Where are we heading ?

Gary Hayes

Interactive Development Manager

BBC New Media

Where are we heading ?

Some Focused CRYSTAL BALL GAZING

BBC New Media

Gary Hayes, Interactive Development Manager

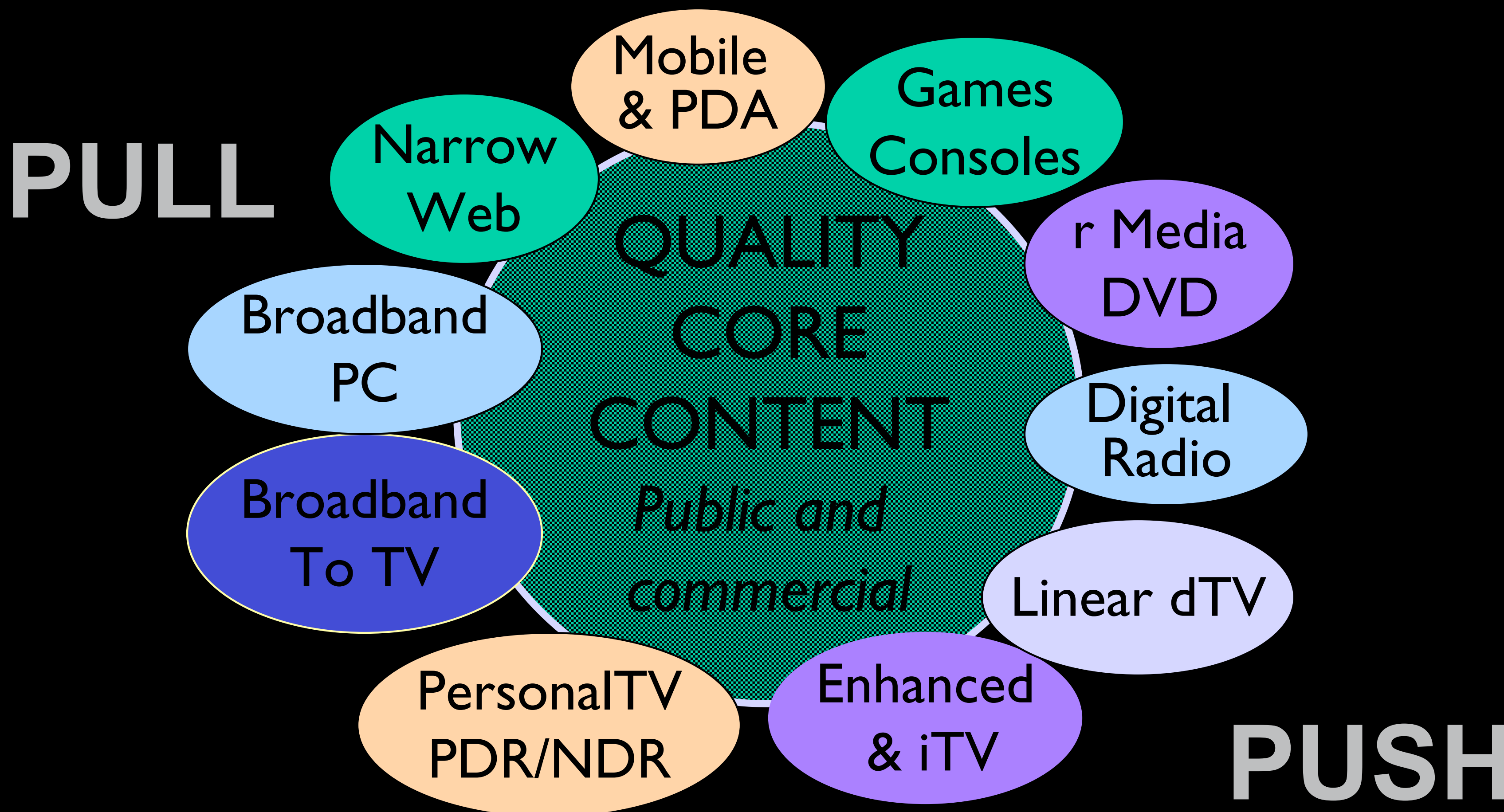
Where are we heading ?

