

# A unique tool to support business development and investment decisions for the thematic TV business

## Growth on all fronts for the thematic TV market

The thematic TV market is boosted by the overall rapid increase in multi-channel penetration through cable, satellite and now DSL or fiber-to-the-home. After a relative lull in the market following the telecom and media crisis of 2001, growth accelerated again in the past two years. In 2006, thematic channels generated revenues of \$57 billion worldwide. Beyond the US, that remains the largest market by far, all regions currently offer growth opportunities to TV channels. While a number of international leaders have taken strong positions in main markets (CNN, ESPN, MTV, HBO, Discovery, Disney...), newcomers continue to emerge and to challenge incumbent players in the various national and regional markets, with a double-digit growth in the number of brands and thematic channels. In this fast evolving market, the ability to develop strong brands, maintain loyal audiences and conduct ambitious diversification strategies has increasingly become a requirement to secure a long-term growth.

## A new growth cycle with strong opportunities & growing competition

While the availability of new distribution networks, such as IPTV, video-on-demand and mobile TV, or even DTT, shake up the broadcasting industry and offer new opportunities, new challenges are also emerging for thematic TV players. While competition keeps increasing between thematic channels in many national markets, new competition appears to come from online video services and other digital entertainment industries. For thematic channels, creating partnerships and mutually beneficial agreements with distribution partners will be a requisite for business growth. In each sub-segment of the thematic market, specific strategies will be required, depending on the size of market leaders, the cost and accessibility to appealing programming, and on the relative negotiation power between the channels and distributors.

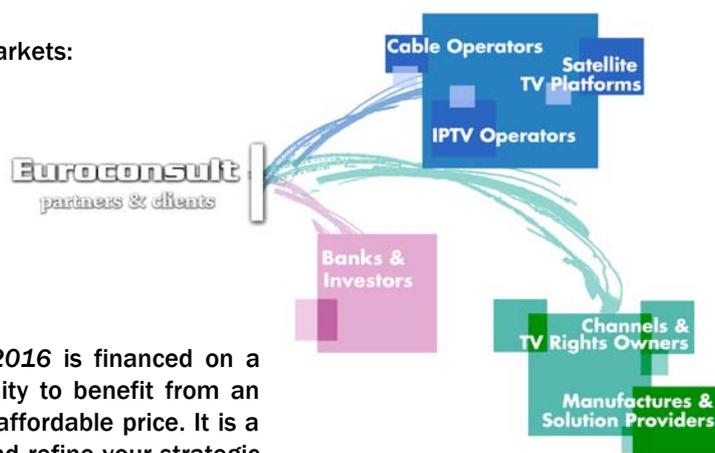
## In-depth and exclusive strategic analysis & ten-year forecasts

*Thematic TV, Key Economics & Prospects to 2016*, a **300-page** Euroconsult research report, provides a unique in-depth analysis and benchmark of the thematic TV business worldwide. The report contains **more than 100 full-page color graphs**, benchmarks of market leaders and exclusive forecasts for revenues and audience of thematic channels. Key issues addressed and illustrated in *Thematic TV, Key Economics & Prospects to 2016* include:

- ❖ BUSINESS MODELS, FINANCIAL ANALYSIS AND REVENUE FORECASTS TO 2016
- ❖ AUDIENCE ANALYSIS AND FORECASTS TO 2016 BY COUNTRY
- ❖ NUMBER OF THEMATIC TV CHANNELS & BRANDS BY THEME AND REGION TO 2016
- ❖ BRAND STRATEGY
- ❖ PAY-TV PLATFORMS STRATEGIES FOR THEMATIC TV OFFERING
- ❖ IMPACT OF NEW TV PLATFORMS (IPTV, MOBILE TV) AND ADDITIONAL VIDEO SERVICES (VOD, PPV, ITV)
- ❖ BENCHMARK KEY PLAYERS & OPPORTUNITIES FOR NEWCOMERS

A comprehensive assessment of leading thematic markets:

- ❖ MOVIES & SERIES
- ❖ DOCUMENTARIES & LIFESTYLE
- ❖ SPORTS
- ❖ NEWS & BUSINESS
- ❖ CHILDREN & TEENS
- ❖ MUSIC & SHOW BIZ



The *Thematic TV, Key Economics & Prospects to 2016* is financed on a shared-cost basis and thus offers you the opportunity to benefit from an extensive and independent research program at an affordable price. It is a unique tool to benchmark, position your company and refine your strategic planning to improve your performance.

