Media Industry Benefits: Competitive Differentiation is Key

Competitive differentiation is a key factor in existing linear channel models, and attracting new subscribers is cited as the top media industry benefits of introducing 4K UHDTV. Today’s multi-screen viewing environment provides consumers with a wealth of options for consuming content, and as explored in the responses below, media companies are looking for ways to continue delivering an exciting and differentiated experience to their existing linear channels. The survey response appear to acknowledge, however, that linear broadcastable broadcast still represents the most profitable segment, and 4K UHDTV might be the compelling reason that allows that format to increase the relevancy of linear channels.

Issues and Concerns: Economics, Not Technology, At Issue

In the early days of 4K UHDTV, many cited the “ubiquitous egg”-conservative concerns versus consumer adoption rates and purchases of 4K UHD-ready television sets. Surprisingly, these concerns were not top of the list with our respondents. Getting a return on the investment (55%), extra transmission costs (62%), and overall cost of content production (67%) are primary business concerns, all reflecting the earlier stated belief of 55% that viewers are likely not prepared to pay extra for 4K UHDTV content.

Availablility of Mass Content is Critical to Acceleration of Ultra HD Rollout

Although not an operational concern, our respondents did point to the availability of a critical mass of content and at-home penetration of 4K UHDTV TV cable hardware as the top factors in accelerating 4K UHDTV rollout on a broad scale. The potential introduction of new subscription models is seen as an important part of the equation.

Conclusion

Many of the most successful media companies have built their brands on high quality, highly differentiated content. 4K UHDTV is viewed as an exciting new development that will allow for a new premium tier of service in an increasingly competitive environment. Media companies are already utilizing hybrid satellite/broadband networks for content distribution across different types of distribution platforms. In addition to enhancing our global satellite hybrid network, Intelsat realizes focused on working with the satellite operators to implement compression techniques that will moderate increases in transmission costs while maintaining the enhancing quality that will drive revenue opportunities. Introducing new business models and incremental reverse streams will induce return on investment concerns, which could further support an accelerated roll out of the new technology. With 4K UHDTV sales reportedly exceeding $1.1 million panels in March of 2014, and a robust opportunity for UHD-enabled STB, the adoption of 4K UHDTV programming. Technical professionals believe that Digital Cinema will be among the first to gain momentum for 4K UHDTV, while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

Key Findings of the Survey:

• 60% believe 4K UHDTV will be mainstream in the next 7-11 years; 37% expect 4K UHDTV to become the de facto norm for media viewing in 10 years.

• Technical professionals believe most widely that Digital Cinema will be the first segment to gain momentum for 4K UHDTV. Technical professionals believe that Digital Cinema will be among the first to gain momentum for 4K UHDTV, while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

• Very small numbers of non-technical respondents believe that Linear channels will be the first to launch 4K UHDTV (4% of respondents believe that Linear channels will be the first to launch 4K UHDTV). Technical professionals believe that Digital Cinema will be among the first to gain momentum for 4K UHDTV, while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

• Very small numbers of non-technical respondents believe that Linear channels will be the first to launch 4K UHDTV (4% of respondents believe that Digital Cinema will be among the first to gain momentum for 4K UHDTV, while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

• Although not an operational concern, our respondents did point to the availability of a critical mass of content and at-home penetration of 4K UHDTV TV cable hardware as the top factors in accelerating 4K UHDTV rollout on a broad scale. The potential introduction of new subscription models is seen as an important part of the equation.

Approximately 67% of respondents believe 4K UHDTV will be mainstream in the next 7-11 years; 37% expect 4K UHDTV to become the de facto norm for media viewing in 10 years. Technical professionals believe that Digital Cinema will be the first segment to gain momentum for 4K UHDTV, while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

More than 20% of respondents believe that Linear channels will be the first to launch 4K UHDTV (4% of respondents believe that Digital Cinema will be among the first to gain momentum for 4K UHDTV), while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

Although not an operational concern, our respondents did point to the availability of a critical mass of content and at-home penetration of 4K UHDTV TV cable hardware as the top factors in accelerating 4K UHDTV rollout on a broad scale. The potential introduction of new subscription models is seen as an important part of the equation.

