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

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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

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Digital TV - the Set-top Box (STB)

Digital TV = More Programmes

Digital TV = New Services

Digital TV = email

Send email with your tv!

"Britons today live like the Royle Family"

▸ 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**

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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

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iDTV opportunities: main areas

▸ **Sales Leads - "one click…"**
▸ **On-line applications**
▸ **Account servicing**

Enhanced TV

Interactive services

Interactive adverts

▸ **Sponsorship links**
▸ **Product placement links**
▸ **Supporting content links**

▸ **Click for brochure**
▸ **Click to buy**
▸ **Click to apply**

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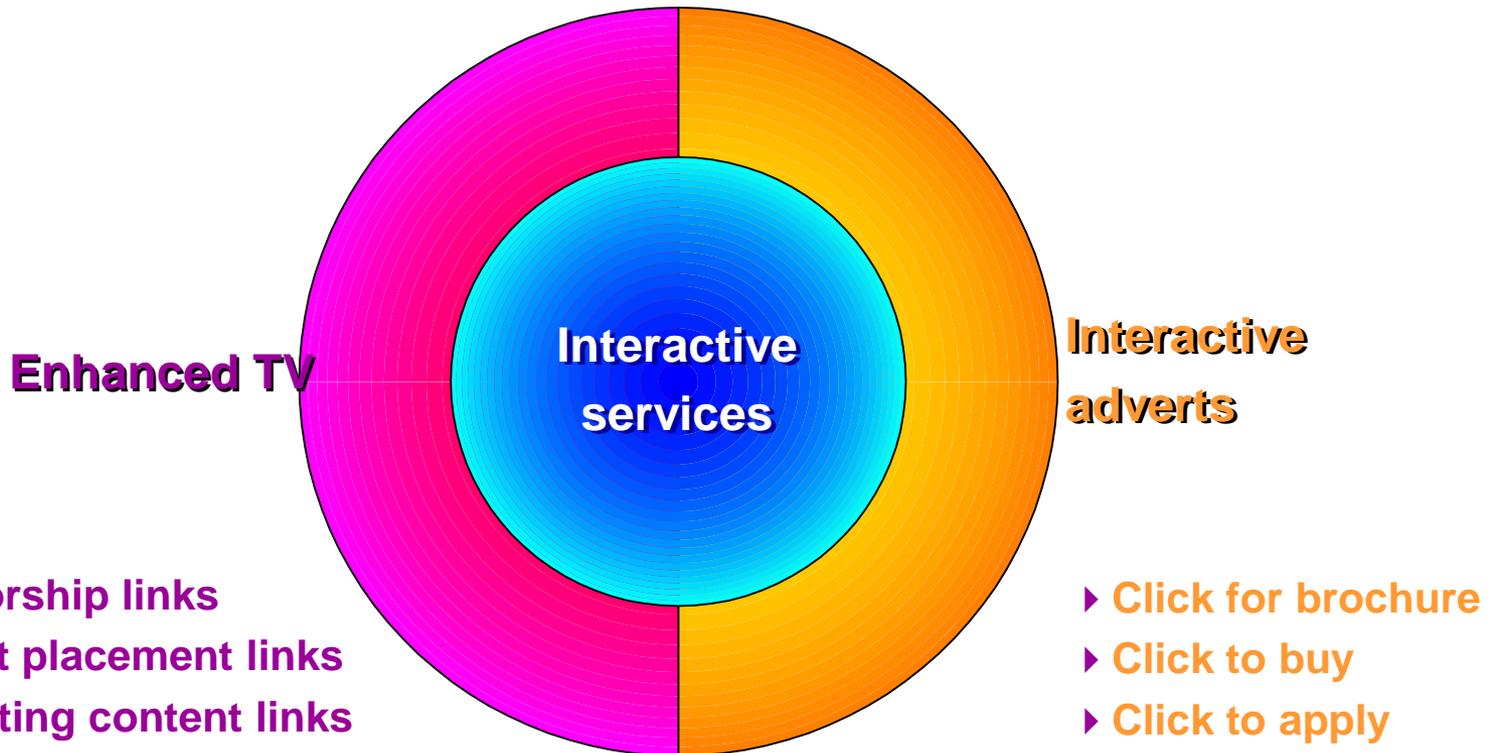
What Enhanced TV could be like...

