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Digital Broadcasting Industry :Today & Tomorrow

Kook-Jin Kim Ph.D

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- *DTV industry*

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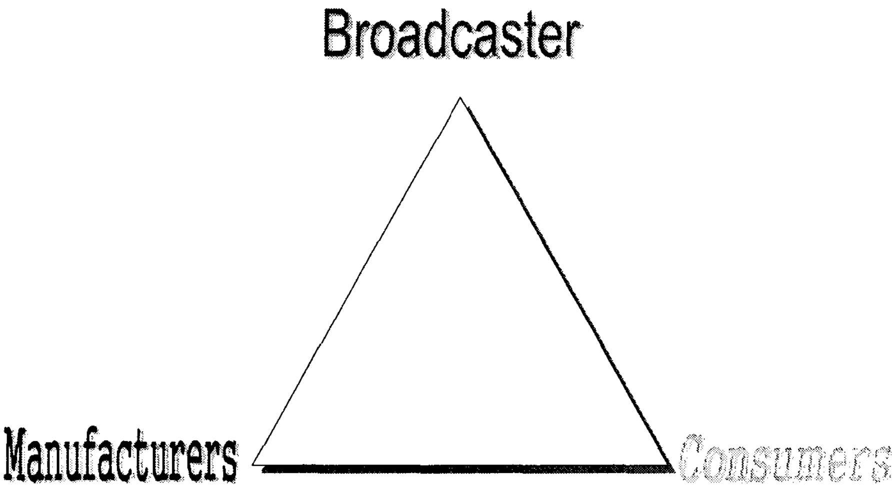
- *Service industry*
- *DTV industry*

IV. Summary & Conclusions

Triangle of Conflict

1. *Digital Transition*



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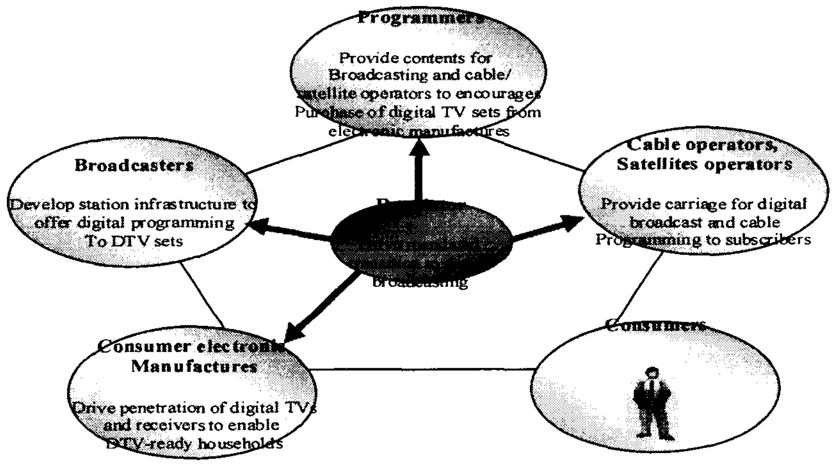
Ideal Work Network

1. *Digital Transition*



Yankee Group 2001

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II. Digital Today

Service Industry I

❑Big Ten Digital TV Platform

❑DirecTV	*US*	*DTH*	*10,962,000(2002.2)*
❑EchoStar	*US*	*DTH*	*7,100,000(2002.1)*
❑SkyDigital	*UK*	*DTH*	*5,716,000(2002.1)*
❑AT&T	*US*	*Cable*	*3,100,000(2001).*
❑SkyPerfect	*JP*	*DTH*	*2,949,000 (2002.1)*
❑TW Cable	*US*	*Cable*	*2,500,000(2001)*
❑ Premiere W	*DE*	*Cable/DTH*	*2,400,000(2001.5)*
❑Comcast	*US*	*Cable*	*1,800,000(2001)*
❑Canal Satellite	*FR*	*DTH*	*1,750,000(2001.6)*
❑Charter	*US*	*Cable*	*1,600,000(2001)*

