

Linear TV to stagnate as TV and video users seek OTT and mobile

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The worldwide TV and video worldwide market should grow up by 4% each year between 2010 and 2020 but by 2 % only in Europe (France and UK) and the US, reports Idate's new study.

In the "Future TV 2020 : Les scénarios de la migration internet" report, Idate confirms that if the TV and video market keep a real growth perspective, TV channels will be more and more challenged by new distribution models such as over the top (OTT) and mobile.

"Linear TV [will] stagnate," Idate Deputy Director Gille Fontaine comments. "TV channels must grab a part of the new services value to maintain growth perspectives."

According to Idate, new non-linear services will represent 12% of the global video market by 2015 and 2 % by 2020. High-speed broadband internet will be one of the biggest winner with 51% of the market as opposed to 27% for mobile services and 22% for managed networks, cable TV , satellite TV , terrestrial TV and IPTV.

TV channels' worst strategy would then be to lose control on their catch-up TV or VOD services, in the turmoil created by websites YouTube or Netflix. This would ruin all growth perspective and advertising revenues would fly to internet.

However, Idate doesn't exclude connected TV would be a failure paving the way for a sustained development for cable and IPTV. TV channels then would maintain the control on their rights and affiliated new multi-platform services.

"The control on TV and programmes rights will be the key," Gilles Fontaine explains. "The internet migration questions the share of value, and the weakest link comes from TV broadcasting."

However, asked about Netflix international development, Gilles Fontaine argues that media chronology (SVOD can be proposed before 36 months after a movie release) and strict rules could be a problem for Netflix in France. "The emergence of SVOD service like Netflix is hardly conceivable in France by now. " Gilles Fontaine, also has doubts about Netflix business model in the future, underlines that the platform would have more chances in Spain or Italy where pay-TV channels market is less competitive than in France

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