New Media

Challenges and Opportunities for a Public Service Broadcaster

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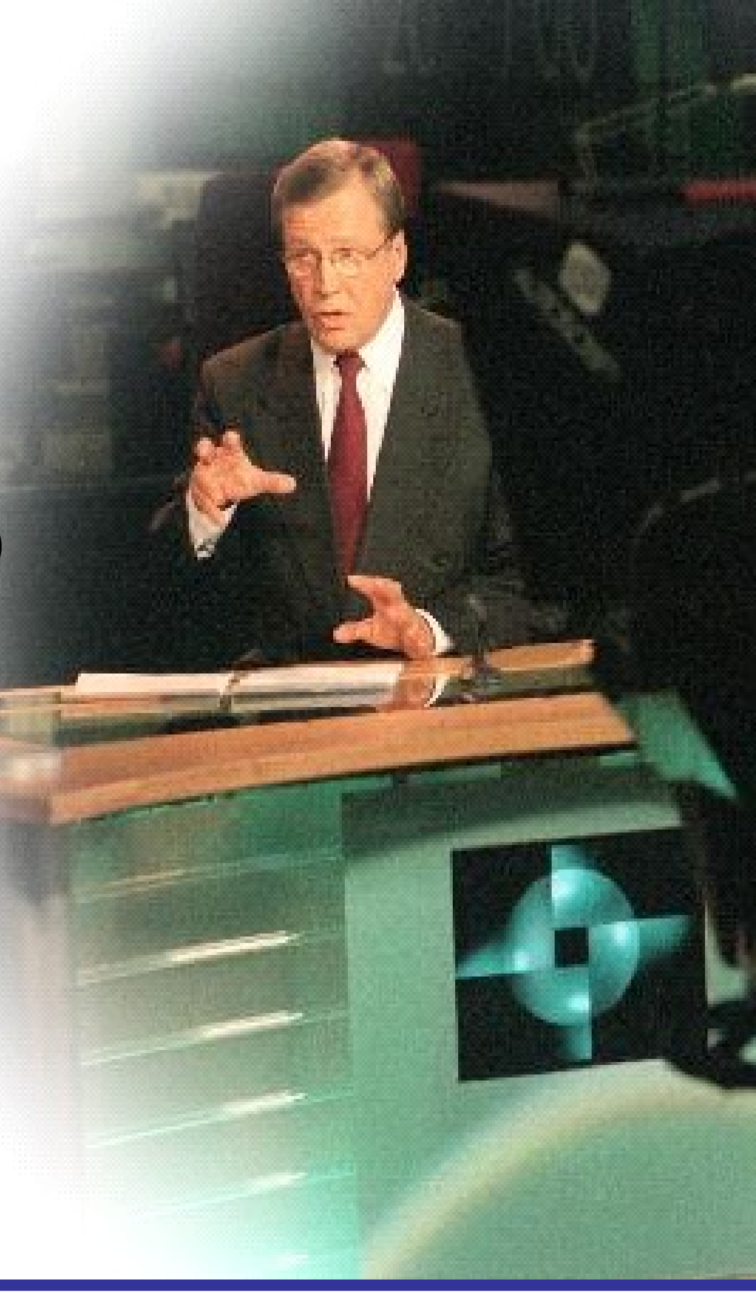
YLE

Agenda

- YLE in Short
- YLE Service Portfolio (Digital television)
- Change of paradigm for broadcasters
- New market situation – or is it?
- Mobile TV
- IPTV
- Challenges
- Conclusions



YLE – Finnish Broadcasting Company

News, experiences, education and entertainment for all citizens - since as early as 1926

- 2 analogue and 5 digital television channels
- 13 radio channels or services
- 25 regional radio services, 8 regional TV news
- teletext
- internet, mobile services and suppl.digital television services

YLE

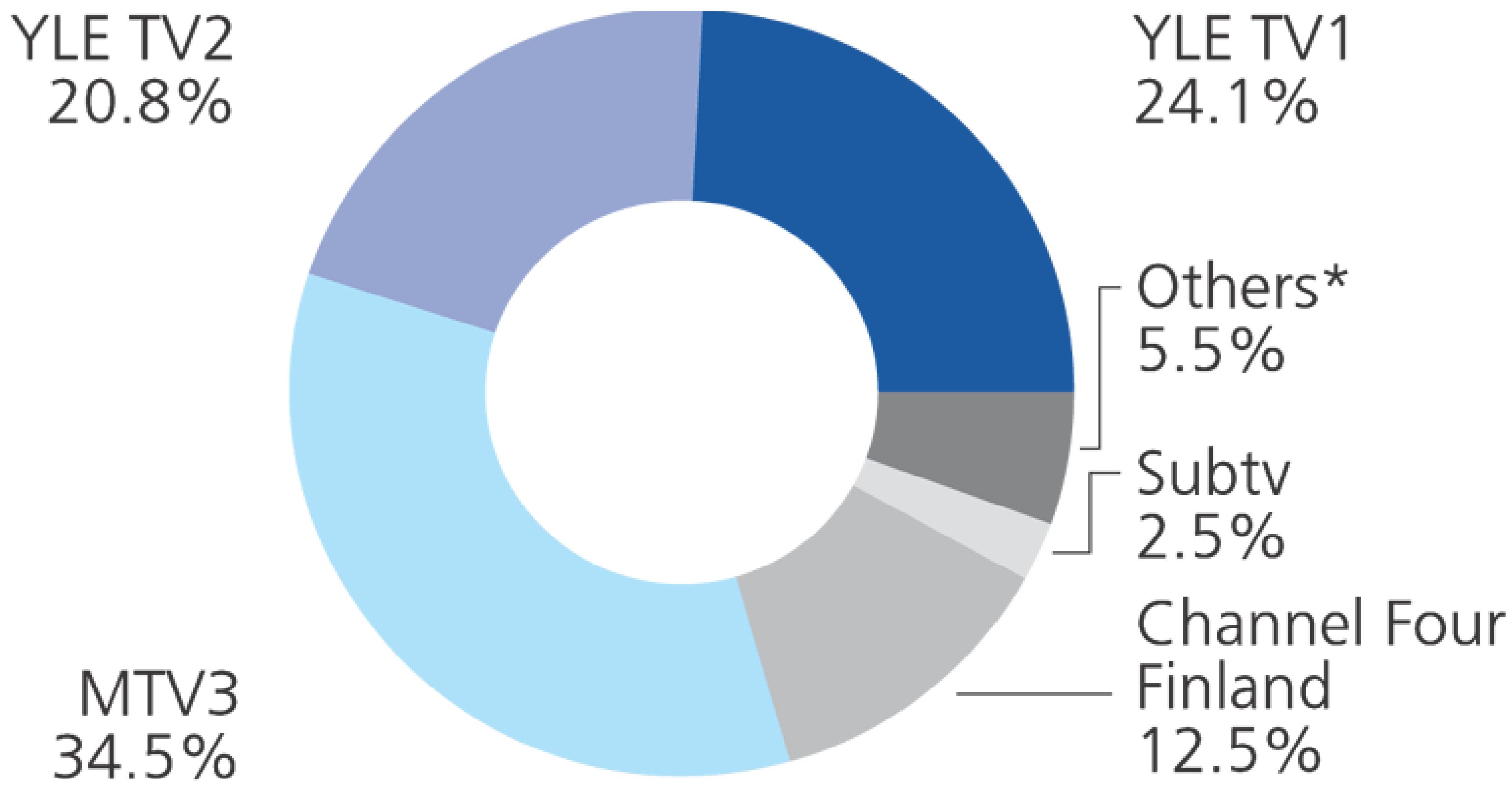
YLE - The Finnish Broadcasting Company
is a media company engaged in public full service televis
and radio broadcasting.

