

# HbbTV UK market update

## Success built on partnership and collaboration

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14<sup>th</sup> November 2018

# Introducing Digital UK



## DigitalUK

Digital UK leads development of Freeview, working with world-leading companies to deliver television which informs, educates and entertains.

Freeview Play brings terrestrial TV, catch-up and on-demand together in next generation televisions and boxes from leading manufacturers.



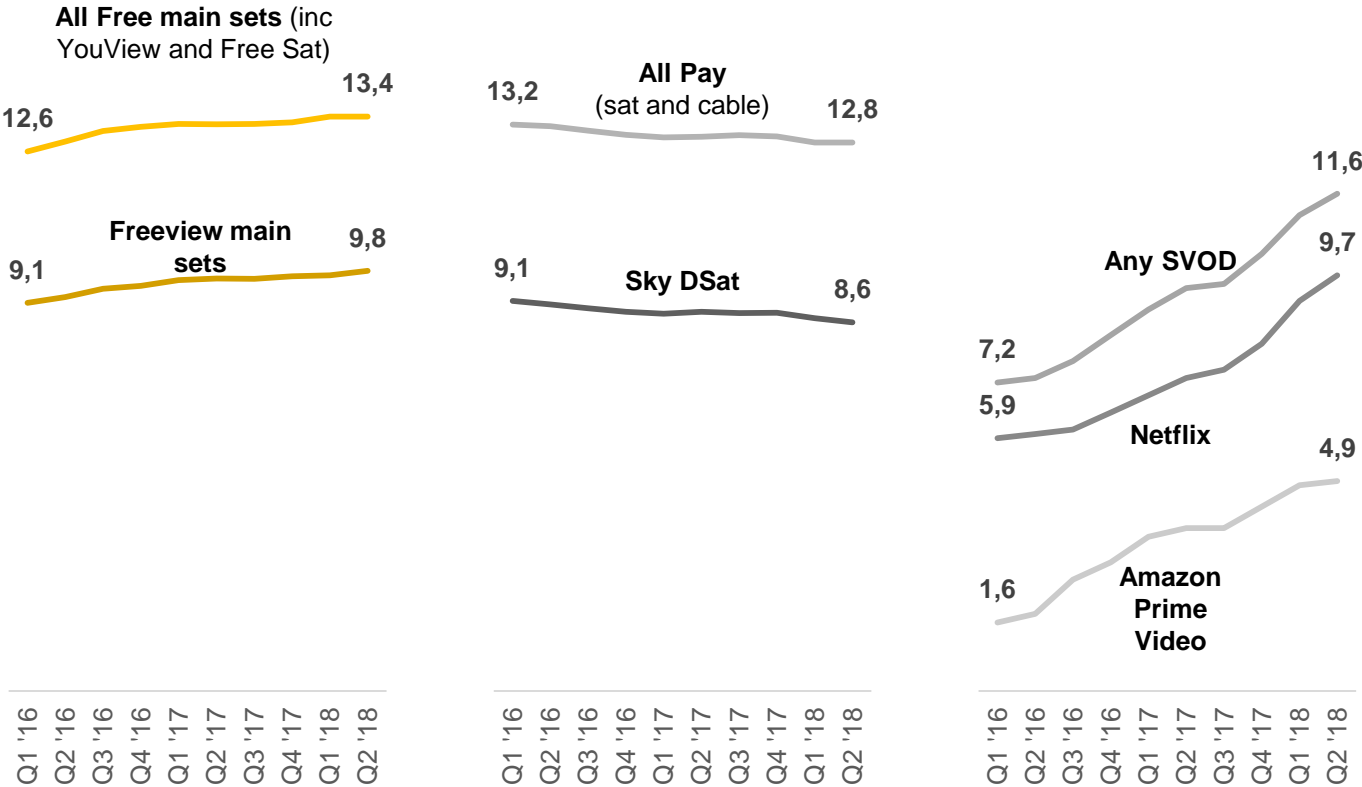
DTV Services Ltd, known as Freeview, owns the Freeview brand.

The company leads on consumer and retail marketing. Working closely with Digital UK, it also grants trademark licences to Freeview Play device, content and retail partners.

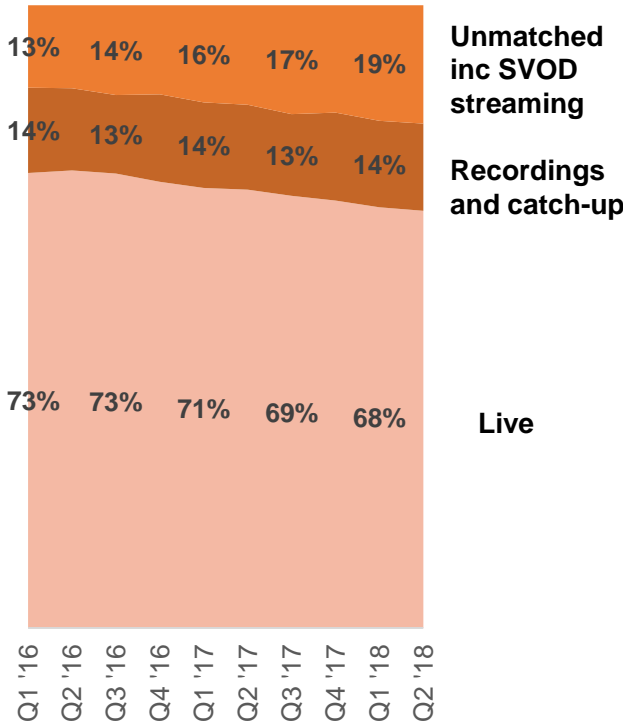
Working together to create the world's best free TV service

# In the UK, full-fat Pay TV has peaked and free-TV and SVOD are growing

TV households take-up of Free, traditional Pay and SVOD services

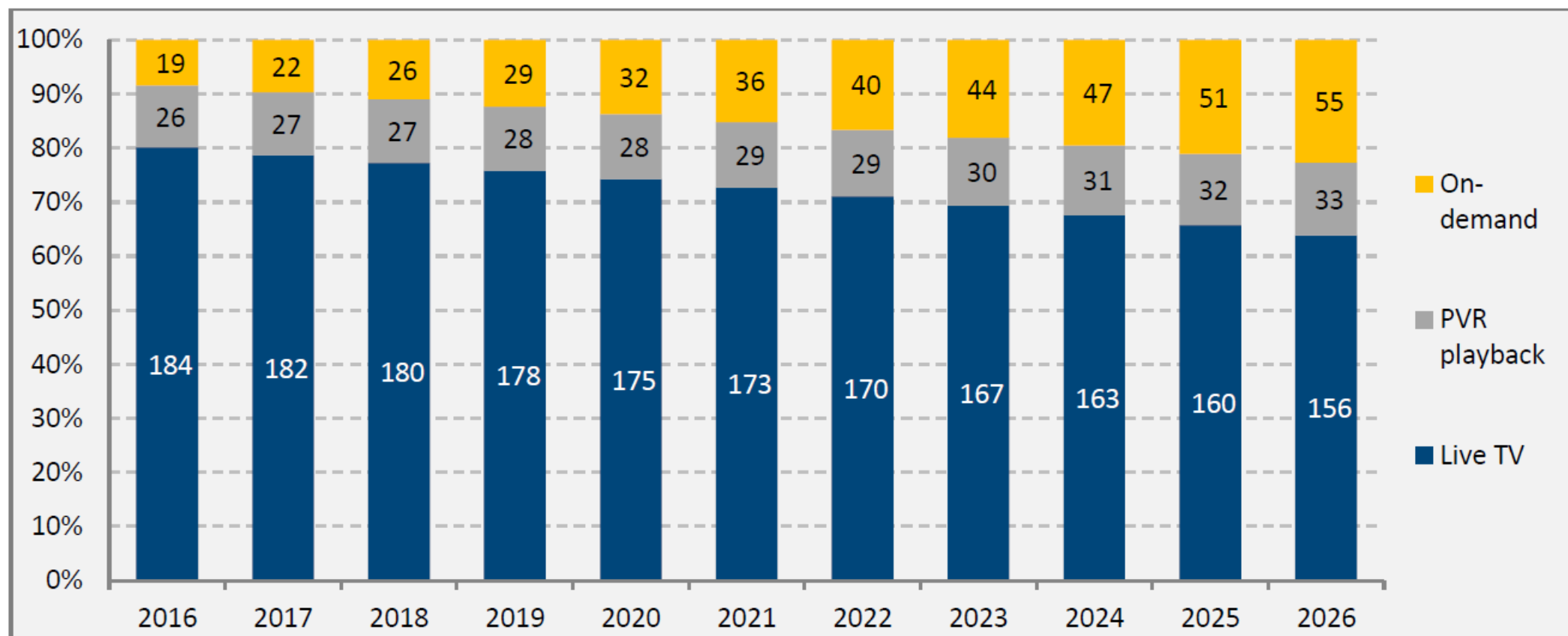


Total TV screen time, by type



# Viewing habits are changing, but much more gradually than many suggest

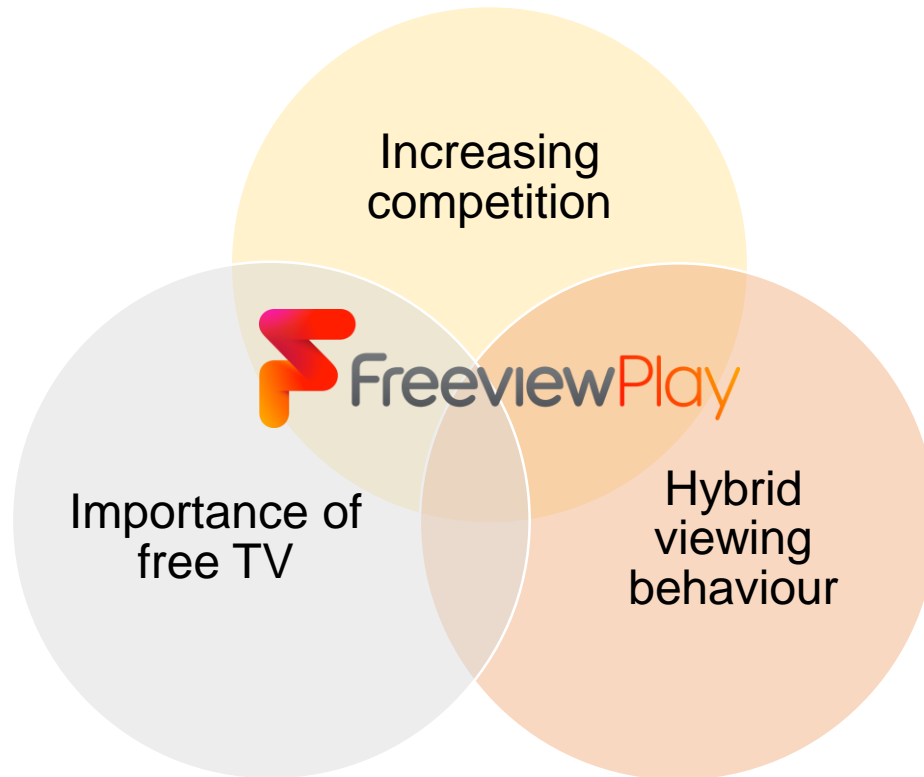
Long-form viewing minutes per day, by category (daily minutes viewed, forecast)



Source: Mediatique for BBC

# Freeview Play: a strategic response to a rapidly changing sector

## Three strategic challenges



- In an increasingly competitive market, Freeview Play is our response to the need for a new model to underpin the future of free-to-view TV.
- One that responds to growing consumer appetite for hybrid viewing and puts UK broadcasters front and centre of the proposition.

# Defining principles

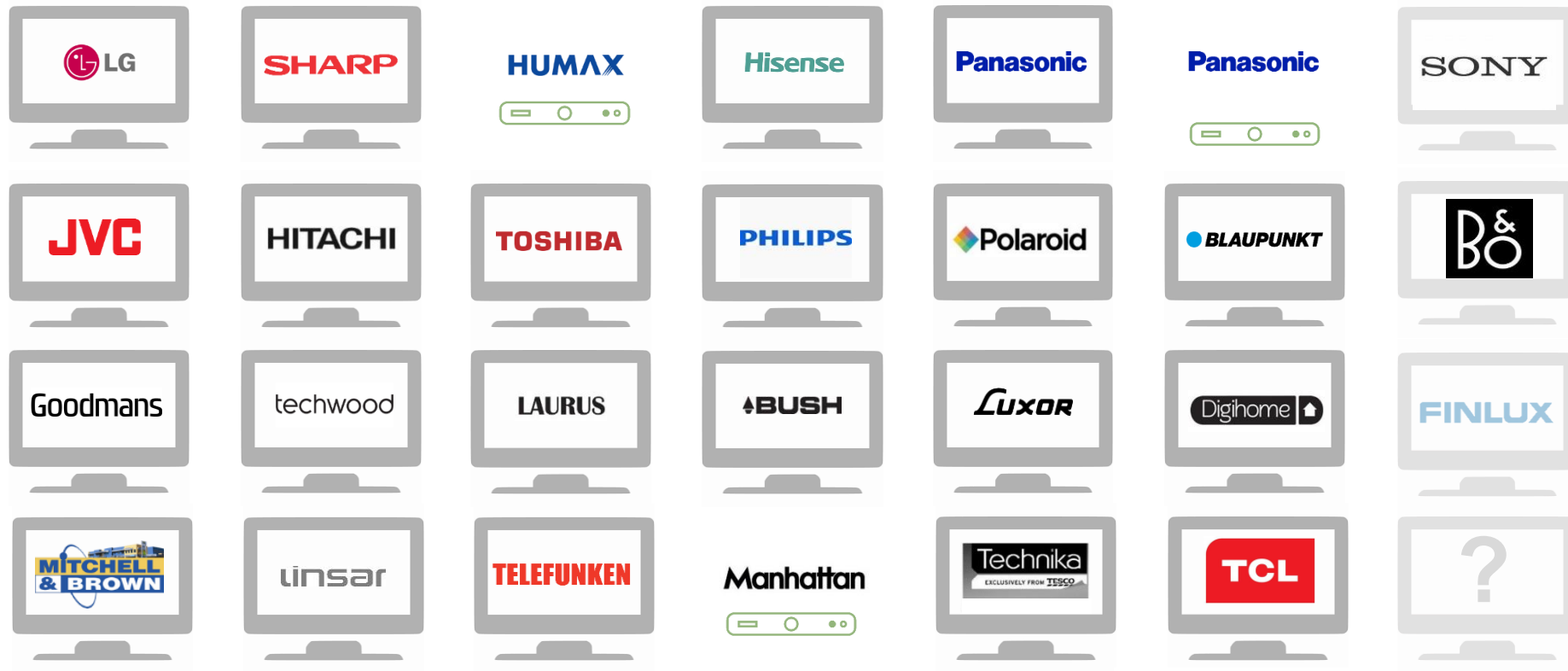


- **Collaboration** – working with UK and global partners
- **Innovation** – built on standards (HBBTV 2.0)
- **Simplicity** – all your TV in one place
- **Scale** – leveraging the horizontal market and Freeview brand



