3. Television and audio-visual

3. Key Market Developments

Figure 3.1

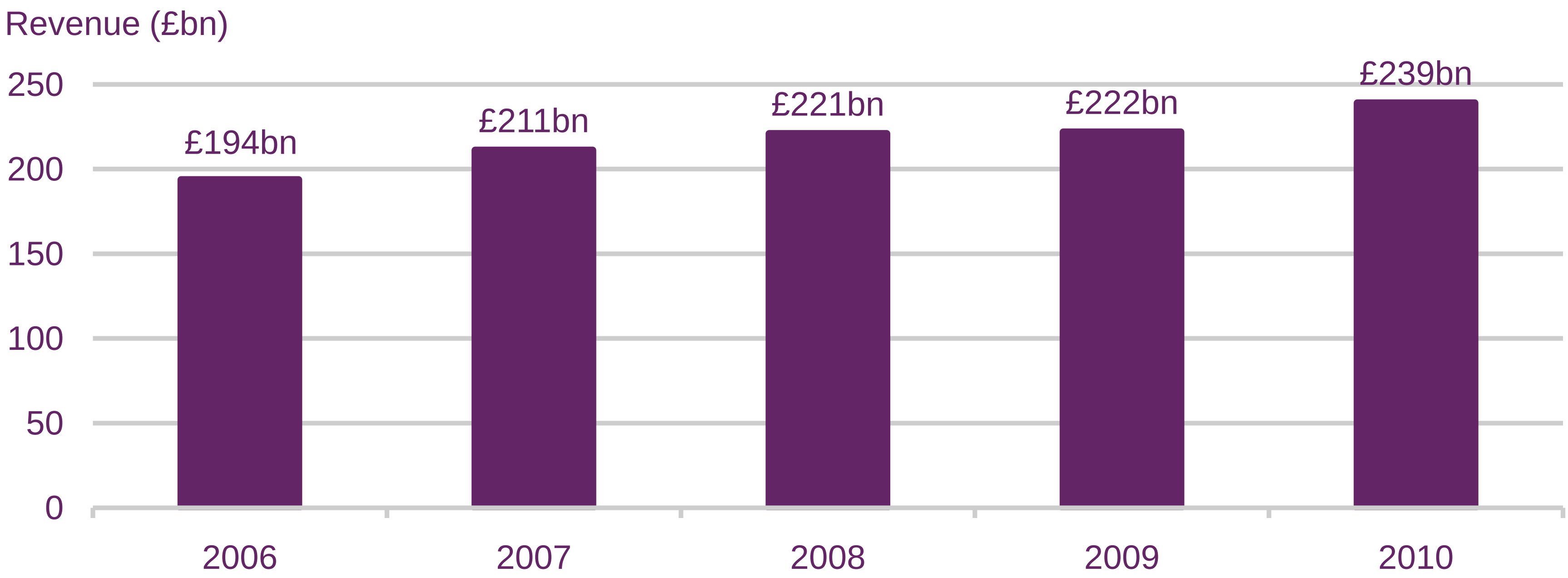
TV industry metrics 2010

		UK	FRA	GER	ITA	USA	CAN	JPN	AUS	ESP	NED	SWE	IRL	POL	BRA	RUS	IND	CHN
TV revenue (£bn)		11.3	10.4	11.0	8.1	94.0	4.0	28.6	4.7	5.0	2.4	1.5	0.9	2.2	10.6	3.5	6.7	9.9
Revs change (%, YOY)		8.5	8.8	2.0	6.6	6.3	0.9	6.2	9.9	11.0	0.4	5.8	4.0	10.7	17.6	16.6	17.7	13.6
Revenue per cap (£)		181	160	135	133	304	119	226	218	106	139	170	189	57	53	25	6	7
from advertising		59	46	41	65	116	63	105	109	40	39	51	52	21	32	20	1	4
from subscription		78	82	46	44	187	42	81	78	25	63	84	99	36	19	5	4	3
From public funds		44	31	48	24	1	15	39	31	41	37	35	38	1	1	0	0	0
TV licence fee[1]		146	103	185	93	n/a	n/a	175	n/a	n/a	n/a	185	137	40	n/a	n/a	n/a	n/a
Largest TV platform	*Platform*	DSat	DTT	DSat	DTT	DCab	DCab	ACab	DTT	DTT	DCab	ACab	DSat	DSat	DSat	ATT	ACab	ATT
	% of homes	42%	38%	34%	41%	39%	44%	25%	43%	69%	42%	37%	52%	43%	39%	36%	59%	33%
TV viewing (mins/day)[2]		242	212	223	246	283	230	n/a	188	234	191	166	196	245	222	226	119	158
No.1 channel share (%)		21	25	14	21	7	13	n/a	18	16	22	23	23	19	42	17	9	7
DTV take-up (%)		97	93	62	78	87	78	66	75	98	68	63	83	56	59	34	29	33
Pay TV take-up (%)		52	57	63	26	88	91	60	31	28	98	93	77	76	18	55	82	52
DSO date		2012	2011	2008	2012	2009	2011	2011	2013	2010	2006	2007	2012	2013	2016	2015	2013	2015

Source: IDATE / industry data / Ofcom / Mediametrie, Eurodata TV Worldwide. Figures have been converted to GBP using IMF 2010 average exchange rates. [1]The Japanese licence fee costs £102 in terrestrial households or £175 to receive a larger number of channels via satellite.[2]Refers to average TV viewing per head, per day.

Figure 3.2

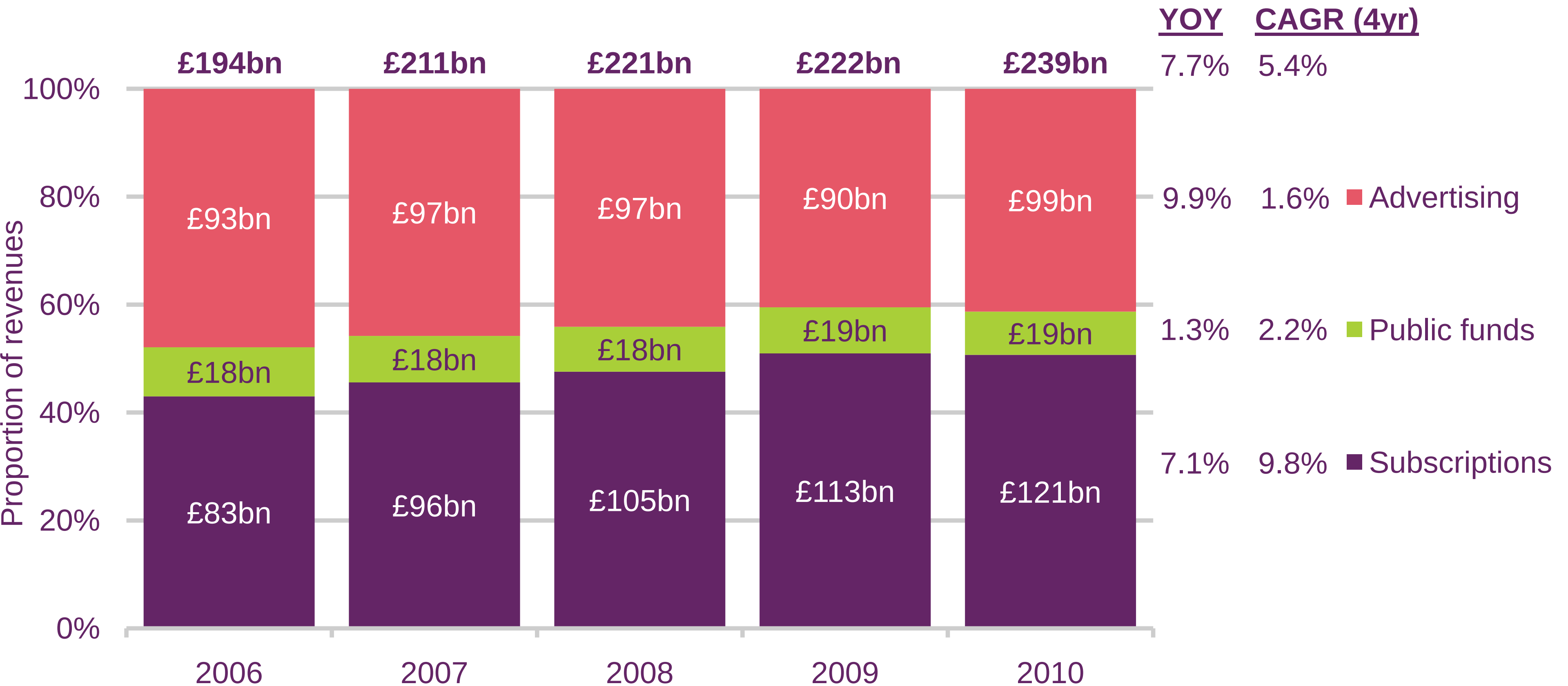
Global TV revenues



Source: Ofcom analysis based on data taken from PricewaterhouseCoopers Global Entertainment and Media Outlook 2011-2015 @ www.pwc.com/outlook. IDATE / industry data / Ofcom for US and UK revenues. Notes: Net TV advertising revenues for Russia have been calculated by discounting 15% of TV advertising spending to remove agency fees and production costs. Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used an exchange rate of $1.546 to the GBP, representing the IMF average for 2010.

Figure 3.3

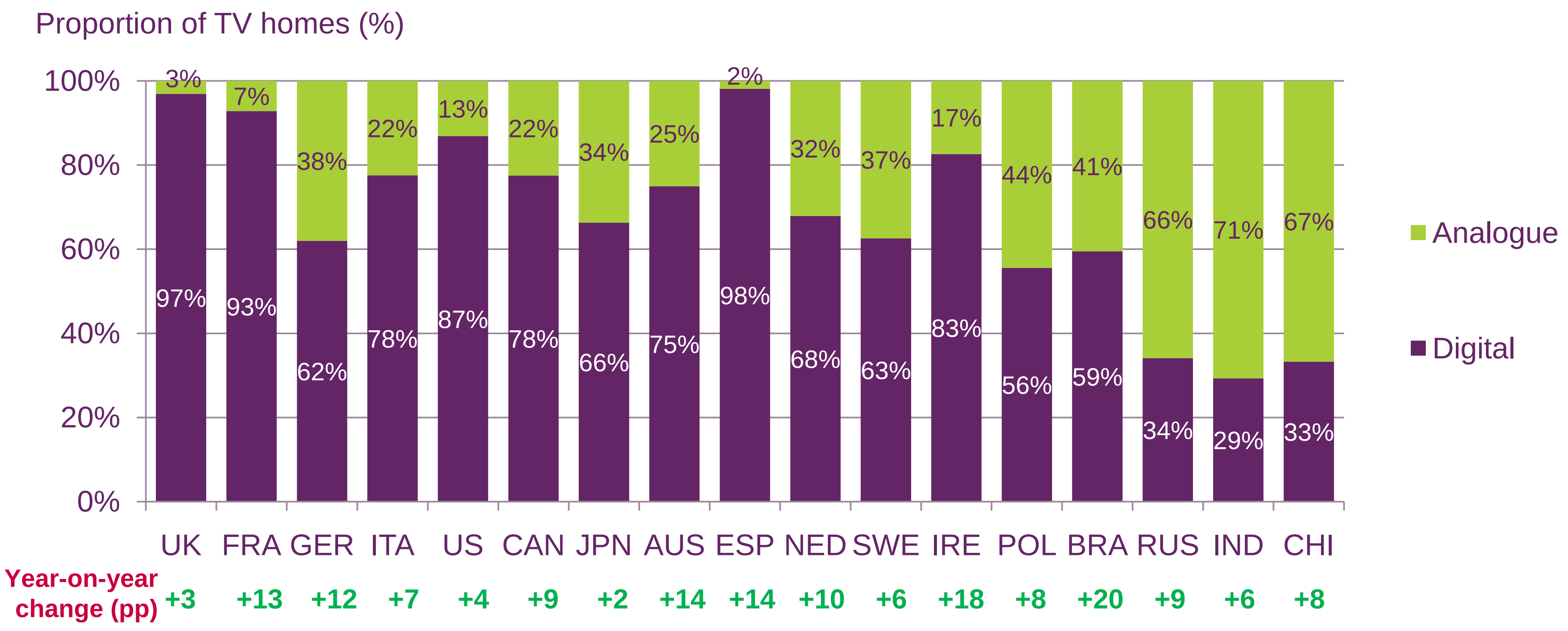
TV industry revenues, by source



Source: Ofcom analysis based on data taken from PricewaterhouseCoopers Global Entertainment and Media Outlook 2011-2015 @ www.pwc.com/outlook. IDATE / industry data / Ofcom for US and UK revenues. Notes: Net TV advertising revenues for Russia have been calculated by discounting 15% of TV advertising spending to remove agency fees and production costs. Interpretation and manipulation of data are solely Ofcom's responsibility. Ofcom has used an exchange rate of $1.546 to the GBP, representing the IMF average for 2010.

Figure 3.4

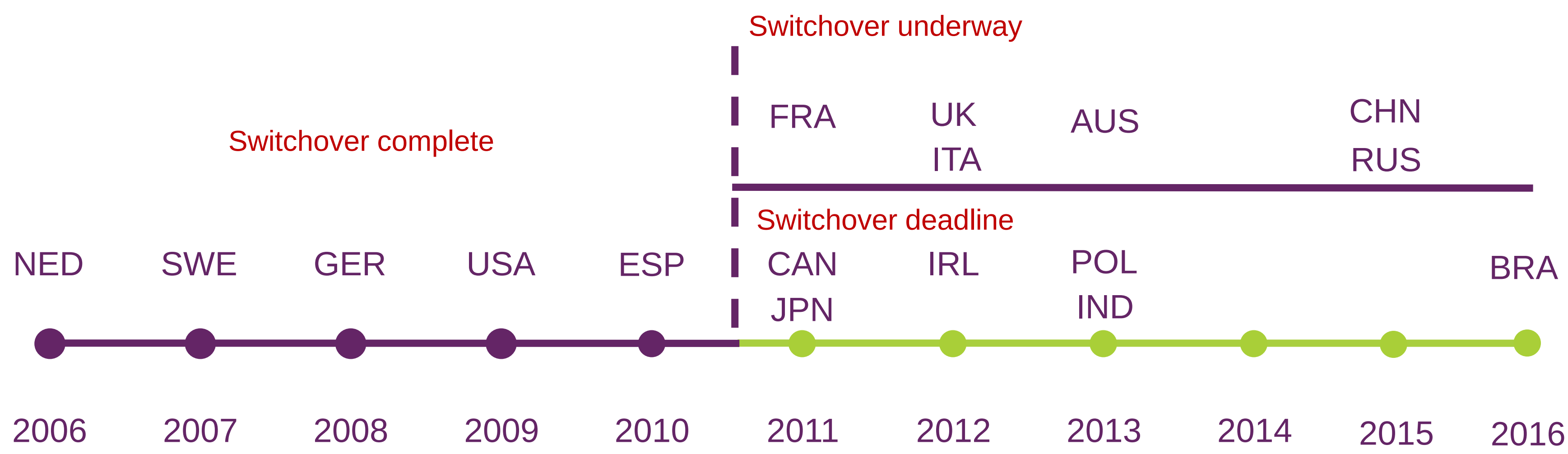
Take-up of digital and analogue television, 2010



Source: IDATE / industry data / Ofcom

Figure 3.5

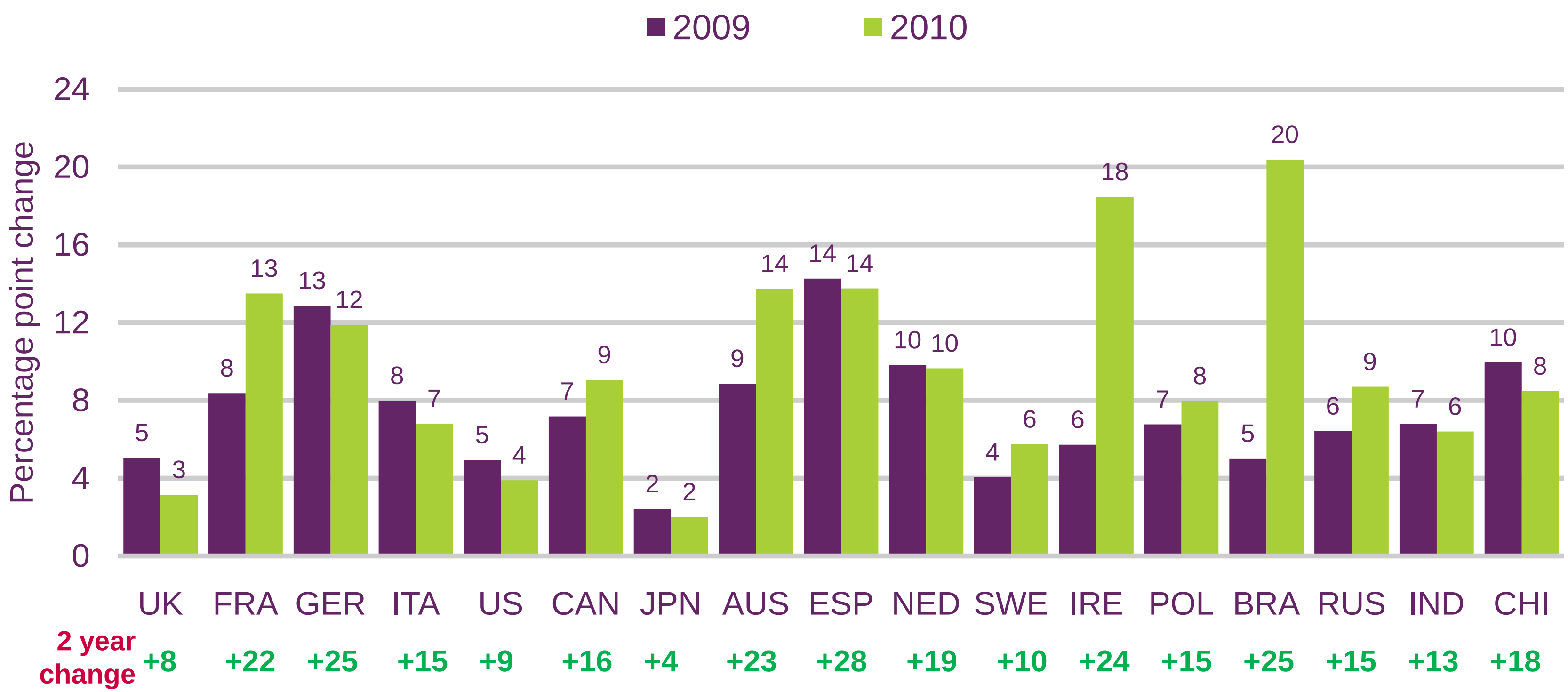
Timeline for digital switchover, by country and date



Source: IDATE / industry data / Ofcom

Figure 3.6

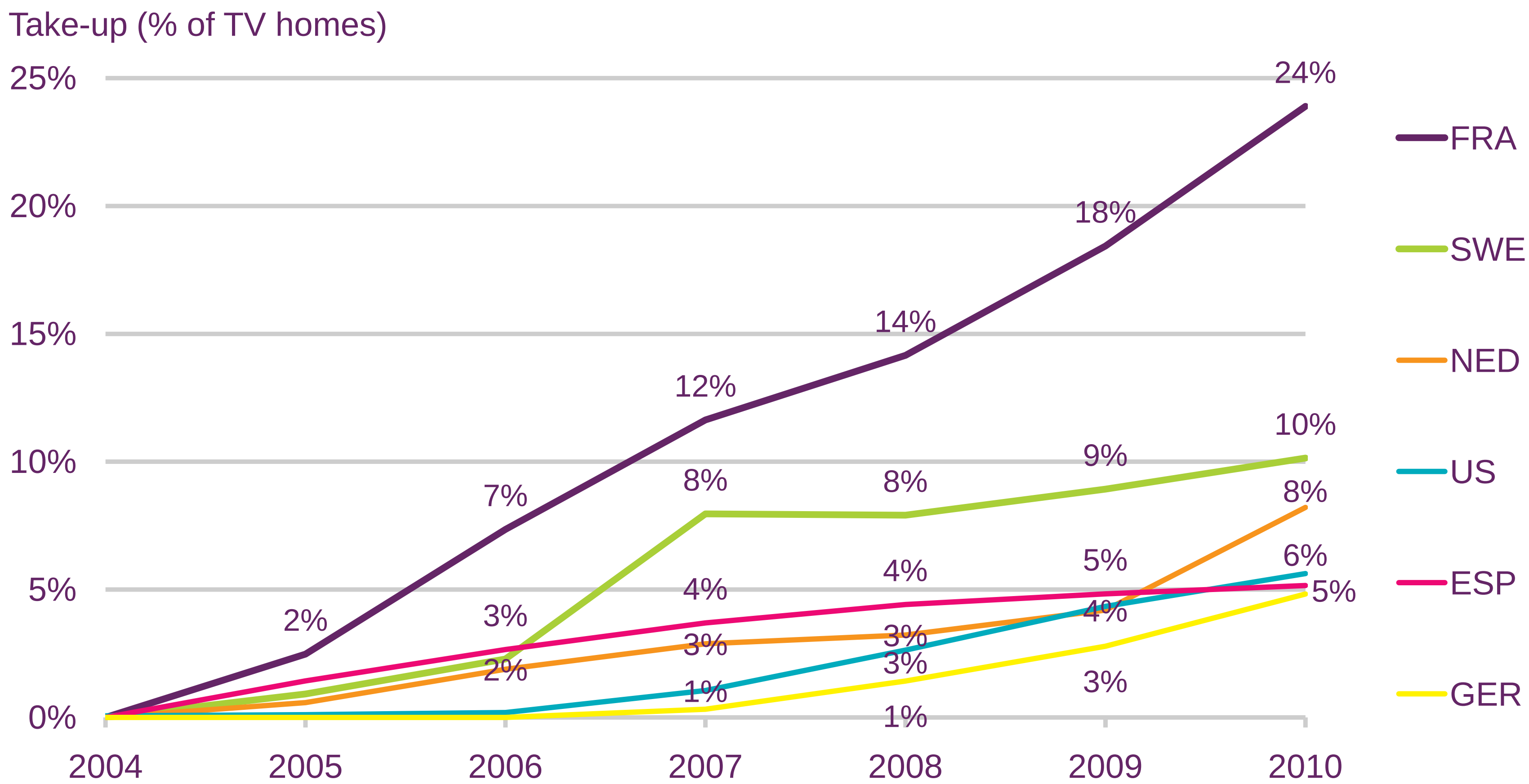
Percentage point change in the take-up of DTV, 2009 and 2010



Source: IDATE / industry data / Ofcom

Figure 3.7

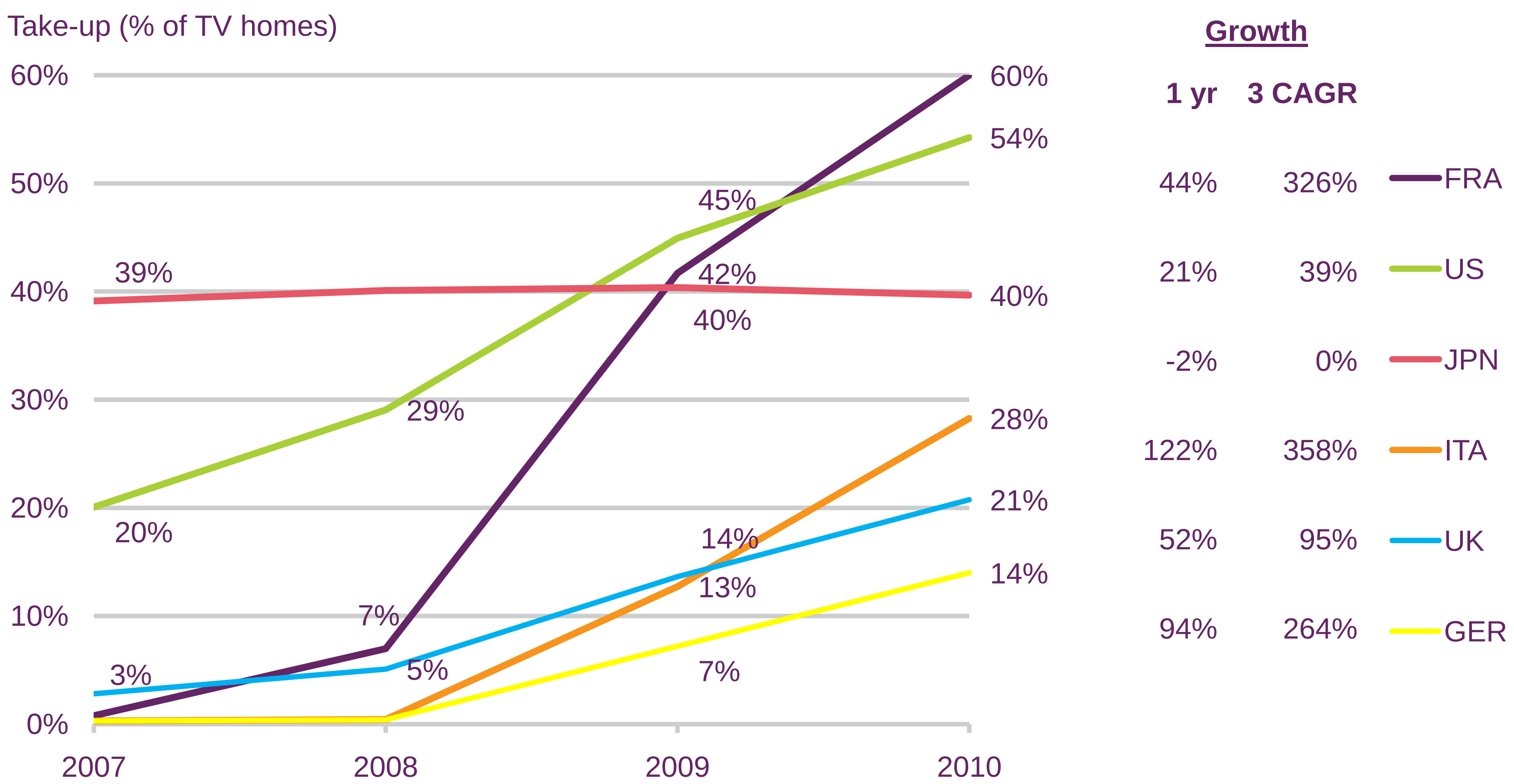
IPTV take-up on main TV sets in countries where take-up exceeded 4% in 2010



Source: IDATE / industry data / Ofcom. Notes: Only countries where IPTV take-up exceeded 4% of television homes in 2010 are shown in the chart.

Figure 3.8

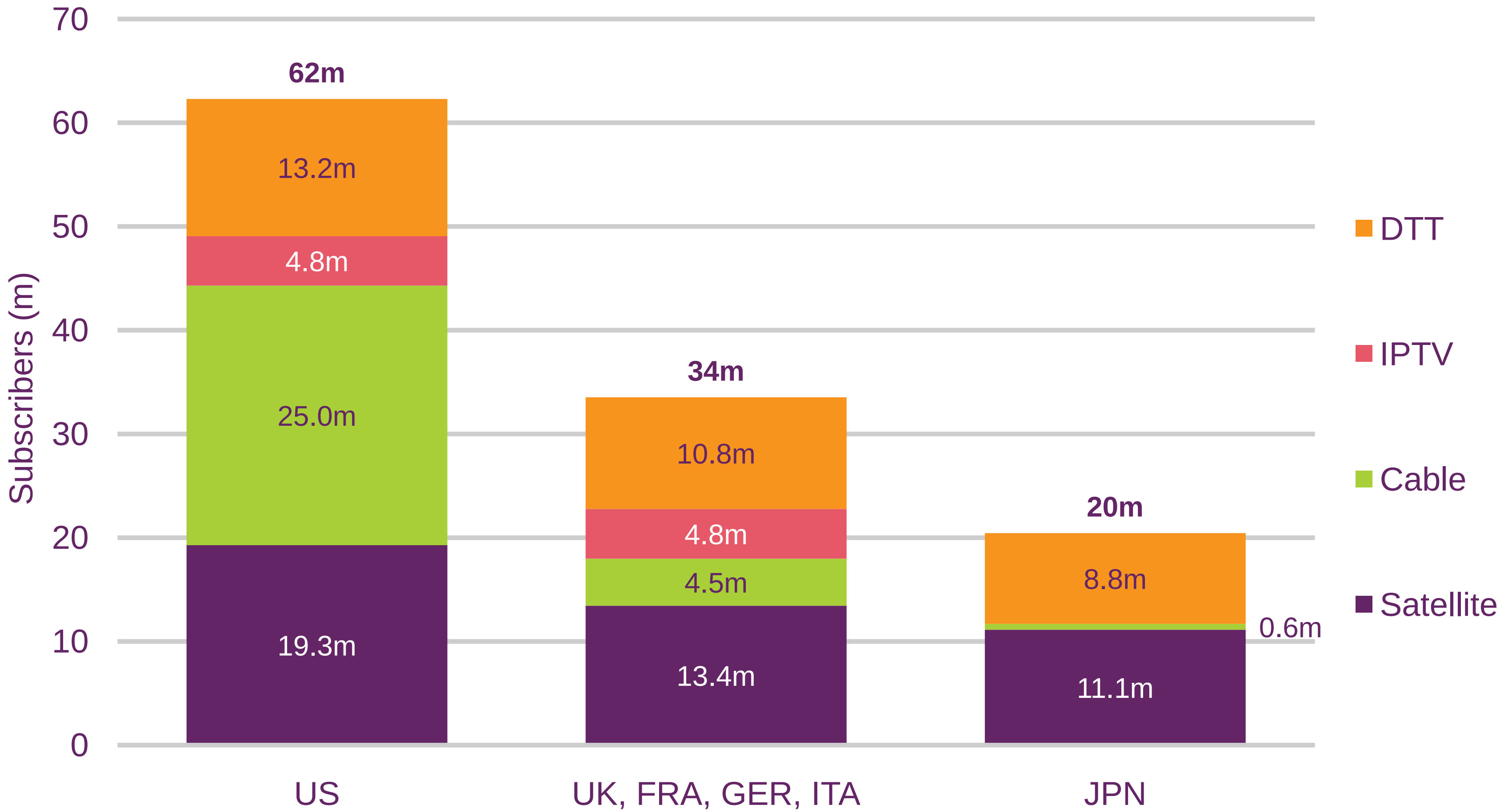
Growth in the number of HD television homes



Source: IDATE / industry data / Ofcom.

Figure 3.9

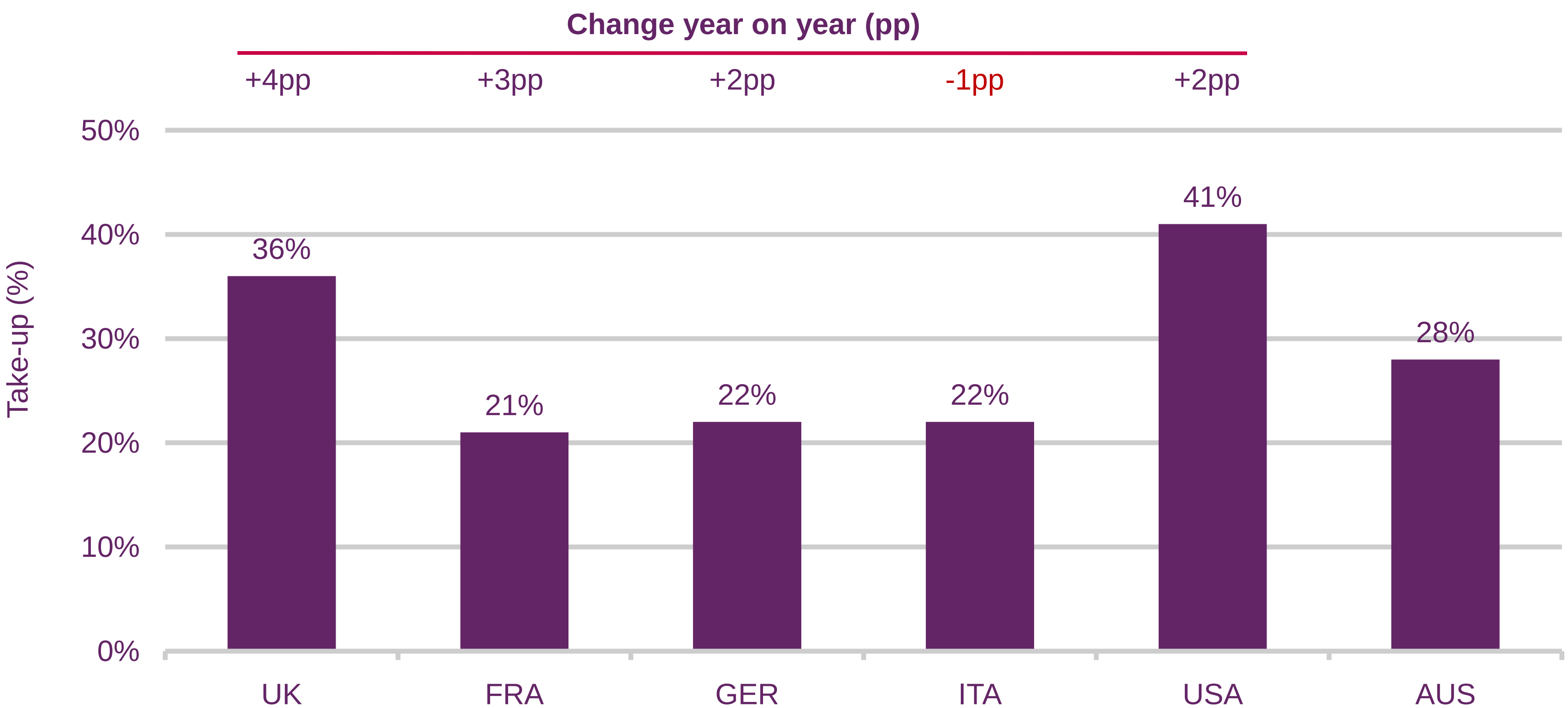
Number of HD homes, by platform and country, end 2010



Source: IDATE / industry data / Ofcom. Notes: Paying and FTA HD homes; no data available for IPTV take-up in Japan.

