

TAMWISE

Issue # 03/2006



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A Global Perspective of AGB Nielsen Media Research

AGB Nielsen Media Research China has completed the upgrade of its first 5 markets; the two autonomous cities of Beijing and Shanghai and the 3 provinces of Guangdong, Zhejiang and Jiangsu. These 5 markets alone represent some 226 million Chinese viewers and the overnight reporting panel is based on some 5,540 installed meters. This upgrade and expansion is in lines with AGB Nielsen Media Research's new approach to TAM in China; that of providing TV ratings based on the entire Chinese population, including county level towns and villages. By the end of this year, a further two provinces will have been completed, those of Shandong and Fujian. At this stage AGB Nielsen Media Research will be monitoring nearly 400 million Chinese viewers. The 2007 phase of this provincial expansion will result in the overnight TAM service monitoring the viewing behavior of one billion Chinese viewers (representing 77% of the Chinese population or 83% of the country's GDP) monitored by 18,000 reporting overnight homes.

In a recent communication, AGB Nielsen Media Research (China) reassured its clients that they have already anticipated the impact that digital broadcasting was going to have on them as a TAM data provider. As of 2005, the metering technology that has been, and will continue to be, installed in the TV ratings panel homes has already proved to offer accurate overnight, second by second currency TV ratings - even in the most complex of TV environments such as the United Kingdom.

As of the 1st week Oct 2006, the **South African** TV overnight ratings became official, following the completion of the parallel run. The current focus now is to

expand the panel to incorporate the 200 rural HHs into the overnight reporting panel. No fixed date has yet been set on when these rural HHs will be included into the currency, although there is the view that it might be most appropriate to incorporate these homes as of the 1st week 2007.

AGB Nielsen Media Research **Venezuela** has started the installation of a new digital panel consisting of 120 HHs. There are 4 main digital providers Directv, Intercable, Supercable and Net Uno. Data will be delivered to the market in Jan 2007.

The AGB Nielsen Media Research **Turkey** panel is currently undergoing changes as a new panel design is being implemented. This is in line with the updated territorial units defined by the Statistical Institute of Turkey (SIT). Panel homes in the four cities of Elazig, Van, Eskisehir and Denizli will be disinstalled and 17 extra cities will be added. There is a plan to disinstall 530 homes and install 830 new homes. The new panel is expected to take effect by the end of June 2007.

The Independent Audits carried out on the AGB Nielsen Media Research operations both in **Greece** and **Lebanon** showed that both these operations were stable and operating satisfactorily. Further details on the individual country reports can be found on the Corporate Website www.agbnielsen.com.

AGB Nielsen Media Research's (**Philippines**) NUTAM represents the country's first overnight nationwide urban TAM service based on 1,500 HH. NUTAM will provide data as of 4Q06.

Global Disaster Recovery Site

Delivering accurate and reliable data on a daily basis is key to our long term success as TAM data suppliers. The impact of data loss and the inability to continue the data production process for an extended period of time may be enough for us to jeopardize our credibility in a market. The Global Disaster Recovery Site (GDRS) has been implemented to reduce the potential of losing any critical data to a minimum.

The primary objective of the GDRS is to ensure business continuity for all AGB Nielsen Media Research operating countries, in case of any event of 'force majeure'. This is achieved by effectively re-establishing the critical operations remotely within the shortest possible time and with the minimal loss of data.

The GDRS service provides each operating company with the security of knowing that there is a complete back up of their systems outside their country. Furthermore ensuring that data production including polling can be carried out immediately from remote if a localized problem occurs that doesn't allow for 'business as normal'.

The System:

The core of the GDRS system is the daily procedure of transferring the local operating country's most recent databases and configuration files to the Corporate Support Centre, based in Switzerland. This information together with all historical data is then backed up in a unique and secure place.

This data transfer is an automated daily procedure. In order to ensure information confidentiality, the operating countries are required to encrypt the overnight data files that they send to the GDRS centre. All transfers of data between the operating countries and the GDRS centre are done using secure internet connections. Within the GDRS Centre, only the Global DRS manager can access any of the data stored on the local operating country's DRS server.

How it Works:

Given that the main objective of the GDRS is that of ensuring that each company can within the shortest possible time (max 24 hrs) continue its regular tasks of polling, data production and delivery, together with daily panel management tasks, it might be useful to look at how the process works.

Should it not be possible for the local operating country to begin its daily polling procedure, this process will be carried out from the GDRS centre; whereby the respective country's international DRS polling script is initiated, based on the most recently saved database and configuration folders that the local operating countries have transferred to the GDRS.

If the difficulty relates only to a problem with the local operating company's phone lines or modem system, once the panel households have been polled, the data is transferred back to the local company office where the production process resumes as normal.

However should the problem be more complex, it is possible for the staff of the local operating country to continue carrying out their normal overnight data production and panel management tasks, using the data polled by the GDRS.

This is done by connecting to the local company's unique Production Server situated in the GDRS site. All that is required is an internet connection and a browser, obviously the better the internet connection the more efficient the performance but even with an analogue modem it is possible to continue working. This set up ensures that the Daily data production can continue as normal, but with staff working from home, out of dedicated rented offices or any other place where there is an internet connection.

This continuation of the TAM data process is possible due to the fact that in the GDRS site, the local company's Production Server is always 'online' and by utilising the 'remote desktop' application, a seamless connection can be made to the respective country's remote DRS server.

Through the GDRS service, AGB Nielsen Media Research can ensure that even over an extended period of time (eg. the time required to establish new offices in the event of a fire or flood) the daily production process can continue and the local operating company is able to guarantee their clients a continuation of the regular TAM service.

GLOBAL

Informa Telecoms & Media, IPTV - A Global Analysis (2nd Edition): **IPTV** subscribers worldwide are expected to reach 4.8 million by end of 2006 (2005: 2.5 million) and some 36 million IPTV homes by 2011.

- By 2011, estimated that China will lead in terms of global subscriber numbers (more than 11 million), followed by US (3.4 million), France (similar to US), then Japan and Germany.
- Hong Kong will have reached an IPTV penetration rate of 37.6% by 2011, followed by France with 14.9%.
- US expected to deliver highest proportion of IPTV revenues in 2011, followed by Japan, France, Italy and the UK.

Informa Telecoms & Media's Global Digital TV report: By 2011, **global digital TV HH penetration** to reach 40% or 500 million HHs (end of 2006: 16% or 183 million HH).

- Globally, UK currently leads but forecasted to fall to fifth place by 2011.
- By 2011 South Korea will be the only country with 100% digital penetration. Another eight countries will be above 90% and further 26 countries will exceed 50%.
- In Total, more than 344 million digital HHs will be added between end-2005 and end-2011. China will be a major contributor to this increase (plus 28% or 98 million homes), followed by the US (plus 52 million), Japan (plus 35 million) and India (plus 19 million).
- By 2011, cable will be the main source of digital TV households (274 million homes), followed by DTH satellite (109 million), DTT (70 million) and IPTV (35 million).
- However some 738 million homes will still be receiving only analogue signals in 2011.

IMS Research: Worldwide, nearly half a billion people forecasted to use **mobile TV** by the end of 2011. More conservative forecast from In-Stat: where estimated Mobile TV subscribers to reach globally 102 million by end 2010 (currently 3.4 million).

Juniper Research: Worldwide revenues from broadcast **mobile TV** to reach \$11.7 billion by 2011. UK at \$989 million will be a key market for the medium. Japan expected to lead the market (\$2.9 billion), followed closely by the US (\$ 1.8 billion).

- Of the overall broadcast mobile TV subscriber market,

Japan, the US and South Korea will make up 39%, with the other major markets being Germany, Italy, the UK, India and China, making up 36% by 2011.

- However success of broadcast mobile TV model will depend on many factors, such as the type of content, content rights, security, spectrum availability, business models, regulation and quality of indoor coverage.

PQ Media Global Product Placement Forecast 2006: **Global paid product placement** spending surged 42.2% to \$2.21 billion in 2005.

- Ranking in 2005: US (\$1.50 billion, up 48.7%), Brazil (\$285.3 million), Australia (\$104.3 million), France, Japan.
- Product placement spending in TV, film and other media is expected to climb another 38.8% to \$3.07 billion by end 2006.
- Transition is moving slower in Europe, due to stricter rules governing the use of product placement.

The Japanese consumer electronics companies Sony, Panasonic, Sharp, Toshiba and Hitachi aim to develop broadband-enabled TVs that can download and display videos from the internet without the need for a separate set-top box or computer. They plan to establish a common standard for aspects of internet TV, based on a Linux operating system.

Taking into account the arrival of such heavyweights as Apple and Amazon.com into the VOD market, iSuppli Corp. is predicting the **global VOD market** will grow to nearly \$13 billion by 2010.

Hauppauge enables **'TV Anywhere'**: Allows viewing of free TV on a mobile phone, PDA or laptop. Enables users to watch live and recorded TV anywhere with an Internet connection.

Ultra high-definition TV, developed by NHK engineers at the Japanese Broadcasting Corporation, has a resolution that is 16 times that of HDTV. NHK expects to see experimental broadcasts around 2015, with consumer equipment available around 2020 and broadcasts in 2025. If the pace of technological progress continues, it could be with us much sooner than that.

Microsoft confirmed it is developing a **"Zune"** portable music player which analysts believe will compete directly with Apple's iPod.

ZenithOptimedia: Many of the world's biggest **advertisers** have ignored concerns about the waning power of the traditional TV and increased their **spending on TV** over the past five years.

- Retailers, financial groups and telecoms operators - three of the five largest global advertising sectors - spent proportionately more of their advertising budgets on TV in 2005 than in 2001.
- Of the two remaining sectors - autos and medicines - only the latter cut the share of its budgets invested in TV during the period, albeit marginally.
- In spite of concern over the fragmentation of mass-TV audiences and ad-skipping technology, advertisers have "demonstrated their continued confidence in the power of television advertising".

ASIA PACIFIC

Frost & Sullivan: Within Asia Pacific region **Pay-TV revenues** estimated to increase from \$19.24 billion in 2005 to \$45.2 billion in 2012, driven largely by the rollout of DTH platforms (accounting for 46.3% of the total pay-TV revenues in 2012).

In-Stat: The Asia Pacific region currently leading in terms of **IPTV** infrastructure deployments, applications development, and subscriber adoption. The region's broadband penetration and regulatory support help to foster the fastest-growing IPTV market in the world. By 2011, Asia Pacific market expected to reach 39 million IPTV subscribers and total IPTV revenue should reach US\$8.1 billion.

Australia's 1st **commercial IPTV channel** to be launched in the 2nd largest city in the state of Victoria, Geelong.

