

Oct. 4. 2002

2002 Workshop on Digital  
Broadcasting Technology

# **Convergence & Broadcasting :Today & Tomorrow**

*Kook-Jin Kim Ph.D*

## **Content**

***I. Recent Trends***

***II. Convergence***

*the Meaning & Limit*

***III. The effect of convergence***

*on markets and services*

***IV. Broadcasting :Today and Tomorrow***

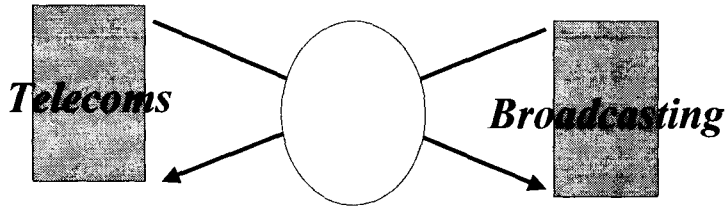
*Reconsidering the Concept*

*Interactive consumer*

***V. Summary & Conclusions***

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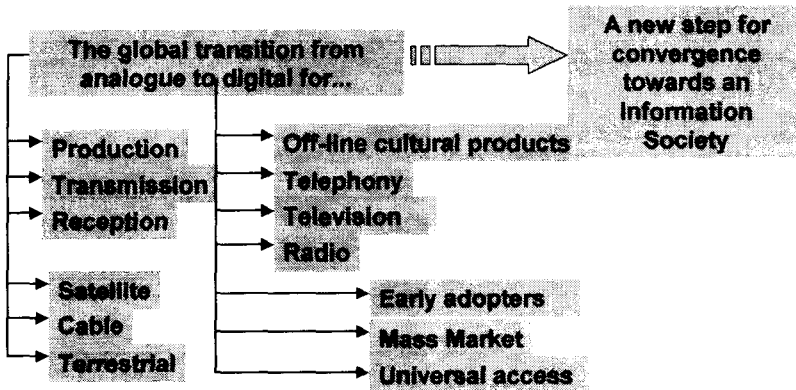
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*Co-orientation: face to face approach ?*

*Two side zone and grey zone ?*

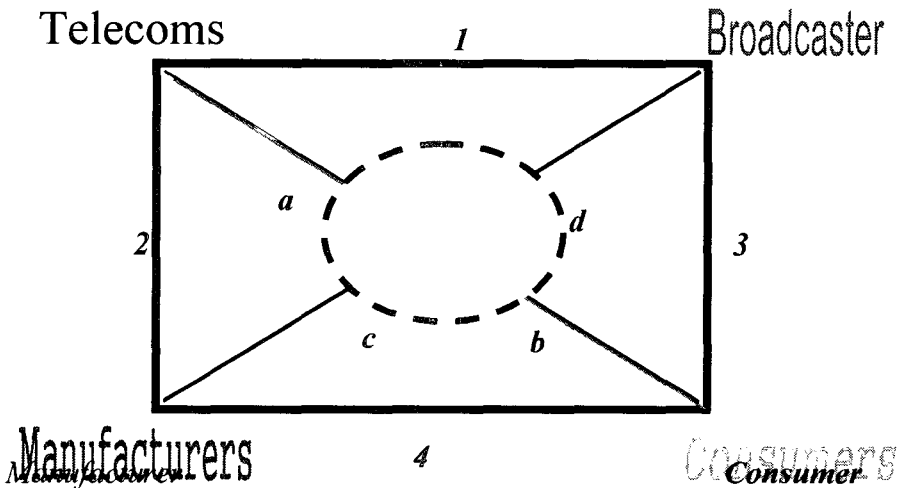
*(c) DTV migration as part of the global digital convergence*



- ❑ **Huge growth in non-voice services:**
  - data services; enhanced and intelligent services ; E-commerce
- ❑ **More mobile phones than PCs**
- ❑ **Massive and continued growth of Internet**
  - Limited use of Internet for best efforts quality voice telephony services
  - Recognition by telecom sector and broadcasting sector of key role of IP
- ❑ **Introduction of DTV via all media means that includes internet access**
- ❑ **Emergence of products for high bandwidth delivery in access networks(xDSL, cable modem)**
- ❑ **Simulation of broadband service delivery through regulatory initiatives such as local loop unbundling**

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## II. Convergence

### □ Defining

o *is a broad term used to describe ubiquitous platforms envisioned for the computing, broadcasting, and telecom industries.*

