



Pay TV platforms' challenges and strategic choices for sourcing and presenting content

Saint Petersburg, 17 November 2014

Who we are? What we do?

1

- Multi Channels Asia is the leading pay TV company representing independent channels across Asia-Pacific
- Backed by a team of experienced media professionals across sales, marketing, programming and broadcast operations disciplines. MCA's core business activities are:

- TV channel development and operations
- TV channel sales and marketing
- Project consultancies

Bloomberg
TELEVISION

itv
CHOICE

MOSH CAM

MULTICHANNELS
ASIA

concert tv

NDTV
GOOD
TIMES

OUTDOOR
CHANNEL HD
The World Leader in Outdoor Entertainment

GALAXIE
Your musical universe

NDTV
इंडिया

The KARAOKE
Channel

NDTV
PROFIT

MOTORVISION

Bloomberg
TV INDONESIA

3D The Channel

stingraymusic

music choice

NDTV
24x7

havoc
television

GINX
READY TO PLAY

stingray360

asia
Travel
THE WORLD IN YOUR EYES

State of the Industry

2

2005

- ▣ “Pay TV is no TV –
it is mathematics + marketing”
- ▣ Pay TV channels are linear
videotheques
→ COMMODITY
- ▣ Pay TV provides exclusive events
(sports, latest movies, porn)
→ EXCLUSIVITY

Trends 2015

3

- Still remarkable growth of pay TV industry (Asia and Europe)
 - but the growth is beyond its peak
- Increased profitability / cost control pressure on incumbent platforms
- Disruptors are appearing in both distribution and in production of content
 - Omnipresence of video watching → content escapes the “traditional” delivery path → emergence of OTT services
 - Multiplication / explosion of content sources
 - Social networks fighting for viewers’ attention on mobile screen
 - TV screen viewing times are decreasing strongly among younger generations, while total video viewing times are going up

State of the Industry

4

2005

- ❑ “Pay TV is no TV – it is mathematics + marketing”
- ❑ Pay TV channels are linear videotheques
 - COMMODITY
- ❑ Pay TV platforms provide exclusive events (sports, latest blockbuster movies, porn)
 - EXCLUSIVITY

2015

- ❑ Pay TV constitutes the largest part of the audiovisual entertainment industry
- ❑ Infrastructure or a license is no longer a barrier to entry for video distribution
- ❑ **EXCLUSIVITY + COMMODITY** remain key words to find viewer appeal
 - the selection of content and the way of presenting it to subscribers has become more demanding!

2015 is the golden age of television ?!?!!!

5

- there have never been more channels
- there has never been more content
- there have never been more ways to reach the viewer

BUT: all the content wants to make it onto the BIG screen

Are the incumbent pay TV platforms able to use this opportunity?

The incumbent pay TV platform's instinct is to protect and (sometimes) enhance their current video distribution model

Will that be enough?

Threats 2015

7

Big screen viewing time

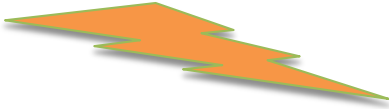


Small screen viewing time



Aggressive OTT players

Demanding customers –
viewers know better than
ever what they want to
see!



**Pay TV platforms shall aim at becoming super-aggregators
who act as the gateway to all the entertainment**

The jobs of a pay TV platform in 2015

8

↗ viewing time
on ALL screens

Deliver a seamless TV
experience via multiple
screens

↗ ARPU

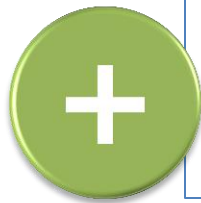
Master content
[discovery & promotion]

+ friend recommendation,
community management,
trending content
functionalities ...

How?

9

- ❑ Do they know their customer?
- ❑ Do they really evaluate content (and not just brands)?
- ❑ Are they committed to deliver a true pay TV experience (niche content, local content, value-added services)?
- ❑ Are they prepared to promote and market their value-added services efficiently?



- ❑ Local content !
- ❑ Diversified content !

Illustration (video)

10

Promotion tool

Monetization tool

Community tool

Connect like a telco!

Schedule like a broadcaster!

Market like a soft drinker producer!

Monetize like a retailer!