Approximately 67% of respondents believe 4K UHDTV will be mainstream in the next 7-11 years; 37% expect 4K UHDTV to become the de facto norm for media viewing in 10 years. Technical professionals believe that Digital Cinema will be the first segment to gain momentum for 4K UHDTV, while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

More than 20% of respondents believe that Linear channels will be the first to launch 4K UHDTV (4% of respondents believe that Digital Cinema will be among the first to gain momentum for 4K UHDTV), while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

Although not an operational concern, our respondents did point to the availability of a critical mass of content and at-home penetration of 4K UHDTV TV cable hardware as the top factors in accelerating 4K UHDTV rollout on a broad scale. The potential introduction of new subscription models is seen as an important part of the equation.

Approximately 67% of respondents believe 4K UHDTV will be mainstream in the next 7-11 years; 37% expect 4K UHDTV to become the de facto norm for media viewing in 10 years. Technical professionals believe that Digital Cinema will be the first segment to gain momentum for 4K UHDTV, while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

More than 20% of respondents believe that Linear channels will be the first to launch 4K UHDTV (4% of respondents believe that Digital Cinema will be among the first to gain momentum for 4K UHDTV), while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

Although not an operational concern, our respondents did point to the availability of a critical mass of content and at-home penetration of 4K UHDTV TV cable hardware as the top factors in accelerating 4K UHDTV rollout on a broad scale. The potential introduction of new subscription models is seen as an important part of the equation.

Approximately 67% of respondents believe 4K UHDTV will be mainstream in the next 7-11 years; 37% expect 4K UHDTV to become the de facto norm for media viewing in 10 years. Technical professionals believe that Digital Cinema will be the first segment to gain momentum for 4K UHDTV, while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

More than 20% of respondents believe that Linear channels will be the first to launch 4K UHDTV (4% of respondents believe that Digital Cinema will be among the first to gain momentum for 4K UHDTV), while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

Although not an operational concern, our respondents did point to the availability of a critical mass of content and at-home penetration of 4K UHDTV TV cable hardware as the top factors in accelerating 4K UHDTV rollout on a broad scale. The potential introduction of new subscription models is seen as an important part of the equation.

Approximately 67% of respondents believe 4K UHDTV will be mainstream in the next 7-11 years; 37% expect 4K UHDTV to become the de facto norm for media viewing in 10 years. Technical professionals believe that Digital Cinema will be the first segment to gain momentum for 4K UHDTV, while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

More than 20% of respondents believe that Linear channels will be the first to launch 4K UHDTV (4% of respondents believe that Digital Cinema will be among the first to gain momentum for 4K UHDTV), while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

Although not an operational concern, our respondents did point to the availability of a critical mass of content and at-home penetration of 4K UHDTV TV cable hardware as the top factors in accelerating 4K UHDTV rollout on a broad scale. The potential introduction of new subscription models is seen as an important part of the equation.

Approximately 67% of respondents believe 4K UHDTV will be mainstream in the next 7-11 years; 37% expect 4K UHDTV to become the de facto norm for media viewing in 10 years. Technical professionals believe that Digital Cinema will be the first segment to gain momentum for 4K UHDTV, while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

More than 20% of respondents believe that Linear channels will be the first to launch 4K UHDTV (4% of respondents believe that Digital Cinema will be among the first to gain momentum for 4K UHDTV), while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

Although not an operational concern, our respondents did point to the availability of a critical mass of content and at-home penetration of 4K UHDTV TV cable hardware as the top factors in accelerating 4K UHDTV rollout on a broad scale. The potential introduction of new subscription models is seen as an important part of the equation.

Approximately 67% of respondents believe 4K UHDTV will be mainstream in the next 7-11 years; 37% expect 4K UHDTV to become the de facto norm for media viewing in 10 years. Technical professionals believe that Digital Cinema will be the first segment to gain momentum for 4K UHDTV, while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

More than 20% of respondents believe that Linear channels will be the first to launch 4K UHDTV (4% of respondents believe that Digital Cinema will be among the first to gain momentum for 4K UHDTV), while technical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.
Region

Few would be surprised that nearly half (47%) expect 4K UHDTV to gain momentum first in Asia, given the emphasis on television technology in that region. Surprisingly, however, is that North America is not far behind at 34%, while Western Europe and other regions are not as commonly viewed as likely early leaders in 4K UHDTV technology adoption.

Segment

Many considerations will drive the consumption of 4K UHDTV, not the least of which is the progressive viewing difference that is possible on a big screen. Technical and non-technical respondents have quite different views on the 4K UHDTV distribution cycle. Technical respondents believe Digital Cinema will be the first segment to adopt the technology, while non-technical professionals believe Direct-to-Home services will be the first segment to gain mainstream for 4K UHDTV.

Content and Business Model

Movies (51%) and sports (42%) are the most likely identified types of content expected to be released in the 4K UHDTV format. With respect to the likely business model adopted for 4K UHDTV content distribution, VOD outpaces linear channels overall (38% vs. 34%). However, we again see a significant difference in the opinions of the technical and non-technical professionals. In contrast to the overall result, non-technical respondents believe that linear channels will be the most likely business model for 4K UHDTV introduction.

4K UHDTV Distribution Infrastructure

As with current content distribution networks, satellite and hybrid networks are expected to be the most important infrastructure element in distributing content. Satellite is expected to play a significant role as a 4K UHDTV delivery medium for traditional television (43%) and Ongoing Use (42%). This is in contrast to the 23% who believe satellite will be somewhat important to Over-the-Top (OTT), 4K UHDTV infrastructure. Satellite is expected to play a significant role in 4K UHDTV infrastructure; all distribution segments

Revenue Opportunity: Consumer Willingness to Pay

More than half (55%) are concerned that viewers are not prepared to pay extra for 4K UHDTV content. Of those stating viewers will pay a little more, 55% estimate they will pay 6-10% extra. More than half (55%) are concerned that viewers are not prepared to pay extra for 4K UHDTV content. Of those stating viewers will pay a little more, 55% estimate they will pay 6-10% extra.
Consistency of 4K UHDTV Consumption and Market Adoption

82% believe 4K UHDTV will become mainstream within ten years, thus de facto viewing standard by the middle of the next decade.

Content and Business Model

Movies (38%) and sports (42%) are the most likely identified types of content expected to be released in the 4K UHDTV format. With respect to the likely business model adopted for 4K UHDTV content distribution, VOD outpaces linear channels overall (38% vs. 34%). However, we again see a significant difference in the opinions of the technical and non-technical professionals. In contrast to the overall result, non-technical respondents believe that linear channels will be the most likely business model for 4K UHDTV.

Revenue Opportunity: Consumer Willingness to Pay

More than half (55%) are concerned that viewers are not prepared to pay extra for 4K UHDTV content. Of those stating viewers will pay a little more, 55% estimate they will pay 6-10% extra. None of the 4K UHDTV content stakeholders will pay a little more, 55% estimate they will pay 6-10% extra.

4K UHDTV Distribution Infrastructure

As with current content distribution networks, satellite and hybrid networks are expected to be the most important infrastructure element in delivering content. Satellite is expected to play a significant role as a 4K UHDTV delivery medium for traditional television (42%) and O2O (43% of the respondents). This is in contrast to the 22% who believe satellite will be somewhat important to Over the Top (OTT) services, 4K UHDTV content distribution infrastructure.

Plans to Launch 4K UHDTV Programming

While the vast majority of our respondents believe that 4K UHDTV will be the viewing standard in 10 years, less than half (42%) have made decisions yet to come. Of the early adopters six percent plan to launch in four years or less, with 10% having no plan (27%) or having not yet decided (27%) to launch 4K UHDTV services. Four in ten (42%) have made the decision to launch a 4K UHDTV service and have a specific timeframe for its rollout.

Nearly one quarter (23%) plan to launch in four years or less.
Content and Business Model

Movies (53%) and sports (42%) are the most likely identified types of content expected to be released in the 4K UHDTV format. With respect to the likely business model adopted for 4K UHDTV content distribution, VOD outpaces linear channels overall (53% vs. 42%). However, we again see a significant difference in the opinion of the technical and non-technical professionals. In contrast to the overall result, non-technical respondents believe that linear channels will be the most likely business model for 4K UHDTV introduction.