Figure 3.10

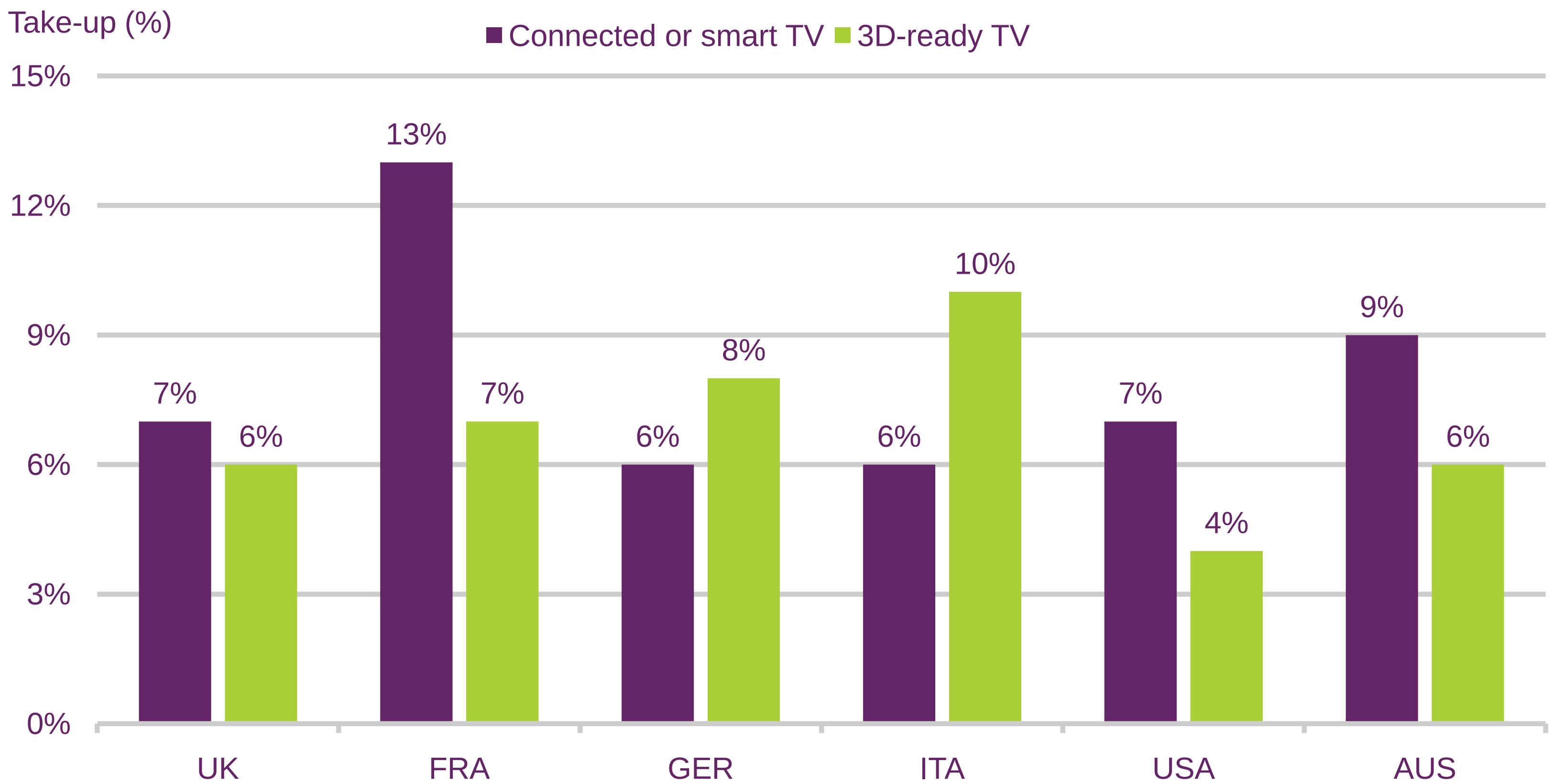
Claimed DVR take-up and year-on-year changes in take-up



Source: Ofcom Consumer Research October 2011
Base: Total sample size: UK=1015, France=1014, Germany=1014, Italy=1045, US=1002, Japan=1015, Australia=1012. Q: Which of the following devices do you own and personally use?

Figure 3.11

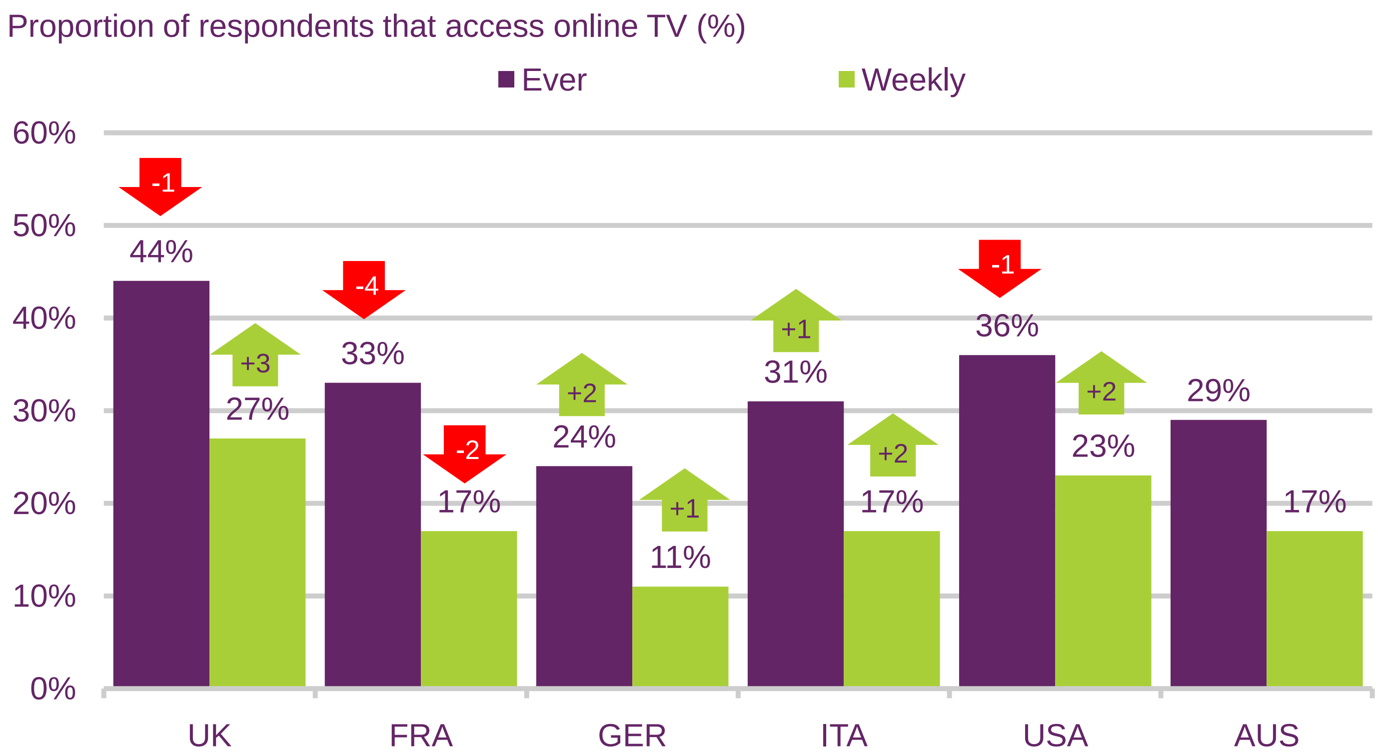
Claimed take-up of connected televisions and 3D-ready TVs



Source: Ofcom Consumer Research October 2011. Base: Total sample size: UK=1015, France=1014, Germany=1014, Italy=1045, US=1002, Japan=1015, Australia=1012. Q: Which of the following devices do you own and personally use?

Figure 3.12

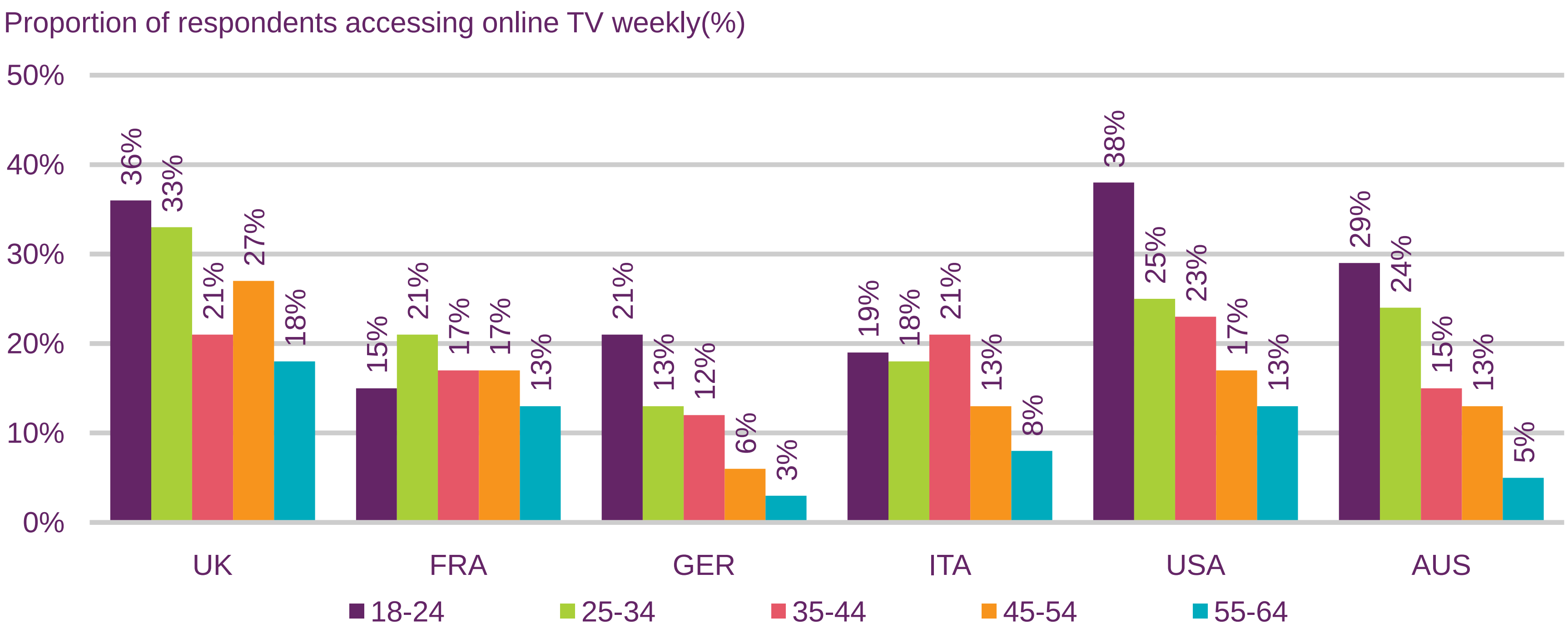
Accessing TV content over the internet



Source: Ofcom Consumer Research October 2011
Base: Total sample size: UK=1015, France=1014, Germany=1014, Italy=1045, US=1002, Australia=1012
Q. Which of the following activities do you use your home internet connection for?
Note: Australia not included in 2010 research

Figure 3.13

Accessing TV content over the internet, by age



Source: Ofcom Consumer Research October 2011.
Base: UK=1015, France=1014, Germany=1014, Italy=1045, US=1002, Australia=1012
Q: Which, if any, of the following activities do you use your home internet connection for?

3. TV and Audio Visual Industries

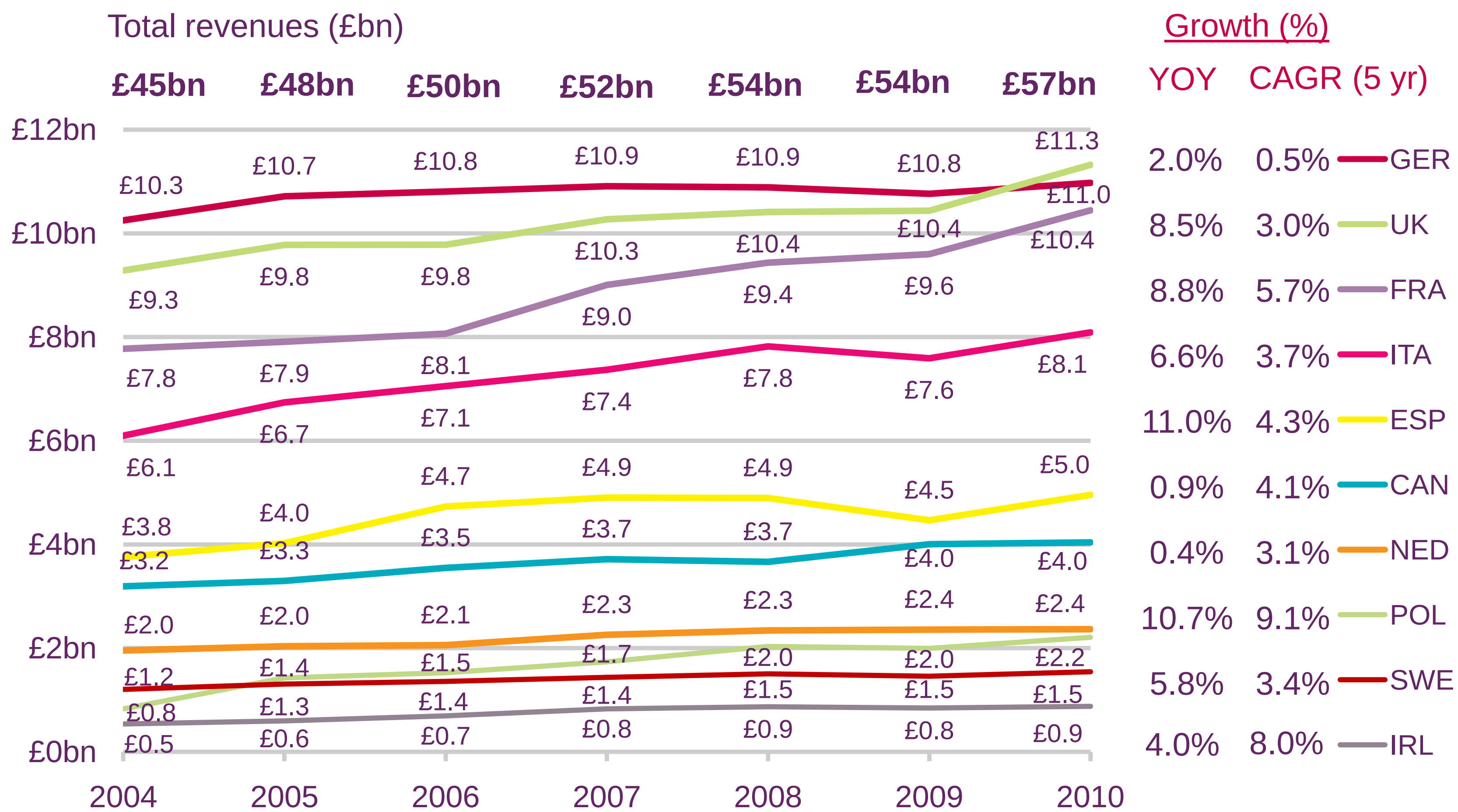
Figure 3.14

TV industry revenues among comparator countries

Source: IDATE / industry data / Ofcom. Notes: Ofcom has used an exchange rate of $1.546 to the GBP, representing the IMF average for 2010. Revenues include advertising, subscriptions and sources of public funding only. Europe includes the European countries in this analysis – UK, France, Germany, Italy, Spain, Netherlands, Sweden, Republic of Ireland and Poland. BRIC is Brazil, Russia, India and China.

Figure 3.15

TV industry revenue among European countries and Canada



Source: IDATE / industry data / Ofcom. Notes: Ofcom has used an exchange rate of $1.546 to the GBP, representing the IMF average for 2010. Revenues include advertising, subscriptions and sources of public funding only. Europe includes the European countries in this analysis – UK, France, Germany, Italy, Spain, Netherlands, Sweden, Republic of Ireland and Poland.

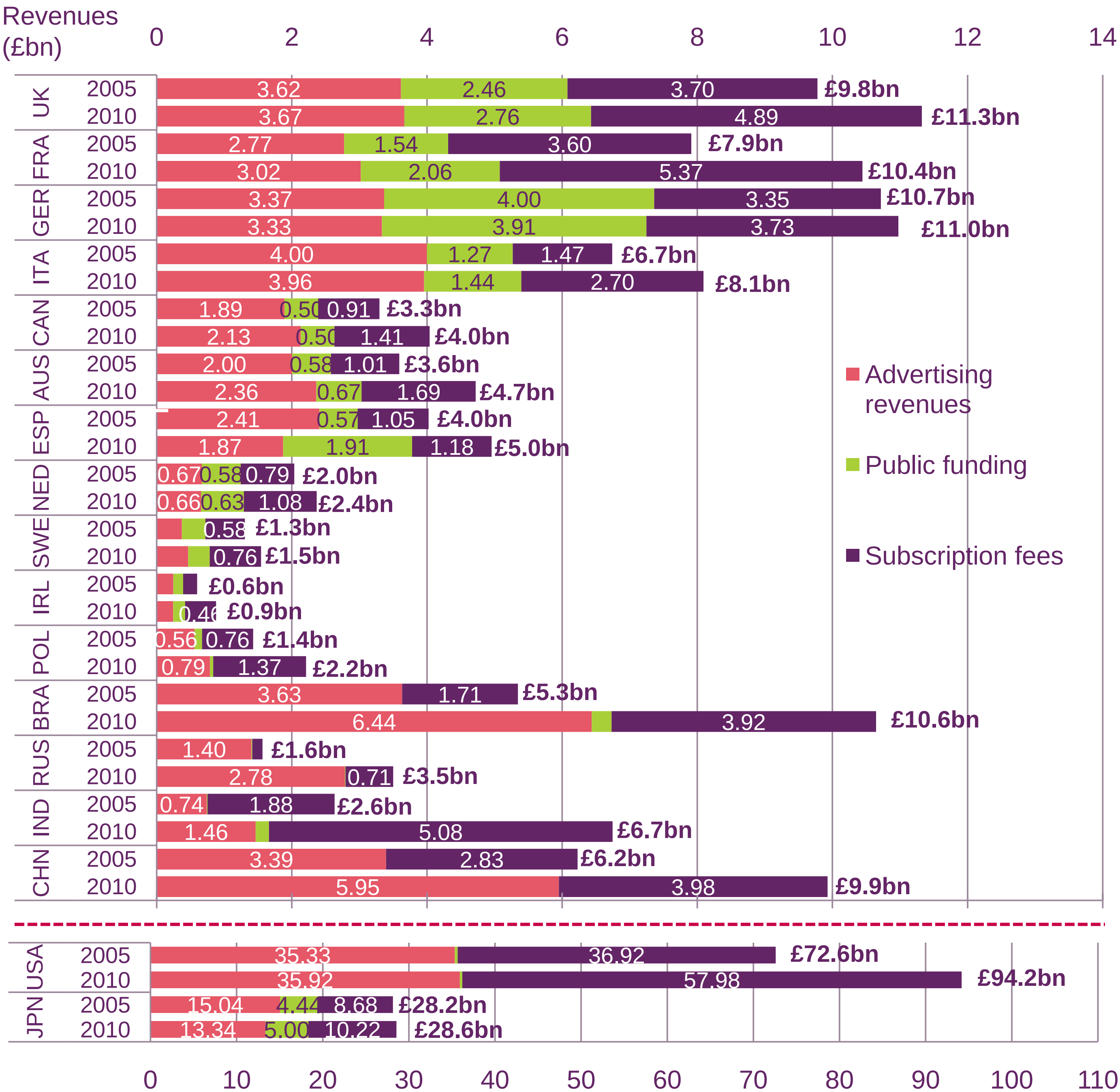
Figure 3.16

Total TV industry revenues among BRIC countries

Source: IDATE / industry data / Ofcom. Notes: Ofcom has used an exchange rate of $1.546 to the GBP, representing the IMF average for 2010. Revenues include advertising, subscriptions and sources of public funding only. BRIC is Brazil, Russia, India and China.

