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The European way to think the Digital World

# Digital Broadband Content : Stocktaking and Outlook

OECD

Working Party of the Information Economy  
Digital Broadband Content Panel

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# Summary

1. The Growth of broadband access...
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3. ...From Innovative Usages to New Technologies...
4. Some Figures of the P2P phenomenon...
5. The take of the Web Music Industry...Act I...
6. Online Video Games
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# The Growth of Broadband Access

- Curently more than 90 million subscribers

high speed Internet subscribers by region  
(DSL + Cable modem)

(million)	Subscribers
North Amrica	29.9
Western Europe	22.9
Asia Pacific	38.5

Source : IDATE – end of 2003

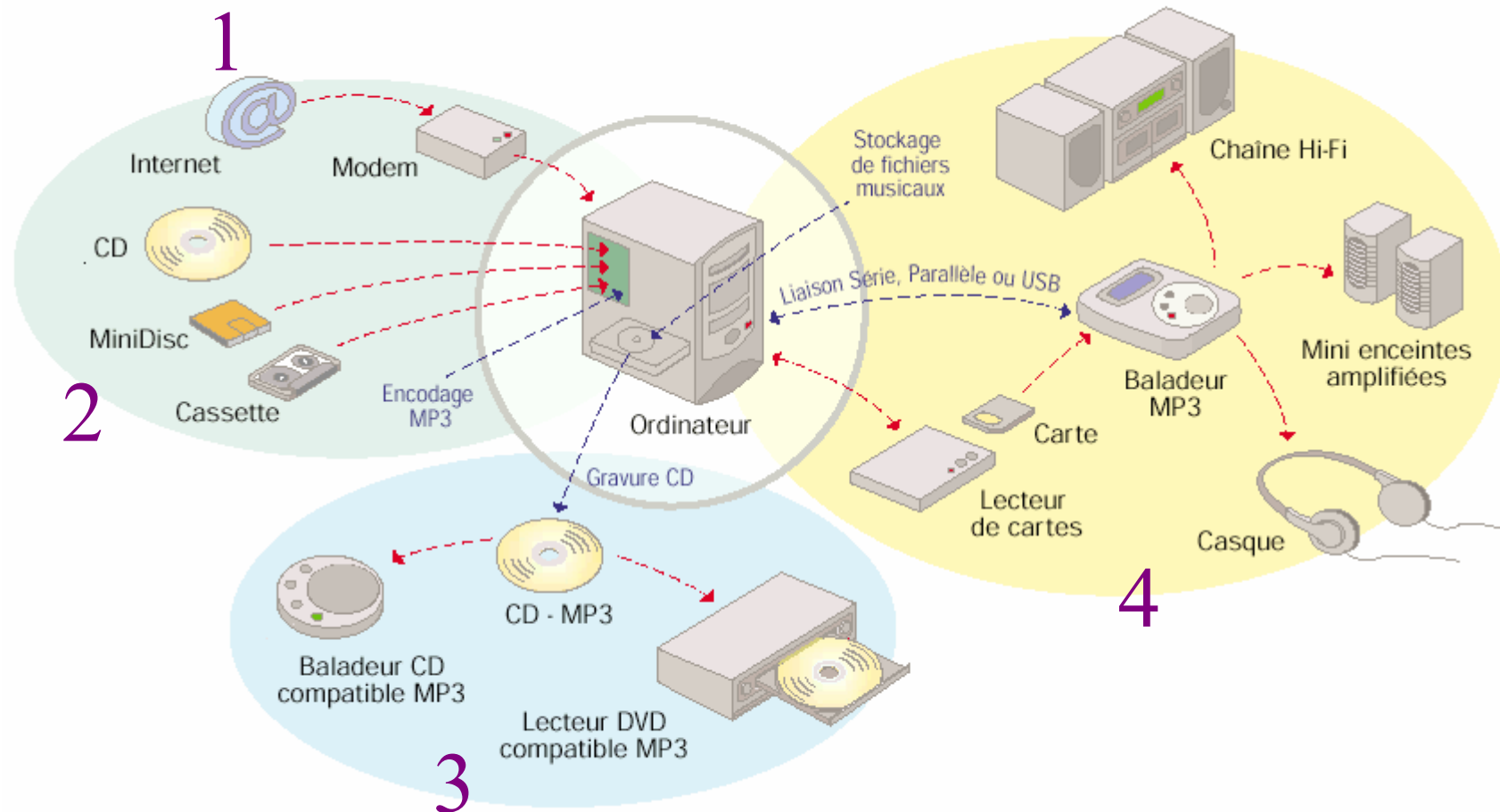
- Diffusion Phase of penetration -> high growth rate

Development of high speed Internet subscribers by region  
(DSL + Cable modem)

(million)	2002	2003	2007
F, G, It, Nth, Sp, Sw, UK	9.96	18.01	60.36
USA	17.51	25.31	71.57
Japan, South Korea	17.71	25.96	52.89

Source : IDATE – end of 2003

# From New technologies to Innovative Usages



# From Innovative Usages to New technologies

[www.idate.org](http://www.idate.org)



Mobilemag.com



# The Take Off of the Web Music Industry... Act 1

- It exists 10 significant offers which market online music
- Success of these offers relies on a well marketed bundle of content (repertoire) & service (platform) & device (player)

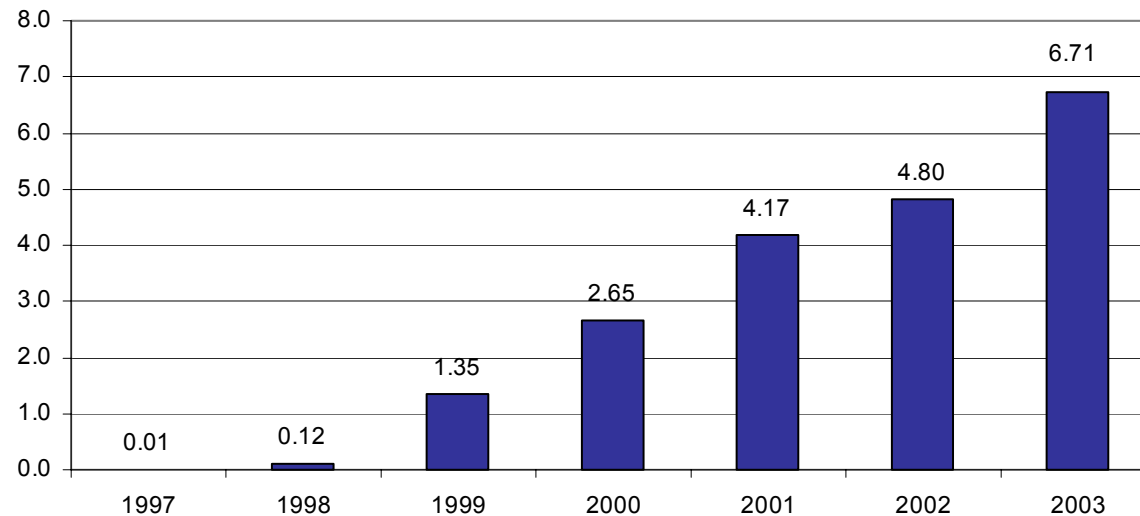
Aggregated online indicators for Europe

	End Q3 2003	End Q4 2003
Registered users	380 000	450 000
Tracks available (flexible use)	210 000	275 000
Tracks downloaded (monthly average)	220 000	300 000

Source OD2

# Online video game

- Massively multiplayer video game
  - An effective business model
  - Leading publishers are involved
  - The example of South Korea



Source : IDATE & Bruce Sterling Woodcock

# Online video game

## ■ The Game Service Providers

- From a free model based on Ad to a paying model based on subscription
- The offer based on services

