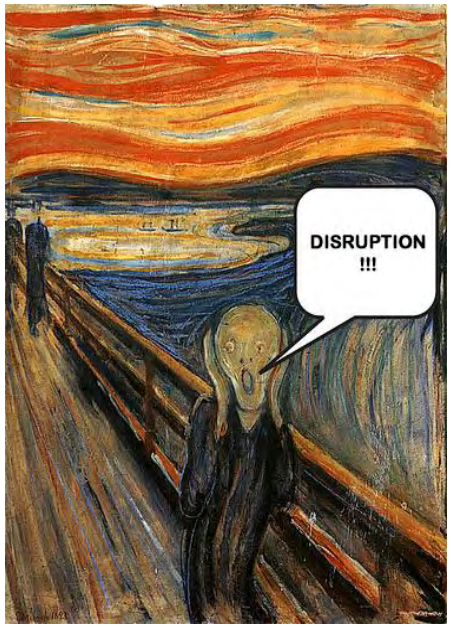
What Does This Mean for National Regulatory Bodies?

- Connected TVs originally came with no internet browsers, however, that has now changed as all of the new models from all manufacturers come with browsers. How are TV regulations going to work when dealing with Internet content pushed into what is simply a browser on a big screen in the living room?

- Advertisers and production companies will move hard and fast to the second screen – a device independent of the TV – but about to become an integral part of the TV experience. Can that be controlled?

- Is Industry Self-Regulation the Answer?



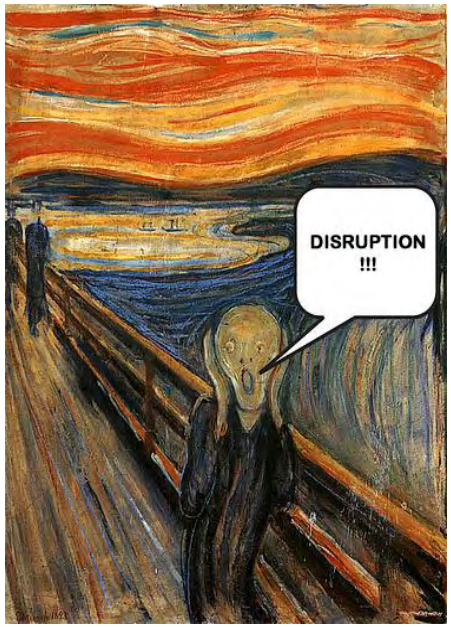
What does this mean for Broadcasters, Big Cable and Pay TV?

- Broadcasters currently own the relationship with the brands and they need to work to keep it. But that's an uphill battle with TV ad spend currently hinging on fuzzy math and Neilson, Barb and GFK ratings.

- Broadcasters need to own the second screen. But they are not moving fast enough to do so. Their 200 billion in global ad spend is up for grabs. Who wants it?

- They need to operate with more agility and cross department. Silos don't work in a multiplatform engagement world. Or they will simply get left behind.

- Their current gatekeeper of the living room role is under threat. Big time.



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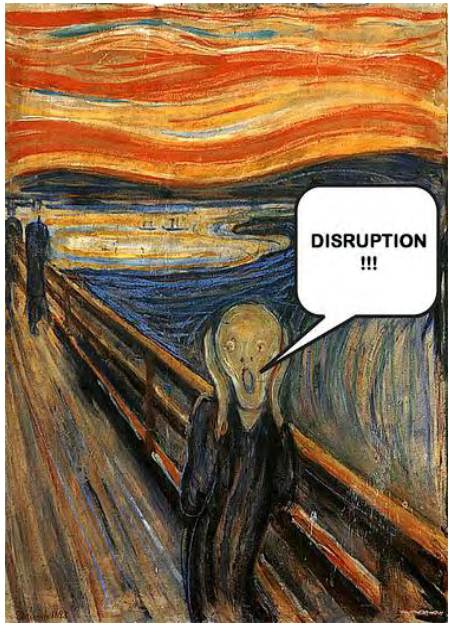
What does this mean for Brands and Agencies?

- Brands are more likely to go direct-to-consumer with branded content – Red Bull has an inventory of 1000 episodes of content which it sells at MIPTV and MIPCOM.

- The 30 second spot is dead (other than for Live). Agencies will have to do more than just toss propaganda at a broadcaster and hedge on largely unquantifiable data from Nielson, BARB, and GFK.

- They are going to become more familiar with a new lexicon which includes 'Game Mechanics', 'Multiplatform Engagement', 'Social TV' , 'Analytics', 'Social TV' and 'Transmedia'.



- Second Screen behavior on the rise will acerbate the traditional 30-second spot structure as more people move to multiplatform and engage on second screens during commercials.

