

12/06/2003

French regulator publishes DTTV frequencies

On June 10th, the French telecoms regulator, the Conseil Supérieur de l'Audiovisuel (CSA), has delivered to channels their final DTTV frequencies, and has also announced the setting-up of six multiplexes: R1 (first multiplex): France 2, France 3, France 5 and three 'reserve channels'; R2: iMCM, CanalJ, Match TV, Direct8, TMC and CuisineTV/Comédie!; R3: Canal+, I-Télé, Sport+, CinéCinéma Premier and Planète; R4: M6, M6 Music, TF6, Paris Première, NT1 and AB1; R5: Arte, La chaîne parlementaire and three 'reserve channels'; and R6: TF1, LCI, Eurosport France, TPS Star and NRJ TV.

08/05/2003

DTT channels sign agreement with regulator

The 23 private editors of the future French DTT have signed an agreement with the national regulator (CSA).

For each channel, this agreement stipulates the broadcast obligations, the global concept and positioning, and the amount each will have to invest in 'fresh' and local production.

Moreover, by the end of May and after some drafts, the CSA will allocate the multiplex between the players.

04/03/2003

French DTTV report submitted

French Minister of State Michel Boyon has submitted to Prime Minister Raffarin his additional report on terrestrial digital television (DTTV).

His report, available on the Direction of the Development of the Media (DDM) website, confirms the timetable proposed in the first report and examines the co-ordination how analogical frequencies are going to be translated into digital; the risks of reception jamming by cable because of the DTTV broadcast; DTTV and the obligations of 'must-carry'; and the development of local television.

In response, Minister of Culture Jean-Jacques Aillagon will be organising a meeting of all stakeholders shortly, in order for Boyon to present the conclusions of his report and to discuss co-ordination of DTTV.

The minister will also be drafting a decree on the production obligations of the local DTTV channels, employing Michel Boyon's recommendations - subject to input from professional organisations and the CSA (the French regulator). Further legislation regarding the measures necessary for the development of local DTTV is planned, concerning, in particular, mechanisms to stop over-concentration, and the how local authorities are to intervene.

Aillagon will also investigate the financial requirements of the creation of such services.

19/02/2003

No local French DTT channels before 2008

In his complimentary report on DTT, Michel Boyon, senior member of the Council of State, said DTT would certainly be favourable for local television, but only when it could be available to almost all French territory – which means by 2008, when the majority of the households will have set-top boxes.

The report underlines "the necessity and the urgency" of setting up a structure in order to coordinate DTT plans and launch. Such a structure, according to Mr. Boyon, could involve the relevant State Secretaries, the French regulator (CSA), content producers, and broadcasters. The report is silent, however, on the subject of advertising on DTT.

18/02/2003

47% of France finds DTT attractive

According to a survey led by Ipsos, 47 per cent of the French people find digital terrestrial television (DTT) attractive, and 8 per cent consider it as very attractive, even though most have no precise knowledge of the channels that will be broadcast.

Consumers who are aware of the channels that have been selected by the French regulator (CSA) are already pay-TV subscribers or are willing to subscribe to pay-TV. They are more favourable to DTT (63 per cent) than the rest.

The general trend of the results is a steady progression from the last time the survey was conducted, in November, 2001.

13/12/2002

Noos cuts 35% of HR staff

Noos, part of the Suez group, the French cable operator is going to cut 35 per cent of its human resource staff. According to the trade-unions, 400 people (of 1100) may leave the firm as part of huge economic restructurings that are necessary this year.

Gérard Mestrallet, the Suez group CEO intimated that Suez will then decide if it will sell its subsidiary company, as it with its interests in TPS at the beginning of 2002.

This points out the difficulties the French cable operators are facing up to. Noos, like the other players NC Numéricâble (Vivendi Universal) and France Télécom Câble (France Telecom) has never made a profit, while its losses may amount to E230m (about twice its turnover, according to the trade-unions).

