

# WHY BROADCASTERS NEED DVB AND DVB NEEDS BROADCASTERS

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DUBLIN – DVB WORLD 2019 CONFERENCE  
11/3/2019

# THE DVB STORY : BORN IN 1993

## A VOLUNTARY PPP



- In 1993 video broadcast industry was finally **preparing to become a global industry**
- Digital technology for the first time opened new horizons to service offers in the order of hundreds of TV channels
- **Without the political filters** linked to national TV terrestrial licensing
- **Inspired by the success of GSM**, the first European collaborative standardization effort supported by a **convergent industrial policy**, a group of experts decided to sit together to define a new family of standards
- **Broadcasters, Network Operators, Manufacturers and Governments** were sitting together and agreeing to the first digital open standard for direct to home delivery via satellite

1991	European Launching Group formed
September 1993	DVB founded with 80 members
November 1993	MPEG-2 (ISO/IEC 13818-2) approved by ISO
December 1993	DVB-S approved (EN 300 421)
1994	DVB registers DVB logo
March 1994	DVB-C approved (EN 300 429)
May 1994	DVB Common Scrambling Algorithm approved
September 1994	DVB approves Conditional Access Package
September 1994	DVB membership reaches 147
November 1994	ITU recommends DVB-S for digital satellite television.
March 1995	DVB-CI specification (Common Interface Specification for Conditional Access and other Digital Video Broadcasting Decoder Applications) (EN 50221)
March 1995	DVB forms Interactive Services Commercial Module to work on interactive services for the first time
December 1995	DVB-T approved (EN 300 744)
April 1996	First DVB-T trial transmissions on air in UK
April 1996	First demonstration of DVB-S interoperability

## WHY WAS DVB SUCCESSFUL?

- **Thanks to DVB-S**, the first global open standard for video content delivery, broadcasters could build new offers controlling the **end-to-end business at zero marginal cost** per additional user, without the need for a direct CAPEX investment (in particular in Europe)
- **Entrepreneurs lined up** to proactively support the DVB Project, urging the standardization of DVB-S
- **Canal Plus, Telepiù and Leo Kirch** launched the first procurement of hundreds of thousands STBs, giving birth to an industry that was quite confidential until that moment
- **Public and Private Broadcasters worked hand in hand for several years** combining short and long term investment to the advantage of the whole industry

**End-to-end  
value control**

**0 Marginal  
Cost per  
additional  
user**

**Continental  
Coverage**

**Public  
and  
Private  
Working  
Together**

# A SOLID DVB PROJECT STRUCTURE... WITH A SOMEHOW FRAGILE BASEMENT...

- The presence of **four active constituencies in the DVB Project guaranteed speedy and sustained growth**, resulting in a global success for the DVB family of standards
- **Standards** defined jointly by public and private broadcasters, network operators and manufacturers were **immediately supported at political and regulatory level** while commercially deployed, despite some... mistakes
- Surprisingly enough, Nokia management , who had the first largest order of DVB STBs, becoming the top reference in the market, only 7 years later, after presenting a revolutionary open source STB, decided to abandon the broadcast market.
- European **industrial policy successes of the 90s**: GSM and DVB were already showing, from the local industrial point of view, the first signs of crisis...



# THE SUICIDE OF THE EUROPEAN INDUSTRY

- After **the 2000s bubble**, the European Telco and CE industry entered a long crisis that is still today negatively impacting European wealth as a whole
- The tangible original sign of this “mistake” can be found in the words of Serge Tchuruk, at the time Alcatel CEO, heralding **a neo-liberal no factories approach**.
- Becoming **pure consumers and not extracting value** from the full value chain of any new product
- European industry not only abandoned local mass production but often was **not capable of driving innovation, controlling design and intellectual property**
- Alcatel and even more Nokia, leader at that time of the cellphone industry, committed industrial suicide
- Good ideas still coming from Europe were not supported any more, not even by industrial policy



# DVB CRISIS AND EMERGENCE OF NEW PLAYERS

- The four European DVB constituencies that worked so well in the 90s were becoming less cohesive
- New Private Broadcasters were collecting the first positive results of their investments in DVB and big players like **Sky and Canal Plus started engaging the winner-takes-all fight**, driving the industry and de facto reducing the degrees of freedom of the industry as a whole
- Manufacturers were busy serving a few big players and started limiting investment in innovation not really sustained by public funds. Industry and politicians had to wait for the 2008 crisis to realize the importance of controlling innovation and de facto our own future!
- The big North American players were in the meantime preparing an invasion of the market, progressively occupying the broadcasters' camp: first **controlling the advertising industry and more recently the VOD industry and more and more the content production industry**

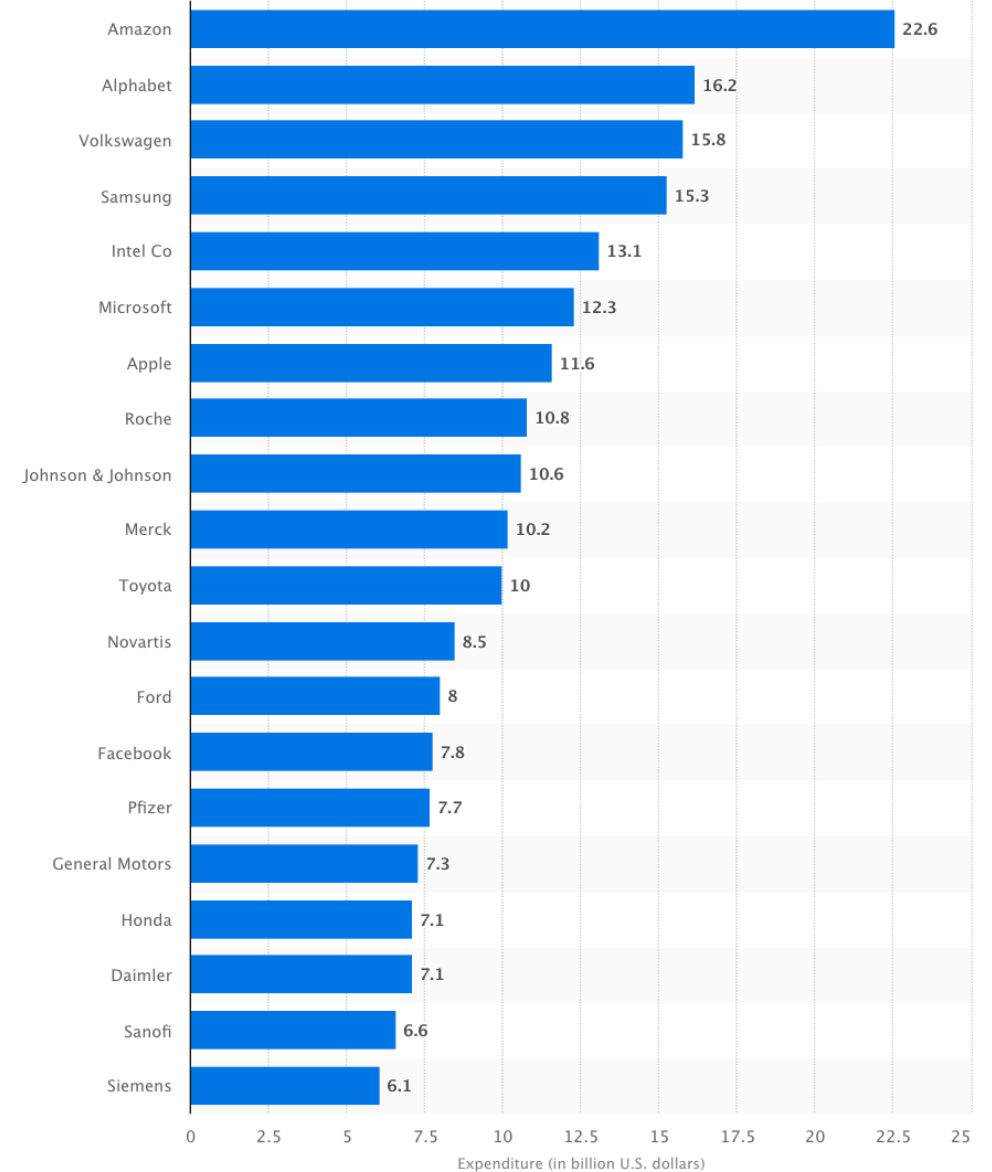
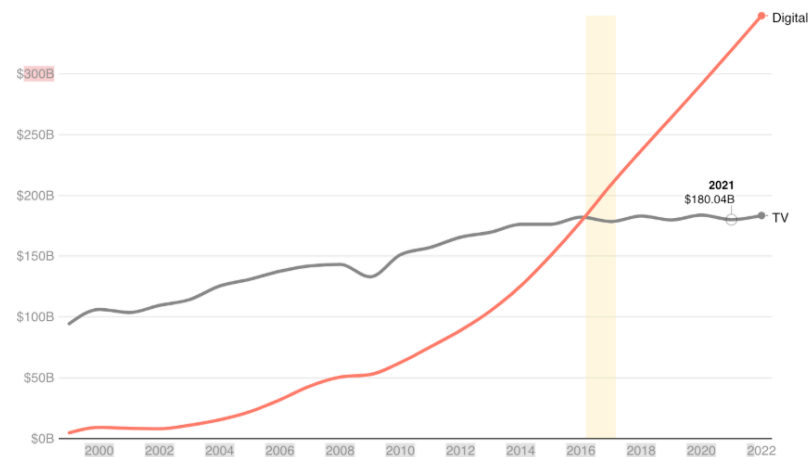