YLE's task is
to offer wide-ranging television and radio programming and various supplementary services on equal terms to all Finns, regardless of place of residence or means.

The emphasis in YLE programming is on

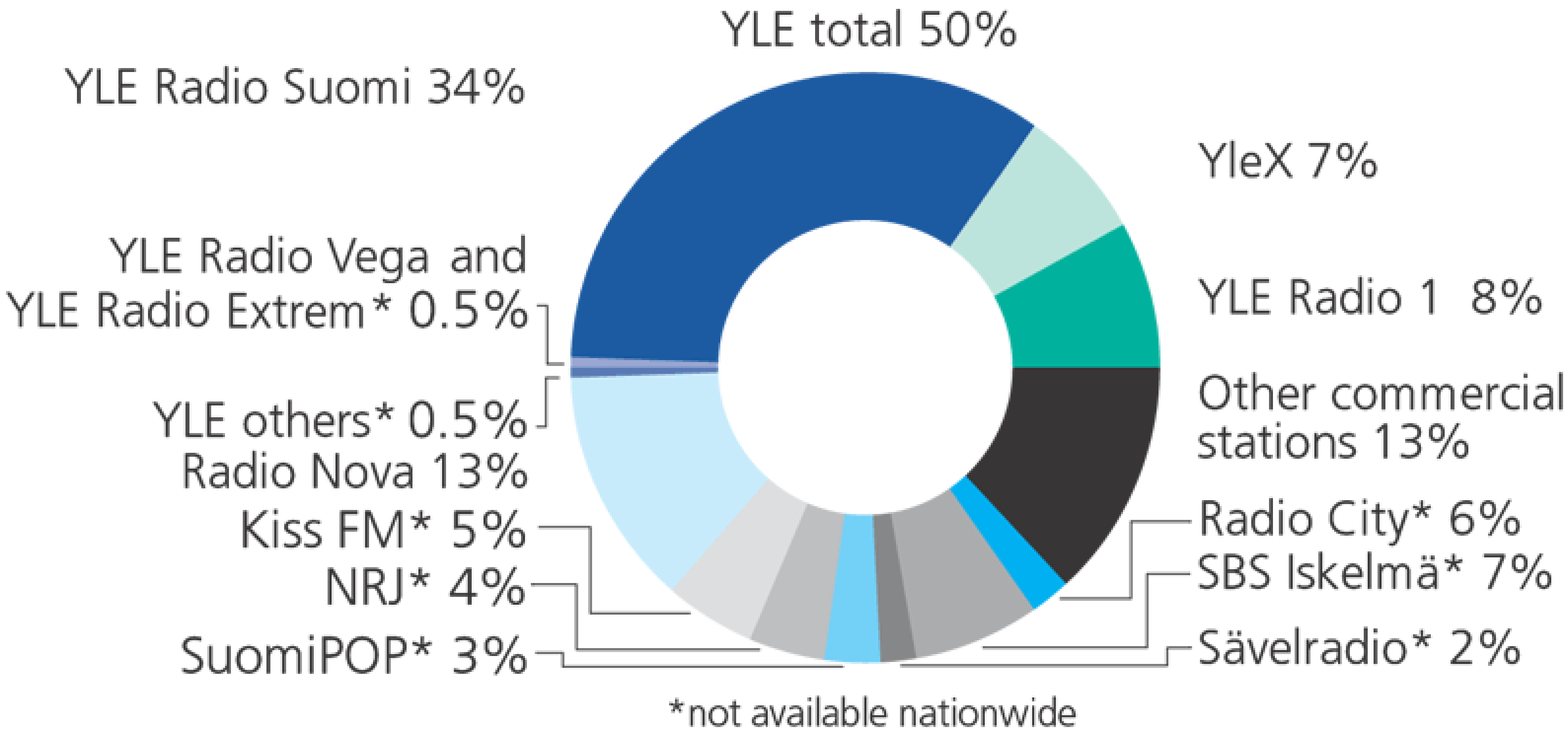
- Finnish content
- independence
- trustworthiness
- diversity
- quality

Share of daily viewing (%) 2004 - YLE total 45.2%



* Others incl. viewing of YLE24, YLE Teema and YLE FST-D.

Share of daily listening (%) 2004 - YLE total 50%



Digital Television Transmissions in Finland

Network operator **Digita**, DVB-MHP-transm.

MUX A for public service	MUX B	MUX C
YLE TV1	MTV3	Sports Ch.
YLE TV2	SubTV	Canal+ 4 channels *
YLE24	Nelonen	The Voice **
YLE Teema	MTV3+ *****	Regional ***
YLE FST	Nelonen Plus	3 radio channels****
6 radio channels	Data/ MHP-services	Data/ MHP-servic
MHP-serv		

Digita's transmission network

(Coverage 2001:72% => A&B: 94% June 2004, 99,9% Sept 2005)

A fourth multiplex will be used for mobile purposes. Pilot project 8.3.-20.6.2005.

VTT Technical Research Center of Finland is network operator of two regional trial networks.

* Pay-tv, network coverage at least 70% and thus not must carry channels (operating licence held by C More Entertainment (former Canal+ Finland), as of Feb 2005 owned by SBS Broadcasting.