II. Digital Today

Service Industry II Satellite

1994 DirecTV (US)

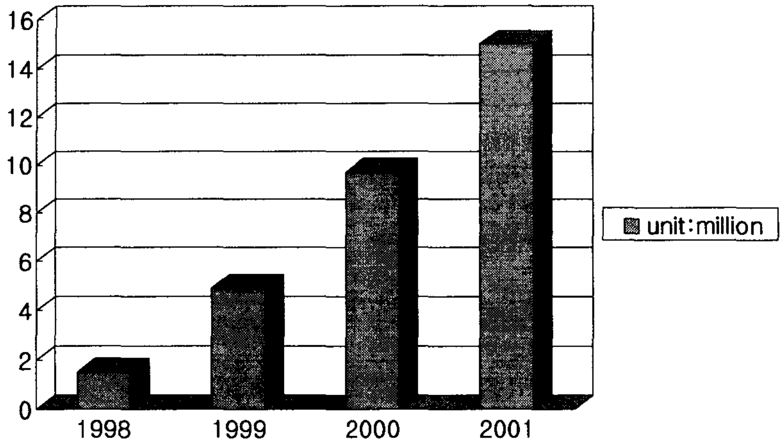
1996 DF1(DE), Canal Satellite(FR), PerfecTV (JP)

1998 BSkyB

2002. 2 There are 12 Platforms that have more than one Million subscribers

US, UK, JP, France, Germany, Spain, Italy----

US Digital Cable



NCTA 2001

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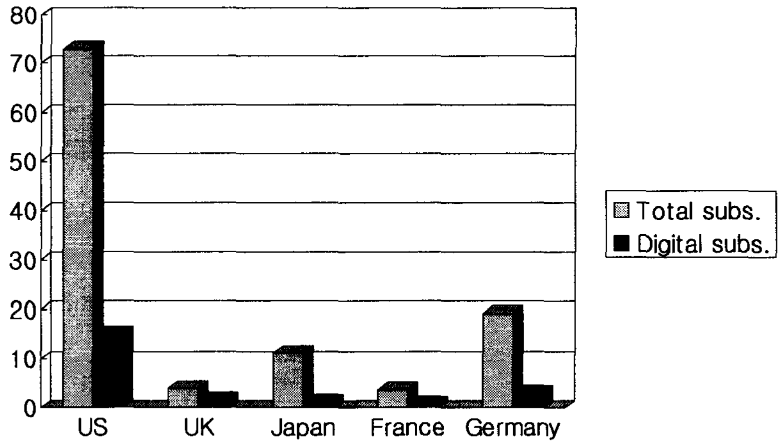
Digital Cable



NCTA, Informa

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II. Digital Today

Service Industry
Terrestrial

Digital Terrestrial Broadcasting Start

Where	*When*
UK	*1998. 11. 15*
US	*1998. 11. 1*
Sweden	*1999. 4. 1*
Spain	*2000. 5. 1.*
Finland	*2001. 8. 27.*
Australia	*2001. 1. 1.*
Korea	*2001. 10. 26*

II. Digital Today

Service Industry II
Interactive

US Interactive TV Market (2000)

Wink(DirecTV)	*3 Million(US $)*
Web TV	*1.3Million(US $)*
Echostar	*1 Million (US $)*
Ultimate TV	*0.2 Million (US $)*
WorldGate	*0.2 Million(US $)*

Vision Consult 2001

II. Digital Today — DTV *Industry*

- *Digital TV sets are finally beginning to boom.*
- *Different Approaches to digital TV sets, depending on the types of services that are popular*
- *Japan : DTV sets with integrated satellite tuners are the norm.*
- ***Europe: Integrated digital sets are the popular choice.(satellite)***
- ***US : At first, DTV Monitor and then box(the impact of DVD)***
  But iDTV start to make a market

