

# [How to launch a tv channel essay](https://assignbuster.com/how-to-launch-a-tv-channel-essay/)

Your guide to building a successful TV Business In association with Introduction – Nick Thompson ack in 2002, when we published our first ‘ How to Launch a TV Channel’ guide, most people were watching video on free-to-air analogue TV, with digital TV coming up fast on the rails.

Today, in the UK and most developed countries, digital Pay-TV and digital terrestrial TV are thriving, video on the PC is at the front of everyone’s mind and mobile video is a niche but growing phenomenon. At the same time, the way that you put together and distribute a TV channel, although fundamentally similar, is also changing.

We therefore decided that it was time to produce a new version of ‘ How to…’ Instead of updating the original version we decided to go back to the drawing board, rethink the contents and write every page from scratch, to better reflect the TV industry of today and tomorrow. B Although internet video is beginning to deliver on the hype, broadcast TV, whether cable, satellite or terrestrial, is still the best way of providing high-quality TV to large audiences – and will remain so for the next decade or more.

High definition will be increasingly important, but if it’s beyond your budget and you have exciting content that people want, you can be successful without making the switch to HD. However, if a direct competitor makes the move to HD you could be in real trouble.

The future is likely to see some very exciting developments, including interactivity, the convergence of internet and broadcast delivery mechanisms and multi-platform distribution.

The future is likely to see some very exciting developments combining interactivity and the convergence of internet and broadcast delivery mechanisms I hope you enjoy the ‘ How to …’ guide and I would like to conclude with a few of my own thoughts on the exciting industry that my colleagues and I are lucky enough to work in: If once you’ve read the guide you would like to know more about how Arqiva can help you to launch a TV channel, then please contact us at www. arqiva. com. Nick Thompson, Managing Director, Arqiva Satellite & Media. In association with Contents f you’re serious about launching a TV channel and you’re not a TV professional there is a lot of industry knowledge that you need to know and that will make your planning process much easier.

In this short guide we have tried to give you the first level of knowledge you need to start planning your channel. A guide of this length cannot hope to be encyclopaedic, rather it’s our aim to help you to have a clearer picture of any gaps there may be in your knowledge, formulate the questions you need to ask and be able to understand the answers.

I We’ve divided the guide into short chapters: Page The business of television 5 7 9 12 14 16 In association with Choosing your TV platform Your content strategy Getting on air a countdown to launch Promoting your channel Future TV Useful contacts 3 Current UK TV Advertising rules permit up to 9 minutes per hour of adverting 4 The business of television A ll successful business models for today’s TV channels rely on driving ‘ traffic’ (or eyeballs) across multiple media and platforms.

This ensures the maximum exposure of sponsors, products and brands to as diverse an audience as possible, and ideally culminates in viewer interaction which will directly or indirectly bring a financial benefit to the TV channel. Within each of the traditional business models of free-to-air (where the content is free to view); subscription and pay-per-view (by event rather than annual subscription), there are several revenue–generating activities which can be implemented across the board, on whichever platform(s) best suit your genre and your audience.

It is likely that your channel will receive revenues from more than one of these activities.

We have summarized these activities below: Advertising & Sponsorship Current UK TV Advertising rules permit up to 9 minutes per hour of advertising, 432 x 30-second ad spots per day, giving 1, 314 hours per year (check with OFCOM for latest advertising rules and guidelines). Most commercial TV channels derive the majority of their revenue from Advertising and Sponsorship in the main broadcast TV stream; this is also true of most providers of video over the internet.

In the UK, audience viewing is tracked and reported by BARB (British Audience Research Bureau). BARB figures are the only acceptable currency recognised by mainstream advertisers. Subscriptions Getting viewers to subscribe to a single channel or service works extremely well provided the content or services hold sufficient value for an adequate number of people to warrant it. There is one golden rule of subscription – if the same content (or an exclusive service associated with the content) can be found for free on any other platform, then people will find and chose that ’free’ route.

