

Representing:

Self

What do you want Ofcom to keep confidential?:

Keep name confidential

If you want part of your response kept confidential, which parts?:

Ofcom may publish a response summary:

Yes

I confirm that I have read the declaration:

Yes

Ofcom should only publish this response after the consultation has ended:

You may publish my response on receipt

Question 1: What characteristics should the pay TV sector display in order to serve consumers best? :

Consumers should have the opportunity to purchase content in as flexible a way possible;
Consumers require the ability to purchase ONLY the premium content they specifically desire, not to be presented with bundles which may represent a spend above their target level, or including content which they do not personally value. Premium content should be made available for delivery across as many platforms as is possible / commercially practical - e.g. satellite, digital terrestrial, internet download etc.

Question 2: Do you agree with the amendment to our criteria for assessing the pay TV market?:

No view

Question 3: Why do consumers pay for TV services?:

Consumers pay for content when they place value on the content available. Value must be assessed in terms of cost vs benefit - the perceived value of/necessity to have content diminishes as the cost of provision increases.
In the past when I have paid for premium content it is to secure content that would otherwise not have been available for viewing (typically material on Sky One in my case).

Question 4: Do you agree with our assessment of the relative importance of platform features and content? :

Agreed. As a previous Sky subscriber I was offered incentives to remain in contract - e.g. provision of a Sky Plus box. This provision was of no value as the amount of valued content I received with my basic packages was not increased by the ability to time-shift. Indeed to avoid needing a Sky Plus box I had sought my own time-shifting provision with an analogue PVR.

Content is the key provision, value added services are nice but ancilliary.

Question 5: Do you agree with our views on the importance of premium sports and premium movies content for competition in pay TV?:

Yes, but from a personal perspective the range is too narrow, a lot of content that I value is only available via Sky One, fairer availability of Sports / Movies is correct, but falls short of a more universal availability which would include other content such as new programming material from the US.

An example of this is the programme Lost, previously freely available on Channel 4, then available only on Sky One. Addressing issues with Sports / Movies availability would not address availability of other such premium content material.

Question 6: Are there any other international examples to which you would draw our attention?:

No.

Question 7: Do you agree with our overall approach to market definition analysis?:

No view

Question 8: Do you agree with our definition of the market for Core Premium Sports channels or do you believe it to be narrower or wider than we have suggested? If so, what specific evidence do you have to support your view?:

No view

Question 9: Do you agree with our definition of the market for Core Premium Movies channels or do you believe it to be narrower or wider than we have suggested? If so, what specific evidence do you have to support your view?:

No view

Question 10: How would you see the future development of consumers? viewing habits for sports and movies, and of the ways movies will be delivered to them? How would this affect market definition?:

Provided broadband service availability in the UK improves to satisfy bandwidth requirements I would expect delivery on demand via the internet or connected services to become much more prevalent. This would hopefully present a more competitive market but would not cover all types of premium content (I perceive movies & sports are more important to general consumers, but they are not the content I am drawn to specifically - this content would not necessarily become more freely available on new platforms).

Question 11: Does Sky have market power in the wholesale of Core Premium pay TV channels? :

Absolutely

Question 12: Do you agree with our conclusion that Sky has market power in the wholesale of Core Premium Sports channels? What specific evidence would you provide to support your view?:

Yes. No hard evidence though, perception only, borne out by comments from colleagues and peers who make use of the services.

The introduction of Setanta Sports may address this somewhat.

Question 13: Do you agree with our conclusion that Sky has market power in the wholesale of Core Premium Movies channels? What specific evidence would you provide to support your view?:

Yes but less so than for Sport.

Question 14: Can retailers and / or platform operators get sufficient access to Sky's Core Premium channels? :

No. Evidenced by Virgin removing access to Sky One based on economic conditions.

Question 15: Have we presented a factually correct picture of current distribution of premium sports and premium movie channels?:

Yes

Question 16: Do you agree with the list of factors we present as being relevant when Sky considers whether to supply?:

Yes

Question 17: Do you agree with our presentation of the longer-term factors in Sky's decisions to supply?:

Yes

Question 18: Do you agree with our discussion of the role of vertical integration?:

Yes

Question 19: Do you agree with the figures we have presented to illustrate the playing-out of incentives to supply?:

No view

Question 20: Do you agree with our proposal that it is important for multiple operators to have wholesale access to Core Premium content, rather than Sky retailing on others? platforms? :

Yes, it does not seem beneficial for Sky to resell these services as all parties need to make profit on their activities.

Question 21: Do you agree with our analysis of the profitability of Sky's wholesale premium business?:

Yes

Question 22: What is the effect on consumers of the current situation with regard to access to premium content, now and in the future?:

Sky is stifling competition and making it difficult to access premium content at an affordable price. The bundling maintained by Sky appears a mechanism to promote the higher price through a higher sold value of the bundle, however from experience I left Sky as I was unhappy that I could not be more specific in the content I chose and paid for.

Question 23: Do you agree with our analysis of the current situation with regard to choice, innovation, pricing and consumer satisfaction?:

Yes

Question 24: How would you see differently the future of pay TV as outlined in our 'forward look'?:

No view

Question 25: Would you agree with our analysis of the likely effects of restricted distribution of Core Premium content on consumers?:

Yes market dominance by a single party driving higher prices and restricted availability.

Question 26: What should we do, if anything, to tackle the problem we have identified relating to Core Premium content?:

Ideally content should be available to widespread distributors close to point of origin rather than wholesale resell from Sky. However, wholesale measures as outlined appear a reasonable step which is manageable to achieve.

The measures should be extended to cover ALL premium content available from Sky - e.g. SKY ONE - Sports and Movies are too narrow an area of focus - the issue extends across all Sky paid content - there is a market for all this material across multiple sales channels.

Question 27: What would you see as the key objectives of any remedy in pay TV?:

Make ALL premium content available via multiple content providers. Content provision should not be limited to Sky / Virgin, Terrestrial satellite and Internet provision should be included to provide maximum availability to all potential subscribers regardless of geography as much as is practical.

Question 28: Do you believe we have identified the right list of regulatory options?:

Yes

Question 29: Have we made a suitable assessment of the option of taking no further action?:

No view

Question 30: Have we made a suitable assessment that it would be more appropriate to use our sectoral competition powers than to rely on ex post action under CA98?:

No view

Question 31: Have we made a suitable assessment of the option of pursuing a process under our sectoral competition powers?:

No view

Question 32: Have we made a suitable assessment of the option of pursuing a reference to the Competition Commission?:

No view

Question 33: Do you agree with our discussion of the legal framework for a wholesale must-offer remedy?:

No view

Question 34: Have we captured the potential impact on consumers and stakeholders in our preliminary impact assessment?:

No view

Question 35: If we were to pursue a wholesale must-offer, which retailers should be able to purchase what content on what terms?:

No specific view - general view a framework allowing content on as many platforms as possible. Terms should neither penalise the content wholesaler, or permit them to make unreasonable levels of profit for a mature product.

Question 36: What is your view on which retailers should be eligible for any wholesale offer?:

Based on platform and consumer availability. E.g. Virgin should be included but do not have sufficient geographic coverage, so other platforms must be considered (internet / terrestrial digital).

Question 37: What is your view on our decision to focus in this document on residential subscribers?:

This is the correct group to consider.

Question 38: Have we identified the right content and channels to be captured by any wholesale offer?:

Not fully. Movies and Sports are "headline" value streams, but I personally do not value this content and am far more interested in the content provided on Sky One, or the childrens & music channels (MTV etc).

Question 39: Have we picked up all the relevant issues to do with defining the wholesale product ? i.e. conditions on channels, technical distribution, format, interactivity, VoD? How would you suggest proceeding on any or all of these?:

No view

Question 40: Do you agree with our discussion of the need to set prices?:

Yes, intervention may be required to prevent uncompetitive behaviour by Sky.

Question 41: Do you agree with our characterisation of the two main approaches to setting prices ? retail-minus and cost-plus ? and the practical issues with each?:

No view

Question 42: If we were to use a retail-minus approach, what would be the set of costs that we should take into account? Should we base the assessment on new entrant costs or on the costs of an efficient large-scale operator? :

No view

Question 43: Have we identified the important issues related to commercial terms? How would you suggest proceeding on any or all of these?:

No view

Question 44: In particular, how should we tackle the issue of security?:

No view

Question 45: Is three years the right length of time before the first review of this provision? What factors should cause us to review it earlier than this?:

Three years seems a long timeframe.

Perhaps a shorted review period such as 12-18 months would be more appropriate, depending on how quickly the necessary changes can be made.

Factors linked to a possible earlier review may be increased maturity of other platforms (e.g. IPTV, Terrestrial Digital) or changes in consumer behaviour (faster assessment of success / failure of measures put in place).

Comments: