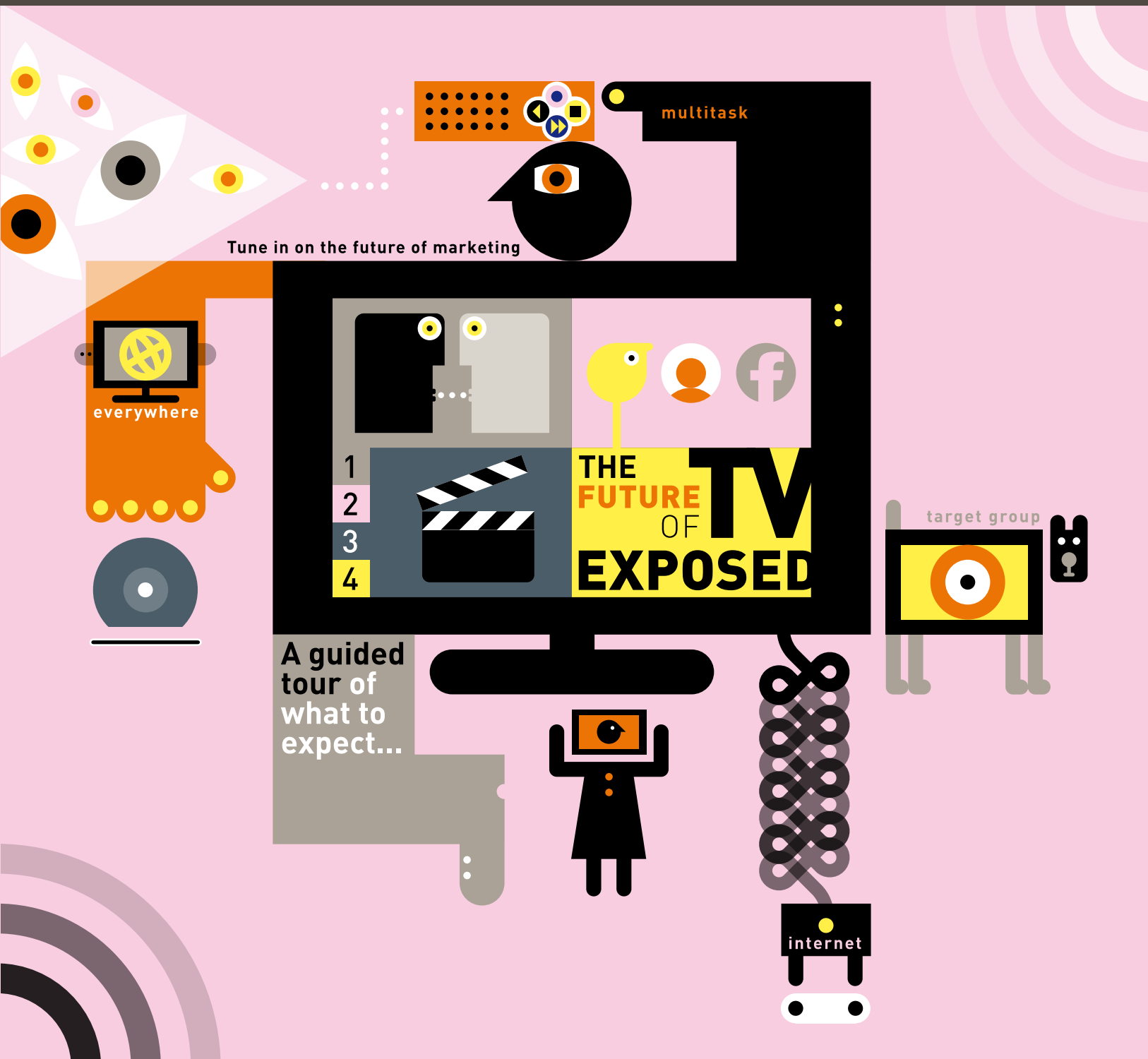


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Media
Trends
Consumer insights

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THE EVOLUTION
OF MOVING PICTURES

By Daniel Bischoff, Dennis Grzenia and Sven Wollner

Moving pictures are ubiquitous in modern media. They are part of our culture, part of the way we communicate and have the power to linger long in our memories.



THE FUTURE OF TV IN ASIA
BELONGS TO MOBILE AND ONLINE

PHOTOGRAPHY AVALOKIST

THE FUTURE OF TV IN ASIA

The future of TV in Asia may have little to do with the television set.

By Jeff McFarland

While the more mature markets here such as Japan, Korea, Hong Kong, and Singapore may show similarities with the developed West, the other couple of billion eyeballs in developing countries such as China, India and Indonesia have fundamentally different histories, cultures, demographics, and behaviours. Therefore, despite globalisation trends, we can expect their media habits to remain distinct for some time to come.

One significant difference is platform or “device neutrality”. In many U.S. households, for example, the television was the only visual device for decades – perhaps from just after World War II until the personal computer became common in the 1980s and 90s. This long history has left Americans with the basic perception that moving images “belong” on the television device.

VIDEO DOES NOT BELONG TO TV IN ASIA

However, the history of TV is much different in a developing market such as China. While sets were certainly known and available for many decades, it is only recently that the TV has become ubiquitous in China. It was not until 1990 that over half of urban Chinese households possessed a colour TV, and not until 2001 that rural areas caught up to this figure [1]. This timing overlaps with the introduction of personal computers, internet access and mobile devices. So from a developing

market perspective, video never inherently “belonged” to any particular platform.

Westerners realise this rationally now, and may be well aware of device convergence from a technological standpoint, but many are still locked into antiquated mind-sets and holdover behaviours that are simply not at play in Asia. In a study by Parks Associates, one half of TV-owning customers in Asia said networked TV features such as PC-based online video were important, while only one quarter agreed in the United States. The study revealed, “Asian consumers are more comfortable than other people in the world in using a computer like a TV and a TV like a computer” [2].

More recently, our own research survey at Span Consulting dramatically revealed that 77% of PC owners in China considered their computer to be the primary entertainment centre in the home, whereas only 7% chose the TV [3].

So often we find that the contrasts and limitations in various markets are not only technological or economical – they are historical, cultural, demographic, and perceptual. And that’s the rich area of exploration we focus on at Span.

COMPUTERS CONNECT AND PROVIDE EXPERIENCES

Our qualitative in-home interviews in three Chinese cities uncovered further insights into these perceptual differences between East and West. In past generations in the West, the TV was the “window to the outside world” or the symbol of connection to something bigger, something modern. The moon landing or the fall of the Berlin Wall gave the West shared moments around the television set.

IN CHINA, IT IS THE PERSONAL COMPUTER THAT CONNECTS AND PROVIDES SPECIAL EXPERIENCES

Today in China, it is the Personal Computer that connects and provides special experiences. In some homes, we noticed consumers had just a basic or old TV, but sitting alongside was a shiny new PC; one that was always on. And in many cases, the PC was the most expensive thing in the home - by far.

The computer in that dim corner is the window to a bigger world of entertainment, escape, friends, education, information and communication. There is symbolic power and hope in this device for Chinese families, beyond anything the TV can offer and beyond what most in the developed West can understand.

The West might think of watching TV online and add up the negatives such as:

- Brief, mostly unprofessional YouTube clips
- Poor visual and audio quality
- Slow download speeds

What could the attraction be for Asians?

The simple answers:

- Youku.com, the popular Chinese video site, has no length restrictions on uploads (and limited copyright issues!) and therefore supports more satisfying and engrossing full-length TV and movie content

- Poor quality is less relevant when the content is free and the device is not exactly a high-end home theatre system to begin with

- Slow downloads are still prevalent in developing Asia, but places like Korea are setting the pace for the East with the fastest broadband speeds in the world

VIDEO ON MOBILE

Of course mobile devices are also increasingly valid platforms for Asians to view content on. Mobile video is far more popular among the young [4] and the average age in the developing East is a full 10 years younger than the developed West [5]. Again, the technology for mobile video may be available in a place like Germany where the median age is about 44 years old, but the interest and comfort level in viewing and sharing TV on the go is much higher in a country like Malaysia, with a median age of only 26

We must also consider the smaller home spaces and high usage of public transport in Asian cities. Already, the internet is accessed more by phone than by PC in Asia, and in 2009, the region represented around 75% of all mobile TV viewing worldwide [6]. Online consumers in Asia-Pacific are 45% more likely to use mobile video than the global average [7]. So where is the future of TV in Asia?

Mobile and online.

We believe that recent statements from Nielsen Media Research such as "...the perfect environment for watching television is in the comfort of the home, during recreational time and on a big screen" are simply not relevant here [6].

OPPORTUNITIES FOR ADVERTISERS

All this points to opportunities for advertisers who are able to mentally de-couple the idea of TV content from the traditional ideas of the TV device, the TV viewing environment, and the linear TV experience.

The most basic and obvious adaptation of advertising to the online and mobile world has resulted in pop-up ads, banners, "sponsored by", and surrounds for video content to supplant the interruptive 30 second spot. Check your integration of TV advertising and online and mobile advertising - remember, your audience is platform-agnostic.

Perhaps more relevant is product placement where your "ad" is embedded directly into the content. Korean TV dramas like "Secret Garden" are taking advantage of recently relaxed regulations and building more clothing, beverage and technology products into their storylines [8]. A placement, of course, has the huge



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advantage of not being edited out of the show when it is uploaded for online and mobile viewing on any of the myriad official - and importantly, "unofficial" - content sites. Do what you can to be included in these uncontrolled, unregulated, but eyeball-rich environments.

Similarly, celebrity branding - ubiquitous in collectivist and hierarchical Asia - is a powerful tactic, allowing the potential to link products so closely to a celebrity that each view of the famous star becomes a product ad by default. Ads for luxury watch brands in Asia do this successfully, linking John Travolta with Breitling watches, Zhang Ziyi with Omega, and Nicolas Cage with Mont Blanc. However, beware of overexposure: Jackie Chan endorses over 20 brands, and therefore his image at this point may bring to mind a host of products... or none at all [9]!

Sponsoring informational and cultural content, or creating edu-tainment, is another advertising direction that can be effective for brand building. Remember, the link between video and PC is strong in Asia. And since the PC is used for everything from job hunting to exposing the family to a world of knowledge, "how-to" content or advice is welcome by hungry audiences in this learning context. "Japan Hour," a culture and travel show sharing information about Japan, has been airing in Singapore for nearly 2 decades. It is

of course sponsored by Sumitomo, NEC, Pilot, ANA, and other Japanese brands. It won't be long before such content is more available on mobile phones and tablets, turning "lean back" home TV content into interactive travel guidebook advice.

And the promise of targeted, measurable, location-based ads via such devices with GPS is impossible to ignore. It is one thing to communicate to a home viewing audience about a restaurant that is thousands of kilometres away - quite another to conclude a Japanese travel program video by showing a steaming bowl of ramen on a cold day as a mobile audience walks towards your café entrance!

Finally, be aware that hundreds of millions of viewers in developing Asia will be seeing your traditional TV spots - if they see them at all - on a small display with potentially low image and sound quality. The subtlety and grandiosity that works on the Hollywood big-screen may need to be replaced by simplicity, clarity and contrast.

SO STEP INTO THE ASIAN CENTURY - WHERE TV CONTENT AND ADVERTISING THRIVE, BUT TVS ARE OPTIONAL!

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