Figure 3.17

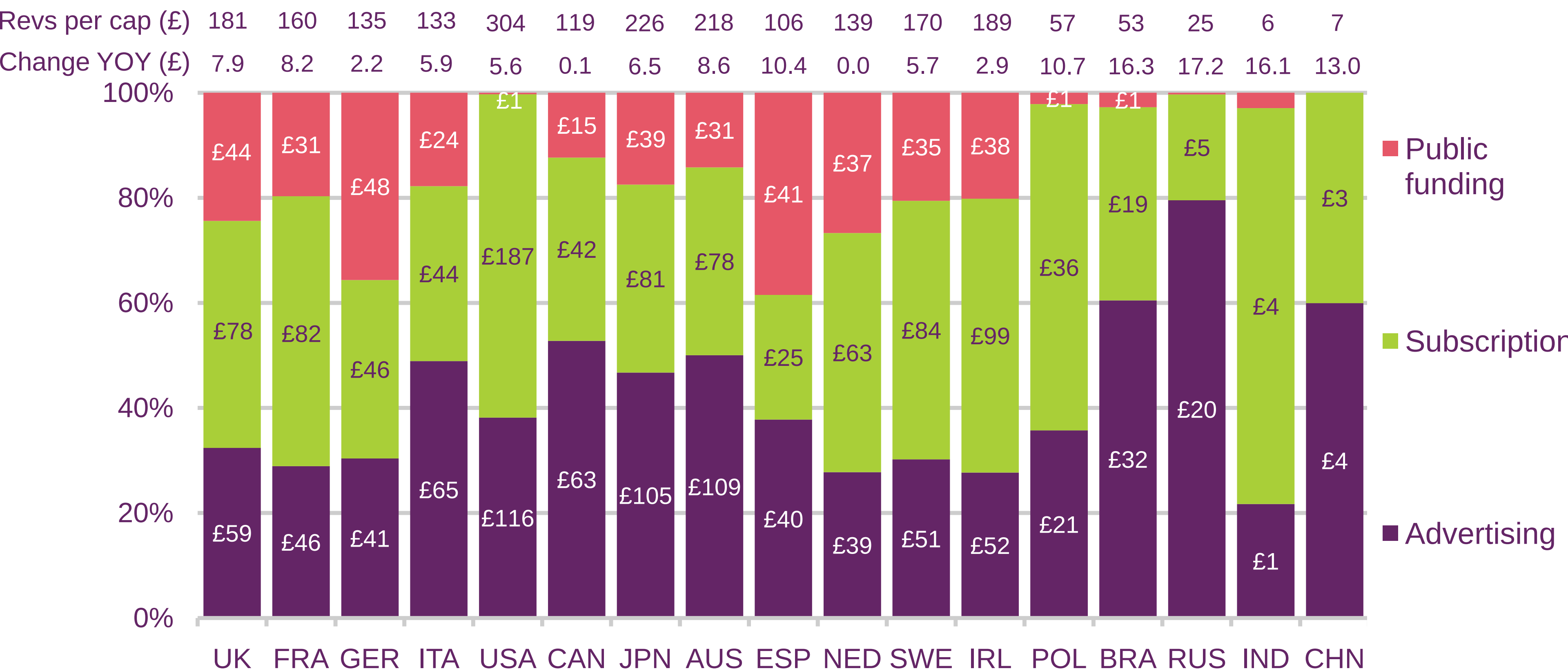
TV revenues among comparator countries by source, 2005 and 2010



Source: IDATE / industry data / Ofcom. Notes: Ofcom has used an exchange rate of $1.546 to the GBP, representing the IMF average for 2010. Revenues include advertising, subscriptions and sources of public funding only. Different scale used for USA and Japan due to larger size.

Figure 3.18

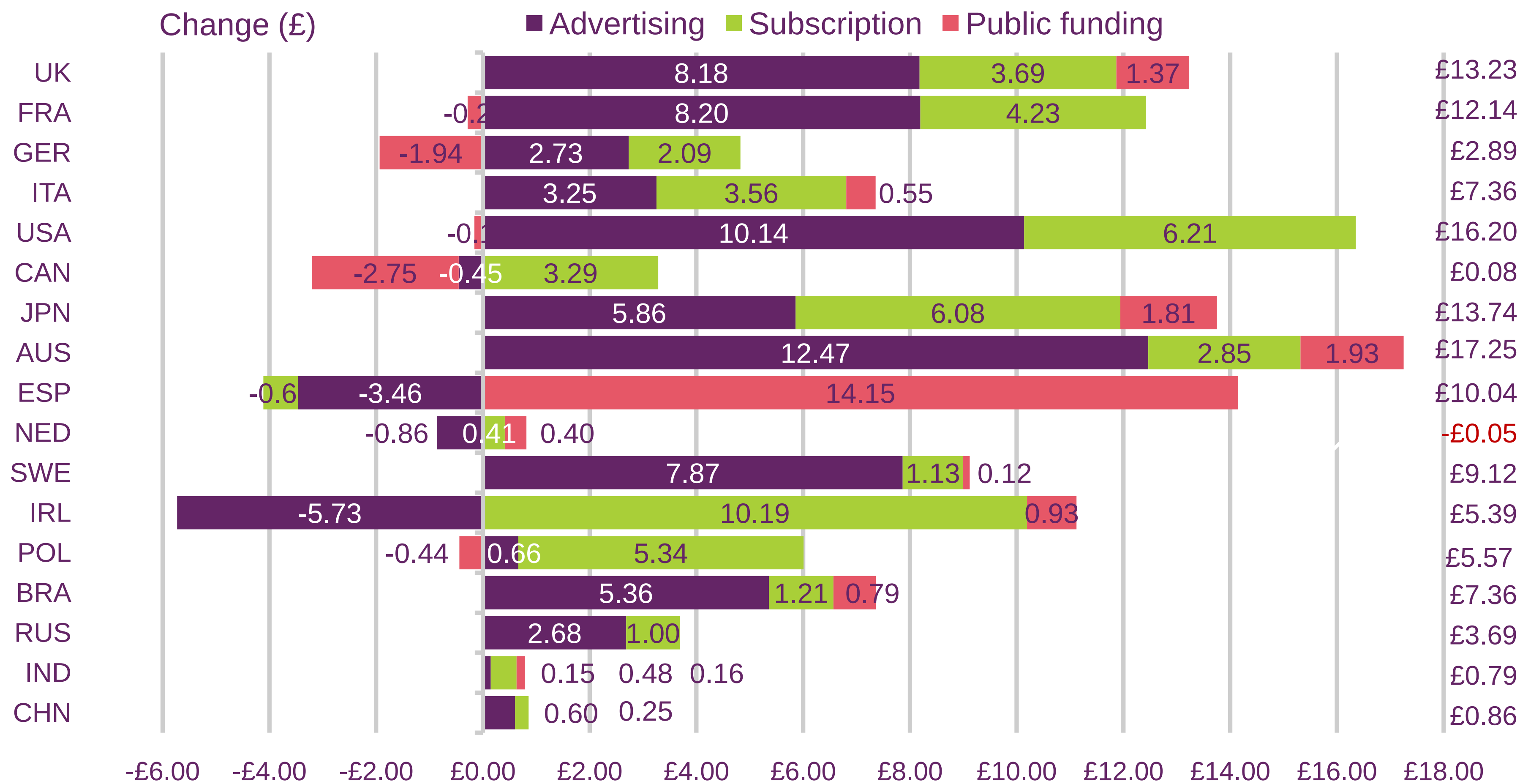
TV revenue per head, by source, 2010



Source: IDATE / industry data / Ofcom. Notes: Ofcom has used an exchange rate of $1.546 to the GBP, representing the IMF average for 2010. Revenues include advertising, subscriptions and sources of public funding only; figures inside the bars represent industry revenue per head by source.

Figure 3.19

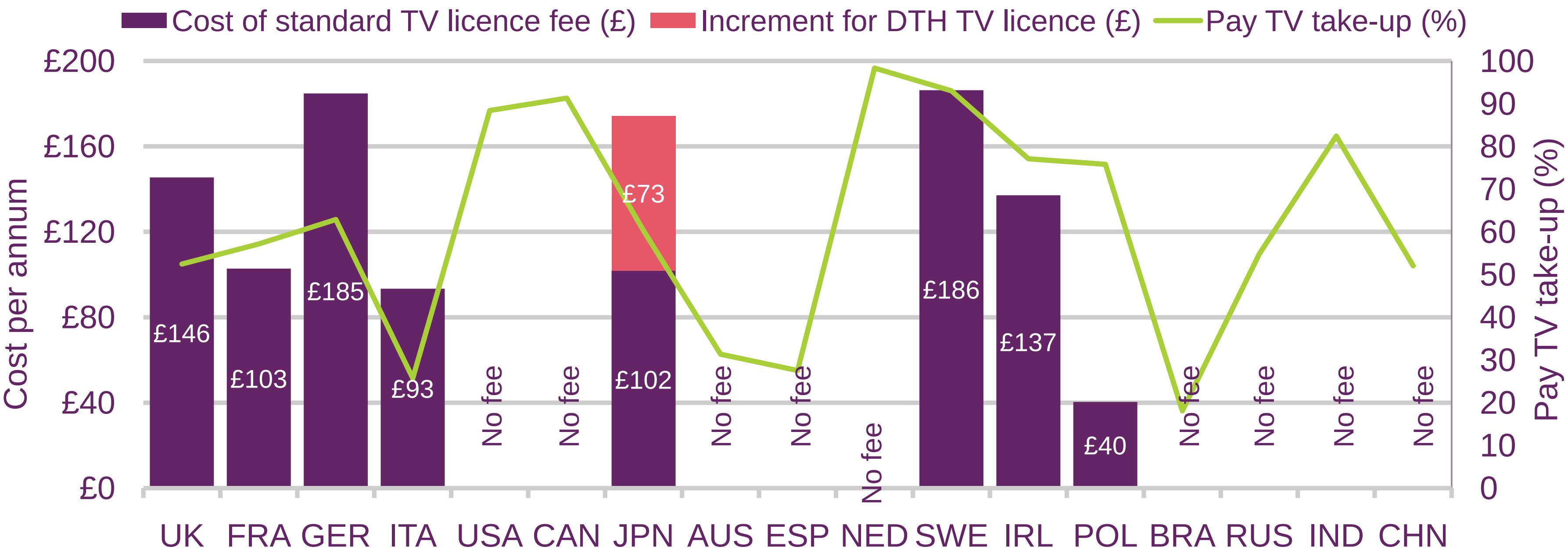
Changes in components of TV revenues per head: 2009 to 2010



Source: IDATE / industry data / Ofcom. Notes: Ofcom has used an exchange rate of $1.546 to the GBP, representing the IMF average for 2010. Revenues include advertising, subscriptions and sources of public funding only; the bars represent changes in industry revenue per head, by source.

Figure 3.20

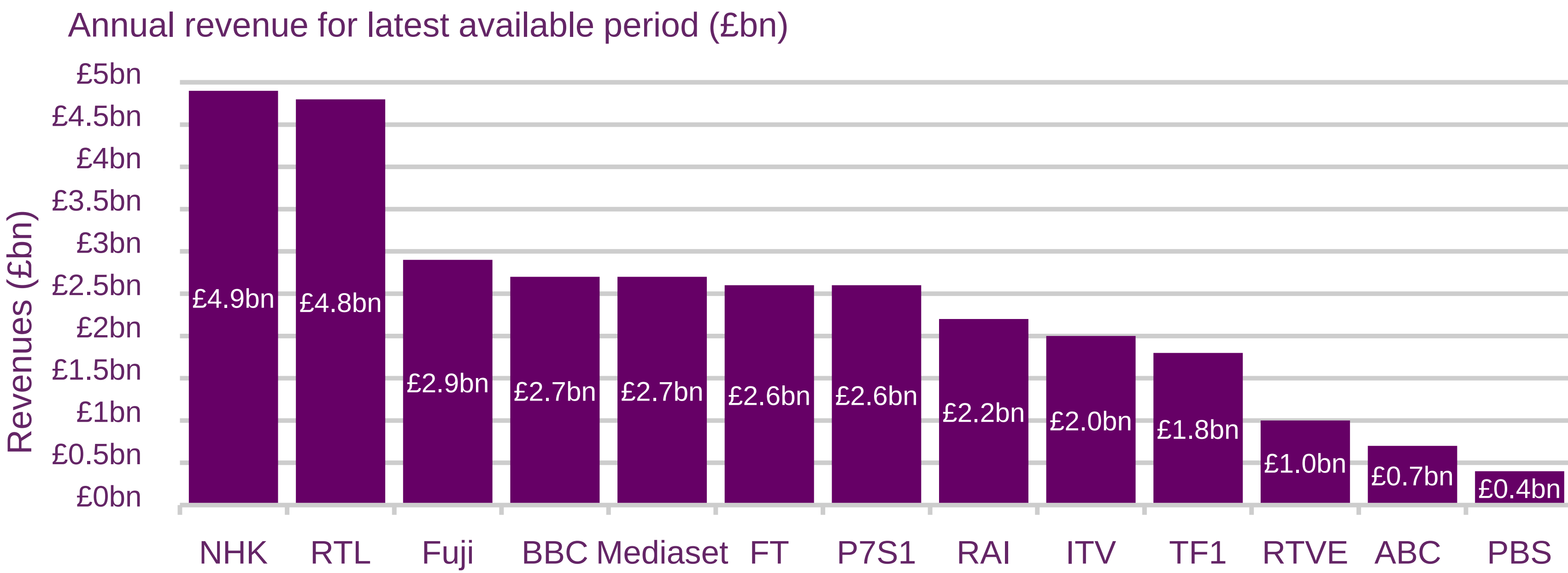
Cost of a TV licence fee



Source: IDATE / industry data / Ofcom. Notes: Ofcom has used an exchange rate of $1.546 to the GBP, representing the IMF average for 2010; Prices as of end 2010. Note: The Japanese licence fee costs £102 in terrestrial households or £175 (rounded) to receive a larger number of channels via satellite

Figure 3.21

Latest reported revenues from selected free-to-view TV operators, 2010

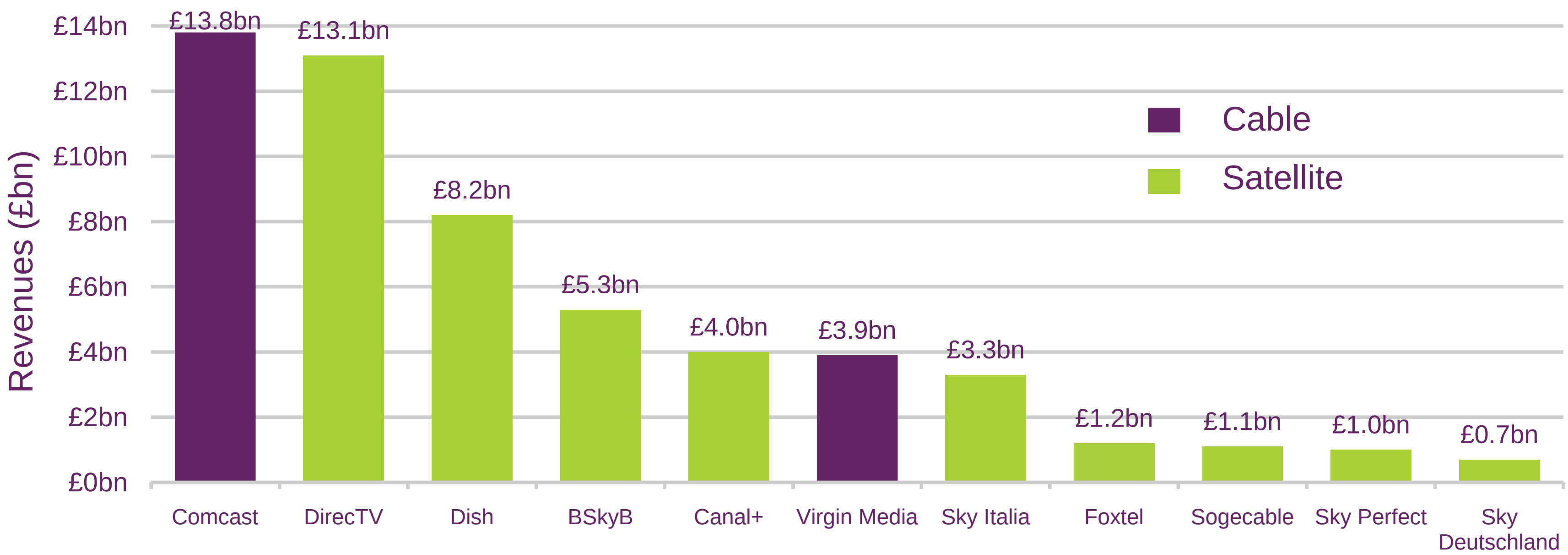


	NHK	RTL	Fuji	BBC	Mediaset	FT	P7S1	RAI	ITV	TF1	RTVE	ABC	PBS
Territory	JPN	EUR	JPN	UK	ITA	FRA	GER	ITA	UK	FRA	ESP	AUS	USA
YoY change	3.2%	8.4%	-6.4%	1.5%	8.6%	7.4%	8.7%	3.0%	8.4%	11.4%	-0.2%	1.4%	13.7%

Source: IDATE / industry data / Ofcom. Notes: Ofcom has used an exchange rate of $1.546 to the GBP, representing the IMF average for 2010; Comparisons should be regarded as indicative only due to the possibility of differences in financial reporting between broadcasters. From 2009, RTL figure includes its key European markets; Mediaset includes Italian business and from 2005 FTA and pay TV (year ending Dec 31) BBC represents its income allocated to TV; RAI figures include licence fee (split between radio and TV unknown), TV advertising and sponsorship; ProSieben, group revenues (years ended Dec 31); France Televisions is licence fee and advertising; TF1 includes French channels (years ended Dec 31); PBS and the ABC are total revenue to year ending June 30; Fuji TV is broadcasting and production, year ending March 31; RTVE is advertising and public funding (as of year ending Dec 31) .