In May 2006 **Ipsos Australia** established a media division, headed by Mark Grunert. Said to have held meetings with Commercial Radio Australia, ASTRA and OzTAM in Aug 2006 to present the Ipsos MediaCell with the aim of setting up technical trials in partnerships with these organisations. This cooperation is a basic requirement for any trial as the MediaCell requires the cooperation of the broadcaster - requires them to embed an audio code within their signals.

China TV penetration reaches 95.8% (1997: 87.7%). Government invested RMB3.44 billion (US\$ 430 million) over the last eight years in expanding radio and TV transmission to outlying areas. So far, 97 million people have benefited.

With the launch of **DTH satellite TV** in Oct 2006, almost 300 million mainland HHs are set to gain access to cable-quality TV services that have so far been restricted to China's more urban areas. The expanded reach to rural areas should boost the country's move to digital TV.

China to launch **high definition via DTT** in 2008.

China to use a domestically-developed **standard for DTT TV** rather than other standards already deployed internationally, such as DVB-T. Announcement by the Standardization Administration of China (SAC).

- Technology is based on Tsinghua University's DMB-T standard and Shanghai Jiaotong University's ADTB-T standard.
- Standard will officially come into effect from 1st Aug 2007 although roll-out is likely to start earlier. ASO scheduled for 2015.
- Thought to be suitable for transmitting signals in remote areas thus allowing the DTT signals to be received by a large proportion of China's huge population. Digital-cable TV has been available in around 4 million HHs since 2003 but take-up has been small compared to the 380 million homes in the country.
- It is estimated that 10 million HHs will access DTT services within the first year after launch.

China to start **DMB mobile TV** service on trial basis:

- Transmission of TV signals to mobiles will be tested in mid-2007, with the satellite system activated in the 1H08 so that the Olympic Games can be projected to millions of mobile users across the country.
- China has more than 400 million mobile phone users, increasing by 5 million a month, according to the Ministry of Information Technology.

In Japan, taking a break during a TV commercial is getting more complicated. Hakuholdo DY Holdings, Japan's 2nd largest advertising agency by revenue, and Yomiuri Telecasting, one of the country's four big TV networks, have recently launched a round of TV ads that are virtually indistinguishable from the actual show. The **"context linked" commercials** star the program's actors and reveal important parts of the plot. So if viewers miss the ads, they will be lost during the show.

- The context-linked commercials said to cost at least 10% more than the typical ad. Despite higher cost, Hakuholdo says other major sponsors have asked to be part of the next show that airs context-linked commercials. That show is still in development but should air by Feb 2007.

Video Research's 44th Annual Meeting of Shareholders Report highlighted business plan to promote meter production (including development of TAM meter maintenance network systems and production of new digital meters) in order to cater to an increasingly diverse digital TV media environment. Promote research on new technologies (including TAM meters using audio watermarking and audio center-matching methods) to meet the diversification of TV-viewing environment accompanying the dissemination of mobile and time-shifted viewing.

Malaysian DVB-T six-month trial launched in Sept 2006, taking place in Kuala Lumpur and surrounding area. Results of the trial will be submitted to the national Digital Task Force which will be responsible for deciding which DTT standard will be adopted.

TNS to install peplemeters in **Philippines**. Broadcasters ABS-CBN and GMA have struck a deal with TNS to set up a Peplemeter service to measure the country's radio and TV audiences. Service to go live at beginning of 2007, with a representative panel of 1,200 HHs reporting their viewing daily.

MediaCorp-**Singapore** will deal directly with advertising agencies concerning access to TV ratings data after failing to reach an agreement with the country's Association of Accredited Advertising Agents (4As). Since May 2006, MediaCorp has made the decision to provide TV ratings data to agencies directly with the consensus of TNS. This is a shift from the original business model that would have seen agencies buying this data direct from TNS.

The companies operating **South Korea's** free-to-air terrestrial-based **mobile TV** platform are struggling to stay afloat despite the service having grown to twice the size of its subscription-based satellite mobile TV rival.

- Since the service launched in Dec 2005, around 1.5 million T-DMB terminals - including mobile handsets, in-car terminals and PDAs - have been sold, outpacing S-DMB rival TU Media.
- Yet despite the healthy subs growth, some T-DMB licensees are finding their business model being threatened due to a lack of support from advertisers and the continued expense of deploying nationwide T-DMB infrastructure without financial support from mobile operators.
- Potential advertisers are being put off by research showing that T-DMB users spend only about 60 minutes a week watching mobile content.
- Some T-DMB executives warn that advertisers are not likely to begin backing T-DMB services until the number of users passes 5 million, which is not expected before 2008.

South Korea's Ministry of Information and Communication and the Korean Broadcasting Commission have agreed to jointly start **IPTV** in Oct 2006

Cable operators in **Taiwan** will be required to offer subscribers free set-top boxes from 2007 onwards to encourage the **digitalisation** of the country's cable network.

Taiwan is preparing for the roll-out of DTT by its independent public broadcasting institution, following a government decision to fund such a move.

Nokia and **Vietnam** Multimedia Corporation (VTC) announced a deal to launch commercial **mobile broadcast TV services** based on DVB-H technology.

- After making mobile TV services commercial in Hanoi and Ho Chi Minh City in 2006, VTC plans to extend the coverage to a national level over a two-year period.
- Nokia's first commercial mobile TV service rollout in Asia-Pacific.

Vietnamese **Ad Market** quoted to be expanding 25 - 30% annually.