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## Our team of digital broadcasting experts



**Pacôme Révillon**  
*Managing director*

Managing Director at Euroconsult since 2003, Pacome is a TV broadcasting specialist. Previous to his current position, he spent several years as consultant and project manager at Euroconsult.

Pacome has conducted consulting assignments for pay-TV providers, investment banks and satellite operators for market assessments, valuations and due diligences. He frequently gives lectures on digital TV broadcasting during training seminars and international conferences.

He is a graduate engineer in Telecommunications & Space from SUPAERO and holder of a Master in economics from DESIA.



**Aline Rousier**  
*Analyst*

After six years as an Information Manager and Synthesis Writer in CAI Indosuez and Cap Gemini Ernst & Young, Aline joined Euroconsult in 2001 as Business Researcher, then Analyst, in support of economics and financial analysis in the broadcasting and telecom businesses.

She is responsible for Euroconsult's database on satellite TV channels, which tracks the 16,000 TV channels broadcast worldwide, and has contributed to numerous consulting assignments and research reports.

Aline holds a DESS in Information Science, IEP Paris, and an international economics diploma at CNAM.

### Sample of Euroconsult clients in the digital broadcasting business

- BSkyB (UK) • Astro (Malaysia) • Discovery Asia (Singapore) • Globecast (France) •
- Walt Disney Company (USA) • Premiere (Germany) • Bell ExpressVu (Canada) • Arqiva (UK) •
- Skylife Broadcasting (South Korea) • ART (Egypt) • Zee Telefilms (India) •
- Cyfrowy Polsat (Poland) • Sony Professional Solutions Europe (UK) • Sogecable (Spain) •
- Multichoice Africa (South Africa) • Andrew Corporation (USA) • Digiturk (Turkey) •
- E! Entertainment TV (USA) • Telewizja Polska (Poland) •
- Orbit Communications Company (Bahrain) • Austar Entertainment (Australia) •
- Pioneer Digital Design Centre (UK) • Premier Media Group (Australia) • Seagate (USA) •
- Music Choice (UK) • Poverknost TV (Ukraine) •
- Groupe Canal + (France) • AFC Network Private (Singapore) • NTV-Plus (Russia) •
- Deutsche Welle (Germany) • Premier Media Group (Australia) • Alliance Atlantis (Canada) •
- Walt Disney Television (France) • Inspiration Network (USA) •
- Thomson Multimedia Digital (France) •
- UEC Technologies (South Africa) • TDC Kabel TV (Denmark) • Parabole Réunion (La Réunion) •
- SRG SSR Idée Suisse (Switzerland) • Star Group (Hong Kong) •

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- ❖ A requirement to assess TV programming consumption and viewing habits
- ❖ Audience of thematic TV still to be efficiently measured in all markets
- ❖ New distribution networks raising new audience measurement issues

*Overall TV viewing time is largely stable*

- ❖ Viewing time stable in advanced TV markets with still a growth potential in developing countries
- ❖ Overall TV viewing time now under pressure due to other digital entertainment networks and services
- ❖ Thematic TV gaining market shares more than enlarging overall TV consumption

*Audience of thematic TV channels continuously increases in most markets*

- ❖ A global increase in audience shares against historical TV channels over the last ten years
- ❖ Digital TV penetration and diversity in the TV offering as primary market drivers
- ❖ Leading markets such as the US and the UK already present thematic audiences higher than 30%
- ❖ In markets with historical broadcasters of limited quality, thematic TV penetration can rapidly increase and stands higher than 20%
- ❖ Most TV markets currently present thematic audience rates of 10% to 20%

*Breakdown of audience between the different channel themes remains largely stable*

- ❖ Audiences are spread between thematic TV channels
- ❖ Premium and exclusive content drives the thematic audience
- ❖ Audience is lower but loyalty potentially higher for niche or ethnic channels

*Large impact on both advertising revenues and subscription fees*

- ❖ Audience is a central negotiation factor for subscription fees
- ❖ The increase in audience shares is a potential driver for advertising revenues

*Growth in digital pay-TV subscriptions as primary driver for thematic TV audience in coming years*

- ❖ A slow growth in audience among pay-TV subscribers
- ❖ Thematic TV audience shares driven by pay-TV penetration

*Forecasts of thematic TV audience to 2016*

- ❖ Forecast methodology
- ❖ Over 10% increase in audience for a majority of markets in the next ten years
- ❖ Strong growth expected in Western Europe and leading Asian TV markets
- ❖ Audience of thematic TV will be higher than 33% in 20 of the 30 markets surveyed by 2016
- ❖ Five markets with more than 50% audience for thematic TV including the US and the UK by 2016

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  - Asia & Pacific**  
Australia, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Philippines, Taiwan, Thailand

## *Growth in revenues & profits despite middle term challenges*

### *An estimate of \$56.8 billion in revenues for thematic TV in 2006*

- ❖ A double digit growth in revenues in the last five years
- ❖ A growth structurally lower than growth in digital TV subscriptions due to pressure on subscription fees
- ❖ Six US conglomerates gather 57% of global thematic TV revenues
- ❖ Growth also largely benefits to national and regional thematic TV leaders

### *An improvement in profit margins despite large disparities between thematic broadcasters*

- ❖ International leaders benefit from economies of scale and post comfortable margins
- ❖ A global recovery in the last three years following strong pressure in 2001-2002
- ❖ Margins remain low for national channels in market without a critical size

### *Threats on future thematic TV revenues...*

- ❖ Pay-TV platforms will continue to tightly control their programming costs
- ❖ Competitive entertainment and communication services may reduce TV usage
- ❖ A-la-carte channels offering may impact revenues of thematic broadcasters
- ❖ New services such as VOD or PVR may impact advertising revenues
- ❖ Thematic content may be made available by new online operators such as Google and Yahoo without the support of thematic channels
- ❖ Piracy remains an overall threat for subscriptions, audience and content production

### *...will be overcome by positive market drivers*

- ❖ Digital TV subscriptions will remain the primary growth driver
- ❖ A critical size in multi-channel penetration may result in a virtuous cycle of growth for thematic channels
- ❖ A multiplication of digital platforms in emerging countries is opening new geographical markets to thematic TV channels
- ❖ The emergence of IPTV networks will offer new outlets for thematic channels
- ❖ Mobile TV will represent a new growth driver
- ❖ High definition may generate additional revenues in the medium term
- ❖ Increasing diversification of services, with a focus on online service, will provide additional relays of growth

### *A thematic TV market of more than \$120 billion by 2016*

- ❖ Forecast methodology
- ❖ A CAGR of 8% over the next ten years
- ❖ Growth in subscriptions will be partially offset by lower revenues per subscriber
- ❖ Mobile TV will likely represent a limited share of the overall thematic TV revenues

## *Brand strategy in the heart of successful thematic business models*

### *Brand recognition as key asset of thematic channels in the digital TV business*

- ❖ International leaders rely upon various strategies to support brand awareness
- ❖ A few global brands lead the rating race in most segments of thematic TV...
- ❖ ... successful brand strategies can, however, also be conducted by small broadcasters

### *Four key levers to develop brand awareness*

- ❖ Creating and entertaining a community
- ❖ Developing recurrent high-profile and targeted events, from the MTV Awards to Fashion parties
- ❖ Signing distribution partnerships
- ❖ Taking early positions on emerging services and networks

### *A strong brand facilitates the creation of distribution agreements*

- ❖ Audiences often welcome internationally well known brands
- ❖ Better distribution agreements in terms of fees may be negotiated with local pay-TV platforms
- ❖ Unknown local broadcasters often have to deal with higher launch costs
- ❖ Brand recognition is also key to attract advertising dollars

## *Continuous growth in the number of thematic channels & brands*

### *Thematic TV channels segmentation*

- ❖ A proposed breakdown of TV-channel categories
- ❖ Six families of thematic channels detailed in the survey
- ❖ Thematic TV channels represent more than 60% of the pay TV offers in most markets

### *Global trends in the number of thematic channels*

- ❖ A very dynamic market, with a 14% CAGR in thematic TV offering for the 2000-2006 period
- ❖ Regional specificities in thematic TV offerings
- ❖ Most represented themes are movies, documentaries and sports

### *Global trends for the number of thematic brands*

- ❖ From up-brands to brands and channels, diversification and internationalization drive the market
- ❖ Up-brands grew at a 10% CAGR from 2000 to 2006, with an increasing number of localized TV channels
- ❖ Breakdown by region
- ❖ Breakdown by theme
- ❖ Nine up-brands out of the top ten are US-based

### *Forecasts of the number of TV brands and channels*

- ❖ Close to 1,900 thematic up-brands expected in 2016
- ❖ Over 10,000 thematic channels by 2016
- ❖ Progressive consolidation will result in a higher number of channels per brand
- ❖ Emerging regions will see the largest growth in brands & channels
- ❖ All themes will see a significant increase in channels & brands

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## **Part 2: Distribution networks & breakthrough services**

