

## Broadcasting in Flux –

### Convergence Opportunities and Challenges in a Connected TV Environment

#### Summary of Key points

The session had two speakers – Magnus Brooke, Director of Policy and Regulatory Affairs at ITV plc, U.K. and Dr. Bahrat Vagadia, Director Regulatory Advocacy and Policy, Ooredoo, Qatar. Each of the speakers made short ten minute presentations and these are summarised hereunder.

1. **Magnus Brooke** spoke about some of the key changes in the European audiovisual market and the implications of these changes for audiovisual policy, particularly as it affects free to air television and public service broadcasting. With regard to market change, while noting the new methods of delivery of content, Magnus spoke of the resilience of linear TV and that we will exist in the hybrid world of the consumption of content through traditional and new media for some time to come. He saw this as an opportunity rather than a threat for content producers.

He went on to highlight a number of key themes the first of which was increasing competition arising from the delivery of content online; the second spoke of the increasing value of successful audiovisual content while the third highlighted the increasing importance of scale and a bundled offer in broadband and television distribution markets.

Magnus then moved on to address the implications for audiovisual policy as it concerns free to air TV and public service broadcasting. While indicating that there is no crisis in free to air TV, he emphasised that there was no room for complacency. Policy makers need to start focussing on how to sustain investment in original European TV content and he identified three areas in which this policy focus should concentrate. Firstly, he suggested a more equitable flow of funds between content providers and platform operators suggesting that the current policy was skewed in favour of the platform operators. The second area was around ensuring that consumers can easily find free to air and PSB content in the new ecosystem while the third was a plea for greater deregulation of TV advertising and commercial messaging. He concluded by saying that current investment in free to air content will not be sustainable unless there are changes in these policy areas.

2. **Bharat Vagadia** provided a perspective and explored what the future might hold for the Telco sector. He spoke about the need to re-examine old assumptions about content, the customer relationship and connectivity with the advent of Connected TV, HDTV and other forms of IPTV. Players in the digital ecosystem were moving beyond their traditional boundaries into new areas resulting in the blurring of traditional lines.

Bharat provided some insight into the thinking of Telco's who were toiling with the idea of open or closed systems but were placed in the latter primarily due to a heavy regulatory environment. He contrasted this with other players such as TV manufacturers and content aggregators who he felt were getting a pretty easy ride.

He moved on to describe OTT as being still very much a niche application and not a significant threat to Telco's. He spoke about the potential benefits of the IPTV player for Telco's provided that they get smarter about having a greater understanding of their consumers and their entertainment habits. The question of whether revenue can be generated by Telco's from IPTV players was also explored here.

Bharat then considered TV manufacturers who were developing Connected TVs but did not see these as a significant threat to Telco's and also outlined how these groups might work in co-operation with each other to the benefit of all players. In the new battleground for consumers many

players have the potential to be winners but he envisaged the big battle to be between traditional aggregators and new ones such as Apple and YouTube.

He concluded the presentation by posing a series of questions concerning potential business models for Telco's in the Connected TV world and raised the issue of the level and nature of regulation for Telco's in contrast to light or no regulation for content aggregators and TV manufacturers.

### **3. Question and Answer**

Following the presentations a lively question and answer session ensued which touched on the challenges for broadcasters and telco's in the converged world; strategies for innovation and for ensuring financial success; the place for local content; prominence on the EPG and the levels of regulation appropriate for traditional and new services.