EUROPE

French iTV organisation AFDESI: **Interactive TV in Europe:**

- European iTV last year generated €1.3 billion in revenues.
- In Apr 2006, 380 iTV services were available year-round on various multichannel platforms across the continent, making it the world leading continent.
- UK largest iTV market with 150 interactive services. Services available on satellite BSkyB platform produced around €660 million in revenue in 2005, making iTV the broadcaster's 2nd largest revenue generator, ahead of advertising.
- Italy and France are in 2nd and 3rd place, while Germany ranks last with just 33 services.
- Interactive gambling and lottery services generate the bulk of revenue.

Research and Markets: Europe to overtake the US in **digital TV penetration** by the end of 2010, when almost 69% of European HHs will use digital services. Growth being driven in part by the availability of DTT and IPTV services.

Study by IDC: Most of Europe's national telecoms operators will offer **IPTV** by 2009. Boom predicted in France, Italy, Spain, Belgium, Luxembourg, the Netherlands and the Nordic countries, with around 6% of all Western European HHs subscribing to some kind of IPTV service by 2009.

Informa Telecoms & Media's **Eastern European TV** report: **Central European digital** HHs to increase five-fold by 2011.

- Rapid digital expansion and buoyant advertising markets have a host of international players looking closely at investing in Central and Eastern Europe TV and the latest forecasts for the region underline the high levels of growth anticipated throughout the region.
- Report forecasts 30% growth in the number of digital homes in 2006, taking the total to 7.9 million. In 2011, total will have increased to 32 million. But still, 100 million of the region's 136.8 million TV homes will not yet be receiving digital.

- By 2011, Russia is expected to lead the way (10.6 million), followed by Turkey (7.5 million) and then Poland (6 million),
- Hungary 1.3 million (2005: 171,000), Romania 2 million (2005: 190,000), Czech Republic just under 1 million (2005: 117,000)
- DTT in 2011: Turkey (4.7 million) and Russia (3.8 million) to be the only countries in the region forecasted to have DTT homes numbering in the millions, accounting for the bulk of the expected 10.3 million DTT homes in the region.

Informa's **Western European** TV report: **DTV** to reach 75% Western European homes in 2011.

- 25% of Western European homes will have digital TV by the end of 2006, with digital penetration rising to more than 100 million HHs during 2010 and reaching 75% penetration (116 million homes), by the end of 2011.
- By end of 2006, UK to account for 32% of the region's digital TV homes, followed by Germany (18%) and France (14%).

IPTV in Croatia: Deutsche Telekom subsidiary Croatian T-Com is set to provide TV via an IPTV solution together with Siemens Communications; where with a broadband connection and set-top box, subscribers to benefit from the comprehensive 'MAXtv' offer.

Preparations well underway for an official launch of **DTT services in Croatia** in 2007.

- DTT has been tested since May 2002, providing viewers access to 4 TV programme services. In late

2006, regional content may become available.

- Currently, DVB-T services reach 75% of the population. With the addition of 10 new transmitter sites, coverage will increase to 90% by end 2006.
- With over 80% of all TV HHs, the analogue terrestrial platform has an important share of the TV market in Croatia (cable: 10-15%, satellite: 2%).
- The size of the terrestrial platform suggests that DTT growth can be strong should these television HHs find the DTT platform appealing and adopt the new services.

Mitron Oy announced that it has signed an agreement to sell its audience meters business to **Finnish** DA-Design Oy. The agreement will come into effect on 1st Sep 2006. The agreement supports Mitron's strategy to focus on designing and manufacturing of passenger information systems. DA-Design is an electronics design company specialising in embedded systems. DA-Design located in Finland has been cooperating with Mitron for several years now in the field of audience meter technologies.

MaLigne TV, the France Telecom-operated **IPTV** service, is now the largest single-territory IPTV platform in Europe with 306,000 subscribers. Its nearest rival, Telefonica's Imagenio platform, revealed it had 267,000 subs as of end-Jun 2006.

GfK announced a co-operation agreement with media analysis software provider DAP Systems. Deal will help GfK to develop a market audience research software for the international market, based around its forthcoming Evogenius system, their proprietary system to be

European TV household composition in 2005 and 2011 (000)

	Cable*		DTH		IPTV		DTT	
	2005	2011	2005	2011	2005	2001	2005	2011
Austria	1,160	1,246	330	523	14	210	0	352
Belgium	3,891	3,929	0	144	33	191	11	188
Denmark	1,772	1,904	232	306	9	189	0	310
Finland	1,245	1,487	87	108	1	178	560	659
France	3,692	4,303	4,520	5,787	480	3,390	685	5,680
Germany	24,563	26,987	3,566	4,196	182	2,626	1,601	2,827
Ireland	576	697	393	528	1	69	0	57
Italy	50	68	3,596	5,851	212	1,820	2,599	8,221
Netherlands	6,148	5,966	600	1,023	39	235	141	265
Norway	986	1,052	517	591	41	179	0	57
Portugal	1,430	1,625	389	554	0	148	0	141
Spain	1,278	1,427	1,960	2,683	206	852	445	4,341
Sweden	2,731	2,785	660	782	18	278	427	557
Switzerland	2,806	2,861	26	32	0	108	32	307
UK	3,318	3,628	7,666	9,577	39	1,430	6,458	10,671
Total	55,647	59,975	24,542	32,686	1,275	11,900	12,959	34,634

* Analogue and Digital

Source: Informa Telecoms & Media

launched in 2007. Evogenius will initially be available for TV and radio and should replace the different individual systems currently used by the GfK companies involved in the project.

