The Business of Digital Television
written by Chris Forrester

reviewed by Bohdan Jung, Warsaw School of Economics, Poland

Overview

The author, Chris Forrester, is a well-known consultant and writer, specializing in all aspects of broadcasting and associated technologies. He writes regularly for many industry magazines.

The editor presents his book as “essential reading for anyone involved in broadcasting”. The book presents an up-to-date overview of the digital television industry, looking at the key technologies and developments of the marketplace, with comments on the future from leading industry experts. It is comprehensive and complete in terms of the issues covered and industry perspectives.

After a brief history of television and new technological advances, the second chapter deals with the condition of the analogue television business, which is seen as the background of the digital future. The author traces 50 years of progress in television, describing the evolution of the American, European and Asian-Pacific TV markets. This section features a good statistical documentation of market trends, including the development of satellite and cable markets.

The third chapter is concerned with new technological standards which enable the adoption of digital TV. It discusses digital compression and multiplexing, digital video broadcasting, bit rates, transmission standards, modification of TV receivers and the creation of Electronic Programme Guides (EPGs). The following chapter analyses the threats and opportunities which arise from the introduction of digital TV for cable and satellite markets. It also looks at the competition between digital TV, cable and satellite in the main geographic markets. These, together with telephone, are seen as possible competitors for the distribution of digital media products. The detrimental effect of different standards of scrambling devices is also mentioned.

Chapter 5 offers an overview of the condition of digital television at the turn of the century and presents some of growth projections. The analysis covers main players, countries and regions in which this type of television is expected to develop rapidly. It also looks at some additional services that could be provided by digital broadcasters, such as Pay Per View (PPV), home banking etc.

A chapter entitled “Is new content still king?” analyses a new pattern of “release windows” which could be brought about by the explosion of digital channels. This may have far-reaching consequences for licensing and merchandising of broadcasting rights for producers and packagers of programming. This new pattern would also take into account datacasting and flexible, interactive forms of multimedia usage.

Chapter 7 starts with the prediction that by year 2003 there may be a five-fold increase in the number of available digital channels and, if one includes web-cast services, this growth may be exponential. One of the key points in the future development of digital television will therefore be not as much the technology, but the selling of the new product. Selling strategies are reviewed and analysed with much input from industry’s leaders. “A la carte” television (menu-driven), channel and service branding, pricing, promotion, use of the EPG as gateway are among the issues discussed here.

The proliferation of digital TV channels will inevitably lead to further market segmentation of audiences, to what the author calls “the economy of niches”, without which the major players risk to “suffer from a heart attack within a year”. The key niches enumerated by the author include: kids, news, documentary and music, each of which can be exported and localized to meet the needs of local audiences.

In chapter 9, the future of digital TV is seen from the perspective of the uncertainty about the outcome of the struggle over the main platform of access to digital services: (multi)media enabled PC or Web-enabled (digital) TV. Some specialists view infotainment as being a natural extension of TV’s teletext, others see portals as ultimate channels of the future. The appearance of new portable and wireless products may yet change this debate by making both of the above types of webcasting obsolete. The final chapter looks at the future options, which are somewhere between “brave new world or just more of the same”. The reader is presented with ten hypotheses on possible relations between consumers, technology and major media players. The author points to the inevitable character of progress made in Video-on-Demand,
PPV and E-commerce, which are already embraced by the consumers. Some less known developments which are also discussed include personal video recorders (PVRs). ADSL technology giving much faster transmissions over traditional phone lines and thus enabling distribution of various (near) broadband services hitherto unavailable to modem users, Web-casting and micro-television. The book ends with the conclusion that regardless of the technological course taken, the television will continue to be the main form of passing leisure time, but that the enthusiasm demonstrated by technology-prone politicians is not always shared by the voters, to whom the vision of multi-channel wired future is not all that essential.

Conclusions

This book is written in an accessible style. It is likely to attract readers from both the academic world (both teaching staff and students) and business community (especially broadcasting professionals), as well as those who have an interest in new media technologies. The book is well documented, its statistics – comprehensive and up-to-date. Industry leaders comment upon some recent developments. The essential facts, data and commentary are all brought together in one single source likely to interest a large and diverse audience.

Rating

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