*** Over Turku and Kuopio.

****2 owned by SBS Broadcasting

***** Partly pay-tv

"Estradi" for short-term broadcasts using leftover capacity. SexTV.fi max 4 hours/week

YLE´ s DVB services

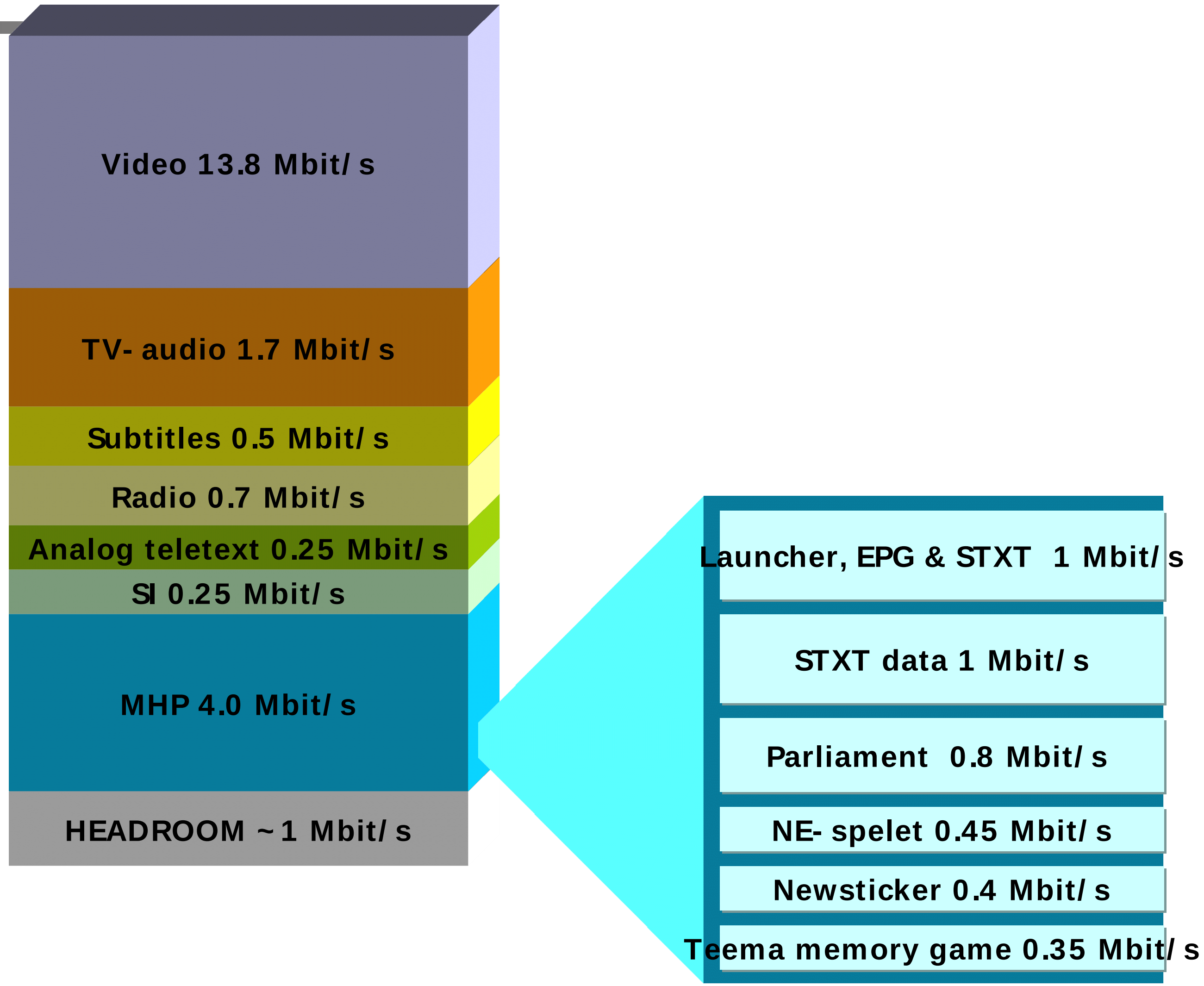
Five TV services

- YLE TV1
  - mostly parallel to analogue service
- YLE TV2
  - mostly parallel to analogue service
- YLE FST
  - in Swedish
- YLE Teema
  - culture, learning, scientific
- YLE24
  - news channel

YLE´ s DVB services

- Four radio services
  - YLE Peili
  - YLE Aino
  - YLE Classic
  - YLE Vega+
- National DVB MHP services
  - EPG
  - Digital Teletxt
    - common application, own content
- YLE` s DVB MHP services
  - independent or integrated to TV or Radio content

YLE Digital TV Services, 22.1 Mbit/ s



YLE Digital Teletext

One application, variety of content

The same MHP application for every broadcaster

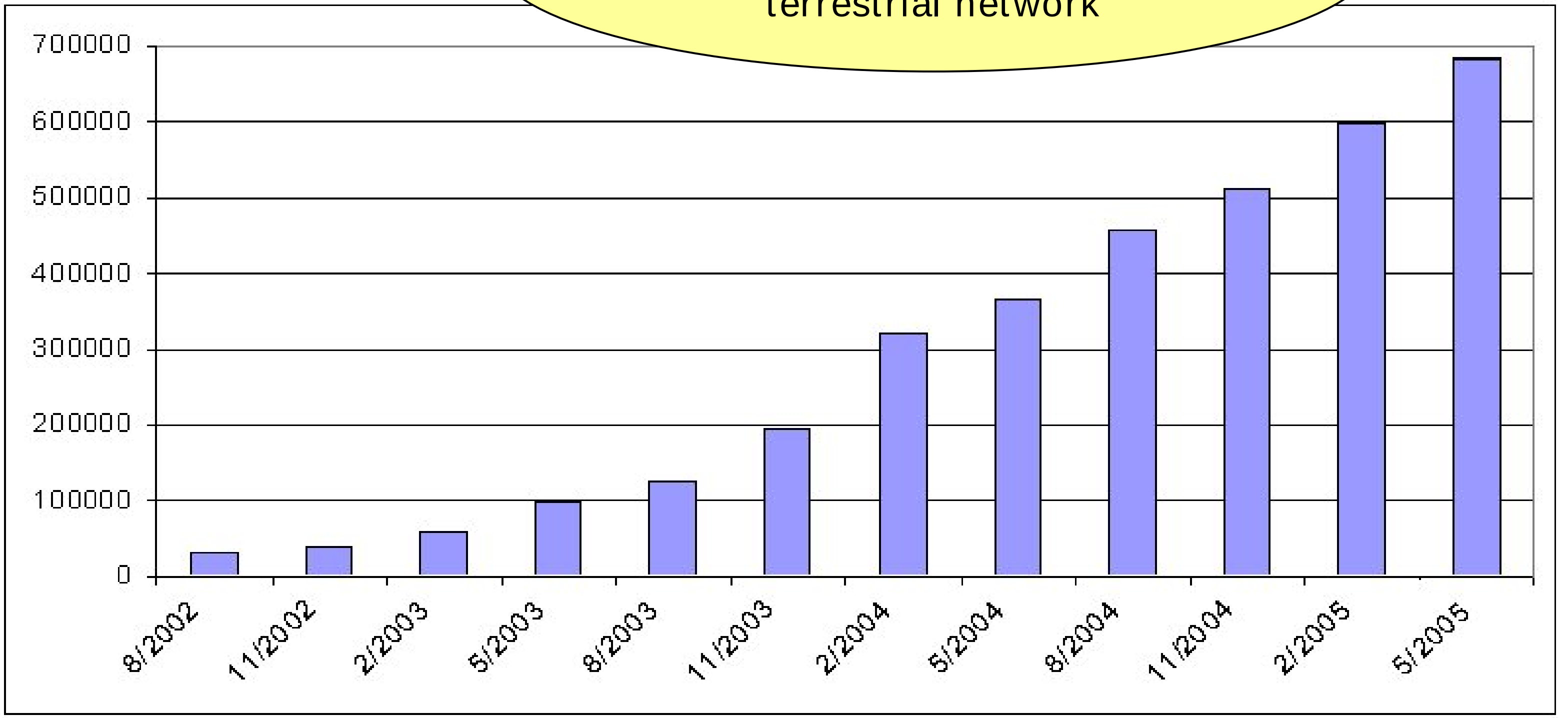
Can create different content, user-interface and look&feel.

DVB MHP-compatible content format

Navigation by page numbers, hyperlinks and menus

Development of Digital TV in Finland

Most of digital TV households receive their signal via the terrestrial network

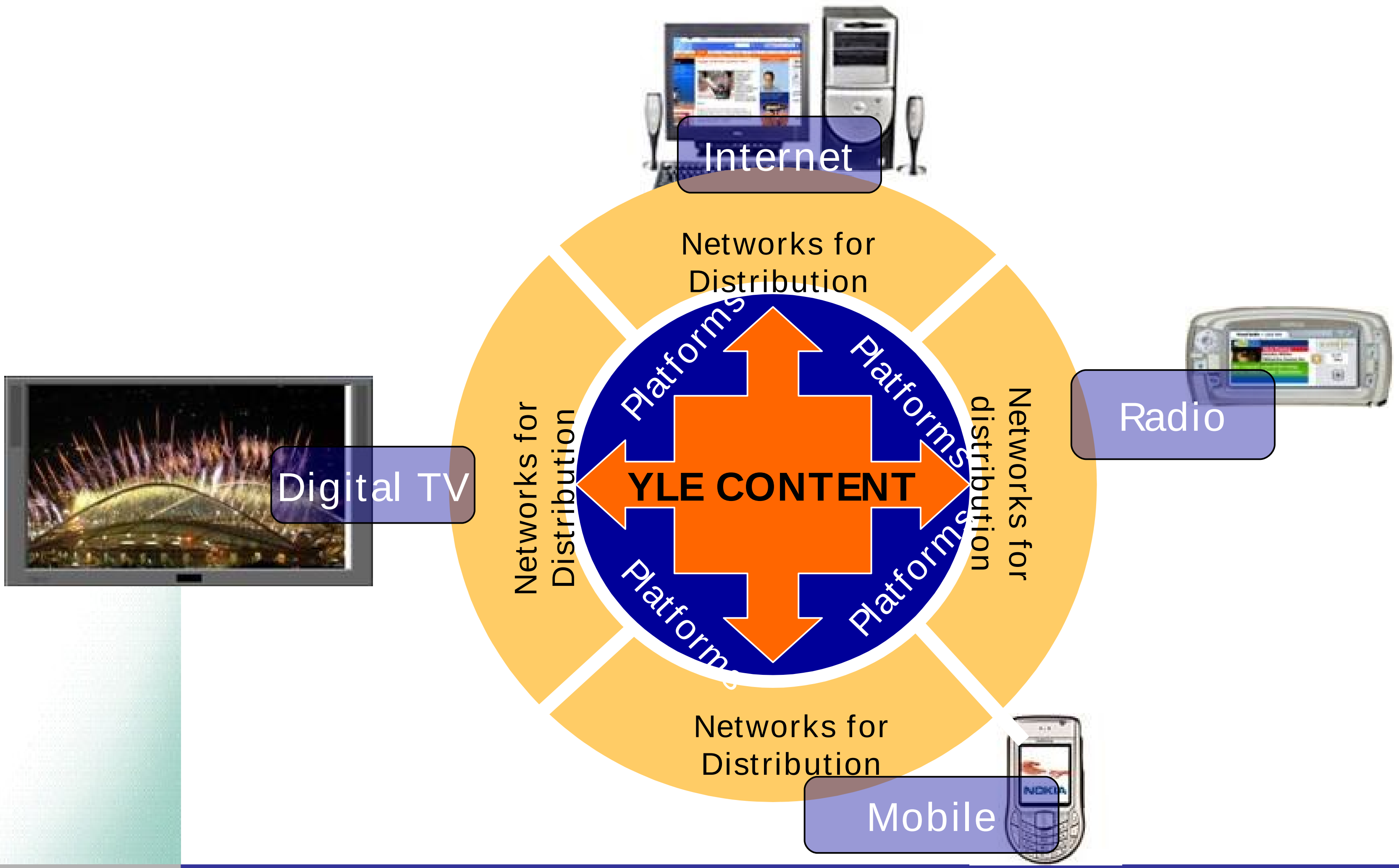


Change of paradigm for broadcasters

Rapid growth of digital technology and multi-channel content delivery is changing the way broadcaster meets the end user

Change of paradigm for broadcasters from audience- centered programming to user-centered content delivery is happening today

YLE Content Experience Portfolio



Meet the customer everywhere

The customer is

- leaning forward
- leaning backwards
- on the move

Today broadcaster meets the customer

- in various locations
- whenever they want to

New market situation – or is it?

Market of devices is global but the market of content is mainly local

Local player catches the customer abroad with local content

Mobile users are willing to pay of content which still is not the case in internet

But the pricing models of mobile content are absolutely unclear for customers today

Who owns the Customer?

What is the first thing that a customer sees when the phone is opened:

- Manufacturer?
- Operator?
- Agregator?
- Broadcaster?

How customer catches the broadcaster?

Strong branding of content; programmes and channels to meet the customers needs

Strong co-operation is needed between players; telcos, media houses and manufacturers on usability challenge

Usability is as much more important than the content itself

Where is the button or the application to click? Is it easy to buy and download the content to go?