Hungary to be 2nd country in Eastern Europe to launch **IPTV** in 3Q06.

- T-Online Hungary, which is targeting 100,000 subscribers over the next few years, will initially launch a basic package of 22 channels with a number of premium channels and an extensive library of VOD content.
- Service initially to be introduced in major cities such as Budapest and Debrecen, before aiming for a nationwide roll out in 2007.
- T-Online Hungary is set to face competition as more operators are expected to enter the market before the end of 2006.

Ireland's mobile media network, 3, has been awarded a license by regulator ComReg for a **mobile TV trial** using DVB-H technology over mobile handsets. License took effect in Sept 2006 and runs for one year.

Setanta Sport, Sky Ireland and Channel 6 raised concerns of current TAM system, stating that it unfairly benefits larger broadcasters as the viewing panel of just 600 HHs is not sufficiently large enough to reflect the viewing patterns of the smaller channels. Requested that panel expansion (suggested minimum 1,000 HH panel) required to ensure that these smaller channels get sufficient information to accurately guide programming decisions. Local press indicated that if an alternative panel was to be established it would cost about €4 million and would take 12 months to get fully operational.

World's first commercial **DVB-H** service, launched by 3 **Italy**, has attracted 111,000 users in its 1st six weeks of operation. Aiming for 500,000 DVB-H users by end of 2006.

Italy to delay **ASO** until 2012.

Netherlands' ASO confirmed by the Dutch government and will take place nationally on 26th -27th Nov 2006. Makes it the first country in Europe to turn off its analogue TV transmissions. This is a slight delay of the original switch-off date of 30th Oct 2006.

Poland's new **DTH platform** 'n' officially debuted on 12th Oct 2006. Its programme offer initially consists of 55 channels. HD services (available for the 1st time in Poland), will be accessible with set-top boxes, which also provide optional reception of VOD services.

ITI Holdings, which owns leading Polish commercial

broadcaster TVN, plans to become the 1st pay TV operator in **Poland** - and the wider central European region - to offer mass market, subsidised **HDTV and DVR services**.

- Service will also comprise a hybrid satellite and IPTV provision, HD and DVR will be available to all from day one.
- More than half of Poland's TV homes subscribe to pay TV, prompting some observers to question the growth opportunities of this third DTH platform.

2 years ago, when eight former Soviet Block countries joined the EU, many media insiders were expecting dramatic changes in their TV landscapes. Although no drastic changes have resulted, these have gradually evolved into more mature markets, not too dissimilar from those in Western Europe, where locally produced content draws the most viewers.

- This is particularly true in Poland, Hungary and the Czech Republic, which together account for around 75% of the EU's 80 million new citizens. With some 40 million TV households, Poland boasts the largest TV market in Central and Eastern Europe, outside Russia.

ARMA (**Romanian** JIC) currently underway with official open tender process to determine TV ratings provider as of 1st Jan 2008. Specifications based on 4 yr contract with final decision expected to be announced on 8th Jan 2007.

Public service broadcaster RTV SLO to launch **DTT services in Slovenia** in Sept 2006. The multiplex in the DTT trial - running since Sept 2001- provides services to 34% of the population utilising only 2 transmitter sites. The addition of 8 transmitter sites by the end of 2006 will allow coverage to be extended to 54.4% of the population. Coverage will continue to increase through 2007-2008. Currently, the analogue terrestrial TV platform is the largest with 48% of HHs relying on it. Due to relative strength of the cable platform (market share 39%), the DTT platform needs to provide an attractive package in order to maintain the current market share of the terrestrial platform.

Viasat will use the Sling Media Slingbox to deliver **Viasat Everywhere** as an extension to its satellite service:

- Initially to be available in Sweden only, followed by Denmark and Norway.
- Will allow users to watch and control their home TV programming on any internet-connected computer.
- Slingbox is a small hardware device that allows consumers to access their TV experience at any time, from any location, using a variety of different displays, including desktop and laptop computers and smartphones.

The Italian speaking region of **Switzerland**, Ticino, completed **ASO** on 24th Jul 2006 and is the first region to do so in Switzerland.

Turkish DTH platform Digiturk plans to begin offering its subscribers **HD DVR's** with push-VOD capabilities in 1H07, following an agreement with OpenTV. Furthermore plans to launch IPTV in 2008, with aim of achieving its goal of reaching 2 million pay TV subscribers in next 3 years. Offer will see on-demand service via IPTV. Digiturk has 1.4 million satellite subs.

Datamonitor: **Digital TV** to be watched in a greater percentage of homes in the UK than any other country by 2010. Around 95% of **UK** HHs will have digital TV (US: 66%, Germany: 50%), Freeview will overtake satellite as the most popular way to watch TV in the UK by 2008.

Institute of Practitioners in Advertising (IPA): The popularity of **DTT** continues to grow, and will soon account for 30% of the UK's television-viewing HHs. Report also shows that average daily TV viewing hours have fallen for the seventh successive quarter year-on-year, with UK audiences now watching an average of 3.43 hours a day.

Average **cost of TV advertising** in the UK has fallen to its lowest in a decade.

- Media agencies, estimate the average industry price to reach 1,000 adults via commercial TV has slipped to below that charged in 1996, two years before UK digital TV launched.
- In 1996, advertisers paid an average cost per thousand (CPT) adult viewers of 5.70. Media buyer, Initiative, puts the current price at 5.32.
- After adjusting for inflation, the real cost of TV airtime is less than three-quarters of what it was a decade ago.
- Advertising accounted for 43% of total UK commercial TV revenue in 2005, said Ofcom, the media regulator. But those revenues are shared out unequally across the industry.

