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Broadband media issues

Cross media content meeting – 27 April 2000

EC IST Programme 2001 / Multimedia Content and Tools

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1 Introduction

The European Commission (DG INFSO/D1) organises a consultation meeting to address *cross media content* issues for the IST programme in the area *multimedia content and tools*. This includes 'integrated authoring for broadcasting, entertainment, advertising and publishing' and also covers 'cultural heritage, education and training'.

The Commission asked ICM Analytics to act as *panel rapporteur* in the meeting and provide a background document which outlines *cross media content* issues related to broadcasting and audio-visual broadband media.

ICM Analytics specialises in the research and strategic analysis of *interactive broadband media*. Our topical capabilities span across the whole *digital media market* with a focus on *interactive television* and *broadband internet media services*. Recent clients include broadcasters, webcasters, interactive agencies, interactive TV providers and new broadband content platforms in Europe and the UK.

2 Cross media content and emerging broadband media markets

Cross media content is enabled through integration between digital media market segments at various levels of analysis (e.g. content, media formats, enabling technologies, applications, distribution networks or partnerships).

Although each digital media market segment has different customers, usage contexts, content formats, primary devices as well as demand, revenue and distribution factors, there is an increasing degree of overlap between the *interactive broadcasting* and *broadband internet* segment (digital media integration or "convergence"). Both segments include streaming video/audio, enhanced programming, interactive channels, stand-alone applications such as games and leading web sites. The advance of compression technologies and IP-based authoring/delivery systems will further the integration between the broadcasting and internet sectors. Several players are now active in both market segments, including cable operators (e.g. Telewest in the UK), new broadband content platforms (e.g. Bertelsmann Broadband Group in Germany), true video on demand players (e.g. Video Networks in the UK) or internet portals such as AOL in the US (AOL, AOL Plus and AOL TV).

During 1999, many players entered the *broadband media market* with a focused objective to supply IP-based universal products and services via multiple networks and to multiple devices (e.g. Sit-up Entertainment, Bertelsmann Broadband Group or TWI). In addition, several alliances with the same purpose have been formed (e.g. Vodafone/Vivendi, AOL/Time Warner or Carlton/TF1). Broadcasters such as Canal+ or BSkyB have also adopted broadband media strategies, including new partnerships with interactive broadband media players. BSkyB, for example, partners with TiVo in the US (digital video recorder services) and Kingston Communications in the UK (true video on demand services).

These new players and services belong to the *interactive broadband* segment, as they cannot be allocated to a specific area of the digital media market. Many other digital media players from both the broadcasting and internet background are now migrating towards the *interactive broadband* segment and re-focus their media activities, marketing strategies and production facilities. As a consequence, a new broadband media production and advertising market is emerging.

The development of compelling broadband or “cross media” content is a key driver for emerging digital media markets in Europe. Market players are

- Content providers (e.g. broadcasting, production, publishing, advertising)
- New broadband media players (e.g. DVR, VoD or high-speed internet)
- New content providers (e.g. financial, retail, services, betting)
- Internet content providers (e.g. internet broadcasters, portals, web properties)
- Network operators (e.g. DSL, cable modem, 2G/3G mobile)
- Vendors (e.g. devices, software, e-commerce and delivery platforms).

3 The IST programme 2001

The IST Work Programme for 2001 will relate to EC funded R&D projects that commence mid 2002 and have a duration of up to 24 months. Accordingly, the project results will come to market during 2003 and 2004. Key aspects of the European broadband media market in 2003 are

- established interactive digital television platforms and services with increasingly open standards (MHP, Java) and advanced set-top-boxes (e.g. including digital video recorder and on demand facilities)
- an increased proportion of interactive/enhanced broadcast programming and services (including advertising and commerce) across multiple platforms
- high mobile subscriber penetration, WAP enabled handsets, new advanced handheld devices, GPRS/EDGE and emerging UMTS networks
- established broadband internet media services (DSL, cable modem and increasingly wireless/satellite) with more mainstream audiences
- increased integration of broadcasting and internet sectors in terms of production, distribution, marketing and partnerships.

4 Key questions to be addressed

ICM Analytics suggests to address the following four areas in the cross media consultation meeting in order to further define the IST Work Programme 2001:

1. Issues in the interactive television sector (TV centric services)
2. Issues in the broadband audio/video internet sector (PC centric services)
3. Issues in the broadband media sector (multiple devices/networks).
4. Issues in the mobile internet sector (portable devices, location issues).

Due to increasing integration all these areas will include similar sub-issues such as IP-based content, personalisation and relevance of content, partnerships (IST consortia), IPR/Copyright, production and work flow, integration of content and e-commerce, interactive advertising, multiple access content (anywhere, anytime, any device), formats and audience structures, business models, etc.