

# Country Review New Zealand

SAM IRVINE

Freeview New Zealand

SPONSORED BY

metaphor



ACCESS™

UTK®

eurofins

mautilus

VERANCE  
EVOLUTION IN SOUND TECHNOLOGY

ALSO FEATURING

Fraunhofer  
FOKUS





freeview™

more free tv



# Who we are and what we do....

---



Freeview New Zealand enables  
the future of free TV entertainment  
and our aspirational goal is to provide  
the most compelling value proposition  
for New Zealand TV viewers(v Pay TV)

# Who are we and what we do....



## SHAREHOLDERS

Television New Zealand | MediaWorks | Māori Television Service | Radio New Zealand

## CONTENT PROVIDERS

Broadcaster "Service Agreements":

- TVNZ – TV ONE, TV2, ONE plus 1, 2 plus 1
- MediaWorks – TV3, FOUR, TV3 plus 1, FOUR plus 1, TheEdge TV
- Māori Television, Te Reo
- Radio New Zealand National, Concert
- Other free to air broadcasters

## DAY-TO-DAY MANAGEMENT

Management contract for day-to-day operations

- Marketing Communications
- Electronic Programme Guide
- Product testing, development & approval
- Managing & maintaining technical standards

## SUPPLY CHAIN PARTNERSHIPS

- Retailers
- Distributors
- Installers of Consumer Electronics

# NZ Broadcasting Environment ...

---



## a) Market size and shape

- Long thin , multi cultural not very populous country

## b) Industry Structure

- FTA - “small” industry and no actual Public Service broadcaster
- Paytv - 1 provider “monopoly” – also owns 4<sup>th</sup> FTA Network(Prime)
- Transmission - Kordia (State owned enterprise)

## c) Regulation

- Unlike other OECD countries no regulation for content or distribution

## Business Case – agreed Jun '06

- a) Government – National Benefit Study (CBA)
  - Net economic benefit
- b) FTA Industry Business Case
  - No stand-alone commercial business case
  - Public / Private Partnership stacked up

# Development of Freeview

---



## Business Plan

- a) Free to Air only
- b) Ubiquitous - reach all NZ Homes (DTH & DTT)
- c) Affordable
  - CPE cost had to be within reach of all NZers inside 3 years
- d) Attractive
  - Multi-channel (existing broadcasters and new entrants)
  - High Definition, Widescreen, Surround Sound
- e) Target – 35 to 50% of primary sets tuned to Freeview at DSO