# Progress to date – our partner line-up

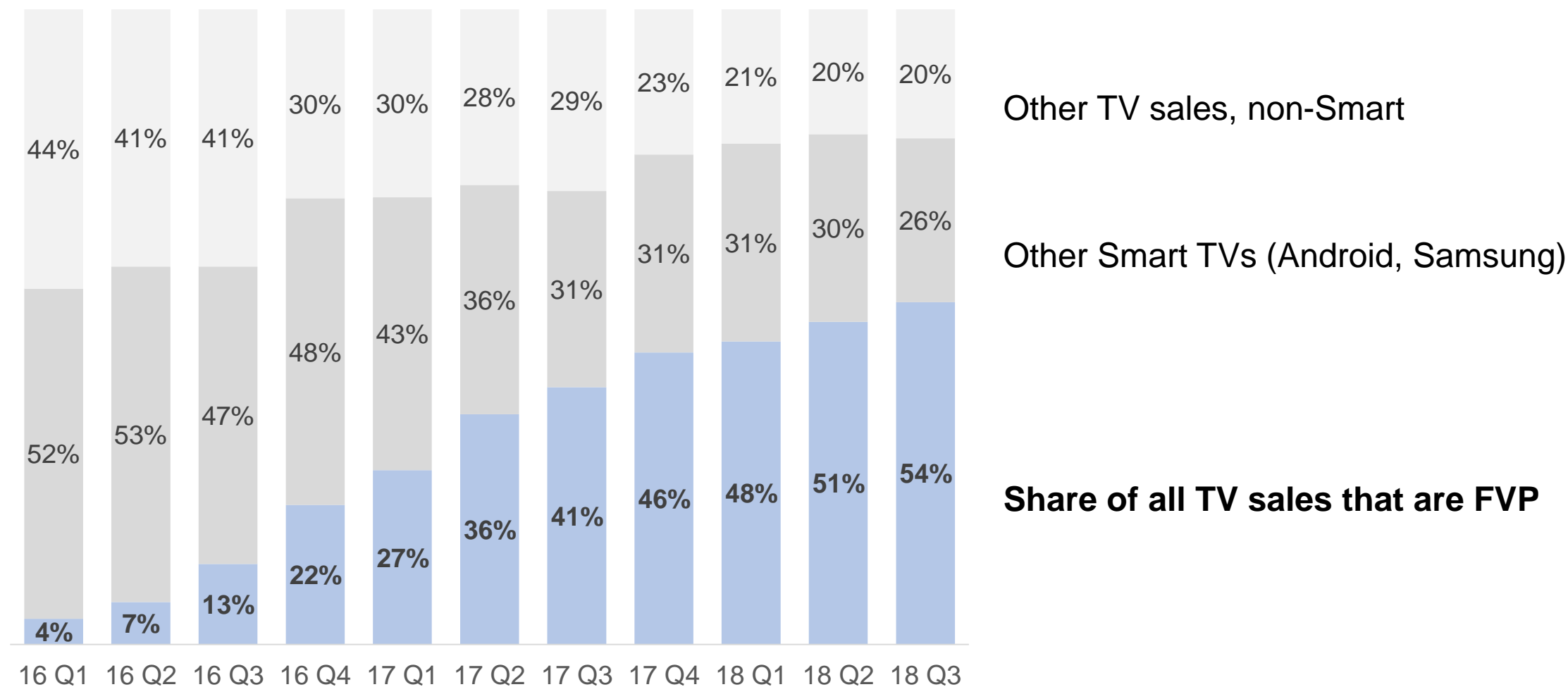
Device Partners



Content Partners



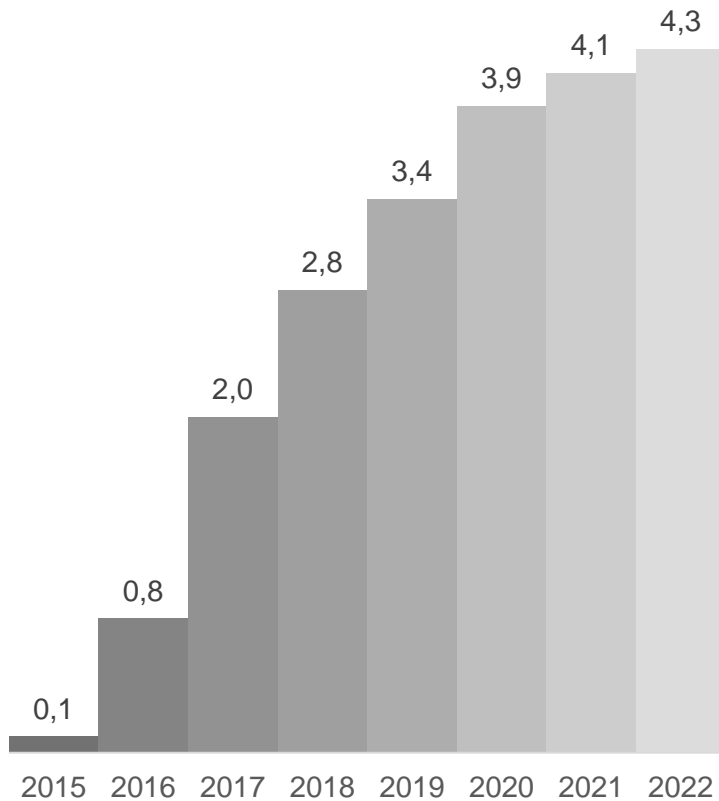
# UK Smart TV sales are the engine for Freeview Play's Growth





# Freeview Play is already actively used in 2.6 m UK homes and we expect it to become the largest hybrid TV service

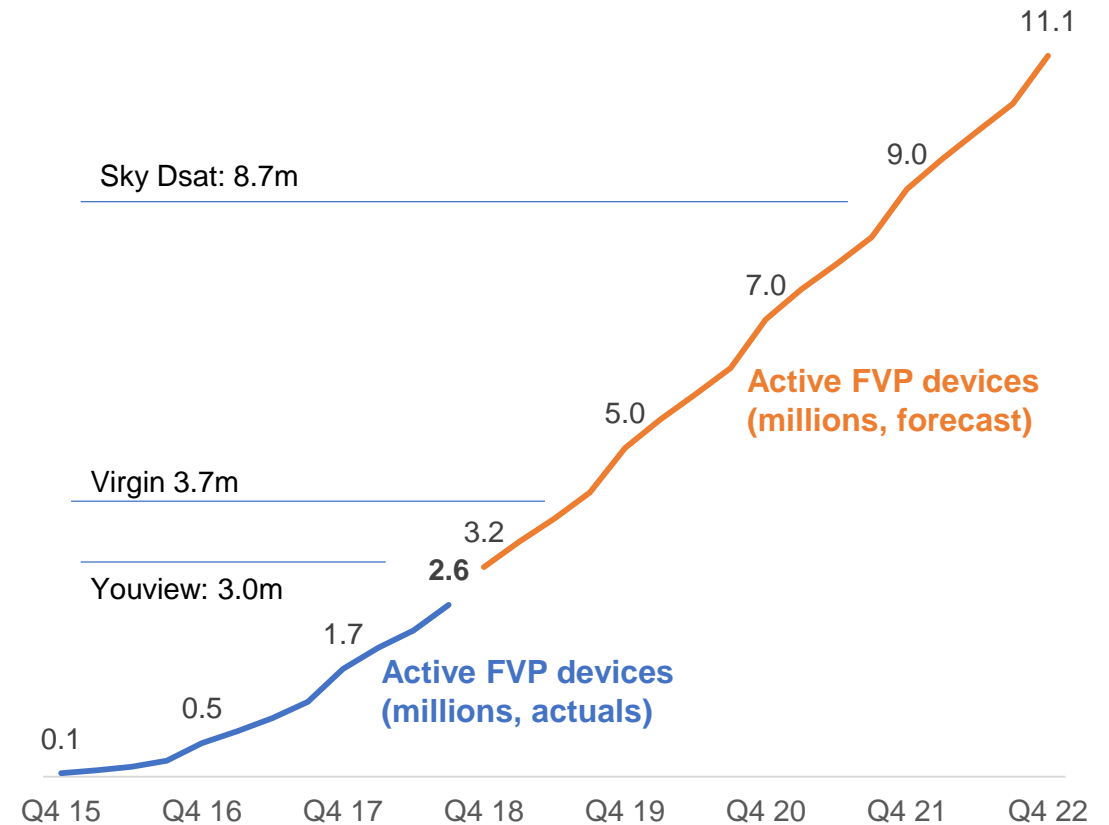
Actuals and forecast for FVP annual device sales (m devices)