But Noos is not the only operator to be in the spotlight. The future of NC Numéricâble remains uncertain. Behind the scenes, investors and professionals are speeding up to relaunch the cable facing satellite, DSL and, by the end of 2004, DTTV.

According to Le Monde, some operators may think of putting all the cable platforms into a "common pot" in order to create one single national operator. The existing players would then be minor shareholders. But Suez denies that it has been informed of this plan, which could slash 2000 jobs.

12/12/2002

France to investigate possibility of international news channel over DTTV

The French Foreign Office has decided to entrust Philippe Baudillon, diplomat and former Canal France International CEO, with a three-month technical mission to investigate the possible launch of a French international news channel, united with Public services and the Foreign Office.

The diplomat's brief will take into consideration technical and financial aspects. A few weeks ago, the Boyon's mission pointed out the financial pitfalls the Public service could encounter.

Pending questions are : will such a channel be created from scratch or will the Public service re-position Euronews? How to optimise the resources (human & financial) of the existing analogue channels in order to lower the costs of this new one? What will it bring to the DTTV market where two private channels already have a licence?

Moreover, is this project a real priority while one does not precisely know the number of channels the Public services will offer on DTTV (the Boyon's report was very critical on this area of the Public service on DTTV, and the Secretary of Culture said last month the Public service must increase its degree of competency before looking at diversifying).

The three month project could be long enough for the lobbies to make the project "evolve", while also being too short a time to put on track a real news channel with a solid business plan satisfactory to the consumer and present and future players.

11/12/2002

NRJ Group: what if the new DTTV channels were on the same multiplex?

At the end of October, the French regulator (CSA) chose the 23 private DTTV channels. Among them are 6 new channels that have not been available previously on cable or satellite.

NRJ Group, with NRJ TV, is one of the licence winners, like Direct 8 (Bolloré), iMCM (Lagardère), M6 Music (M6), NRJ TV (NRJ Group), NT1 (AB Group) and TMC (Pathé) which will be, according to NRJ Group, "the real drivers of DTTV development towards 18 millions households which are not connected to cable or satellite and only receive 5 TV channels".

NRJ Group has requested a round up of the 6 new channels on the same multiplex in order to allow "their simultaneous development over the French territory and to propose, in each town where this multiplex will be broadcast, an attractive and clear offer to the set-top-box and TV-set future purchasers".

The new player affirms that "if these 6 new channels are scattered on different multiplexes (as

it appears on the first recommendation of the CSA), they will be the prisoner of existing analogue channels that don't have the same urgent development issues, or of the PPV channels that must be broadcast by the platforms".

With this in mind, the NRJ Group has asked for the CSA to set up a meeting with the concerned editors, in order to study this idea, which appears to be a basic condition for DTTV success, and seems inspired by Great-Britain where the re-launch of DTTV based on free-to-view channels is a real success.

02/12/2002

Public service does not need DTTV, asserts Culture Secretary

The comments come in the wake of the Boyon's report, which recommended a 'downsizing' of the public service area.

J-J Aillagon, France's Secretary of Culture and Communication claimed last week in the Senate that the future of the public service is not linked with DTTV.

Mr Aillagon added that the public service can flourish without DTTV, "One has no need to invent every morning a new channel, a new programme, a new project to be faithful to the public service missions," he argued. The comments were made during the debate on the 2003 budget in the Senate.

These opinions come in the wake of the Boyon's report, which recommended a "downsizing" of the public service area, aiming more specifically at a news channel, eight regional channels and a re-broadcast channel.

In light of the Secretary's comments, the future for public service DTTV projects seems bleak.

27/11/02

French DTTV: an overview of the year ahead

France is still thinking about DTTV, unlike other countries such as the UK, Spain and Sweden who have already launched it. The shift to digital is not only a technical upgrade, but also a tricky strategic and political choice.

On October 23, the French regulator (CSA, for Conseil Supérieur de l'Audiovisuel) chose the DTTV channels after many months of struggle and lobbying in which "big money" worries prevailed over consumer expectations and needs, and technical elements over digital development towards the customer.

French DTTV: legal roots

The Senate first had the idea of developing DTTV. Then it was taken over by the government which wanted a law to be passed, the final text of which was ratified in August 2000. The government and the Assembly, politically on the left, gave this law its political positioning.

"Public service first", was the motto of this law, which planned up to 12 Public service channels and local channels, but left the Government free to choose the additional Public service channels.

The law specifies that the existing private channels (TF1, M6 and Canal+) will be simulcast and that they will be able to choose a "bonus channel" without waiting for the regulator's decision ; therefore TF1 has chosen LCI (news), M6 : M6 Music and C+ : i>Television (news).

The law aimed to build legal and economic barriers to "big guns" like TPS, C+, Hachette, by July 2001, in order to avoid a sort of oligopoly, harmful for the cultural diversity (according to the previous government).

These rules limit the number of licence assignments, the maximum coverage (in inhabitants) for local channels, and the degree of media concentration. But this law is being circumvented by cross-capital structures.

From the beginning, the existing analogue channels swiftly opposed these laws and the upheavals it would cause to their market. DTTV it seems, raises many questions.

Many questions yet to be answered

Costs and politics are the major questions. Concerning costs, the players wonder who will pay for the frequencies adjustments and high-point upgrading (thought to be between E45m and E300m) and who will finance the multicast. They have also requested a lower commitment towards local production and lower fees for editors.

On their side, editors have tried to open the door to new advertising resources while the advertising market is in a slump; producers say DTTV will increase the power of the big players, reducing their margins. Cable and satellite operators consider DTTV as a "too early" competitor, and have threatened to reduce their investments in ISPs.

In doing so they have attracted the Government's attention to the problems that DTTV could hold for their own still developing market. With regard to this political dilemma, the government has to determine the areas of Public service coverage. These elements have led to strong lobbying strategies, during the hearings, and up to the present moment.

The CSA hearings

In June 2002, the regulator had heard 65 candidates for 22 channels. Four months later, the CSA chose the licence holders and planned to mix them on different multiplexes:

- Network R2 : iMCM, Canal J, Match TV, Direct 8, AB1, NTI
- Network R3 : Canal+, i-Télévision, Sport+, Cinécinémas, Planète
- Network R4 : M6, M6 Music, TF6, Paris Première, TMC, Cuisine TV / Comédie
- Network R6 : TF1, LCI, Eurosport, TPS Star, NRJ TV

For its part, Public Services will have 2 multiplexes including existing analogue channels and other channels (...that have yet to be determined).

Each multiplex is headed by a leader (Lagardère, Canal Plus group, M6 & Pathé, TF1), mixes

free and pay channels and avoids direct competition with any other broadcaster on the same multiplex.

Free-to-view channels are- TF1, M6, Direct 8 (Bolloré), i-MCM (Lagardère), M6 Music (M6), NRJ TV (NRJ), NT1 (AB), TMC (Pathé) and 8 from the Public service (6 for Francetélévisions, 1 for Arte and 1 for La Chaîne Parlementaire).

Pay channels : Canal+, AB1, Canal J (Lagardère), Cinécinémas (MultiThématiques), Cuisine TV and Comédie! (Pathé), Eurosport (TF1), i-Télévision (Canal+), LCI (TF1), Match TV (Lagardère), Paris Première (Suez), Planète (MultiThématiques), Sport + (Canal+), TF6 (M6 & TF1) et TPS Star (TPS).

Next steps, in 2003

National channels will sign agreement with the regulator by February. This agreement will stipulate how much the channels will have to invest in "fresh" and local production. there is a possibility that these criteria will be softened in order to lessen costs.

The market is waiting for commercial operators. Canal Plus, Orange, EDF, TPS where once mentioned, but none of them is now officially interested, as long as there is no short term opportunity and financial feasibility.

Moreover, the multiplex set-up could be changed by the CSA because the plan puts second rank channels in a subservient position to the leaders. Once the multiplex is chosen, each one will adopt a platform- the CSA decision will make these choices easier- one can bet, for instance, Network R3 will come down in favour of Canal Plus if this group decides to be a platform operator... Moreover, the CSA plans are in that case more "editor-centric" than "consumer-centric".

The scheme itself seems to forget that the consumer will probably choose their channels by type & theme, not by group, and mix free-to-view channels with PPV ones.

And, what would be the impact of a multiplex leader's (often, anti-DTTV) decision on a second-rank (often pro-DTTV) editor? Let's hope these choices are only a draft the CSA will improve, anticipating the consumers expectations.

The device makers will be able to manufacture TV sets and set-top-boxes once the platform operators have determined the technical schedule of conditions.

At the same time, TDF, the national broadcast company, will tune the frequencies according to plans by the National Frequencies Agency and the technical services of the CSA. Private companies will little by little integrate TDF's market. But who will pay for these adjustments? Perhaps a National Fund could come into being, backed by the State and editors.

In springtime, the local channels will be chosen by the CSA. Three more frequencies will then be available. But it implies that the problem of the advertising resources must be solved by the Government because advertising will be the only financial income for local editors. Moreover, the Government will clarify its position on the Public service news channel and on its regional channels.

The development of DTTV implies co-operation between players that have different goals. Existing analogue channels consider DTTV as a source of expense, while newcomers regard it as a real opportunity. The first want DTTV to slow down or to be abandoned; the second request fast State decisions and a short term launch.

Too much haste and DTTV will be a technical and marketing failure. Too much delay and the competitors business plans will be obsolete before a probable launch by the end of 2004. Meanwhile, DTTV channels will easily have time to be integrated into a satellite or cable platform.

Big money and time are the key drivers of this future market. By the way, has anyone thought of the customer?

26/11/2002

17.24m French people connect to the net during October

17.24m French people- 33.9 per cent of the total population- connected to the internet during October, according to a new study by Mediametrie.

Multimedia equipment has increased during 2002, with 9.54m households (38.7 per cent of households) having a computer and 5.98m connected to the internet (24.3 per cent of the households).

The study also shows growth for certain forms of communications on the internet. More than 4.26m internet users (over 11 years old) have used instant messaging last month, and 3.97m have participated in a chat forum.

Young people are heavy users: 16-24 year old internet users represent one-third of the instant messaging users and nearly half of the chat users.

These surfers are also heavy consumers of mobile communications: they 50 per cent more likely to own a mobile phone than the average user.

25/11/2002

Zalea TV to begin broadcasting this week

Zaléa TV, the associative TV channel militating in favour of "an alternative non commercial TV" will begin broadcasting on channel 35 in Paris on November 26.

The CSA (French regulator) has authorised this temporary broadcast, but Zaléa was delayed by TDF (a broadcast company) that required 6 month broadcast fees in advance. However Zaléa and TDF finally managed to find an area of agreement- channel 35 will be gradually used by other associative editors, splitting broadcast costs between all of them.

This local broadcast test is not anecdotal but points out the financial worries the low-budget associative channels will have to bear; Zalea TV has had to get into debt and to appeal for funding in order to pay its broadcast. Has the former pirate joined the establishment?

21/11/2002

Regulator confirms DTTV plans

The French regulator, Conseil Supérieur de l'Audiovisuel (CSA), has just confirmed its plans to combine the country's private DTTV channels on to 4 multiplexes (mux).

The draft proposal for the channels is as follows:

- * Network R2: iMCM, Canal J, Match TV, Direct 8, AB1, NTI
- * Network R3: Canal+, i-Télévision, Sport+, Cinécinémas, Planète
- * Network R4 : M6, M6 Music, TF6, Paris Première, TMC, Cuisine TV / Comédie
- * Network R6 : TF1, LCI, Eurosport, TPS Star, NRJ TV

In addition, the Public Service will have 2 multiplex including existing analogue channels and other channels that have yet to be determined.