Subscribers are looking for either an ’exclusive’ experience (back stage interviews with celebrities, for example) or access to a ’live’ experience (sport, or any time-sensitive activity) which cannot be found elsewhere and they increasingly want to access it in the way that’s most convenient for them. Participation Participation TV is a form of integrated communications used to motivate viewers to participate in events and interact with content and brands. Essentially it encapsulates every activity where a viewer pays to respond to content.

We have seen examples of Participation TV generating enormous revenues for broadcasters over the last few years. Even though there has been some recent evidence of audience turn-off, responsibly managed and transparently audited campaigns still generate significant revenues and, perhaps equally importantly, viewer information and feedback.

Participation TV also includes gaming. All UK TV channels may broadcast 3 hours per day of gaming content although this activity requires a special licence (or a partnership/ supplier agreement with a licence holder).

Some channels secure up to 70% of their core revenues this way. Shopping Teleshopping is an enormously popular and increasingly successful activity. There is a relatively large number of ‘ shopping channels’ in the UK for which almost all their content is based around shopping, with purchases made over the phone or via a web interaction.

For non-shopping channels there is a daily allowance of three hours of TV shopping. Teleshopping content can be easily acquired or cost-effectively produced in-house and usually operates on a revenue share or commission basis.

Fulfilment can be outsourced to significantly reduce inventory risk, fraud and returns while maintaining healthy margins. Web The web is the natural convergence point for all platforms and media for a TV channel, and of course the easiest and most secure access point to viewers’ wallets.

The web is often the most effective way of distributing exclusive content for a one-off payment or a subscription, and it can be used to promote programmes and enhance campaigns being broadcast on the main TV channel.

Shopping initiatives can be channelled through the web for fulfilment, and relationships with viewers can be developed and personalised with varying degrees of sophistication and depth to satisfy web advertisers who wish to deliver targeted advertisements to specific users. In association with 5 If advertising and sponsorship are your main revenue sources, the companies spending money with your channel may have specific requirements that can only be delivered (and measured) on certain platforms 6

Choosing your TV platform he UK Government has legislated that analogue channels will no longer exist in the UK after digital switchover in 2012. Combining this with the fact that in most markets new TV channels will launch solely on digital platforms, we have decided to focus upon digital platforms in this guide.

Choosing the most relevant and successful platform for your TV channel is a decision that is usually based on cost, availability of capacity and audience reach within the operational territory/territories.

Many channels broadcast on multiple platforms, or due to audience popularity (or local infrastructure) chose to transmit on different platforms in different territories. If advertising and sponsorship are your main revenue sources, the companies spending money with your channel may have specific requirements that can only be delivered (and measured) on certain platforms, so your business model will be a key driver in this decision. Of equal importance will be your content rights agreements – acquired content may only be able to be shown on specific platforms.

Here are the main ways in which a TV channel can transmit digital TV to consumers: Digital Satellite These platforms are now available in most developed countries across the world. In the UK BSkyB is the largest pay-TV platform with around 9 million subscribers.

This digital satellite T TV platform, which has hundreds of channels and a highly advanced consumer experience, provides viewers with access on a subscription basis. The UK’s other satellite platform is Freesat, which launched in the spring of 2008 and provides consumers with free access after paying a one off cost for a set-top box, satellite dish and installation.

Freesat’s offering will potentially be highly attractive to the UK consumer and free high definition TV will be particularly attractive for those with large LCD HD ready screens and no HD feed. Digital Terrestrial TV (DTT) Pioneered in the United Kingdom, the global number of DTT platforms is increasing. In the UK the DTT platform is called Freeview.

Due to its popularity there is very little/no capacity for new channel entrants on the main Freeview platform, however the subscription part of the platform – ‘ Top-Up TV’ – occasionally has capacity available for broadcasters with adequate funding.

The next development in UK DTT is likely to be the launch of a limited number of HD channels – presently all UK DTT channels are standard definition. Digital Cable and DSL The largest cable company in the UK is Virgin which offers the ’triple play’ of TV, Internet and telephony through an integrated digital platform. There are regional cable companies that offer similar services, but used in isolation from other platforms, their limited audience reach does not present the opportunity to make a commercial success of anything other than a truly regional or community TV channel.

IPTV and Web TV These terms are often confused.

In this guide by IPTV (Internet Protocol TV) we are referring to the distribution of TV across a ’closed’ network to a subscriber base, rather than across the public internet. The UK’s BT Vision is an example of an IPTV operator. By Web TV we are describing a straightforward video web experience, such as that provided by YouTube or BBC iPlayer. IPTV has associated operational and platform costs for TV Channels, whilst Web TV can be ‘ broadcast’ very simply and cheaply to a global audience.

The Web TV viewer experience can be varied and runs unchecked providing little or no control over content access or technical quality – it is often difficult for a Web TV operation to attract large numbers of viewers.

Mobile TV In most territories, mobile TV as a revenue generating platform is still in its infancy, due mainly to bandwidth constraints. However, developing network technology and more sophisticated and functional handsets means that mobile video consumption is beginning to grow in popularity.

TV channels should be ready to take advantage of Mobile TV when new more powerful distribution methods come on stream and when mobile TV has access to greater bandwidth. In association with 7 8 Your content strategy Content Strategy Your Content Strategy will be the cornerstone for your entire business model. You will have to address key questions such as: Who is my audience? What do they want from this channel? What do I want from them? What is the competition offering? And the crucial question: What can I afford?

The combination of answers will guide you towards developing an outline content strategy. How to source content A TV Channel can either acquire or produce/commission content.

Acquired content will come with limitations on how and where it is distributed. Owners of programmes with significant value – first run box-office films, or major sporting events for example – will also require you to provide prescriptive information on the type of conditional access (anti-piracy) system your platform uses, before they will allow you to broadcast the material.

Commissioned/produced content can be broadcast wherever and whenever you like. It can also be repurposed for further multiplatform distribution – often in other languages – or re-packaged and re-sold. If your channel serves a specific niche interest, or community, it is worthwhile contacting official industry bodies, large organisations or even potential advertisers and sponsors in that market to ascertain whether they have programmes or arrangements with specialist production companies or broadcasters for the provision of relevant content.

Provided the material is of broadcast quality, and rights cleared, you will find it is astonishing how much material you can obtain through these official bodies or even from enthusiastic members of the public. Ultimately the content mix between acquired/commissioned will be dictated by your production budget. Calculating how much content you need Each platform operator provides guidelines on the minimum ’refresh rate’ they require for the content that they transmit. Irrespective of this, the more frequently material is repeated, the less engaging your channel will be for a viewer, and potentially the fewer viewers you will have.

Some channels rely on broadcasting cheaply-acquired but revenue-generating teleshopping and gaming programmes to reduce the number of hours that they transmit their ‘ core’ content. For example, a 24/7 channel can broadcast 3 hours of shopping and 3 hours of gaming per day, meaning that core content is only broadcast 18 hours a day, less a further 3.

6 hours if you are carrying advertising under a UK licence. It is important to understand that even some channels with household names may transmit 2 or less hours of brand new content per day.

However, the nature of your channel may be such that you need many more hours per day, for example if you are a news or a ‘ live’ sports channel. SD or HD- the definition decision High definition TV (HD) is of much higher quality than standard definition TV (SD) and as you would expect there are some cost implications with this.

Acquisition costs aren’t necessarily that much higher, but the bandwidth costs – the cost of distribution from the playout centre to the consumers home – are approximately four times higher than for a standard digital channel.

As in most content distribution decisions, whether you choose to launch in HD is dependent upon the genre and subject matter of your channel, which platform you’re on and who you are competing against. In general however, most channels can plan to launch in SD and move to HD when it makes financial sense. How to exploit content rights Content rights agreements usually include limitations not only on the territories that the content can be shown in, but also the platforms it can be distributed on. You must bear this in mind when using TV broadcast content online.

