

SOLVING THE MENA EPG CONUNDRUM

A STUDY OF TV LISTINGS IN THE MIDDLE EAST

March 2014

TV Listings: The Forgotten Opportunity

Around this time every year we issue a white paper for CABSAT on a pressing MENA industry issue that is perhaps not getting the attention it deserves. Last year, we looked at the importance of encryption in relation to high-definition television, and the role it can play in improving the penetration of MENA HDTV. This year we turn our attention to TV listings – a seemingly mundane issue which is quietly ignored by most MENA broadcasters.

At the moment, the industry is fascinated by new delivery technologies: 4K, multiscreen, OTT services and second screen social media integration in particular. However, from a MENA viewer's point of view, there is a more basic and essential service missing: what is going to be on TV next week?

This fundamental problem has plagued the industry for ten years, and is now beginning to have negative implications for technical innovations in the industry. For example, catch-up TV services are meaningless without accurate programming listings, and recommendation engines cannot function when there are no upcoming shows to recommend.

The purpose of this white paper is to re-establish the Electronic Programming Guide (EPG) firmly on the 2014 MENA industry agenda. High quality TV listings stand to benefit broadcasters, IPTV networks, set-top box manufacturers and most importantly TV viewers themselves. EPG in the end creates value for everybody.

The EPG Value Chain

It's important to understand how and why EPG listings create value for broadcasters. By publishing data about a product, the product becomes searchable. In the case of television metadata, the programming listings, genres, synopses and so forth have more applications associated with them that can be searched across a wider number of platforms. Through these multiple routes, programming becomes more discoverable, and that in turn produces more audience opportunities for programming.

Whether you are a subscription TV channel or an advertising funded TV channel, audience is what you're seeking - so by creating searchability for your product - through publishing high quality data about your product - you're generating value your product. EPG is making its way across so many different platforms, not simply the set-top box. Discoverability becomes even more critical in the world of smartphones and tablets.

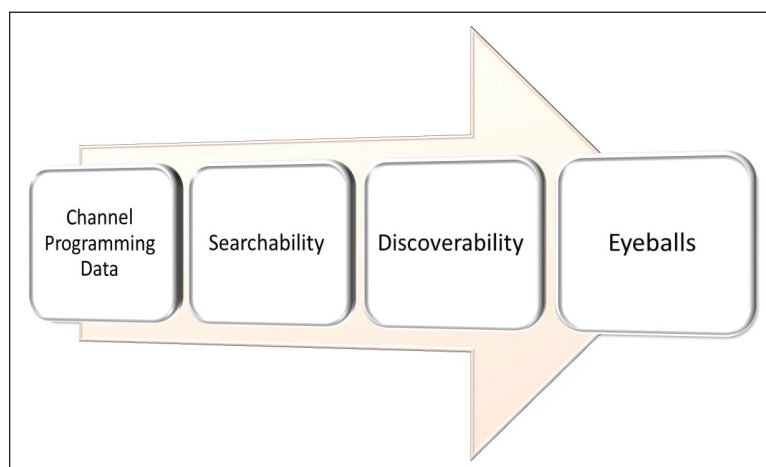


Figure 1 – EPG Value Chain



Evolution of EPG

As early as 1990, there was a full 14 day EPG service available on US cable networks. That service allowed the viewer to set his video cassette recorder directly from the EPG with one click. It’s staggering to think that, almost 25 years later, there is still no equivalent service for most viewers in the Middle East and North Africa. Around the world, detailed listings are ubiquitous. Not only that – many platforms also have synopses, genres, art work, trailers, cast lists and credits, reviews, recommendations and even social media often tied to those listings as standard.

Beyond pure reference tools, we see many listings-related services going on to smart devices for other purposes. For example viewers can use smartphones as a remote control, and can interact with their EPG on a small screen, regardless of where they are. Perhaps most interestingly, services like Zeebox are integrating your EPG services directly with social media. This allows much more engagement for viewers and at the same time gives broadcasters new tools for audience measurement, recommendations and even advertising.

Meanwhile, TV viewers watching free air TV at 7 degrees west and 26 degrees east are still presented with a blank grid when they attempt to find out what a channel will be broadcasting.



Figure 2 – Zeebox

Aggregating MENA TV Listings

Satellite and IPTV receivers customarily rely upon third-party listings metadata aggregators to provide them with their on-screen listings data. The main providers include Tribune TV Data, Rovi, FYI Television, TV Media in the United States, Red Bee in Europe, Dayscript in Latin America, and WhatsOn Group in Asia and South Asia.

Here in the MENA region, various businesses have provided MENA listings services over the past 10 years, but broadcasters remain unwilling to support their offerings with high quality data. Every year for the past 10 years there has been an average addition of 80 new MENA FTA channels, making the scale of the problem ever greater. As a result, there are currently very few service providers tackling the challenge of aggregating MENA TV listings



Figure 3 – MENA TV Listings Providers

IPTV platform providers such as Intigral provide the service as an add-on to their video head end services. As a subsidiary of STC they are well funded but as of now have focused primarily on the needs of STC customers. Independent platform solution providers such as Selelevision also provide listings, but again their greater focus is technical platform solutions for IPTV and OTT providers. In 2006, a Jordanian start-up ShooFeeTV became the first dedicated MENA EPG listings service provider. The company was acquired in 2012 by international provider WhatsOn Group, and currently serves various IPTV and DTH pay TV platforms in the region.

Quality of MENA TV Listings

Around 750 credible free to air TV channels operate in the Middle East and North Africa region. Only about a third of these channels actively deliver their listings data to regional EPG service providers. This leaves close to 500 channels for which service providers are forced to find alternative sources, ranging from the web sites of the broadcasters (as a last resort) to monitoring the channels and trying to predict what they will air.

The quality of MENA TV listings is badly affected, primarily where the broadcaster has not provided any support. Figure 4 illustrates this issue:

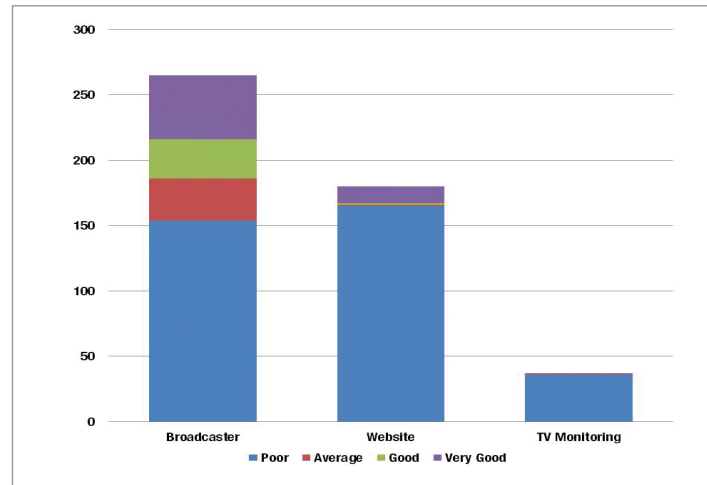


Figure 4: Sources of MENA TV Listings used by Service Providers

Data Source: WhatsOn Arabia (2012-13 estimates)

Comparison with Other TV Markets

It might be argued that as an emerging television market, MENA cannot reasonably be expected to produce high quality listings.

It's interesting then to compare MENA with other emerging TV markets. India operates an equivalent channel population (circa 730 TV channels) and has grown at a similar pace to MENA. Figure 5 therefore represents a helpful point of reference.

Broadcaster Listings	MENA	India
Very Good	62	289
Good	31	138
Average	34	203
Poor	623	100
Total Channels	750	730

Data Source: WhatsOn Group

Figure 5: TV Listings Quality: MENA vs India

The comparison is striking:

- 86% of Indian channels provide average or better listings, and 46% of these are of the highest standard
- 83% of MENA channels provide no listings or listings of such poor quality that they are not usable

The figures above were provided by a group whose core market has been India since their establishment in 2006, so this might simply indicate that more time and focus has been available for them to develop links with broadcasters in that market. However, the MENA comparators were sourced from a business that was similarly focused on MENA and also founded in 2006 (ShooFeeTV).

The obvious conclusion is that most MENA broadcasters are ambivalent to TV listings, or perhaps even actively ignoring them.



The MENA EPG Conundrum

So what’s going wrong? There is a temptation to think that MENA broadcasters lack discipline and don’t really want to bother producing listings. These might be factors in some cases, but there are also structural issues that cause the EPG problem.

NO COMMON PLATFORM: The most basic issue is there is currently no set-top box platform of any scale in the region. When we look at where EPG first started (in the US) and then became strong in Europe in the UK - these are countries where there were major cable or DTH pay-TV platforms that had their own set top boxes, and were able to control their platform and create some degree of uniformity of infrastructure. With less than 6% pay-TV penetration in MENA, it’s very hard to create a platform.

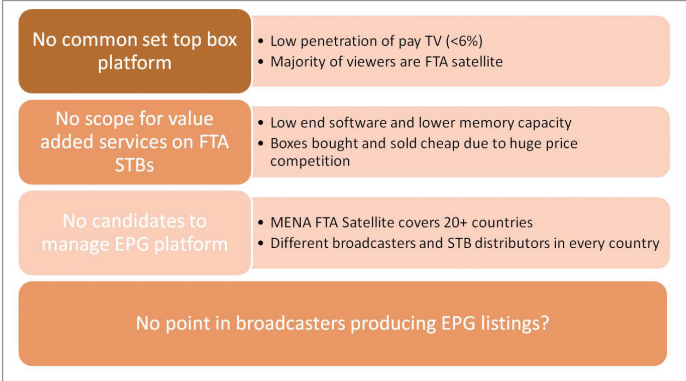


Figure 6: The vicious circle impeding MENA TV listings

POOR QUALITY HARDWARE: The next issue is that the set-top box market in the region has become over-commoditised. The regional set-top box market used to be a very lucrative industry dominated by a small number of importer distributors. Despite the high margins being generated, insufficient emphasis was placed on functionality and technology differentiation, and with a few exceptions consumers got used to set top boxes being dumb “zapper” terminals under their TVs. With the influx of ever cheaper devices from China, the market has now become hypercompetitive and importers and distributors have to settle for pennies on each unit. The low cost of manufacturing and componentry inevitably undermines the quality and consistency of the EPG capabilities of the box. Regional set-top-box distributors have actually been downgrading the memory capacity their boxes (in some cases even to 512K) in order to save a few extra cents per unit. As a result, most MENA set top boxes are extremely low cost and have very limited functionality.

NO EPG STANDARDS: Finally, aggregating TV channel listings from regional broadcasters is a challenging task, particularly as those broadcasters are often isolated and uncooperative. To date, no MENA service provider has been able to establish standardised protocols across regional broadcasters. Coordinating daily listings by telephone and email individually with 750 channels across 20 countries is a logistical nightmare, especially when 80 to 90% of them are apparently unable to produce TV listings even for themselves.

With so many structural issues in the market, it’s understandable that the broadcasters ask “Is there any point?” They know their EPG is not going to get published on free to air set top boxes, and they know that ITPV and DTH pay-TV penetration is still only a tiny fraction of the market, so what’s the benefit of committing resource and time with no real gains for their efforts?

The basic premise of this White Paper is that we need to turn this argument on its head: *If MENA broadcasters systematically produce EPG listings, and make them widely available, this will solve all the problems identified above.* The solution must start with the broadcasters’ own self-interest. They must be convinced of the value directly to them of:

- Properly managing their schedules and listings data, and
- Exhaustively seeking out as much metadata as possible relating to their content: whether metadata comes as synopses, artwork, promo videos or even audience preferences, it is all valuable.



So let's just consider the immediate benefits to broadcasters of producing EPG listings:

EPG is Free Advertising

Advertising through conventional means is very ineffective and expensive for pan-regional TV channels:

- TV advertising is unavailable as other MENA channels are competitors
- Print, outdoor and radio are too localised and very costly relative to audience reach
- Internet is the most efficient conventional advertising medium, but banner advertising does not attract viewers: programming metadata is needed

Just by producing listings data, a channel has produced publishable, searchable and discoverable advertising whether it's on the web, in print form, on an IPTV platform or any other medium.

EPG is a Differentiator

MENA is an overpopulated and highly competitive broadcast market.

A common misconception is that EPG is only relevant for movie and general entertainment channels, and that news, religion, music and sports don't need listings. This is a big mistake in a crowded marketplace. Taking news as an example, there are currently 88 news channels in the MENA region. How do news channels differentiate themselves? They need to be able to communicate what's being broadcast at what time, who the presenters are, and what they are going to be talking about, in order to make that content more engaging.

The MENA EPG Solution

Once broadcasters accept their own self-interest in producing and publishing TV listings, the industry as a whole benefits:

Set-top box manufacturers and distributors will have a margin opportunity over their competitors by producing products capable of storing, manipulating and publishing EPG data. Consumers will choose the EPG box over the alternative, because it adds value: it has good quality listings embedded in it and good-quality metadata to support those listings.