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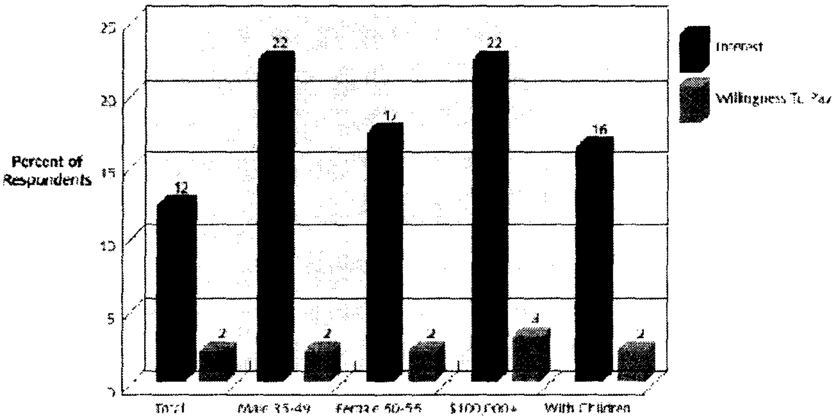
II. Digital Today

Consumers are not willing to pay for DTV Reception



Yankee Group 2001

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III. Digital Tomorrow

Service Industry I

❑ *Boom – the first stage 2003-2005*

Terrestrial DTV service take up

Satellite DTV service peak up

Cable DTV service

❑ *Boom – the second stage 2006-2010*

TV e-commerce ----> TV -commerce

Mobile TV service market Open

---Digital Mobile Multimedia Age

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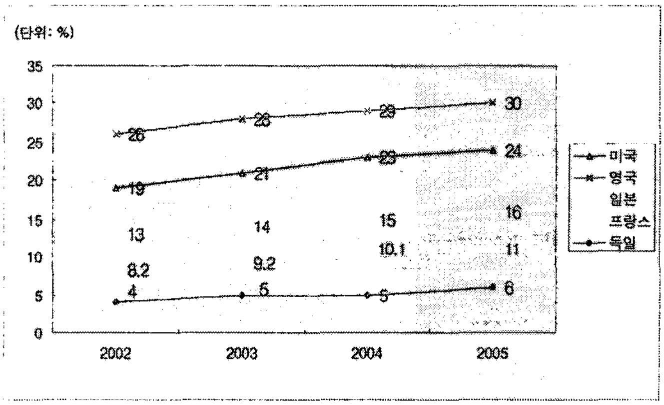
III. Digital Tomorrow

Service Industry II
Satellite



Satellite Home per TV Home (%) / CS Home in Japan

KISDI 2002

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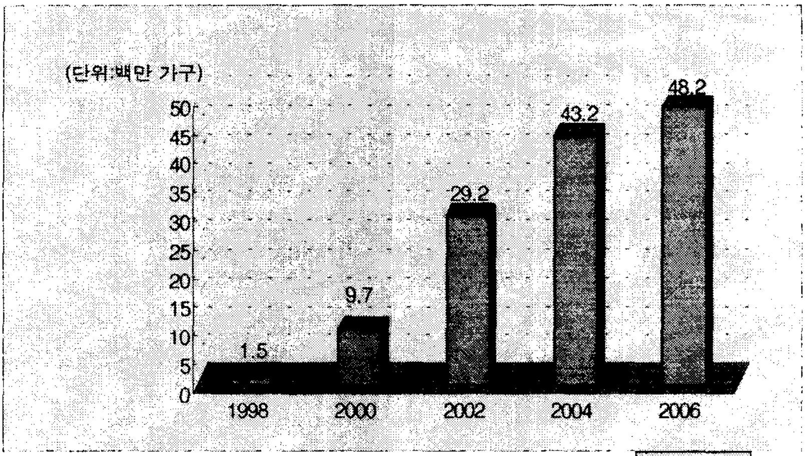
III. Digital Tomorrow

