

# **Creating New Opportunities and Revenues with NextGen TV**

**By Perry Priestley – Elenos Group**



**elenos group**  
DEDICATED RELIABLE CREATIVE



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4. Summary and conclusion

# Cord cutting – is it happening?



Mr. Antenna is helping Vegas cut the cord - YouTube

<https://images.app.goo.gl/vFrAQav63Y3swRgA9>

1. “Cord-cutting” more than doubled in 2019
2. Cable and satellite TV operators lost around 5.8 million subscribers (compared with 2.3 million in 2018)
3. In Q4 2019 the top five operators lost 1.5 million subscribers
4. In 2020 so far more than two million customers have cut the cord
5. Cord-cutters have continued to move en masse to services like Netflix and Hulu, as well as newer, more affordable streaming services from Disney, Apple and Amazon prime

# Streaming + OTA – The perfect fit

1. Streaming services like Disney+ aren't likely to make money 'anytime soon,' (Brian Wieser, Group M analyst)
2. At least 5 years before most streaming services break even
3. Netflix already starting to increase prices – now 12.99/Month
4. Disney offering Disney, Hulu and ESPN for \$14.99

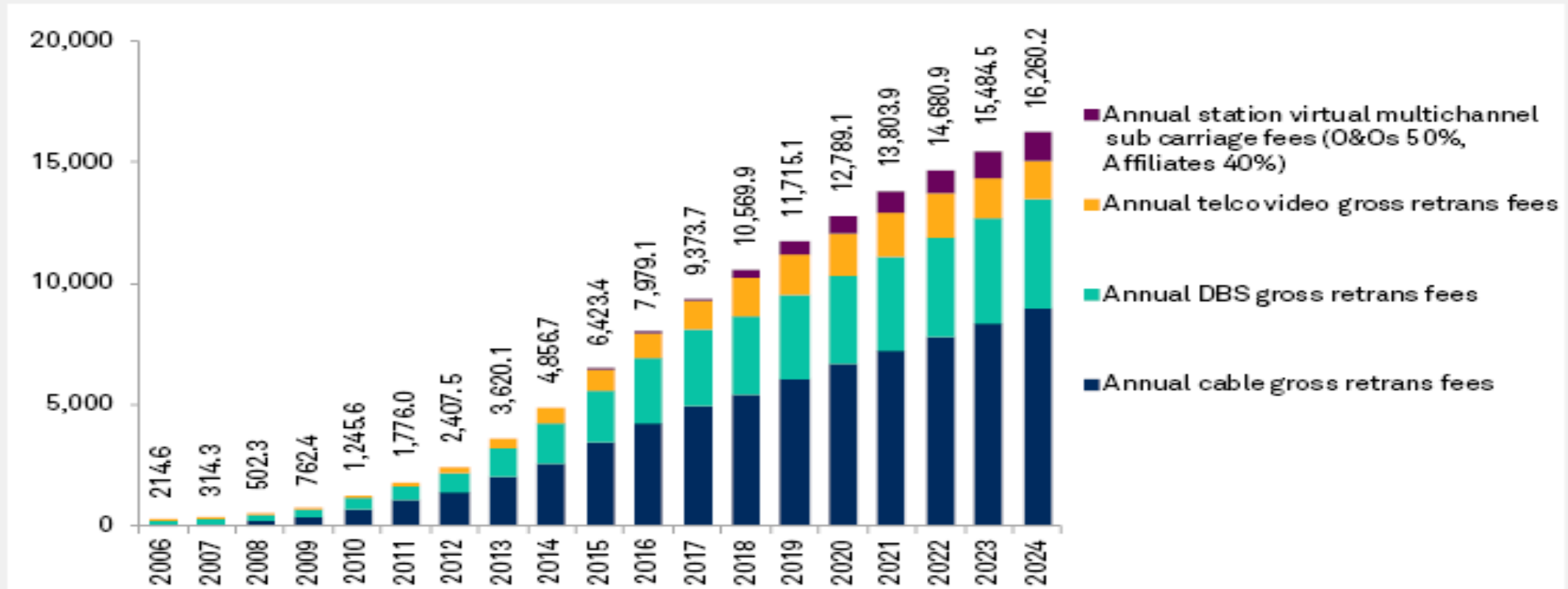
# Challenges – broadcaster perspective

1. Retain market share against new competitors (streaming etc....)
2. Generate more revenue by adding services
3. Better viewer measurements to bring to advertisers
4. Business growth by entering new market segments