What an interactive advert could be like...
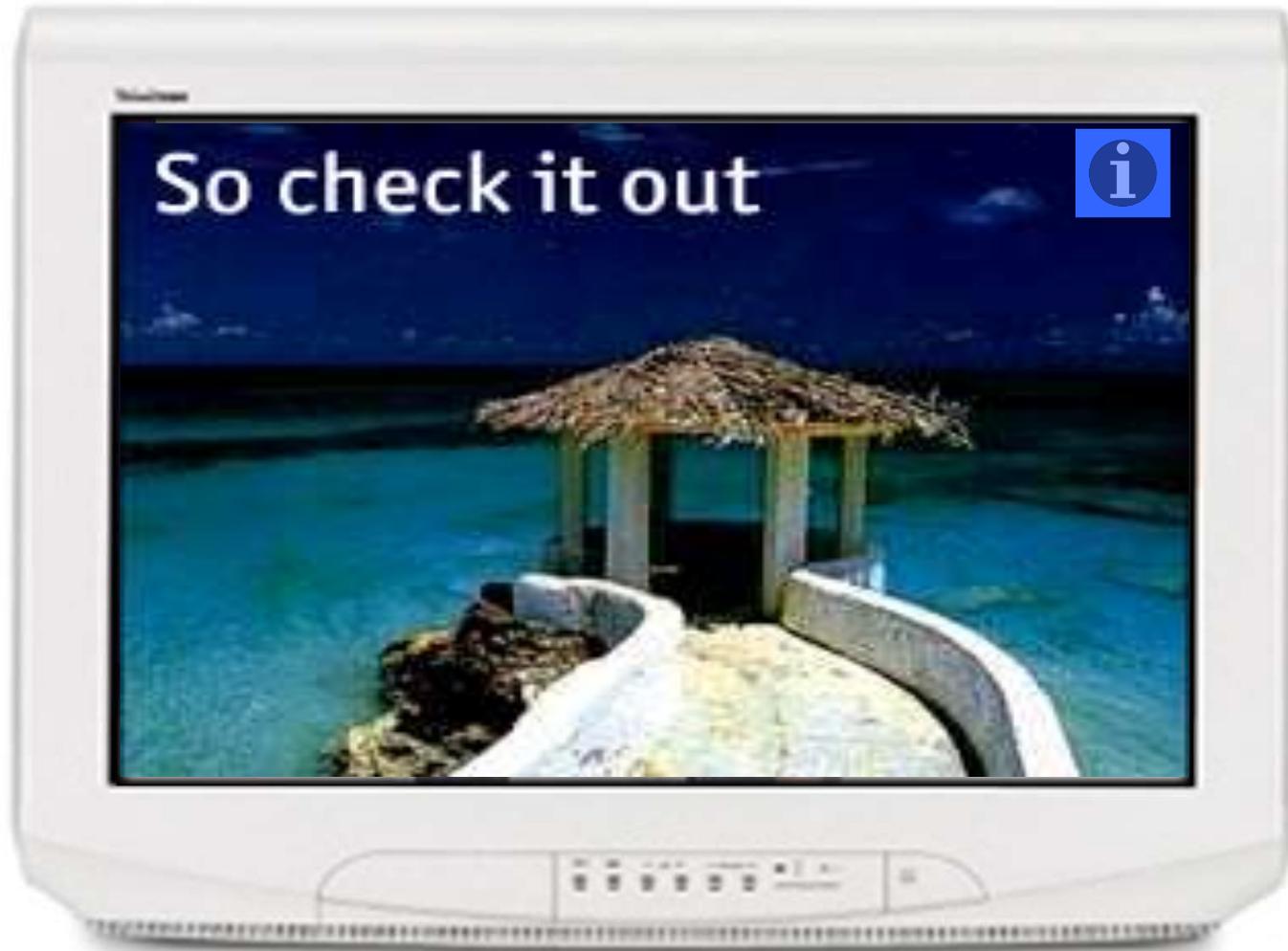
Woolwich Interactive Banking
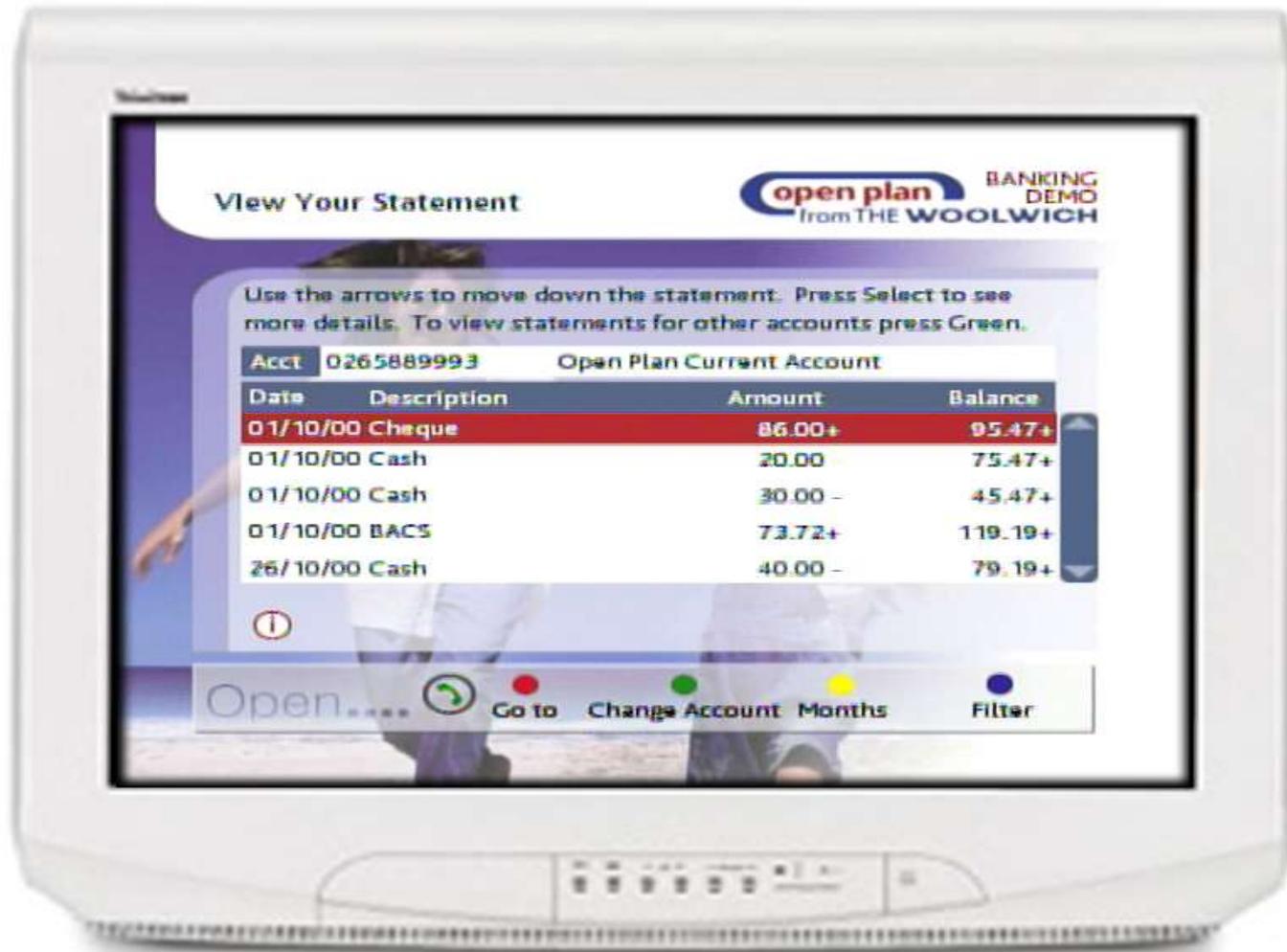
Market: t-commerce forecasts