When negotiating your content rights for acquired content, you may find that the content owner will provide you with more flexibility or a better rate if you can offer them marketing opportunities associated with the content, or with the company.

This is particularly the case with films, where you may offer free advertising airtime for promotions or an online campaign for free movie tickets. In association with 9 offer them packages where they can sponsor or advertise around programmes and series’ relevant to them 0 Your content strategy When selling your own content, you can provide rights buyers with additional marketing and publicity generating activities to increase your own brand awareness. When selling your own content, you can exploit rights buyers with associated revenue shares and other marketing and publicity generating activities to increase your own brand awareness. Packaging content Packaging content to ensure your TV channel is watched by as many people as possible is a key part of your content strategy.

You must give due consideration to the type of channel and genre in which you are broadcasting, and what you require from your audience.

For example, is your business objective to get people to buy products; to go to certain places or another specific call to action? If so, your programmes should compel people to do this: and it’s crucial to make it easy for viewers to understand how they can follow up. If your channel is about providing information, give adequate time and thought to providing links to websites or addresses for associated organisations.

Sponsors and advertisers are increasingly looking for ways in which they can associate directly with specific activities, so offer them packages where they can sponsor or advertise around programmes and series’ relevant to them. TV advertorials and sponsored content is regulated in the UK, but it is not regulated online, so consider packaging short programmes which can be branded specifically for the web environment.

Careful and creative programme scheduling is important when packaging content for viewers – there are pecific times of day which naturally attract certain audience demographics, early recognition of these viewing patterns should be analysed and catered for. Always provide every opportunity for the audience to interact with your channel. In association with 11 Getting on air – a countdown to launch rimarily this section focuses on the UK TV market, however, much of the information is generic and will be relevant to whichever market you want to operate in. The OFCOM licence All TV channels operating or transmitting from the UK require a licence from The Office of Communications (OFCOM).

For direct to home satellite and cable channels, this is a Television Licensable Content Service (TLCS).

There is currently no governing body for web TV in the UK. Negotiating with platform owners It is wise to contact the Launch Manager of the platform you wish to launch on, as soon as you have decided which one is most appropriate. In the UK there is stiff competition for a launch slot on most platforms, and an early introduction will not only help you understand all the platform requirements, but will assist with your business planning and cashflow as you will be given an idea of timescales for launch.

Platform owners like to be able to clearly understand a TV channel’s business model; have confidence that your team is capable of taking the channel through to launch; identify the type of content you will be showing and know that the business is adequately funded.

A brief corporate presentation is always welcome at this stage. Each platform has varying criteria for carrying a TV channel, and if your channel is particularly attractive to the platform owner they may be P flexible in negotiating terms and contract duration or even assist you with selling your advertising, often referred to as airtime sales.

The EPG (Electronic Programme Guide) The EPG is owned and managed by the platform owner, and contracted out to TV channels. It is a valuable marketing tool as it tells the audience what channel they are watching, which programme you are showing, what the programme is about and what is coming next.

PVRs (Personal Video Recorders) use the EPG to set programme recordings. EPG ‘ slots’ are usually split into genres of programming. Typically these genres include categories such as sport, lifestyle and culture, entertainment and movies.

It is very important that you identify which genre of channel you would like your channel to appear in, and explain this to the platform owner prior to launching. Getting video to the Media Centre (contribution) Getting your content to the Media Centre – where your channel will be distributed from -should be an early consideration in your operational planning as this part of the delivery chain can become costly and inefficient without adequate planning.