# Challenges – viewer perspective

Total broadcast retransmission & virtual sub carriage fees projections, 2006-2024 (\$M)



As of June 2019.

Sources: Industry data; Kagan estimates

Kagan, a media research group within the TMT offering of S&P Global Market Intelligence.

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# Challenges – viewer perspective

1. ATSC – being a single carrier system prone to multipath interference making indoor reception difficult
  - a. “Cable” quality and ease of use is expected – no fading
  - b. Small indoor antennas preferred
  - c. Mobile reception desired
  - d. 4k even in rural areas sought after
2. Broadband services are desired in rural areas
3. Reception of entertainment on different devices; TV, tablet or cell phone
4. More choices of content





# Challenges – More consumers are watching television on mobile devices



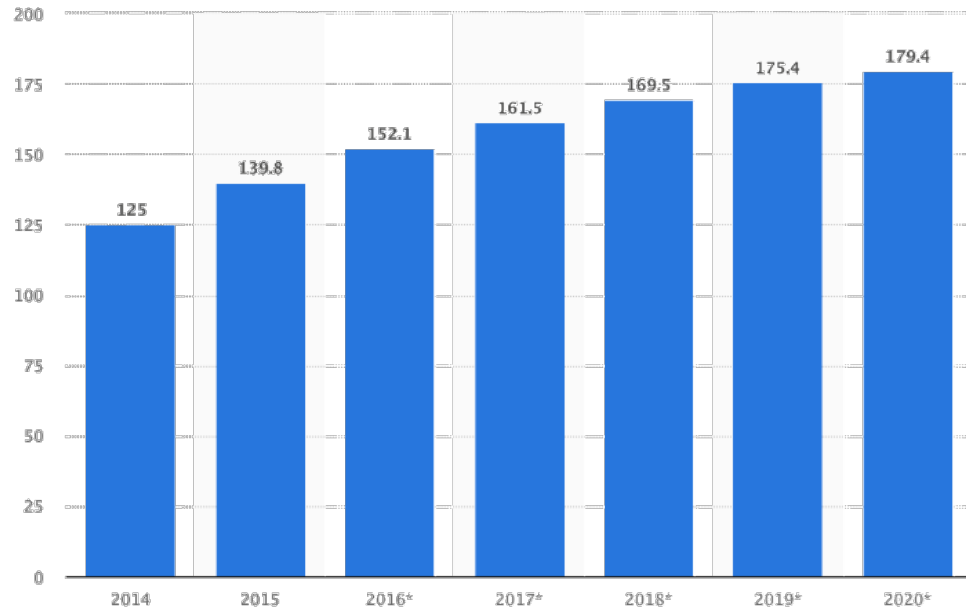
- Better broadband services are desperately needed in rural areas.



