

Fakultät für Betriebswirtschaft
Munich School of Management

Closing the Gap between HDTV and the Customer

HDTV-across-Europe Conference
International HDTV Summit
Berlin, 14th and 15th October

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Institute for Information, Organization und Management
www.iom.bwl.lmu.de

Berlin, 14th October 2008



Agenda

HDTV Market Forces

Focusing the Gap

Future Challenges

Agenda

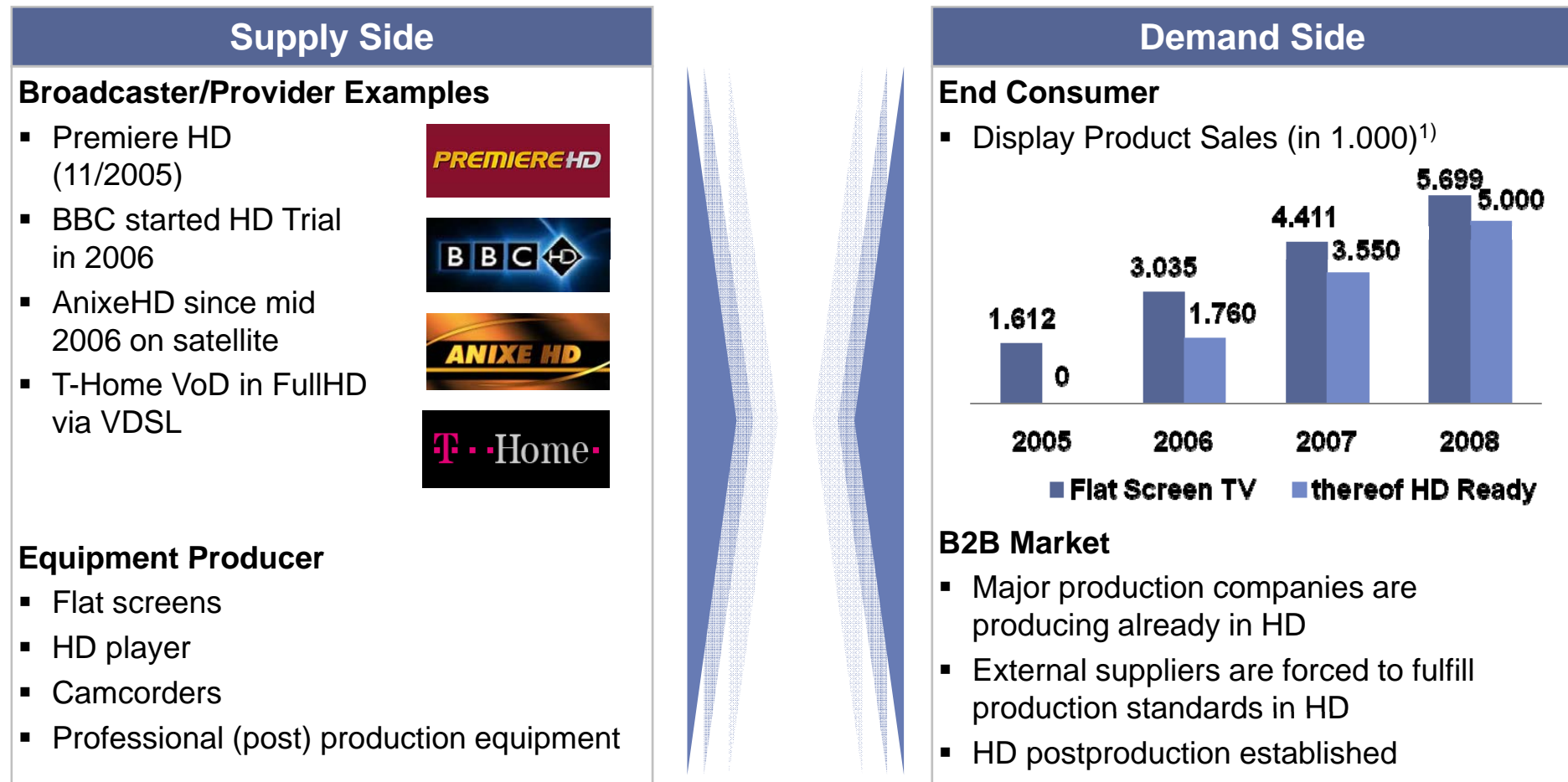
HDTV Market Forces

Focusing the Gap

Future Challenges

While the ability to receive HDTV is relatively high on the demand side, supply is lacking of content and transfer channels.

