

As the 1990s drew to a close Paul Kagan, the California-based media analyst, observed that in Europe liberalised regulation in media and telecommunications combined with the advent of digital technology were having profound effects on media distribution and consumption, writes Colin Mann.

With the company's London outpost, Kagan World Media (KWM), already renowned for providing expert analysis of European media since the late 1980s, Kagan felt the time was ripe for a specialised journal that would provide the convergent media and communications sector with focused analysis of industry developments.

Although there were other titles that looked specifically at cable, satellite, TV, film, technology or telecoms matters, Kagan's vision was that the new title would work across all those headings. Such a publication would draw heavily on KWM's existing team of analysts, with experienced periodical publishing, editorial, advertising and production staff shaping the direction and look of the monthly magazine.



Euromedia at 10

SOFT LAUNCH. With key staff recruited by late 1998, there was a 'soft launch,' to coincide with the Mediacast trade show in May 1999. *Kagan's Euromedia* made its debut, with that first-ever issue featuring News Corporation chairman Rupert Murdoch on its cover.

The first regular issue was published in September 1999 to coincide with that autumn's Telecom 99 expo in Geneva. The early template for the magazine saw comment and news pages followed by feature and comment pages on TV and Film. Mathew Horsman – then a media analyst with the City firm of Henderson Crosthwaite – penned the *Insight Television* column. Other pages were devoted to Sports, Interactive, Telecoms and Technology, with *Euromedia* stalwart Steve Gold looking at ADSL.

A key feature was the analysis and data throughout the magazine, calling on Kagan's London-based researchers and those at the company's desert HQ in Carmel, CA. Colour-coded 'pink pages' guided readers to Finance and Data



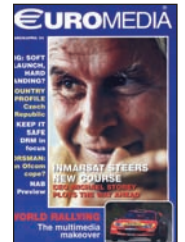
SEPTEMBER 1999 SAW *EUROMEDIA* LAUNCHED AS A MONTHLY PUBLICATION. THE EDITORIAL TEAM REVIEWS THE ORIGINS AND DEVELOPMENT OF THE MAGAZINE, AND WITH THE HELP OF INDUSTRY FRIENDS AND COLLEAGUES, TAKES A LOOK BACK AT THE LAST 10 YEARS IN THE CONVERGED BROADCAST AND COMMUNICATIONS INDUSTRIES.

pages. Another part of the magazine's original template was the executive interview and accompanying cover shot, among those to feature were: then Vivendi chairman Jean-Marie Messier (remember him?), an encore for Rupert Murdoch, Marjorie Scardino, Romain Bausch, Sir Christopher Bland and Giuliano Berretta. Early issues also featured Vivek Couto's *Letter from Asia*, another highly valued contribution that continues to this day.

It was somewhat poignant that a company specialising in the coverage of media M&A should itself be the subject of a takeover when in October 2000, Primedia, one of those leveraged media empire builders so fashionable in the 90s, acquired all Paul Kagan's businesses. Under new ownership, *Kagan Euromedia* continued its sector coverage in 2001 and 2002, with the first TMT recession seeing publication shifting to bi-monthly and the editorial focus shifting to focus on the broadband and broadcast sectors. The early magazine editorial mantra of 'All content, to all devices and all locations, via all platforms' was becoming increasingly a reality.

NEW DAWNS. At the time of the acquisition Primedia had bought its way to being the world's biggest trade publisher, but it had also gambled heavily on Internet businesses and the dotcom bust saw its stock in the firing line. Part of the retrenchment plan was to retreat to within the US and businesses in Europe and Asia were either sold or shut.

The latter looked on the cards for *Euromedia* but then Nick Snow, who had launched advanced-television.com in 2000, decided to make an offer, and the first *Euromedia* from Advanced Television Ltd was published in March 2003. "Ironically it was the last thing I intended to do, I had already talked to Primedia and other publishers about how the market then was over-served with magazines. But when the opportunity came I just thought it was just too good a name to let it go. We focused on the digital media delivery chain and the way it was changing everything and, eventually, an upswing arrived – as I'm sure it will again," remembers Snow.



The last 10 years remembered

WE ASKED A SELECTION OF INDUSTRY FIGURES TO SHARE THEIR HIGHLIGHTS OF THE LAST 10 YEARS.

