

Australia and the time machine

HAROLD MITCHELL EXPLAINS WHY ADVERTISERS HAVE NOTHING TO FEAR WHEN IT COMES TO DVRs. ESPECIALLY NOW FTA IS ABOUT TO GET A WHOLE LOT BIGGER.



Australians are soon going to have a good reason to go out and buy a digital video recorder because, over the next 18 months

or so, free TV viewers are going to have a feast of program choice, such as they have never had. Three times the number of free-to-view channels to be precise.

Already, all five networks are experimenting with additional high definition channels and, from 2009, they will be able to add a further standard definition channel. By the end of 2009, there should be 15 free-to-view TV channels with different content being broadcast on each channel. This has the potential to do two things:

1. Combat the current slide of free TV audiences to subscription TV.
2. Rejuvenate interest in free TV as a medium by providing more choice for the Australian viewer.

The pay-off here, of course, will be to grow its audiences by offering the Australian public three times more than they have ever had. A good reason for Australian viewers to celebrate.

Confirmation that the networks are seriously embracing this change came recently: James Warburton revealed OzTAM will be ready to release viewing data for HD channels in the fourth quarter 2008. This also means when the additional SD channels come on stream in 2009, viewing data for these could also be made available to media buyers.

This is a historic change in the Australian media landscape – 15 free-to-view channels by the end of 2009, with complete audience viewing data. Digital TV will have finally arrived.

This, of course, presents a significant financial challenge for the networks and is the primary reason

why all of these developments have been so long in the pipeline.

So what about the time machine? Where does that fit in?

The Digital Video Recorder (DVR or PVR) allows viewers to capture any programs they would like to watch and play back at a time more suitable to them. It puts viewers totally in control of when and what they watch and this, above all else, is what free TV needed to make it truly competitive with subscription TV and the internet in the fragmented digital media age.

We expect as these developments in multi-channelling get underway, Australians will discover

cast accurately is they were too obsessed with the capability of the DVR ad-skipping technology and not with the reason people actually buy a DVR – to find and store the programs they love to watch, at a time of their choosing.

Here are key points from UK research revealed in *Admap* magazine last month:

1. DVR owners overwhelmingly agree they watch more of the programs they love and they feel a stronger sense of engagement with the TV they watch in timeshifted or playback mode.

2. TV viewing of commercial channels increases 13% to 15% as soon as a household gets a DVR.

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this device and adopt it in very large numbers. Already, Foxtel and Austar subscribers are using close to 400,000 "IQ" DVRs, as they are branded.

One of the things that has caused advertisers and advertising agencies concern is that DVR owners have the power to fast forward through advertising breaks. Three years ago the prophets of doom were predicting the death of the 30-second TVC as a result.

But how anyone could get swept away with all this hysteria is beyond me. We have seen so many terminal media predictions over the years, and none have come true.

We are fortunate in that DVRs have already been in use overseas for several years and so we have a good deal of overseas experience to draw on, and the results are far from the predictions of the doomsayers.

The root of their failure to fore-

3. Around 85% of their total viewing is also still of live broadcast TV. Which means timeshifted playback viewing is supplementary.

4. Timeshift viewers fast forward ad breaks around 60% of the time. The net consequence is DVR households watch more TV commercials in normal time than they did before they got a DVR.

The results of this study of UK DVR owners were so overwhelmingly positive they called it a "love story". In short, that means control over what they see makes DVR owners more engaged with all TV content, and engagement leads to more effective advertising – what every advertiser wants.

These new technologies of digital and DVRs are great news for television and promise to keep it alive for many more years to come. <

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