Digita

YLE

TeliaSonera

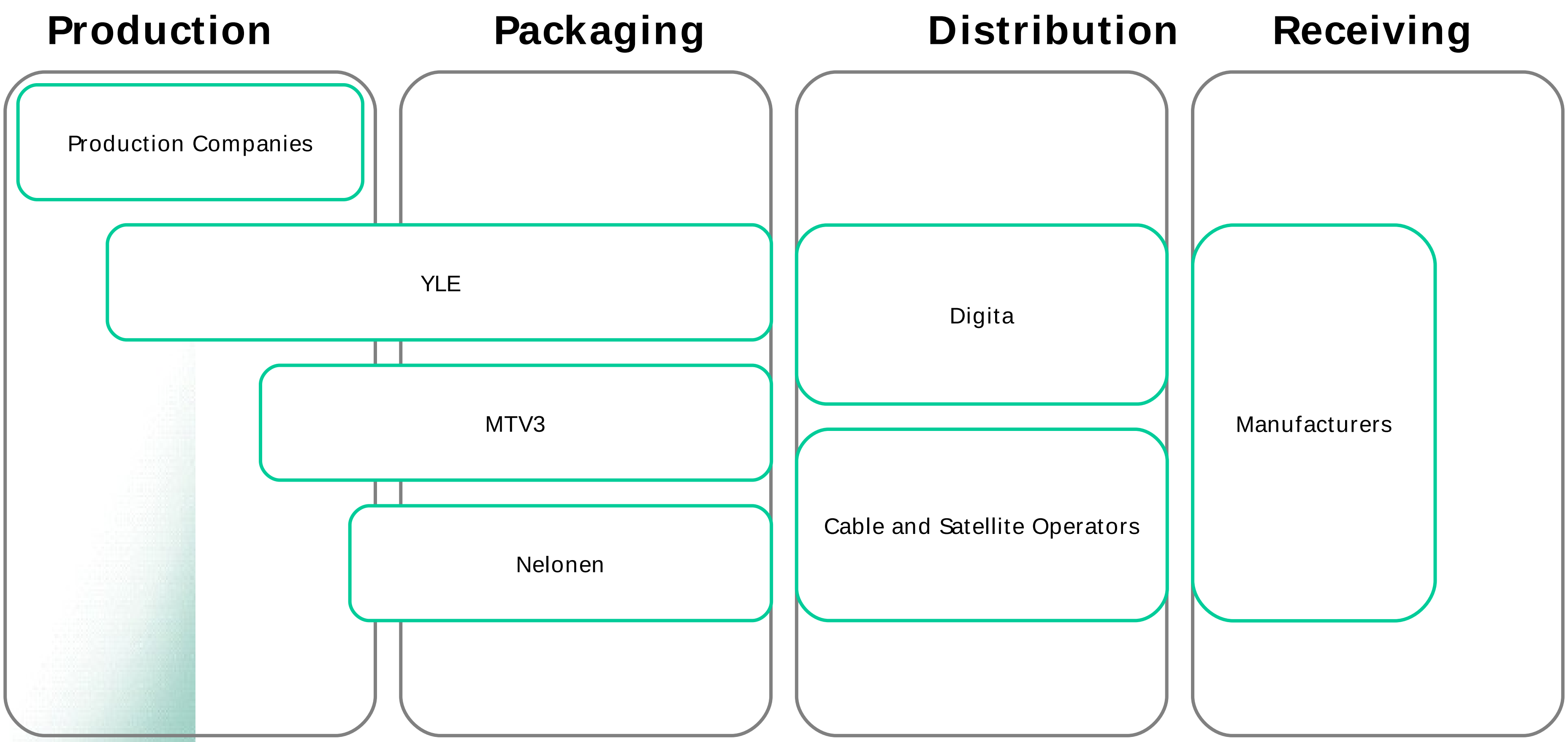
elisa

MTV3

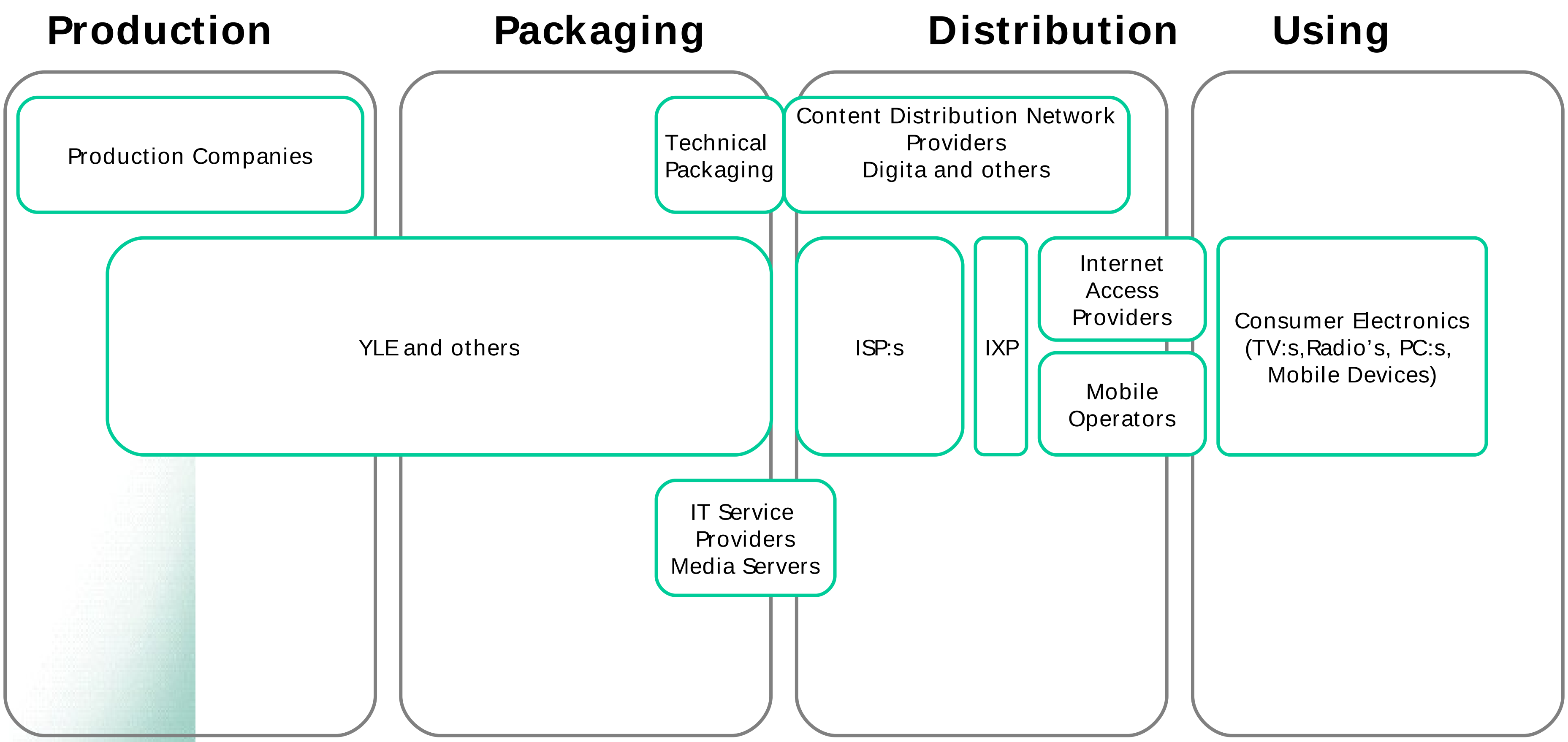
NELONEN

NOKIA

Radio and TV Value Chain Yesterday



Radio and TV Value Chain Today



Cross Media and context sensitivity

Mobile is strong opportunity to strenghten media brand with cross platform content

Brand extension, brand loyalty

We can boost interactivity with multiple devices

Context- sensitive service model instead of just the same content in various distribution channels