# Supply Chain Model ...

---



## Brand Licensing

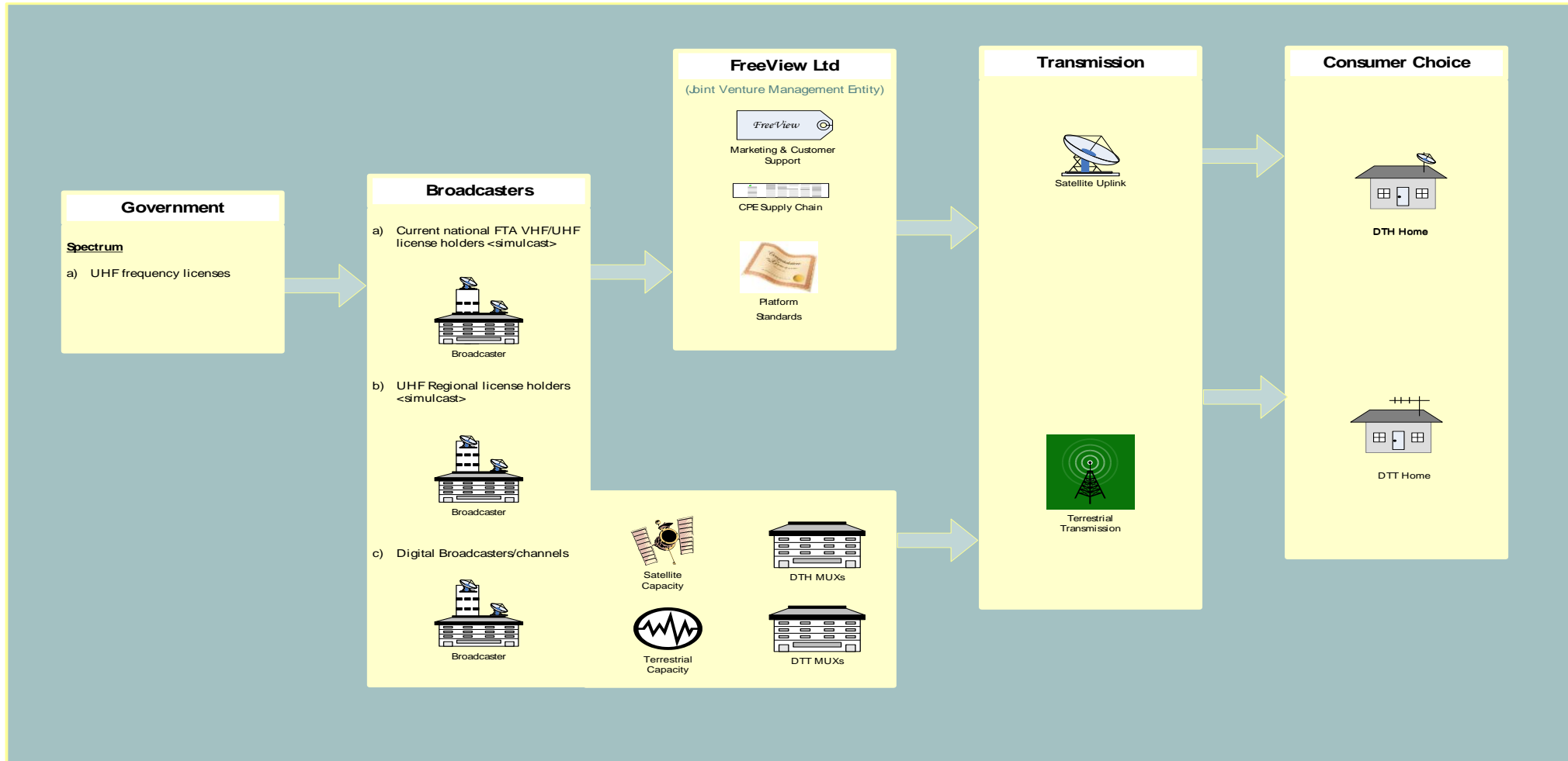
WHY: Build consumer confidence & common broadcaster standards

- Brand awareness
- No government set technical standards or import controls so brand license provides 'standards' control

HOW: Independent testing & sale of approved products through accredited retailers

- Certify receivers – DTG and DTV labs/Finlabs Testing
- Accredited retailers – to only stock certified products
- Partnering with an install service for nationwide installation coverage.

# Freeview Structure... open access... horizontal market



# We have two Broadcast Platforms

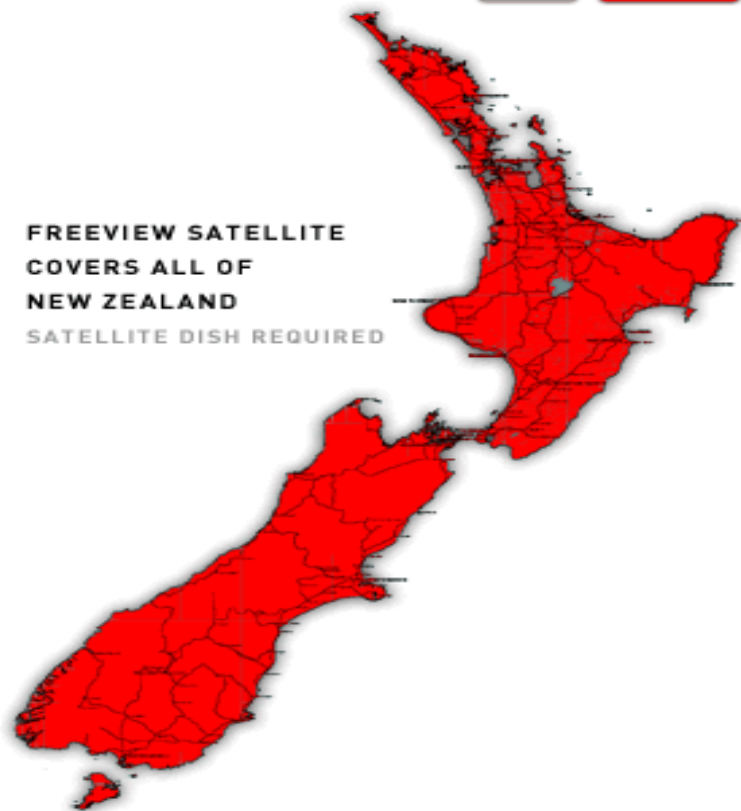


FREEVIEW COVERAGE MAP

AERIAL

SATELLITE

FREEVIEW SATELLITE  
COVERS ALL OF  
NEW ZEALAND  
SATELLITE DISH REQUIRED



Freeview | HD<sup>®</sup> coverage:

Regions with HD coverage:



1. Whangarei
2. Auckland
3. Waikato
4. Tauranga
5. Rotorua
6. Taupo
7. Gisborne
8. Hawkes Bay
9. Taranaki
10. Whanganui
11. Manawatu
12. Wairarapa
13. Wellington
14. Nelson
15. Christchurch
16. Timaru
17. Dunedin
18. Invercargill



Freeview | HD covers 86%  
of New Zealand

UHF aerial required

# Technical Standards – Follow ... and lead

---



a) DTH Satellite (Freeview satellite) – launched May '07

- MPEG2 (existing standard)
- MHEG-5

b) DTT Terrestrial (Freeview | HD) – Launched April '08

- MPEG4, HD only receivers
- MHEG-5

c) HbbTV 1.5 – Launched July '15

- DTT only
- DTH launching 2016

# Digital Receivers

---

freeview

freeview  
satellite

- Three approved receivers from \$69

freeview|plus.

- 1 approved set top box from \$79
- TV's from \$579
- Freeview Plus

my freeview|HD. freeview|plus.

- Four approved DTR from \$249

freeview|HD™

- Nine approved receivers from \$69



- Five approved brands from \$299

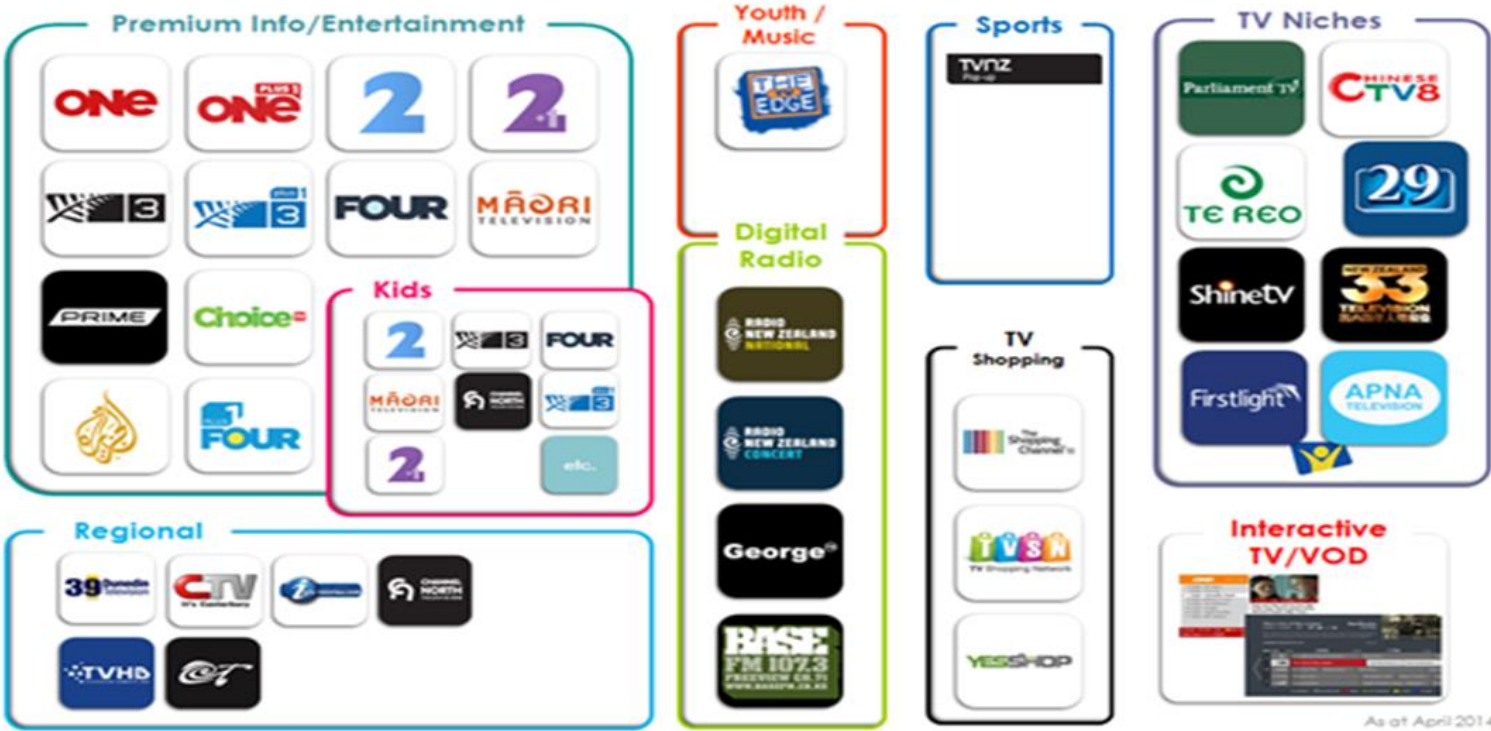
# Success = Launched with 6 services and now 35