### *The transformation of the television value chain*

#### *Content producers*

#### *TV Channels*

#### *Pay-TV distributors*

### *Thematic TV packaging: strategies of digital TV platforms*

#### *Digital TV platforms tiering strategies are structuring the market*

- ❖ Offerings currently range from dozens to hundreds of thematic channels
- ❖ A strong correlation between the number of channels offered and subscriptions
- ❖ The total number of channels is conditioned by the addressable market

#### *Defining the right number of channels per theme is a continuous adjustment process for platforms*

- ❖ A benchmark of the 60 digital TV platforms' thematic offering
- ❖ Different strategies in channel's offering observed for each theme

*TV channels backed by pay-TV platforms usually keep strong positions in their domestic markets*

- ❖ Proprietary channels were primarily launched by pay-TV platforms in the early days of digital TV
- ❖ Channels controlled by platforms tend to focus on premium content such as movies, sports and news
- ❖ On-demand and pay-per-view services represent high costs but increasing revenues for platforms

*Historical distribution networks continue to strongly support growth*

*Satellite TV is still the leading delivery platform for digital TV*

- ❖ Several dozens of satellite TV platforms worldwide
- ❖ A fast growing subscriber base of over 75 million subscribers
- ❖ Satellite as primary network for the introduction of digital TV in emerging countries

*Digital TV over cable strongly progressing as part of the multi-play strategy of operators*

- ❖ More than 40 million subscribers to digital cable worldwide
- ❖ In advanced TV markets, leading cable operators have begun to invest into ambitious digital services
- ❖ Consolidation is taking place in a number of markets to face the competition of telecom operators
- ❖ Cable nevertheless continues to be mostly analog in emerging countries

*Delivering content on new distribution platforms*

*IPTV becoming a mass market*

- ❖ Definition for "IPTV"
- ❖ IPTV emerges while broadband penetration reaches a critical size
- ❖ IPTV take-off in several European and Asian domestic markets
- ❖ Despite several challenges, IPTV appears to represent large growth opportunities for thematic channels

*The dawn of mobility for thematic TV channels*

- ❖ Early mobile video streaming services have met a limited success so far
- ❖ Several standards are being tested for mobile TV broadcasting
- ❖ S-DMB services already available in Asia
- ❖ DVB-H currently tested and commercially launched in Europe
- ❖ In the US, mobile broadcasts have been tested and may follow streaming services
- ❖ A new TV viewing experience that will likely require tailored content
- ❖ Ambitious forecasts have still to translate in effective subscriptions
- ❖ The value chain & business model of mobile TV for thematic channels must still be thinly defined

*Digital Terrestrial Television: a limited market*

- ❖ Digital transition of terrestrial hertzian TV networks has already begun
- ❖ Enhanced compression will allow the broadcast of a few dozens TV channels over the countries' territory

*More than TV: From historical to emerging breakthrough services format*

*Personal video recorders' (PVR) development is mainly done independently from TV channels*

- ❖ PVRs offer new functionalities to view, record and store video content
- ❖ Towards a Digital Entertainment Home Platform
- ❖ Network PVRs also tested by cable and IPTV providers
- ❖ As TV-show downloads and ad-skipping PVRs pull viewers away from live advertising, the TV networks try to find new ways to re-integrate advertisements

*Interactive TV has only experienced a limited development*

- ❖ Due to limited business prospects, few new interactive services are being introduced
- ❖ Sky Digital in the UK offers the largest range of services with steadily growing revenues
- ❖ Betting services are the most profitable applications
- ❖ Games' channels have proved to be successful and tend to multiply
- ❖ Other topics, like news, weather and teleshopping are being developed by specific actors
- ❖ SMS services are the main complementary revenue generator for most TV channels

*Pay-per-view services continue to increase steadily, in spite of apparent market potential limits*

- ❖ The concept of PPV is quite recent, except in the US market, where PPV offerings have been available for more than 10 years,
- ❖ Satellite TV platforms are keeping a grip on the market
- ❖ Few independent players
- ❖ Pay-per-view offers are usually focused on sporting events, recent movies, concerts and adult programming
- ❖ PPV services are subscription drivers, but not financially self-supported
- ❖ The future of PPV services

*The dawn of Video-on-Demand*

- ❖ VOD allows viewers to watch their favorite program on their own schedule
- ❖ Video-on-demand services have mushroomed since 2005, with new players entering the market
- ❖ Strategy for thematic TV channels depends on controlled TV rights
- ❖ Few financial returns on experience, and no leading business model yet
- ❖ VOD is unlikely to significantly reduce the number of people viewing live or real-time TV in the short term
- ❖ Free online streaming of programs' highlights or news on the TV channels' websites are already driving additional advertising revenues
- ❖ Key drivers for broadband video consumption and future prospects for VOD services