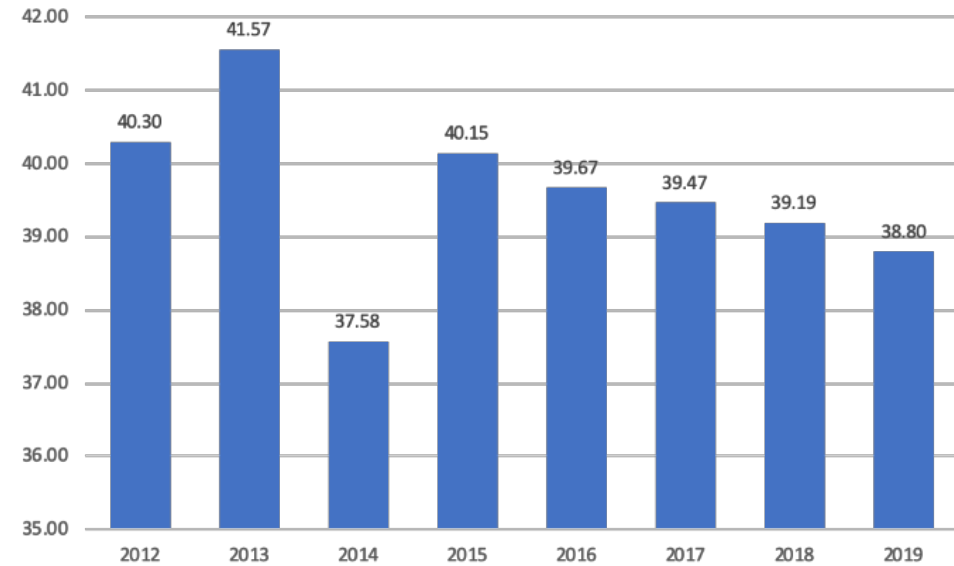
- Existing ATSC standard does not allow for reception on mobile devices

# Challenges – Numbers are showing that mobile phone video viewers in the United States 2014-2020: Expected to grow to more than 175.4M in 2019.