Service Industry II
Cable

US Cable Forecast



NCTA.2001

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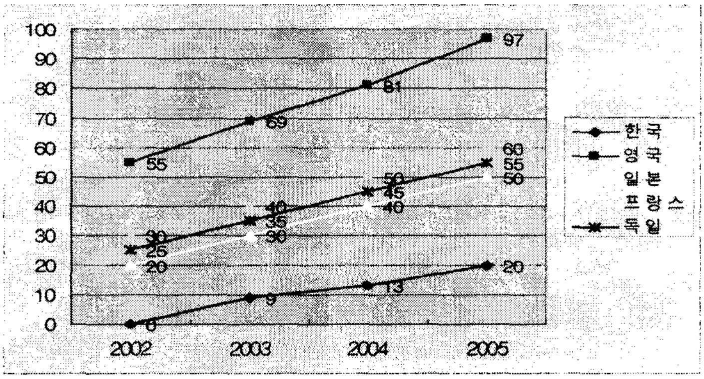
III. Digital Tomorrow

Service Industry II
Cable



Informa 2001

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III. Digital Tomorrow

Service Industry II
Terrestrial

❑ Outlook

Restructuring of Broadcasting Service Industry

High cost of broadcasting right-> Restructuring power

Deregulation of Ownership

❑ ***Solution***

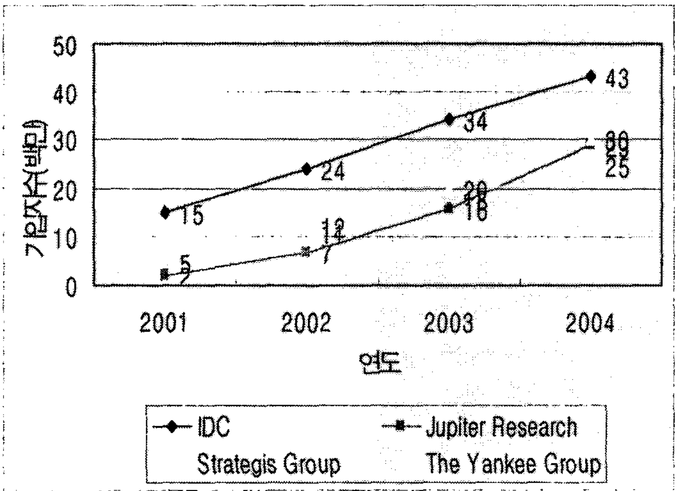
Big Money says many thing in the Media Market.

Good Technology says something in the Media Market

Powerful triangle between Money, Technology, & Policy says Everything in the Media Market

III. Digital Tomorrow

Service Industry II
Interactive



KISDI 2002

Europe T-Commerce (Units: EURO Million)

	2002	2003	2004	2005
UK	986	2,046	3,699	6,085
France	459	1,060	2,029	3,204
Germany	214	810	1,758	3,174
Italy	140	270	518	882
Spain	350	544	810	1,227
Benelux	39	188	613	1,155
Nordic	99	293	629	945
etc.	71	153	370	610
Total	2,358	5,364	10,436	17,283

Informa 2001

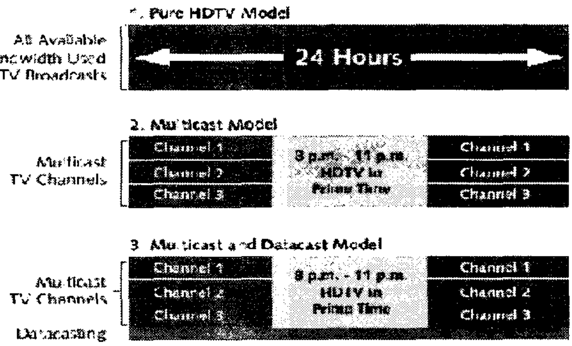
US Interactive TV Market Forecast

	2002	2003	2004	2005
DTV Subs.(Mil)	32.80	40.80	48.80	57.00
Interactive TV(%)	39%	53%	66%	80%
Interactive TV Subs.	12.79	21.62	32.21	45.60
revenue/household($)	25.00	35.00	50.00	75.00
Interactive service Revenue(US$M)	319.80	756.84	1,610.40	3,420.00