Figure 3.22

Latest reported revenues from selected pay-TV operators, 2010

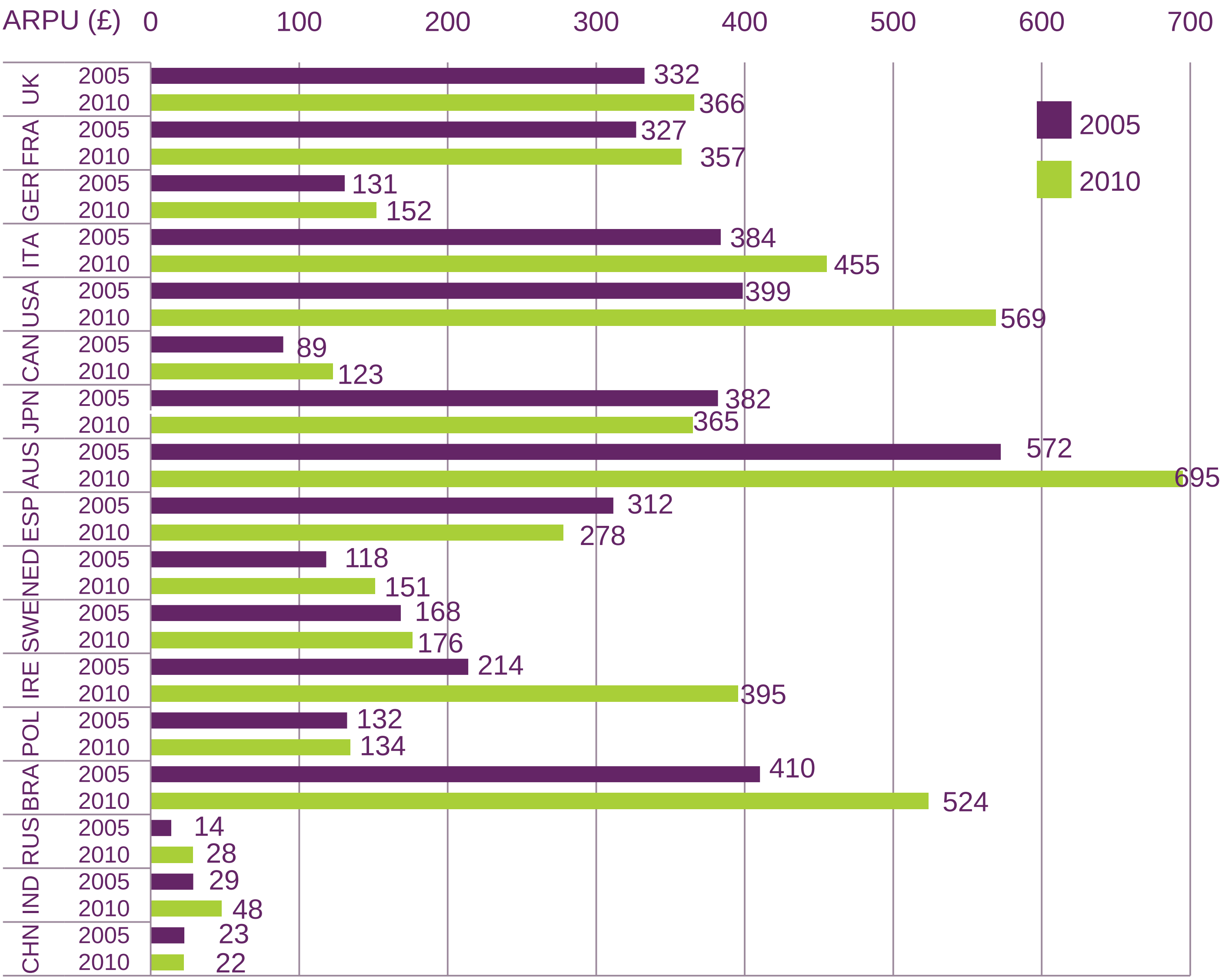


Territory	USA	USA	USA	UK	FRA	UK	ITA	AUS	ESP	JPN	GER
YoY change	2.5%	8.5%	8.5%	13.2%	3.5%	1.9%	1.2%	10.3%	-15.3%	0.6%	-1.0%

Source: IDATE / industry data / Ofcom. Notes: Ofcom has used an exchange rate of $1.546 to the GBP, representing the IMF average for 2010; where possible we have reported revenues related to the TV services only (including advertising). Comcast includes video and advertising revenues; Time Warner Cable includes video and advertising revenues; BSkyB include retail, wholesale and advertising revenues; KDG includes cable access and TV/radio revenues; Virgin Media includes consumer and content revenues; Sky Italia revenue based on IDATE's estimate from News Corporation's annual report; Canal+ represents Canal Plus Group pay-TV revenues; Sogecable's platform is Digital Plus.

Figure 3.23

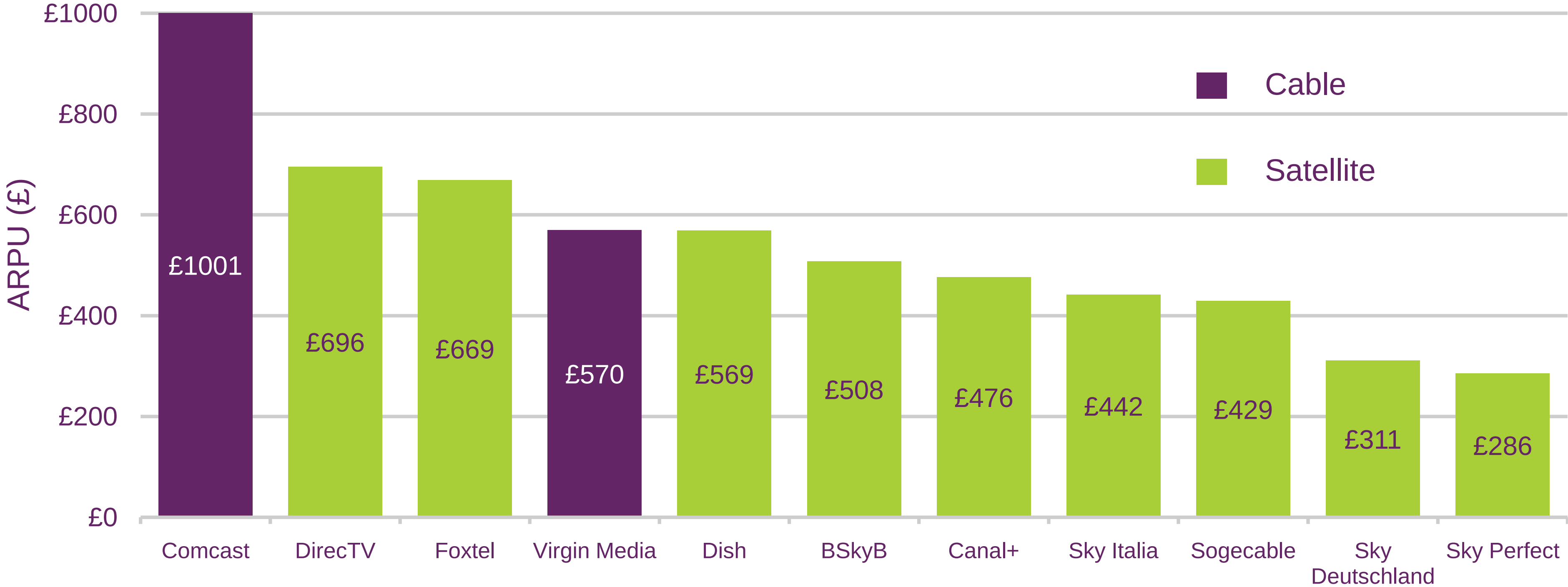
Pay-TV ARPU, 2005-2010



Source: IDATE / industry data / Ofcom. Notes: Ofcom has used an exchange rate of $1.546 to the GBP, representing the IMF average for 2010. ARPU is average revenue per user, representing the average revenue generated per pay TV subscriber.

Figure 3.24

Latest reported ARPU for selected pay-TV operators, end 2010



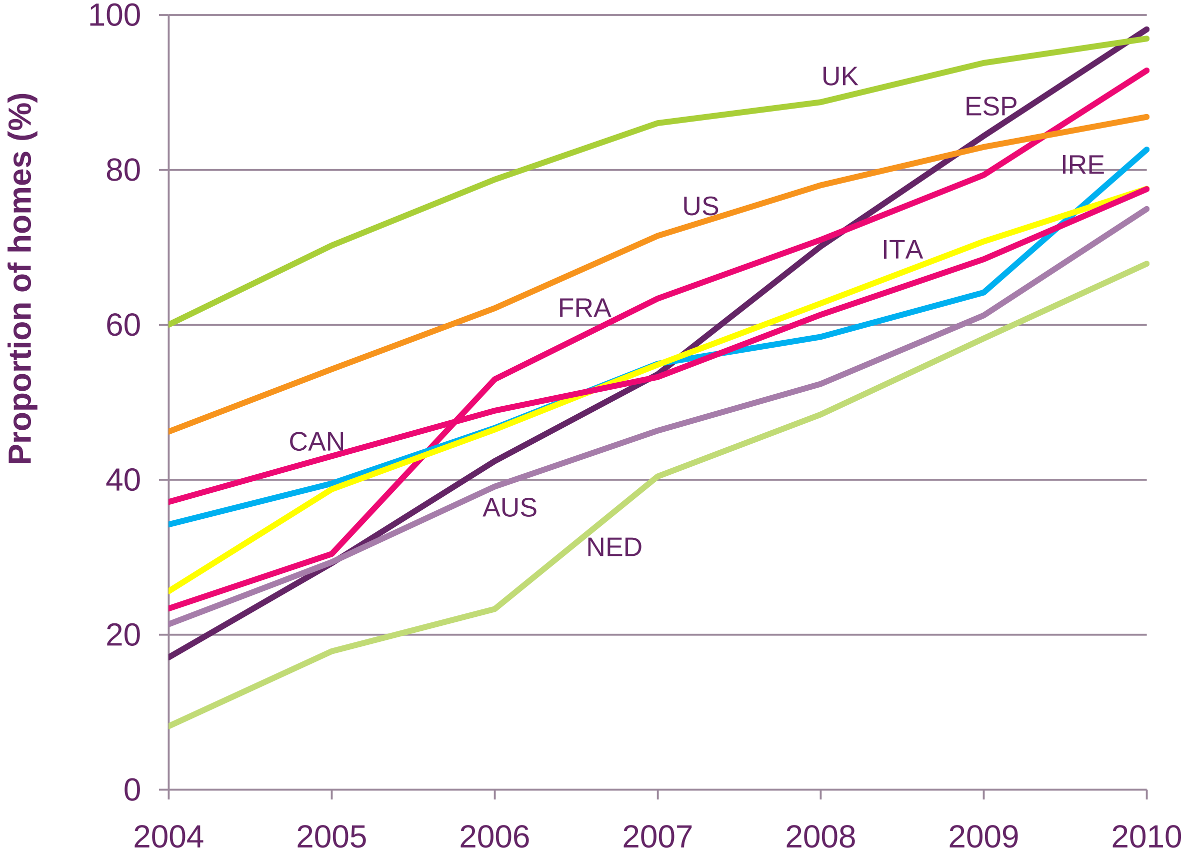
	Comcast	DirecTV	Foxtel	Virgin Media	Dish	BSkyB	Canal+	Sky Italia	Sogecable	Sky Deutschland	Sky Perfect
Territory	USA	USA	AUS	UK	USA	UK	FRA	ITA	ESP	GER	JPN
YoY change	9.1%	4.9%	4.4%	4.9%	4.7%	3.3%	3.6%	-2.3%	1.7%	10.1%	-0.3%

Source: IDATE / industry data / Ofcom. Notes: Ofcom has used an exchange rate of $1.546 to the GBP, representing the IMF average for 2010; latest available company reports; ARPU is average revenue per user; figures are indicative only as definitions of ARPU may differ and some operators include telecommunications revenue in annual ARPU. Platform represents main distribution method.

3. The TV and audio-visual consumer

Figure 3.25

Take-up of digital television – top nine comparator countries

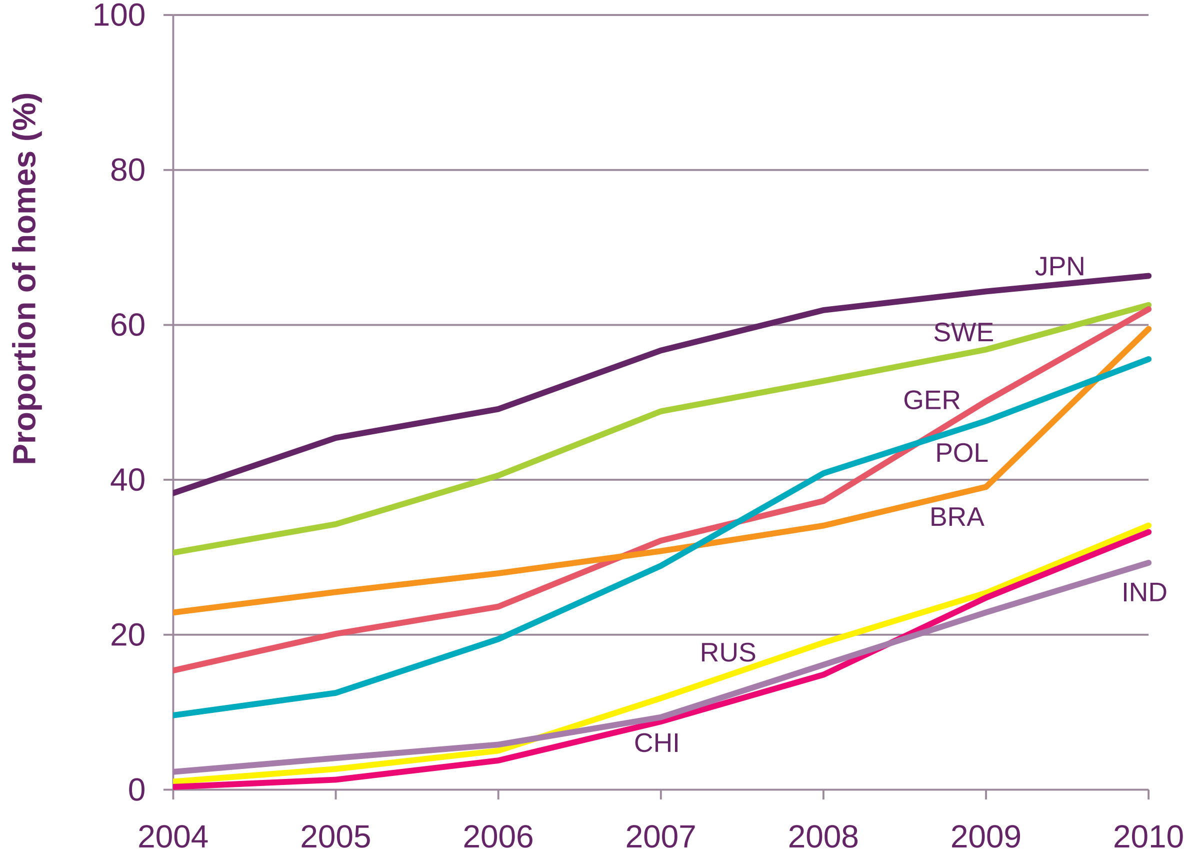


	Take-up 2010	Growth 1 yr	Growth 5 yr CAGR
ESP	98%	16%	27%
UK	97%	3%	7%
FRA	93%	17%	25%
US	87%	5%	10%
IRE	83%	29%	16%
ITA	78%	10%	15%
CAN	78%	13%	12%
AUS	75%	22%	21%
NED	68%	17%	31%

Source: IDATE / industry data / Ofcom

Figure 3.26

Take-up of digital television – the next eight comparator countires

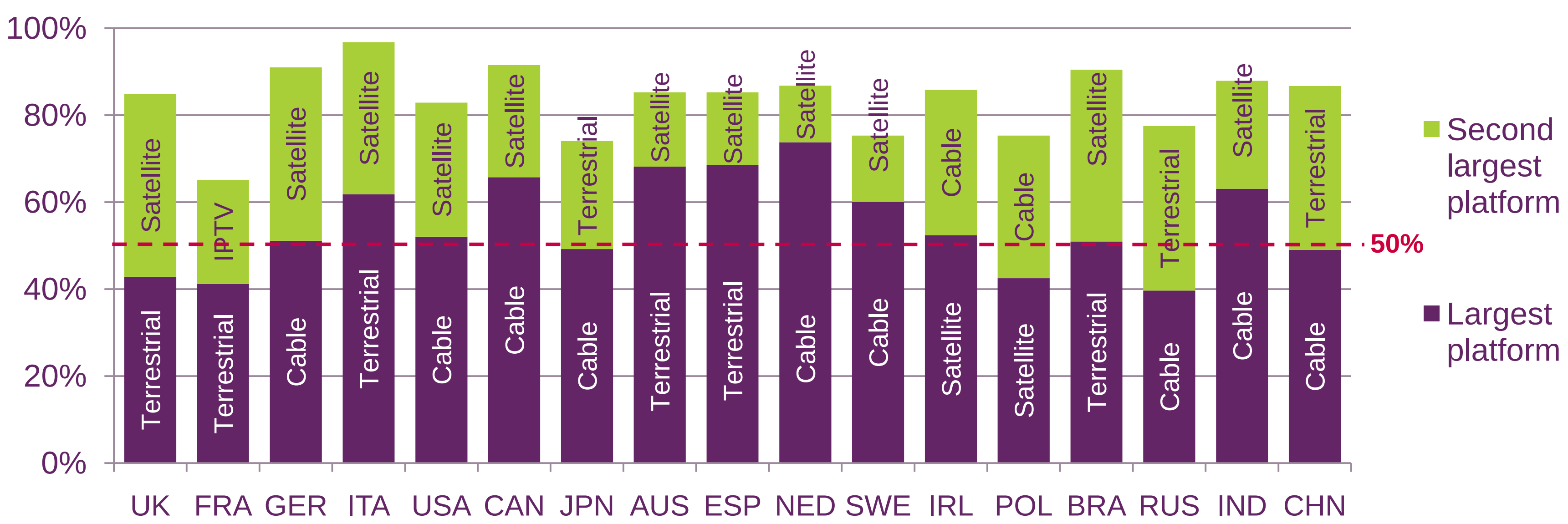


	Take-up 2010	Growth 1 yr	Growth 5 yr CAGR
JPN	66%	3%	8%
SWE	63%	10%	13%
GER	62%	24%	25%
BRA	59%	52%	18%
POL	56%	17%	35%
RUS	34%	34%	66%
CHI	33%	34%	91%
IND	29%	28%	48%