- ▶ 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

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# Market: consumer adoption

Estimates of digital take-up
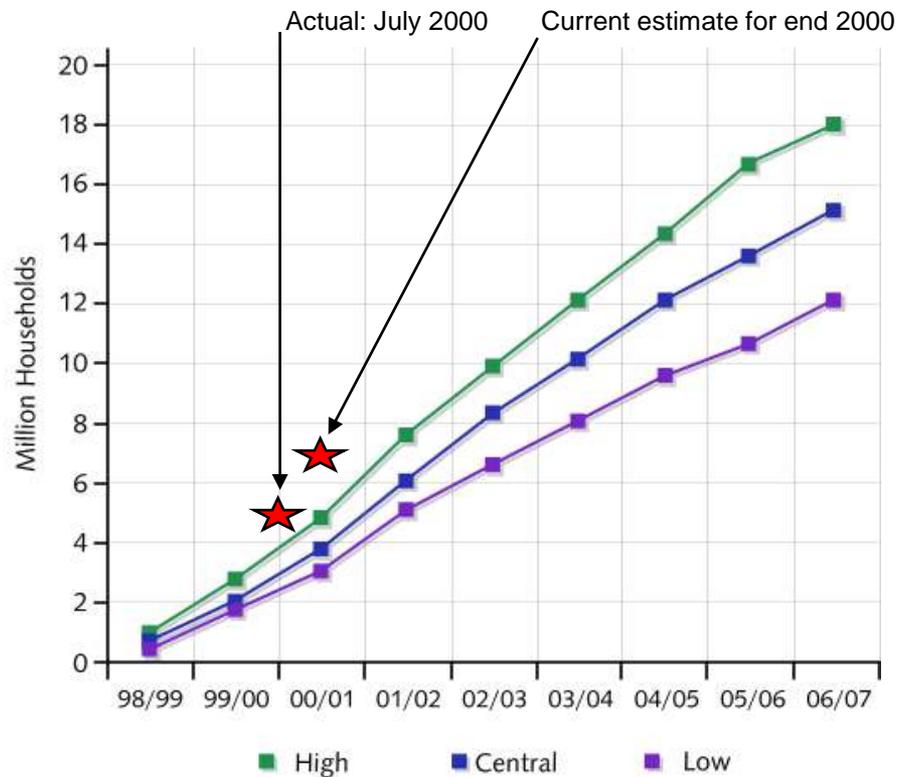
Source: The Future Funding of the BBC report/BBC

Availability in UK households

2000

2006 - 2010

25%

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)
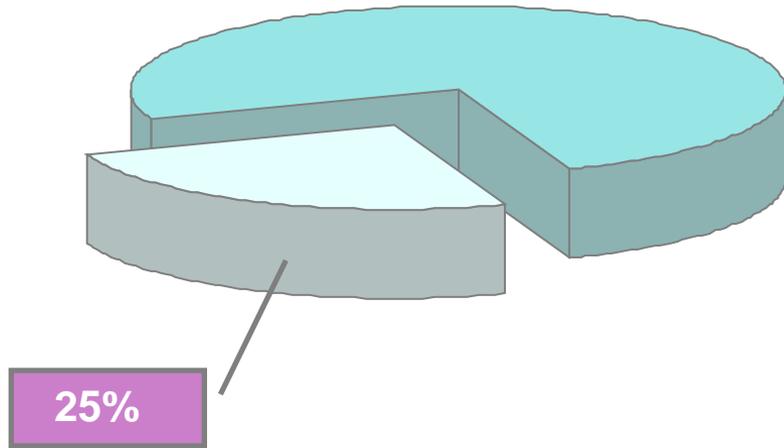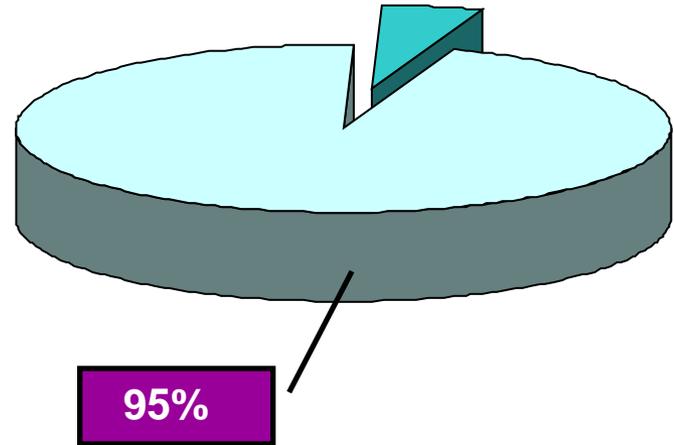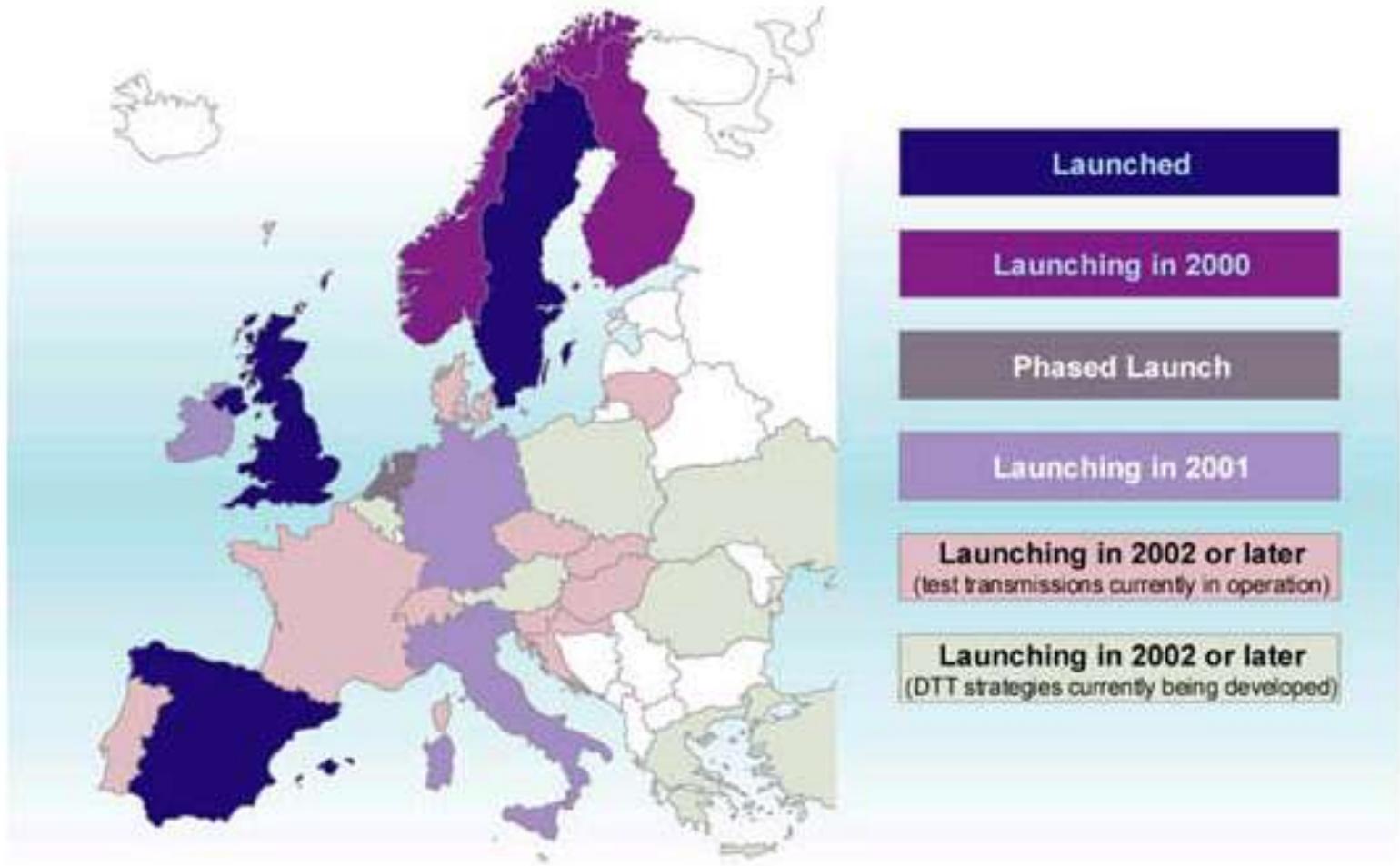
DIGITAG WORLD MAP