Revenue Opportunity: Consumer Willingness to Pay

More than half (55%) are concerned that viewers are not prepared to pay extra for 4K UHDTV content. Of those stating viewers will pay a little more, 55% estimate they will pay 6-10% extra. Viewers expect to pay extra for 4K UHDTV content, but at what level?

Segment Expected to First Gain Momentum for 4K UHDTV

As with current content distribution networks, satellite and hybrid networks are expected to be the most important infrastructure element in distributing content. Satellite is expected to play a significant role as a 4K UHDTV delivery medium for traditional television (63%) and Ongoing Use (42%). This is in contrast to the 22% who believe satellite will be somewhat important to Over the Top (OTT). 4K UHDTV Distribution Infrastructure

4K UHDTV Distribution Infrastructure

While the vast majority of our respondents believe that 4K UHDTV will be the viewing standard by 2015, a sizeable portion of our respondents believe that 4K UHDTV adoption will take longer than expected. Only one in four (25%) of our respondents plan to launch 4K UHDTV video services typically in 2 years. A large group is taking a “wait and see” stance, with 56% having either no plan (27%) or having not yet decided (29%) to launch 4K UHDTV services. Four in ten (40%) have made firm plans, with 54% having either no plan (27%) or having not yet decided (27%) to launch 4K UHDTV services. Four in ten (40%) have made firm plans, with 54% having either no plan (27%) or having not yet decided (27%) to launch 4K UHDTV services.
Media Industry Benefits: Competitive Differentiation is Key

Competitive differentiation for existing linear channel models, and attracting new subscribers were cited as the top media industry benefits of introducing 4K UHDTV. Today’s multi-screen viewing environment provides consumers with a wealth of options for consuming content, and as evidenced by the responses below, media companies are looking for ways to continue delivering an exciting and differentiated experience to their existing linear channels. The survey response appears to acknowledge, however, that linear broadcast television still represents the most profitable segment, and 4K UHDTV might be the compelling reason that allows that format to increase the relevancy of loyal linear channels.

Issues and Concerns: Economics, Not Technology, At Issue

In the early days of 4K UHDTV, many cited the ‘chicken or egg’ conundrum—in terms of content versus consumer adoption rates. The survey response appears to acknowledge, however, that linear broadcast television still represents the most profitable segment, and 4K UHDTV might be the compelling reason that allows that format to increase the relevancy of loyal linear channels. All reflecting the earlier stated belief of 55% that viewers are likely not prepared to pay extra for 4K UHDTV content.

Key Findings of the Survey:

• 63% believe 4K UHDTV will become mainstream in 5 to 7 years; 23% have firm plans to launch 4K UHDTV services in the next 2-4 years. According to a recent Intelsat survey of professionals responsible for implementing 4K Ultra High Definition Television (4K UHDTV) technology for the world’s leading programme broadcasters,, and direct-to-home platform operators, 63% believe that 4K UHDTV will reach penetration on par with current HD venues within 5 to 7 years. What’s more, 4K UHDTV appears to have much broader appeal than yesterday’s darling, 3D television, with only 15% believing the trend will fizzle out.

• Technical professionals believe most widely that Digital Cinema will be first to gain momentum for 4K UHDTV, with 84% predicting that DTH will be the first segment to adopt the technology. Very sampling, technologists respondents believe that linear channels will be the followers, with only 27% predicting for the world’s leading programmers, broadcasters and direct-to-home platform operators, 63% believe that 4K UHDTV will reach penetration on par with current HD venues within 5 to 7 years. What’s more, 4K UHDTV appears to have much broader appeal than yesterday’s darling, 3D television, with only 15% believing the trend will fizzle out.