Source: IDATE / industry data / Ofcom

Figure 3.27

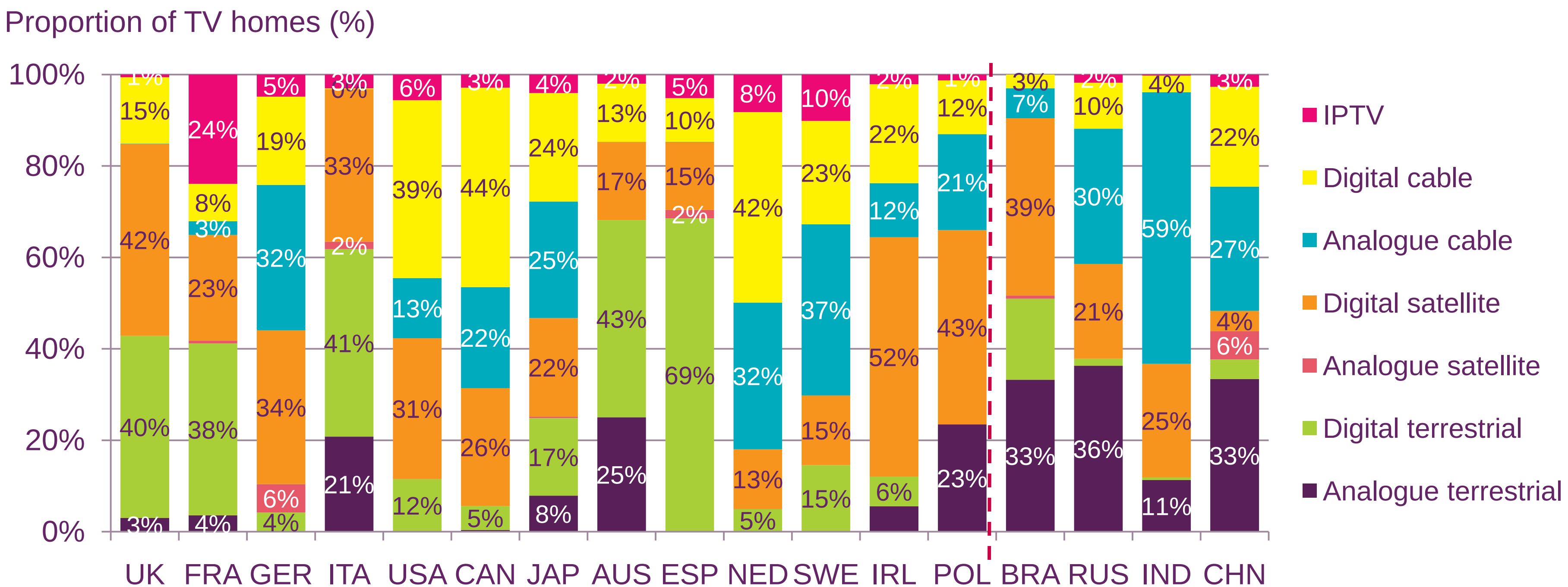
The two most popular DTV platforms, by country, 2010



Source: IDATE / industry data / Ofcom

Figure 3.28

Take-up of DTV, by platform and country: 2010



Source: IDATE / industry data / Ofcom

Figure 3.29

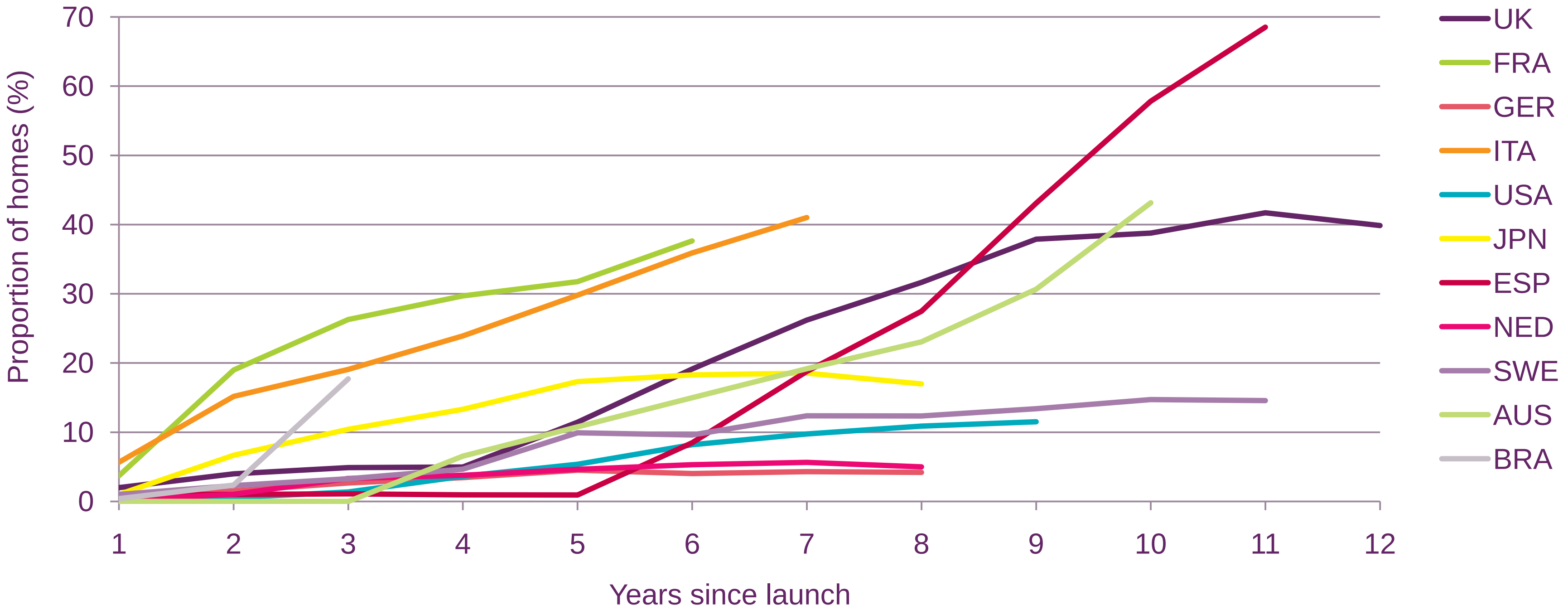
Changes in platform take-up (pp) by country and technical platform

	UK	FRA	GER	ITA	US	CAN	JPN	AUS	ESP	NED	SWE	IRE	POL	BRA	RUS	IND	CHI	Av	Av Eur	Av BRIC	Av NA
Digital terrestrial	-2	6	0	5	1	1	-2	12	11	-1	0	6	0	15	1	1	1	3	3	5	1
Digital satellite	4	1	6	1	0	0	-2	0	0	-1	0	8	2	5	5	5	1	2	2	4	0
Digital cable	0	1	4	0	2	7	3	0	2	7	5	3	6	0	2	1	5	3	3	2	4
IPTV	0	5	2	0	1	0	2	1	0	4	1	1	0	0	1	0	1	1	2	1	1
Total digital	**3**	**13**	**12**	**7**	**4**	**9**	**2**	**14**	**14**	**10**	**6**	**18**	**8**	**20**	**9**	**6**	**8**	**10**	**10**	**11**	**6**
Analogue terrestrial	-3	-11	0	-6	0	-2	0	-14	-12	0	0	-15	-2	-20	-8	-4	-6	-6	-5	-10	-1
Analogue satellite	0	-1	-3	-1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-1	0	0
Analogue cable	0	-1	-9	0	-4	-7	-1	0	-2	-10	-6	-4	-6	0	0	-2	-2	-3	-4	-1	-5
Total analogue	**-3**	**-13**	**-12**	**-7**	**-4**	**-9**	**-2**	**-14**	**-14**	**-10**	**-6**	**-18**	**-8**	**-20**	**-9**	**-6**	**-8**	**-10**	**-10**	**-11**	**-6**

Source: IDATE / industry data / Ofcom

Figure 3.30

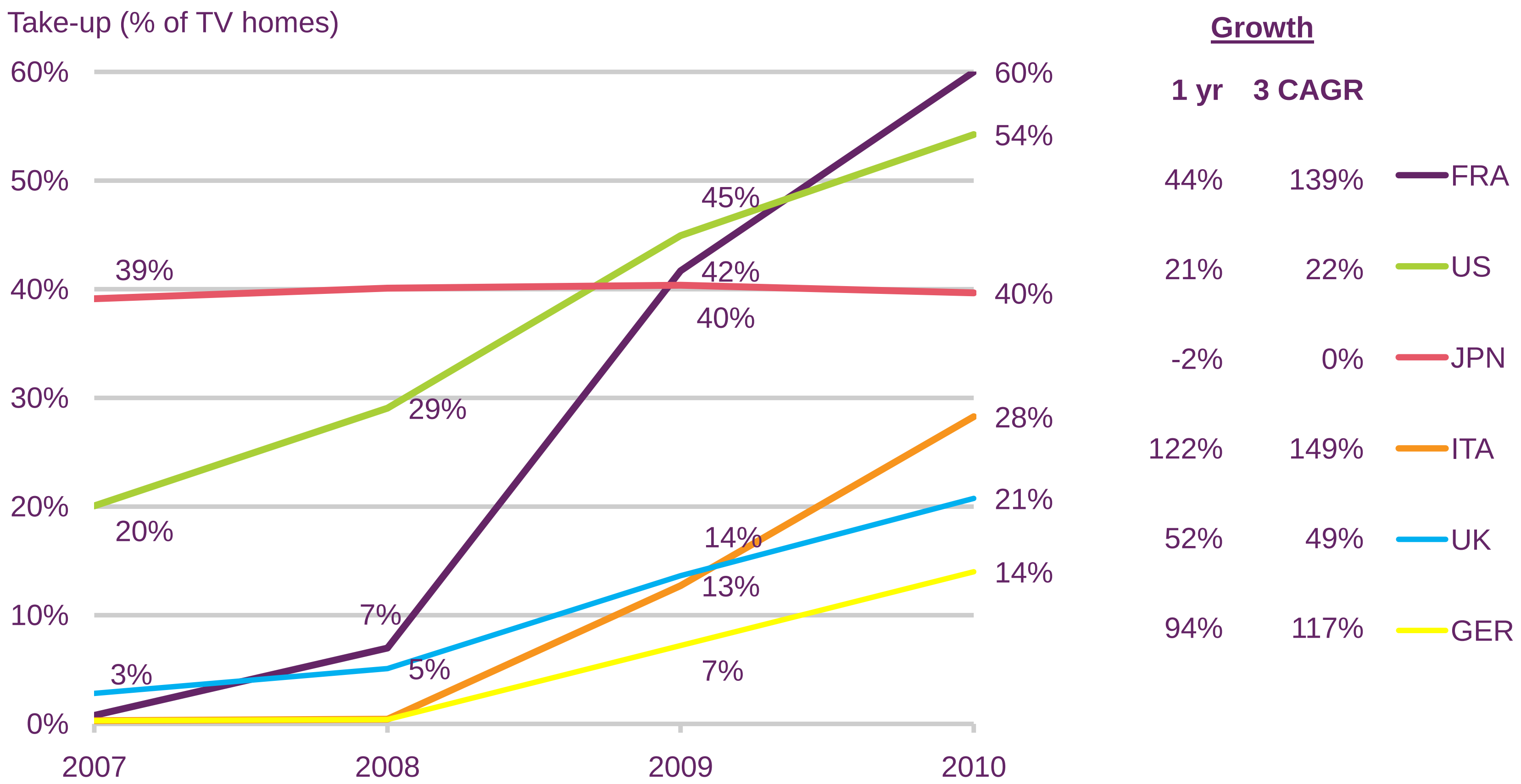
Proportion of main sets connected to DTT since platform launch



Source: IDATE / industry data / Ofcom

Figure 3.31

Number of HDTV homes, by platform and country, end 2010



Source: IDATE / industry data / Ofcom.

Figure 3.32

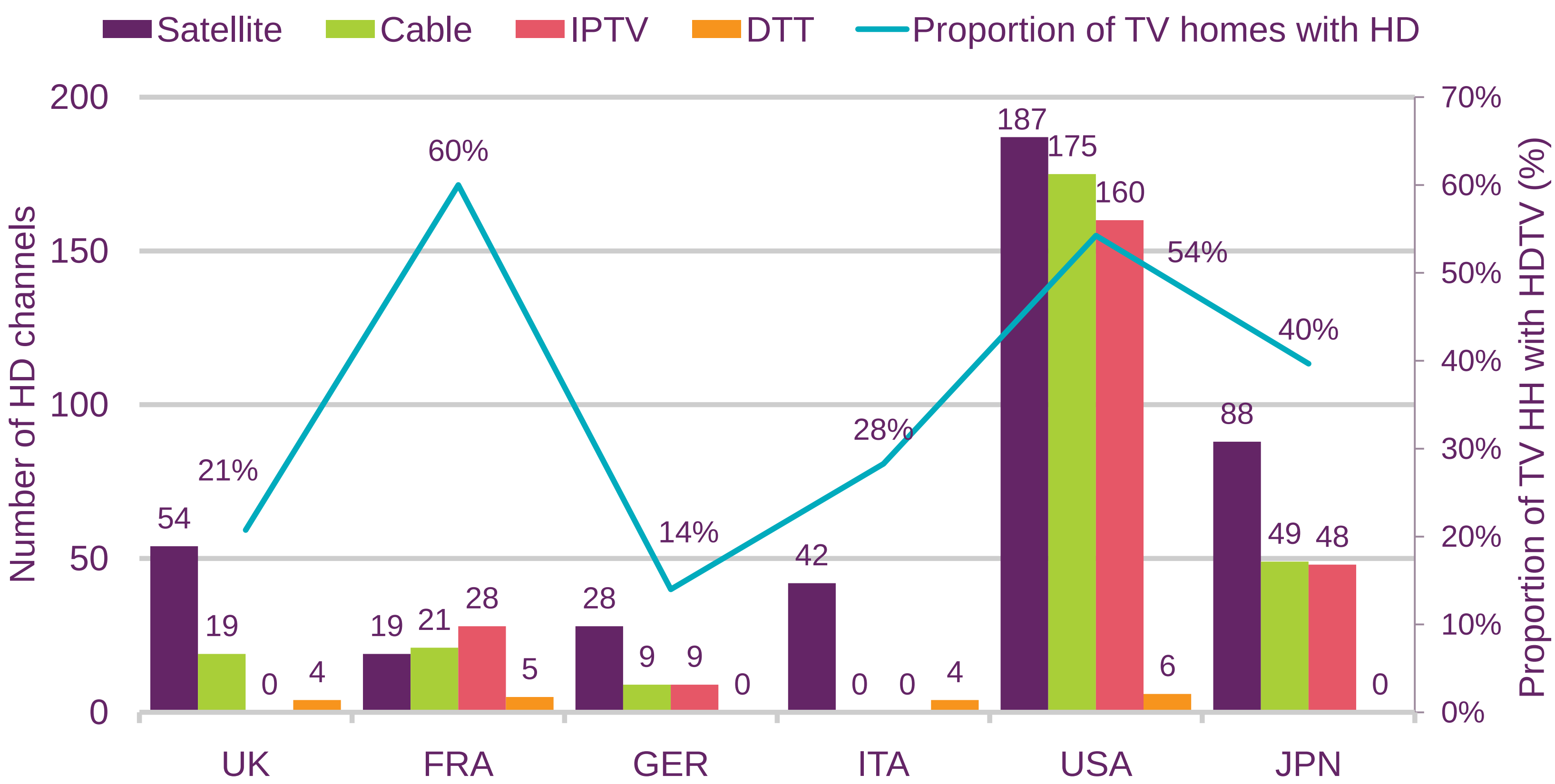
Percentage point change in the take-up of HD decoders connected to main sets

	UK	FRA	GER	ITA	US	JPN
Satellite	3.1	2.8	3.0	7.5	4.0	0.9
DTT	1.7	5.9	0.0	8.2	0.7	-1.4
Cable	2.4	1.2	2.9	0.0	2.8	0.1
IPTV	0.0	8.6	0.9	0.0	2.0	0.0
Net increase	**7.2**	**18.5**	**6.8**	**15.7**	**9.5**	**-0.3**

Source: IDATE / industry data / Ofcom. Notes: Paying and FTA HD homes; no data available for IPTV in Japan

Figure 3.33

Number of HDTV channels and HD penetration, end 2010



Source: IDATE / industry data / Ofcom.

