Interaction between IRIB and IPTV/OTT operators

By Dr. Mohsen Rezaei – December 12-13, 2017
Agenda

Interaction between IRIB and IPTV/OTT operators

Worldwide IPTV/OTT market landscape

Iran IPTV/OTT market landscape

Some of the Operational Contract Articles

The future perspective of Iran's IPTV/OTT services

IPTV/OTT operators

Shima IPTV/OTT services

Conclusions
Worldwide
Poll Reveals Generational Gap in Media Preferences

Funding sources for broadcasting sector

Source: IHS

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Advertising revenue in Europe (€m)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>30,000</td>
<td>30,000</td>
<td>25,000</td>
<td>30,000</td>
<td>25,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Print</td>
<td>30,000</td>
<td>30,000</td>
<td>25,000</td>
<td>30,000</td>
<td>25,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Online</td>
<td>30,000</td>
<td>30,000</td>
<td>25,000</td>
<td>30,000</td>
<td>25,000</td>
<td>30,000</td>
</tr>
</tbody>
</table>

Source: IHS

© 2015 IHS
China: net ad revenue in 2014

China: net ad revenue in 2014

Source: IHS

© 2015 IHS

€m
US: net ad revenue in 2014

Source: IHS

© 2015 IHS
European Big 5: TV and online video advertising revenue (€m)

Source: IHS
TV platform penetration of households 2014

Source: IHS

© 2015 IHS
Smartphone penetration of subscriptions (%)
4G penetration of subscriptions (%)
In 2016, Global pay-tv Revenues (Cable, DTH, pay DTT, IPTV) contributed $215 Billion (85 percent) compared to OTT video revenues (purchase, rental, subscription and advertising) at $38 Billion (15 percent).

In 2020, OTT Video will grow almost double to $72 Billion (22 percent of total revenue share).

Source: Ovum, October 2016
Advertising VOD (AVOD) is the most successful OTT monetisation model contributing 47 percent streaming market revenues.

AVOD will overtake paid-for OTT after 2017, grow to $39 Billion (55 percent) in 2020.

AVOD revenue is driven by inclusion of advertising on social media short-form content, e.g. clips, whether Facebook, Twitter, Instagram or other services.

Source: Ovum, 2017
In 2016, North America is the world’s largest OTT Video market at 60 percent of global paid-for OTT Video revenues in 2016

- Europe is at second place at 22 percent, Asia is third with 13 percent and Latin America at 4 percent
- Middle East and Africa account for 0.9 percent and 0.3 percent respectively.

Developed Markets settle at <20 percent growth annually, developing markets grow much faster in next 5 years.

Source: Ovum, 2017
Nordic advertising revenue growth (%)

Source: IHS

© 2015 IHS
Iran ICT market worth $11 bn in 2016

- $344 m: Base station or apparatus reception and transmission in cellular network
- $248 m: Mobile telephone handsets
- $214 m: Network switch, router, hub, switch hub, firewall, multiplexer, Brass, and etc.

Selected imported products in the ICT market - 2016
Iran: Internet usage, broadband and telecommunications reports

• Internet Usage Statistics:
  56,700,000 Internet users as of June/2017, 70.0% of the population, according to IWS.

  Facebook Subscribers:
  17,200,000 Internet users in June/2017, 21.2% of the population, according to IWS.

  Latest Population Estimate:
  80,945,718 population in 2017, according to UN Population Division.

  Gross Domestic Product:
  GNI per capita is US$ 6,550 for 2014 according to I.M.F.

  Iran Country Area (Size):
  1,648,195 sq km and the population density is 51 persons per sq km.

http://www.internetworldstats.com/me/ir.htm
## Internet Growth and Population Statistics:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Users</th>
<th>Population</th>
<th>% Pop.</th>
<th>Usage Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>250,000</td>
<td>69,442,905</td>
<td>3.80%</td>
<td>ITU</td>
</tr>
<tr>
<td>2002</td>
<td>5,500,000</td>
<td>69,442,905</td>
<td>7.50%</td>
<td>ITU</td>
</tr>
<tr>
<td>2005</td>
<td>7,500,000</td>
<td>69,442,905</td>
<td>10.80%</td>
<td>ITU</td>
</tr>
<tr>
<td>2008</td>
<td>33,000,000</td>
<td>65,875,223</td>
<td>34.90%</td>
<td>ITU</td>
</tr>
<tr>
<td>2009</td>
<td>32,200,000</td>
<td>66,429,284</td>
<td>48.50%</td>
<td>IWS</td>
</tr>
<tr>
<td>2010</td>
<td>33,200,000</td>
<td>76,923,300</td>
<td>43.20%</td>
<td>IWS</td>
</tr>
<tr>
<td>2012</td>
<td>42,000,000</td>
<td>78,868,711</td>
<td>53.30%</td>
<td>IWS</td>
</tr>
<tr>
<td>2015</td>
<td>46,800,000</td>
<td>81,824,270</td>
<td>57.20%</td>
<td>IWS</td>
</tr>
<tr>
<td>2017</td>
<td>56,700,000</td>
<td>80,945,718</td>
<td>70.00%</td>
<td>IWS</td>
</tr>
</tbody>
</table>
Media Penetration in Iran

<table>
<thead>
<tr>
<th></th>
<th>TV</th>
<th>Internet</th>
<th>OOH</th>
<th>Newspaper</th>
<th>Magazine</th>
<th>Cinema</th>
<th>Radio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>95.1%</td>
<td>72%</td>
<td>65%</td>
<td>45%</td>
<td>33%</td>
<td>32%</td>
<td>26%</td>
</tr>
<tr>
<td>Total Sample</td>
<td>95.2%</td>
<td>70%</td>
<td>63%</td>
<td>39%</td>
<td>35%</td>
<td>33%</td>
<td>23%</td>
</tr>
<tr>
<td>Female</td>
<td>95.3%</td>
<td>67%</td>
<td>60%</td>
<td>33%</td>
<td>37%</td>
<td>34%</td>
<td>20%</td>
</tr>
</tbody>
</table>

* OOH: Asked people if they remember any outdoor Ads. in their way during the last week.

