

Aggregation

Convened by David Court, AFTRS,
with Justin Milne, Managing
Director, BigPond,
John Porter, CEO, Austar and
Scott Taylor, General Manager,
Content & Services, Hutchison.



DAVID COURT

Justin Milne noted that interactive movies have not materialised despite being promised since early in the digital revolution, illustrating how important it is to look at how people actually use media.

One key differentiator between media experiences is the 'lean-back/lean-forward' component of interactivity. Traditional lounge room media are lean-back and the remote control brings a mild interactive experience, while lean-forward is characterised by the control delivered by a keyboard and the consumer drives the experience. Multi-player games are the media thing to watch—we probably don't yet understand where these are taking us.

The BigPond experience in providing broadband media is that users care more for the

enhancements (live timings, scoreboards) than the vision. There are limits on what consumers will pay for in the sports area: BigPond uses it more as a driver to obtain and retain customers. The key is, what applications can be layered on top of the basic event reporting?

People don't want to interact with their media all that much (which is good for free-to-air and subscription

it is just an alternative delivery mechanism.

John Porter agreed, although the market and technology continue to evolve and develop. IPTV is less a competitive service and more an alternative, with broadband offering functions like non-linear access to content which empowers consumers. It will take a number of years to cut through the confusion and see a clear direction.

'Consumers want to be surprised and delighted by their content providers.'

television). There are big technical challenges in delivering IPTV and making it work competitively. The utility it offers won't drive a market—

Subscription television in Australia presents a cautionary tale: a lot of good things are happening, but it has been adopted by only one in four households. Consumer behaviour lags the technology, and the rollout has been drawn out. Traditional business models have not worked very well, and the subscription television models now are embracing digital innovation to optimise both lean-back and lean-forward services.

Austar has further diversified the interactivity offering with its investment in wireless broadband, using the WiMax technology to broaden into mobility. The role of the subscription provider is increasingly to aggregate meaningful content and deliver it in a platform agnostic way, extending the brand across multiple delivery methods. Interactivity is important, but the key question is how to monetise it, and with a small local population there are key challenges of scale to confront.

If content is worth paying for and delivered in a way that works for consumers, they

are happy to pay (look at the low churn rate of established subscription viewers). The challenge is to increase the average spending by providing a valuable service. The PVR is bringing more control and utility into the hands of consumers. They value utility, and may want to select smaller elements of bundles that appeal.

According to Scott Taylor, the mobile is becoming an information and entertainment tool. Companies such as his are becoming media distribution enterprises as much as traditional communications carriers. There is a real consumer appetite for mobile content. Two-thirds of Hutchison 3G subscribers access the content portal and 52 per cent buy content each month, representing amazing growth over the past two years. There is now a plethora of mobile content available. A key ingredient is a direct relationship with content creators: content needs to be shaped and packaged for this environment, to deliver an offering that is easy to get and navigate.

There is a definite market for mobile content, but it is not a substitute for other media. We don't fully understand where the consumer use of this content is going, but they use the small screen when they do not have access to a larger one. Convergence means an expansion of the media pie, and the challenges for the mobile media are more to do with packaging and marketing than they are to do with technology.

Consumers want to be surprised and delighted by their content providers. They want personalisation balanced with discovery.



SCOTT TAYLOR AND JOHN PORTER