European Digital Pay Television Platforms

Market assessment and forecasts to 2006

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screendigest

European overview

Europe: Multichannel TV growth by distribution technology in Western Europe

Subscribers	1996	2001	growth
	000s	000s	%
Cable	38.2	51.1	+34
Pay DTH	5	15.7	+214
Terrestrial	6.2	5.9	-5

Source: Screen Digest

Cable losing ground to satellite

Subscribers	end 1998	June 2002	growth
	000s	000s	%
UK			
Cable	2,826	3,440	+21.7
DTH	3,458	6,101	+76.4
France			
Cable	2,589	3,404	+32.0
DTH	1,838	3,313	+80.3
Scandinavia			
Cable	5,131	5,580	+8.8
DTH	508	1,135	+123.4
Germany			
Cable	18,000	22,300	+23.8
DTH	817	962	+17.0

Source: Screen Digest

Throughout this report, penetration rates are of television households, unless otherwise stated.

The rise and rise of the DTH platform

In 2001 and 2002 the European media industry suffered the double blow of a dire advertising recession and a spectacular financial crisis. However, the restless growth in home penetration of multichannel television marked no pause. In the five years to 2001 pay TV penetration—through cable, satellite and terrestrial platforms—rose 13 percentage points to 46.5 per cent of Western Europe's television homes. In 2002 the increase was more modest, the total approaching 47 per cent. Early indications are that growth should accelerate again in 2003.

Overall, the main market driver in the recent past has been satellite television, the total number of subscribing homes trebling to 15.7m in the five years to 2001. Despite all the bleak media business news headlines in 2002 a further 1.8m subscribers were recruited.

Cable television shows a more contrasted pictures. The industry suffered some of the worst of 2002's corporate failures, when the two leading European cable operators (NTL and UPC) went into receivership. However, it is worth noting that cable also registered a rise in subscribers in 2002—by half a million homes to 52.4m.

New technologies suffered most. Digital terrestrial television has had troubles with its business model and the industry's flagship platform, UK's ITV Digital, went bankrupt in 2002. Video distribution over digital telephone lines has not yet delivered on its proponent promises.

Thus, if a general trend can be identified to underpin this report, it could be that consumer appetite for multichannel televison remains high. The long term rise in penetration has not been undermined by the recession.