DR ROGER BLAKEWAY was first involved in the cable TV industry in 1983 as technical manager at Racal-Oak responsible for the company's Pay T.V. products and systems. Subsequent positions include as technical



director, Westminster Cable, corporate director of engineering, Videotron and director of operations, Europe, Diva. **Current role:**

President SCTE
Role in 1999: President SCTE and European Operations Director for DIVA

Highlights of last decade:

- Ntl takeover of Cable & Wireless
- Ntl 'merger' with Telewest
- Digital Roll-out lead by UK
- Introduction of Eurodocsis
- Introduction of HDTV

ROGER BOLTON heads Tandberg Television's compression business, as EVP of Compression Systems, Tandberg Television. **Current Role:** EVP of Compression Systems, Tandberg Television
Role in 1999: manager, Internet business solutions division, APW
Highlights:

- The large-scale introduction of digital TV in the late 1990s, which



revolutionised entertainment.

- The advent of digital newsgathering.
- The introduction and expansion of IPTV.

- The rapid uptake of HDTV worldwide from around 2005.
- The development of on-demand services and the migration towards a more personalised TV experience.

NEIL GAYDON has well over 20 years experience in the audiovisual



industries, and a thorough knowledge of digital TV, pay-TV and home entertainment industries.

Following his appointment to

CEO of Pace in April 2006, he instigated a complete company restructure, which has successfully turned Pace into a highly profitable organisation.

Current role: CEO, Pace

Role in 1999: President, Pace Americas

Highlights:

- The technology bubble from around 1999 through to 2001.
- The rise of new TV technology and services, in particular, PVRs and VoD, has shifted things away from linear scheduling.
- Industry standards such as MPEG-4 for HD and IP for delivery of content.
- The impressive and continual growth of the pay-TV industry.
- Pace's acquisition of Philips' set-top box business was monumental for us as a company but also massive for the industry. It took us instantly to number three in the world.

KEVIN MACLELLAN boasts over 20 years of experience in domestic and international television production, operations and management. Prior to E!, he served as VP, international television networks, at Sony Pictures Television International (SPTI) in London, responsible for handling the company's channel investments in EMEA.

Current Role: President, Comcast

International Media Group

September 1999: VP, Int'l Networks



EMEA, Sony Pictures Int'l Television

Highlights:

- The Rise and fall of the 'Dot Com Economy, which initially drove increased competition in the media space but eventually

What a difference a decade makes. Ten years ago, ITV Digital was a year into its ultimately short and sad life, Labour was two years into its hegemonic period in power, Sky was spending freely to transition its analogue customers to digital satellite and everyone was investing deeply to position themselves for the 'new media' age.

Today, ITV Digital is a distant memory (except to those shareholders still rueing the £1.2 billion price tag of abject failure), and the digital landscape has instead been transformed by the runaway success of Freeview, the main choice for digital TV in 10m UK homes. Sky completed its digital transition – at a cost of c£2 billion – and is now arguably the world's most successful digital broadcaster, with 9.4m subscribers and generating profits of nearly £1bn a year. It is also a leading broadband operator, from a standing start just three years ago.

And as far as the 'new media' revolution goes, Web 1.0 has been consigned to the scrapheap of history, mobile TV is nearly everywhere a damp squib and the video on demand market remains incredibly small compared to traditional television. Only search, listings, shopping and recruitment have been an indisputable financial success in the online space and – while that has helped torpedo business models in print media – the "revolution" is far from complete.

So where are we heading? The UK advertising market, as elsewhere, is in the doldrums, and there is little prospect of it ever returning to 1990s-type growth. This seriously threatens the ability of mass-market broadcasters to fund the professionally-produced content that drives even YouTube, let alone traditional broadcasting. But it seems – pace Rupert Murdoch – that the 'free' model is, unsurprisingly, the most attractive to the consumer, and there is a pressing need to ensure that advertising investment efficiently finds its way to eyeballs.

A little crystal-ball gazing, if you'll permit. Video on demand will grow rapidly over the next five years, but that will be driven as much by traditional broadcasters distributing their content to PCs and TVs themselves as it will be about aggregators stealing a march on content owners. Subscription TV will continue to grow – and there will be a market for lower-revenue pay packages that might innovatively group both linear and non-linear content – some general entertainment, football and iPlayer on your telly.

A challenge to those who believe the old models are dead: yes, we shall all be connected, socially networked, fickle and thrifty. But what will be watching? And who will pay to make it?



INSIGHT TELEVISION

Mathew Horsman provided *Euromedia* readers with expert commentary and analysis of the TV industry for over five years. He looks back on the last decade and ponders the future.

KAY HUTCHISON is founder and CEO Belle Media. Kay was previously director of partnerships for Red Bee Media. Past roles have included



head of presentation at Five and Disney Channel-responsible for the launch of the channels in both cases.

Kay spent

seven years at Channel 4 and is a past Chair of PromaxUK.