**FVP TV and  
STB annual  
retail sales**

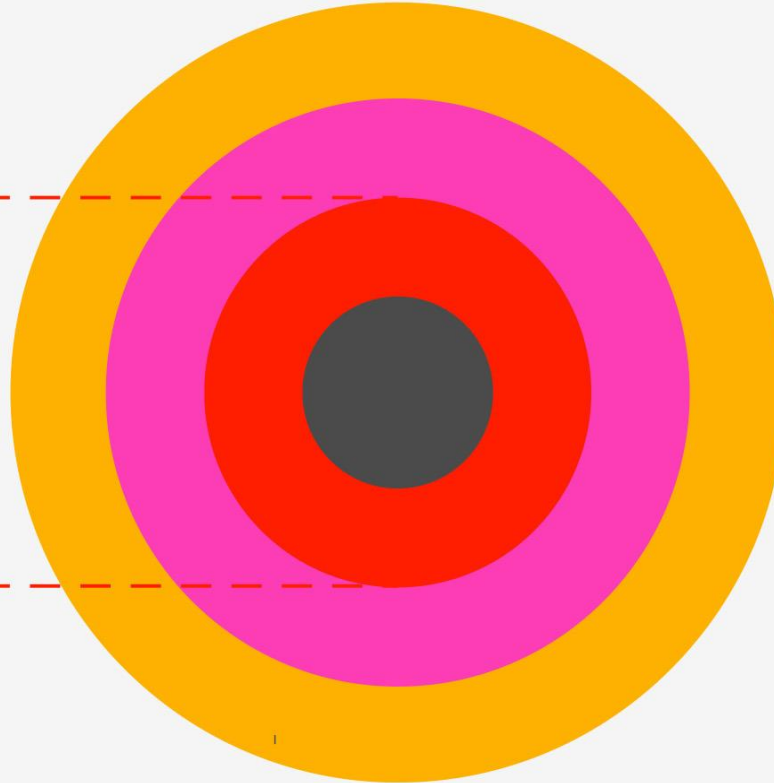


FVP active installed base (actuals to Q3 2018 and forecast for later years)



# And, driven by consumer demand for Foundation TV

Wider Smart TV ecosystem:



**Free to air broadcast channels at the hub of TV viewing**



**Free TV catch up and on demand**



**Multichannel operators OTT**  
eg TV Player+, Now TV, Eurosport Player



**SVOD / TVOD OTT** eg Netflix, Amazon, Wuaki TV

# Freeview Play help maintain an ecosystem supporting manufactures and channels business models

## Manufacturer Partners

**Bringing the best of live and on-demand TV together in a free, universal proposition**

### Supporting device profitability

- Supporting device sales and replacement cycles
- Development of revenues streams from payTV

### Replacing complexity with simplicity

### Foundational TV, for everyone

### Freeview Play is the unifying banner to drive take up

- **Open and collaborative**
- **Adopting international standards**

## FTA Channel Partners

### A single HbbTV app syndicated to every Freeview Play device partner

- DUK manages the CP syndication and testing
- Create opportunities with white label suppliers

### Maintain prominence for FTV catch up & on demand Apps

- Multiple entry points to their app outside the clutter of App stores
- Maintenance of relationships with their audiences and advertisers

### Enhanced content discovery that starts with the TV Guide

- Simple and compelling backwards EPG that keeps the channel line-up and their channel brands at the heart of hybrid TV
- Powerful discovery mechanism to reinforce the value of the broadcast channel brand and content attribution
- Deep links to their app retain direct control of the experience and advertising

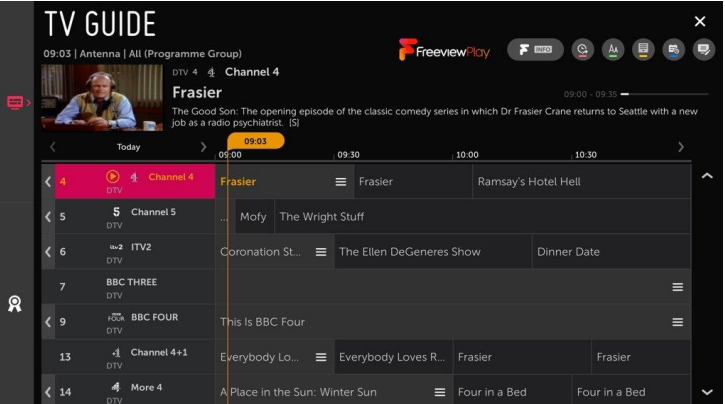
### Metadata aggregation and distribution that retains editorial integrity

- Metadata and programme images are aggregated in the Freeview Play metadata delivery system
- Retention of their approved metadata and images is mandatory for device partners so that they retain full editorial control
- Powerful APIs for device partners drive their metadata into their native UIs for programme based search and recommendations