VisionConsult 2001

III. Digital Tomorrow Strategy

Service Industry II

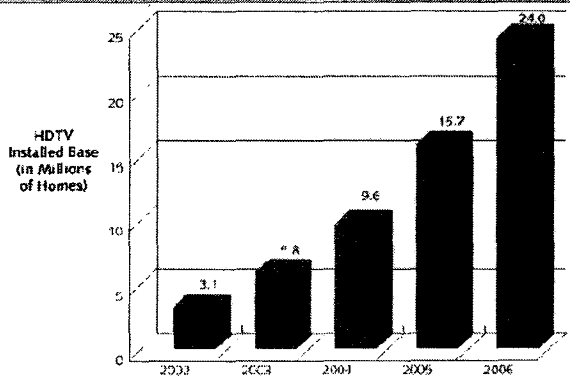


Yankee Group 2001

III. Digital Tomorrow

DTV *Industry*

HDTV Penetration (US) **24 Million Homes by 2006**



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DTV Unit Shipments Forecast

Europe	2001	2002	2003	2004	2005	2006	CAGR
iDTV sets(000)	220	480	1,040	2,520	6,100	10,100	115.0%
Revenue($mil)	176	341	660	1,436	3,172	4,848	94.1%
Japan	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**CAGR**
iDTV sets(000)	280	600	1,400	3,500	5,900	8,500	97.9 %
Revenue($mil)	588	1,092	2,212	4,970	7,729	10,370	77.5%
Asia	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**CAGR**
iDTV sets(000)	250	550	1,060	1,970	3,400	5,500	85.6%
Revenue($mil)	430	853	1,442	2,206	3,060	4,235	58.0%

In-Stat/MDR,2002

DTV Unit Shipments Forecast(Units in Thousands)

North America	2001	2002	2003	2004	2005	2006	CAGR
HD Projection Monitors	975	1,375	1,950	2,200	2,500	2,750	23 %
HD Direct View Monitors	245	415	750	1,050	1,350	1,700	47.3%
iHDTV Projection Sets	15	35	75	150	480	900	126.8%
iHDTV Direct View Sets	40	140	270	500	925	1,500	106.4%
Flat Panel Monitors/Sets	45	100	220	400	725	1,250	94.4%
EDTV & SDTV Sets	10	35	130	360	700	1,100	156%
Total	1,330	2,100	3,395	4,660	6,680	9,200	47.2%

In-Stat/MDR,2002

III. Digital Tomorrow

DTV *Industry*

North America DTV Revenues by set type(US $ M)

North America	2001	2002	2003	2004	2005	2006	CAGR
HD Projection Monitors (16:9)	1,563	2,389	3,528	3,931	4,000	3,713	18.9 %
HD Projection Monitors(4:3)	630	512	344	88	0	0	-100 %
HD Direct View Monitors(16:9)	257	417	825	1,131	1,397	1,830	48.1%
HD Direct View Monitors(4:3)	241	282	375	411	405	313	5.4%
iHDTV Projection Sets	60	130	272	543	1,320	2,115	103.9%
iHDTV Direct View Sets	94	308	554	963	1,619	2,363	90.6%
Flat Panel Monitors/Sets(16:9)	131	208	353	852	2,048	3,438	92.4%
Flat Panel Monitors/Sets(4:3)	68	139	271	350	400	484	48.3%
EDTV & SDTV Sets	9	28	90	209	336	407	115.3%
Total	1,330	2,100	3,395	4,660	6,680	9,200	47.2%

In-Stat/MDR,2002

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Summary

- ❑ *Service Industry*
  - *good digital contents are few*
  - *high cost of broadcasting right*

  Satellite broadcasting will be dominant in many countries

  Interactive TV service will be an engine of digital broadcasting

- ❑ *DTV sets Industry*
  - *Big Market is coming*

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Conclusion

Time is a money.
Big Money says many thing in the Media Market.
Good Technology says something in the Media Market

Powerful triangle between Money, Technology, & Policy says Everything in the Media Market

Ultimately we have to make a new digital communication culture, which is a fundamental market

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Thank you

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