*The market of thematic TV has already begun to adapt to high definition*

- ❖ HDTV has begun to spread worldwide
- ❖ First TV channels to migrate to HD focus on premium content such as movies, sports and documentaries
- ❖ Channels directly owned by TV platforms and US leading brands will drive the market in the short term
- ❖ Niche channels, with more limited investment capability, are likely to retain a more cautious approach
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# Sample of the over 100 full-page color graphs in the report

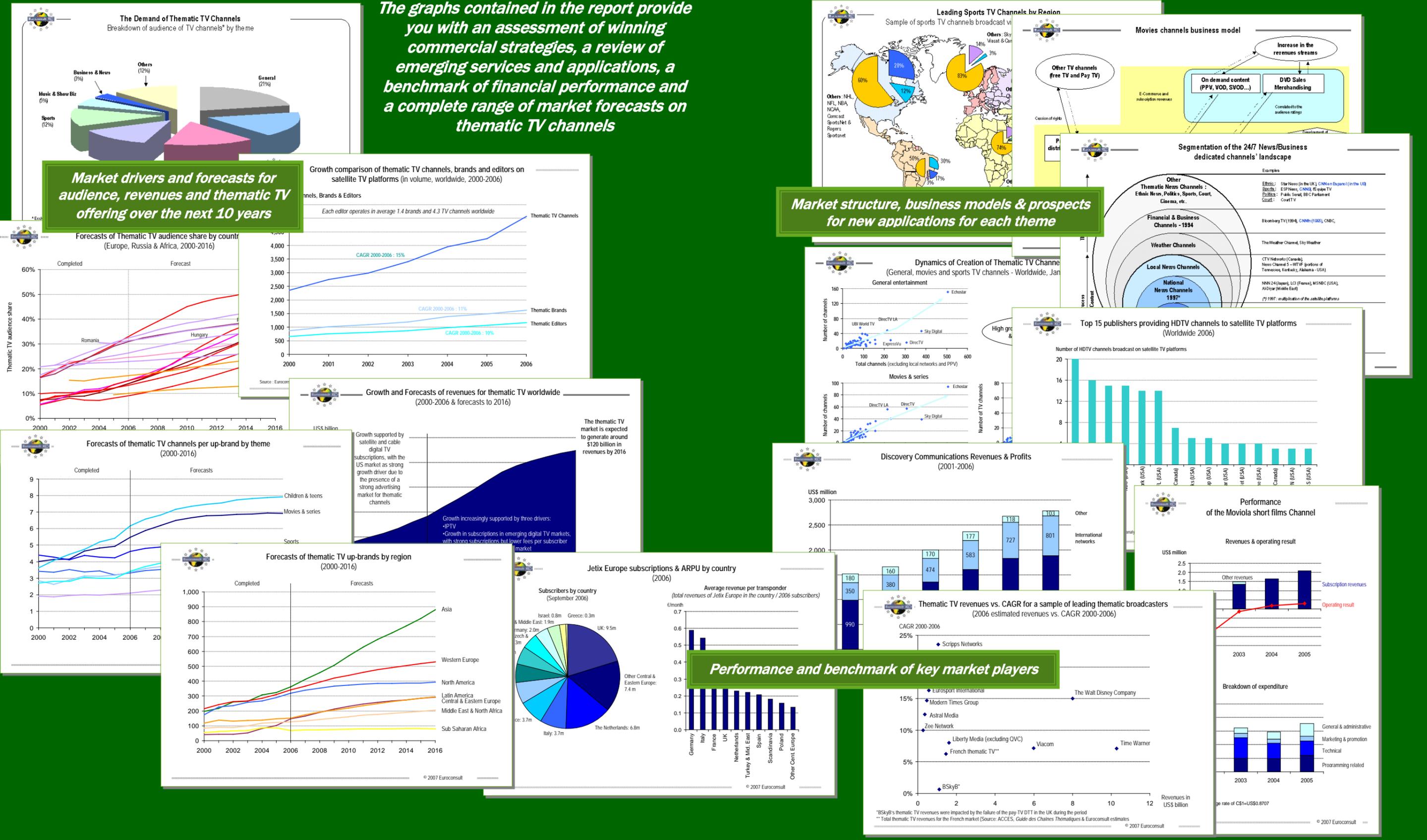
PowerPoint graphs and Excel tables also available on CD-Rom for electronic version of key figures

The graphs contained in the report provide you with an assessment of winning commercial strategies, a review of emerging services and applications, a benchmark of financial performance and a complete range of market forecasts on thematic TV channels

Market drivers and forecasts for audience, revenues and thematic TV offering over the next 10 years

Market structure, business models & prospects for new applications for each theme

Performance and benchmark of key market players



## Part 3: Profiles for leading themes

### *Movies & Series channels*

#### *A fast development of movies & series channels*

- ❖ Movies & series TV channels represent 24% of the thematic TV channels offering
- ❖ Digitization has allowed a 13% CAGR in the TV channels offering between 2000 and 2006
- ❖ A growth accelerated by the development of multiplexes for movies channels
- ❖ A market split in three main categories of players
- ❖ Different market dynamics between the markets, with a strong positioning of local channels
- ❖ US contents remains dominant in the grids of most local and international movies & series channels

#### *Premium revenues and costs characterize the movies & series channels business models*

- ❖ Production costs for movies & series have ramped up in recent years, putting pressure on the business models of dedicated thematic channels
- ❖ Carriage fees are usually the main source of revenue for movies & series' channels' multiplexes

#### *New technologies and services challenge historical business models*

- ❖ Theater admissions account for less than 50% of the total revenue generated through the release of movies over various windows
- ❖ Consumption on demand as a strategic issue for both content producers and historical distributors
- ❖ The shrinking release window: new challenge in the movie industry
- ❖ High definition as a way to maintain and increase value of movies & series channels
- ❖ Limited involvement in emerging mobile video services so far

### *Documentaries & Lifestyle channels*

#### *Strong developments in documentary and lifestyle thematic channels*

- ❖ Documentaries & Lifestyle TV channels represent 20% of the thematic TV offering
- ❖ Strong performance in cinemas, backed by increasing costs to produce high quality documentaries
- ❖ A market with a 13% CAGR in the TV channels offering between 2000 and 2006
- ❖ A large number of players and newcomers in various sub-segments, with the domination of Discovery Networks
- ❖ The global multiplication of documentary & lifestyle channels

#### *Focus on documentary channels*

- ❖ A strong increase in the number of channels for a market dominated by two world leaders
- ❖ Discovery and National Geographic as strong world leaders
- ❖ National documentary channels have developed in most markets and can represent strong competitors
- ❖ Educational, Travel, Art & Culture channels: a place for documentary channels targeting market niches
- ❖ State of play and changes in the business model of documentary channels
- ❖ New growth opportunities for documentary channels

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- ❖ An increasing number of channels with large development potential
- ❖ Diversified offerings address an increasing number of topics
- ❖ Focus on Scripps Network, one of the leaders in lifestyle programming field
- ❖ Large internationalization and fast development of diversification revenues as winning business model
- ❖ Shopping channels: another profitable niche

### *Sports channels*

#### *Strong and dynamic market for sports TV channels*

- ❖ Sports TV channels represent 16% of the thematic TV channels offering
- ❖ A dynamic market with a 16% CAGR in the TV channels offering between 2000 and 2006
- ❖ A large number of players in the sports TV channels market

#### *A strong appeal for viewers*

- ❖ Sports content drives audiences...
- ❖ ...advertising revenues...
- ❖ ... and subscriptions to pay-TV platforms

### *Securing TV rights: A key strategic issue*

- ❖ The explosion in the cost of sports broadcasting rights
- ❖ Strong competition between terrestrial broadcasters and digital TV providers
- ❖ Towards new regulations for sports broadcasting rights
- ❖ New sports “TV” rights for new digital TV distribution platforms
- ❖ Mobile TV and Internet: Promising markets for sports video content

### *The segmentation of sports TV channels*

- ❖ Sports TV channels are mostly launched by right holders
- ❖ Sports channels dedicated to a specific league or team
- ❖ Niche channels: some sports channels target smaller audiences with more affordable sports content

### *A market structure largely conditioned by the strategic aspect and cost of TV rights*

- ❖ National sports TV channels are primarily launched by pay-TV platforms
- ❖ “Independent” general sports channels: seeking affordable sports content addressing targeted communities
- ❖ Sports channels dedicated to a specific league or team

### *Sports TV channels business model*

- ❖ Premium pricing models to face high programming and technical costs
- ❖ High advertising and merchandising revenues
- ❖ Geographic expansion & regional specificities

### *Three leaders represent roughly 30% of the sports TV channels offering*

- ❖ ESPN, Fox Sports and EuroSport lead the market and have created strong brand names

### *A multi-service approach to maximize revenues and amortize the cost of rights*

- ❖ Sports pay-per-view channels
- ❖ Betting and scoring represent the two main revenue drivers of interactive services
- ❖ Sports Websites: live video content and interactivity can drive audience and revenues

### *Drivers for future growth: from large broadcasts in high definition to mobility*

- ❖ Sports TV channels content on mobile phones holds a promising future
- ❖ Sport content is well fit for High Definition Television
- ❖ Technical challenges for new delivery platforms

## *News & Business channels*

### *News channels: a controversial but essential component for pay-TV basic package*

- ❖ News TV channels represent 12% of the thematic TV channels offering
- ❖ 24-hour per day news services represent a must-have for pay-TV providers
- ❖ News items represent highly sensitive content
- ❖ An audience focused on higher demographics
- ❖ Historical general interest channel continue to represent a strong competition to news channels for news delivery

### *A continuously enlarging offer of news & business channels*

- ❖ A dynamic growth over the last ten years, with a 10% CAGR in the TV channels offering between 2000 and 2006
- ❖ A relative slowdown in the introduction of news channels notably due to barriers to entry
- ❖ A few brands dominate the international market of 24/7 news channels on the offer side
- ❖ Regional brands currently emerging with progressive geographic expansion

### *Strategy of historical international leaders*

- ❖ CNN, a pioneer in broadcasting 24/7 news TV channel
- ❖ BBC World: the UK public broadcaster as leading international news public service

### *An established or emerging presence of strong regional leaders*

- ❖ Fox News has taken a leading position in the US market in just a few years
- ❖ Al Jazeera : the international reference Arabic news channel
- ❖ EuroNews has entered into a strong growth strategy
- ❖ Case study: the future French international news channel

*Demand for local news pushes for localization of international channels and the creation of national ones*

- ❖ International brands tend to create regional versions to improve audience and brand recognition
- ❖ The Middle East as a catalyst for news channel creation in recent years
- ❖ Despite the presence of global and regional leaders, national tailored channels also prove successful

*Business models impacted by the public-private competition*

- ❖ A very high cost of content due to the need to maintain competitive information networks
- ❖ Public funding or media conglomerate's backing support non-profitable networks
- ❖ Leading channels generate good financial results

*Diversification: online and mobile services as key growth drivers*

- ❖ Having an Internet strategy appears as a requirement for news channels
- ❖ News channels well tailored for mobile services
- ❖ Although the shift to HD raises significant issues, it will be required in advanced TV markets in the next few years

## *Children & Teens channels*

*The market global trends*

- ❖ Children TV channels represent 9% of the thematic TV channels offering
- ❖ A market with a 13% CAGR in the TV channels offering between 2000 and 2006
- ❖ A market designed to gather the widest audience among kids, teens...and parents!
- ❖ Kids programs represent subscription drivers for pay-TV platforms
- ❖ A content requiring high investments but ensuring good profitability
- ❖ Low production costs drive major studios to outsource their "homemade" contents
- ❖ Focus on the Asian market dynamism

*Towards stronger regulation on kids' targeted programming*

- ❖ Increasing concern in the US of media regulators about TV influence on kid's daily behavior
- ❖ Consequently, broadcasters have been driven to take into account health issues on their schedule

*Children channels diversify to serve a market with high audience rate*

- ❖ A growing market...
- ❖ ...highly competitive and segmented...
- ❖ Preschool programming proliferates among existing and emerging nets
- ❖ Children TV channels are working on diversifying their programming offer

*The market is highly dominated by Nickelodeon, Disney and Cartoon Network*

- ❖ Three firms benefit from a strong and unchallenged leadership
- ❖ The international strategy of market leader has rapidly integrated the need to introduce local content
- ❖ Leading kids channels benefit from unchallenged libraries and in house production capabilities
- ❖ Focus on Jetix Europe
- ❖ However, national channels emerge with highly tailored programs

*A strong business model for children channels*

- ❖ A good average profitability compared to other types of thematic content
- ❖ Associated features and markets as significant components of the business mix
- ❖ New outlets: opportunity or threat for children TVs?