Each 'mux' is headed by a "big gun" (Lagardère, Canal Plus group, M6 & Pathé, TF1), mixes free and pay channels, and avoids direct competition in a same mux.

In few months time, each 'mux' will choose a commercial distributor or platform. The CSA's decision is likely to make these choices easier as one can bet, for instance, Network R3 will come down in favour of Canal Plus if this group decides to be a platform operator.

Moreover, the CSA choices are in that case more "editor centric" than "consumer centric" and can be criticised - the actual scheme seems to ignore the fact that consumers will probably choose channels by type and theme, not by group, and mix free-to-view channels with pay-to-view ones.

20/11/2002

DTTV channels to sign agreement with regulator by February

The channels chosen by French broadcasting regulator, the Conseil Supérieur de l'Audiovisuel (CSA) in the competition for national DTT channels in October, have until the end of February to sign an agreement with the regulator.

This agreement stipulates how much the channels will have to invest in 'fresh' and local production.

According to a recent report from Michel Boyon, a senior member of the Council of State and former Public service CEO, it will be the end of 2004 before DTTV is launched in France.

20/11/2002

5.1m French internet users purchasing online

The number of internet users purchasing online has increased by 124 per cent since 2001, to reach 5.1m buyers, according to a new Médiamétrie Nielsen//NetRatings survey for Acsel, the French association for e-commerce.

During this period, the number of people purchasing online has increased from 19 per cent of the internet users to 31.4 per cent, particularly in certain categories (+299 per cent for workers, +158 per cent for employees and +126 per cent for those in the 50-64 year old age bracket).

According to the survey, three factors tend to make people buy on the internet:

* The connection regularity : 51 per cent of daily internet users buy online, whereas only 15 per cent of people who connect one to three times a week do.

* Experience with the internet: Those who have used the internet for three years or more are

three times more likely to buy online than newcomers to the net.

* Broadband access: Users with a broadband connection buy 33 per cent more than other internet users.

E-commerce in France is still trailing behind other European countries, according to the survey, with only 10 per cent of French internet users buying online, compared to 14 per cent of Germans users and 22 per cent of the UK's online population.

14/11/2002

French Culture Secretary issues warning to public DTTV channels

French Secretary of Culture has said that the DTTV public service channels must increase their degree of competency before looking at diversifying.

Three channels are reserved for public service on DTTV (beside the existing analogue channels), but the Secretary of Culture said the public service first has to concentrate on its skills and missions (information, education and entertainment) before thinking about branching out into other areas.

The Secretary's statement holds important implications for the budgets and positioning of the respective channels, should they ignore his warnings.

20% of French households are connected to broadband

20 per cent of French internet users, some 2.3 million, are connected to the web via broadband, according to a new survey from Ipsos-Mediangles.

Of these users, 60 per cent use DSL and 40 per cent connect with cable.

The average broadband user's profile is female, between 15 and 24 years old, in the Paris area.

These users are more likely than the average user to have digital cameras, MP3 players, scanners and other high-end peripheral devices.

They spend twice as much time on the internet, have twice as many web-surfing sessions and are most interested in buying travel tickets on the internet.

Biography (updated 2003)

Serge-Henri Saint-Michel read Political Sciences and Law at Pantheon-Sorbonne University (Paris), before completing a Master's Degree in Marketing and Communications at Sup de Pub (Paris).

Serge-Henri has worked for advertising and communications agencies, responsible for surveys, branding and positioning, marketing, creative and media strategies. Since 2000, Serge-Henri has worked in a strategy & marketing consulting company specialised in telecoms and internet, as director of marketing & communications, and budget manager. He was also in charge of the market watch.

Since 1989, Serge-Henri Saint-Michel has been teaching marketing and advertising in high schools and universities and has published books on advertising strategies.

As editor of <http://www.about-marketing.fr> (ex <http://marketcom.free.fr/>), a french site dedicated to marketing and communication strategies, he writes articles on these subjects and on '[screendising](#)' (marketing for all 'screen supports', i.e PDAs, mobile phones, PCs...).