Beyond the PC - Europe (millions)

Chart showing growth of PC Web and iDTV & Wireless from 2000 to 2005, with values on y-axis from 0 to 400.
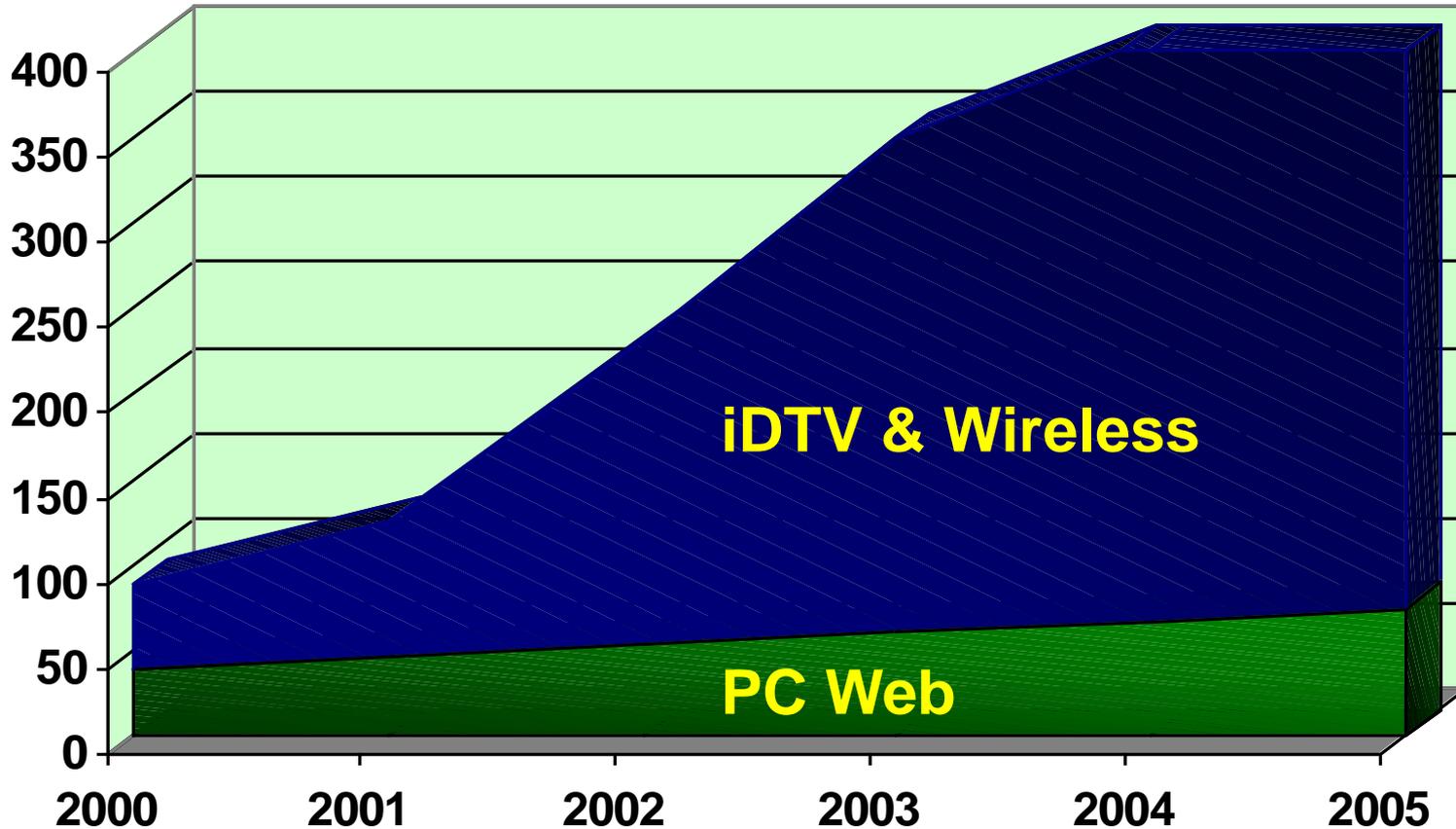
Source: Jupiter