Your contribution plans will depend on geographically where your headquarters are located, where the content is made and whether or not your material s live or pre-recorded. Here are some of the ways it can be done: ? Courier – the traditional way. The Media Centre is open 24/7 for tapes and hard drives containing your content, to be delivered by couriers for broadcast. ? Satellite – many broadcasters already transmit their channels by satellite in other territories, and the Media Centre can take the signal directly down from that satellite (downlinking) and switch it through to the platform of your choice. Additionally the Media Centre can organise an ad hoc (occasional use) satellite booking to bring in material that is either geographically remote, or live. File Transfer – the Media Centre accepts data delivery via FTP.

? Fibre – certain locations have outbound connectivity by fibre, and the Media Centre will arrange for the material to be delivered via this method if required. Distribution – the Media Centre The Media Centre is the critical point in the distribution chain at which all your TV channel content – programmes, promotions, advertisements – is checked for technical quality and correct labelling before being transferred onto a large broadcast quality server, this process is called ingest.

Once the content is ingested, it can be played out at any time using a scheduling programme which interfaces with the playout software 12 operated by the media centre. Your staff, or anyone with authorised access, can schedule in this way from anywhere in the world. The company that owns and manages the media centre is a key technology partner.

A well resourced and experienced media centre will have staff that have played a part in launching a number of TV channels and will be able to give you help in many areas, including business planning, asset management and helping you with forward planning.

They will also be able to give you advice about how to manage your workflow and will be able to suggest suppliers that can assist with tasks such as EPG management, content delivery and how best to integrate the web with your plans. Channel playout ‘ Playout’ is where your content is actually broadcast from within the Media Centre. Your staff create advance playlists using simple software (an Excel spreadsheet or an easy to use bespoke application) that instructs the server to start playing the desired content at a particular time.

The content is then transmitted into the main distribution platform system you have chosen.

It is in the playout area that you can change the look and feel of your channel by using a variety of playout features. There are many options to choose between, each one offering a specific benefit: ? teletext services can provide additional information ? logos can be used to brand your channel ? subtitles are useful to access a wider audience ? ulti-language audio feeds are helpful if you are ‘ exporting’ your channel to different countries, or if your programming is likely to be viewed by speakers of more than one language. How to sell your advertising space Traditionally all commercial TV channels derived the bulk of their revenue from airtime sales. Until very recently, the management of a TV channel’s airtime inventory was usually through specialist media sales agencies selling to brands and their media buyers.

However, the proliferation of niche channels means that an increasing number of TV channels now have in-house sales teams selling directly to niche advertisers and sponsors looking to deliver messages to an audience which is already knowledgeable and keen to acquire products relating to a specific activity or subject matter.

These clients pay significantly more to benefit from this razor-sharp targeting to a select group of viewers. Frequently niche TV channels find that a combination of both agency and in-house sales provides the most efficient and profitable approach to selling advertising space.

Advertising and sponsorship – the regulatory environment In the UK, Advertising and Sponsorship is strictly regulated by OFCOM (Office of Communications). In most territories there is an equivalent body which regulates national broadcasters. The current regulatory framework for Advertising and Sponsorship in the UK, set out in the OFCOM Television without Frontiers (TWF) Directive, permits broadcasters to show up to 12 minutes of advertising in any one hour, subject to an overall average of 9 minutes an hour, per day.

The current rules on the permitted amount and scheduling of television advertising are set out in the Rules on the Amount and Distribution of Advertising, which can be found at http://www.

ofcom. org. uk/tv/ ifi/codes/advertising/#content. These rules are administered by the Advertising Standards Authority. The Advertising Standards Authority is the independent body set up by the advertising industry to police the rules laid down in the advertising codes.

In association with 13 Promoting your channel ithout promotion, no one will know where to find your channel, or what it’s about.

Fighting for a share of an audience in a multi-channel, multi-platform universe takes tenacity, creative thought and a solid understanding of who your audience is and what media they already consume. Marketing your channel to the most valuable demographic for your genre can be done in many ways. Direct Mail If your target demographic has a very specific interest, then direct mail – flyers and email for example – can be very successful and cost-effective, particularly when implemented in conjunction with industry bodies, clubs or associations linked with that specific market.