Source: Iran TGI Database, Sep 2016
MOST VIEWED TV CHANNELS

Which channel people watched during the last month?

<table>
<thead>
<tr>
<th>Channel</th>
<th>Male</th>
<th>Total Sample</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Channel 3</td>
<td>66.4%</td>
<td>64%</td>
<td>61%</td>
</tr>
<tr>
<td>Channel 1</td>
<td>54.7%</td>
<td>55%</td>
<td>56%</td>
</tr>
<tr>
<td>Channel 2</td>
<td>48.4%</td>
<td>51%</td>
<td>53%</td>
</tr>
<tr>
<td>Other Channels</td>
<td>41.0%</td>
<td>44%</td>
<td>47%</td>
</tr>
<tr>
<td>Channel 4</td>
<td>39.2%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>IRINN</td>
<td>39.6%</td>
<td>35%</td>
<td>31%</td>
</tr>
<tr>
<td>Channel 5</td>
<td>20.3%</td>
<td>19%</td>
<td>17%</td>
</tr>
<tr>
<td>Amouzesh</td>
<td>15.8%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Iran TGI Database, Sep 2016
MEDIA USAGE PATTERNS ARE DRAMATICALLY CHANGING

Print Media Penetration has 45% declined

Internet Penetration has 189% growth

Source: Iran TGI Database, Sep 2016
YOUNG PEOPLE MEDIA USAGE VS. OLDER PEOPLE

Young people (15-30 years old)

- Use internet **19% more** than average.
- Visit Cinema **29% more** than average.
- Listen to radio **28% less** than average.

Older people (50+ years old)

- Use internet **44% less** than average.
- Visit Cinema **28% less** than average.
- Listen to radio **22% more** than average.

Source: Iran TGI Database, Sep 2016
YOUNG POPULATION TIME SPENDING ON MEDIA IS DIFFERENT

Compared with older people, on a week they spend:

- **1.7 hours** less on watching TV
- **4.5 hours** more on online activities
- **1.5 hours** more on out of home activities
- **36 Minutes** less on reading newspapers
- **2.3 hours** less on listening to radio

Source: Iran TGI Database, Sep 2016
Media usage of Iranian compared with western and Middle Eastern countries

<table>
<thead>
<tr>
<th>Region Countries**</th>
<th>TV</th>
<th>Radio</th>
<th>Print</th>
<th>OOH</th>
<th>Internet</th>
<th>Cinema</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iran</td>
<td>95%</td>
<td>23%</td>
<td>31%</td>
<td>63%</td>
<td>70%</td>
<td>33%</td>
</tr>
<tr>
<td>Western Countries*</td>
<td>95%</td>
<td>81%</td>
<td>80%</td>
<td>75%</td>
<td>94%</td>
<td>62%</td>
</tr>
</tbody>
</table>

** Western Countries: Germany, USA
** Regional Countries: Saudi Arabia, Turkey
*** Regional data is available for Turkey

Source: Iran TGI Database, Sep 2016
Some of Operational Contract terms

• Contract Subject
• Term of contract
• Geographical area of the contract
• The legal status of intellectual property derived from the activity of operators
Organization monopoly on uploaded content

• Prohibition of assignment of the subject matter of the contract
  • The general and partial assignment of the contract under the lease, representation, representation, law of peace, etc., even to individuals and affiliated companies, subsidiaries or specialized caretakers of the contract without written permission of the organization is prohibited.

• Preservation and confidentiality of information and data
  • None of the parties to the agreement without the consent of the other party in no way has the right to disclose or disclose the terms of the contract and its attachments to third parties. The right to exclusive use of the databases and their possessions, or any information that is created or acquired in the course of the execution of the contract, belongs to the Voice and Television Organization.

• The right to terminate and terminate
  • In addition to the conditions leading to the termination of the contract, the organization will have the right to terminate the contract whenever it considers it expedient and within a week after the written notice of the termination of the contract is deemed.
Shima IPTV/OTTs
14th Iran Media Technology Conference

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برای بازی

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www.Tva.ir
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www.iseema.ir
IPTV/OTT Strategic planning in IRIB

• Strategic planning in IRIB will create a dynamic, agile, up-to-date, flexible, and efficient environment for high-quality services in Cyberspace such as IPTV/OTT.

• IRIB will achieve a favorable and comprehensive experience for Iranians.

• The expansion of knowledge-based businesses in the field of media for pursuing economic resilience and increasing Iranians' hope and satisfaction, will be the final conclusion of our efforts in IRIB Interactive TV center.
Conclusions

• In this presentation, the interaction of IRIB organization with IPTV operators was explained.
• The importance, market landscape, trend, and details of IPTV and OTT was reviewed in the worldwide from a statistical point of view
• the vision of Iran IPTV/OTT market and activates was presented based on international reports.
• The current state of IPTV/OTT services in Iran and the main performers of its ecosystem was explained through a brief introduction of the operators from the operational contract point of view.
• By a scientific analysis of the performance of the IPTV/OTT contract parties as well as the challenges occurred during implementation, the future perspective of Iran’s IPTV/OTT services and changes in its ecosystem was discussed.
• Thank you for your Attention & Patience