User- generated content from communities is a trend

YLE Cross Media Experience in Helsinki 2005

YLE – The official Host Broadcaster

YLE IN FINLAND

75 hours for YLE TV1 and YLE TV2 in finnish and swedish
25 hours for digital only YLE24 TV channel
90 hours for YLE Radio channels in finnish and swedish
Teletext, Digital Teletext, Internet, Mobile services
E.g. 200 mobile videos for 2.5G and 3G
DVB- H MOBILE TV PILOT PROJECT with partners

YLE´s Current Mobile Services

- SMS and MMS news & sports
- WAP-portal wap.yle.fi
- Mobile portal www.yle.fi/mobiili
- Video & audio on-demand in 2.5G and 3G
- Mobile TV-games
- Interactive TV-programs with mobile return channel

YLE's radio and tv broadcasts on mobile

TV- sähkeuutiset

TV- uutiset klo 20.30

Viittomakieliset uutiset

Kulttuuriuutiset

Alueelliset tv- uutiset

YLE News

Uutispäivä

Uutisviikko

Radiouutiset (uusimmat)

YLEQ:n aamu- uutiset

YLEQ:n iltapäiväuutiset

Radiouutiset klo 6, 16, 17

A- studio

A- talk

Atlas

A- plus

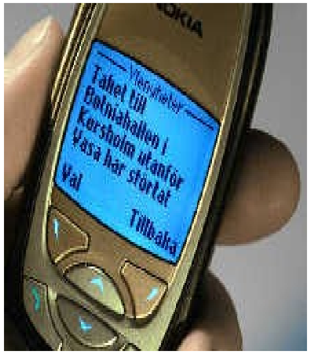
Lauantaiseura

Maailmannäyttämöllä

Radiolähetykset

From mobile text to mobile television

Mobile TV and other broadband mobile networks (3G) makes it possible for YLE to offer it's <u>primary products</u>, video and audio services to mobile user



The development from simple text messages to true experience of mobile visual radio and television is what broadcaster has b

Digital Mobile TV

- Mobility is increasing in our everyday lives and mobile multimedia consumption continues to grow
- Consumers will be able to receive broadcast content, like TV, on-the-go
- Pilot testing a commercial broadcast service to mobile devices
- Broadcast content delivered via DVB-H* network
- Interactivity and customer information via the cellular network

Mobile TV business enablers

Business Topics
- Business models
- Roles and revenue sharing

Consumer view
- Consumer acceptance
- Consumer patterns

Regulation
- Beauty contests or auctions
- Legislation in place:
  - Radio & TV legislation
  - Copyright legislation

Standardization
- OMA ESG and DRM
- Alternative standards

Frequencies
- Sufficient frequencies available in time:
  - Analog shutdown timetable
  - RRC 06
- DAB frequencies
- HDTV and other usage possibilities

Other Markets
- Common EU wide launch requested for credibility

- Lähde Nokia Multimedia 2005

Preferred Spectrum for DVB-H

Multi-radio systems are challenging to the terminal designers.

Integrated DVB-H wideband antennas will have fairly low gain in Band III, which is not a practical band for hand held reception.

UHF should be considered as the main DVB-H band.

- Technically and economically the optimum.

Interc he usable UHF-band to:

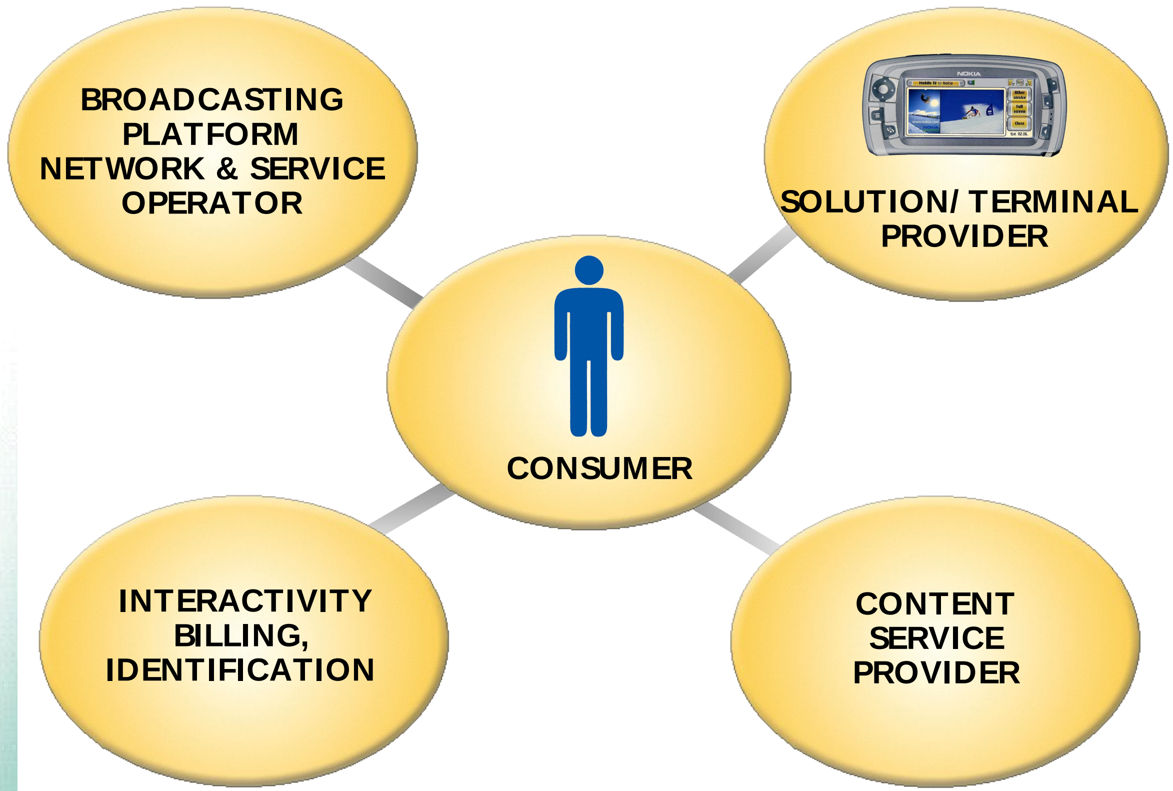
474 MHz (ch 21) – 698 MHz (ch 49).

Higher frequencies like L-Band could be considered technically, but the network cost will be significantly higher than in UHF preventing valid business cases.