Barb has issued a request for proposals (RFP) to potential suppliers for its new research contracts, starting as of January 2010. RFP issued as Barb celebrates 25th Anniversary.

Launch of BBC and ITV **free-to-view digital satellite** service delayed and not expected to start before Autumn 2007. Free satellite service will allow viewers outside of the Freeview coverage zone to access all of the BBC's services in the run-up to ASO and beyond. DTT services are currently available to 73% of the population.

BBC and Microsoft have signed a "memorandum of understanding" for developing the next generation of the corporation's internet-based services. BBC statement: "The memorandum of understanding will define the framework within which the companies can explore opportunities for the delivery and consumption of BBC content and the evolution of next-generation

broadcasting. This includes plans for its online archive, for a radically reinvented website in the web 2.0 world - a second generation of internet-based services - and for ways to share its online content in the future."

NTL Telewest, UK cable operator, is to offer free digital TV and VOD with its home telephone service. Also aiming to launch HDTV service to its entire customer base before end of 2006.

Results from the **Sky View** research panel of 20,000 satellite TV subscribers in the UK indicate that 5.3 million or 69% of Sky digital HHs interacted with their TV in the course of a month. Together with the launch of its service the satellite TV operator's red-button advertisers now can request detailed information on the effectiveness of their interactive ads - any advertiser that uses Sky's Dedicated Advertiser Location (DAL) interactive advertising format (i.e. interactive ads that take viewers who press the red button to a special, navigable area containing product information) will receive what Sky describes as a "comprehensive" report on the results of its interactive campaign. The report - to be provided to advertisers at no extra charge - will contain such metrics as:

- Number of HH visiting the DAL during each week of the campaign.
- Frequency of visits to the DAL.
- Profile of households interacting.
- Breakdown of interactions by daypart and day of the week.
- Average time spent in the DAL, with breakdown by profile.

UK satellite pay TV **BSkyB** has unveiled plans to launch its own broadband Internet service in 4Q06 - with VOD to the STB delivered over its Internet connections as of 2007. Subscribers of **Sky+** box increased by 75% in the last year, bringing the total to 1,553,000 million.

TNS names new iTRAM unit head, Andrea Mezzasalma, who leaves GfK's Eurisko and replaces Mike Gordon. In his new position, Mezzasalma will oversee two key TNS projects; its deal with US cable TV provider Charter Communications to provide digital video audience measurement data in Los Angeles; and the pilot electronic measurement panel, commissioned by UK radio and TV ratings organisations, Rajar and Barb.

BT has launched its new wholesale mobile broadcast entertainment service, BT Movio - with BBC One, ITV1, Channel 4 and E4 confirmed as the initial TV channel line-up. It is the first wholesale offer in the world to combine live TV, DAB digital radio, a seven-day programme guide and 'red button' interactivity for mobile phones.

ITV has launched its **mobile TV** service, offering

programmes but initially with no advertising due to a legal hitch. New service allows subscribers of the 3G network to watch shows at the same time they air on ITV1.

Digital TV Group (DTG) has announced a new working group to define and deliver a specification for a **broadband return path for interactive TV** on the UK's **Freeview** platform.

- To offer viewers a new range of interactive applications including voting, games, chat-like services, and home-shopping services.
- Would also open up the possibility of more advanced interactive services to enable data or streamed audio/video to be delivered over the broadband path.

THE AMERICAS

BBM Nielsen Media Research Inc. - the long anticipated joint-venture between **BBM Canada** and Nielsen Media Research - commenced operations on 1st Sept 2006. JV eliminates the duplication of TV audience data collection between the two organisations. Under the new arrangement, television viewing data will be collected and managed as follows:

- **BBM Canada** continues to provide measurement services not part of this joint venture. **BBM's** Personal Portable People Meter panel will continue to measure francophone audiences in the Montreal and the Quebec region and diary-based television surveys will continue to be used in smaller Canadian markets.
- **BBM Nielsen Media Research** will use **Mark II** Peoplemeter technologies and panels formerly used by Nielsen Media Research to collect television audience data in Toronto, Vancouver, Calgary, the Ontario region, and national.
- All television data will be released only through **BBM Canada**.
- **BBM Nielsen Media Research** will benefit from ongoing access to Nielsen's Global Technology & Information Center based in Tampa, Florida - the world's largest, most advanced facility designed to serve the worldwide needs of the media research industry.
- To maintain its state-of-the-art position in measurement technologies, the joint venture will conduct a thorough technology review within three years to consider alternative audience measurement technologies from any and all companies worldwide.

Nielsen Media Research: **TV viewing in the US** continues to increase, despite growing competition from new media platforms and devices, such as iPods and streaming video.

- During the 2005/2006 TV year, which ended on 17th Sept 2006, traditional in-home TV viewing continued to hold its own with American audiences, and even gained among technology-savvy teenagers.

- Total average time a HH watched TV during the 2005-2006 season was 8 hrs and 14 min per day - a record high (3-minute increase from the 2004-2005 season, 1 hour more than a decade ago).
- Average amount of TV watched by an individual viewer was 4 hrs and 35 min, an increase of 3 minutes per day, also a record.
- Although teenagers typically drive consumption of new media platforms, teens aged 12-17 viewed 3% more traditional TV during the full day than in the 2004-2005 television year.
- Younger children, from age 2 to 11, also watched more TV during 2005-2006, increasing their total day viewing levels by 4%.

Nielsen Media Research: The average American home now has **more TV sets than people**. That threshold was crossed within the past two years. There are 2.73 TV sets in the typical home and 2.55 people.

David Poltrack, chief research officer for CBS and president of CBS Vision: **Increased DVR** playback viewing will result in **higher commercial ratings** in 2007: For the big shows - the most popular shows - it's quite feasible that there'll be more delivery of advertising exposures than they have now - even discounting for all the fast forwarding. Poltrack estimates that could add 8% to 10% of a program's overall ratings. CBS estimates that the universe of DVR users will grow 20% in 2007 (currently 9%).

A Nielsen client advisory on DVR usage gives some credence to the broadcast networks' contention that DVR users watch more TV.

- Adults with a DVR watched on average 6 hours and 14 minutes of live prime-time content per week, and an additional 1 hour and 49 minutes in playback mode with the device - a 29% increase. In total-day viewing, the 18 to 49 year olds averaged 25 hours and 9 minutes a week of live viewing, and an additional 3 hours and 54 minutes in time-shifted mode - a 16% increase.
- Of course, it is unclear whether those individuals would watch the same amount in live mode if they didn't have the DVR to help delay viewing.

US Network executives experiment with **web strategies**. To catch this season's must-see TV, TVs appear to be optional. Networks are experimenting with the web as both a marketing tool and an alternative distribution channel. Ad supported or ad free, streamed on sibling websites or on partner portals: they are trying every imaginable mix.

Digital channel FX has developed an advertising format aimed at combating the growing number of viewers who fast-forward through its commercial breaks. The channel will air the advert for upcoming series **Brotherhood** later

in Sept 2006. The 30-second promo has been designed to retain its message when viewed at up to 12 times its normal speed. Featuring a single image on the screen for the duration of the ad, the creative team behind it claim it will also remain entertaining at normal speed. FX, a division of News Corp's Fox International, said it hoped it would be a step towards providing "PVR resistant" solutions for all advertisers.

Telephia (US provider of consumer research to the communications and new media markets). In the USA, **mobile TV audience** grew 45% to 3.7 million subscribers in 2Q06. Further reported that about 22% of mobile video viewing occurs in the home.

- 22% of mobile viewing occurs during commutes, 16% while shopping, and 14% at work.
- 31% of viewing took place between 4 pm and 8 pm and 30% between noon and 4 pm, when people want to watch something while at work. 9% during the traditional prime-time (8 pm to 11 pm), then increases again to about 11% from 11 pm to 2 am.

A Madison Avenue Task Force announced plans at beginning of Aug 2006 to test its so-called **e-Media Exchange** in early 2007, and confirmed that eBay will provide the framework for the system, serving as its technology supplier.

- The "Nasdaq-like" concept for buying and selling media, has grown into a coalition of advertisers and agencies. Still faces stiff opposition from media sellers, particularly big TV network executives who have vowed not to support it.
- To help recruit other interested parties to participate, the group launched a new website - www.admarketpilot.com - where they can register and receive news updates on the project.
- Details about how the system would actually work, were not disclosed, but the group noted that eBay's platform has been successfully providing customised private label marketplaces for third parties in other industries for years.

ABC to have held discussions on the use of technology that would **disable the fast-forward button on DVRs**, according to ABC President of Advertising Sales Mike Shaw, with the primary goal to allow TV commercials to run as intended. "I would love it if the MSOs, during the deployment of the new DVRs they're putting out there, would disable the fast-forward [button]," Shaw said.

Verizon to introduce the **Home Media DVR** to its FiOS TV customers. Home Media DVR features a multi-room DVR that enables up to three simultaneous viewings of programmes recorded by the device without requiring customers to set up a complex home network or buy extra equipment.

Nielsen Media Research communicated to its client that it has a working definition for what could constitute a **national commercial minute**; Any minute that includes even one second of a national TV commercial, excluding public service announcements and network promo units, and usually, but not always program sponsorships. Nielsen began circulating the definition to clients on 12th Sept 2006 and asked for their feedback - and whether to also include direct response TV ads or not.

At beginning of Jul 2006, Nielsen Media Research met its goal of operating local "peplemeters" in the nation's **top 10 TV markets** by population as it launched the new TAM system in Atlanta.

Nielsen Media Research's new system for measuring **VOD** usage in Nielsen's regular TV ratings sample was introduced in late Aug 2006.

- This upgrade will also enable Nielsen to measure HH with other forms of time-shifted viewing, including DVD recorders and networked digital video recorders, and is part of Nielsen's aggressive plan to measure time-shifted viewing across all the major platforms.
- Data will become part for Nielsen's new NORA (Nielsen On Demand Reporting & Analytics) Service.

Update on Nielsen Media Research's A2/M2 Initiative:

- Completed In-home tests on an early version of a battery-powered Mailable Meter, which will be installed in mid-sized markets currently served by paper diaries.
- In Aug 2006, began testing the first cell phone "Go Meter" and a portable meter based on MP3 technology, using 30 internal Nielsen volunteers in the New York and Tampa areas.
- NetRatings announced it would expand its Internet measurement capabilities to address the growth of online audio and video and the convergence of Internet and TV content. It will do so by enhancing its own technological tools and developing its partnership with NMR.
- Letter sent to clients mid Aug 2006 invited them to join various advisory committees. The committees would be comprised of between 10 and 15 clients who would work in conjunction with Nielsen executives to evaluate various technologies and methodologies. General Manager-Strategic Measurement Initiatives Jack Oken, noted that the engagement committee had already been formed.

TiVo announced newly created division, **TiVo Audience Research and Measurement**, will compile detailed data showing how many TiVo users zap particular ads, including the exact second when they jump.

- Initial reports will show ad-viewing patterns of a random sample of 20,000 of its more than 4.4 million DVRs.
- TiVo plans to provide a report for almost every national

ad that it tracks, including the number of people who saw the spot, when it was viewed, measurements by program genre, time of day the ad ran, network, day of week and the ad's position in the commercial block.

- During the initial rollout, TiVo will not provide personal, demographic data on the sample group.

Also announced that through a partnership with **Information Resources Inc., TiVo** to launch in Sept 2006 the IRI TiVo Consumer Insights Suite; two new research services designed to provide marketers with measures of how TV viewing and DVR usage impact product purchases.

- The new services will be based on the creation of two separate single-source panels (a national panel and a local market test panel) combining data from TiVo's set-top box with IRI's consumer scanner panels.
- The national panel, called IRI TiVo Consumer Pulse, will be based on a national opt-in panel of TiVo homes, generic DVR homes and non-DVR homes, and IRI brand purchase measures to link viewing habits with product purchases. Marketers can also test new campaign strategies through the second IRI TiVo panel tied to IRI's BehaviorScan test panels in three markets, Eau Claire, Wis., Cedar Rapids, Iowa, and Pittsfield, Mass.
- Both panels offer second-by-second measures of live viewing, DVR usage and time shifting detailed by consumer demographics and product purchases.

DIRECTV and TNS sign agreement for Audience Measurement Service. TNS to use aggregated and anonymous click stream data from a sample based on 250,000 DIRECTV customers to provide audience and navigation metrics on viewing and interactive activity.

Cablevision plans 100,000 HH test for its system that matches spots to viewers' interests

- Trial of targeted advertising on a HH level later in 2006.
- The New York operator's test, for which it has joined with TV technology firm Visible World, would mark the first widespread trial by a multiple system operator.
- Visible World will match commercials in Cablevision's local ad inventory to set-top boxes associated with viewers who might find the ads most relevant by using third-party consumer data. A handful of advertisers are expected to participate in the experiment, involving more than 100,000 homes in Cablevision's New York state footprint.

FREQUENTLY USED ABBREVIATIONS

ASO:	Analogue Switch Off
BARB:	Joint industry committee responsible for TAM data supply in the United Kingdom
DAB:	Digital Audio Broadcasting
DAL:	Dedicated Advertiser Location
DMB:	Digital mobile broadcasting
DTH:	TV transmissions via satellite intended for 'direct to home' reception in HH equipped with parabolic dish antennae.
DTT:	Digital Terrestrial Television
DVB-H:	Digital Video Broadcasting to handheld wireless devices
DVB-T:	Digital Video Broadcasting via terrestrial radio frequencies.
DVR:	Digital Video Recorder
HDTV:	High Definition Television
IPTV:	Television over Internet Protocol
JIC:	Joint Industry Committee
MSO:	Multiple System Operator
OFCOM:	The independent regulator and competition authority for the UK communications industries, with responsibilities across television, radio, telecommunications and wireless communications services.
PVR:	Personal Video Recorder
RAJAR:	Joint industry committee responsible for Radio data supply in the United Kingdom
STB:	Set top box
TAM:	Television Audience Measurement
T-DMB:	Terrestrial Digital Multimedia Broadcasting
VOD:	Video on Demand

MIDDLE EAST & AFRICA

South African Digital switchover plans revealed, with an anticipating DTT population coverage of 56% in 2008, 78% in 2009 and 92% in 2010 - right in time for the FIFA World Cup. Following a simulcast period, analogue services are expected to be switched off around 2015. HDTV is not expected to begin prior to ASO.

AGB Nielsen Media Research Global Coverage

As per September 2006

Asia Pacific

Australia	
• Metro	3,035 HH
• Regional	2,015 HH
• Pay TV	1,000 HH
China	4,700 HH
Indonesia	1,795 HH
Malaysia	1,000 HH
New Zealand	500 HH
Philippines	720 HH
South Korea	
• Main Urban Areas	1,600 HH
• SkyLife Digital Panel	300 HH
Taiwan	1,950 HH
Thailand:	
• National Panel	1,000 HH
• UBC Cable Panel	200 HH
Total:	19,815 HH

Europe

Armenia*	120 HH
Azerbaijan*	400 HH
Croatia	660 HH
Cyprus	450 HH
Georgia*	300 HH
Greece	1,300 HH
Hungary	840 HH
Ireland	670 HH
Italy	5,100 HH
Moldova*	300 HH
Poland	1,650 HH
Romania	1,150 HH
Serbia	890 HH
Slovenia	450 HH
Sweden	1,350 HH
Turkey	2,200 HH
United Kingdom	5,885 HH
Total:	23,715 HH

Africa & Middle East

Lebanon	400 HH
South Africa	1,506 HH
Total:	1,906 HH

Latin America

Dominican Republic	305 HH
Mexico	2,900 HH
Venezuela	650 HH
Total:	3,855 HH

Global Installed Households: 49,291 HH

* Licencing AGB Nielsen Media Research Proprietary Technology with monthly quality control done by the AGB Nielsen Media Research Corporate Support Center.

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please contact:

Monika Ettlin, Director Global Communications
Email: info@agbnielsen.com



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