2007

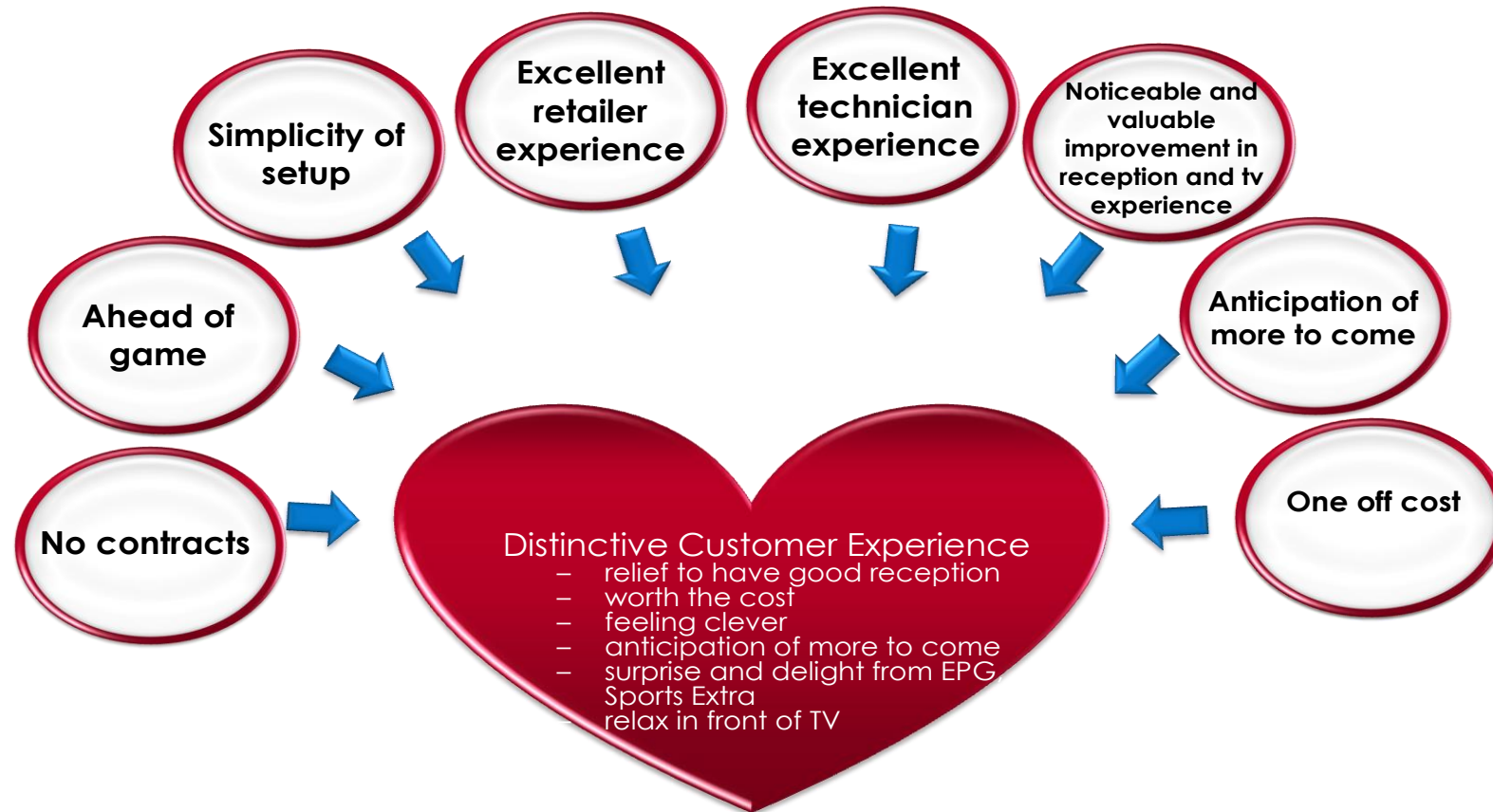


2015



# Success = improved customer viewing experience and value proposition...

freeview



# Myfreeview (PVR) viewers like Freeview more



How favourable are you towards FREEVIEW / MYFREEVIEW / SKY?  
1 (very unfavourable) > 10 (very favourable)

	Unsure	Freeview Satellite	Freeview HD	MyFreeview *
	9%	37%	54%	17%
AVG Favourability to FREEVIEW	6.2	6.6	7.1	7.2
	n = 30	n = 132	n = 189	n=67