Mobile phone video viewers in millions

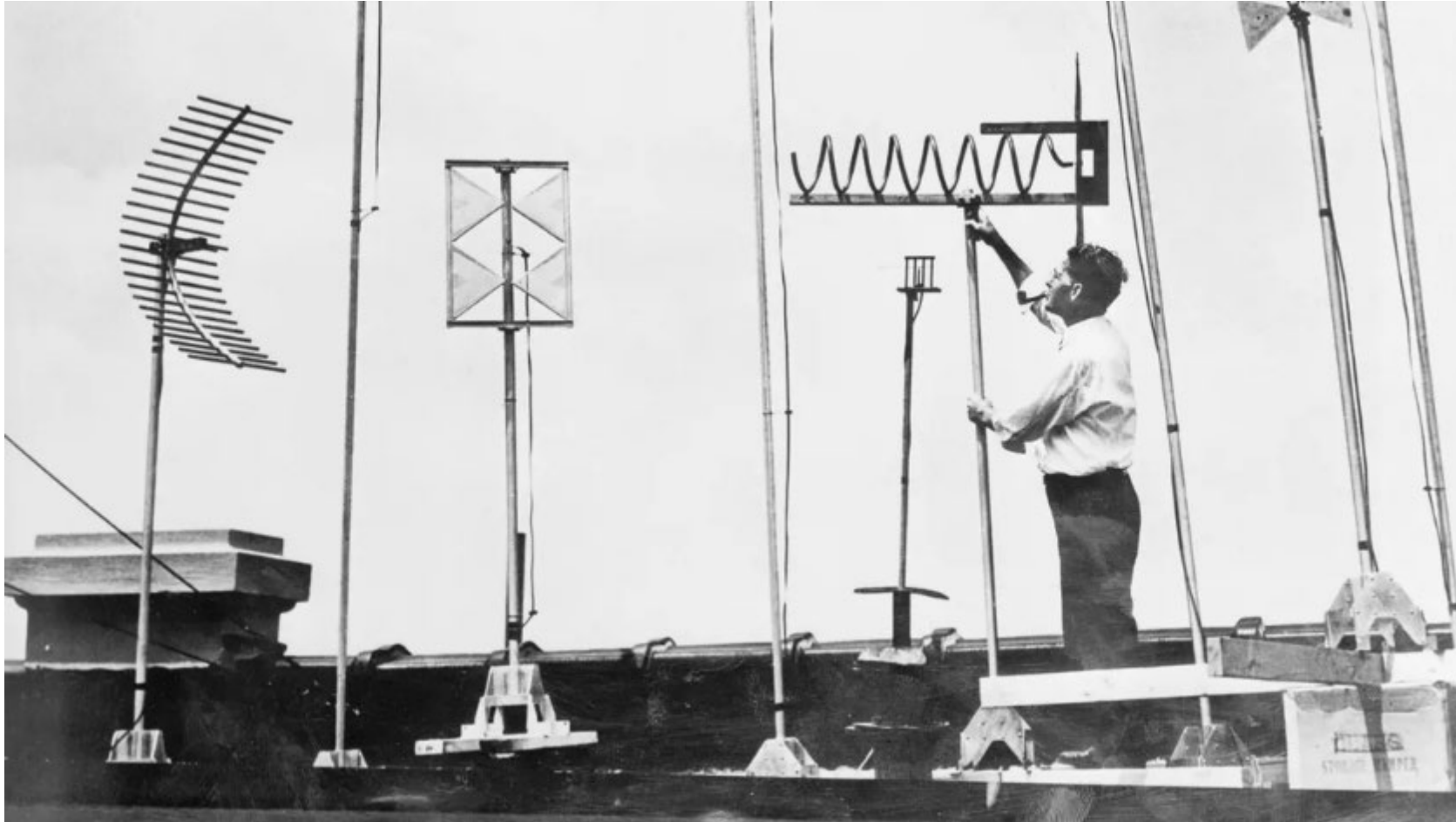


- The mobile phone market is growing at a phenomenal rate



- TV sales are reducing, meaning less people are watching TV

# Challenges – Do I still need antennas at my roof-top for NextGen TV?



**Outdoor TV antennas should not be mandatory to receive a basic TV signal**

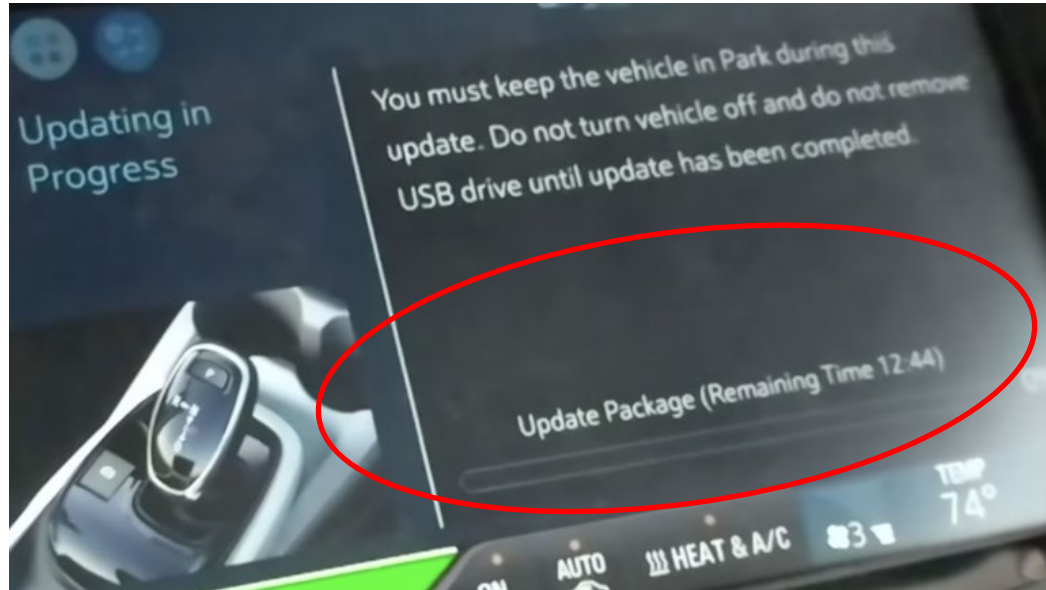
# Challenges – Do I still need antennas at my roof-top for NextGen TV? People are already doing this. What are differences with NextGen TV?