MENA Broadcasters systematically produce EPG listings and make them widely available

EPG service increases STB margins

- EPG is a value added service on FTA STBs
- Creates a price premium for STBs supporting EPG services
- Increased margin supports platform cost

Channels and Viewers Both Benefit

- Programme discovery easier: better viewer experience
- Better viewer engagement: larger audiences and ad sales

IPTV and DTH Pay TV platforms also benefit

- Reliable listings data
- Without having to employ resources to aggregate it

Figure 7: Reversing the MENA TV approach creates a virtuous circle

IPTV and pay-TV platforms can offer value added services such as programme recording, catch-up TV, programming artwork etc. and are able to operate more efficiently using data delivered in a more systematic way.

Viewers finally get to know what their real viewing options are. The default position is no longer two or three channels - they can easily navigate over 500 channels across multiple genres.

Key Drivers for Success

1. Programming Discipline

Broadcasters must apply processes and discipline in order to be able to produce good quality listings on a timely basis. It's all very well having a great channel management system, but the broadcaster's programming team must be able and senior management must be willing to commit programming 2-4 weeks ahead of schedule, and then stick to that programming line-up. If either programming or management start changing their minds with less than 2 weeks to go, listings fall apart.

2. Efficient Resourcing

Once a broadcaster has established this basic discipline, having the tools to allow listings to be maintained with minimum resources is the next big factor. EPG service providers encourage broadcasters to maintain dedicated listings staff. At the very least, programming staff should recognise finalising listings 14 days in advance is a priority, and they should have a direct working relationship either with the IPTV platforms or with an entity that deals with them.

3. Metadata

Finally, broadcasters should be thinking not only about programme listings but also about the quality of metadata: what other data should be collected when we put this asset into our system? The metadata dramatically enhances the value of the content itself, particularly in relation to VOD services.

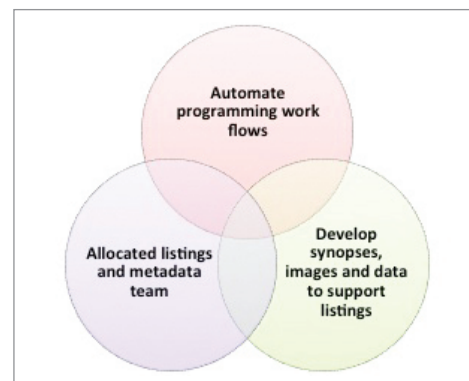


Figure 8: Key requirements for Broadcasters to produce listings successfully

Conclusions

IPTV and OTT platforms are proliferating across the 20 or so countries in the MENA region, driven mainly by telcos improving and expanding their connectivity and services, and by platforms seeking to emulate the success of Netflix in the USA. These services need programme listings and metadata.

Existing IPTV and Pay-TV service providers are also enhancing their service offerings, introducing innovations such as catch-up TV, recommendation engines and social media integration, all of which require programme listings and metadata.

Consumer use of smart devices is growing exponentially in the region. Smartphones and tablets are the perfect tools for engaging with TV through social media, but again they need programme listings and metadata.

With the number of MENA channels increasing every year, it is getting harder to get noticed. EPG is the most cost effective tool available to MENA TV broadcasters to get the attention of consumers.

The only essential requirements on the part of the broadcaster are the desire and the discipline to focus on solving the problem.

The conclusion is inescapable. More than ever before, up-and-coming MENA broadcasters should be publishing high quality and timely TV listings and metadata. Those broadcasters who act first will benefit the most.

About the Author

Nick Grande is one of MENA region's prominent TV strategists, and has worked with or advised numerous major regional and international media companies over the past 17 years. Based in London in the 1990s, he worked with MTV Networks on their digital network expansion and the launch of MTV2, MTV Base and VH-1 Classic. His first exposure to the MENA TV industry was in 1999 when he joined Showtime Arabia. During seven years as Strategy Director, he was the architect of Showtime's move from London to Dubai Media City. He was then Launch Director for MTV Arabia in 2007. In April 2008, Nick founded ChannelSculptor, a UAE-based strategic consultancy and service provider, working with major media brands such as Rotana Media, RTL, Arqiva, Sky News Arabia and twofour54 as well as with regional operators such as du and Orange.



ChannelSculptor is a Dubai-based TV consultancy and service provider, established in 2008. The company offers strategic planning, operational support and managed services to broadcasters, networks and other TV businesses. Our team of media professionals covers TV Strategy, Financial Planning, Distribution, Platform Development and Operations.

The team's deep understanding of the regional TV environment is underpinned by international training and standards. Over the past six years, the company has built a reputation for industry expertise and regional know-how, working with major international players and MENA heavyweights alike.

Our Offices are located in Dubai Media City. For more details please visit www.channelsculptor.com or contact us at info@channelsculptor.com