AVG Favourability to MYFREEVIEW	5.9	6.2	6.5	7.5
	n = 26	n = 124	n = 171	n=65
AVG Favourability to SKY	5.9	5.6	4.8	4.6
	n = 30	n = 132	n = 190	n=67

**THE MOST VALUABLE VIEWERS**  
**MOST FAVOURABLE** towards FREEVIEW / MYFREEVIEW

are viewers accessing Freeview | HD and MyFreeview.  
These viewers are also more unfavourable towards SKY.

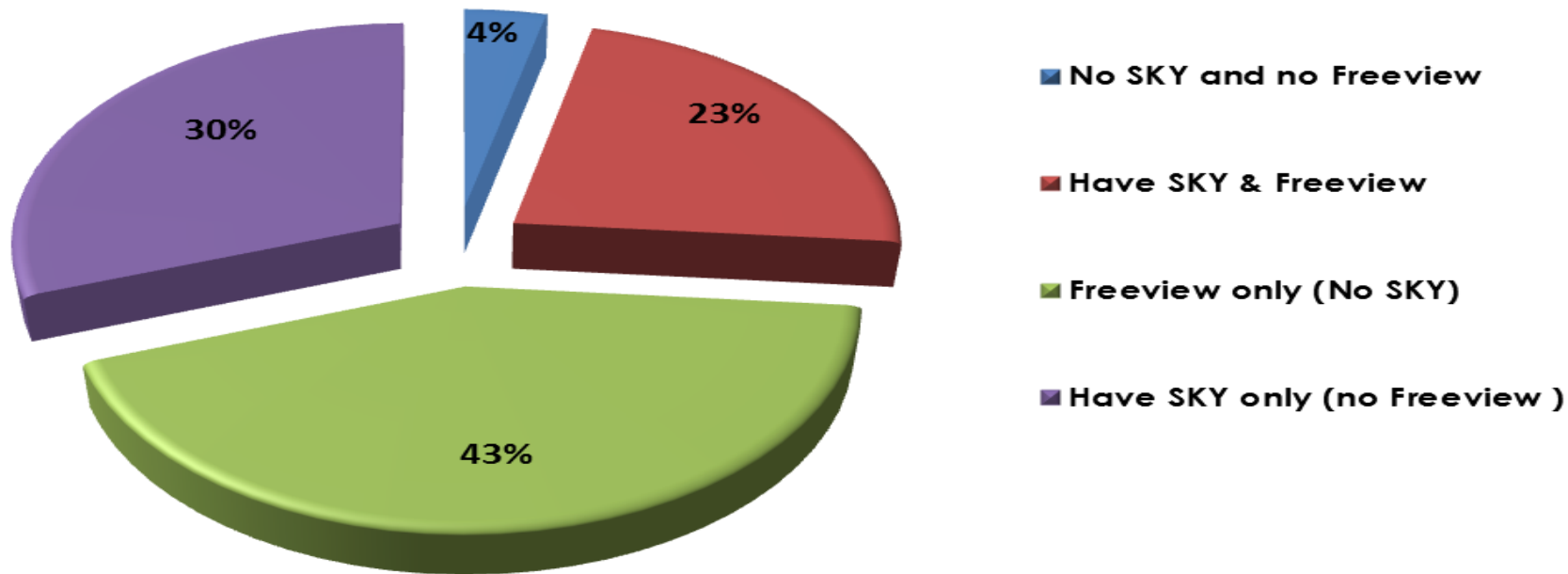
x% = significantly higher than other group / x% = significantly lower than other group



