

VoD, IPTV and HDTV – Market developments in Germany and Europe

International HDTV Summit

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Media Consulting & Research

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- Competition Analyses
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- Conjoint-Analyses
- Eyetracking
- Pupillometrics

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- Media Planning
- Corporate Media
- Special Interest-Analysis
- Marketing
- Value-added Services



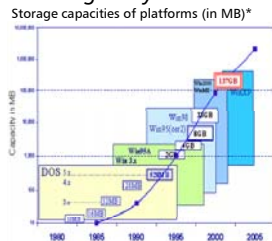
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1. Introduction
2. HD: Key driver of digitization?
3. After the format war:
Full speed ahead for HD media?
4. VoD and IPTV:
Success story or niche markets?
5. Conclusion

„Laws“ are changing the digital world...

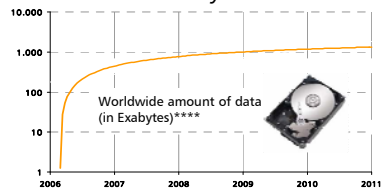
Storage Law

Increasing storage capacity:
Doubling every 12 months



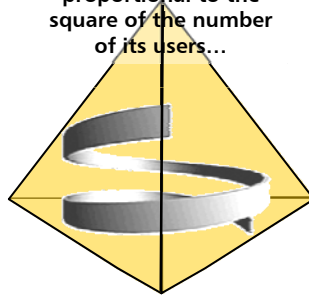
Data Information Law

Decreasing amount of data growth:
Tenfold increase in 5 years



Metcalf's Law:

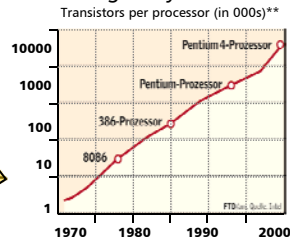
Value of a network is
proportional to the
square of the number
of its users...



* Source: Maxtor Cooperation
** Source: FTD v. 31.8.2004
*** Source: Technology Futures
**** Source: IDC 2008

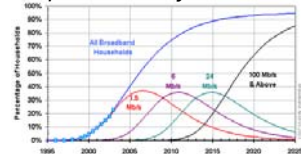
Moore's Law

Increasing processing power:
Doubling every 18 months



Gilder's Law

Rising bandwidth:
Triplification every 12 months



*Reality-in Germany:
Doubling every 12 months*

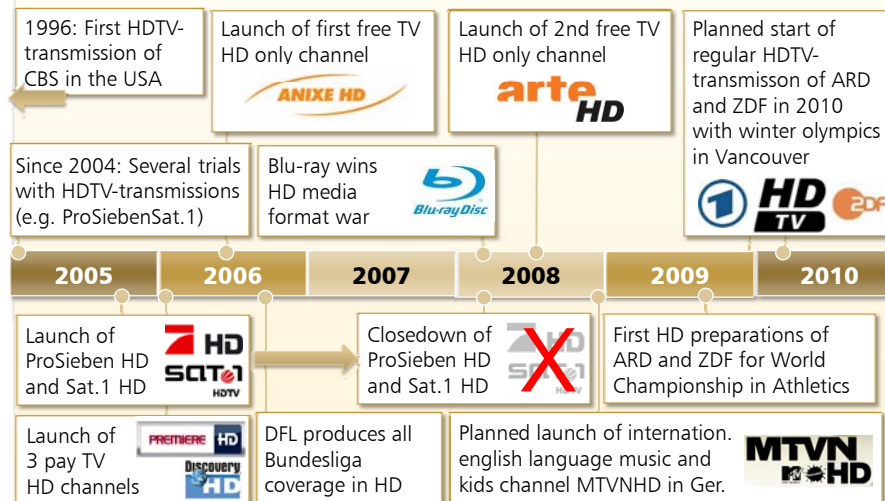
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HDTV in Germany: Recent and future development



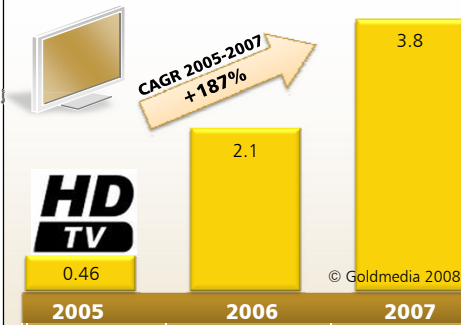
Timeline: HDTV developments in Germany



Increasing sales of HDTV sets in Germany. Still a lack of HD capable set-top-boxes

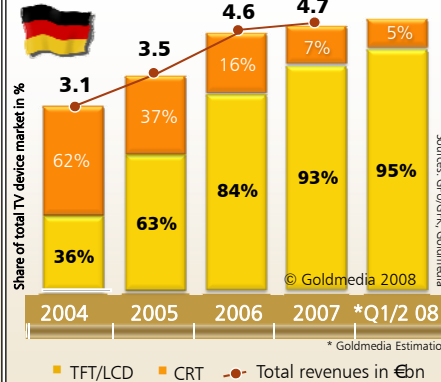


Sales of HDTV sets in Germany in mio.



