Name and title under which you would like this response to appear:

Anonymous 107

Representing:

Self

What do you want Ofcom to keep confidential?:

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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:To what extent do you consider that DTT, DSat, cable and IPTV are in competition with one another for subscribers of pay TV services ? either at present or in the future?:

Cable & DSat are currently in competition with each other, with IPTV soon to be once it extends beyond the current service limitations. DTT on the whole favours a predominately FTA approach, pay-tv is currently available but past evidence suggests that even prior to requiring specialised receiving equipment, take up of pay tv on DTT was low. Customers prefer Cable and DSat as a means of accessing subscription services because of its generally lower "like-for-like" cost and choice of channels.

Question 2:To what extent do you consider the Proposal is likely to deliver benefits to the consumer?:

Minimal, current bskyb services show a large number of repeats of a small number of programmes, and these are readily available to the majority of the population via the DSat platform already. Unless the pricing structure for the proposed service was both more flexible (i.e. 1 month instead of 12 months contracts, or pay as you go content) and less expensive (price to reflect the reduced choice of channels on DTT as compared with DSat) the benefit to the consumer would be small.

Question 3:To what extent do you consider that there is scope for sustainable competition in pay TV on the DTT platform and, more broadly, across all pay TV platforms?:

There is limited scope given the restriction on capacity for DTT services, both in terms of capacity for new channels and HD services such as those currently available on DSat and Cable. This makes it difficult for pay services on DTT to compete; especially given that the British Consumer has already demonstrated once (in the case of BSB versus the Sky platform in the early 1990s) that the preference is for a large variety of channels. In response to the wider question, BSkyB is already a major player in the pay-tv sector to the point which its influence is currently under scrutiny, any increase in their market share across all platforms would only stifle competition.

Question 4:What are likely to be the key aspects of competition between providers of retail pay TV services on the DTT platform? E.g. what is the role of premium sports and movies content?:

Key aspects are likely to include premium movies and sports coverage, and the more of this content that is offered will ultimately improved the chances of commercial success for the provider concerned; however since scope for expansion is limited compared to other platforms, of greater concern will be whether consumers will have to buy expensive additional equipment to recieve Pay-TV, and what costs will be incurred in doing so. The challenge of a successful pay-tv service will ultimately be to offer the maximum of variety at a minimum of cost, so as to avoid direct competition with DSat and cable, and capture customers so far unswayed by the percieved high costs of pay-tv on other platforms.

Question 5:Do you consider that if Sky were to become the only provider of pay TV on the DTT platform it would be likely to have a significant detrimental effect on competition in the long term? How might this affect the development of other platforms for the delivery of pay TV services?:

Yes. Sky have for some time had a monopoly on the DSat platform, and has taken until recently for any other company to offer a rival service. The result is that sky is free to charge consumers whatever it wants, without the positive financial benefits of a competitive market place being delivered to the consumer. The worry is that even if sky's DTT service were successful its monopoly in the field of DTT would be at a serious financial deteriment to current DTT pay-tv subscribers (e.g. top-up and setanta customers); and if its business model for DTT were a failure it would simply use this as means to force all DTT pay-tv customers on to expensive DSat subcription services.

Similarly worrying is that with a successful DTT monopoly sky would be large and influencial enough to out-bid rivals (even those on other platforms) for exclusive rights to content produced by third-parties and charge customers a premium for this content as a result.

Question 6:To what extent, if at all, do you consider that the Proposal would be likely to lead to any of the public policy concerns outlined at Section 4?:

An introduction of sky pay-tv DTT services would likely force consumers into buying yet another piece of DTT reception equipment, either as a result of sky's differing encryption standards or insistance on the use of the more efficient but incompatible MPEG-4 compression standard. It is unlikely to affect the DSO, but would most likely increase antipathy among members of the public toward DSO and DTT more generally.

Question 7:Specifically, to what extent do you consider that the Proposal would be likely to lead to consumer confusion?:

This could lead to massive confusion. Many customers were confused by the introduction of TUTV, TUTV anytime and Setanta, Sky's service would only add to this confusion. It is likely that this confusion will damage the freeview brand since cosumers may erroneously believe that they have to subcribe to one or all pay-tv services in order to recieve other freeview channels. This confusion will be most prevailant amonst the most vulnerable members of society, e.g. the elderly etc.

Question 8:To what extent do you consider that it is beneficial for consumers to be able to obtain Sky and existing DTT pay TV content without having to purchase separate STBs?:

Hugely beneficial, given that many consumers have multiple TV sets which would each need yet another new STB and individual subscriptions. It would also allow consumers to try pay-tv services without having to commit to buy expensive equipment.

Question 9:Do you consider that the Proposal might lead to any additional public policy concerns:

That sky might use its market share in pay-tv to buy further DTT capacity, thereby depleting and undermining existing FTA services.

Also that in making its existing FTA channels suscription only, the choice for FTA and perspective pay-tv customers would be depleted. For example, Sky Three is currently the only FTA way of accessing Sky's Entertainment content, and Sky Sports News is unique on the DTT platform, and would be lost to both FTA and Pay-TV viewers if Sky's proposals were accepted.

Question 10:If Sky becoming the only provider of pay TV services on the DTT platform were likely to have a significant detrimental effect on competition, do you consider that it is possible to address this through a set of additional conditions and/or directions? If so, what form should those conditions/directions take?:

Unlikely, however ensuring sky cannot monopolise the sports and entertainment content by using is position to outbid rivals for exclusive rights might help partially mitigate the problems.

Additional comments: