



What is social TV, and where are we now in the development curve? What does it mean for the business models of the current industry and what challenges lie ahead? In a series of articles, **Richard Kastelein**, Founder of **Appmarket.tv** and **Dick Rempt**, CEO of **Talents Media** explore the emerging Social TV phenomenon from different angles. This first article offers a general introduction to the concepts and technologies out there, the forces driving further development, and the challenges ahead to making the TV experience more social

SOCIAL TV

THE VIRTUAL WATERCOOLER?

Social media is here to stay. Media consumption of Facebook, Twitter and Youtube can be measured in hours rather than minutes a day. People under 30 are spending more time sharing content using social media and 59% of Americans surf the Internet and watch TV simultaneously. Brands follow the buzz and have started to flock to emerging convergent formats such as Social TV.

The UK's total 2010 online media budgets are already bigger than those for TV. So it's perfectly understandable that broadcasters and production companies are looking for ways to combine social media and TV to win back the budgets they are losing. In the words of Erik Huggers, BBC director of

Future Media & Technology, Social media has become "...part of the fabric of everyday life. The question is how we, as a broadcaster, work with these services and come up with compelling propositions that make using both even better."

"Social TV is not just about people being social; it's also about devices and even networks being social."
Marie-Jose Montpetit, Invited Scientist at MIT for Social TV

MAKING TV... MORE SOCIAL

This may come as a surprise but TV is not becoming social – because TV already is social and always has been. Yes, we've moved away from the TV as being 'the electronic hearth' – a collective centralised event for the family. TV sets are now peppering the average house – 66% of US

“**The TV app market will be worth over £1bn by 2013 with the availability of over 1bn TV apps downloaded by 2015**”

households have three or more TVs with 250+ channels that make TV a more individual experience.

But despite this fragmentation of consumption, there's still no other mass medium that matches TV as a social experience. Think about the football World Cup, Super Bowl, Britain's got Talent...TV has always been social as it draws people together around experiences they want to share.

But there's a lot more coming and social media will add considerably to the social experience of TV. It's the virtual water cooler, but with instant gratification using social media tactics in the broadcast television industry.

More than 50% of people under 30 regularly watch TV while interacting with a web-connected device. More are sharing their experiences around the TV content

they are watching via web channels. Social TV now is all about social media enhanced TV experience – through single and multiple screens.

MULTIPLE SCREENS

Single and multiple-screen Social TV can enable parallel consumption and interaction with TV content, creating engaging experiences. Like... instead of voting who will win Britain's Got Talent – why not have a voting widget on your Smartphone, iPad or TV and help Fremantle with pre-selection to decide who makes it to TV?

Viewers could make themselves part of the experience early in the production cycle. Think about what impact that would have on media value for advertisers...and the value to brand sponsors – the parallel and single screen reach, measure and support conversion of a highly-targeted audience.

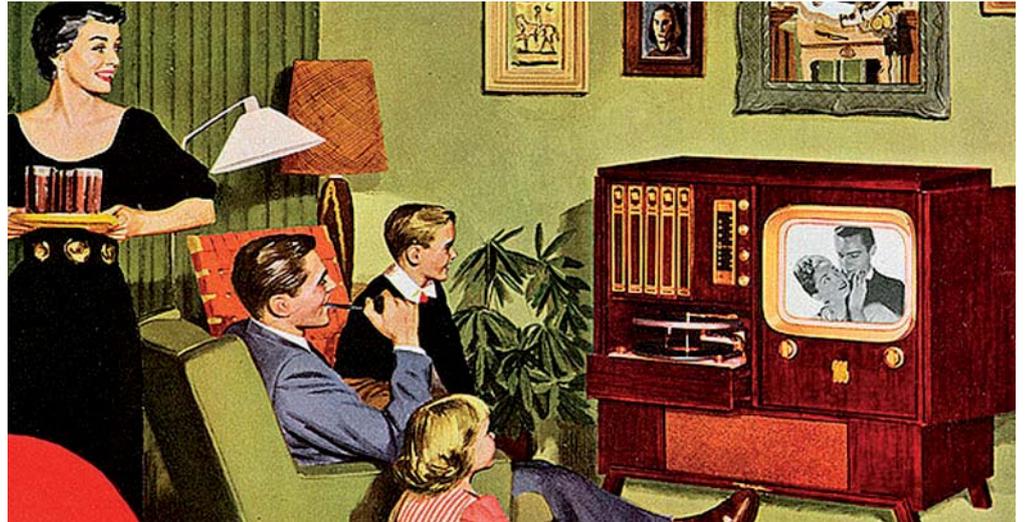
DRIVEN BY WEB, WIDGETS

At the moment, about 25% of US TV sets shipped are web enabled. Convergence is happening now. In the near future, there won't be much of a distinction between web and TV content consumption as web and mobile applications will cross-over to TV to deliver in-screen interaction with content and formats.

Google, Microsoft and Apple are rushing to the scene. CE manufacturers such as Sony, Samsung, Panasonic, and Philips are cutting in. There are over 100 companies globally vying in the IPTV space, and cable, satellite, and traditional broadcast channels are all pushing hard. Web enabled game consoles like Wii and PS3 are shifting. Intel is even having influence.

Industry analysts now estimate the TV app market to be worth over £1 billion by 2013 with the availability of more than one billion TV apps downloaded by 2015.

ITV Live could be an inspiring example. Its two screen solution, introduced shortly before the World Cup in June, gave interaction between soccer fans and parallel consumption of content. The project, led by ITV Live director Dominic Cameron, hit one million users within a week.



THE FUTURE LOOKS BRIGHT...

So the big screen can deliver both a lean-back and lean-in experience. Simply watch alone and watch content with interaction via embedded TV widgets. Or watch with family – everyone with a parallel device for personal interaction. Social gaming is expected to make the transition from Facebook to the big screen. With over 82m people already playing Farmville on Facebook, it will play a role.

"There are four things that need to be addressed on all the screens... TV, Web, Mobile and Tablets: Communication, Entertainment, Commercialisation, and Information."

Simon Miller, CEO of Betfair TV

COMPLEX CHALLENGES

How it'll evolve is not clear. Despite ITV Live's success, there are many challenges – on all levels ranging from technology issues (standards), platforms (Google TV, HbbTV, Canvas, Yahoo TV, etc.), web sites and content (not fit for big screen now), content providers (Hulu, YouTube vs. NBC, RTL etc.), format creators (Endemol, Fremantle, etc.) and the old-school broadcasting industry itself. Two huge points are monetization and intellectual property rights.

Key in driving the convergence forward will be end user preferred experiences and consumption, closely aligned with the brands

“ Social media is the virtual water cooler, with instant gratification ”

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sponsoring these experiences. Only then brands will allocate serious parts of their media budgets to Social TV.

MAKING SOCIAL TV HAPPEN

The new breed of broadcasters, production companies, interactive developers and designers will lead the way and create the brilliant lean-back and lean-in formats needed. Technology will provide the synthesis between the brand sponsors' need for new engagement advertising and the viewers' desire for a mind blowing Social TV experience.

At first glance, industry disruption driven by social media poses a serious threat. And to the players in the broadcasting industry who do not adapt to the new reality of Social TV, it will. They will have to consider taking down some of their fences and invite innovation inwards via using open standards – as Facebook and iPhone have done so well. The key to success may lie more in industry culture than in technology. If the broadcasting industry is able to open up to innovation, Social TV could be a match made in heaven. ■

Following articles in this series

will analyse the impact on the broadcasting ecosystem – what will happen to existing advertising and business models? – and give guidance to the broadcast industry on how to survive or even thrive in the Social TV landscape