**NETFLIX**

# WE NEED SCALE AND COURAGE!

- The four DVB constituencies that worked so well in the 90s are today less cohesive
- Competition is growing... **The moment to react is NOW!**
- No regrets ...
- Innovating and building ...
- **TOGETHER!!**

Global digital ad spending beat TV for the first time in 2017



# BROADCASTERS NEED TO WORK TOGETHER

- The emergence of giants, from Netflix to Amazon, able to mobilize and fund developments for the short, medium and long term is a measurable fact
- With thousands of dedicated engineers and almost unlimited funds they are able today to produce compelling content representing today **a real and tangible threat to the broadcasting industry**
- It is time **to work together innovating in content production and content delivery**, in new forms of collaboration, joining resources and experience and generating new excellence



**TODAY MORE THAN EVER!**



# BETTING ON INNOVATION AND QUALITY

- **DVB** was one of the **first contributors**, since the mid 90s, to the creation of a **global market for media and communications**
- Today traditional media, public and private, are surrounded by **new global and wealthy players**, leaders in innovation and new related business models
- The western industries that are successfully thriving in today's hypercompetitive market environment are those that have invested in innovation and quality (e.g. car industry)
- **This is the only way forward!**

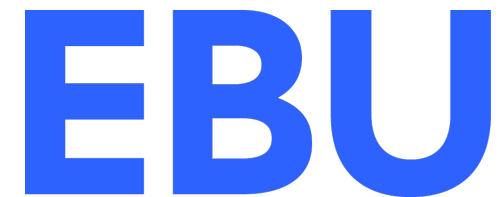


# THE WAY FORWARD (1)

- **Europe is a rich, multicultural and sophisticated** society, our real future for extracting new value is in betting on innovation and quality in content and technology
- **Quality of life** is still today **not comparable, in the positive sense**, to that of many countries leading innovation and market development
- **A new young and multicultural generation**, not shy of a global perspective, needs to be driven to take back the lead in innovation in the western world
- A **Media Literacy & Education programme** should be foreseen to create the experts and citizens capable of appreciating quality in media
- **Public broadcasters** are financed by public funds and are **naturally the ones that can work to help setting the quality and innovation reference in the market**. They are not meant to look for a short term ROI and they can naturally contribute to the continuous construction and evolution of the European Media Industry.

## THE WAY FORWARD (2)

- It is only by **revamping the original DVB spirit**, in working together to create an innovation ecosystem, that we will be able to innovate and bring new quality and value to the market
- EBU members have historically stimulated and proactively supported initiatives like DVB. Today the **EBU, in collaboration with the whole industry, has a unique opportunity to join forces again to innovate and lead new market growth**
- Initiatives around **DVB-I, 5G in broadcasting and media production**, the use of **AI technologies in media** and new IP production technologies, the intelligent delivery of **mainstream content to network edges**, returning to the zero marginal cost effect, are only a few examples

The logo for DVB (Digital Video Broadcasting) is displayed in a bold, blue, sans-serif font. The letters 'D', 'V', and 'B' are interconnected, with the 'V' being particularly prominent. A small registered trademark symbol (®) is located at the top right of the 'B'.The logo for EBU (European Broadcasting Union) is displayed in a bold, blue, sans-serif font. The letters 'E', 'B', and 'U' are spaced out and clearly legible.

## THE WAY FORWARD (3)

- Governments and regulators but also, and most importantly, the **European Commission and other public agencies must tangibly support these efforts** where public and private broadcasters struggle to guarantee a successful future
- **A contribution, finally, proportional to the importance and weight of Media in the daily life of European citizens** is a clear request
- **The Horizon Europe programme should dedicate at least 3% of its development resources** to the support of the European Media industry: this being the public and private industry
- It is only by supporting the **new innovation efforts of public and private broadcasters** that the Media Industry as a whole will be able to propose new compelling content and services from Immersive Media to new AI-powered content able to appeal to European citizens and in fact to any citizen worldwide.

Commission

# THANK YOU!

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**EBU**  
OPERATING EUROVISION AND EURORADIO