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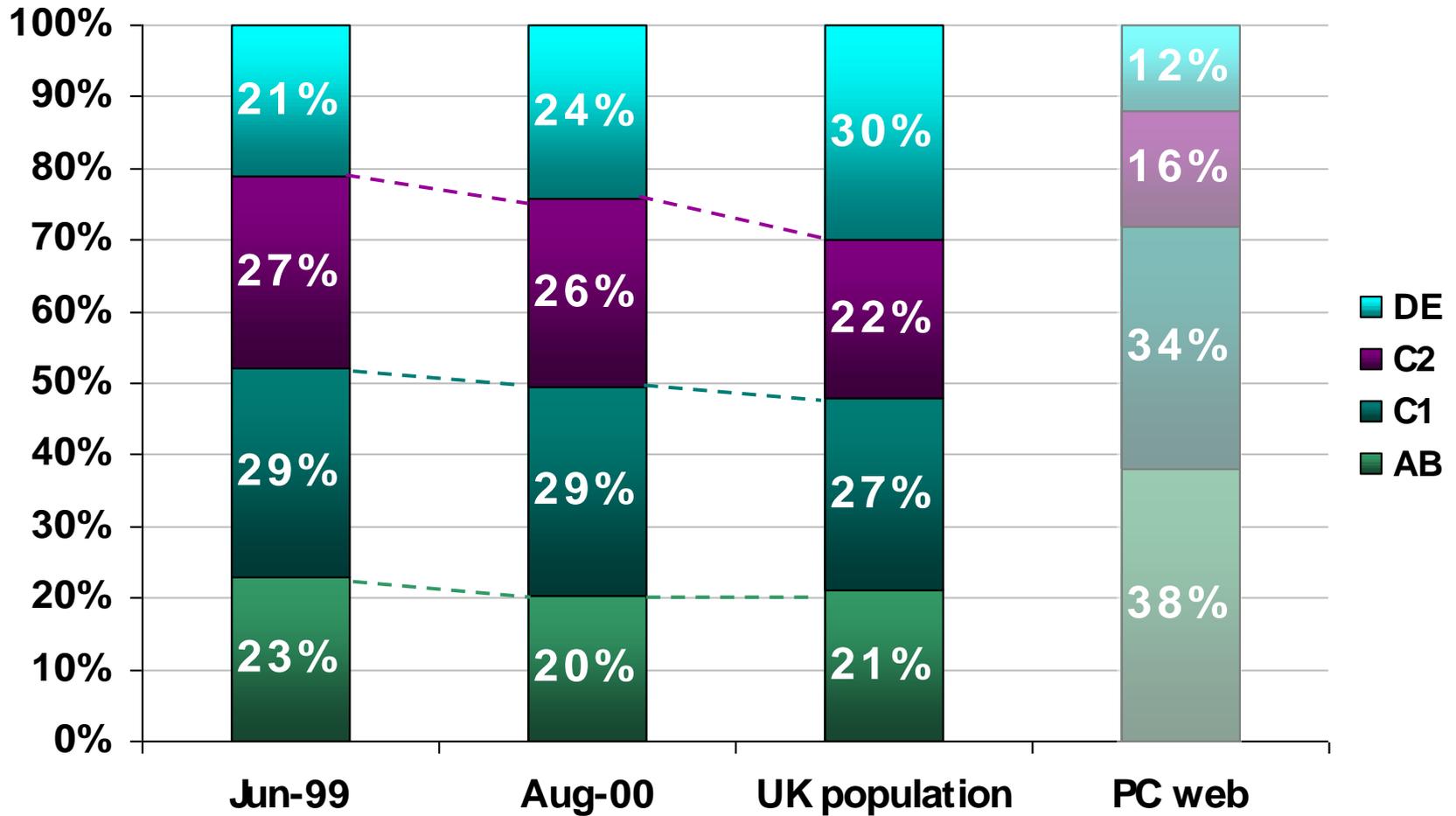
Source: Oftel Residential Survey & e-MORI (Web), August 2000

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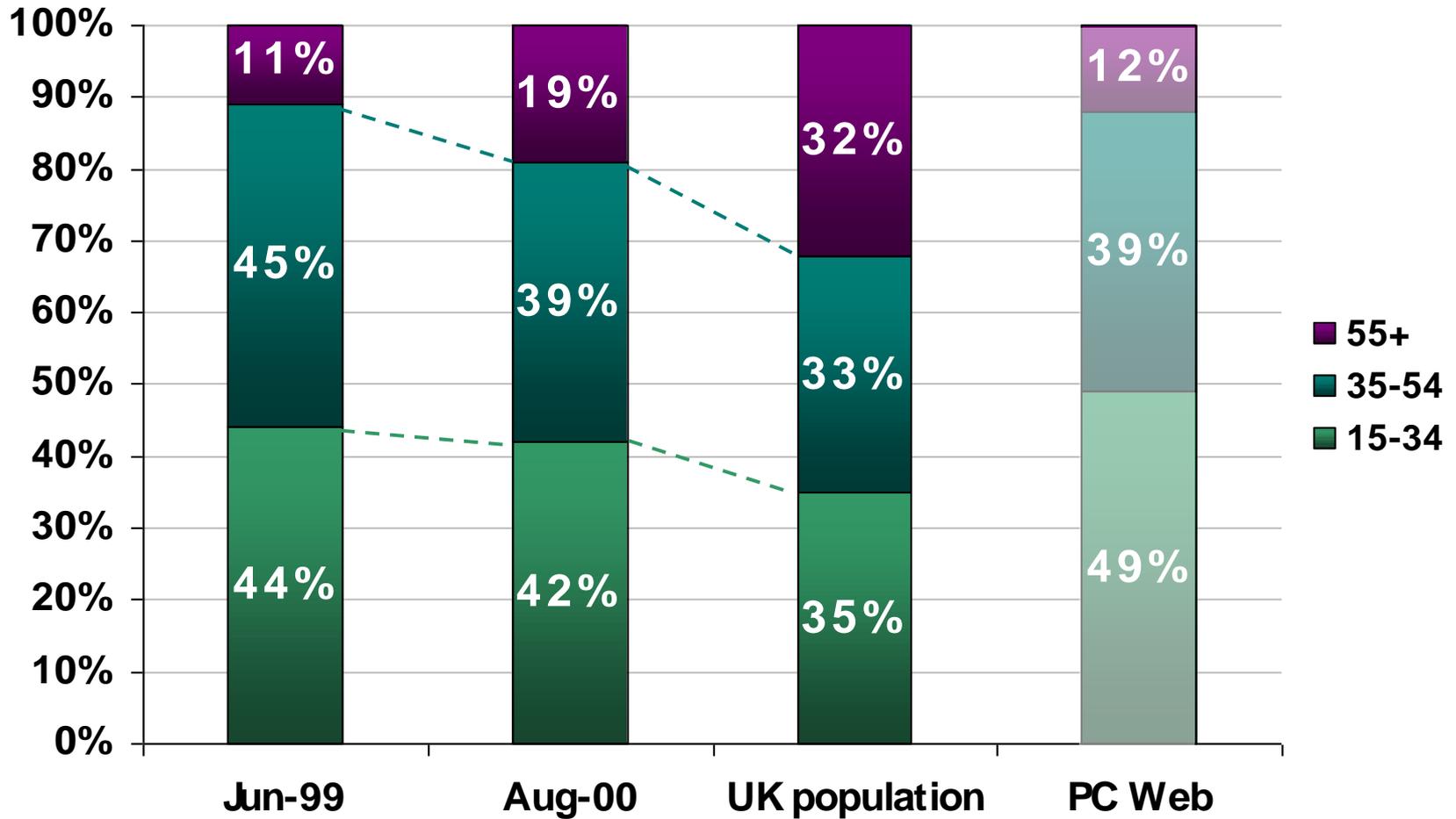
Source: Oftel Residential Survey & e-MORI (Web), August 2000

UK Interactive Television Platforms

	Type	Enhanced TV Programming language	Walled garden	Web access	Web access type
On Digital/ ITV Digital	Terrestrial	Media highway MHEG-5	No	Yes (ONnet)	HTML & modem
NTL	Terrestrial	Microsoft TV	Yes	Yes	HTML & modem
Sky Digital/ Open….	Satellite	Open TV	Yes	No plans	No plans
NTL/ Cable & Wireless	Cable	Power TV/ Liberate TV	Yes	(Yes)	HTML & broadband
Telewest	Cable	Liberate TV	Yes	Yes	HTML & broadband
Videonet	ADSL	proprietary	(Yes)	Yes	HTML & broadband
Bush Internet	N/a	N/a	No	Yes	HTML & modem

Source: Fletcher Research

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But just one channel of interaction

Contact Centre application

Web application

Branch application

Post & documents

PDA

Mobile / Wireless

Interactive TV

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A multi-channel future?