Conclusion

Many of the most successful media companies have built brands on high quality, highly differentiated content. 4K UHDTV is viewed as an exciting new development that will allow for a new premium tier of service in an increasingly competitive environment. Media companies are already utilizing hybrid satellite/fiber networks for content delivery across different types of distribution platforms. In addition to enhancing our global satellite hybrid network, Intelsat remains focused on working with the satellite technology partners to implement compression technologies that will moderate increases in transmission costs while maintaining the engaging quality that will drive revenue opportunity. Identifying new business models and incremental revenue streams will reduce the cost of transmission and support the consumer adoption rates. Viewers are not prepared to pay extra for 4K UHDTV content. Given upcoming sporting events, Intelsat stands ready to support its global customers with their 4K UHDTV plans.

Conclusion

Many of the most successful media companies have built brands on high quality, highly differentiated content. 4K UHDTV is viewed as an exciting new development that will allow for a new premium tier of service in an increasingly competitive environment. Media companies are already utilizing hybrid satellite/fiber networks for content delivery across different types of distribution platforms. In addition to enhancing our global satellite hybrid network, Intelsat remains focused on working with the satellite technology partners to implement compression technologies that will moderate increases in transmission costs while maintaining the engaging quality that will drive revenue opportunity. Identifying new business models and incremental revenue streams will reduce the cost of transmission and support the consumer adoption rates. Viewers are not prepared to pay extra for 4K UHDTV content. Given upcoming sporting events, Intelsat stands ready to support its global customers with their 4K UHDTV plans.

Availability of Mass Content is Critical to Acceleration of Ultra HD Rollout

Although not an operational concern, our respondents did point to the availability of a critical amount of content and distribution environment as the top reason for the lag in accelerating 4K UHDTV rollout on a broad scale. The potential introduction of new subscription models was viewed as an important part of the equation.

Issues and Concerns: Economics, Not Technology, At Issue

In the early days of 4K UHDTV, many cited the ‘chicken or egg’ conundrum—in terms of content versus consumer adoption rates and purchases of 4K UHDTV-ready television sets. Surprisingly, those concerns were not top of the list with our respondents. Getting a return on the investment (17%), extra transmission costs (15%) and overall cost of content production (26%) were primary business concerns, all reflecting the earlier stated belief of 55% that viewers are likely not prepared to pay extra for 4K UHDTV content.
Media Industry Benefits: Competitive Differentiation is Key

Competitive differentiation is key for existing linear channel models, and attracting new subscribers was cited as the top media industry benefit of introducing 4K UHDTV. Many cited the ‘chicken or egg’ conundrum—in terms of content versus consumer adoption rates.

Issues and Concerns: Economics, Not Technology, At Issue

Getting a return on the investment (71%), extra transmission costs (67%) and overall cost of content production (67%) are the top three factors in accelerating 4K UHDTV rollout on a broad scale. The potential introduction of new subscription models was also viewed as an important part of the equation.

Conclusion

Many of the most successful media companies have built their brands on high quality, highly differentiated content. 4K UHDTV is viewed as an exciting new development that will allow for a new premium tier of service in an increasingly competitive environment.

Looking ahead, our respondents did point to the availability of a critical mass of content and household penetration of 4K UHD TV sets as the top factors in accelerating 4K UHDTV adoption.

Key Findings of the Survey:

- 63% believe 4K UHDTV will be mainstream within 5 to 7 years; 23% have firm plans to launch 4K UHDTV services in the next 2-4 years.
- Critical mass of 4K UHDTV content will be available in 5-7 years.
- 45% expect 4K UHDTV to become the de facto norm in ten years.
- Technical professionals believe most widely that Digital Cinema will be the first format to gain momentum for 4K UHDTV; non-tecchnical respondents most widely believe that Direct-to-Home (DTH) services will be the first segment to adopt the technology.

About the Survey

Intelsat commissioned independent market research firm Market Connections, Inc. to survey Intelsat’s media customers in July 2014 on awareness of and plans for 4K UHDTV content, demand and development. The statistically valid response from 77 media professionals feature the opinions of content and platform providers from 11 different countries.

As a leading provider of media distribution satellite and terrestrial services, Intelsat’s customer base includes the world’s largest programmers, broadcasters and content producers. On average, Intelsat’s top 10 media distribution customers use Intelsat’s services on three continents, with sophisticated networks, and hundreds of millions of viewers, Intelsat’s customers are considered among the most sophisticated users of media technology in the world.