Web marketing One of the most effective ways of promoting your channel is through the web – both on your site and those of your sponsors and advertisers. Make sure that viewers can see your TV schedules to find out what is on.

Paying to have your channel listed in a TV guide can be very expensive, whereas your website is already paid for, so use this to full effect. Providing sample clips of your programmes online can help to drive viewers to your TV channel.

Anything that engages your viewer, or makes them want to interact with you helps to build your audience, so do run competitions and encourage people to upload comments or videos to forums and blogs. The Future e look at future developments that will change how TV channels launch in the future. This will include web-only business models and how Internet enabled set-top boxes open up exciting opportunities for fully converged web/ TV services.

There are numerous possibilities for broadcasters in these exciting times.

The proliferation of consumer devices on which to watch content, and the rapid development and rollout of digital networks which carry the content, form an exhilarating yet unclear backdrop to the video market. There is one undisputed area of growth – and that is the move towards personalisation of content. Irrespective of how content is carried, and what device it is viewed on, consumers want to watch what they want, when they want it. Advertisers and sponsors will soon demand delivery (and confirmation of that delivery) of messages to specific sets of eyeballs.

Web-only TV businesses are already using Web 2.

0 tools to achieve this, so we can expect to see a plethora of easy to use and very cheap tools that have huge implications for the way consumers of content interact and the way they make purchasing decisions. The advent of ‘ Social Media Distribution’ (the viral transfer of material between consumers) is proving difficult to ignore, and with the explosion in popularity of YouTube and Web TV sites, TV channels need to have a strategy for monetizing these activities.

W Promotion through print Most platforms have their own monthly listings guides and you can pay to have your channel listed in these to inform your viewers of your programme schedule. Contacting the magazine’s programme reviewers to let them know about your channel and programmes can lead to obtaining a review and of course advertising and promoting competitions in these publications is a sure fire way of attracting the attention of your potential audience.

Other marketing tactics Arranging to have your channel promoted on other TV channels can be successful, particularly when both channels have a similar or complementary demographic. All broadcasters accept that their channel is not the only one that people watch and many niche channels are happy to carry promotional clips for other channels for free, if the agreement is reciprocated. These agreements can be reached either directly with the channel’s marketing team or through airtime sales agencies.

Radio has also proven to be a very popular means of promoting TV channels and programmes and thanks to the regionalised nature of radio, these activities can be both effective and good value for money, particularly if you are targeting a specific geographical region.

Your advertisers and sponsors can offer you a number of ways to grow your audience, to help both parties raise brand awareness and generate a dialogue with viewers. W 14 With the online community so much in the media right now, one could be forgiven for questioning the future role of the ‘ full-bandwidth broadcast TV channel’.

Industry experts accept that the large-screen experience is hard to beat, and will remain so for some time. Many mainstream advertisers are skeptical and conservative in their views on purely online advertising, and whilst they allocate budget for new media marketing activities, there is little decline in their budgets for TV broadcasting. A great strength of TV advertising is that it is still the easiest, and often the most cost-effective, method of getting your marketing message to mass audiences throughout a region or country.

A significant number of start up TV channels still see distribution on a mainstream platform as the best shop window for their channels, with an enhanced or complimentary service being provided online. We can expect to see changes in the way that TV channels are funded in the future – OFCOM in the UK is already investigating changing the legislation surrounding this. Specifically they are focussing on product placement, whole channel sponsorship, advertiser funded-programming, and simply allowing more minutes of advertising.

It is now more difficult than ever before to see clearly into the future of the broadcast industry. We believe that today’s TV experience still has a lot to offer to consumers, broadcasters and advertisers alike.

We also believe that TV and the Internet will increasingly converge, and that there will be winners and losers in this process. Times of accelerating change offer great opportunities, so it’s crucial that you ensure your new TV channel is flexible enough to take advantage of this changing broadcast landscape. In association with 15 Useful contacts.