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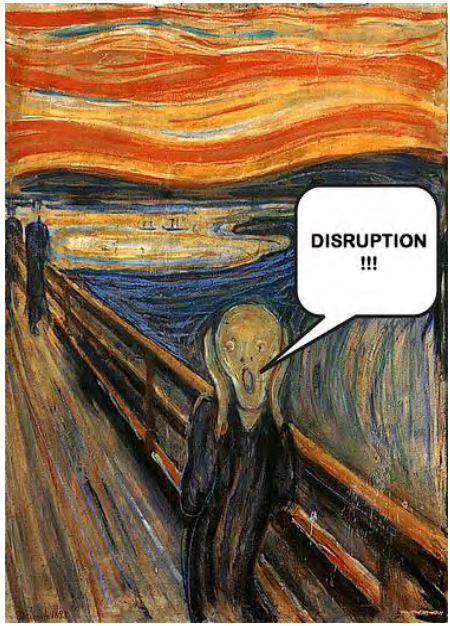
What Does This Mean for Telco?

- Telco has strong history (over a decade) in IPTV and IPTV delivery. They have been moving hard into market for a decade… particularly in France. Triple/Quad play bundling is a huge advantage when it comes to pushing their Future TV offerings.

- Deutsche Telekom's Entertain IPTV was up 35k per month to 1.3m subscribers in 2011 and BT Vision became the fastest-growing Pay-TV service in the UK - beating BSkyB for the first time, adding more than 41,000 customers in one quarter and totalling more than 638,000 TV customers in 2011.

- Telcos have spend a small fortune in building the infrastructure and launching their own IPTV services but will OTT providers end up capturing all the value that video over IP promises, relegating the broadband network operator to the role of simply being a dumb pipe?



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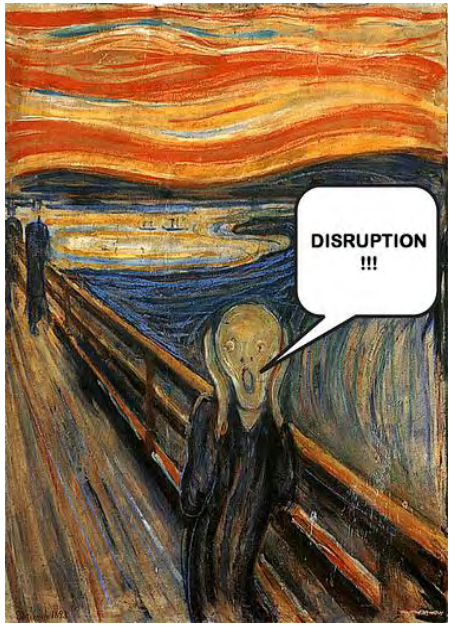
What Does This Mean for Telco?

- VOIP such as Skype has already pushed disruption into their value chain. Are Internet and OTT video providers a serious competitive threat to Telco IPTV, or can they be valuable strategic partners?

- Telco have now also lost the mobile portal battle against the apps market (which happened so fast they never knew what hit them), can they and will they be a strong player in the Future TV Realm?

- Or is facilitating the development of the Future TV economy via cloud services, value-added infrastructure, and strong middleware rather than concentrating on end-user products like IPTV, telephone calls, and mobile portals the future of Telco?



What does this mean for Independent Content Producers?

- Changes in gatekeeper roles of the living room TV with more competition via the Internet… Means more routes to viewers.

- TV Apps – both on Connected TVs and Second Screen provide a huge opportunity in the future for building their own relationships with viewers.

- New possibilities in forming direct relationships with brands and agencies, who are looking for alternatives to the 30 second spot via branded content.

- New devices such as the iPad provide similar, rich, viewing experiences to consumers both watching streaming video and second screen applications.

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What does this mean for Third Party Developers Migrating from the Web?

- Changes in gatekeeper roles of the living room TV mean a new world of open SDK's and API's via CE manufacturers such as Samsung, Panasonic, LG, Philips, Sharp, Microsoft, Sony, Apple, Android and more.

- The Second Screen is open turf and there's already plenty of startup action in this space – particularly in the USA with over 30.

- New sources of funding from Venture Capitalists looking towards disruption of the TV industry and seeing the global TV Ad spend of 200 Billion dollars as up for grabs.

- TV App standards and infrastructure very similar to Apple and Google frameworks – and about 80 per cent HTML-based code. It's not rocket science and it's not proprietary like traditional middleware.

Currently: What is happening

The new value chain emerging in TV, will share much in common with the retail value chain.

Its currently a market being played out…

Creators → Retailers → CE Devices

facebook

- Trying to maintain traditional economics – rights, release windows, scarcity is futile unless live
- Exploring new incremental revenue streams – micropayment models, merchandising…
- Exploring direct relationships with brands
- Brands creating content
- Exploring to go direct to consumer

endemol

Red Bull

WARNER HOME VIDEO

BMW

ProSieben

FREMANTLEMEDIA

vimeo

NETFLIX

orange™

myspacetv a place for videos™

NBC UNIVERSAL

hulu

veoh

Dailymotion

YouTube Broadcast Yourself™

Sony Ericsson

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Creators → Retailers → CE Devices

- Broadcasters are being turned into Retailers
- Broadcasters traditional revenue streams are threatened – But Live is still strong
- Retailing is becoming an open market
- Video on Demand will be differentiated on price & brand

Creators → Retailers → CE Devices

- Analogue being switched off
- DTT development
- Satellite – Set top box and standalone
- Telecoms – IPTV and OTT, Hybrid
- Multiple Connected device brands
- Smart and Connected TVs