- *Voice and data convergence*
- *Video and Data, Voice convergence*

o *is a phenomena that blurs the boundaries between the computing, broadcasting, and telecom industries.*

\* EU: *convergence service is new service that can be possible by cross-fertilization (1997 Green paper)*

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## Check Point

### Check Point

	<i>Network</i>	<i>direction</i>	<i>destination</i>	<i>Cont ent</i>	<i>Main information type</i>	<i>Content regulation</i>
<b>Broadcas ting</b>	<i>Broadcasting Net</i>	<i>One-way</i>	<i>Non-specific Mass</i>	<i>Open</i>	<i>Video</i>	<i>0</i>
<b>Telecomm unication</b>	<i>Telecom Net</i>	<i>Two way</i>	<i>Specific small no.</i>	<i>Non-open</i>	<i>voice</i>	<i>X</i>

	<b>meaning</b>
<b>Multi-Media services</b>	<i>the integrated media services</i>
<b>Telecom-Broadcasting convergence services</b>	<i>broadcasting and telecom services Based on IT</i>

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***Service and charging model***

***Services can be categorized as***

- i) entertainment ,***
- ii) education,***
- iii) information,***
- iv) transactions***

***\* The key changes are the introduction of an element of interactivity and transactional capability into mass-market applications***

***\* Transactional capability gives a possible shift from subscription as the mechanism of service choice towards pay-per-choice(or use).***

***\*The most likely model is a base subscription for access, with some bundled services and pay-per-choice(use) options beyond it***

***\*But the introduction of interactivity to mass-market, universal, broadcast services will not produce an overnight change in market behavior.----- Individual preferences and community attitudes are important factors.***

***\*And there will continue to be demand for uncustomized ,multi-channel entertainment for the foreseeable future.***

*\* Advertising revenues are to be enhanced by the potential for content to be delivered across different platforms, each providing different levels of mass or targeted coverage. — Advertising revenue is likely to be a major driver for cross-media integration.*

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***Convergence broadens Competition***

- any existing industry-specific regulation designed to protect consumers from firms with market power must be reconsidered;*
- Any analysis in competition law must be view to the eye to the changing environment rather than with a view to the verities of the past;*
- Where convergence is creating a new market, regulatory forbearance may be wise until the market has begun to mature.*

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*-Less distinction between transport networks that traditionally operate in different market sectors----all capable of digital transport and support for multimedia type services*

*-IP is expected to be a driving force towards convergence between traditional fixed and mobile telecommunication networks  
More networks utilising common IP transport and enhanced intelligent platforms likely to emerge*

*-Next generation Internet expected to deliver multimedia services with much higher speeds and capabilities--- huge potential global service market*

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*-The 3G mobile systems will enable users to access more diverse, interactive and advanced capabilities with links to Internet; access to Web services and video streams highly attractive to next generation mobile users.*

*It should act as a major gateway to the higher value service and content sectors of the future*

*-Move to incorporate more open distributed service architectures in evolving networks that will facilitate functional separation between network operation and the service provisioning platforms*

*-Much more friendly terminal facilities that will enable consumers to select services and content via competing transport platforms*

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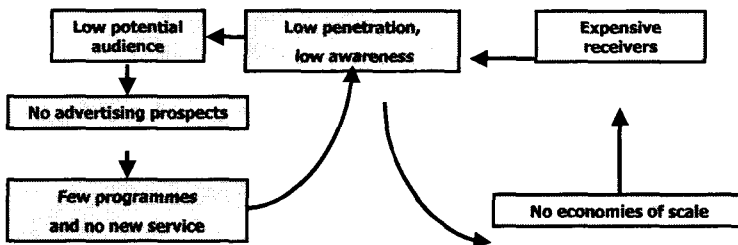
**O Digitalization and Restructuring**