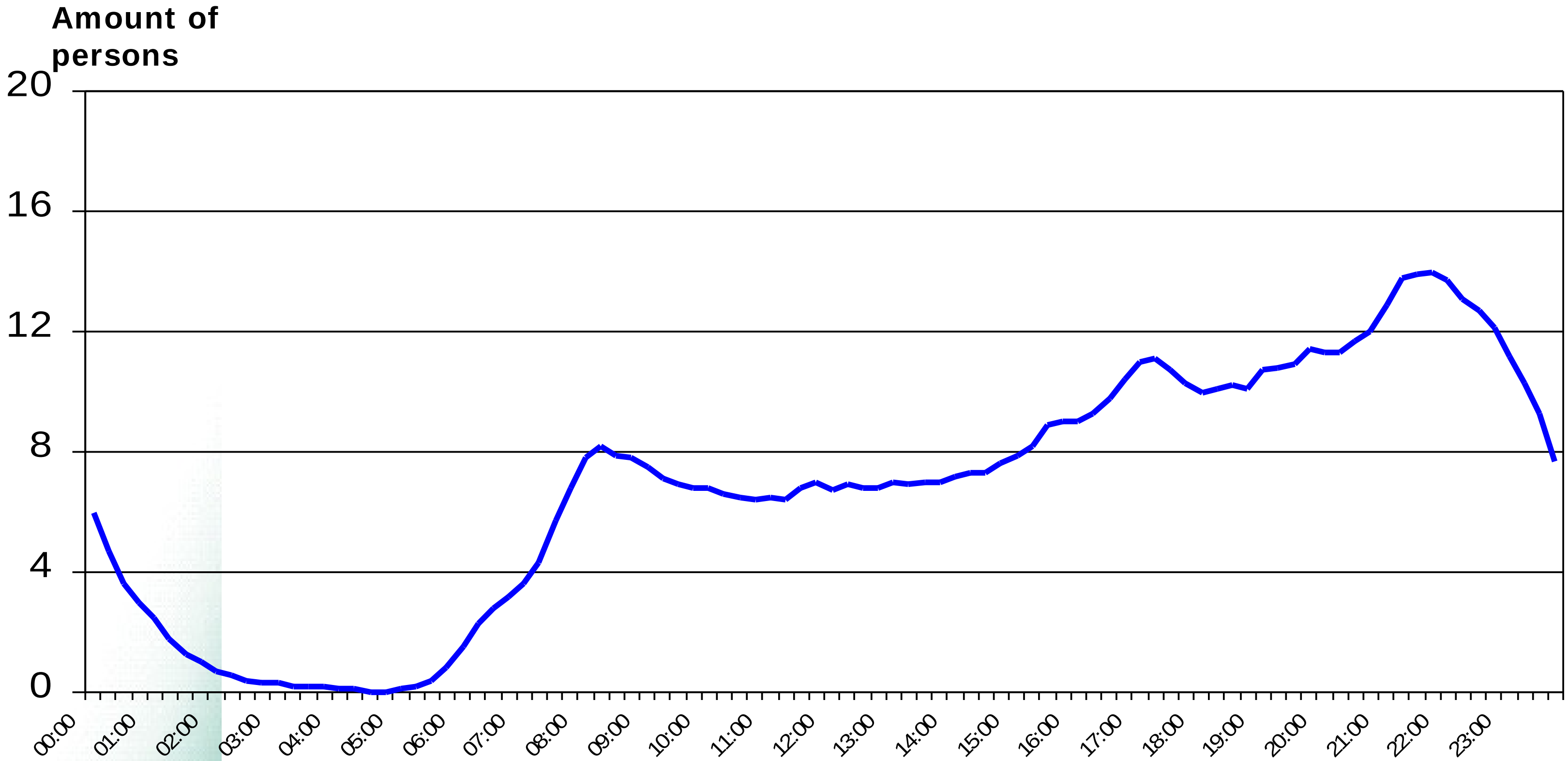
Any L-Band consideration should be based on combining the 1.5 MHz blocks to a wider (6MHz) DVB-H block.

- Lähde Nokia Multimedia 2005

Roles in the pilot business set- up



Mobile TV usage (reach) on an average weekday

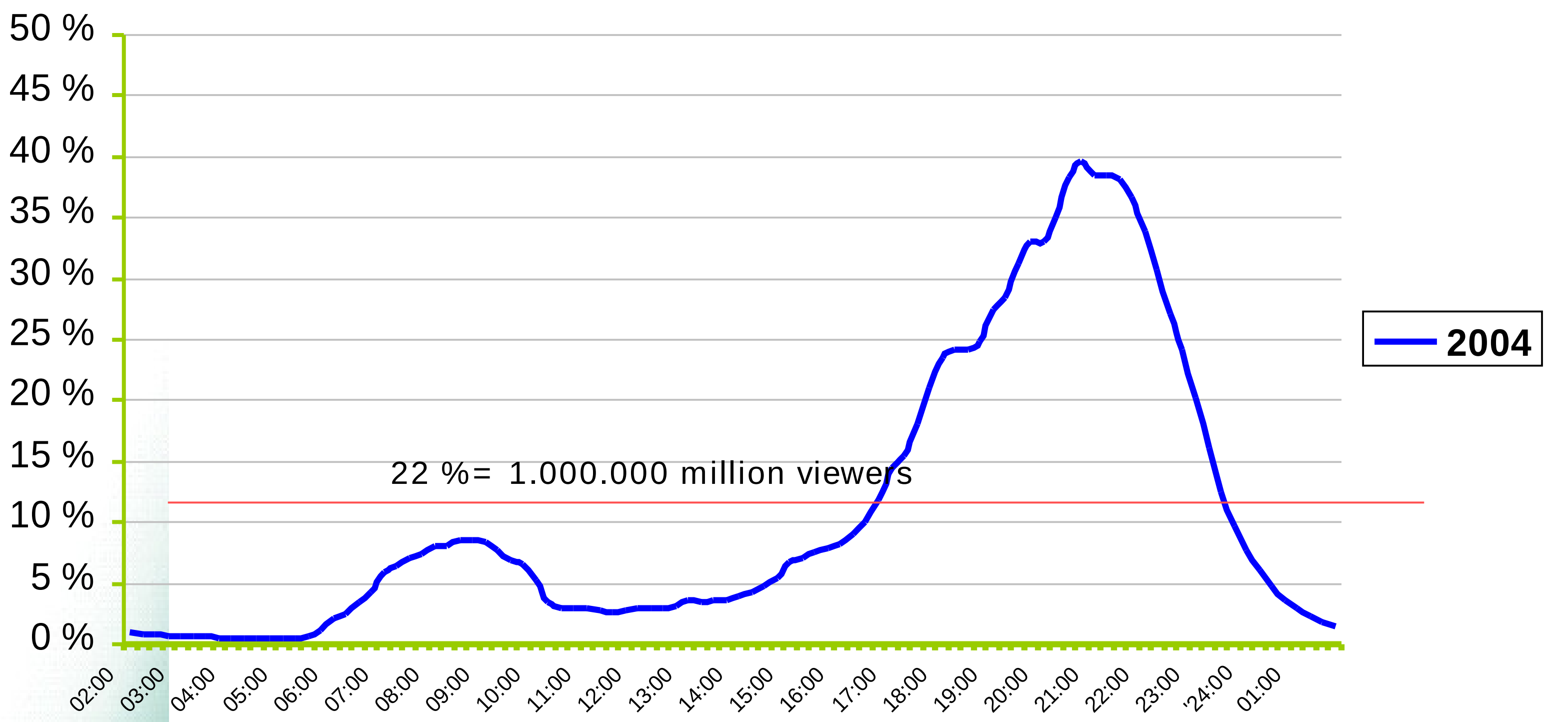


April - June

Sample size between 255 and 351 during the whole period

Source: Finnpanel Oy

Finland 2004: TV viewing during weekdays
10+ population: 4,6 million



Source: Finnpanel Oy

Key Findings in Mobile TV Consumer Pilot Survey

Mobile TV is clearly an interesting new service: more than a half of the pilot participants believe it to have future potential.