Adults with PC-Internet access

Adults with DTV access

Adults with mobile phone access

Millions of adults

Source: Forester Research

The customer cycle

renew
upsell
cross-sell

show& tell

service
retain

application
confirmation

quotes
guarantees

details
searches
calculations
comparisons

attract
acquire
generate
interest

▶ Aware ▶ Inform ▶ Decide ▶ Purchase ▶ Use ▶ Re-purchase ▶ Advocate

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The customer cycle – channel capability

Aware • Inform • Decide • Purchase • Use • Re-purchase • Advocate

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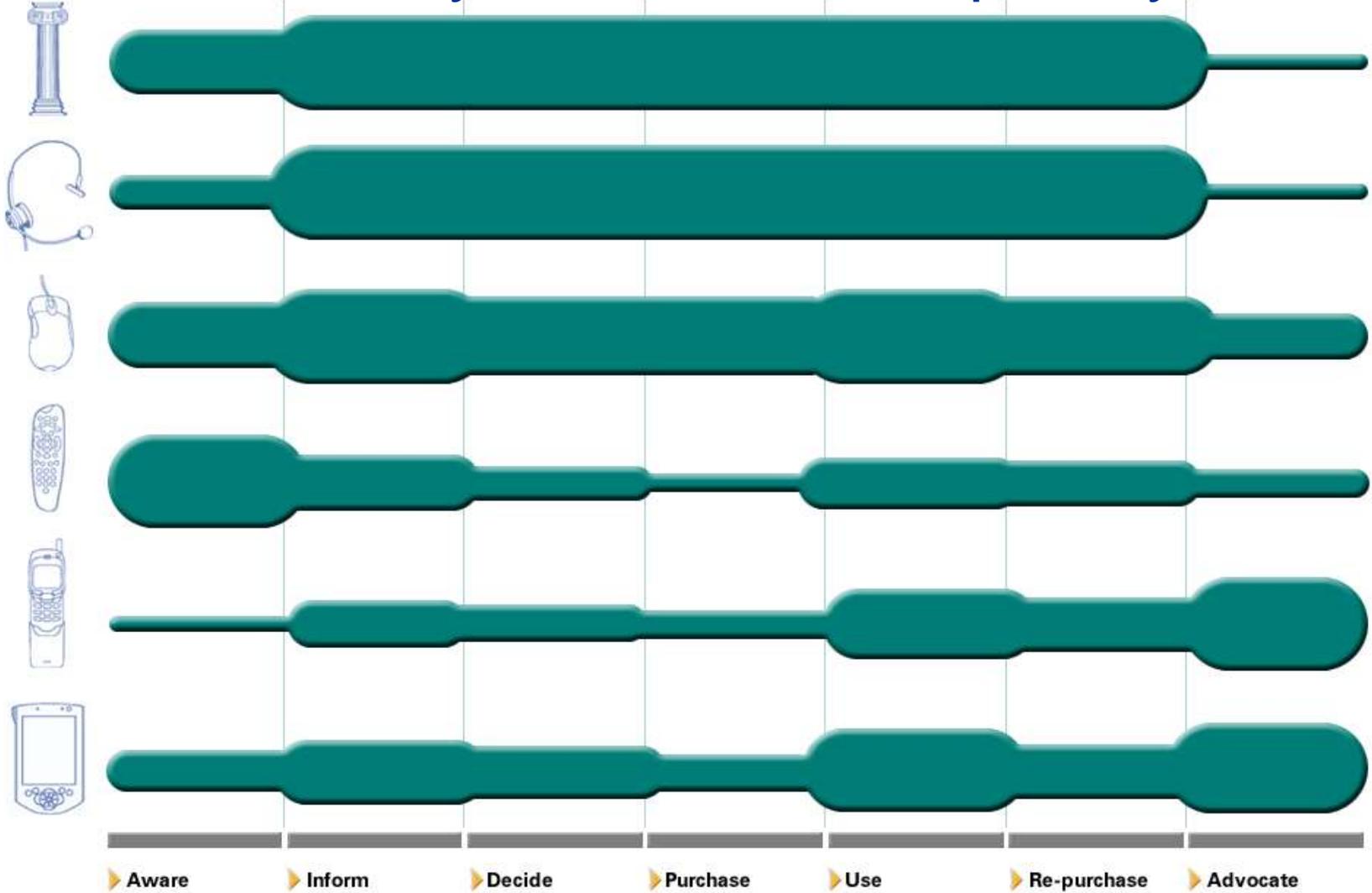
The customer cycle – scenario a