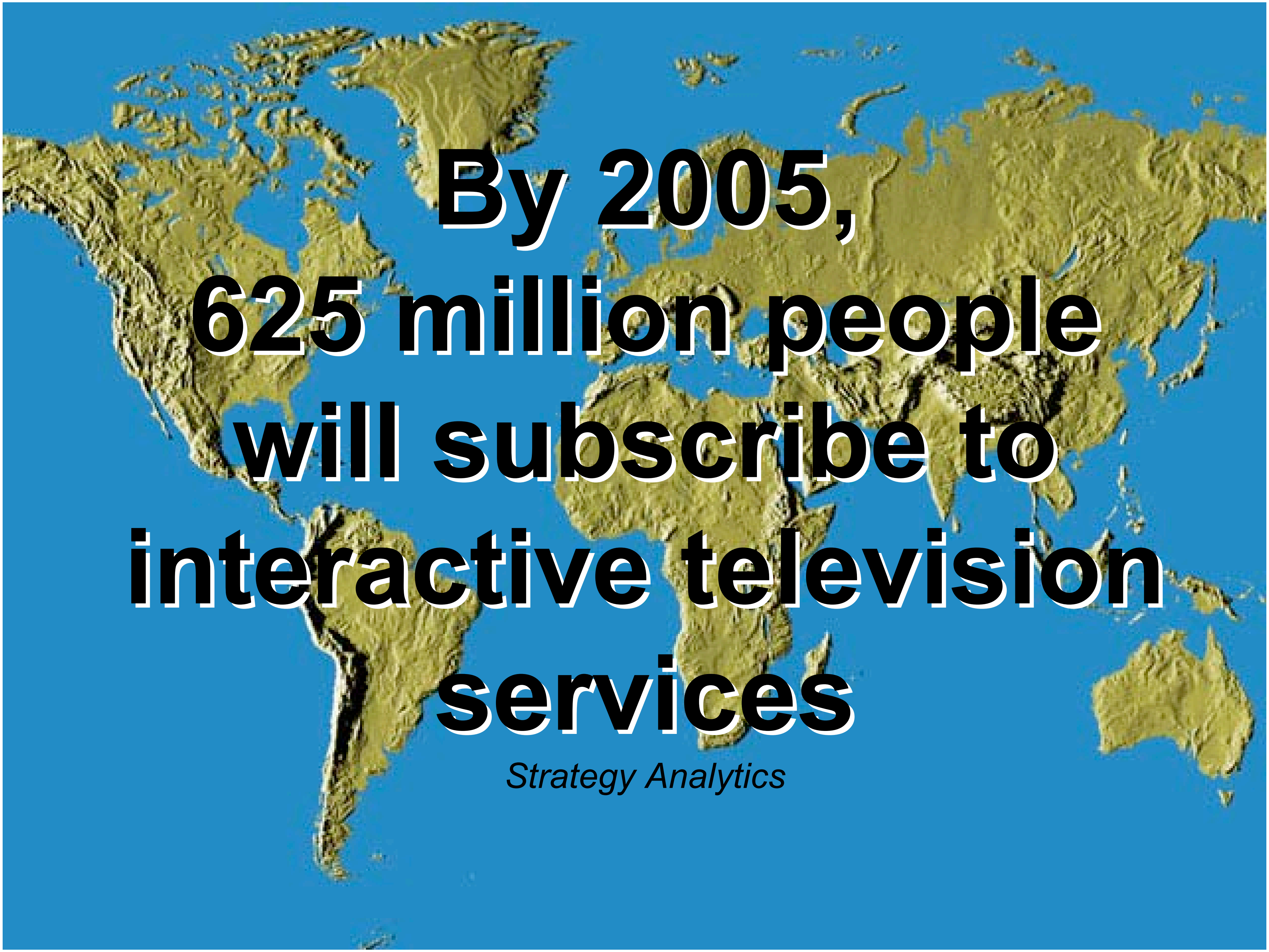
MAIN INTERACTIVE THEMES

- **Even More Channels & Choice & Information**
- **Personal Filtering, Capture & Life Tools**
- **ANYTHING is on Demand**
- **Consumers Are Mobile & Always Connected (to each other)**
- **Everything becomes faster, smaller, 'bigger' and cheaper**
- **Integrated Devices & Home 'Hubs' Networks (radio and TV disappear)**

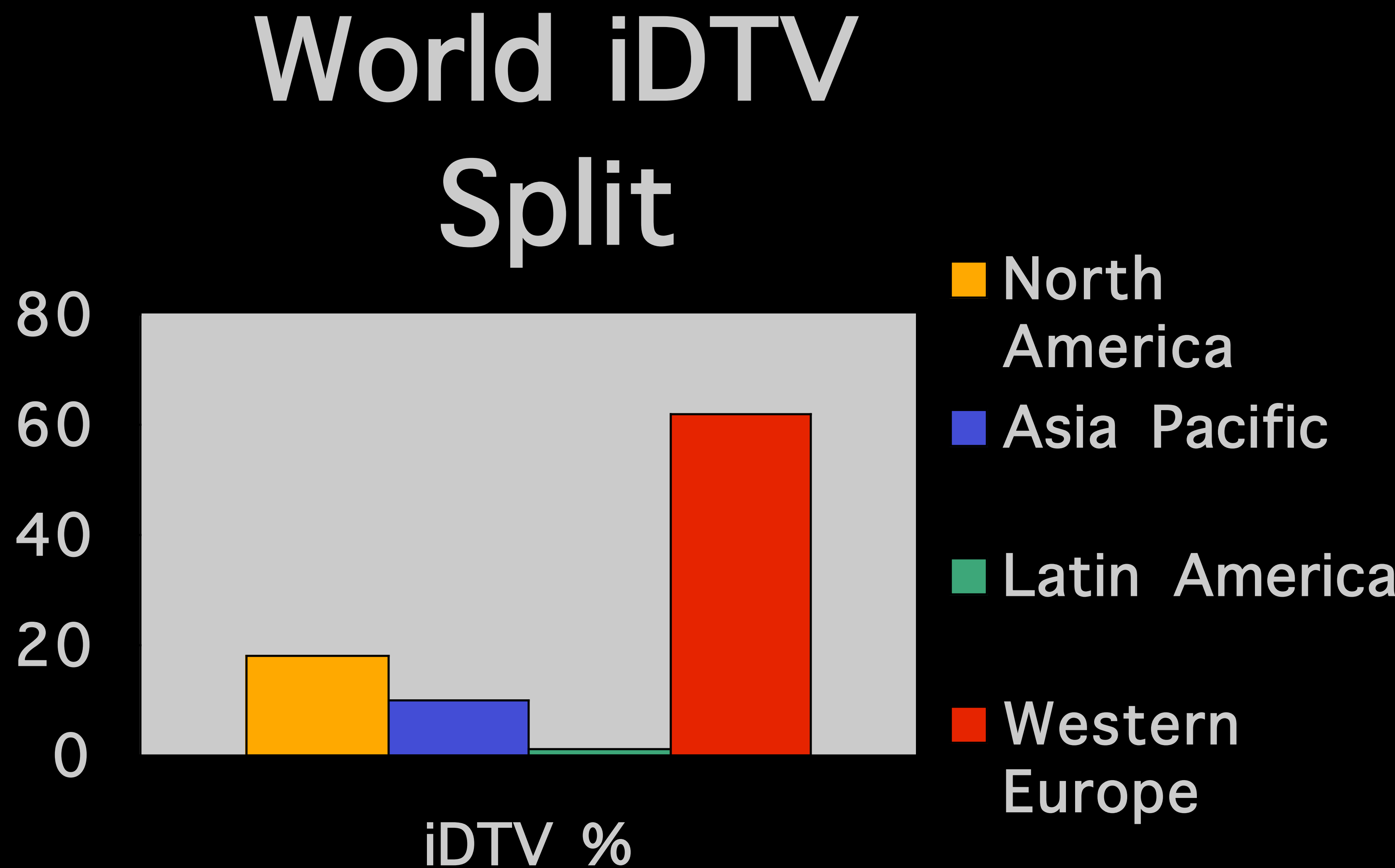
Where are we heading ?

Key platforms, pull / push circle




By 2005,
625 million people
will subscribe to
interactive television
services
Strategy Analytics

Where are we heading ?



BBC New Media Gary Hayes, Interactive Development Manager

Where are we heading ?

What they say they want...

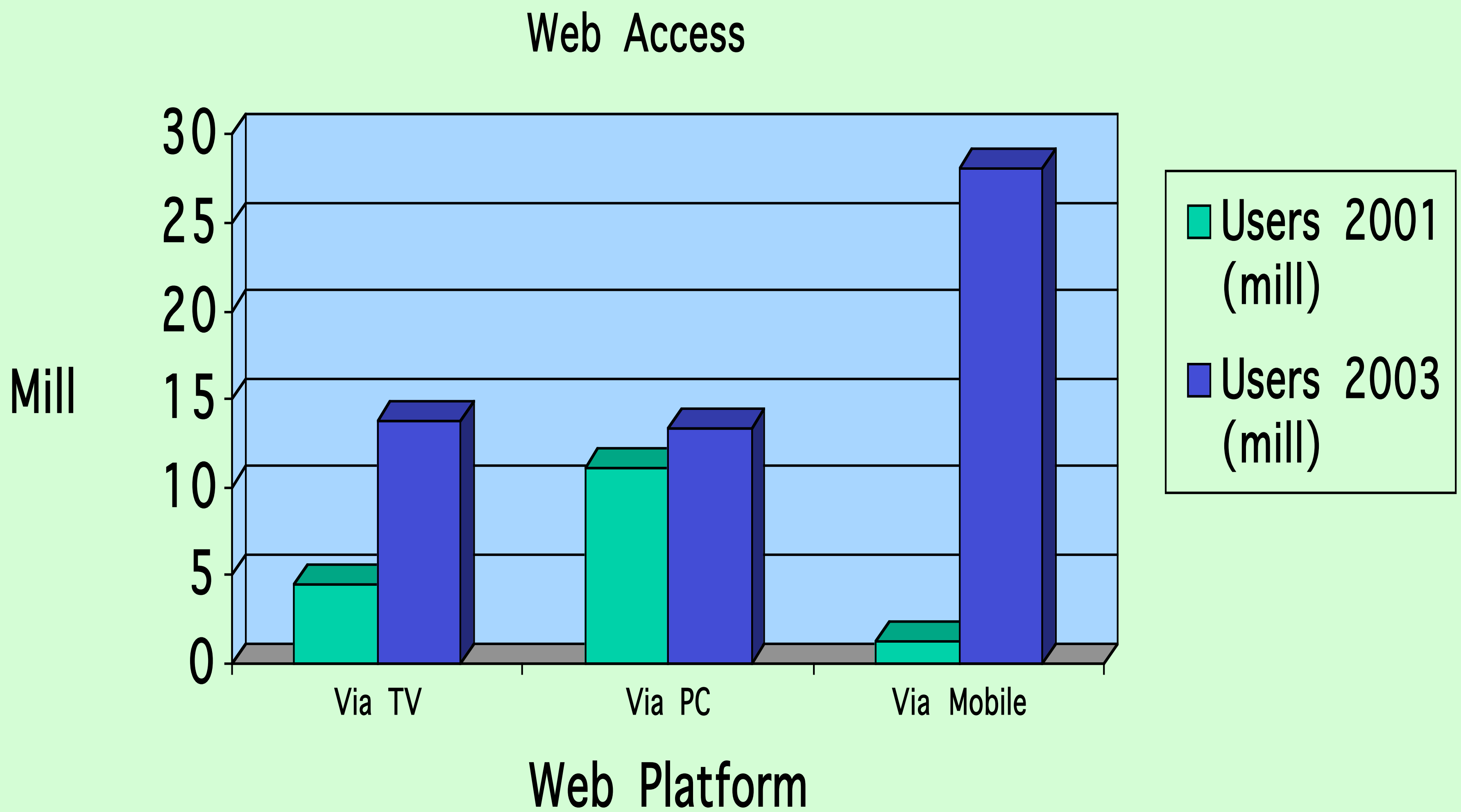
- I need to explore in more depth, at my own pace
- I want to 'link' out to more - especially around my local area
- I expect relevant facts & activities on demand - immediately
- I would like alternative rich media, video and audio
- I want to personalise my experience - choose my own routes
- Let me contribute, give my opinion to others and the makers

Where are we heading ?

Interactive Services to Television

- DSat - 5.3m subscribers
- DCable - 1.5m subscribers
- DTT - 1.1m subscribers
- Broadband to TV - 26k subscribers
- Games consoles - 6.5m
- Web on TV - 3.2m
- There will be more people using the web via TV than PC in 2003
- Half of all UK households will be connected to the Internet through their TV's by 2005

Where are we heading ?



Where are we heading ?

Creating services, our very first questions...

•Ask, who do we want to reach

•Ask, how many do we want to reach

•Ask, what the viewer will experience

•Ask, how will the viewer perceive us for this experience

•Ask, how do we want to reach them

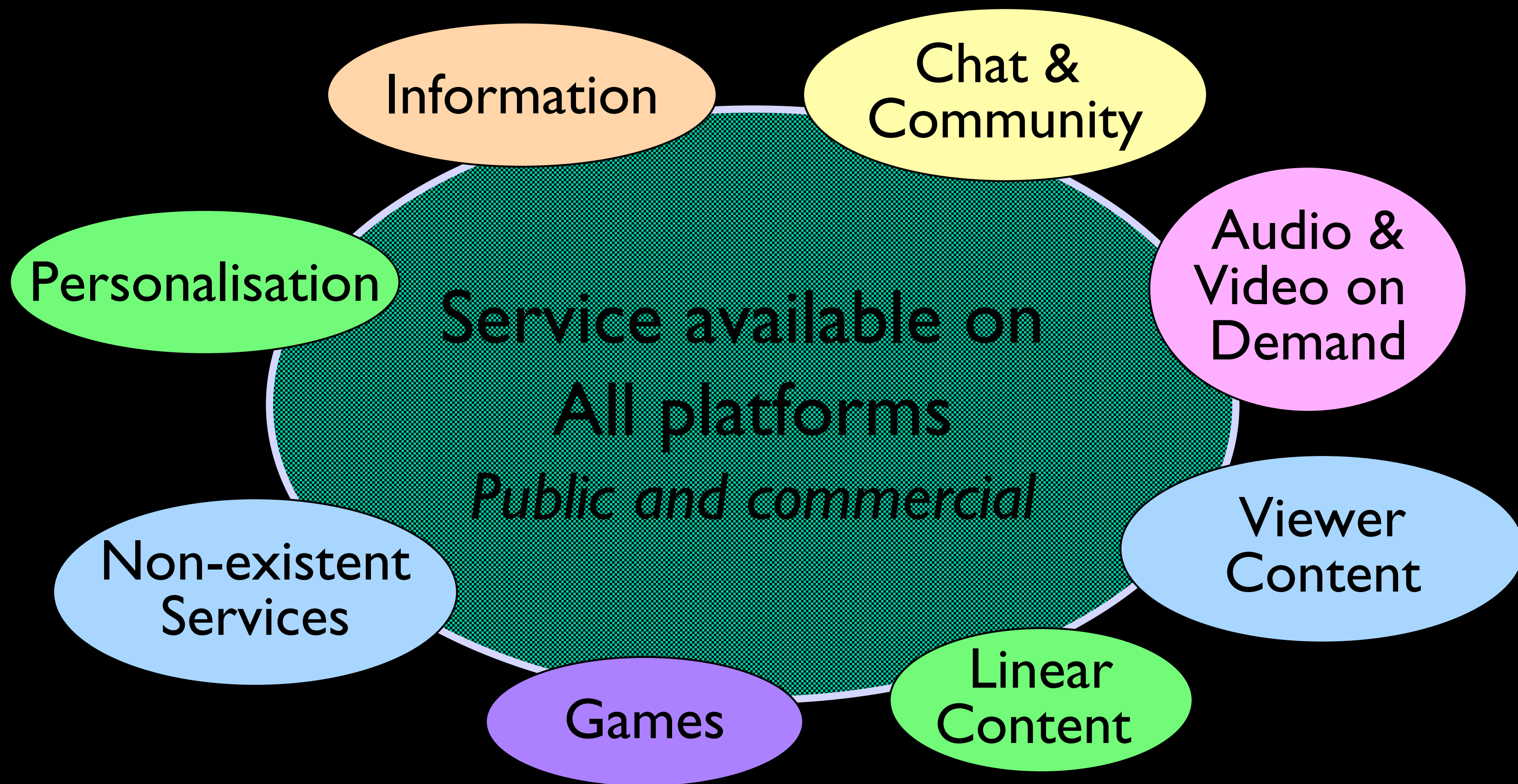
•Ask, how do we keep them loyal and involved

BBC New Media

Gary Hayes, Interactive Development Manager

Where are we heading ?

Editorial convergence - ubiquitous services



Where are we heading ?

Key ways people are using interactive services (mostly TV)

- **19 million** users per week of 'Teletext' Services
- In WebTV trials **44%** of audience actually click through to more info (BBC News, TOTP and Eastenders are the top 3)

UK Digi TV viewers use the following (July00)

- 46% use the 'favourite' function **PERSONALISATION**
- 44% play live **GAMES**

General

- Top three iTV service areas - Email/Web, **Educational** and VOD
- **57%** would pay for educational content as part of interactive services (the next three includes web, banking, shopping)
- **36%** of audience *will* use interactive TV educational services

Where are we heading ?

ENABLING PLATFORMS - NOW

Where are we heading ?

Democratisation of content - audience take control

- Four new, peer to peer, file-sharing systems -- FastTrack, Audiogalaxy, iMesh and Gnutella -- were used to download 3.05 billion files during August 2001
- That's more copyrighted material than was ever shared using Napster.

Where are we heading ?

Integrated Devices & Home Networks

Consumer ‘life’ devices begin to integrate with ‘entertainment’ systems

- Sep 5th 2001. SONICblue's new ReplayTV 4000 can store up to 320 hours of television or other media, share video clips between rooms in the home or with friends outside the home, as well as playback recorded programs without commercials. The world’s first home video server, the ReplayTV 4000 can also be used to store photos and home movies. It can connect to a cable modem or DSL for fast and easy transferring of video over broadband and can share video throughout the house via a home network.

Nokia Media Terminal (& others)

- DVD + DTV + VOD local storage + Communication + Fast Internet + Mobile Docking + Digi Camera

Where are we heading ?

Entertainment (including: games)

- Top three content areas of Interactive Services - Games, Entertainment, Sports
- Mobile Games - 200 million people in Western Europe and the U.S will be playing Internet games on their mobile phones by 2005 - worth $6 billion
- 39% NOP prepared to pay for games
- PS2 biggest launch 10 mill, 1 yr
- 7.5 mill games consoles in UK

Where are we heading ?

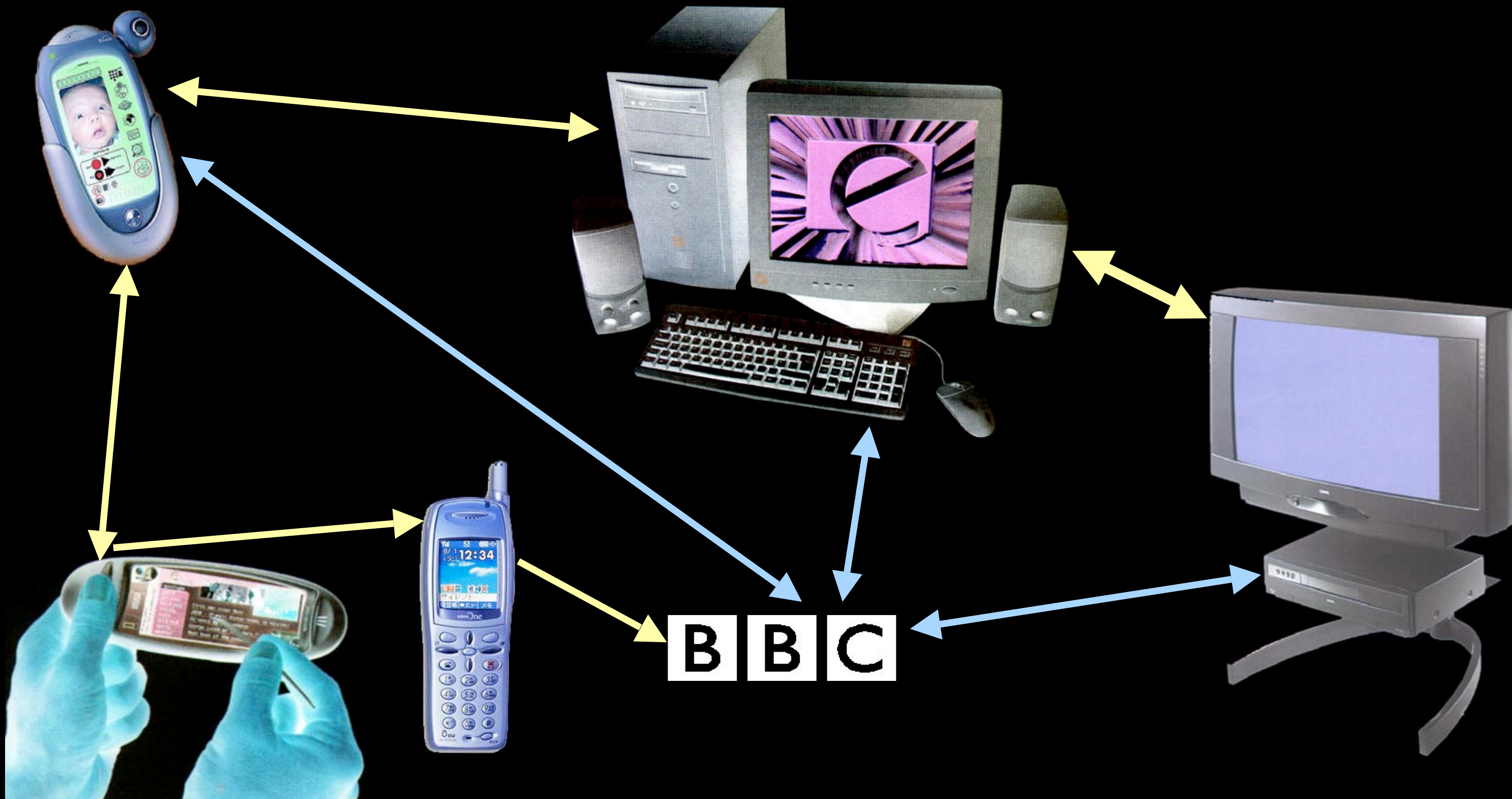
Integrated Devices & Home Networks

- Sep 2001. HomeStation. PC-Xbox hybrid running Windows, will also contain a hard drive to act as local media storage and digital VCR. Microsoft will build vast .NET servers to supply HomeStations with content via integral Broadband. The box itself will use 802.11 and/or HomeRF to pump movies and audio to remote playback devices.

Where are we heading ?

Cross media thinking - loyalty, continuing the experience

(NB: the images are metaphors for the services!)



BBC New Media

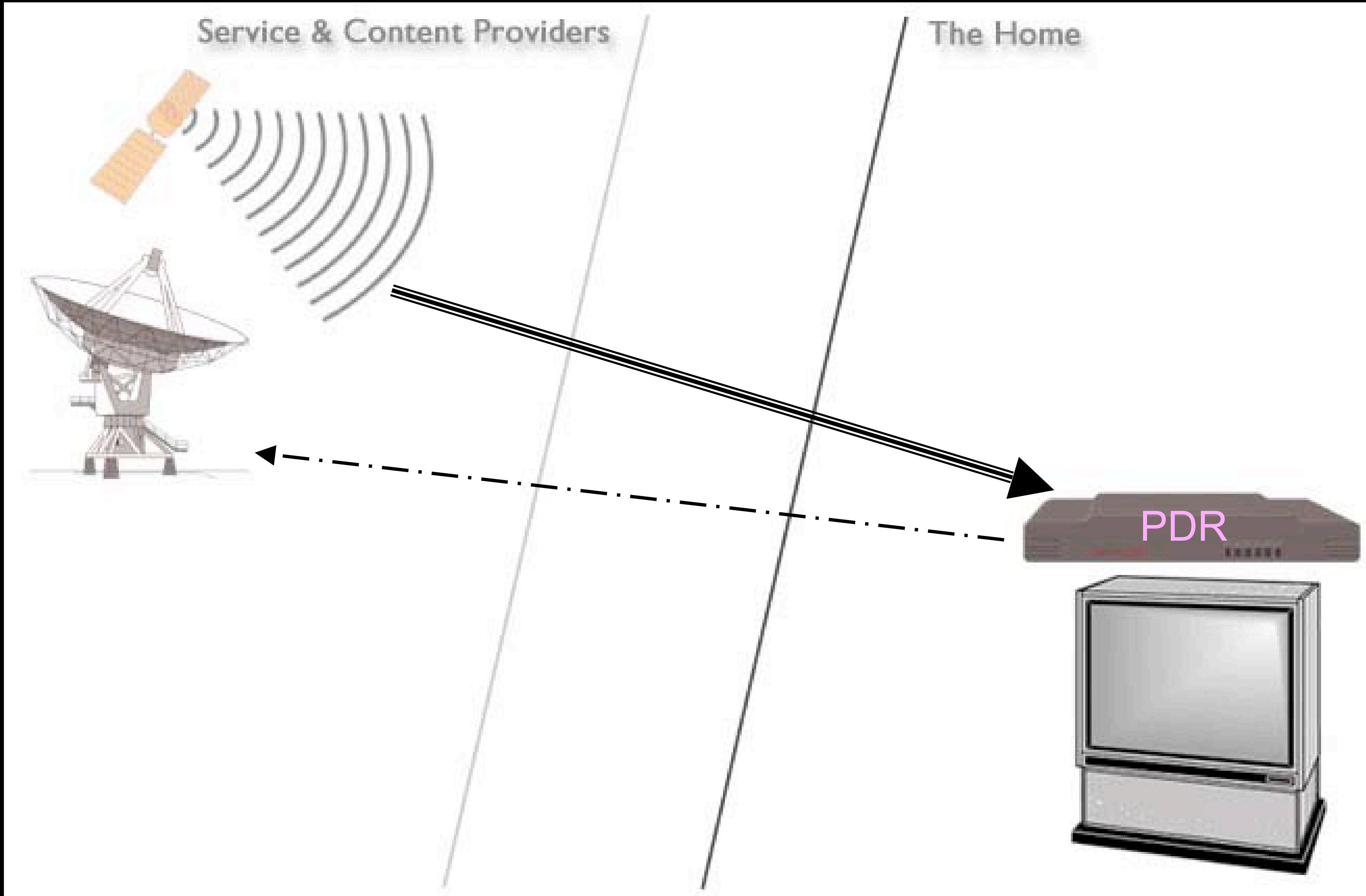
Gary Hayes, Interactive Development Manager

Where are we heading ?

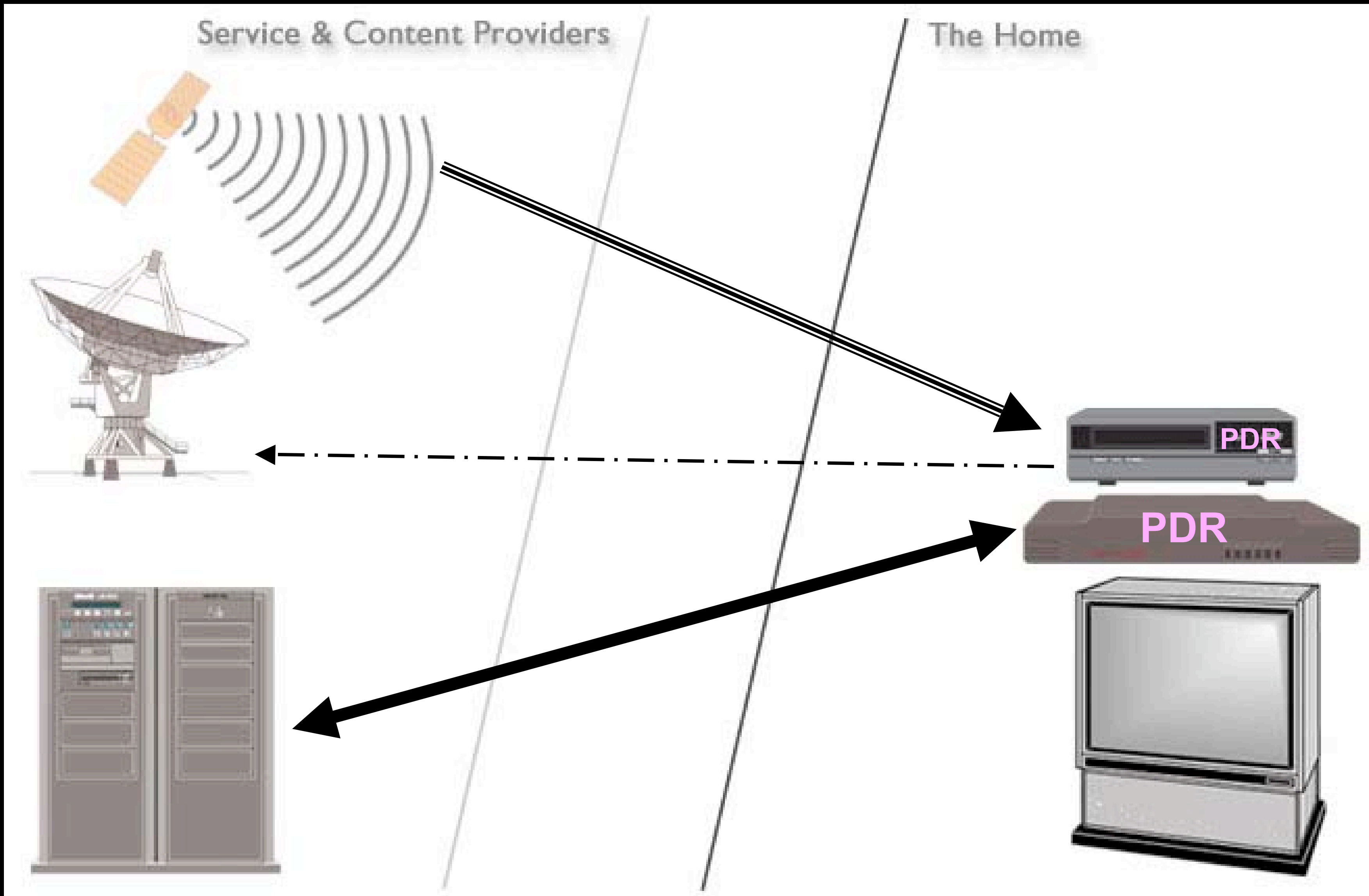
Consumers Are Mobile

- UK phone owners 30.6 million half of UK (Jul 00)
- SMS & WAP & mMail fastest 'technology' service uptake ever
- 500 000 net phones now - can't buy non-internet phone by end of 2001
- Mobile penetration will be 80% in 2005 - 70% of these mobile internet
- 71% of the world's mobile subscriber base will be using mobile Internet services by 2006 (1.4 billion people)
- In 2003, the number of mobile Internet users will PASS the number of fixed device (TV & PC) Internet users

Where are we heading ?



Where are we heading ?

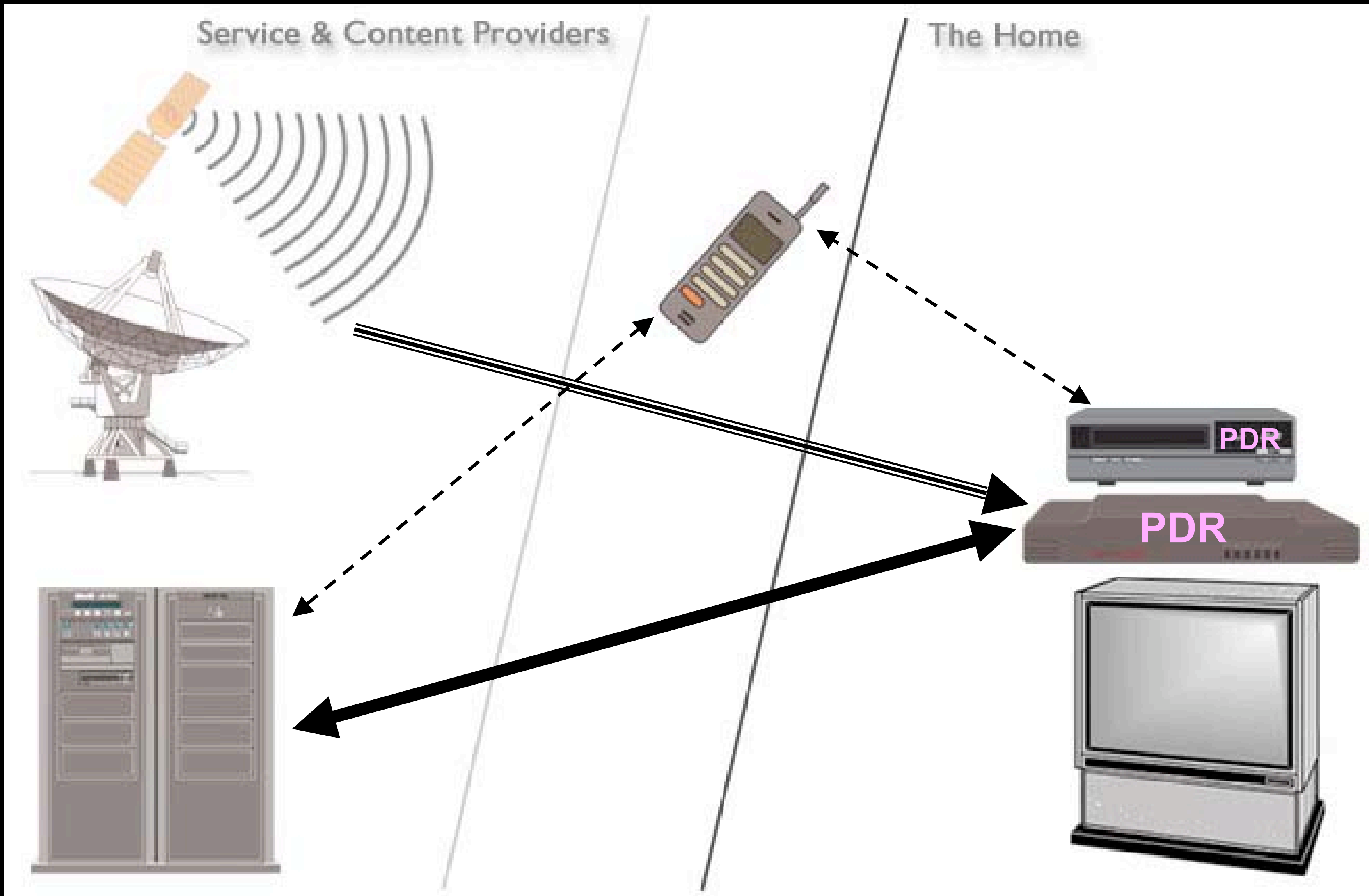


Where are we heading ?

Personal Storage (Personal TV Systems - eg: TiVo, Sky+)

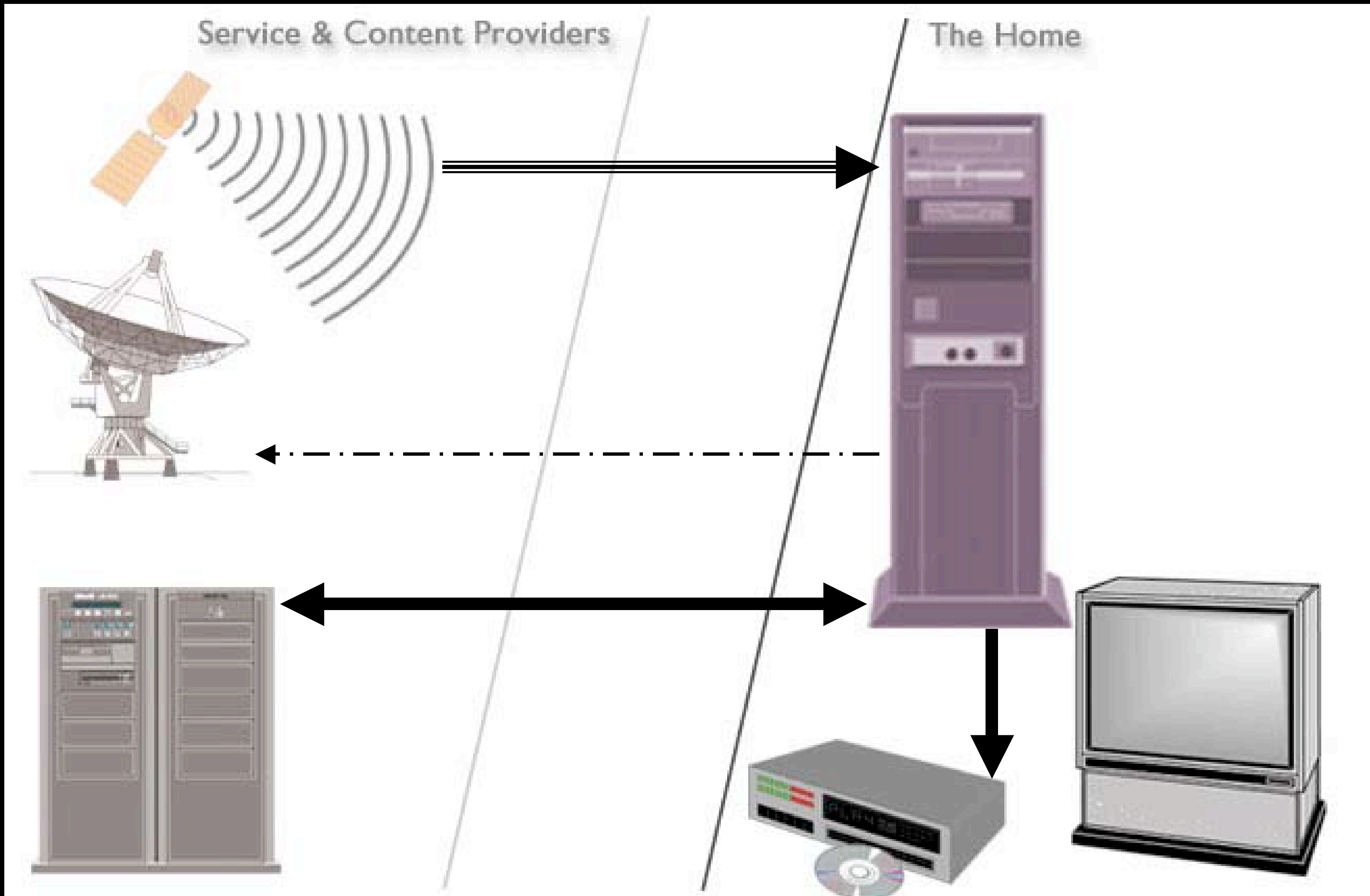
- 95% of content in US will be viewed from off-line devices 2005 *(In USA in 1999 over 1.9 mill DVD players sold in 2000 4.2 million. In Japan - DVD's now outselling VHS tapes)*
- by end 2001 900,000 people will be using PDR's
- by 2004 there will be 4 million
- by 2008 80% of the world's media consuming population will be using Personal Storage systems - whether PC or set top based

Where are we heading ?

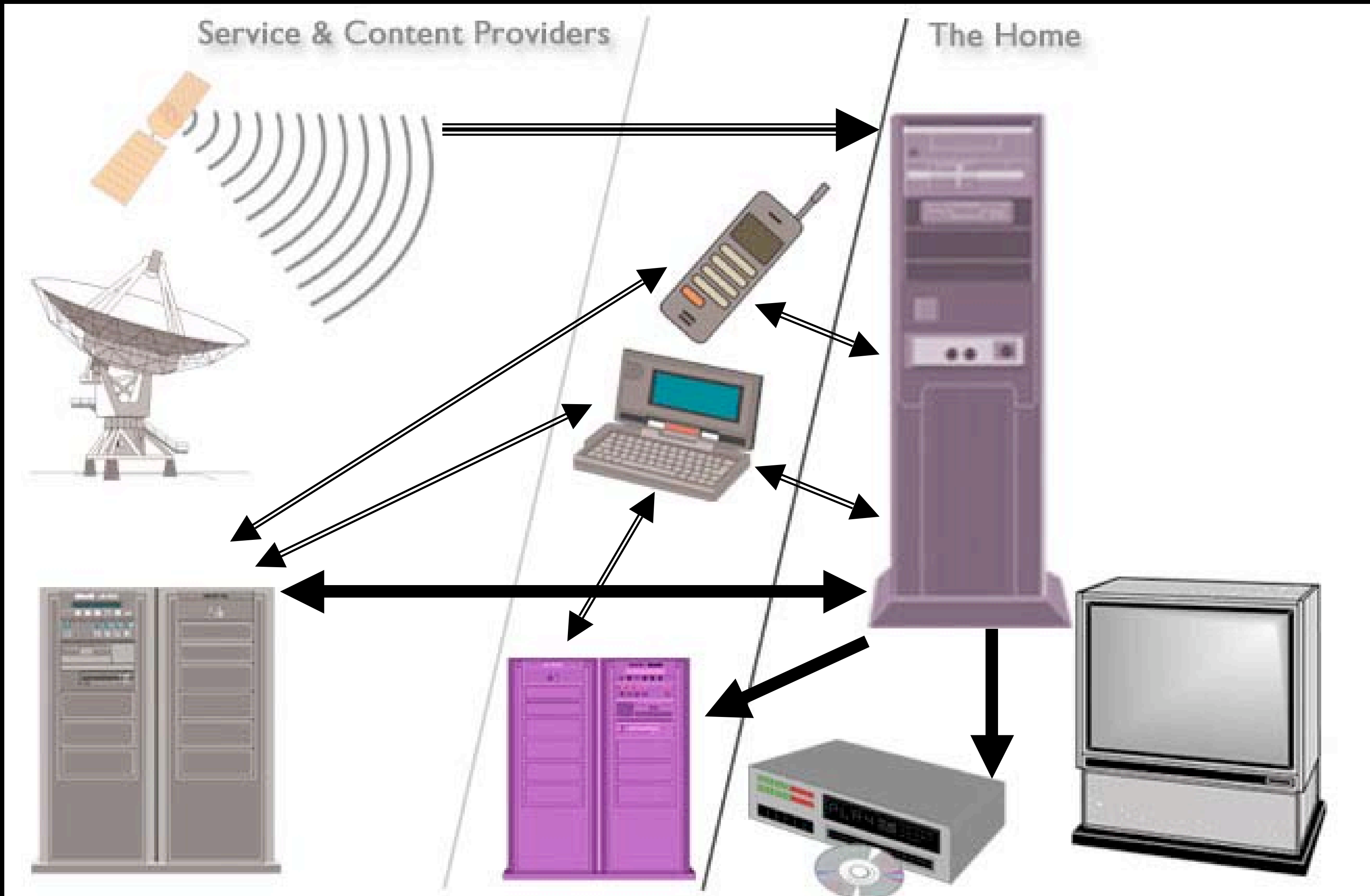


BBC New Media Gary Hayes, Interactive Development Manager

Where are we heading ?



Where are we heading ?



BBC New Media

Gary Hayes, Interactive Development Manager

Where are we heading ?

END OF PART ONE

'Hope you enjoyed the show'

Contact

gary.hayes@bbc.co.uk