Current Role: CEO Belle Media Ltd September 1999 - Head of Presentation, Channel 5 Broadcasting

Highlights:

- The launch of Sky Digital opened the way for so many services.
- Dotcom and Dark Fibre boom (and bust)- demonstrated financiers are easily seduced by technology dreams.
- The creation of trusted e-commerce and mobile micro-payment systems- introduced a step change in how we do commerce.
- Digital Cinema - opens up distribution to smaller films - could enable 'cinema on demand'.
- IP-based and non-linear edit systems- enabled the low cost production essential to supplying the numerous channels established over the last 10 years.

resulted in considerable consolidation.

- Digital Cable and IPTV, which spawned the 500 channel

Television universe and added value services (i.e. Triple Play, VOD, Interactive TV, etc.)

- The emergence of Reality Television.

Broadband video distribution and 'user generated content'

- 'Smart Phones' and other mobile devices capable of receiving full motion video signals and downloads



FERDINAND MAIER

was appointed MD of ruwido Austria in 1993, where he had already

completed his apprenticeship for tool design and construction. An MBO in 2003 changed the ownership of ruwido from Knowles Electronics to Ferdinand Maier.

Current role: MD, ruwido



September 1999: MD, ruwido
Highlights:

- IPTV: the variety of services and products and the changing consumption

styles, ranging from lean-back TV consumption to active (game-oriented) service interaction

- Triple play: allowing customers to combine TV, telephone and internet and forming a basis for a networked home

- User experience excellence allowing the vision of ambient intelligence to become true by supporting users in their daily



RICHARD SAMBROOK was director of BBC News from 2001



to 2004, leading the world's biggest broadcast news operation. Prior to that, from 1999 to 2001, he

was deputy director of the News division and has worked as a producer and programme editor on the BBC's national TV news programmes.

Current Role: Director BBC Global News

September 1999: Head of Newsgathering, BBC

Highlights:

- Iraq War, which influenced so much of Global affairs in the last six years, in particular embedded coverage which brought us close to live broadcasting of front line fighting – and the editorial dilemmas that brings IPTV – and the promise TV-lite that it brings
- 3G and the reality of mobile TV
- Social Media and the networked world, changing the relationship between media and consumer forever
- Of great significance is the collapse of TV advertising and the changed economics of commercial media for the foreseeable future.

interaction with IPTV products and services.

- Integrated home entertainment: allowing consumers to choose from a multitude of channels and formats
- Personalised services as first steps for the future TV format and consumption styles

DR MIKE SHORT has spent 35 years in Electronics and Telecommunications, with the last 21 years in Mobile Communications.

He was appointed director of Cellnet in 1989 dealing with major infrastructure investments and commercial agreements. He was appointed VP Technology for O2 Group in 2000, prior to demerger from BT.



Current role: VP, Telefónica Europe

September 1999: VP, R+D BT

Wireless, and Chairman Mobile Data Association (MDA)

Highlights:

- Mobile growth, globally to over 4bn from 1bn in 1999
- Mobile texting boom
- Mobile screens go colour. Mobile cameras pervasive and Mobile
- Video starts.
- Mobile Internet
- Mobile email



RICHARD SCOTT was, prior to joining Harris, SVP, systems and technology services, EMEA, at broadcast systems integrator Ascent Media. Prior to that, he spent five years as VP and MD, EMEA for Pinnacle Systems, seven years as director at Sony Corporation and eight years as technical director at Panasonic.

Current role: VP, EMEA operations,

Harris Broadcast Communications
September 1999: director of broadcast business, Europe, Sony Broadcast.



Highlights:

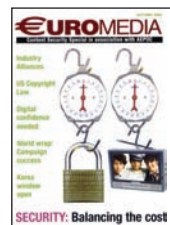
- Broadcast digital TV for everyone (especially free-to-air digital terrestrial services)

- Flat-screen display technology (Plasma and LCD) and 5:1 surround sound for consumers

- Video servers in all areas of production (prior to '99, this was limited to high-budget production work)

- Tapeless acquisition

- HD technology matures for production and broadcast infrastructure



YOSSI TSURIA has worked in the TV industry for the last 20 years and as technical manager at NDS, led the



development of the CAP part of the first digital TV system for DirecTV. In 1998, as VP of R&D, he led NDS to become the first

company to offer an integrated PVR to its customers.

Current role: EVP, strategy and technology

September 1999*: VP, R&D

Highlights:

The introduction/growth of: The PVR. It is changing the way people watch TV!

- IPTV: Allowing telcos to enter the world of pay-TV
- Internet TV: More and more people are watching TV content on their PCs
- High Definition: giving the subscriber a better quality viewing experience
- STBs at under €50: Enabling more countries than ever to join the digital TV world

As Euromedia enters its second decade, our contributors have also offered some predictions for the next 10 years. We'll bring you their thoughts in our next issue.