| Aware | Inform | Decide | Purchase | Use | Re-purchase | Advocate |
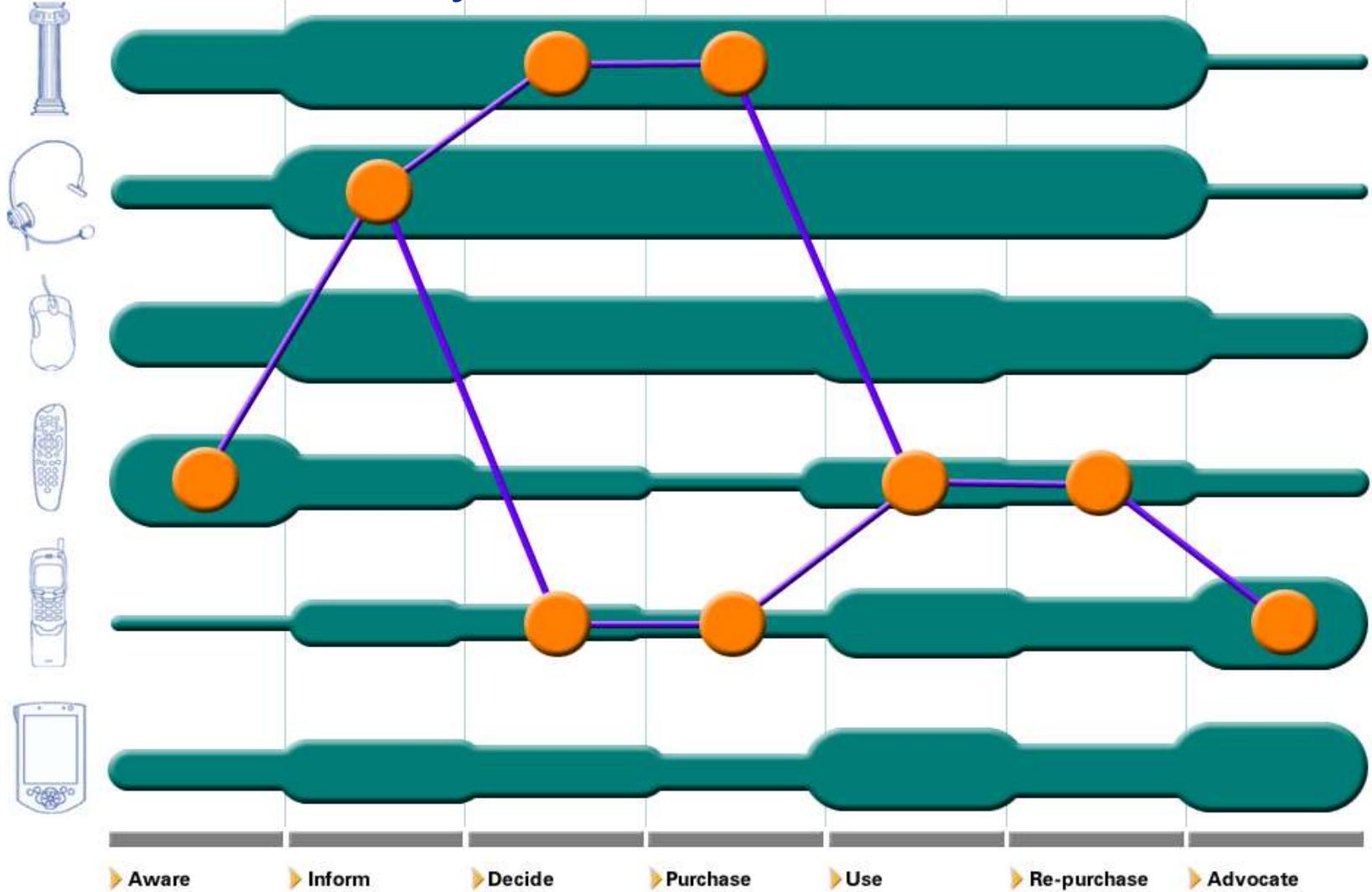
What's in it for AIT?

Why AIT built Portrait - Full-circle CRM
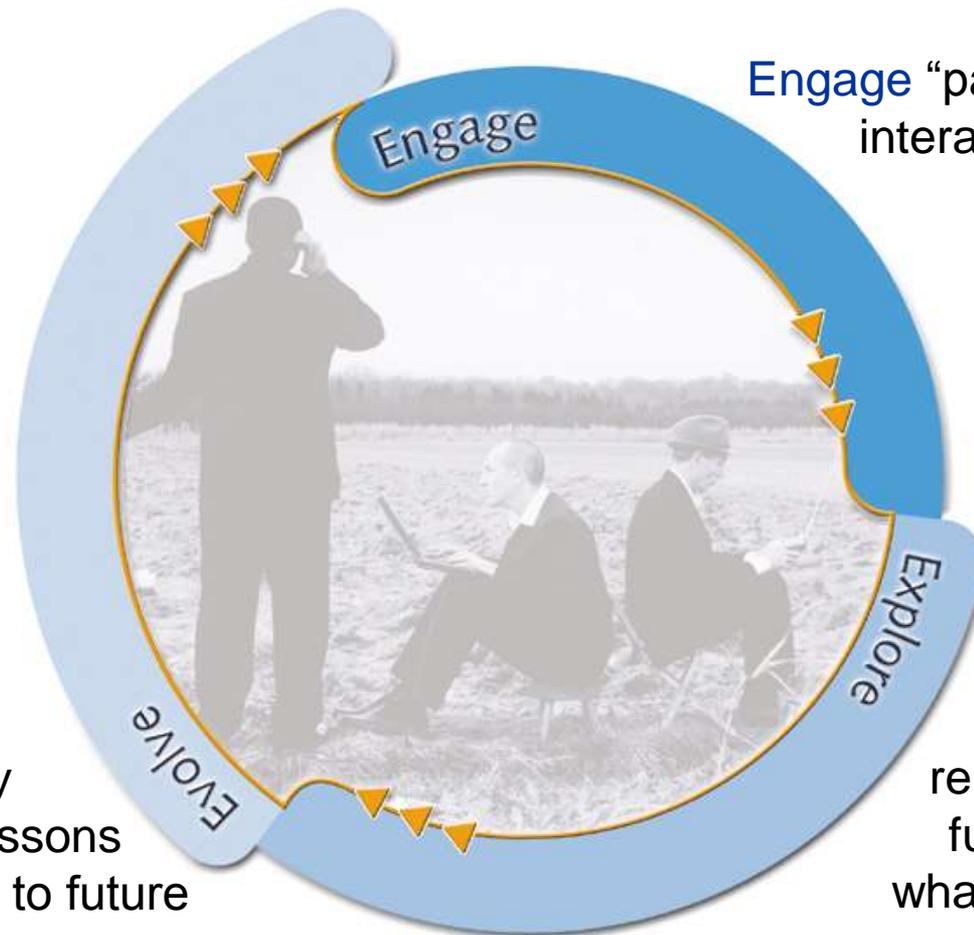
Engage "parties" in personalised interaction, via appropriate, integrated channels