**Digital factors**      **More channels**  
**Interactivity**  
**Higher Quality**  
**Mobility**

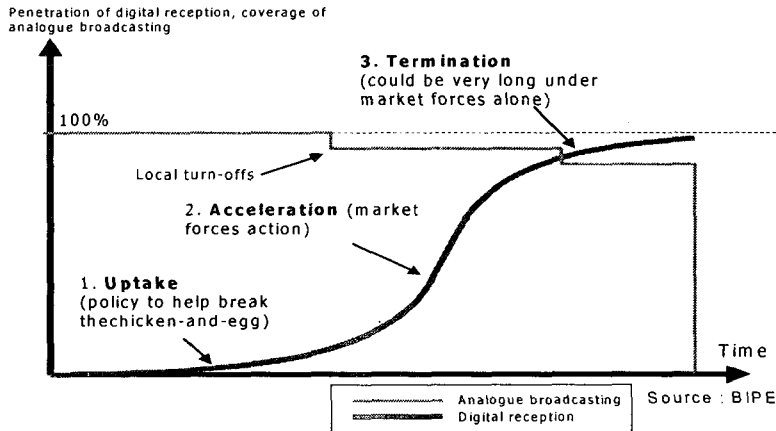
**Q. Best selling point of DTV? A. Interactivity 17.5%**  
**Ch. No. 16.5%**  
**Picture quality 8%**  
**Cheap price 6.5%**  
**Mobile 3.5%**  
*in forum room of IBC 2002( Sept. 12)*

**Digital Egg and Chicken**

*More powerful Policy has to work to make a good circle relation.*







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❑ *various kinds of viewpoints to assess convergence.*

**Economical aspect**

*Convergence of technologies and services encourages the large-capital "non-media" companies to enter to enter into the information provider market and also the existing broadcasting entities to develop their business into the general information providing services.*

*Concerning newly emerged business area, it will be difficult that only established and experienced media can insist on the vested rights.*

*-> In the age of convergence, the traditional public regulations on the market will not work well, because they are provided on the possibilities to permit the limited entities to share the market of broadcasting or telecommunication.*

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□ various kinds of viewpoints to assess convergence.

**Social-cultural aspect**

*Convergence of media widens the possibility of using telecom/broadcast system in everyday life.*

*-> Instead, people including children are much more exposed to various kinds of information irrespective of its quality.*

**--->Regulatory aspects**

*<regulatory problems>*

*-contents regulation to be adopted in the converged area*

*-structural regulation in the converged market*

*-reconsidering regulatory philosophies or reexamine the premises of existing regulations*

*Existing concept isn't work well in the converged media age.*

*<Reconsidering choices>*

**1. Enlargement of the concept**

<i>Yesterday</i>	<i>Today</i>	<i>Tomorrow</i>
<i>Open user</i>	<i>Open user+ subscribers</i>	<i>Open user+Closed user</i>
<i>One way</i>	<i>One way</i>	<i>One way + two way</i>

*What is difference between broadcasting and telecommunication?*

**2. Retrenchment of the concept**

*Concerning the broadcasting concept, the final problem will be whether we should form an artificial broadcasting concept without regard to its technological character, or not. --> broadcasting is defined as a communication category which is to be regulated as "broadcasting".*

*"Regulated" as a last resort of cultural standard.*

**□ Target Audience**

*mass passive audience*

*<---> Entertainment Oriented broadcasting*

*mass active audience*

*<----> Infotainment broadcasting*

*Interactive consumer*

*<----> Personal transaction broadcasting*

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**<Interactive consumer>**

*Personalized consuming condition but oriented  
community concerns.*

**< Strategy >**



*Personalizing content and services*



*Community share content and services*

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- ❑ *The role of intellectual property*
- ❑ *Opportunities for service branding*
- ❑ *Scope for critical leverage in the value chain*
- ❑ *The impact of gateway control*

- ❑ *Regulating supply-side issues*
  - *the dynamics of convergence are significant and imply an overall tendency to integration and concentration.*
  - Typical issues— leverage of market power from on part of the value-chain to another, and from one platform to another.*
  - *regulation protecting the consumer interest*
  - the direct exercise of strong power to protect and promote competition and to prohibit anti-competitive behavior or abuse of market power.*

**□ Regulating demand-side issues**

*-The erosion of differences between delivery media brings and increasing pressure to resolve existing differences in the regulation of content delivered over those media*

*-Consistency of basic principles will be necessary across the whole of the sector; this is already provided by general law and regulation.*

*-Some continued diversity in regulatory instruments is likely to be appropriate*

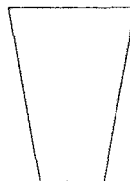
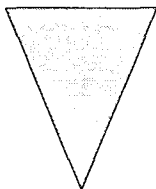
*\*Current distinctions, based on the increasingly irrelevant difference of underlying delivery medium, need to be re-examined.*

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*<Services>*  
*entertainment ,*  
*education,*  
*information,*  
*transactions*



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***Knowledge-based Information Society***

*Grand Policy and Convergence Policy*

*Broadcasting concept review*

***Digitalization and Industrial Restructuring***

*Stimulus and Support*

*Push and Pull*

*Deregulation*

***Consistency of R&D***

*Technology-based            Industry    and    service  
development*

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**Thank you**

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