Primary Connected Devices



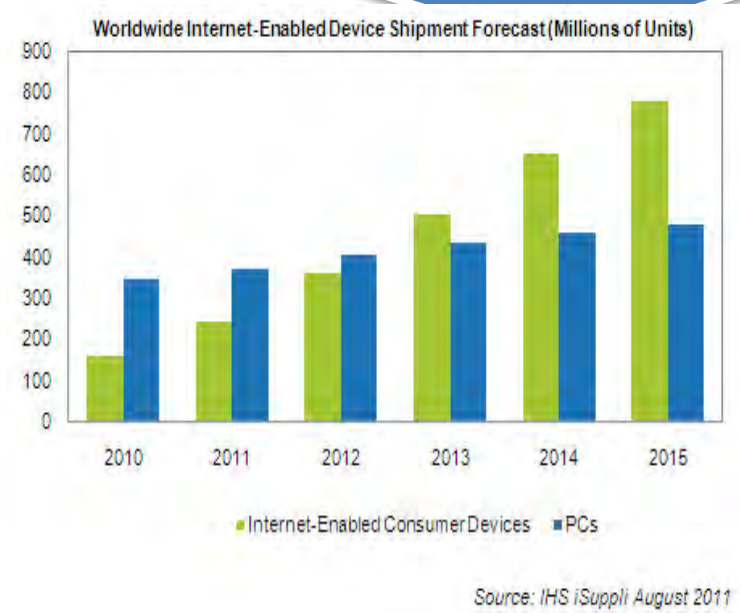


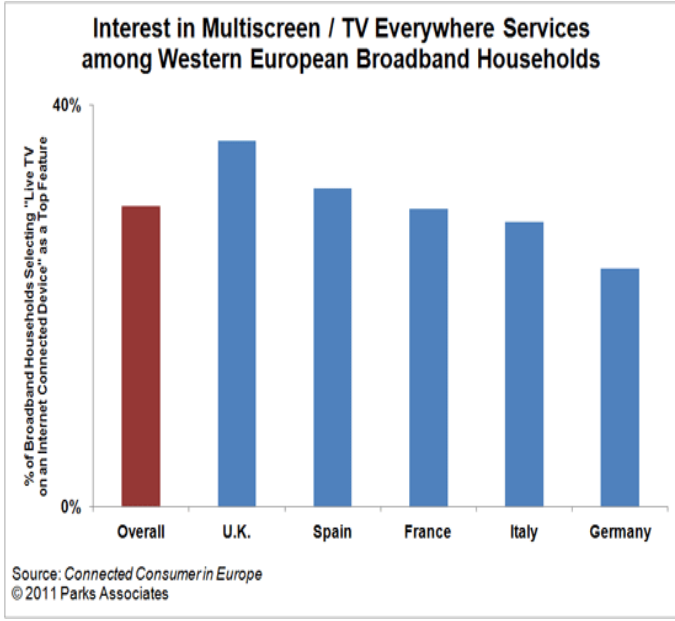
Microsoft Xbox 360	Sony Playstation3	Nintendo Wii	Apple TV	Connected TV	Blu-ray Disk Player
Games Console	Games Console	Game Console	Media Streamer	Internet Connected Set	Disk Player with Internet Connection
44.6m Worldwide	41.6m Worldwide	75m Worldwide	250,000 since re-launch	10m shipped Europe	5m shipped Europe

Sourced from Decipher www.decipher.co.uk

The Reports

- 50 per cent of Tablet Owners View Both Feature-Length Movies and TV Shows on the Device
- Report: Huge Gaps in Multiplatform TV Delivery Capability by US Broadcasters
- Four in Five UK kids watch TV On Demand - BBC and CBBC iPlayers
- Study: 80 per cent of UK Teens Use Second Screen to Communicate with Friends when Watching Television
- Ericsson study shows On-Demand as next TV service and tablets as remote
- Almost Half of All British Using Social Media While Watching TV
- Study: 30 Percent of All US Households Already Have TV Connected to Internet





The Timeline

- 2011: Connected Devices will account for 70 percent of CE Device Market Value 2011
- 2013: TV Applications and Widgets Market Worth over €1 Billion Euro by 2013
- 2014: Web-to-TV Video Content Revenue will grow by 750% to $17 billion by 2014
- 2014: Report: Global Connected TV Shipments to Grow 58% Annually Through 2014
- 2014: 47 million European Households will have Connected TV by 2014
- 2014: Installed "Smart TV" to Reach Over 230 Million by 2014, Says In-Stat
- 2015: Report: Half Billion Connected devices sold by 2015
- 2015: Report: Ads in Apps - €8.5 billion market by 2015
- 2016: Participation TV To Generate $2.9 Billion By 2016
- 2017: Report: Global Market for IPTV to Reach $81.2 Billion by 2017

2011 → 2017

ORCHESTRATED MEDIA

2nd Screen | AgoraMedia

Communicate - Being able to talk with others (Skype and TVoip being the ultimate level). Texting, SMS, FB, Twitter with friends.