<b>Editorial content services</b> <ul style="list-style-type: none"><li>- News</li><li>- Preview/Screenshot</li><li>- Cheats, codes and tips</li><li>- Video</li><li>- Directory</li><li>- Goodies</li><li>- Patches</li><li>- Adds-on</li></ul>	<b>Community services</b> <ul style="list-style-type: none"><li>- Chat</li><li>- Audio chat</li><li>- Web cam</li><li>- Free hosting of gamer sites</li><li>- Player ranking</li><li>- Theme-based forums</li><li>- Personalized e-mail</li></ul>
<b>Gaming services</b> <ul style="list-style-type: none"><li>- Matchmaking for hosted video games: putting players head to head</li><li>- Scanning: a directory of game services, classified by ping</li><li>- Hosting massively multi-player games</li><li>- Hosting web-based games</li><li>- Organizing tournaments</li><li>- Creating statistics on players, as with ranking</li><li>- Demo version downloads</li><li>- Competitions, LAN, WAN, WEB tournaments</li></ul>	<b>Commercial services</b> <ul style="list-style-type: none"><li>- Video game rental</li><li>- Online video game marketing or ordering</li><li>- Marketing/ordering other digital and non-digital content: audio CDs, DVDs, books.</li><li>- Marketing/ordering computer hardware, console hardware, gaming accessories (game pads, steering wheels, joysticks...)</li><li>- Marketing/ordering electronic equipment</li></ul>

# Broadband video services

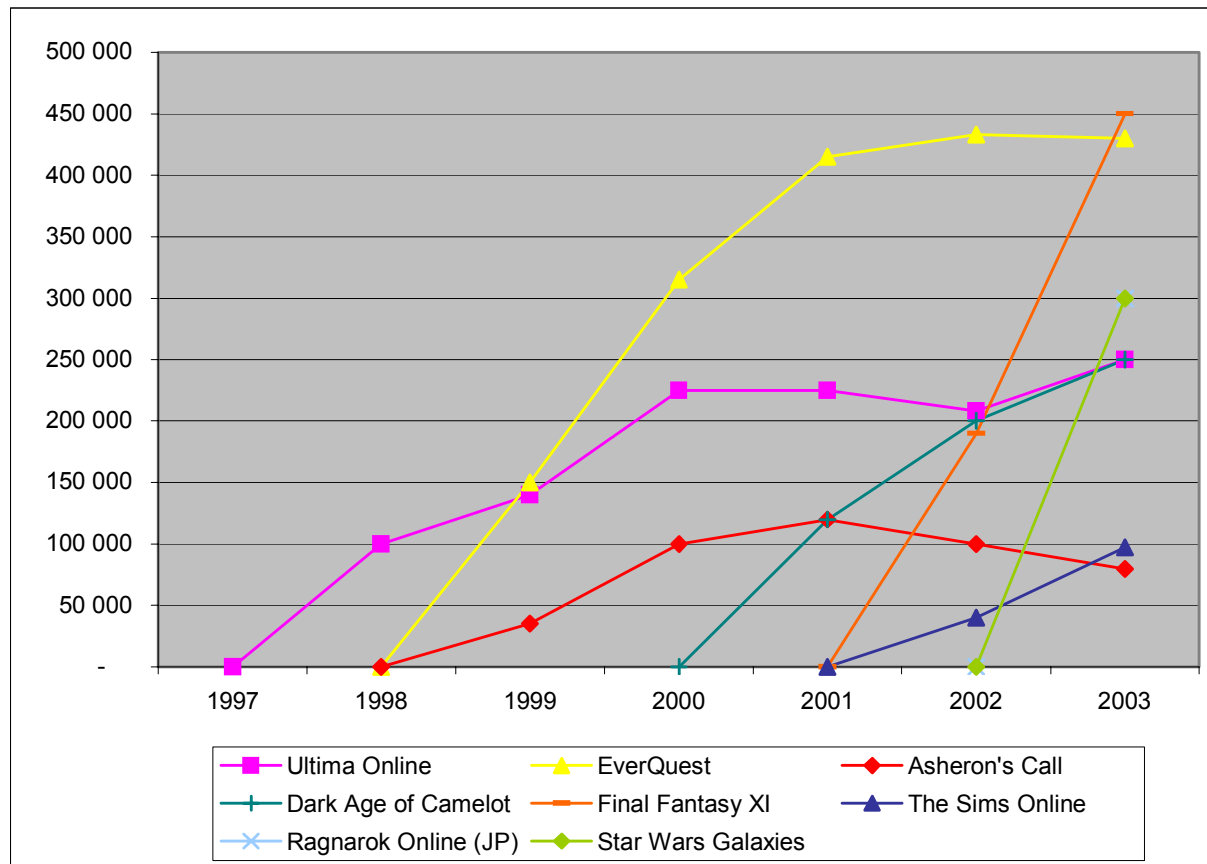
- After two years of experimentation, the first commercial initiatives are launched
  - North America : 8 offers
  - Europe : 22 offers
  - Asia : 11 offers

