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OPINION PIECE

Collaboration and flexibility the key to Asia's broadcast future

By Chris Jaeger, Managing Director International Business, Broadcast Australia

The dynamism we are witnessing in today's Asian broadcast market presents enormous challenges and opportunities for industry stakeholders who are prepared to embrace imminent change. Applying the so-called '3Rs of survival'—Review, Rethink and Reinvent—will play a central role in addressing these challenges and opportunities.

Review Asian viewing habits and trends: It is important to review the core generational changes that have occurred, or are currently occurring, in Asian screen-based viewing, and to understand the reasoning behind these changes. Coming to grips with these generational viewing changes underpins the viability of strategic planning and business models. Such a review indicates three key trends.

Firstly, while total TV home penetration figures across Asia have been steady and are predicted to remain so, the uptake of an ever-broadening range of digital viewing options by Asian audiences is certainly far from steady. Digital modes of free-to-air, IPTV, cable TV, direct-to-home (DTH) satellite, and Mobile TV have all arrived with us since 2000, and are all vying for viewer attention.

Secondly, the digitisation of visual/screen-based entertainment is at the epicentre of a wave of change in viewer behaviour. Digitisation of screen-based media is both the catalyst and the fuel for industry upheaval across the Asian television sector. The twin progeny of digitisation—personalisation and interactivity—are fuelling fierce demand for a wide range of new viewing experiences, particularly from the Asian youth market.

The digitisation of screen-based multimedia empowers viewers and presents them with a myriad of options to actually tailor their viewing experience. Most importantly, digitisation provides for interactivity—an entirely new viewing dimension that is the foundation of the so-called 'lean forward' viewing behaviour.

The third core generational change is embodied by two applications that might be considered 'elephants in the room': Mobile TV and broadband Internet. They are applications that will untether the viewer from the sitting room, heralding a distinct cultural shift. The growth in Mobile TV uptake, in particular, is clearly in line with the well-documented demand for "TV: where I want it, when I want it, how I want it". Mobile TV is a perfect fit with this culture.

Rethink business models: The most effective future business models for Asian broadcasters will be rich and complex, and founded on new and exciting collaborations.

In the past, broadcast sector business models were simple and vertically integrated. The broadcaster was responsible for production, aggregation, distribution and delivery, typically to a small and familiar audience. It enjoyed secure viewer-allegiance, and was typically delivered by a single technology.

In contrast, the 'broadcaster' of today must address:

- a myriad of delivery mechanisms and viewing platforms,
- a wide range of content sources,
- an equally wide range of 'stakeholders', each of which may be competitor or collaborator,
- and, perhaps most importantly, a vast global audience that exhibits negligible brand allegiance, and is increasingly discerning and demanding.

The reality today is that no single group can bring together the entire skills and capital required for sustained commercial success. Collaborations, ingenuity and, most importantly, leveraging the skills of specialists, are the three essential ingredients for success.

The intimate involvement of a wide range of such specialist groups will be an essential element in successful broadcast business models. These specialists will operate on all fronts in our industry: content creation, aggregation, distribution, management, delivery and infrastructure development and management. This paradigm shift in the screen-based entertainment industry reflects many other industries, where the global trend is towards skills refinement, specialisation and outsourcing.

Reinvent broadcast business; target flexibility and seamlessness: The successful broadcast sector player will, in many respects, need to reinvent itself. This will mean dismantling the 'compartmentalisation' boundaries inherent in legacy business models.

Such reinvention needs to be founded on the premise that the screen-based entertainment market is an entity without internal boundaries; it should leverage the power and strengths of all media opportunities; it should transcend traditional models.

What is clear is that Asian viewers, now and in the near future, will have available to them a feast of viewing options. Young Asian viewers expect and demand this. They have grown up with the idea that screen-based viewing experiences are seamlessly flexible, sharable and most definitely interactive.

Asian youths' approach to screen-based viewing—as a seamless entity across which one can move freely and easily from high-definition widescreen, to PC screen, to mobile handheld—is particularly significant. It provides a clear and unabashed picture of tomorrow's market expectations. A reinvented Asian broadcast industry and its business models must reflect this flexibility and seamlessness.

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Company background

With over 70 years experience as the owner and operator of one of the most extensive terrestrial broadcast transmission networks in the world, Broadcast Australia provides end-to-end transmission services for radio and television (analogue and digital) broadcasters. The company's core competencies include planning and network design, engineering design and project management, complex systems integration, site development and installation, operations and network management and in-house repairs and maintenance.

Broadcast Australia also develops world-class solutions and applications for new and emerging technologies—such as Infocasting, Digital Radio and Mobile TV—working with strategic partners throughout the Asia Pacific region. Subsidiary companies include Hong Kong-based confined space coverage group, Radio Frequency Engineering Limited (RFE), systems integration and product supply specialist, The Bridge Networks, and critical application and hosting provider, Hostworks. Broadcast Australia is a 100% owned subsidiary of Macquarie Communications Infrastructure Group, an entity listed on the Australian Stock Exchange (ASX code: MCG).

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