Social TV (Discovery and Dissemination) - How to find content and how to share it. The EPG on the big screen is dead in ten years. Social Finding/Sharing on second screen is the future.

Context - Snack, augmented, add-on content that adds value to large screen. Behind-the-scenes, VIP Access, Wikipedia, IMDB, Twitter feeds, 360 Video, et al.

Personalisation – TV that knows what you like and gives you what you want based on social graph, mood, time and place.

Commerce - Being able to buy - Micro payments, tCommerce. Satiate the need for consumer to impulse spend.

Community - Sense of belonging to a special group - Social Layer - one-off app events like Superbowl, Oscars, Olympics or World Cup.

Transmedia - is the technique of storytelling across multiple, devices, platforms and formats that can use second screen technologies.

Gamify – Playalong TV - Playing along such as with the The Voice of Holland and Million Pound Drop UK. Intuitie in Holland.

Second Screen Engagement. A Game Changer.

- **The Introduction of the iPad and Tablets into the market will fundamentally change the way we watch TV in the future.**

- **200 billion dollars in global TV ad spend and another 200 billion in Pay TV revenue is in an old value chain that's about to be disrupted.**

- **Payments and Micropayments suddenly become an easy option – allowing for simple impulse transactions for merchandise, voting, competing etc.**

- **Second Screen allows for deep social integration creating major traffic driving opportunities and additional new significant revenue streams.**

Second Screen Engagement. A Game Changer.

- **Second Screen Engagement gives the audience more of what they want: interactivity, metadata, behind the scene views, scoops, insights, social relevance, and connectivity.**

- **Audio Synching and playout level metadata and trigger creation allow for consumers to sync their smart phones or tablets to interact with a show and participate in: trivia, polls, quizzes, predictions, voting, buying merchandise and more.**

- **The backend management system and ability is here already to synchronize second screen to live events as they happen on the air and offer full interactivity with live Broadcasts like: sports, music, reality, talent shows and news.**

- **The new Hollywood Transmedia Storytelling movement will write scripts that bring the narrative to the second screen itself.**

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Second Screen Engagement. A Game Changer.

- **Data Mining from the Second Screen and Connected TV will change the game of TV Metrics. Web-style analytics will give data from the VOD servers, CDN's, TV browser pages, TV and second sceen apps and even the devices themselves. Facebook and Twitter posts related to TV the consumer is watching can be tracked and sentiment monitored on a massive scale – which will be the new ratings.**

- **Second Screen Ad Injection systems will automatically place interstitials and/or reward the viewer by sending exchangeable coupons or special offers which can be tracked from reception to redemption.**

- **New Second Screen systems will also enable the audience to buy merchandise specifically related to what they are watching on TV. Or in relation to a brand or sponsor of the show.**

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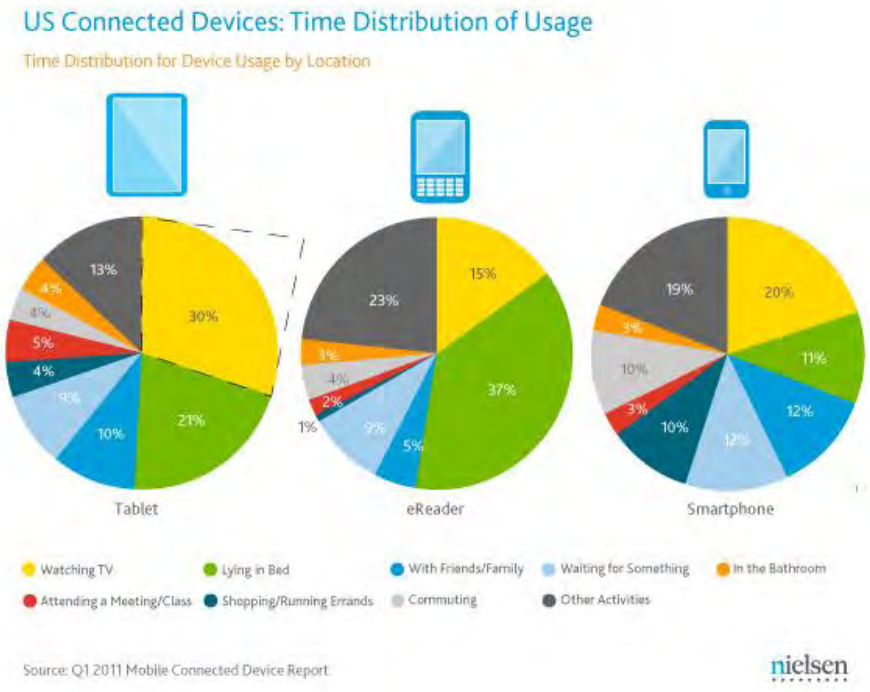
Seventy percent of tablet owners and 68 percent of smartphone owners said they use their devices while watching television.



Nielson studies show that 70 per cent of tablet owners use them while watching TV. Smart phone usage is also very high while watching the big screen.

So, they are watching them during commercials? Of course. But they are also multitasking or media stacking more and more.

If they are using second screens to avoid commercials, (and they are according to Twitter spikes during prime time viewing commercial breaks), then are brands going to try and get eyeballs back by moving more and more where the eyeballs are?

And how are they going to do that tastefully - without resorting to pop ups and other intrusive methods? Agencies are worried about it. As are brands.

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Play-along TV – Two Screen Synchronicity – Million Pound Drop, Intuition, The Voice

Well done to the Monterosa and Endemol for the work on Million Pound Drop for winning the Digital Creativity awards at BAFTA, an award that incorporated all aspects of social media, interactivity, multi-media and audience participation.

As the show is broadcast live, viewers are encouraged to play along online at the same time with statistics on their performance appearing on screen during the broadcast and being read out.

Online players receive no prize money. Hundreds of thousands of people play on a second screen during the live show.

monterosa

endemol

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Play-along TV – Two Screen Synchronicity – Million Pound Drop, Intuition, The Voice

intuïtie ('Intuition' in English) was a groundbreaking Dutch daytime gameshow in which the viewers are the contestants. To create a shared experience for viewers with a two-screen, real-time TV game that tests the intuition of the audience. Viewers can play for free using their laptop or smartphone. The show tested viewers' gut instincts with picture-based questions on people and places.

Everyone who took part in the show won prize vouchers; the number of vouchers won was determined by the audience's average score. Intuïtie was developed by Freemantle's Screenpop and uses Ex Machina's PlayToTV platform.

Synchronous and Asynchronous Second Screen Engagement

Synchronous Second Screen Engagement enables second screen engagement through a "same time-different place" mode while Asynchronous OM enables second screen engagement through a "different time-different place" mode.

Synchronous Second Screen Engagement can be created using a backend that creates second screen triggers in real time with a live or progammed show or using temporal metadata. Digital Fingerprinting or Watermarking can also work but not for live events.

Asynchronous Second Screen Engagement is generally created using either Digital Fingerprinting or Watermarking which can create timeline experiences that are captured and can be used for VOD or PVR assets.

monterosa

EXMACHINA

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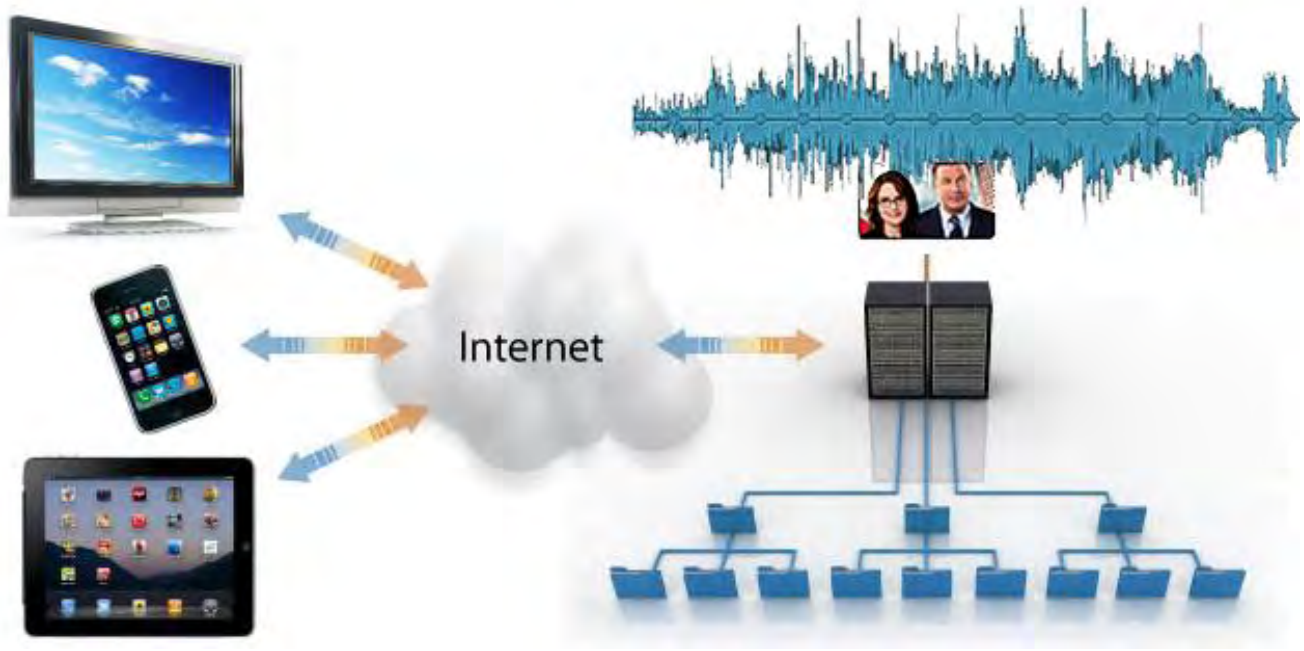
media echo by technicolor

Second Screen Engagement using Digital Watermarking

Digital watermarking is the process of embedding indiscernible audio into a video at the production or playout stage. Watermarks can provide channel ID, programme ID and frame-accurate time codes to enable OM synchronisation.

But it's limited to second screen native applications that can listen and catch the audio. However it's a bulletproof solution for broadcasters to control OM.



Second Screen Engagement using Digital Watermarking

nielsen

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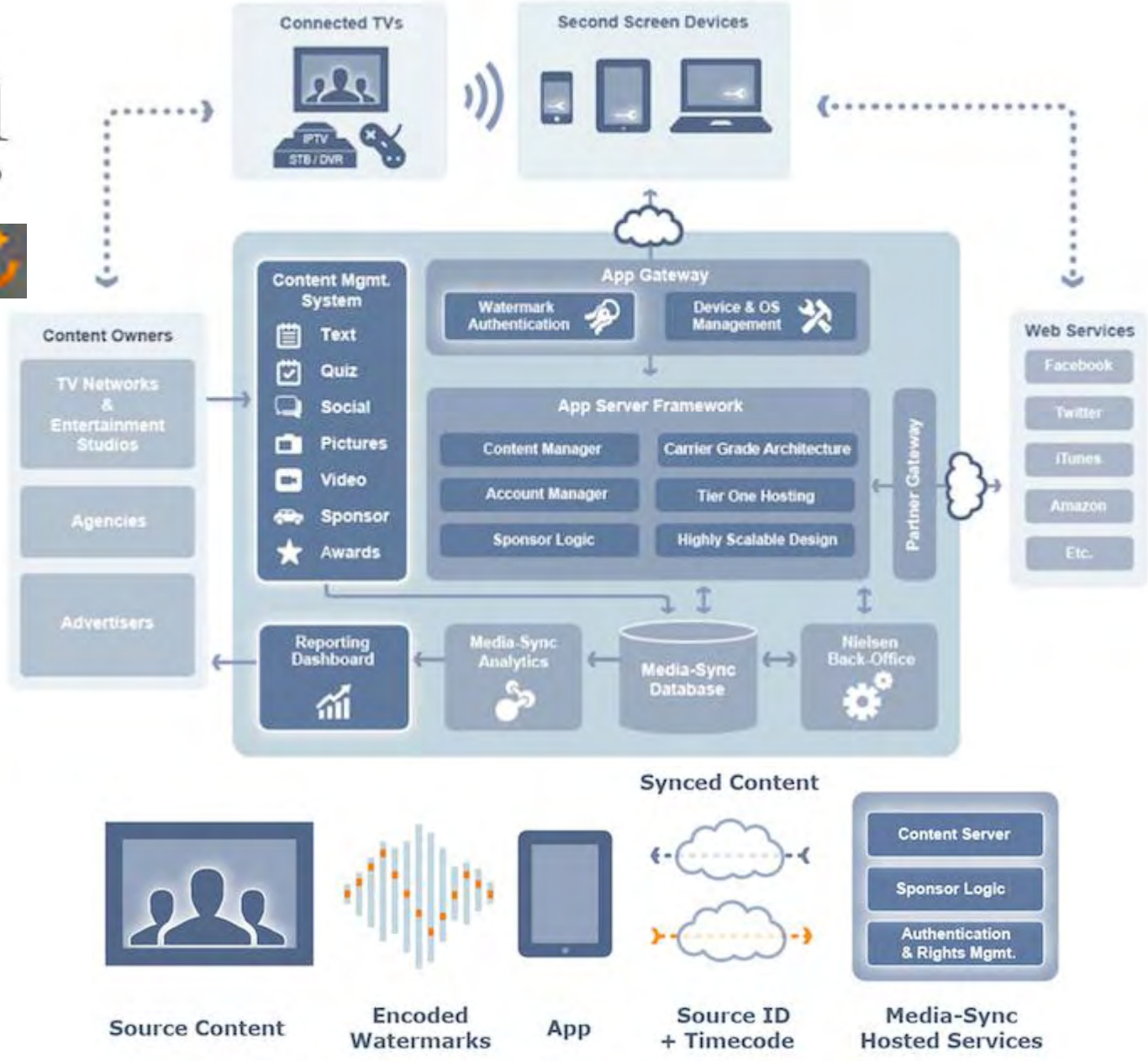