- **Simplicity is key for ubiquitous adoption**



# Challenges – Vehicles are getting smarter now. Will NextGen TV deliver software updates CHEAPER and FASTER?

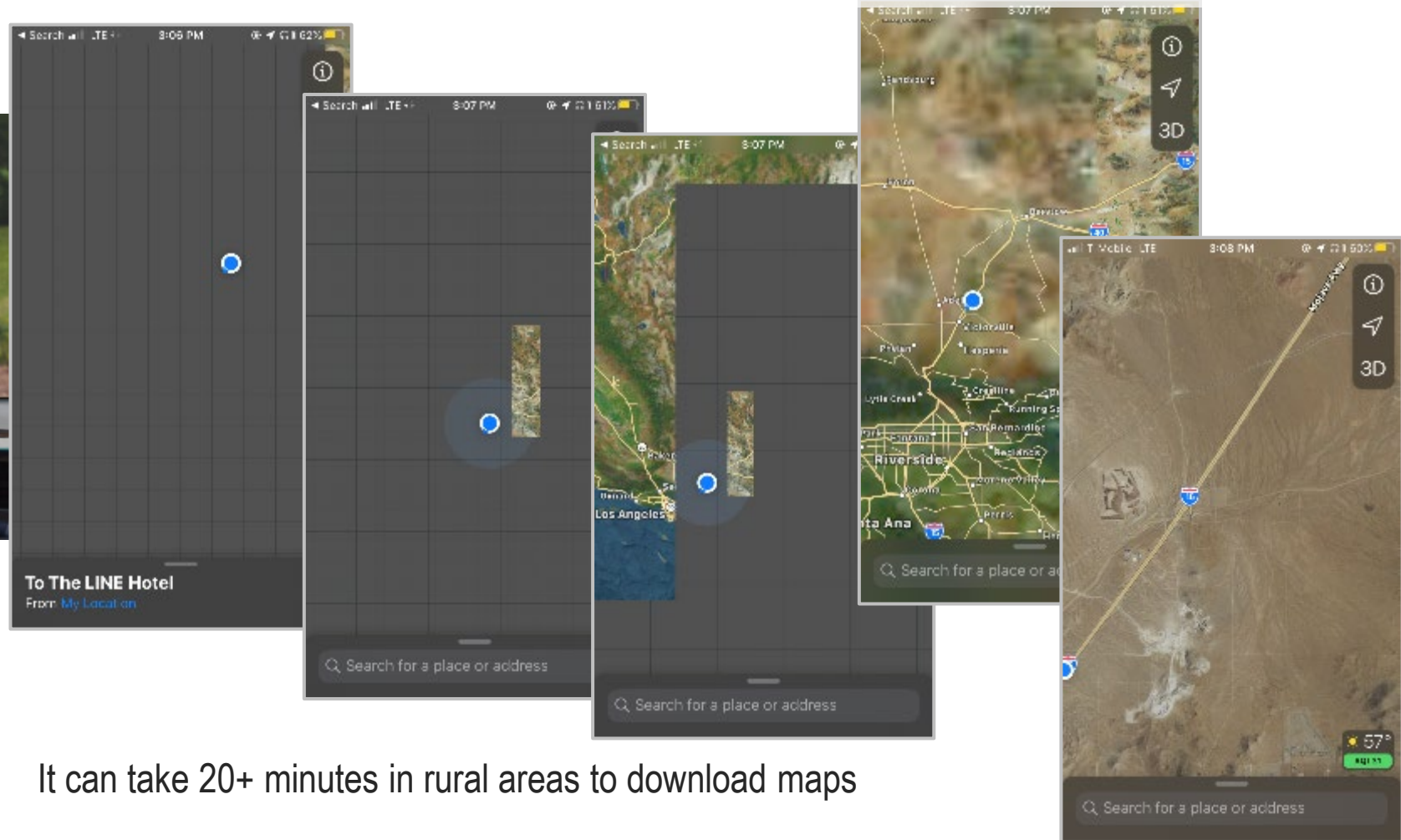


- ATSC cannot reach vehicles – ATSC 3.0 has a whole new customer base



- Delivering software updates with ATSC 3.0 would be simple, and almost failure proof