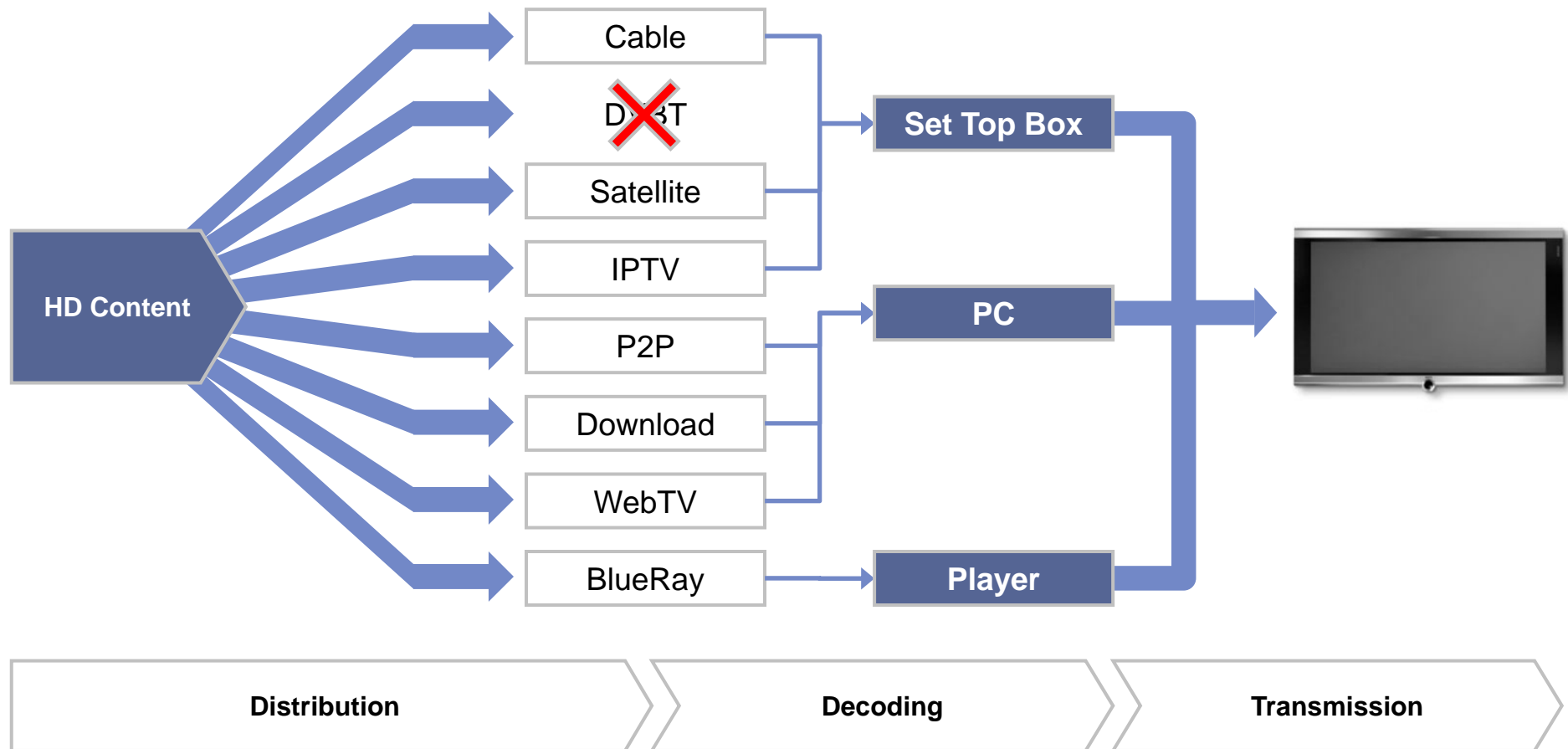
HDTV Market Forces





Entire Content Delivery Chain has to support HD signals, one bottleneck is still the transfer from the decoding device to the display.