Result = 67% of New Zealand homes are using at least one Freeview device



### New Zealand Homes Television platform distribution.



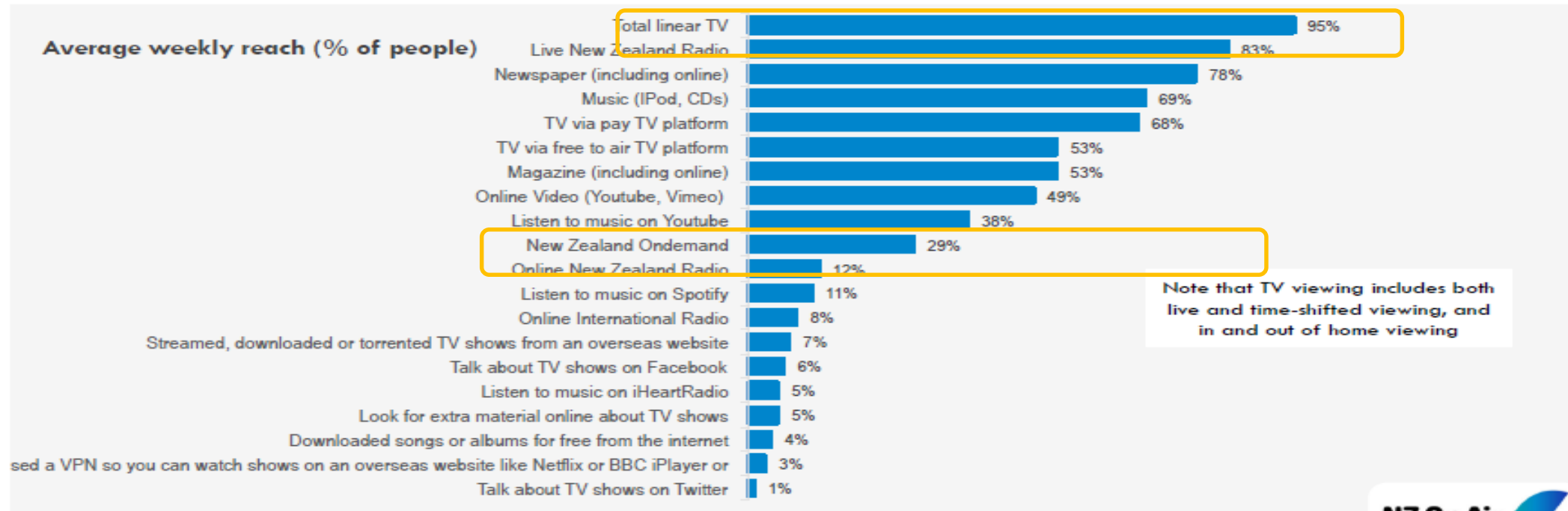
# But the viewers are changing



Traditional broadcast platforms (TV, radio) still deliver the biggest audiences in New Zealand,

Linear viewing is still very strong & VOD is growing.  
**FREEVIEW launched FREEVIEW | PLUS in July to bring the two seamlessly together.**

provides the best single point of comparison of nearly all the media included in this study.



# So we launched HbbTV 1.5 service in June 2015

---



**Enjoy TV & ondemand together – quick, easy, free – on your TV.**

Freeview | Plus enhanced TV guide features:

1. Easy (one-click) access to ondemand (most appealing, Colmar Brunton 2014)
2. Global search, by title & genre, of live & ondemand content libraries (runner up)
3. Browse featured programmes, set reminders & favourites
4. Advanced grid-view 8 day programme guide
5. Catch-up guide
6. Mini guide
7. Menu

VOD portal & application to be built by each broadcaster



1. Launches from broadcaster's channel using a universal dedicated colour remote key
2. Standardised player navigation





# Success factors for HbbTV Project

---



1. Stable relationships from FTA linear world
2. Existing EPG business provided structure for resolving :-
  1. Design choices
  2. Technical requirements and integration
  3. Investment funding decisions
3. Will be possible to develop “2 speed” model for:-
  1. FTA linear business
  2. Linear and on demand business including SVOD partnering