# Freeview Play adds value through our Device partners' native UIs

## Native UI & TV Guide

Prominence in channel-based discovery



## Apps Portal

Prominence in app-based discovery

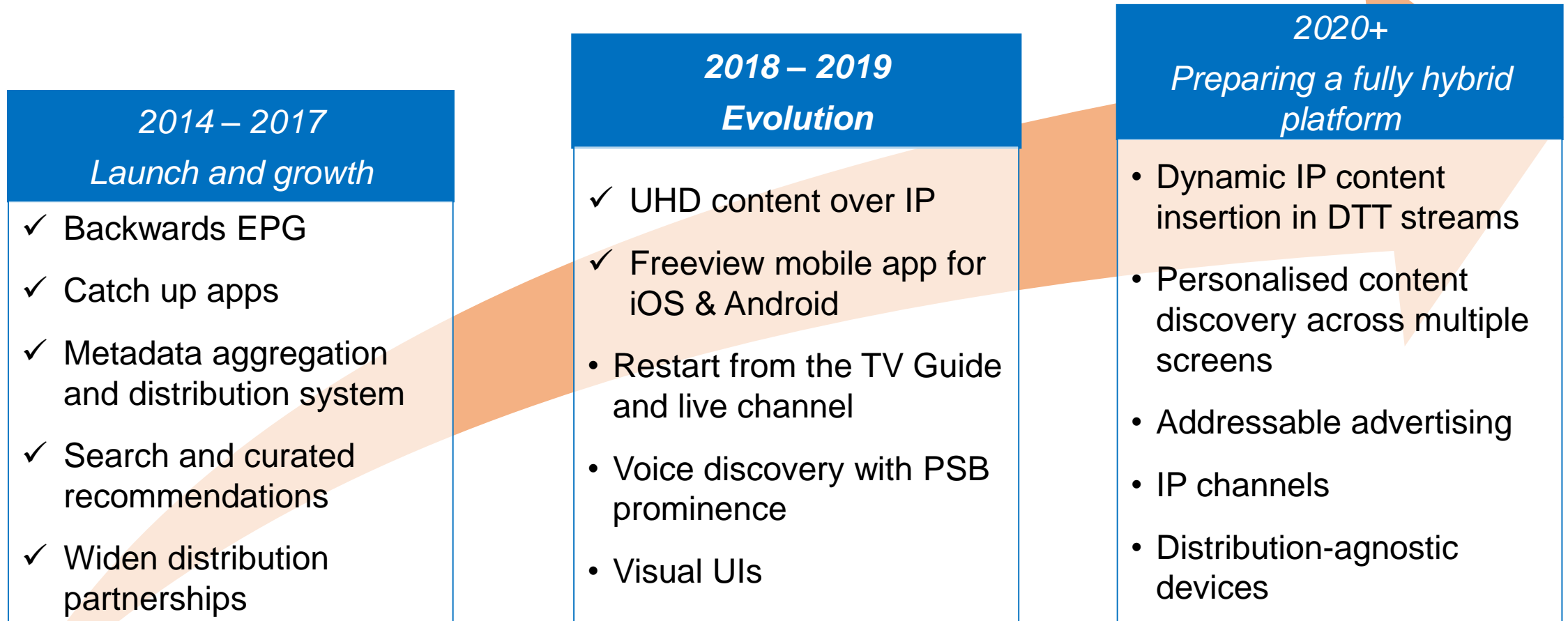


## Search & Recommendations

Prominence in content-led discovery



# Our focus is on further innovation with our partners to enhance the experience of Freeview Play users

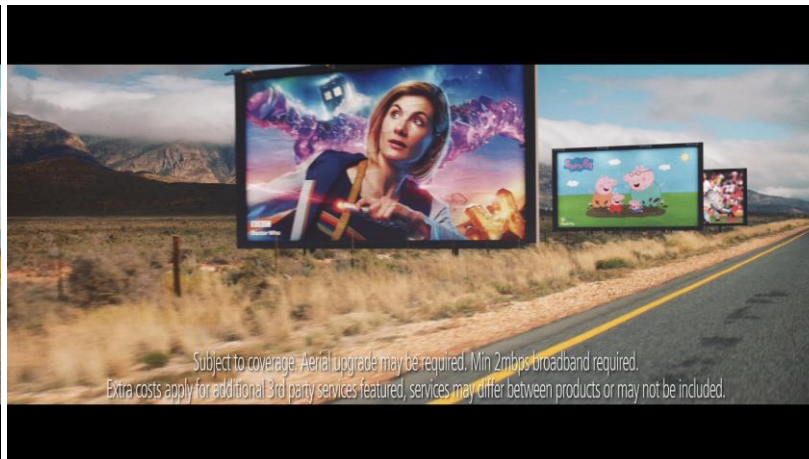


# Marketing to drive branding, comprehension and TV sales



## Brand

To help drive brand fame and awareness, creating a halo effect for the other advertising



## Product

To help drive understanding of Freeview Play, with tailored messages targeted at our audience segments.



## Retail

To leverage TV advertising to further support instore and online retail activity with our manufacturer partners



Thank you