# Challenges – Slow navigation systems in rural areas



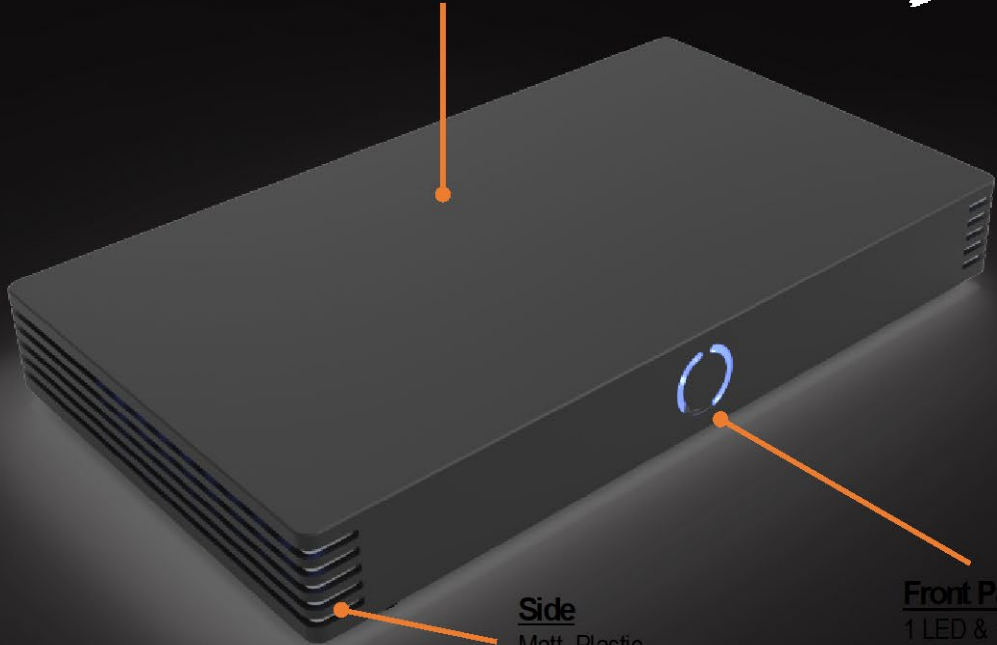
- Almost everyone uses their phones or in car nav-sats for navigation while driving

- It can take 20+ minutes in rural areas to download maps

**ATSC 3.0 can provide additional services in conjunction with broadband suppliers**

# Solution: HomeCaster

Top Cover  
Matt, Plastic



Side  
Matt, Plastic  
Vent Holes

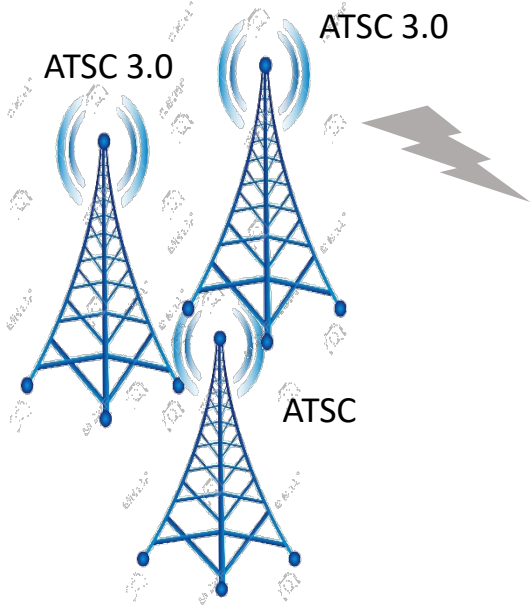
Front Panel  
1 LED & 1 Speaker for Emergency Alert

Size 175 mm x 112 mm x 27 mm

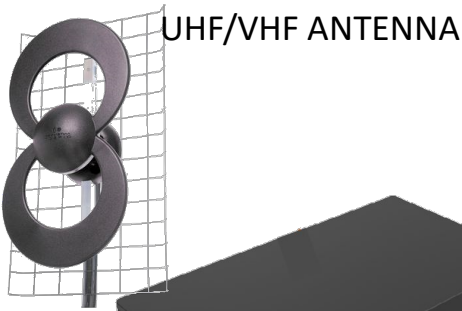


Rear Panel  
1 RF Connector  
1 Power Adapter Jack  
1 RJ-45 for Ethernet  
1 LED for ATSC Reception  
1 USB Type A