	PC	TV
<b>Immediate consumption</b>	Video <i>streaming</i> : - live or simulcast (LCI Live) - VOD in streaming (Entertainer)	Broadcast channels (Dream TV) PPV/NVOD
<b>Delayed viewing</b>	Download/VOD (Movielink) SVOD	Distributed VOD/PVR "24-hour rental" (Sesame TV) SVOD
<b>Viewing</b>	Individual, close to the screen	Collective, in the living room
<b>User behaviour</b>	Active	Passive

The end

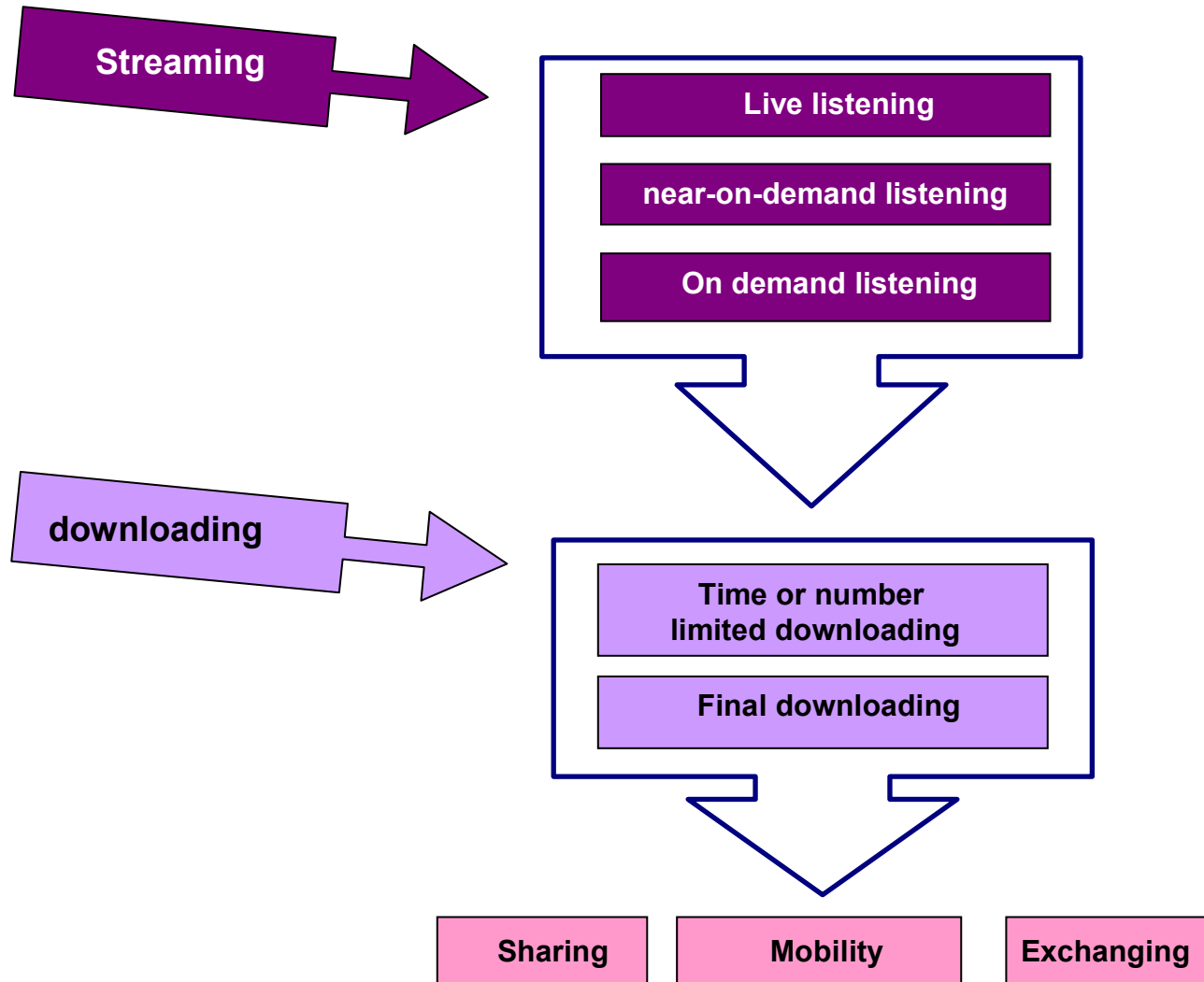
# New way of consumption 1/1

Evolution du nombre d'abonnés des principaux jeux massivement multijoueurs

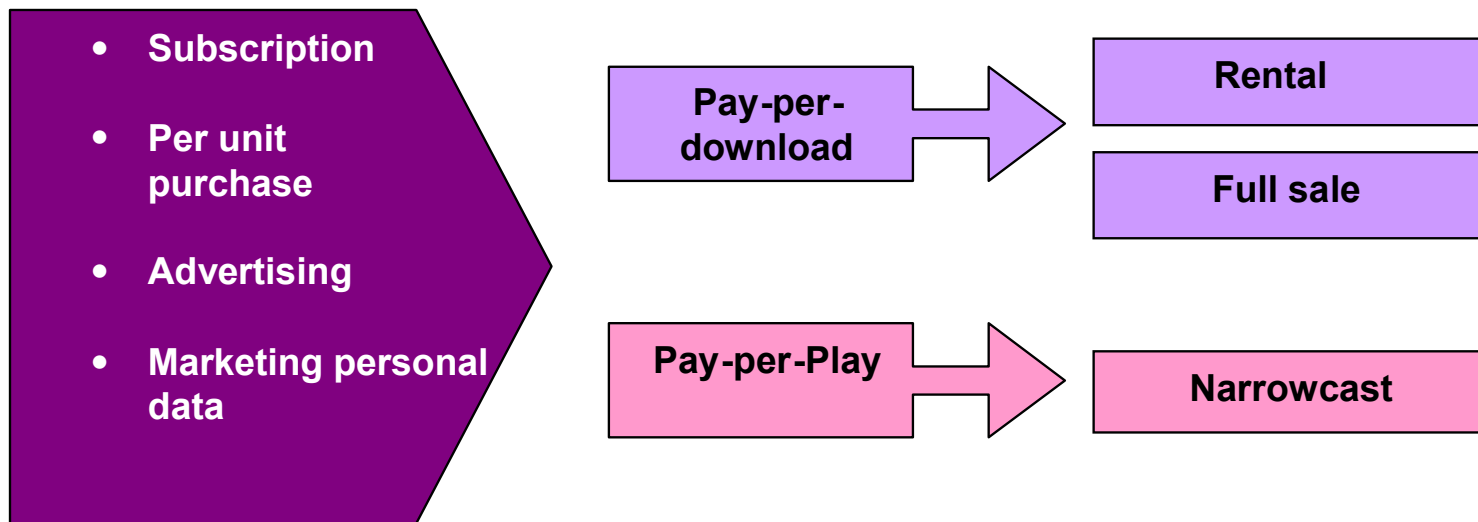


Source : IDATE d'après Bruce Sterling Woodcock

# New way of consumption 1/1



# New business models 1/1



# Broadband video services 2/3

## PC based services

Video service	Business model	Example
Stand alone TV channel	Free, <u>subscription</u>	LCI Live
TV bouquet	Free, <u>pay per channel</u> , subscription	TV Noosnet
VOD	Pay per title	Movielink
SVOD	Subscription	RealOneSuperPass

## TV set based services

Video service	Business model	Example
TV bouquet	Free, pay per channel, <u>subscription</u>	TPSL
VOD/SVOD	Pay per title, Subscription	HomeChoice
TV + VOD	Subscription, pay per title	Fastweb TV

# Some measure of the P2P phenomenon

## ■ 2003

- 150 billion downloaded tracks
- 1 billion movies
- 550 billion pictures
- 24 billion documents & software

## ■ 2007

- 600 billion downloaded tracks
- 4.2 billion movies

## ■ Next Act. What about competition ? Price, Standard ?

- 2 200 billion pictures
- 95 billion documents & software