Figure 3.34

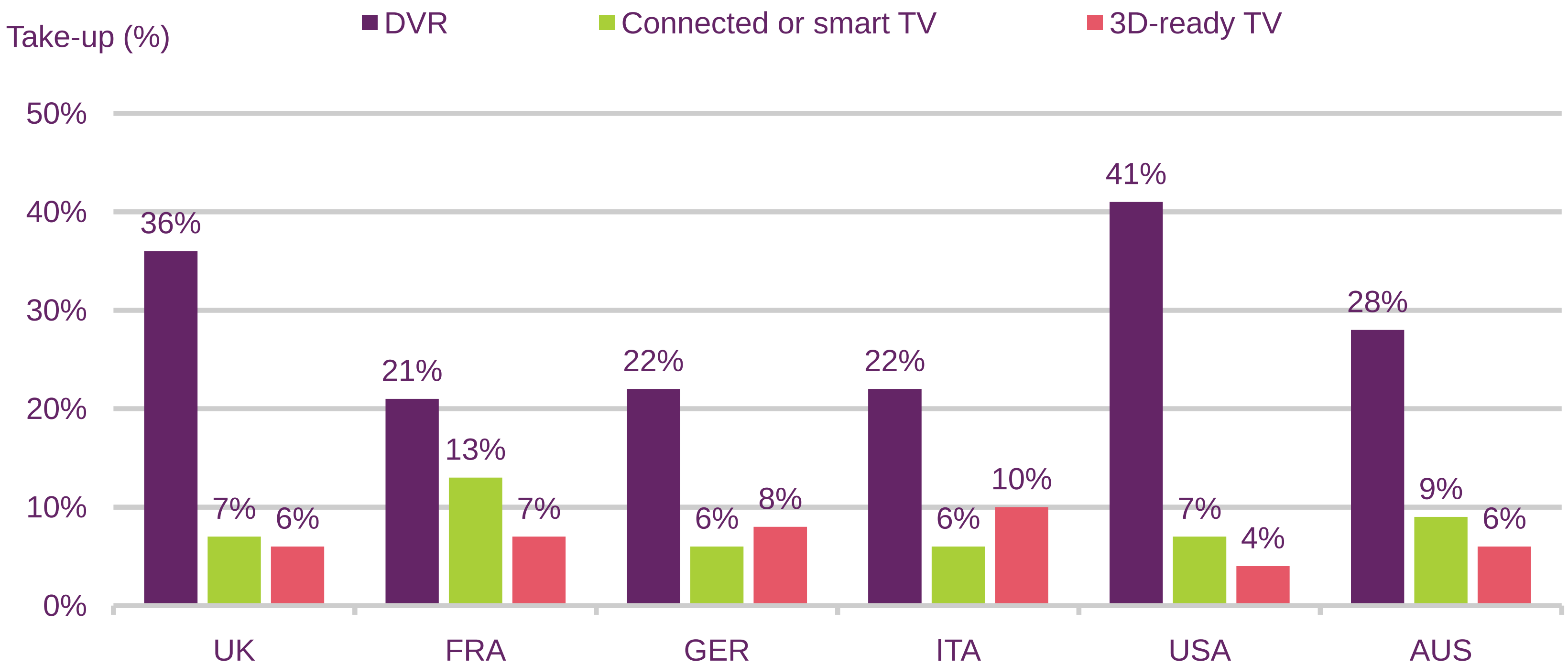
Increase in the number of HD channels available, by platform, 2009 - 2010

	UK	FRA	GER	ITA	USA	JPN
Satellite	17	3	21	12	37	30
Cable	10	5	2	0	45	17
IPTV	0	10	4	0	42	17
DTT	0	0	0	1	0	0

Source: IDATE / industry data / Ofcom.

Figure 3.35

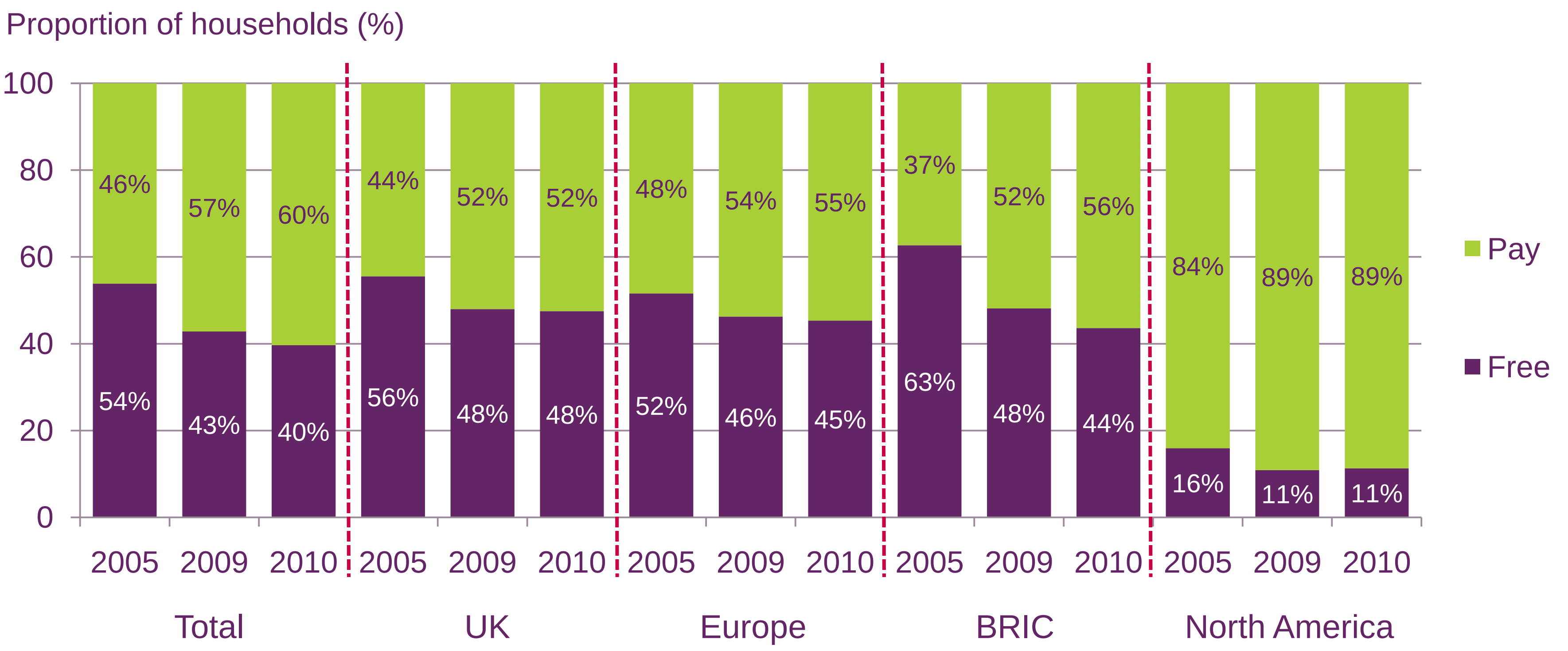
Take-up of digital video recorders, connected TVs and 3D-ready TVs



Source: Ofcom Consumer Research October 2011
Base: Total sample size: UK=1015, France=1014, Germany=1014, Italy=1045, US=1002, Japan=1015, Australia=1012
Q: Which of the following devices do you own and personally use?

Figure 3.36

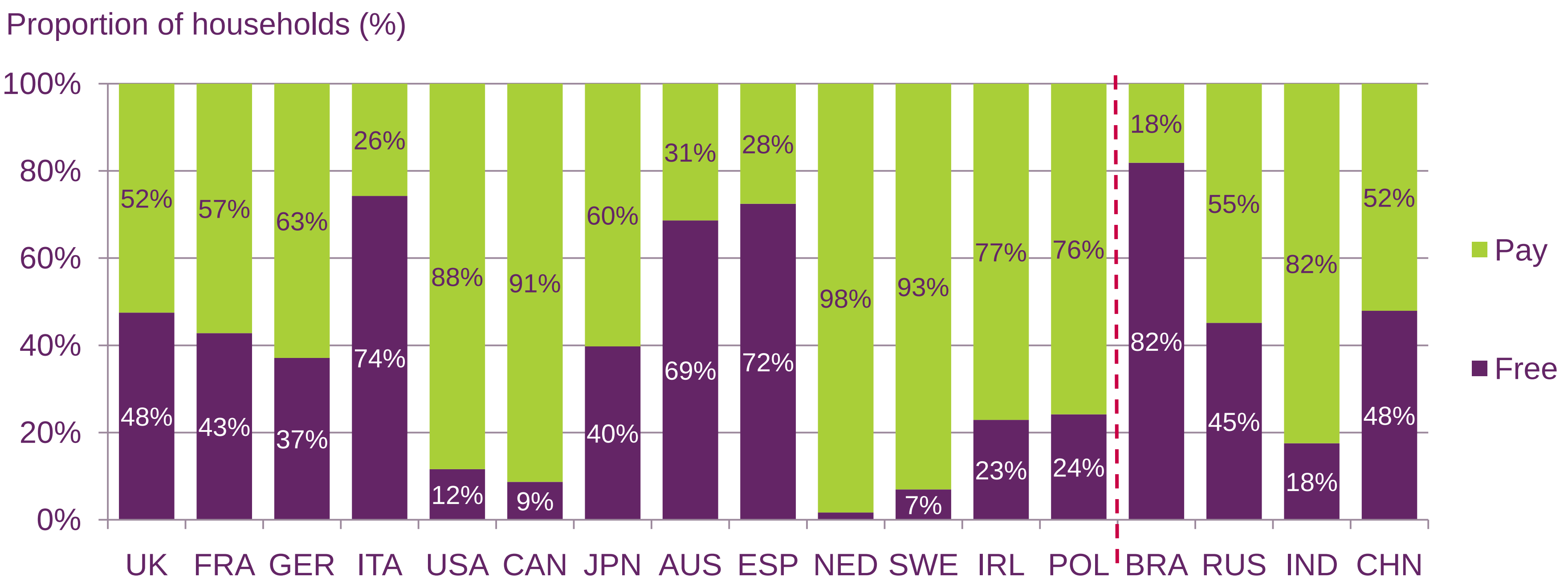
Take-up of pay television among groups of comparator countries



Source: IDATE / industry data / Ofcom.Note: 'Europe' in this context means those European countries within our comparator set. 'Total' in this context means the 17 countries in this report's comparator set.

Figure 3.37

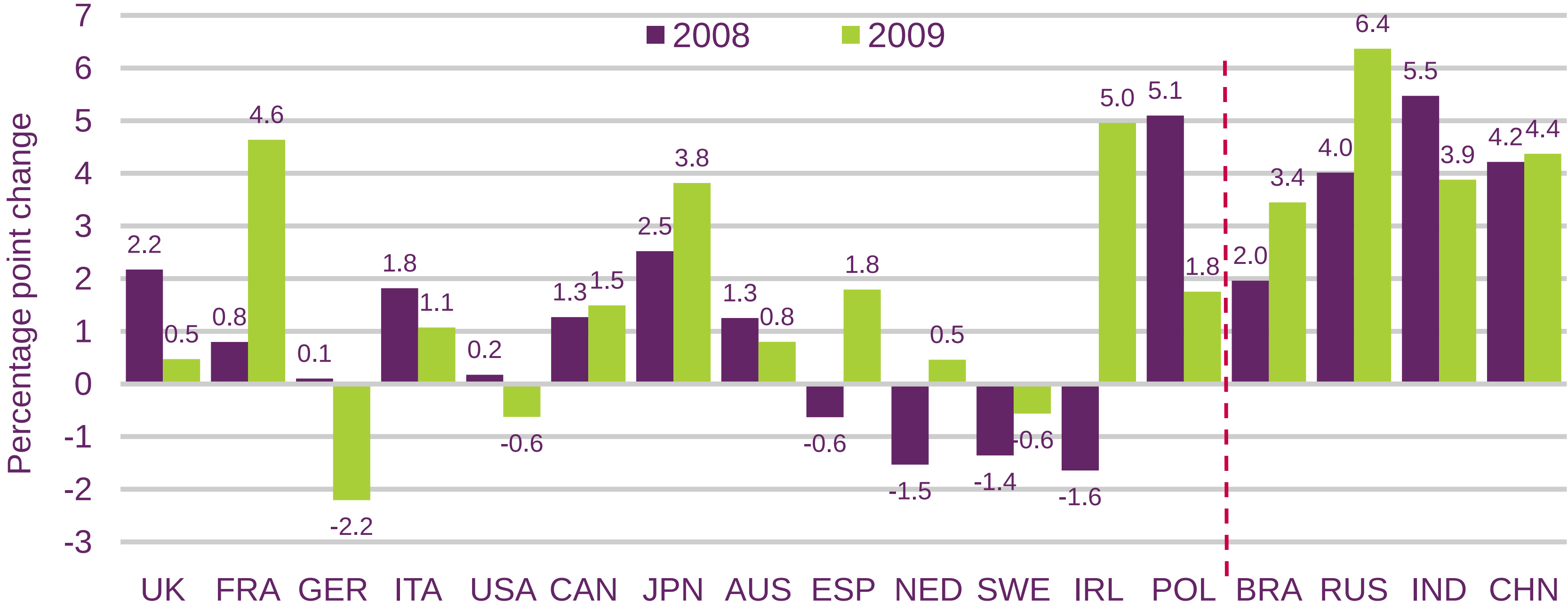
Take-up of pay and free-to-air television, end 2010



Source: IDATE / industry data / Ofcom

Figure 3.38

Percentage point increases in pay television take-up, 2009 - 2010

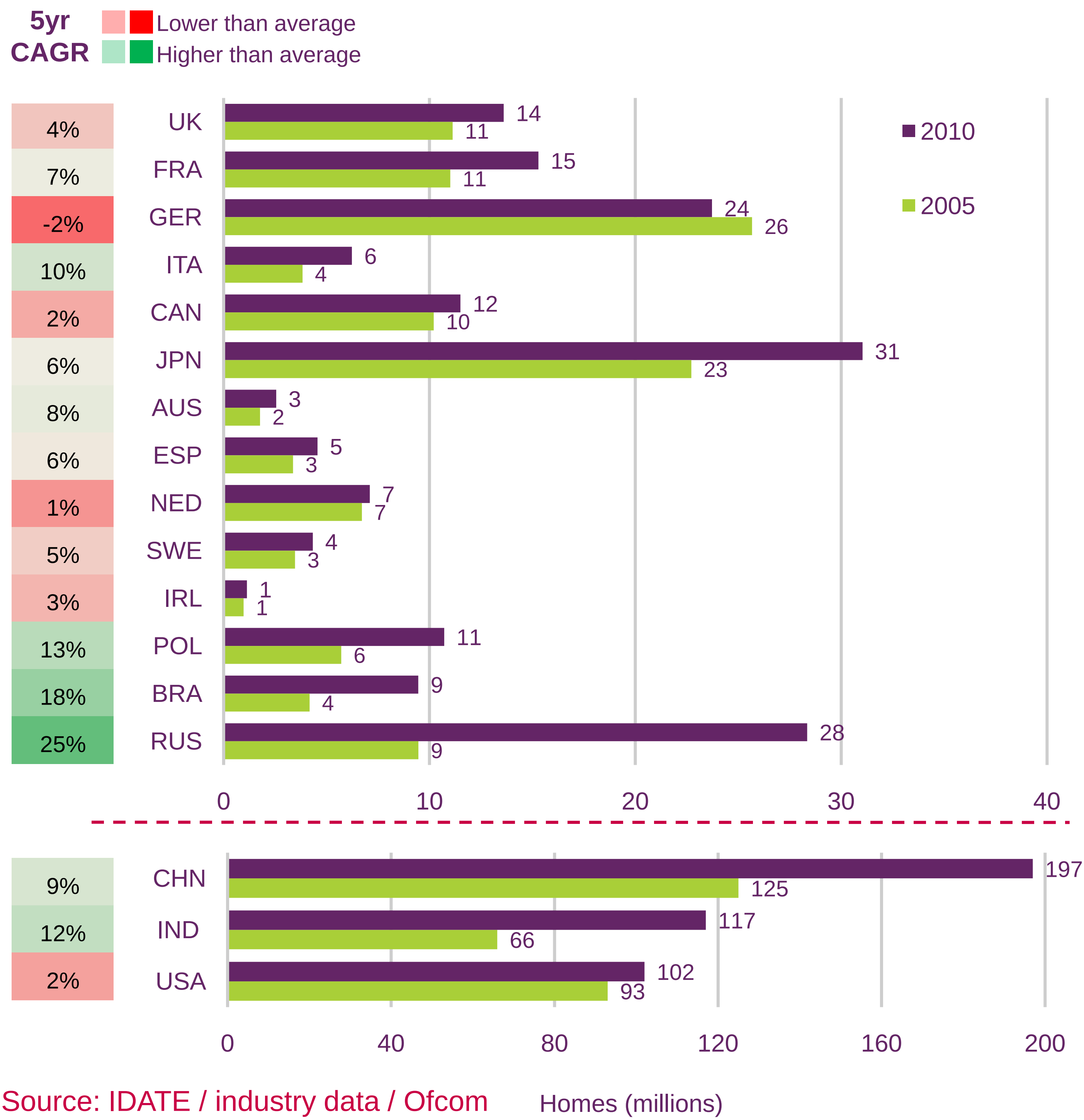


	UK	FRA	GER	ITA	USA	CAN	JPN	AUS	ESP	NED	SWE	IRL	POL	BRA	RUS	IND	CHN
2 year change	**2.6**	**5.4**	**-2.1**	**2.9**	**-0.4**	**2.8**	**6.3**	**2.1**	**1.2**	**-1.1**	**-1.9**	**3.3**	**6.9**	**5.4**	**10.4**	**9.4**	**8.6**

