Interactive TV

And more! New channels to market
Agenda

- Interactive TV versus Digital TV
- What’s the commercial interest
- Ways of using Interactive TV
- Interactive TV platforms
- Where it fits in a multi-channel world
- Why it fits with AIT
- What’s coming next?
- Q&A
- Beer
What is interactive TV

- Part of Digital TV
  - Digital TV = planned replacement for current analogue services
  - Digital TV = better picture, better sound
  - Digital TV = many more channels
  - Digital TV = opportunities to interact
    - on-line betting
    - on-line voting
    - chat forum in programme
    - additional programme information
    - interactive adverts
    - interactive, on-line shopping
    - interactive, on-line banking
  - Digital TV = digital satellite, digital cable, digital terrestrial, ADSL
  - Digital TV = new digital TV set or digital set-top box
Digital TV - the Set-top Box (STB)
Digital TV = More Programmes
Digital TV = New Services

Election 2001: Have your say, however you're voting... or not!

World Cup qualifying action tonight: England at full strength in Athens

Undecided about voting? Ask Jeeves all your electoral queries
Digital TV = email

Send email with your tv!
According to latest research from NOP

- **72% of Brits watch TV every single day**
- **1 in 5 watch for 4 hours or more per day**
- **32% are heavy viewers watching more than 21 hours per week**
- **a third of 40-60 years are heavy viewers**
- **16-19 years olds least likely to have “square eyes”**
- **People prefer to watch rather than do!**
  - Sports - 56% vs 37%
  - DIY - 66% vs 30%
  - Cooking - 59% vs 37%
- **50% of people sometimes end up watching whole evenings TV when they hadn’t intended to…**
- **…but 56% never feel guilty about it**
New iTV technologies & services

- **PVR - personal video recorder**
  - Pioneered in US by TiVo & Replay, now in UK
  - Hard-disk records 30hrs+, can pause live TV…
  - Smart - can record your favourite programmes
  - Could be “local portal” eg, catalogue shopping
  - Slow take-up due to price; faster once integrated/bundled?

- **VoD - video on demand**
  - Consumer freedom to select just what they want to watch
  - Play, pause, replay etc just like video
  - Requires “broadband” connectivity
  - Current services depend on ADSL - slow roll-out and high price
iDTV opportunities: main areas

- Enhanced TV
- Interactive adverts
- Interactive services

- Sales Leads - “one click…”
- On-line applications
- Account servicing

- Sponsorship links
- Product placement links
- Supporting content links

- Click for brochure
- Click to buy
- Click to apply
What Enhanced TV could be like...

**Top Car**

**LOTUS ELISE 111S**

- **Price:** £26,590
- **Engine:** 1796cc dohc 16V four, 145bhp, 128lb ft
- **Performance:** 133 mph, 5.4sec 0-62mph, 48.7mpg

**On sale in UK: Now**

**LOTUS ELISE DEALS**

- Low cost insurance
- Competitive finance

**Cars in show**

- Top Car
- Play Fantasy F1
- Website

**TopCar**

Sponsored by

ait
What an interactive advert could be like...

So check it out
Woolwich Interactive Banking
Market: t-commerce forecasts

- Henley Centre
  - By 2003 e-commerce through the computer and television will account for £42 billion a year in the UK
  - 6.4% of consumer expenditure
  - Over one third through digital television
  - By 2008, digital TV will be the dominant channel for e-commerce in the UK

- Others
  - TV will be bigger than the Internet by 2005 (Dataquest)
  - 42% of consumers prefer TV shopping vs. 26% for PC shopping (Gallup)
  - iDTV connections worldwide up from 62m in 2001 to 350m in 2006 (Ovum)
  - t-commerce to hit $45m by 2005
Market: consumer adoption

Estimates of digital take-up

Actual: July 2000  Current estimate for end 2000

Source: The Future Funding of the BBC report/BBC
Availability in UK households

2000

25%

2006 - 2010

95%
DTT in Europe

Launched

Launching in 2000

Phased Launch

Launching in 2001

Launching in 2002 or later
(test transmissions currently in operation)

Launching in 2002 or later
(DTT strategies currently being developed)
Beyond the PC - Europe (millions)

Source: Jupiter
Profile of digital TV homes - by group

Source: Oftel Residential Survey & e-MORI (Web), August 2000
Profile of digital TV homes - by age

Source: Ofcom Residential Survey & e-MORI (Web), August 2000
# UK Interactive Television Platforms

<table>
<thead>
<tr>
<th>Type</th>
<th>Enhanced TV Programming language</th>
<th>Walled garden</th>
<th>Web access type</th>
</tr>
</thead>
<tbody>
<tr>
<td>On Digital/ ITV Digital</td>
<td>Terrestrial</td>
<td>Media highway MHEG-5</td>
<td>No</td>
</tr>
<tr>
<td>NTL</td>
<td>Terrestrial</td>
<td>Microsoft TV</td>
<td>Yes</td>
</tr>
<tr>
<td>Sky Digital/ Open….</td>
<td>Satellite</td>
<td>Open TV</td>
<td>Yes</td>
</tr>
<tr>
<td>NTL/ Cable &amp; Wireless</td>
<td>Cable</td>
<td>Power TV/ Liberate TV</td>
<td>Yes</td>
</tr>
<tr>
<td>Telewest</td>
<td>Cable</td>
<td>Liberate TV</td>
<td>Yes</td>
</tr>
<tr>
<td>Videonet</td>
<td>ADSL</td>
<td>proprietary</td>
<td>(Yes)</td>
</tr>
<tr>
<td>Bush Internet</td>
<td>N/a</td>
<td>N/a</td>
<td>No</td>
</tr>
</tbody>
</table>

Source: Fletcher Research
But just one channel of interaction
A multi-channel future?

- Millions of adults
- Adults with PC-Internet access
- Adults with DTV access
- Adults with mobile phone access

Source: Forester Research
The customer cycle

- Attract
- Acquire
- Generate interest

Details, searches, calculations, comparisons

Quotes, guarantees

Application confirmation

Service, retain

Renew, upsell, cross-sell

Show & tell

Aware

Inform

Decide

Purchase

Use

Re-purchase

Advocate
The customer cycle – channel capability
The customer cycle – scenario a

- Aware
- Inform
- Decide
- Purchase
- Use
- Re-purchase
- Advocate
What’s in it for AIT?
Why AIT built Portrait - Full-circle CRM

Engage “parties” in personalised interaction, via appropriate, integrated channels

Explore current relationships, and direct future ones by learning what relationship you and the party desire

Evolve your organisation by applying the lessons you’ve learned to future engagements, processes, and products
Portrait Architecture - Overview
What’s in the future?
WAP phones
Samsung/Sprint PCS “Uproar”

- Mobile phone
- MP3 player
- Web browser
- SMS
- Email
- Built-in organiser
- Online “storage locker”
Never get lost - GPS phone
Mobile Phone as your wallet
Personal email on the move
Handheld - Palm PDA

Search and browse the web
3G = rich media
More 3G…with video and TV!
Using iTV and other digital channels

- Understand the channel - who it reaches and how
- Design a customer proposition that fits
  - Not simply the “Web” on iTV or other digital device
  - Avoid simple repurposing - rethink the whole proposition
  - Prime attractor or will it need other marketing activity to drive it
  - Best suited to sales or service?
- Will it need/benefit from integration with other channels
  - iTV great for simple “impulse” purchases - still needs distribution!
  - More complex products may need hand-off eg. to call centre
  - Especially true if long term customer relationship desired
- Other supporting business models
  - joint marketing
  - portal deals
  - sponsorship & links to entertainment