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
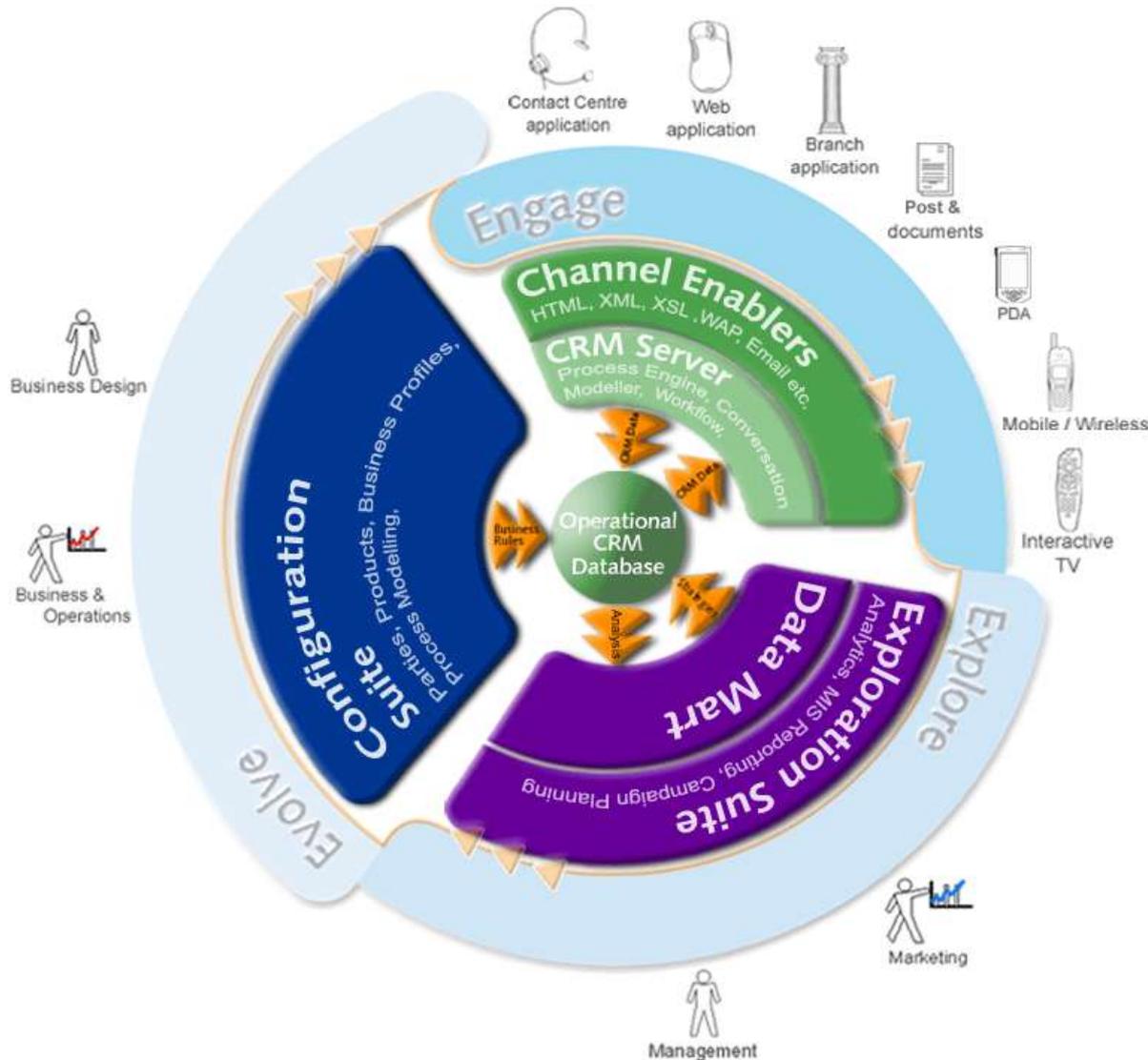
What's in the future?

WAP phones

Samsung/Sprint PCS "Uproar"

- ▸ Mobile phone
- ▸ MP3 player
- ▸ Web browser
- ▸ SMS
- ▸ email
- ▸ Built-in organiser
- ▸ online "storage locker"

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Never get lost - GPS phone

Mobile Phone as your wallet

Personal email on the move

Handheld - Palm PDA

VIIx
Handheld

Search and
browse the web

iPAQ
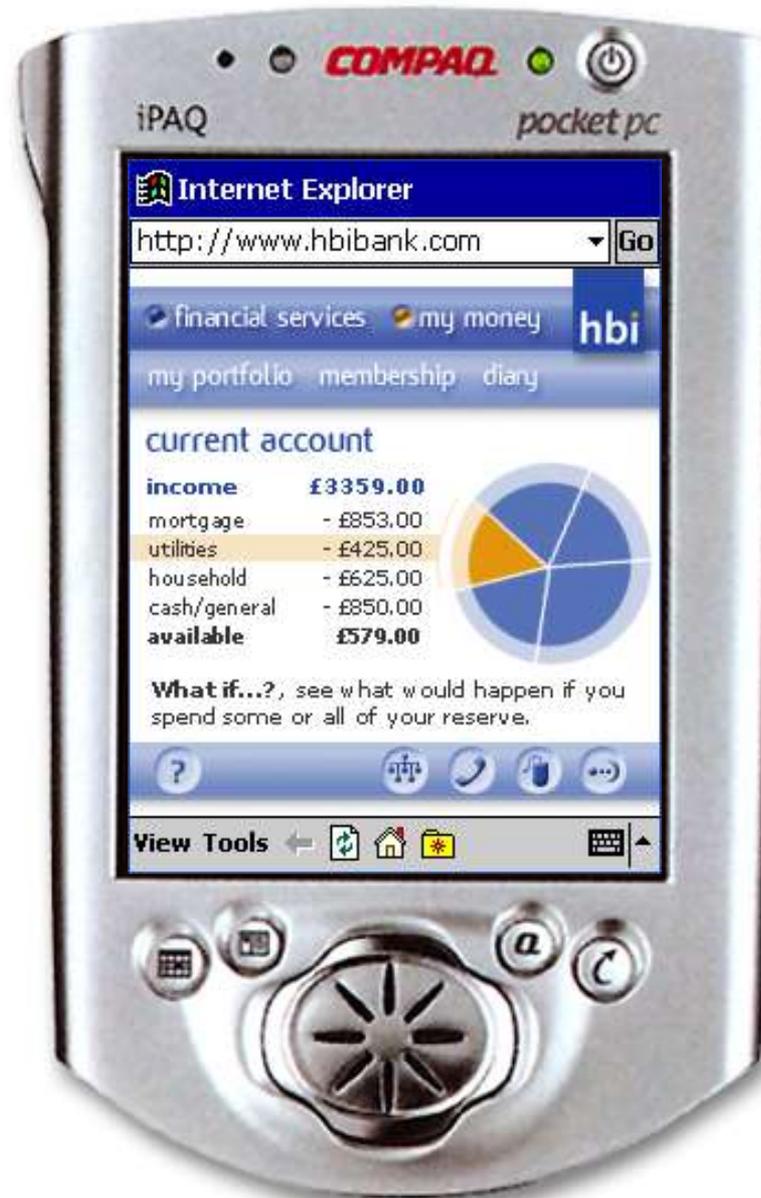
3G = rich media

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

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Q&A