HDTV and the Consumer



Agenda

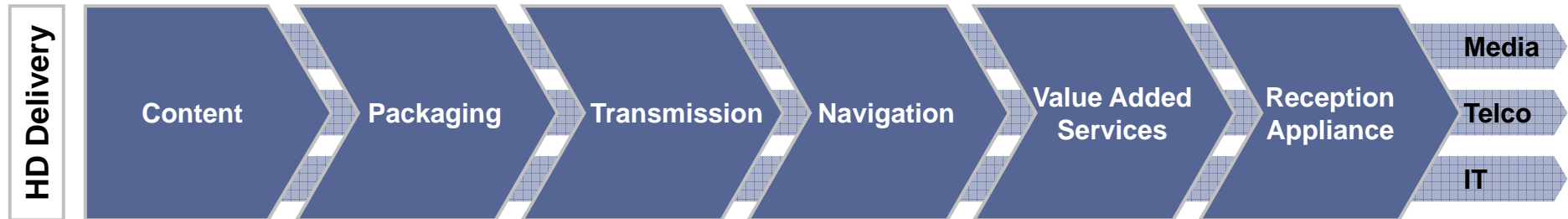
HDTV Market Forces

Focusing the Gap

Future Challenges

Gaps in delivery do not have technical reasons only, especially business models can counteract HD delivery massively.

Media Value Chain

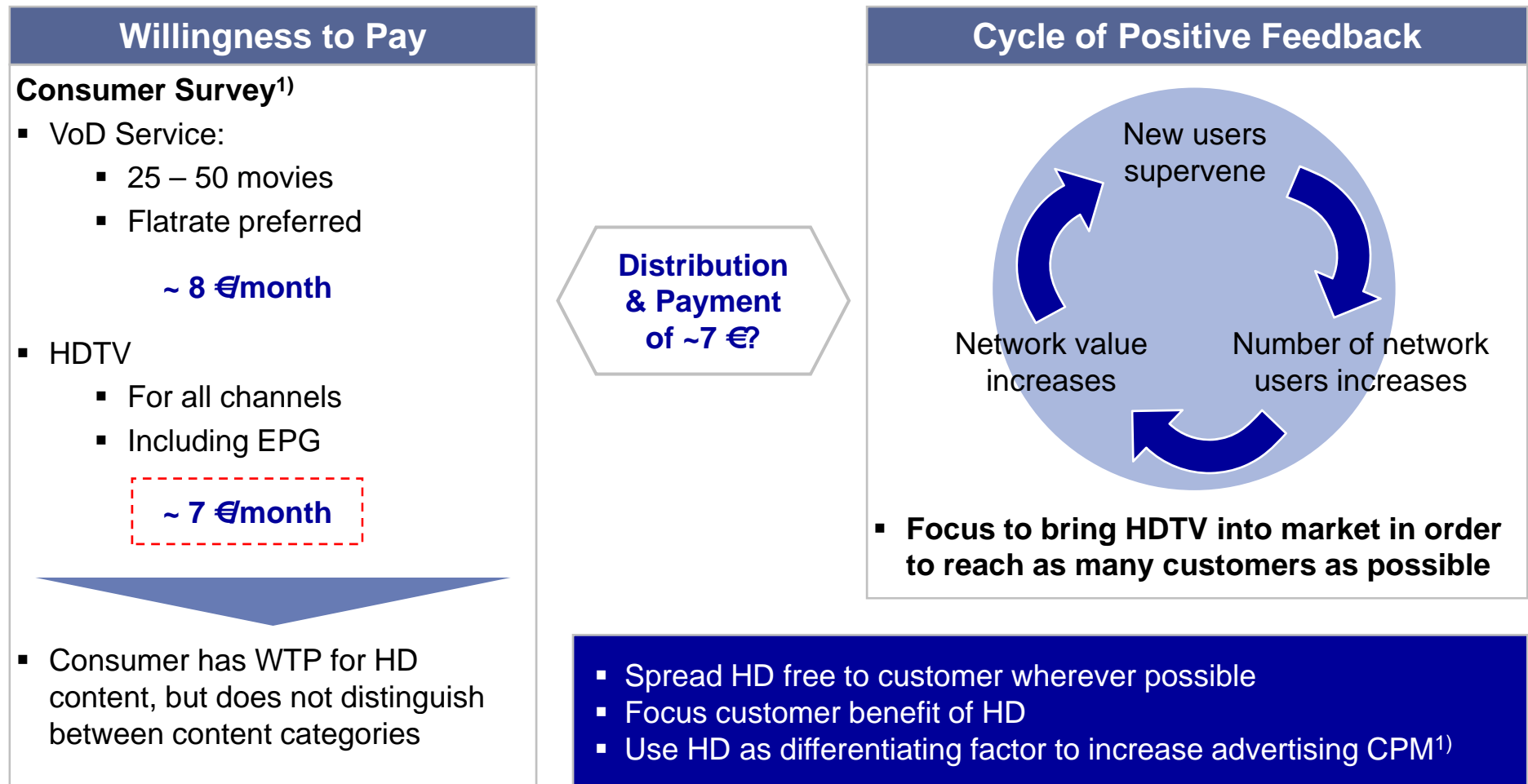


Potential Gaps	<ul style="list-style-type: none"> Identifying “right” content for HD quality 	<ul style="list-style-type: none"> Identifying customer target group for HD content 	<ul style="list-style-type: none"> Selection of “right” delivery channel(s) 	<ul style="list-style-type: none"> Distribution model: parallel or HD only 	<ul style="list-style-type: none"> Choosing the “right” business model 	<ul style="list-style-type: none"> Ensuring HD on customers’ display device
	<ul style="list-style-type: none"> Securing entire production process in HD 	<ul style="list-style-type: none"> Provision of HD quality of existing material 	<ul style="list-style-type: none"> QoS of transmission 	<ul style="list-style-type: none"> Separate HD offering or integrated 	<ul style="list-style-type: none"> Pricing and separation of HD and PAL 	<ul style="list-style-type: none"> Prevent negative impact on existing customers

- Ensure HD quality on consumer’s display device along the entire media value chain
- Each participant has to consider interdependencies with upstream/downstream players’ business models

Customer survey showed up a positive Willingness to Pay for HD content, but gaining a high market penetration very fast is the major success factor.

Interdependency: Focus User



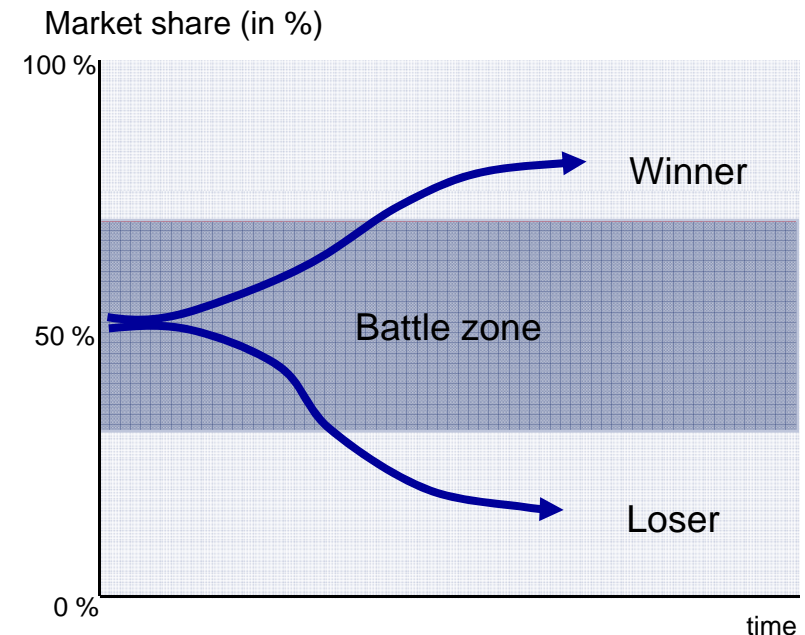
Traditional aggregators and broadcasters have to be aware that the consumer will not accept multiple devices and delivery services to receive HD.

