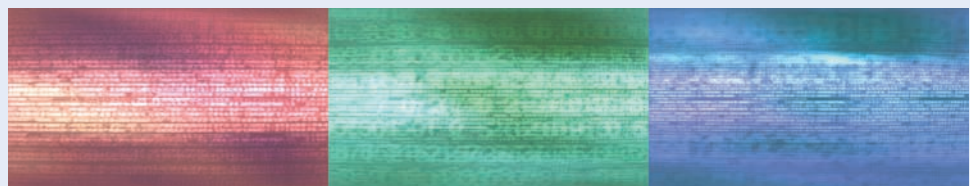


IPTV

Broadband meets broadcast

The network television revolution



William Cooper

Graham Lovelace

IPTV: Broadband meets broadcast

This influential independent report presents the key issues that every senior executive and decision maker involved in media and communications needs to know and understand about the future of television.

Drawing on decades of combined experience, extensive interviews and the latest available industry research, this concise executive report provides an authoritative overview of the emerging market for delivering audio and video services over data networks.

The convergence of broadband and broadcast delivery will inevitably disrupt existing telecommunications and television industries as they collide and collapse conventional boundaries.

The network television revolution will change channels of distribution and fundamentally affect the way television is viewed in the future.

Billions are being bet on the outcome that could radically transform the media landscape forever.

Multichannel television of a few hundred linear channels will soon seem archaic. Viewers will eventually be able to choose from thousands of programmes and channels from around the world, much as it is already possible to stream radio services today. The network will in effect become an indefinitely expandable personal video recorder.

This presents many threats and opportunities to the existing broadcasting industry and represents a real revolution in digital television.

In response to recent unprecedented global interest, InformTV and Lovelace Consulting have produced this exclusive executive briefing that explains the key issues in simple terms that cut through the hyperbole and jargon to provide a clear picture of the next revolution in communications.

With an independent perspective, based on practical professional experience, this report places these developments in context to empower decision makers to formulate their own strategy in response to the significant threats and opportunities presented.

Relevance

This briefing is recommended reading for all board directors, senior executives, heads of departments and other senior managers with responsibility for commissioning, producing, creating, scheduling, promoting, marketing or distributing audio and video material or services.

The report is also very relevant to anyone involved in the telecommunications, media and technology ecosystem:

- **Broadcasters and platform operators**
Understand the impact of new modes of distribution on existing businesses.
- **Telecommunications companies**
Appreciate the challenging issues involved in the provision of video services directly to consumers.
- **Broadband service providers**
Identify new opportunities to offer value-added content and applications.
- **Content producers and aggregators**
Exploit valuable new revenue streams while avoiding problems with piracy.
- **Brand owners and rights holders**
Anticipate new business models in this rapidly evolving environment.
- **Advertisers and sponsors**
Recognise the impact on traditional advertising and develop new business models.
- **Technology providers and integrators**
Realise the market opportunity for new products and services.
- **Marketing and public relations advisers**
Establish the broader business context for your clients.
- **Academics, lawyers and regulators**
Address the effects on competition and copyright law and regulatory frameworks.
- **Consultants, investors and analysts**
Assess the commercial prospects for the next generation of video, voice and data services.

The network television revolution

Contents

Foreword

By Barry Cox, chairman of SwitchCo

Executive summary

An overview of the main themes of the report and a summary of the key issues involved.

Introduction

The significance of IPTV—the delivery of audio and video services using internet protocol. The background to the trend towards integrated telecommunications networks, the changing television landscape and the regulatory implications.

The digital revolution

The first phase of the digital revolution, the convergence of communications, the emergence of the internet and the transition to multichannel digital broadcasting.

The network television revolution

The provision of bundled services over broadband, and the technical foundation for the delivery of audio and video over data networks.

The emerging market

An overview of the major markets, in terms of the commercial drivers and the key players, with case studies on specific service providers and examples of new entrants in the market.

Challenges

The central challenges that must be overcome, the key success factors for the introduction of the next generation of video services, the market impact, and the implications for existing broadcasters.

Conclusions

Summary of the likely business models and the ultimate conflict between closed and open networks.

References

Bibliography

Glossary

Suppliers

This comprehensive 200 page report includes 25 case studies from Europe, North America and Asia.

IPTV—internet protocol television—refers to the delivery of digital television and other audio and video services over broadband data networks using the same basic protocols that support the internet.

There is nothing new about the idea of using internet technology to deliver video, but internet protocol television should not be confused with the web experience of streaming video, which has generally fallen far short of anything we might expect to see on television.

With increasing broadband access speeds, together with improvements in digital video compression, it is now possible to deliver high-quality video services over a telephone line. A small decoder box can connect a television to a telephone or network point, rather than an aerial socket, cable or satellite feed, and in theory the pictures should be just as good. Using new advanced compression schemes, in the future it will even be possible to deliver high-definition television in this way.

This opens up the television market to telephone companies and other service providers, with lower barriers to entry than existing digital platforms. With revenues for fixed-line phone services threatened by mobile operators on the one hand and the prospect of free or low-cost calls over the internet on the other, traditional telephone companies need to sustain their diminishing call revenues with new services. One of their main objectives is a ‘triple-play’ of voice, video and data services on a single bill.

Although service providers will attempt to bundle television channels and compete directly with cable and satellite companies, once a broadband connection is hooked up to the TV, programmes could potentially come from anywhere.

While the public internet may not currently be able to guarantee the quality of service necessary for live broadcasts, it is certainly possible to download programmes to a local storage device.

A number of start-ups are already looking to exploit the opportunity to cut out cable companies and provide a package of programming without incurring the massive capital expenditure associated with building their own network. Significantly, it becomes economically viable to reach a global market, even with niche material.

Informed insight and intelligence

About the authors

Dr William Cooper is the founder and principal consultant at independent interactive television consultancy *informatv*. At the BBC, William was operationally responsible for the delivery of online and interactive output, including the launch of interactive services on satellite, terrestrial and cable television. William started his career as a broadcast journalist, following a PhD in Communications from the University of Leeds.

Graham Lovelace is the founder of Lovelace Consulting Limited, which specialises in convergent media. A former head of strategy and marketing at The Press Association, Graham was the founder of Lovelacemedia and founding editorial director at Teletext Limited. Graham is a graduate of the Harvard Business School Advanced Management Program and is a regular commentator on media developments.

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Other services

informatv is an independent consultancy that provides an informed view of the future of television, including advanced, enhanced, interactive, broadband, mobile, video-on-demand and personal television services. The *informatv* email newsletter provides a regular summary of the latest news about interactive television and related developments. To sign up for a free subscription see: informatv.com

Lovelace Consulting offers bespoke market intelligence and strategic advice to companies in media, internet and telecoms sectors. Based on years of experience in supplying mission critical intelligence to senior executives, Lovelace Consulting helps companies devise winning strategies in the era of digital convergence. To find out more see: lovelace.co.uk

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IPTV: Broadband meets broadcast—The network television revolution

For less than the cost of an average conference and considerably less than expensive analyst research reports, this executive briefing is recommended reading for anyone that needs to understand the future of television.

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