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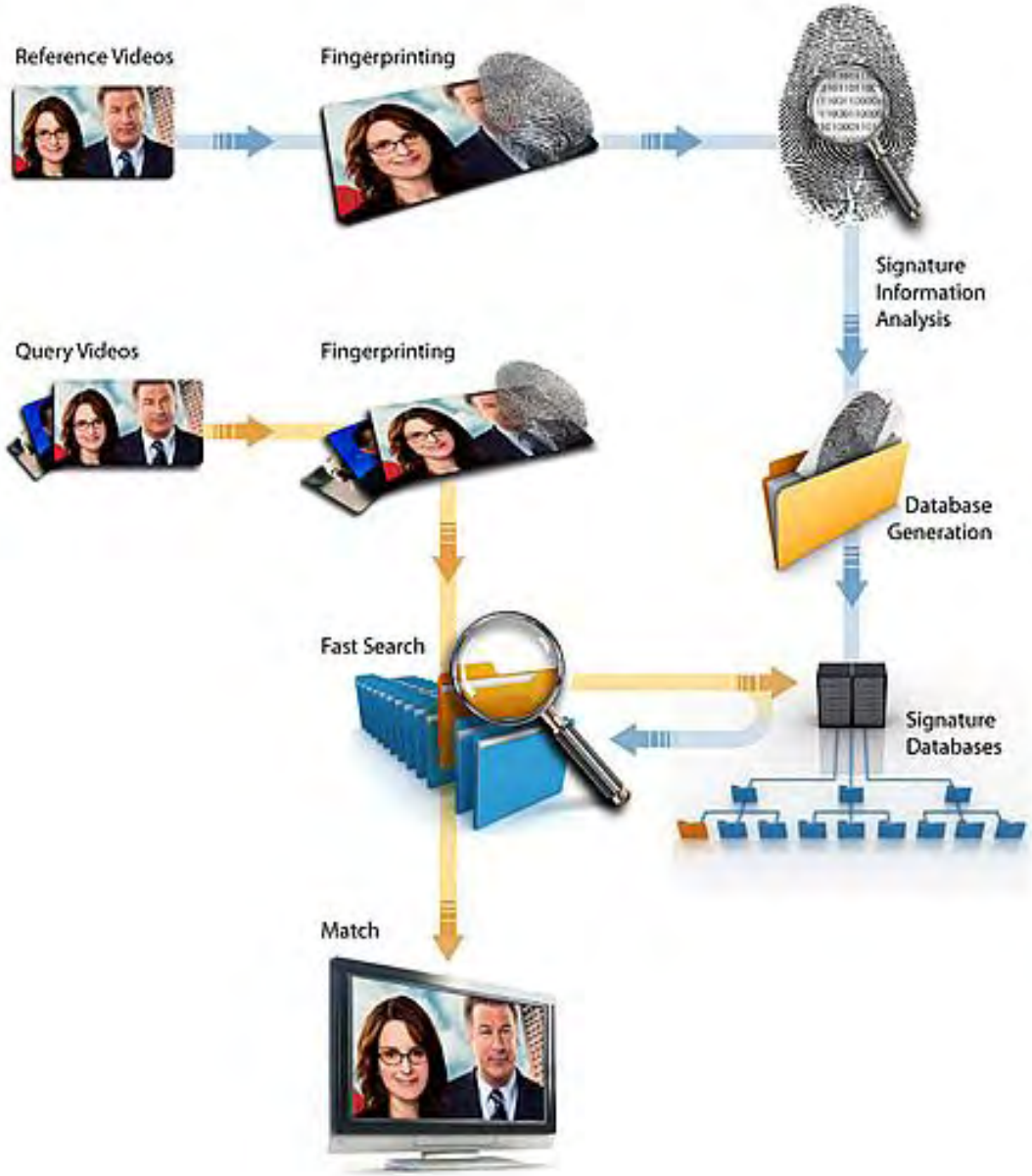
Second Screen Engagement using Digital Fingerprinting

Video fingerprinting consists first in taking an imprint (also referred as "signature") which is the process where the microphone function of a second screen application listens and records video for up to ten seconds, before sending it to a content recognition server to identify where the viewer is in the timeline of the video.

Then it can augment the second screen experience. But it's limited to second screen native applications that can listen and catch the audio.
There is nothing broadcasters can do to prevent fingerprint identification of their programming to drive third-party apps.



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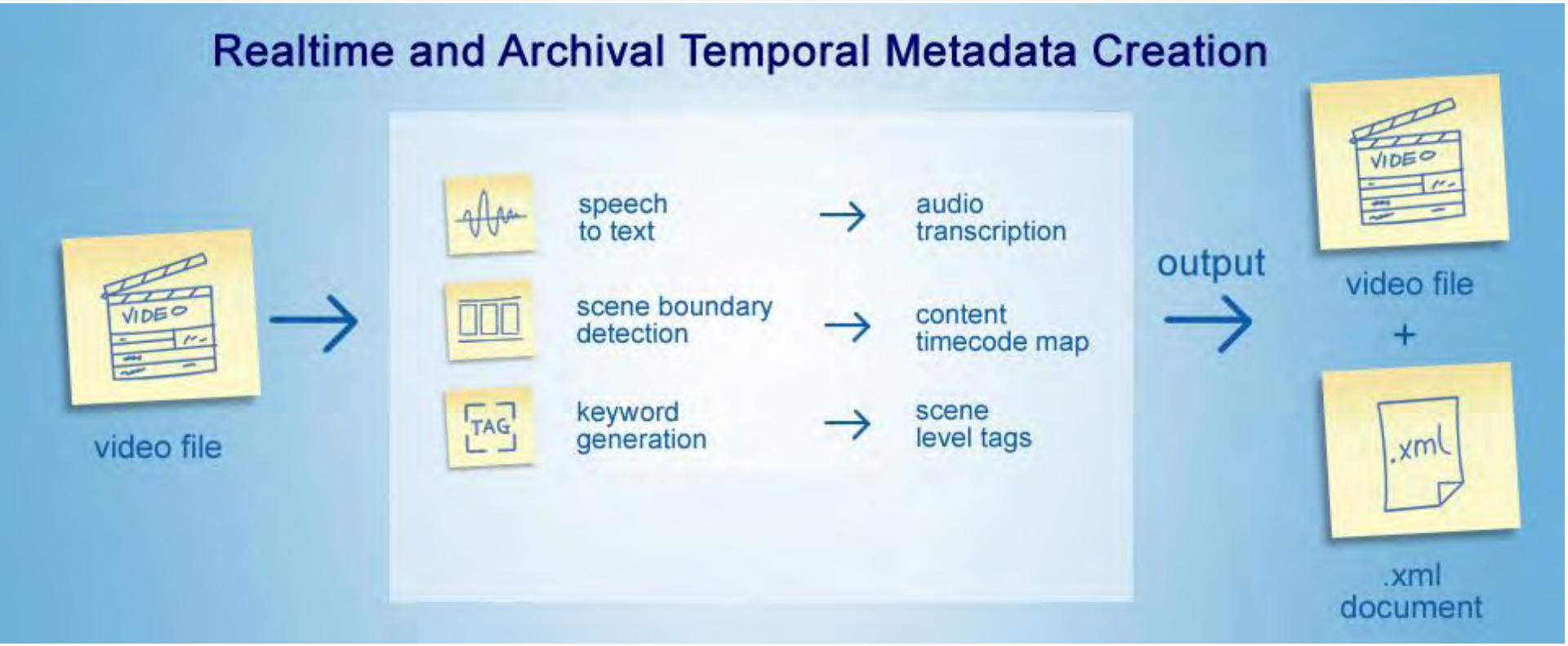
Second Screen Engagement using IP Delivered Metadata Triggers and why is it the New Oil?