Interdependency: Focus Producer and Aggregator

Differentiate linear TV with HD

- **Free standard HD offering**
 - HD as value add will increase advertising revenues
 - Multiple offerings by multiple operators with multiple reception devices will not work
- **Public broadcasters in charge**
 - Setting format and broadcast standards
 - Standard for content production companies
- **Harmonization of switchover times**
 - Decreases confusion for consumer
 - Ensures delivery of all programs
- **Reduce transitioning time**
 - Substitutive services coming up
 - HD sensitivity of customer right now
- **HD as value add for Cable/IPTV/Satellite**
 - Use HD not to become a substitutive offering of DVB-T

Traditional vs. New Media



- HD via other media, like P2PTV/WebTV soon
- Immediate action required for traditional broadcasters to retain position in value chain

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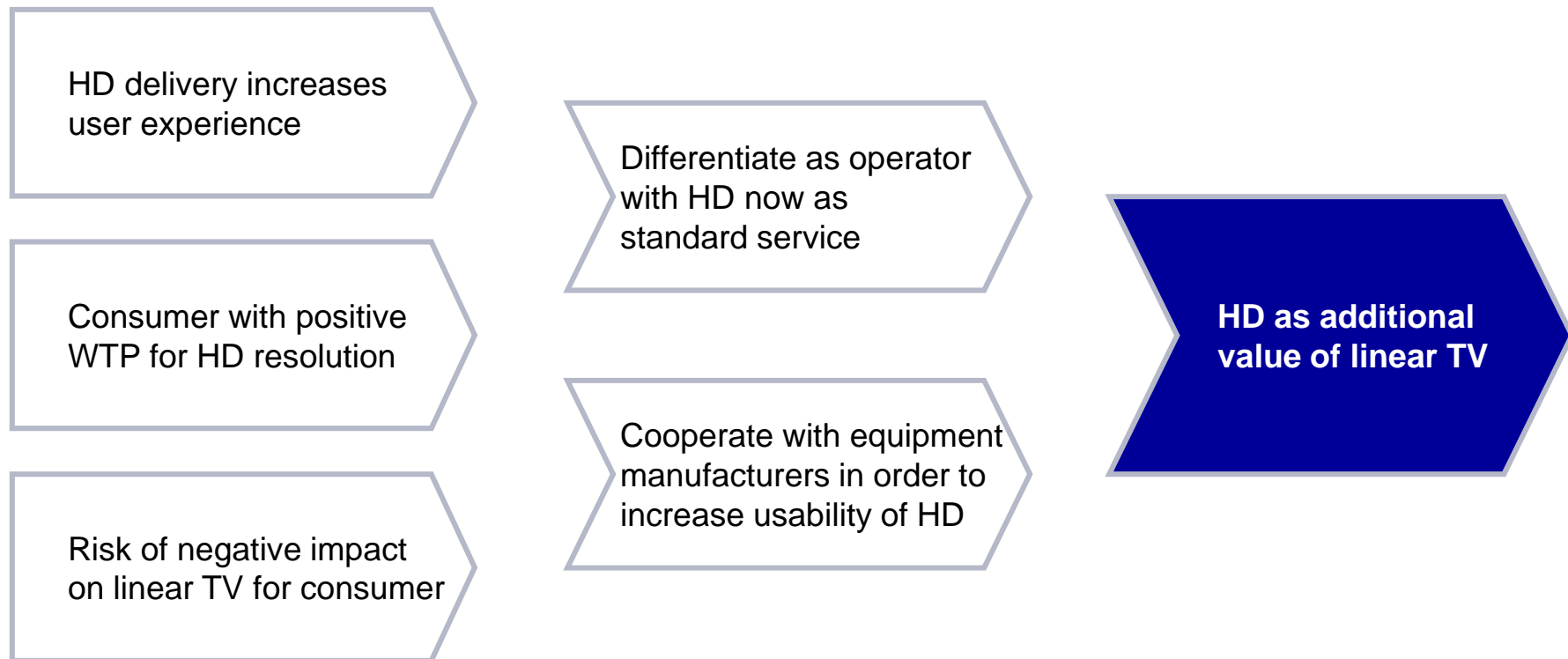
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Wide provisioning of HD to the customer generates differentiation and additional value for linear TV.

Chasing the Gap



Reduce transition time for HD in order to engage positioning of all players along entire value chain.



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INSTITUTE FOR INFORMATION,
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PROF. DR. DRES. H.C. ARNOLD PICOT



THANK YOU