Source: GfU/GfK

Sales of TV sets/revenues in Germany



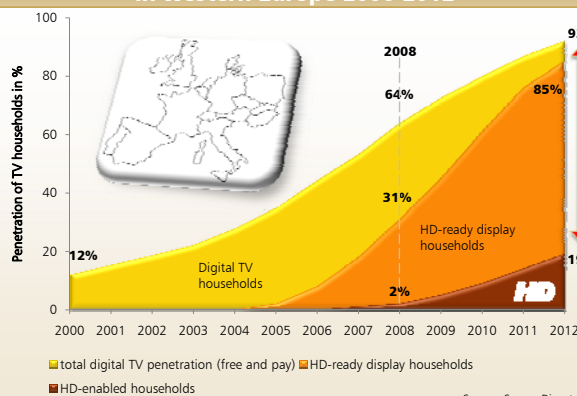
Source: GfU/GfK, Goldmedia

- High penetration of HDTV sets – but only about 350.000 are fully HD-enabled
- Cable, satellite and DSL do have enough capacity for HD distribution
- Due to high costs and low capacity, DVB-T less suitable for HD transmission

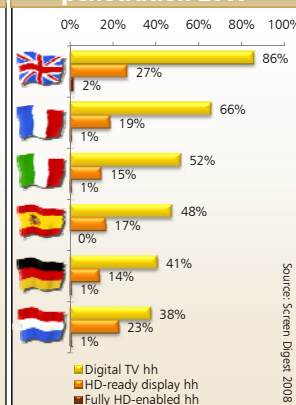
Digitization process in Western Europe will go on, even without High Definition



Penetration of digital TV and HD in Western Europe 2000-2012



Digital TV vs. HD penetration 2007



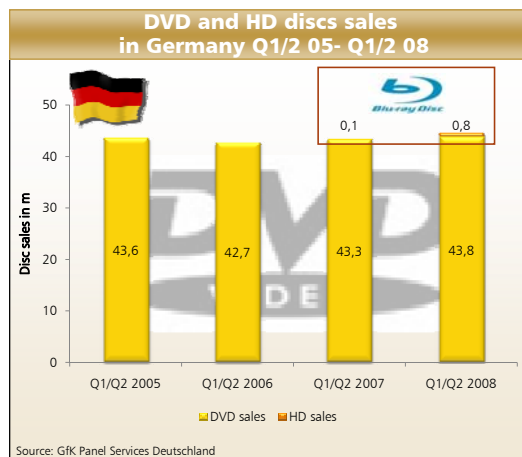
Conclusion

- About half of all digital TV households in Western Europe already equipped with HD-ready TV-sets, but only 2% of all TV households are fully HD-enabled
- Digitization of TV reception in Western Europe ongoing, even without HD

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HD media on the rise after format war, but DVD will remain dominant format within next years



Conclusion

- Blu-ray sales in West. Europe are taking off during upcoming years, but DVD will remain most important video format due to the slow churn of player devices
- HD media sales in Germany still insignificant compared to DVD sales, but on the rise

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Online VoD offers in Germany - online HDTV is still a niche in a niche



Operator	Service	Technology	Business Model	HD content Available?
Anixe HD		Streaming-VoD	Free, PPV	yes
Apple		Download to own	PPV	no
Arcor		Streaming-VoD	PPV	no
ARD		Streaming-VoD	free	no
Premiere		Streaming-VoD	PPV	no
ProSiebenSat.1 Group		Streaming-VoD	PPV, flatrate	no
RTL Group		Streaming-VoD	free, PPV	no
T-Home		Streaming, Download to own	PPV	yes
Netleih+Amango		Streaming-VoD	PPV	no
ZDF		Streaming-VoD	free	no

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Conclusion: HDTV-Market developments in Germany and Europe taking its times.

1 HDTV & digitization

- Increasing sales of HDTV sets in Western Europe but still lack of HD capable set-top-boxes
- Digitization process in Europe will go on, even without HD

2 Consequences for broadcasters

- HDTV could cut into the digital dividend of **commercial broadcasters** due to higher distribution costs
- HD content can help **pay-TV operators** to stand out from competitors and to increase revenues
- **Broadcast infrastructure providers** can capitalise their capacities

3 HD media

- **Blu-ray sales** in Western Europe will **take off** within upcoming years, but **DVD will remain most important video format** in the short term due to the slow churn of player devices

4 VoD & IPTV

- HD VoD content is still a niche in a niche market
- IPTV can use HD for a **Premium TV position**.
- HD-enabled IPTV set top boxes as a **driver for HD market**

HDTV is a key driver for premium services but impact for the overall media landscape will remain low, at least in the short term



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Thank You!

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