Temporal metadata is all about applying metadata at the scene level… such as a movie scene or song. Of course, this can be relevant both for production and search/ discovery… but the real value lies in providing contextual data on the second screen — whether that is curated at the script-level or playout… or automated as above, or it could be a combination of both.

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Second Screen Engagement using IP Delivered Metadata Triggers and why is it the New Oil?

In the case of Zeebox, second screen engagement is being achieved using automated ingestions and extraction of temporal metadata in real time then using advanced algorithms to tie the tags to augmented information, merchandise and social media buzz in real time.

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zeebox

Second Screen Engagement using IP Delivered Metadata Triggers and why is it the New Oil?

The lack of both initiative from the incumbents and standards in TV temporal metadata poses increasing problems right through the TV value chain – So in many cases, it's third parties like Zeebox that are trying to solve this problem as temporal metadata is not being created at the script or playout level by production companies or broadcasters.

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zeebox

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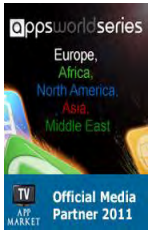

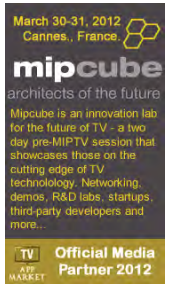

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Who We Are

AgoraMedia
connecting the dots...

We inspire, create and deliver convergent strategies…

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Publishing, Social and Community

Richard, a Creative Technologist is VP of UK chapter of the Connected TV Marketing Association (CTVMA), publisher of www.appmarket.tv and partner at Agora Media Innovation in London, England. He was the 2010 Winner of the Deloitte TMT Predictions for Entrepreneurs in Holland (Tech Visionary). In 2011 he won a Computerworld Honors Laureate for Innovation for visionary application of IT to promote positive social, economic and educational change and most recently was a finalist for IBC's ConnectedWorld.TV Personality of the Year.

Richard Kastelein | Partner

Broadcasters and Telco

Paul specialises in media product & operations design and delivery. A n inventor with 15 years delivering innovation and growth to brands such as LOVEFiLM, BSkyB, BBC, ESPN and HiT Entertainment. Passionate about the future of TV, second screen, & consumer engagement, he has shaped unique perspectives on this emerging landscape and the impacts it is having on consumer behaviours. Editor at Appmarket.tv and is a regular speaker and chair at International events.

Paul Johnson | Partner

Production Companies and Broadcasters

Marc is a multi-award winning producer of linear and interactive content and he created the world's first factual interactive TV programme: 'Walking With Beasts'. The program won him a BAFTA award after which he set up BBC Factual's iTV unit. In april 2007 Marc joined the BBC's Children's department, as Head of Interactive and On-demand, for BBC Children's, responsible for Cbeebies and CBBC content across all interactive media. Marc was also responsible for the delivery and launch of CBBC iPlayer and specialises in digital production, cross-platform TV formats and product delivery across TV, web, mobile and IPTV applications.

Marc Goodchild| Partner

Brands and Agencies

Keith is an expert in brand engagement planning & multi-screen consumer interactivity, inc 2nd OTT TV - strategy to execution. Formerly he was the Business Director, Branded Content at Ogilvy & Mather, Commercial Director at Edward Cavendish, Brand & Advertising Director - EMEA at Motorola and Global Brand Director at Allied - Lyons. He's a leading expert on future TV writing two leading industry reports for Business Insights - "The Future of Video Content Convergence" and "The Future of Pay TV".

Keith Johnson| Partner