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RESET: a new Future for Public/Regional Media

Straight Talk for Turbulent Times

Challenges Facing Public & Regional Media "Broadcasting"

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Today's Challenges?

- More Channel Offerings
- More Distribution Channels (web, mobile, commuter)
- Gov't Reluctance to Fund Public Broadcasting vs. Health Care, Education & Social Services demands
- Meanwhile "Private Sector" can better find money to invest in future, more easily attract talent & ideas...

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Revitalize

Re-inspire

A *NEW* formula for success

Straight Talk,

Respectful but Challenging,

Focus Forward

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Public Broadcaster	**Commercial Television**
For the Common Good	For Those who are Interested
What is needed for the citizen	What is desired by those looking for entertainment
Government Funded from tax dollars	Advertiser funded or subscription-based or ???
Excellence, Accuracy, Values	Attractive, Engaging, well Packaged
"Independent", Truthful, Moral	Editorial, "Spin", Popular
Reinforce Culture, Language, Diversity	*Style*, Pop-culture successes, Iconic
Provide things that "commercial" won't	Provide what a Niche, or Broad-base will seek
Trusted, Respected, Reliable	"Brand", Loyalty, "Pushes Edges"
Not-for-Profit, indeed somewhat subsistent, often funding-determined	Profit focussed, invests in innovation
Content-driven	Marketing-driven

Public Broadcasting

“Providing what the Population Needs”

vs.

Commercial Television

“Providing what Consumers Want”

vs.

Community Media

“Providing a Sense of Belonging & Achievement”

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1

What are the Dreams of your Community?

1

Its NOT about € Funding

Its about how we can better inspire, enlighten, facilitate aspirations of Community

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2

Do your people Ooooze Passion for Community Stories?

2

Public/Regional Media:

Unleash the Great Stories in your Communities

3

"Skate towards where the puck is going to be, not where it has been"

Wayne Gretzky

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3

It's Time to Think Different!

1

Its about how we can better inspire, enlighten, facilitate Community dreams

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Spanish Media Industry (2009)

Yr.	TV	Newspapers	Mags	Radio	Cinema	Online
'09	2.3B € -30%	-6%	-4.5%			+25%
'08	3.1B € -22%	[Telecino] [Carat]			N/A	+55%

- 30% TV Ad Spend decrease in 2009; On-line increase to $300M (+25%)
- 54% Internet Penetration of households (2009); Only 20% high speed
- 23% penetration of SmartPhones in 2009 (#2 in world),
  Now 1in2 sold are "smart" (Cellular News)
- Spain is Europe's most advanced mobile advertising market

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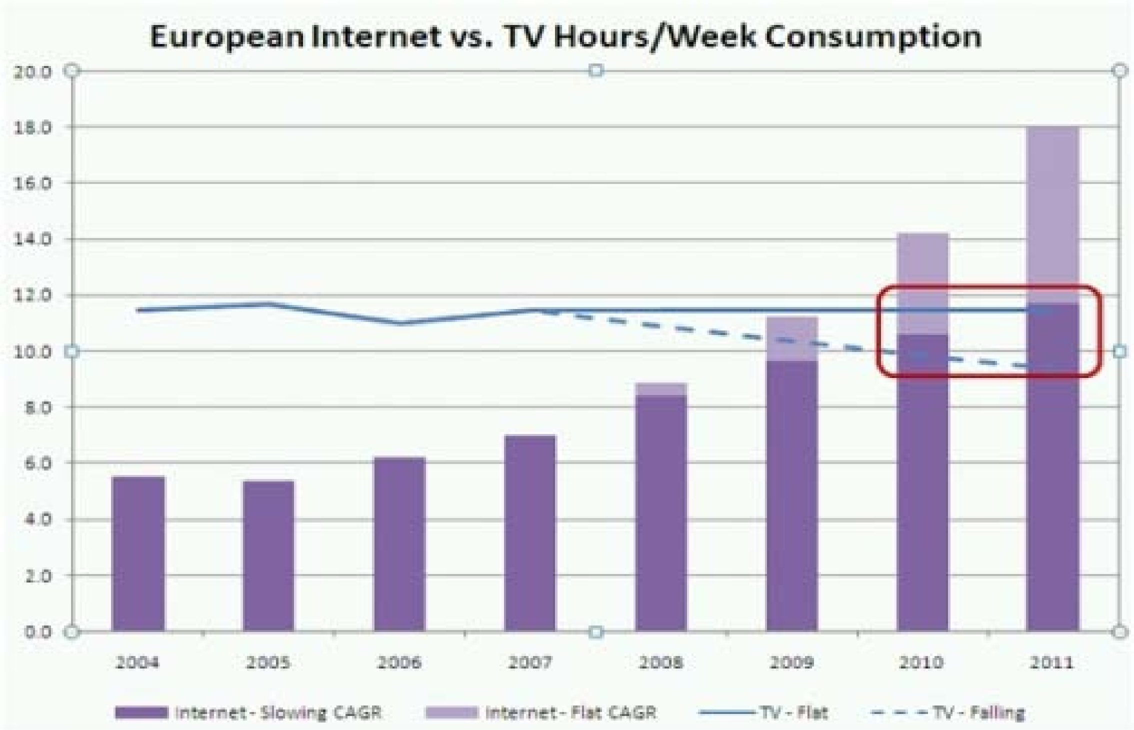
TV, Europeans' Preferred Form Of Media

- TV remains the form of media to which Europeans are most exposed, but internet is catching up/taking over



Microsoft EMEA, 2009

Mobile Phones:

- 240M users
- 110%+ of pop
- 30% "Smart"

2009 Nielsen

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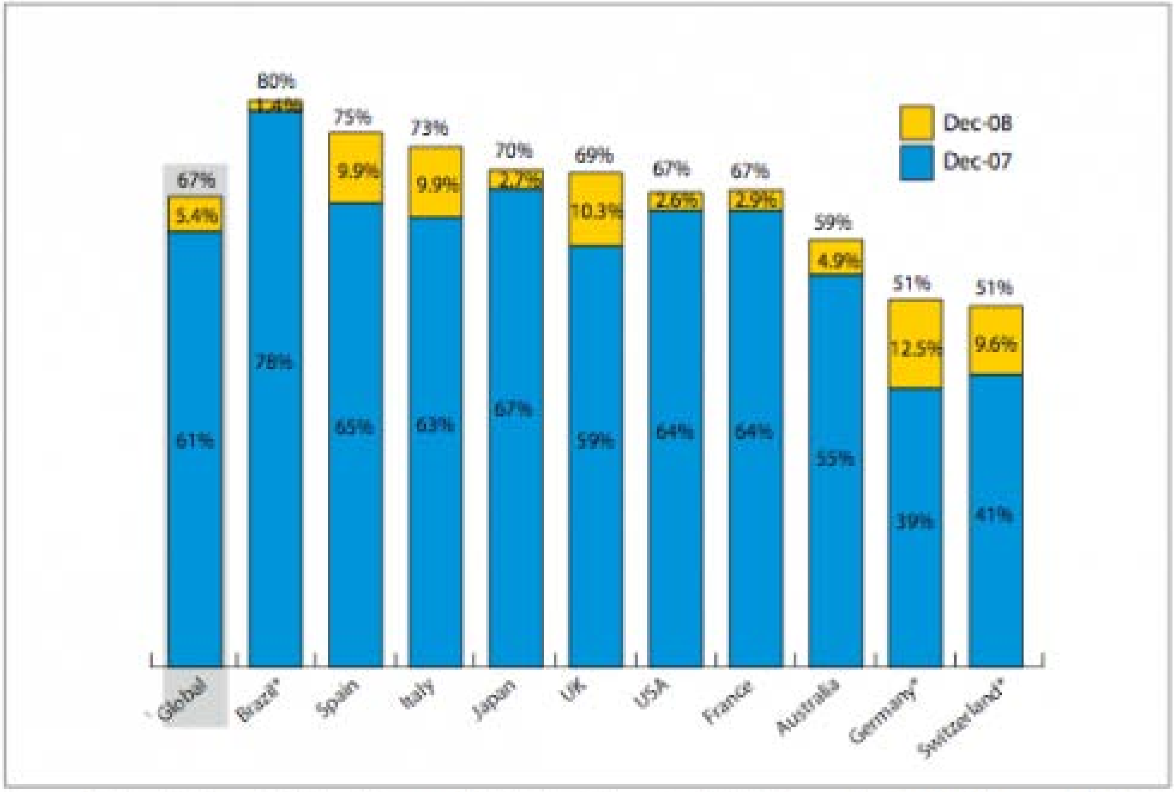
WORLD INTERNET USAGE AND POPULATION STATISTICS

World Regions	Population (2009 Est.)	Internet Users Dec. 31, 2000	Internet Users Latest Data	Penetration (% Population)	Growth 2000-2009	Users % of Table
Africa	991,002,342	4,514,400	**86,217,900**	8.7 %	1,809.8 %	4.8 %
Asia	3,808,070,503	114,304,000	**764,435,900**	20.1 %	568.8 %	42.4 %
Europe	803,850,858	105,096,093	**425,773,571**	53.0 %	305.1 %	23.6 %
Middle East	202,687,005	3,284,800	**58,309,546**	28.8 %	1,675.1 %	3.2 %
North America	340,831,831	108,096,800	**259,561,000**	76.2 %	140.1 %	14.4 %
Latin America/Caribbean	586,662,468	18,068,919	**186,922,050**	31.9 %	934.5 %	10.4 %
Oceania / Australia	34,700,201	7,620,480	**21,110,490**	60.8 %	177.0 %	1.2 %
WORLD TOTAL	6,767,805,208	360,985,492	**1,802,330,457**	**26.6 %**	399.3 %	100.0 %

Internet World Stats 2009

Social Networking – Works!



*Source: Nielsen Online, NetView, Home and Work Data, December 2007 – December 2008 (*Home only). E.g. In Dec 08 'Member Communities' reached 67% of the global online population compared to 61% in Dec 07*
[1] 'Global' refers to AU, BR, CH, DE, ES, FR, IT, UK & USA only (JP figure not included in Global figure)

- Vast majority of Europe ahead of the USA in terms of blog readership, people starting their own blog and membership of social networks. [Universal McCann's Social Media Tracker Wave 3]
- London is the capital of Twitter, in fact Social Media capital of world! [Sysomos]
- People in Spain, Italy & UK spend more time on social networks than in USA [Nielsen]

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Media Consumption / "Business" Success

- Radio
- Television
- Internet
- Mobile

Different Approaches for Different Generations!

- Grey Wave (17%)
- Boomers (30%)
- Gen X (15%)
- Echo/Gen Y (21%)

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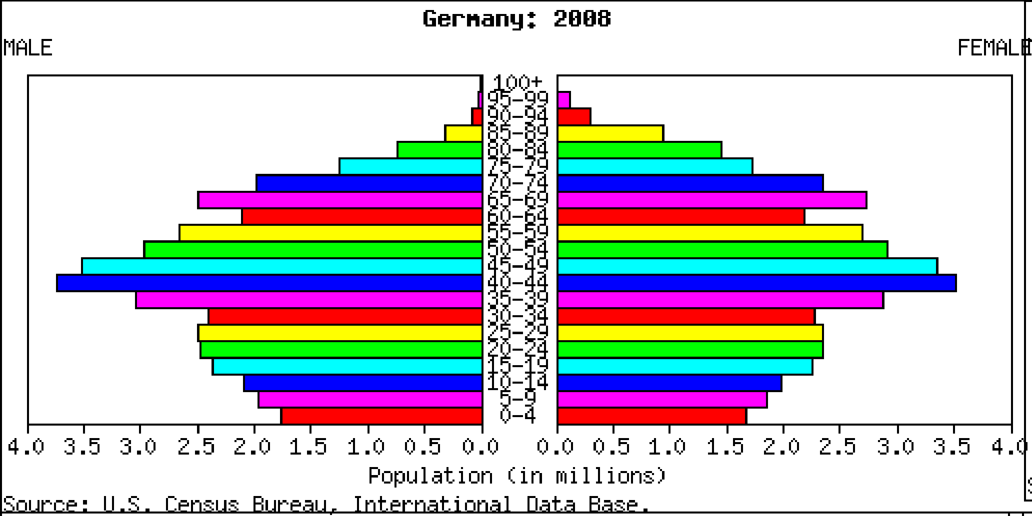
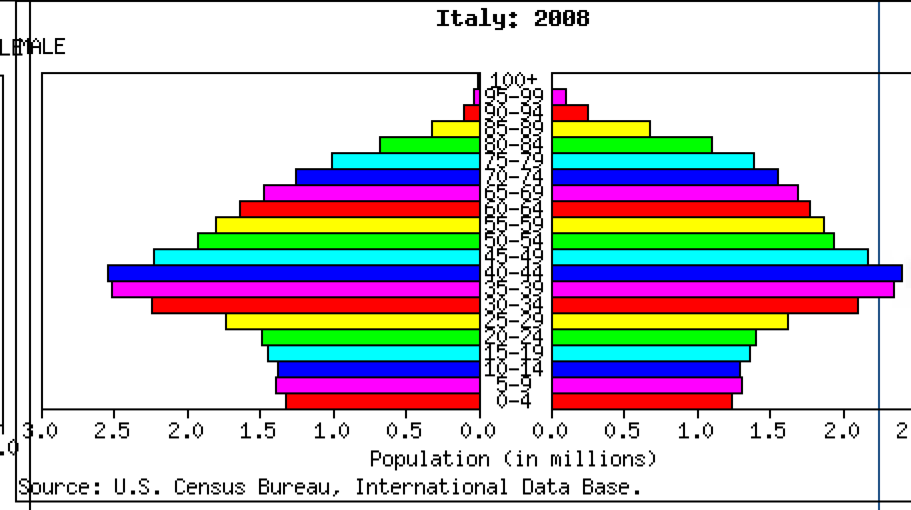
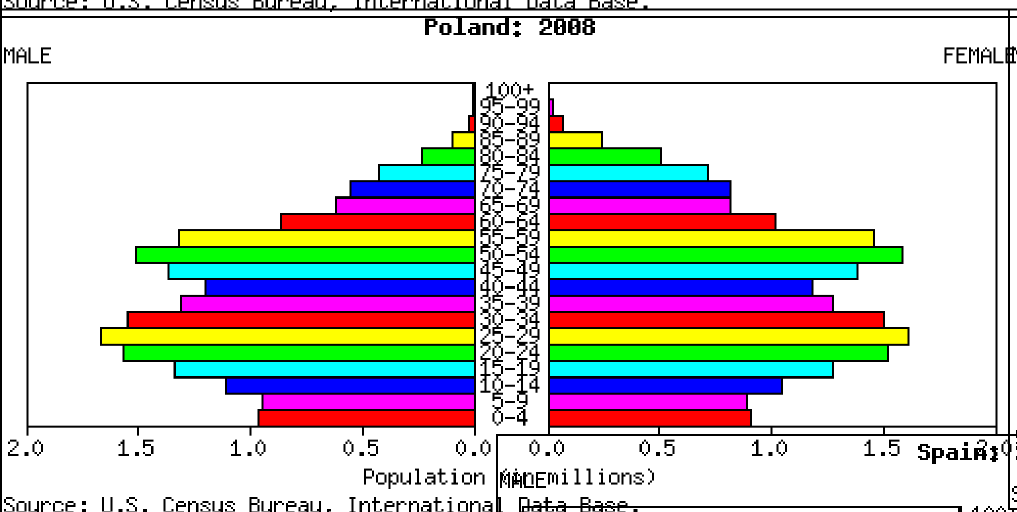
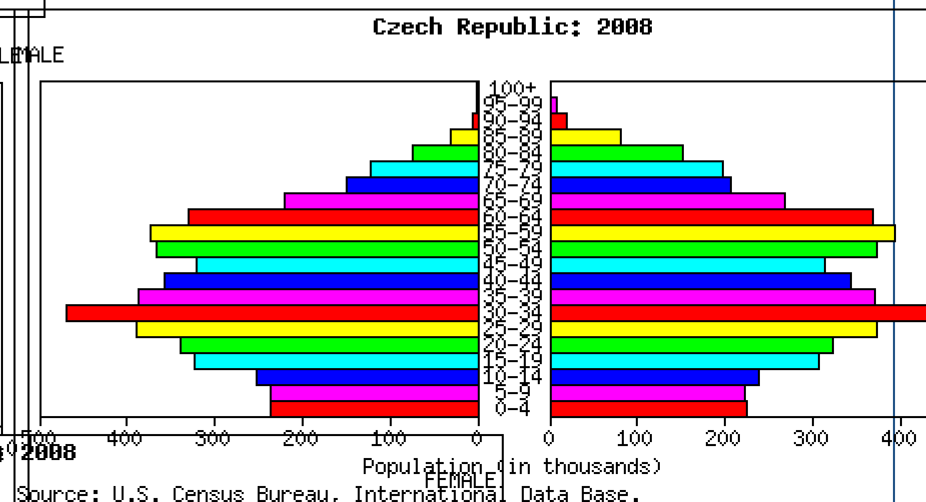
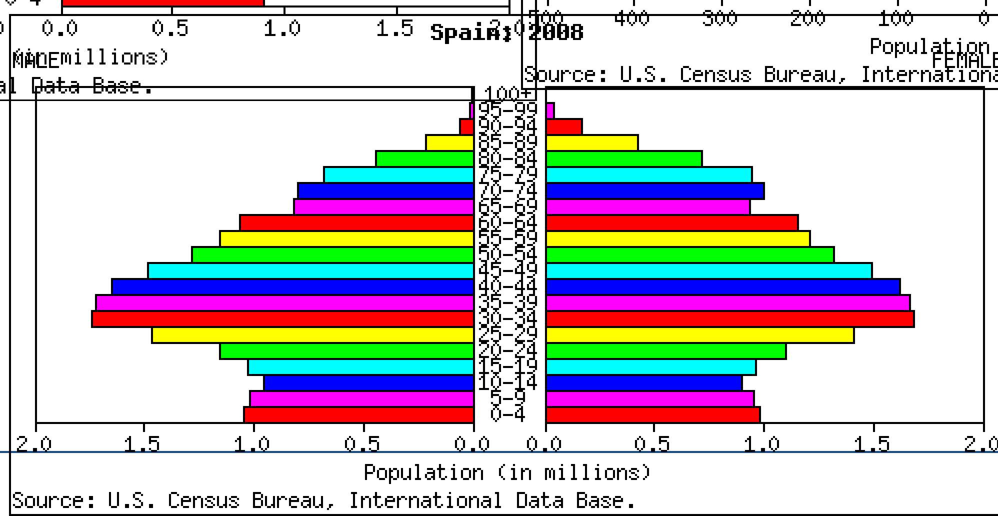
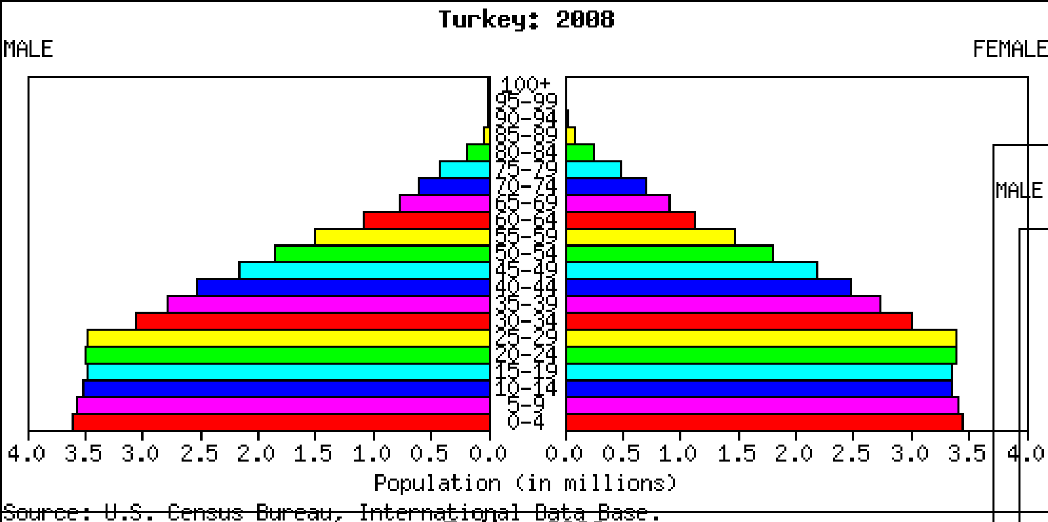

Germany: 2008
MALE
FEMALE
Population (in millions)
Source: U.S. Census Bureau, International Data Base.