41%of pilot participants are potential buyers for future Mobile TV services.

Mobile TV has a role as a mobile entertainment, sports and news that can be watched spontaneously, anytime and anywhere.

Top 3 usage situations: when traveling public transportation, at home and at work.

Fixed monthly fee is the best accepted pricing model – pay per view content complements the offering

Source: Research International Finland

What does Mobile TV mean for Broadcaster?

Access to your favourite TV channel everywher

Main TV channels are the key drivers for mobile TV. TV boost the mobile content
industry.

New made for mobile content

Context sensitive programme planning is the second wave of Mobile TV success.

New prime times

Today's TV off-prime time is the second prime time for Mobile TV. TV prime time
meets radio prime time.

New revenue streams

Fixed monthly fee and pay per view are the most suitable business models.

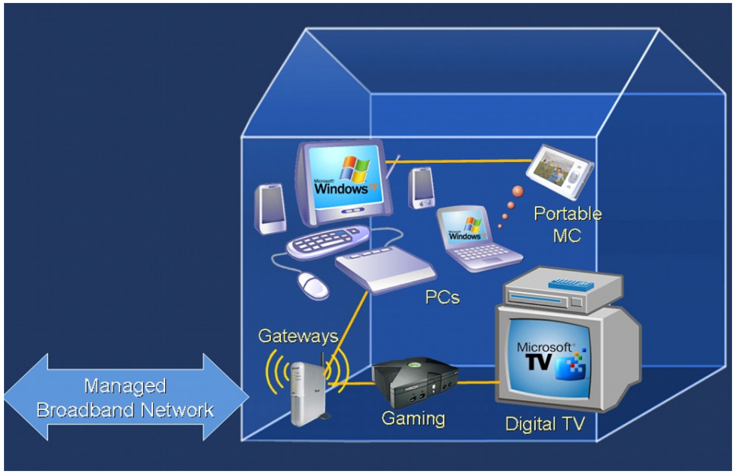
IPTV

Use of IP broadband network infrastructure to deliver TV services directly to TVs
- PCs a potential secondary target, but not a requirement

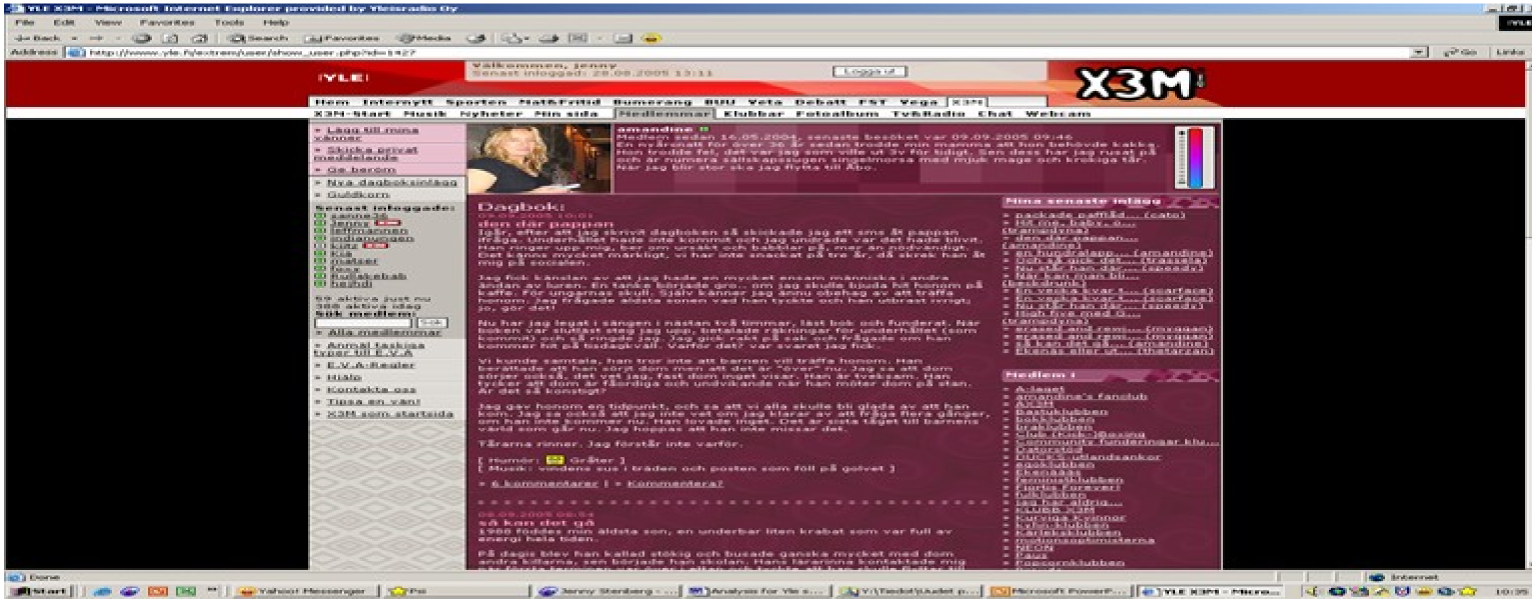
“traditional” model:
- Dedicated STB attached to the TV: the IP-STB

At its base: computer technologies, not broadcast ones
- Networking (IP)
- Browsing
- Media playback
- Instant Messaging (text, voice, video), games…

Microsoft example:



Revolution of User Generated Content



Blogging, Moblogging, Audio Blogging, Video Blogging (Vlogging), Podcasting, RSS, Fake Blogs (Flogs)

YLE: Farmi, Tuu juttuun, X-Stage, X3M-yhteisö, Ralliradio

”Blogs will change your business”, Business Week May 2005

Use of user generated content in TV and radio becoming more important

Some Challenges

- Digital Rights Management
  - Having TV-broadcast rights does not necessarily mean having IP-delivery rights
- Media Format
  - Several different formats available, can be expensive to support many
- Middleware
  - New APIs
  - Platform (hardware & Software + Resources)
- Network Aspects (Local/Ad Hoc and Wide Area networks)
  - QOS
  - Security
  - Transportation
- Communications
  - Full range of Wired & Wireless Technologies

Conclusions

- The change of digital consumer media space is not going to change the need for public service content
- PSB is even more important part of national media environment in digital world
- One-to-many broadcasting is moving to ubiquitous cross media content services incl. broadcasting
- We'll see more partnerships, clusters and win-win situations and variety of PSB business models
- The basic role of PSB is the same: A Best Value Media Brand and Content Provider for all citizens

Thank You!

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