Source: IDATE / industry data / Ofcom

Figure 3.39

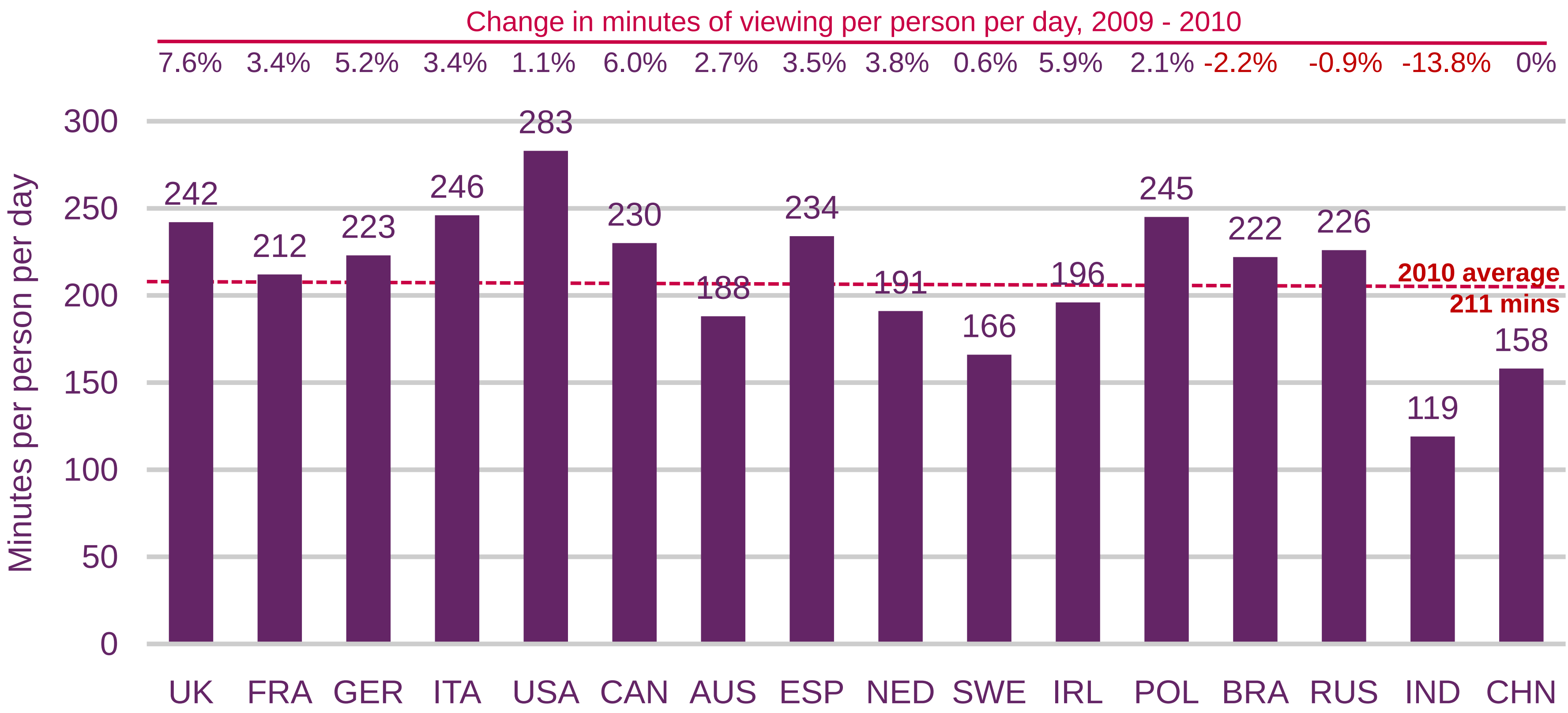
Pay television take-up in 2005 and 2010, millions of homes



Source: IDATE / industry data / Ofcom

Figure 3.40

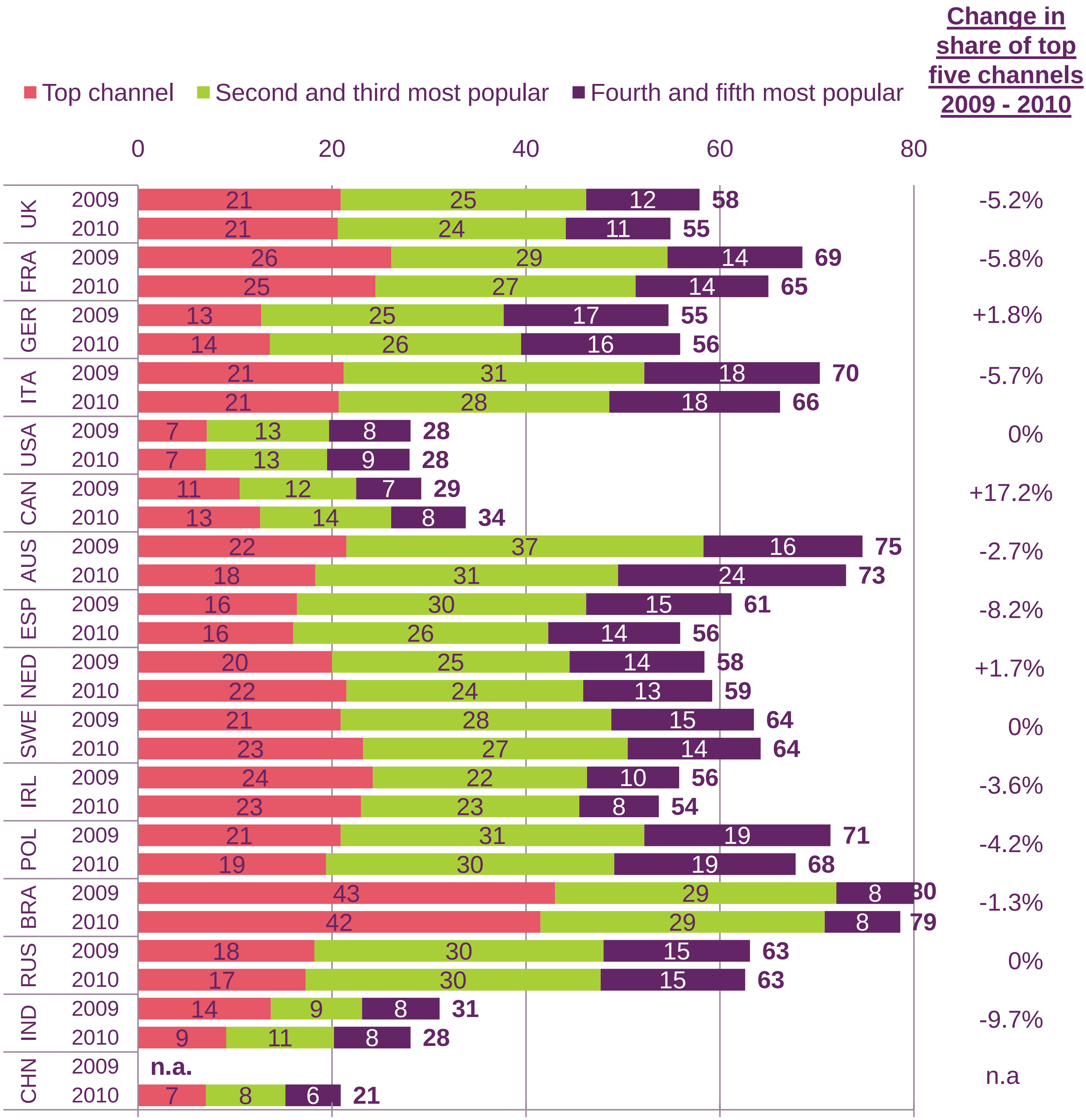
Daily TV viewing per head, 2009 - 2010



Source: Médiamétrie, Eurodata TV Worldwide. The figure for Canada relates to the viewing in non-Quebec households.

Figure 3.41

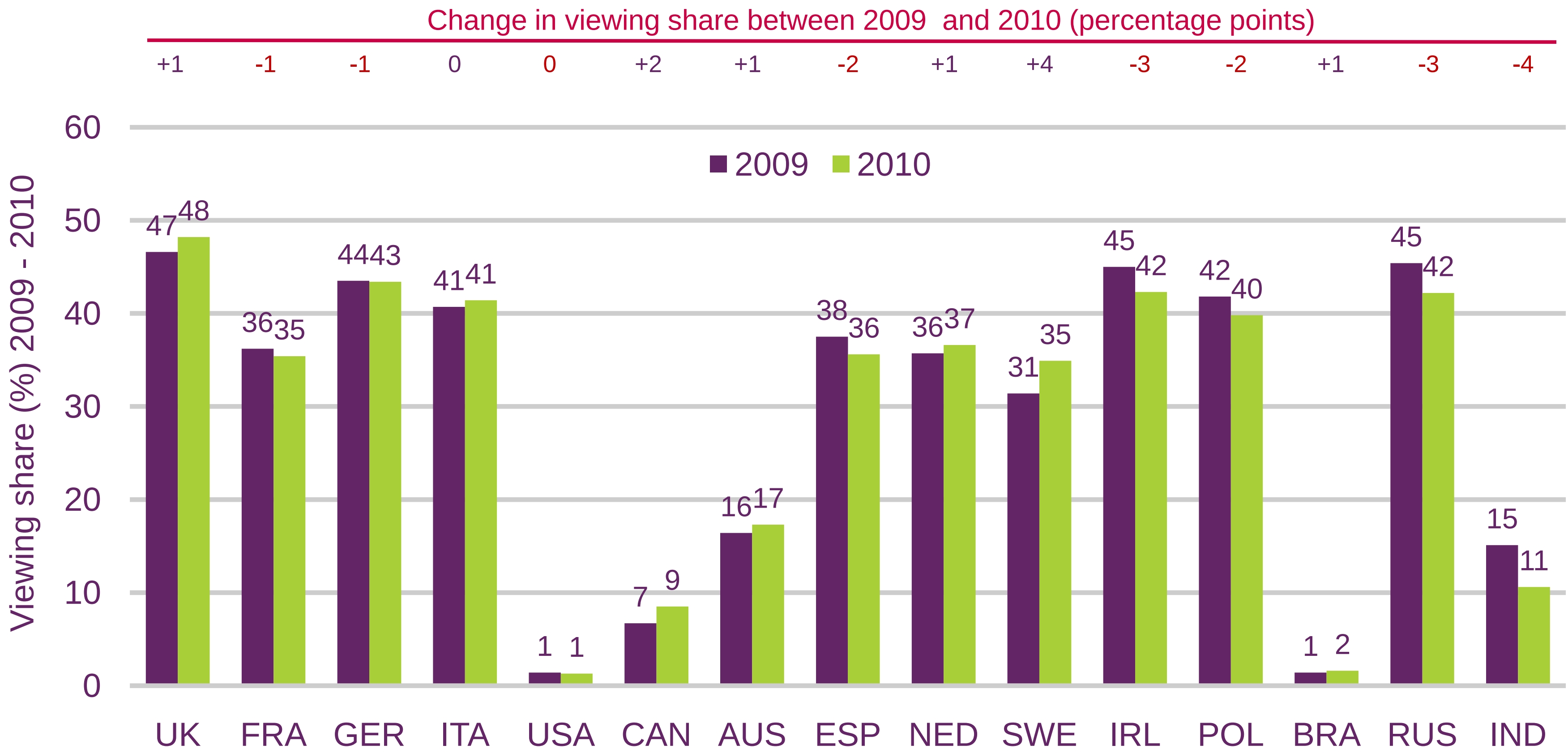
Patterns of viewing among the top five TV channels



Source: Médiamétrie, Eurodata TV Worldwide. The figure for Canada relates to the viewing in non-Quebec households.

Figure 3.42

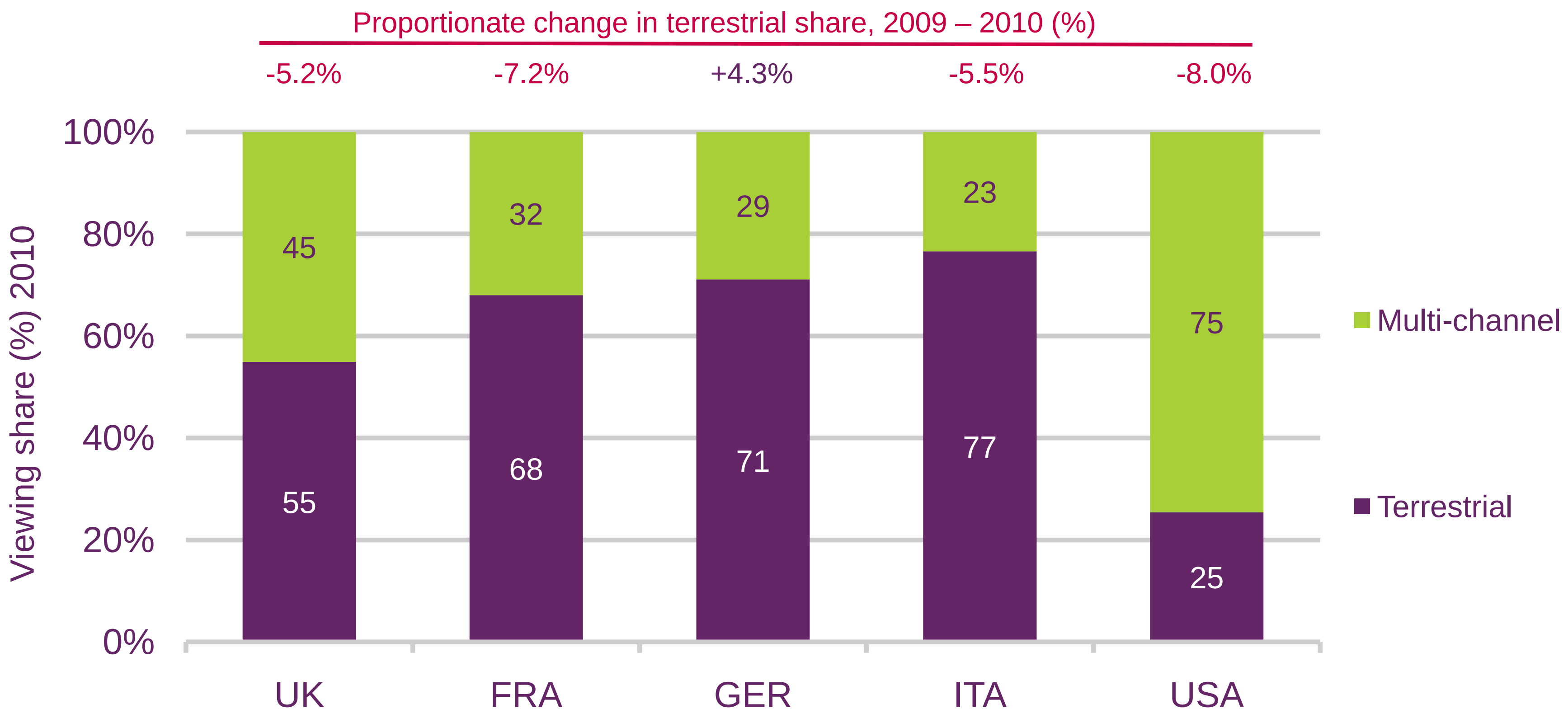
Viewing of publicly funded channels



Source: Médiamétrie, Eurodata TV Worldwide. The figure for Canada relates to the viewing in non-Quebec households.

Figure 3.43

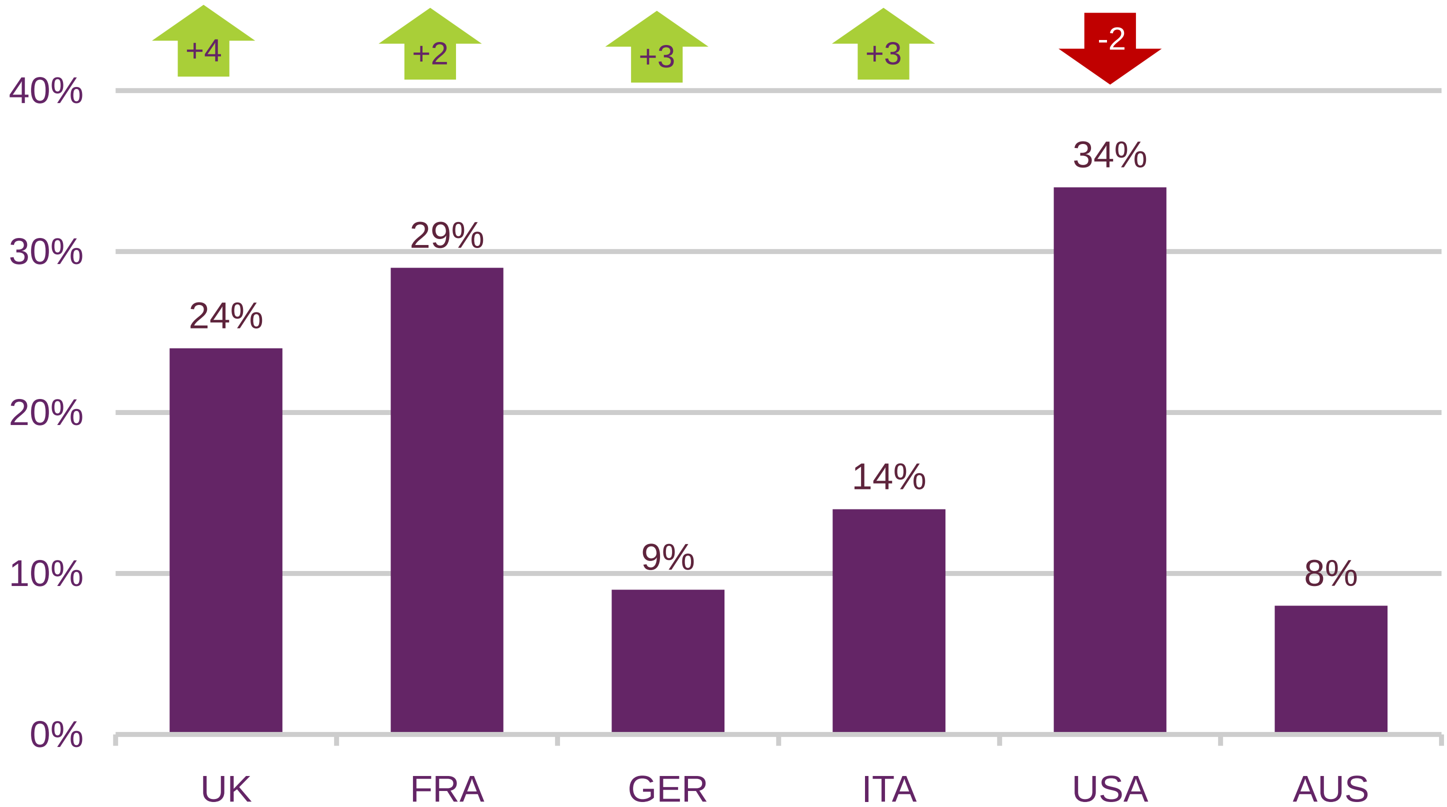
Terrestrial versus multi-channel share



Source: Médiamétrie, Eurodata TV Worldwide. The figure for Canada relates to the viewing in non-Quebec households.

Figure 3.44

Use of video-on demand services, and changes in use over time



Source: Ofcom Consumer Research October 2011
Base: Total sample size: UK=1015, France=1014, Germany=1014, Italy=1045, US=1002, Japan=1015, Australia=1012. Note: Australia not included in 2010 research