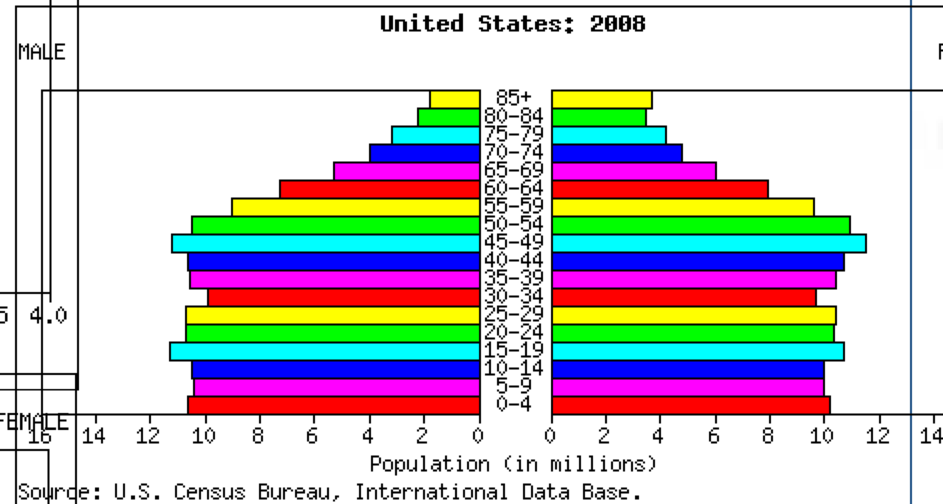

Italy: 2008
MALE
Population (in millions)
Source: U.S. Census Bureau, International Data Base.

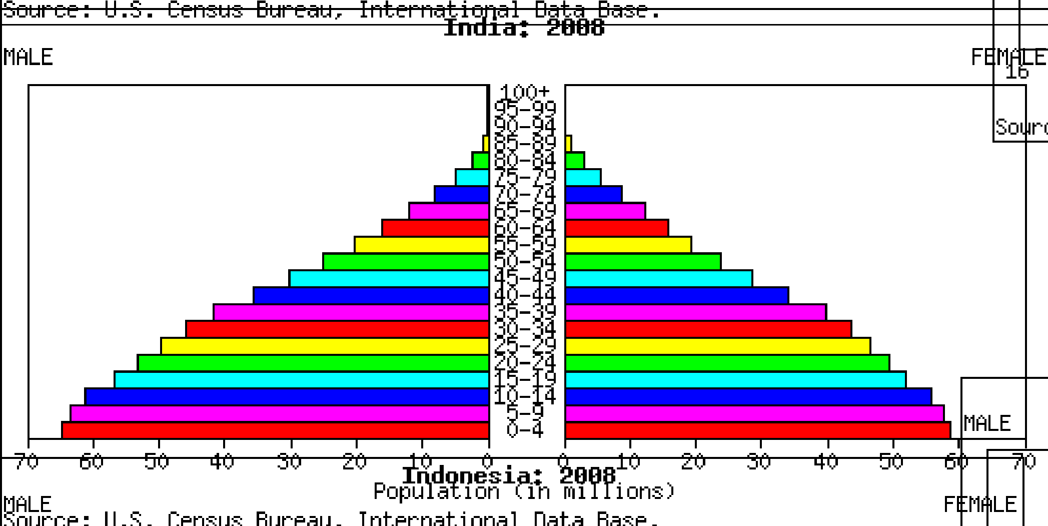

Poland: 2008
MALE
FEMALE
Population (in millions)
Source: U.S. Census Bureau, International Data Base.

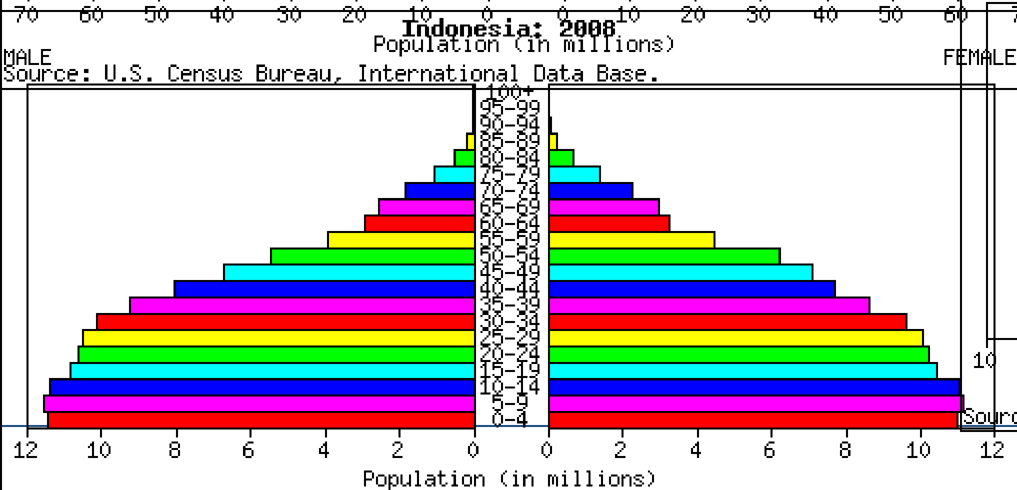

Czech Republic: 2008
MALE
FEMALE
Population (in thousands)
Source: U.S. Census Bureau, International Data Base.

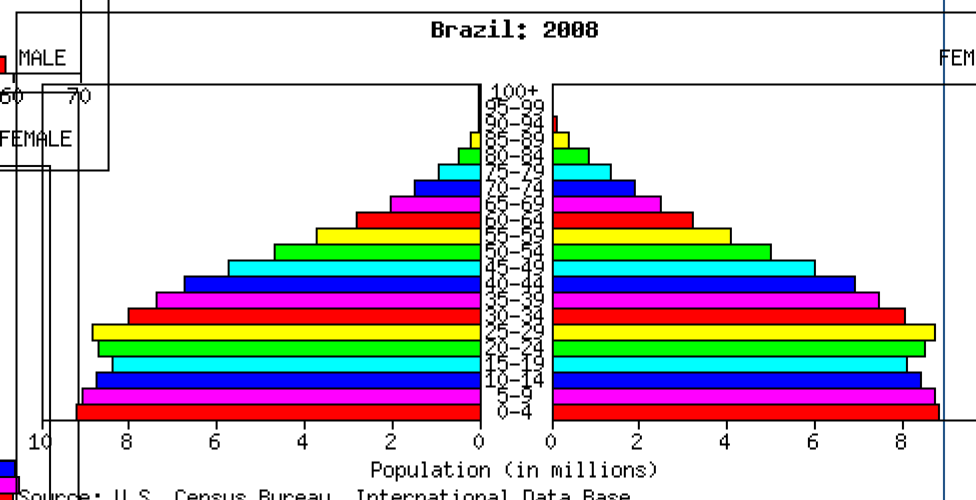

Spain: 2008
MALE
Population (in millions)
Source: U.S. Census Bureau, International Data Base.


Turkey: 2008
MALE
FEMALE
Population (in millions)
Source: U.S. Census Bureau, International Data Base.

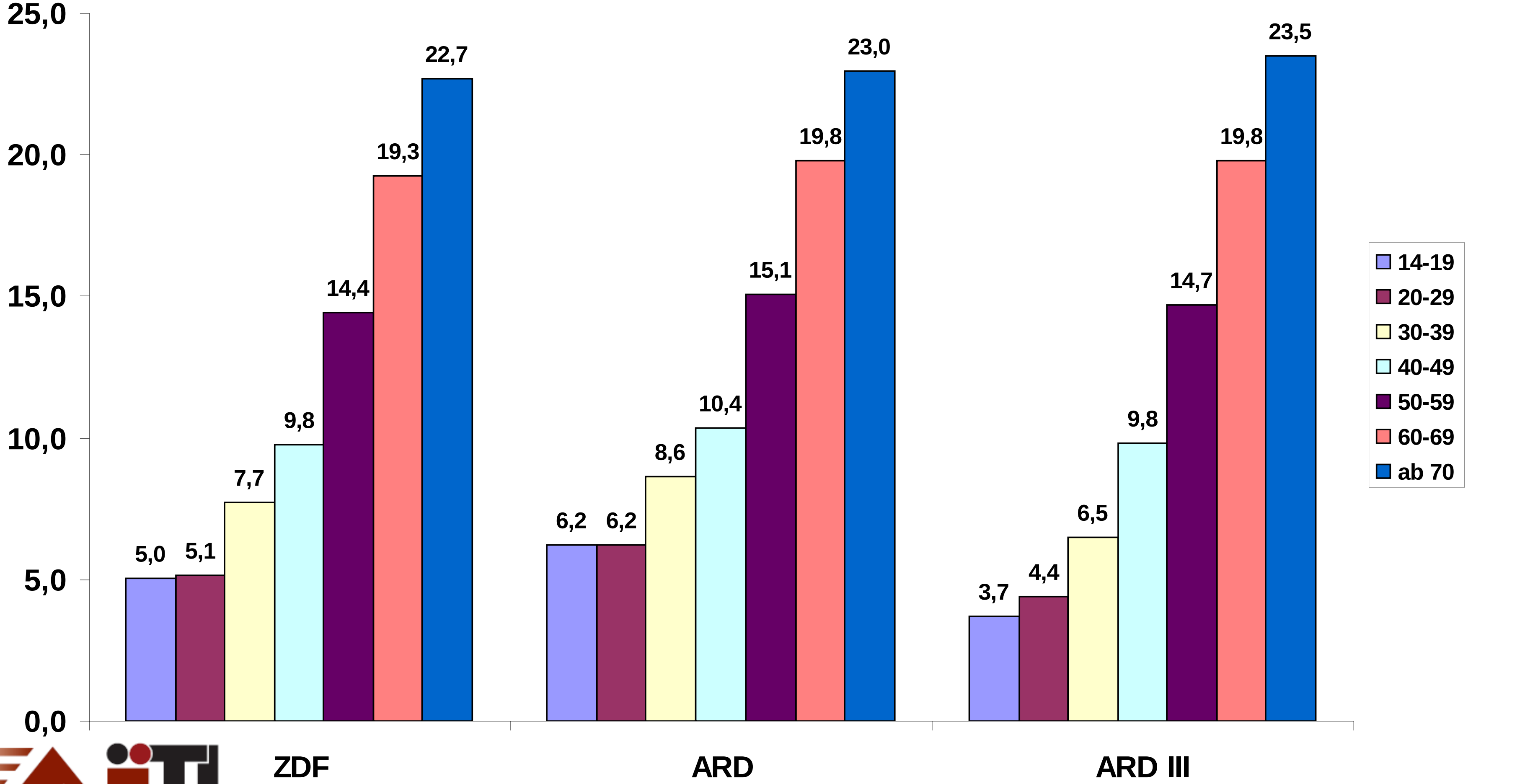

United States: 2008
MALE
Population (in millions)
Source: U.S. Census Bureau, International Data Base.


India: 2008
MALE
FEMALE
Population (in millions)
Source: U.S. Census Bureau, International Data Base.


Indonesia: 2008
MALE
FEMALE
Population (in millions)


Brazil: 2008
MALE
Population (in millions)
Source: U.S. Census Bureau, International Data Base.

Audience Market Share / Age by German Public Broadcasters



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Boundaries Falling

Consumers are Changing

Major Demographic Groups consume more -- and different -- media than in the past

- "**Grey Wave**" = Radio generation,
  Trad. language/geo border preference
- "**Baby Boomers**" = TV generation , Citizens of world,
  multilingual, want "Best" from wherever
  "Digital Immigrants"
- "**Generation X**" = Internet generation, Comfort in English
  Travel widely, "Digital Natives"
- "**Generation Y**" = Social/Multi-media, Mobile generation,
  chat-speak, Borders what Borders?
  iBrains!

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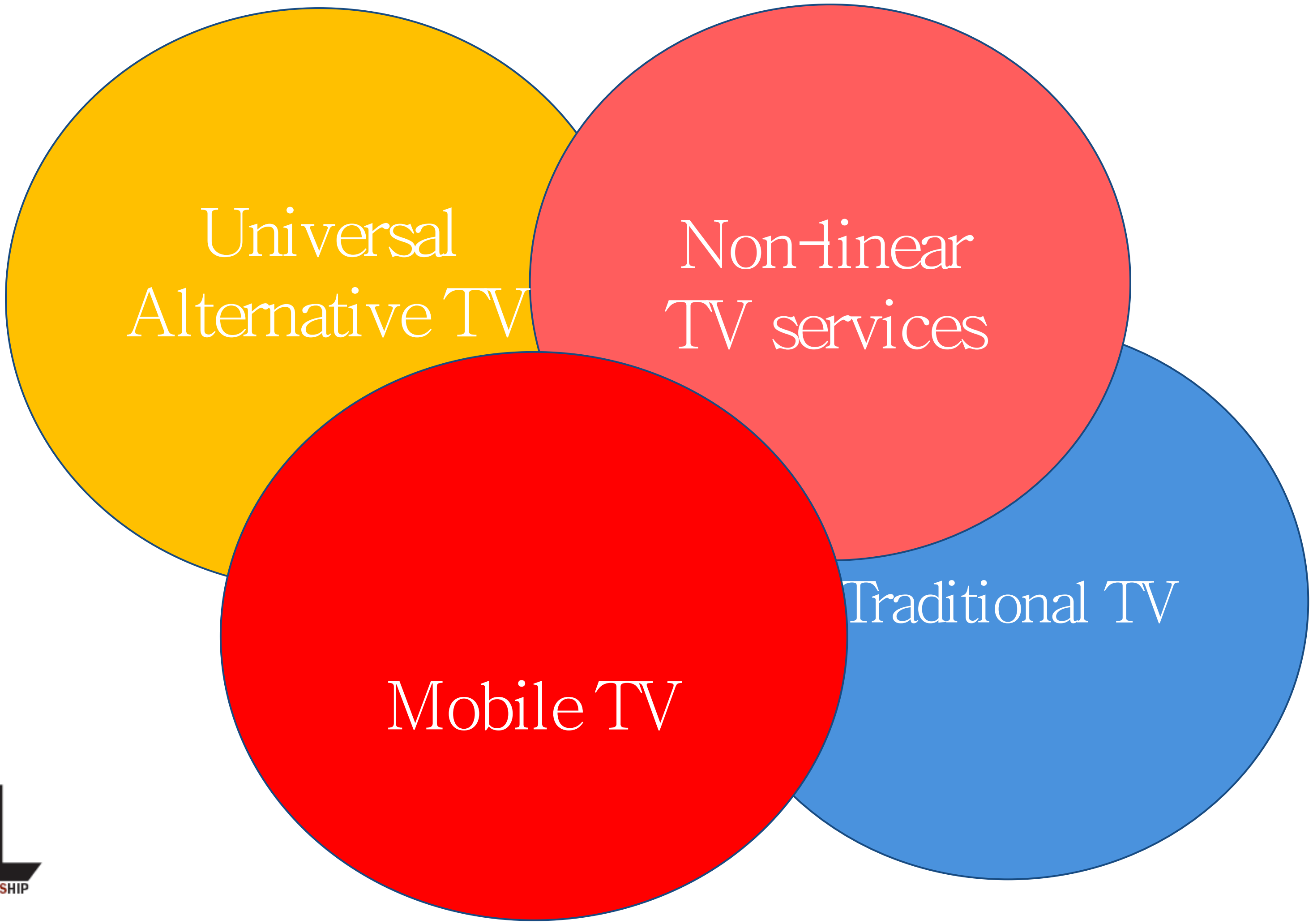
A Complicated Future – 4 Visions for TV future



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Vision 1 – "Mobile Enthusiasts" Dominate

Student

- **Portable 4" widescreen** TV/iPod/Phone/Facebook/Games, communicator w/ 80 GB SSD
- **"Download & Go!"**
- **Major Social Media participant** & content creator: *Facebook*, *YouTube, No Twitter!*
- **Little Daily TV consumption:**
  - Fixed TV < 1h (Onion News Net)
  - Mobile TV > 2h
- **Daily High Speed Internet consumption:**
  - Centred around communication activities, ***downloads***, ***uploads*** and info searches
  - Online video consumption inferior to TV consumption

ARTHUR

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Vision 2 – "Alternative Media Aficionados" Dominate

Young Adult

- **Dedicated "surfer"**
  - Internet time > TV time
  - Makes his own videos/Modifies other's content for YouTube
- **Ultra-Portable multimedia Computer / Gamer** w/ 240 GB SSD & integrated Wi-Fi/3G
  - Allowing high speed, mobile Internet access
- **Subscribes to the cheapest multi-play offering available**
- **Time spent in front of a TV screen**
  - Mainly to watch recorded/downloaded programmes from the Internet
  - High proportion of low cost "niche" programmes
  - Gradual decrease in real time TV consumption – major/event viewing: "24", Sports, Concerts, etc.

Marcel

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Vision 3 – “PVR Fans” Dominate

“Young” Boomer

MARIA

- **Fixed and portable PVR**
- **Subscribed to a cable/satellite** operator w/ “package” offering
- **Daily Time spent in front of HDTV**
  - < 60% spent on real time transmissions (PVR lovers)
  - High consumption of VOD
  - Centred around big TV content brand offerings: Grey’s Anatomy, “Idol”, Desperate Housewives
  - News & Local News/Info Important
- **High Internet consumption**
  - Centred around communication activities and info searches
  - On-line video consumption not really done unless circulated by friends (“What’s YouTube?”)
  - Some Social Media exchange

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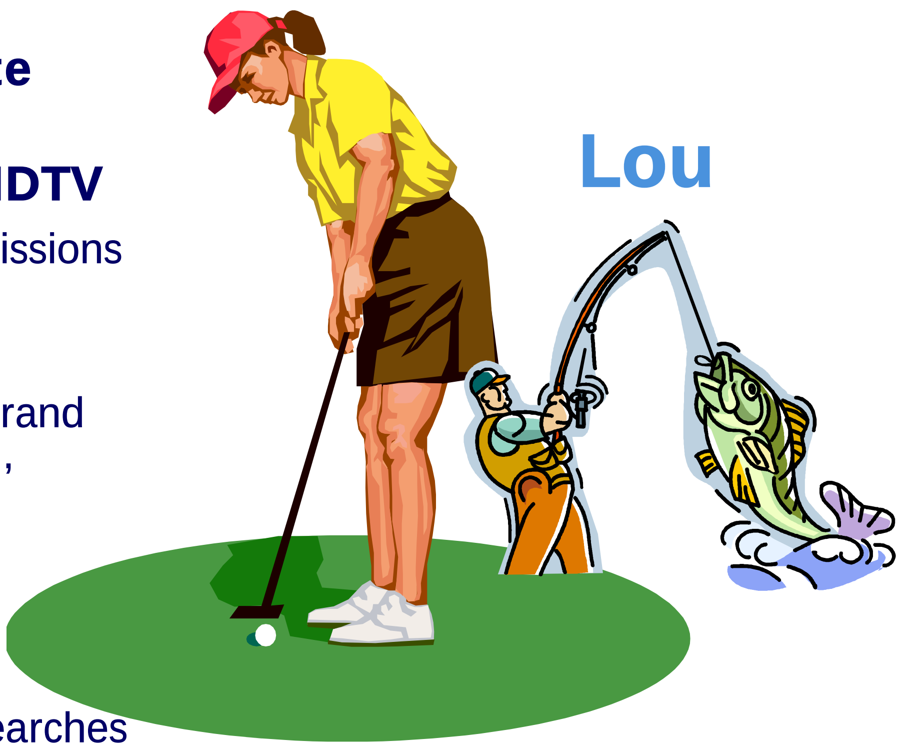
Vision 4– “Traditional” elders dominate

Active Grama & Grampa

- **Radio’s & TV’s throughout home/RV**
- **Subscribed to a cable/satellite** operator w/ “package” offering
- **Daily Time spent in front of HDTV**
  - >60% spent on real time transmissions (What’s a PVR?)
  - Low consumption of VOD
  - Centred around big TV content brand offerings: Grey’s Anatomy, “Idol”, Desperate Housewives
  - **News & Local News/Info V Important**
- **Moderate Internet Use**
  - Centred around news and info searches
  - Some Social Media exchange – mainly family related

Louise

Lou



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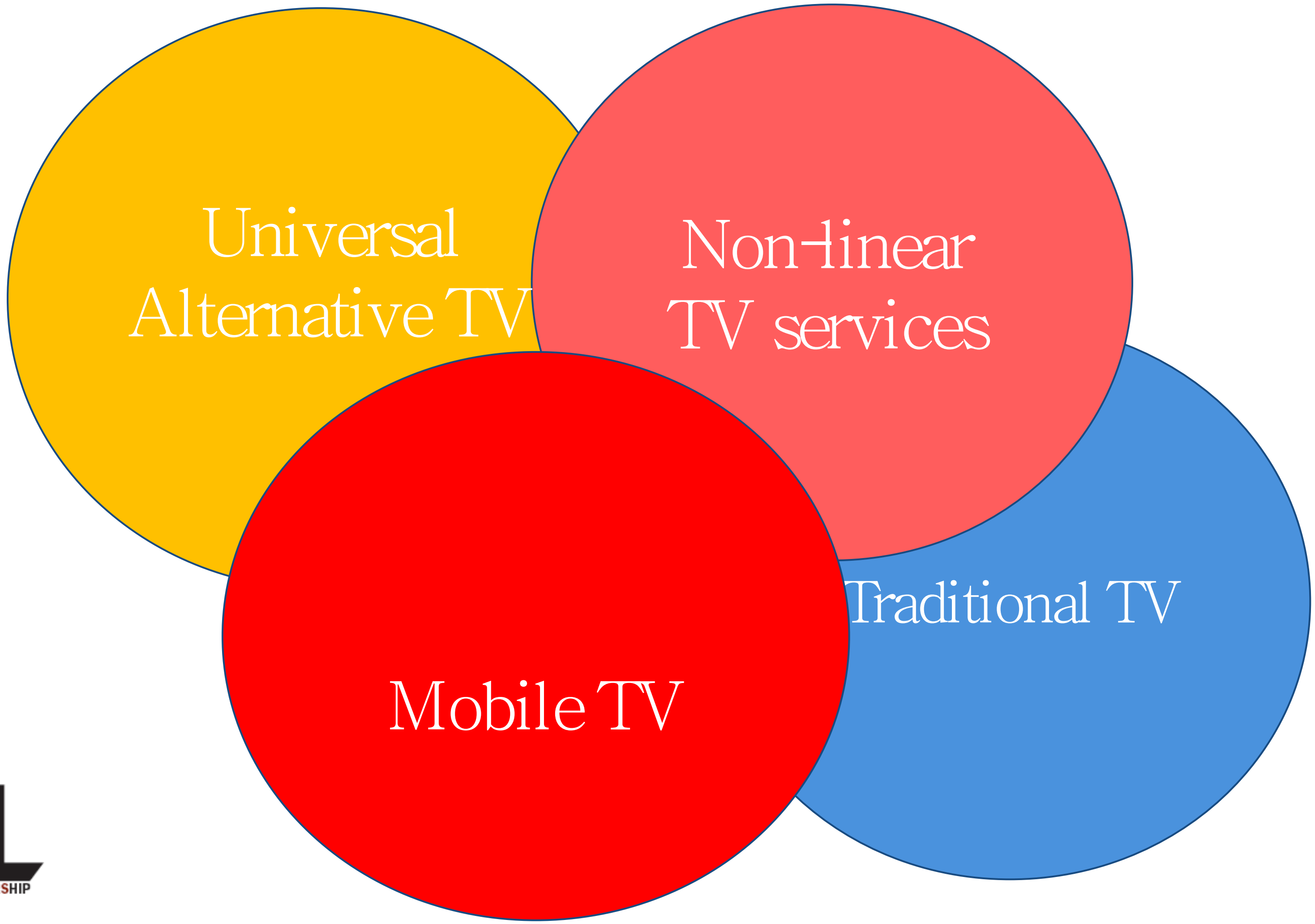
A Complicated Future – All 4 co-existing together!



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Mobile Device as "Primary" Screen

15%

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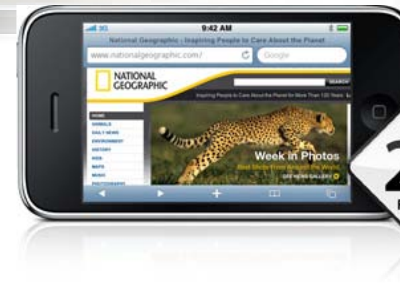
- MTV Cda - 1Million downloads of MVs
- MTV USA – 10M downloads in 2008
- More money is made off the internet platform than the TV Programming!
- MTV Music Awards & Drama (The Hills)

BUT – “Extended coverage” & “Interactive platform” is where the *real* action is!

Related MTV Sites

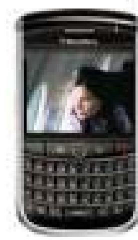
Jackass World
Man and Wife
MTV Dance
MTV Tr3s
MTV2
MTVU
Next or Not
Paris' New Best Friend
Real World Dailies
Soundtrack
Style

Mobile Apps



- Apple iPhone: 100,000+ Apps

- Google Android: 12,000+ Apps



- Blackberry App World: 6,700+

Most Popular Categories
1 –Games (17307 active)
2 –Books (13954 active)
3 –Entertainment (13012 active)
4 –Travel (7536 active)
5 –Education (6943 active)

Current Average App Price: $2.78
Current Average Game Price: $1.40
Current Average Overall Price: $2.54
"Sweet Spot": $4.99

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Mobile Gaming?

Nintendo Gameboy
Sony PSP

DRAGON AGE
ORIGINS

Facebook Mobile

iPhone

Your Public/Community Channel

- Do you offer a Mobile App for iPhone, Bberry?
- Do you have games/interactive web elements?
- Do you have downloadable, fun content?
- Do you mediate social interaction with Facebook, Twitter, YouTube – integrating user- generated content to your channel content?
- Are you a place through which your community *FLOWS*?

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Your Public/Community Channel

- Are you *IMPORTANT* in the daily lives of the people in your community? Which Demo?
  (Would they really miss you if you disappeared?)
- Do you add *INSIGHT* to what's happening in community?
- Do you address meaningful issues in an *ENGAGING* Manner?

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A World without "Borders"

- Become "Unbounded"
- Really, Really KNOW your Target Audience
- Build your Avatar(s)
- Have Fun, Look Outside-In,
  Shift Perspective Inside →Out,
  Get your new Target Audience **in-house!**
- Understand your "Channel" for Value Creation & "Positioning Strategy"

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1

It is about € Funding

Its about how we can better inspire, enlighten, facilitate aspirations of Community

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1

What are the Dreams of your Community?

2

Do your people Ooooze Passion for Community Stories?

2

Public/Regional Media:

Unleash the Great Stories in your Communities

2

Public/Regional Media:

Embrace "Imbedded" Reporters

- Embrace Independent Producers
- Embrace Social Media

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"Success Formula" Regional/Community Media

- Community Engagement
- Community Stories & Celebrations

However –> Different Demos: Different Engagement

- Imbedded "reporters" bringing the community to itself: involving, explaining issues, facilitating community expression & exploration
- Recruit "reporters" of the same Demo you want to engage

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"Success Formula" Regional / Community Media

- Invest in Innovation & Creativity vs. Infrastructure
- Invest in stimulating the independent production community and collaborative teams

However –> Regional/Community Media & Different Demos: It's about what's important to <u>community</u> (not the producers!) Story Engagement & "Quality" is defined differently by different Demos.

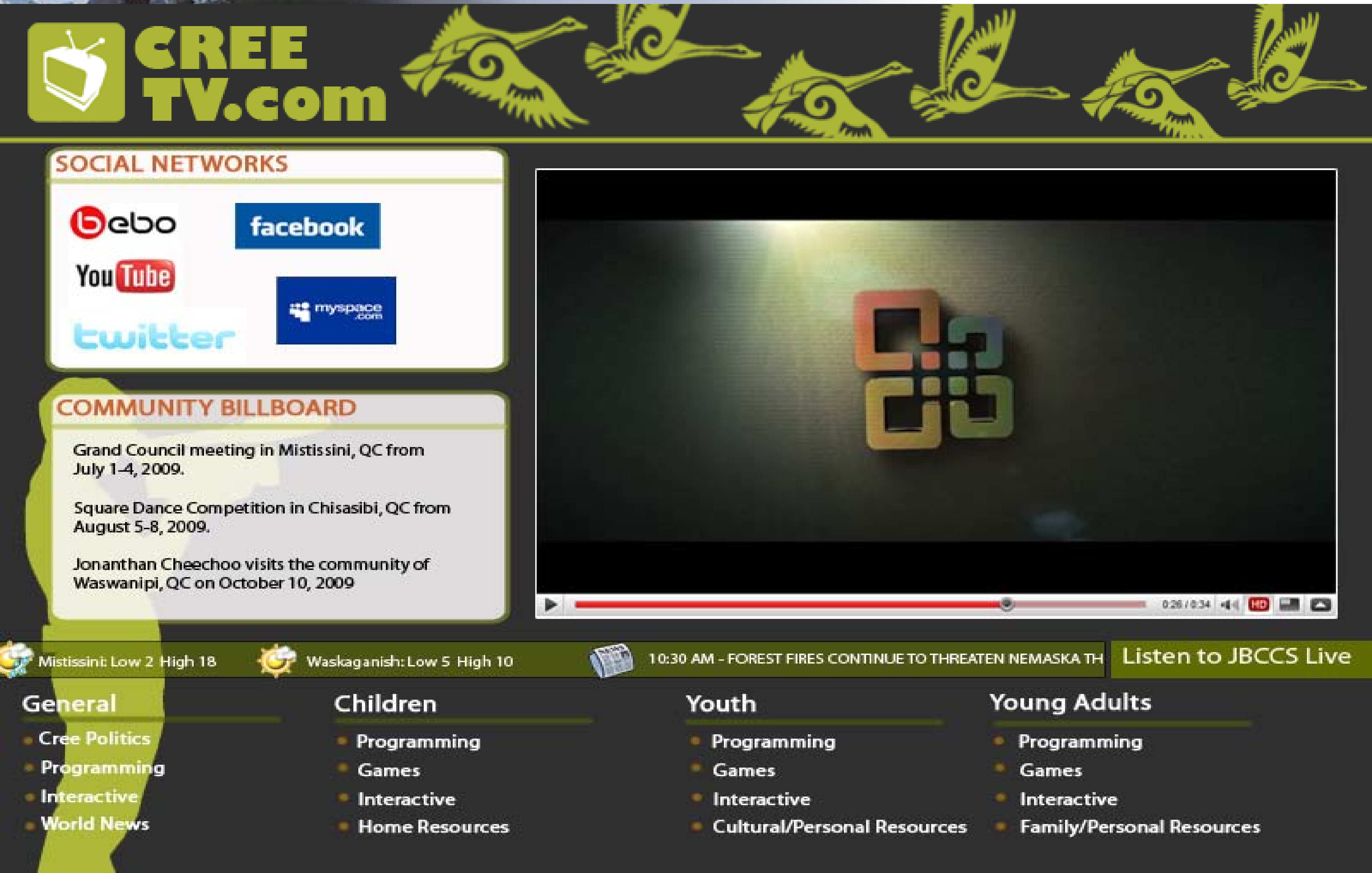
"Success Formula"
Regional/Community Media

- Social Media unleashes the potential of Community and Relevance of Community Media
- User Generated Content, Interactivity, "Connection"

However –> Social Media needs to be *Mediated, Programmed, Produced*

Involve community to build the social media elements

Community Broadcaster



2

Unleash the Passion & Great Stories in your Community!

2

Public/Regional Media:

Embrace "Imbedded" Reporters

Embrace Independent Producers

Embrace Social Media

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3

“Skate towards where the puck is going to be, not where it has been”

Wayne Gretzky

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3

Think Different!

Future, Sustainable Positioning

"To Design something really well, you have to ***Get It***. You have to really ***Grok*** what it is all about" Steve Jobs

Future Public/ Community Media?

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Given what is happening in Media in the next 5 – 10 years . . .

Shifts in technology, demographics, multi-channels, community aspirations, your own talent . . .

What "Positioning" for providing value / making a difference, do you want to have in the minds of the community members?

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"Business" Models

1. Sole Practitioner
2. Small-Midsized Business (local)
3. 'Networked' Collaborator (local & global)
4. Independent Broadcaster
5. Networked Broadcaster
6. Community Broadcaster

Sole Practitioner (SP)

An individual with particular specialty skill or generalist business acumen → "Jack of all trades, Master of none."

- Cyclical sales – delivery – billing/admin, repeat
- How do you - 'leverage' your talent?
- - build equity/legacy/sustainability?
- Individualism, self-drive & practice excellence
  vs.
  Collective challenge to perform & 'raise the bar'
- More work than time, always catching-up
- Little time/$ for professional development, and learning; keeping up with technology, etc.

?

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Small / Mid-sized Business (SME)

- Layered Org structure
  1; 3; 8; 25; 68; 550; 1500; 5000
- Main talent is leveraged through effective use of support staff: Marketing, Admin/Accounting
- Socio-Economic contributor & enhancer
- “Competitive” compensation programs for staff difficult to achieve → ***Passion!***
- Are there enough resources to invest in:
  Product/service re-invention?
  Market expansion?
- Can you successfully deal with the “Choke Point”?

?

Networked Collaborator

- SP or SME combines with other SPs &/or SMEs
- Co-production talent for multi-platform, better ideas, utilization of technologies, access to distribution channels, audience analysis, etc.
- Value proposition is larger & flexible
- Enhanced creativity
- Learning & Practice Improvement driven by collaboration partner(s); "Breakthrough" potential
- Client receives "team" attention, scalable service delivery, more comprehensive talent capacities.
- Specialty support/resources shared.

√

Independent Broadcaster

- Develops programming, schedules, marketing, finances – all internally driven
- Focuses on regional/domestic audience – broad or niche?
- Works within ‘budget’ from domestic licenses & possibly ads/funding
- Individualism, self-drive & practice excellence

  vs.

  Collective challenge to perform & ‘raise the bar’ ?
- More work than time, always catching-up
- Little time for professional development, and learning; keeping up with technology, etc.

Networked Broadcaster

- “Allied” with similar Broadcaster(s) in other Geos/platforms/markets
- Co-production and/or reciprocal distribution arrangements
- Leverage of expertise & reputation; knowledge enhancement; multiple content applications with versioning
- Access to distribution & income from multiple markets
- Enhanced Innovation

√

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Community Broadcaster

- Changes the TV Model Upside Down
- Some very successful examples – Commercial & NFP
  - **Knowledge (British Columbia)**
  - **KRON4 (San Francisco)**
  - **University TV (various)**
  - **Cree TV**

Business Modeling

1. Sole Practitioner
2. Small-Midsized Business (local)
3. ‘Networked’ Collaborator (local & global)
4. Independent Broadcaster
5. Networked Broadcaster
6. Community Broadcaster

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3

New ‘business model’ requires

Collaboration & Networking

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Regional/Community Media
The Road Ahead…

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 # 1

Facilitate the Dreams of your Community!

2

Unleash the Passion & Great Stories in your Community!

3

Think Different!

Move towards where the Future is Going.

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Thank You