# Solution: HomeCaster



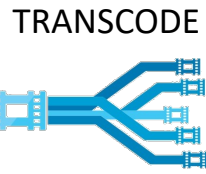
Local TV Stations



UHF/VHF ANTENNA



HOMECASTER



TRANSCODE



ROUTER



WI-FI



HOME DEVICES



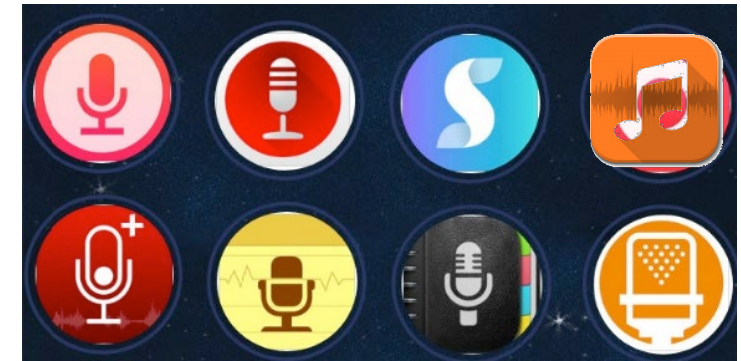
# Revenue Opportunity: “Super” DigiCaster

- In 6MHz : 15 720P or 50 SD channels
- Two stations (example):
  - Free STB / installation
  - 50 SD channels + 15 HD
  - 11.99/Month
  - ROI
    - Payback: <12 months,
    - Revenue: > 12 months
    - \$100,000+ / year
    - 10k subs



# Revenue Opportunity: Audio

- Major satellite providers have up to 800 channels... but can cost up to \$20-50/month
- Most people listen to less than 20 different channels
- An LPTV station via ATSC3.0 can provide up to 100 audio channels – two stations 200 channels!
- Include
  - album ART
  - User experience
  - Additional data, can link to advertising
- Can target not just the home, but in-car entertainment
- Connection can be via HOMECASTER to phone to in-car entertainment



# Revenue Opportunity: NRT

- Adding NRT features (with the appropriate receivers available) will also offer potential financial returns
- Duplicating programming of your network, or even other networks could be done overnight and sent to the Homecaster for viewing at different times.
- Streaming to a hard drive to deliver “on demand movies”
- Your station could also be used as the Scheduler of the content so that people can re-watch content they missed and forgot to download or forgot to set the recording device.



## **Revenue Opportunity: ATSC 3.0 transmission partnership with existing network**

- Offering to partner with a local network, to offer to retransmit their signal on ATSC 3.0 for a monthly fee, allowing them to begin the investment into ATSC 3.0 and be ready when the market has sufficient receivers to move over to ATSC 3.0 with their main channel

# Revenue Opportunity: Advertising

- One of the most difficult issues with LPTV stations is that there is not real record or measurement of who is watching.
  - With ATSC 3.0 that will all change
  - Successful transmission of a Nielsen audience measurement watermark
  - Inaudible signals in a program's audio that helps identify the program for audience measurement purposes
  - completed by NAB/Consumer Technology Association (CTA™)
  - ATSC 3.0 test station located in Cleveland OH.
- 
- But also can be accomplished through delivering Apps to customers and by them signing up (and giving permission), can provide details of where, when and how they watched program content.

# NexGen TV is real

In our ATSC 3.0 experience so far,

1. IP-based new platform where broadcasters can develop differentiations, new businesses and new services
2. In-home reception is better (compared to ATSC, particularly with low bit rate content)
3. New encoding format, HEVC, allows for many more channels per 6 MHz
4. Video, audio and data opportunities are realistic
5. STB's are available for Next Gen TV reception

**Please contact me directly for questions:**

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