## *Music & Show Biz channels*

*Music TV channels market trends*

- ❖ Music TV channels represent 9% of the thematic TV channels offering
- ❖ A very dynamic market, with a 16% CAGR in the TV channels offering between 2000 and 2006
- ❖ MTV Networks is by far the most distributed music TV brand

*Music channels market's shape has experienced various mutations since MTV was launched in 1985*

- ❖ An increasing segmentation of channels by music type to follow consumer behavior
- ❖ Segmentation by ethnic groups increasingly combines with the segmentation by genre
- ❖ A diversification strategy overall led by leading music TV companies

### **Music channels business model**

- ❖ Programming costs, which used to be low, have experienced a steady growth ultimately
- ❖ A large mix of subscription fees and advertising in global revenues

### **Viacom remains the leader in a competitive landscape**

- ❖ Music channels' market is highly dominated by Viacom worldwide
- ❖ Financial analysis
- ❖ Music channel segment is becoming more and more competitive

### **Associated features and markets**

- ❖ Music digital sales appear as about to become a growth vehicle in the industry
- ❖ Online & mobile services as strategic relays of growth for music TV broadcasters: focus on Viacom's digital strategy
- ❖ On-demand services include both live and recorded music content
- ❖ High definition still at its very beginning for music TV channels

## **Full-page graphs provided for each type of thematic channels**

- ❖ Dynamics of creation of thematic channels by pay-TV platforms
- ❖ Growth in the number of movies & series channels broadcast by satellite TV platforms (2000-2006, breakdown by region)
- ❖ Growth in the number of movies & series TV brands by region (2000-2006)
- ❖ Forecasts of the thematic TV offering & segmentation strategy (up-brands, brands & channels, 2000-2016)
- ❖ Diversification profile by sub-topic & sample of channels by category
- ❖ Primary business model
- ❖ Breakdown of the offering by region & market share of leading brands

## **Case studies of thematic channels**

- ❖ Performance of the Moviola short films channel
- ❖ Performance of the MoviePix channel in Canada
- ❖ Performance of the MovieMax channel in Canada
- ❖ Performance of the Movie Central channel in Canada
- ❖ Performance of the Hallmark channel (US)
- ❖ Performance of the Hallmark channel (International)
- ❖ Performance of the Starz Entertainment Group
- ❖ The music industry at a glance
- ❖ MTV networks subscribers growth worldwide
- ❖ MTV networks localization process
- ❖ Jetix Europe revenue & EBITDA margins, breakdown by business line
- ❖ Jetix Europe revenue by country
- ❖ Jetix Europe subscription growth & ARPU by country
- ❖ Disney's cable networks revenues & operating income
- ❖ Discovery communications revenues & profits
- ❖ Discovery communications breakdown of revenues (US vs. international networks)
- ❖ EW Scripps revenue growth
- ❖ EW Scripps development strategy, thematic TV vs. other business lines
- ❖ EW Scripps TV channels revenue growth, breakdown by channel
- ❖ Commercial & financial performance of Home & Garden television
- ❖ Commercial & financial performance of the Food Network
- ❖ Performance of the Canadian Documentary channel
- ❖ Performance of the Do-it-yourself and Fine Living channels
- ❖ Breakdown by language of news TV channels offered
- ❖ Euronews performance and development strategy
- ❖ CNN development model
- ❖ Growth in Al Jazeera distribution worldwide
- ❖ The increase in sports TV rights – the case of the Olympics
- ❖ Eurosport revenues & operating margin
- ❖ Eurosport main channel subscribers & audience
- ❖ Performance of ESPN & development strategy

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Euroconsult is an employee-owned company with over 550 clients in 49 countries. Since its creation in 1983, the company has become a worldwide reference for expertise and independent advice on digital broadcasting and satellite applications for innovative and high-technology companies.



For more than 10 years, Euroconsult has dedicated a full research and analysis program on the growing market of digital broadcasting to serve companies in a fast developing and challenging market ; thus gaining valuable knowledge of the digital broadcasting sector worldwide. This expertise is made available to the different market players through multi-client research reports, tailored strategic advice, world summits and customized training seminars.

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#### ***Satellite TV Platforms 2006, World Survey and Prospects to 2015***

This 200-page report provides a unique in-depth analysis and benchmark of satellite TV platforms worldwide. The business models of the 60 satellite TV platforms in service worldwide are analyzed to underline the commercial strategies and financial performance of the most advanced digital pay-TV industry. It contains 100 full-page color graphs, short and long-term forecasts for subscriptions, revenue and programming.



#### ***HDTV in Europe, Key Economics and Prospects to 2015***

This 210-page report is an in-depth analysis of market drivers and forecasts for HDTV broadcasting in Europe. It includes short- and long-term forecasts for households equipped with HD sets, for subscriptions to HD satellite, cable and DSL pay-TV services and for HD content, with a number of channels broadcast by type of networks, including DTT. Strategic issues and business models for companies at the different levels of the value chain, with a focus on TV channels and pay-TV providers, are analysed to support investment decisions in the emerging HD sector.

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