

*Innovative development strategies
in the media industry*

**Innovations
in the Broadcasting Industry**

~ Focusing on the Japanese Broadcasting Industry ~



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Basic Structure of Japanese Broadcasting Industry

1. Terrestrial

a) Commercial Broadcasters (TV 1953-, Radio 1951-)

*127 TV stations : 5 networks(114 stations), 13 independent stations.

*101 Radio stations : 47 AM, 53 FM, 1 SW(Short Wave).

Licensed by each area (prefecture) ,no national stations (except SW)

*Community FM stations (Low power small area FM radio) : 214 stations.

*Advertising based (All broadcasters)

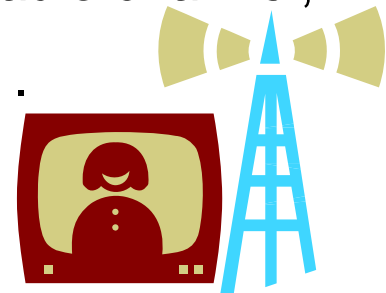
b) Public Service Broadcaster (TV 1953-, Radio 1925-)

*NHK : 2 TV channels, 2 AM radio channels, 1 FM radio channel,

1 SW Radio channel (International service) .

National broadcaster.

*Listening fee based (no advertising)



2.Satelite

a) *Commercial Broadcasters (TV ,Radio 1991-)*

*about 300 TV channels

BS (Broadcasting Satelite) : 8 TV channels,1 Radio channel

CS (Communication Satelite) : about 290 TV channels, 166 Radio channels
approximately 4,200,000 subscribers

b) *Public Service Broadcaster (TV 1987-)*

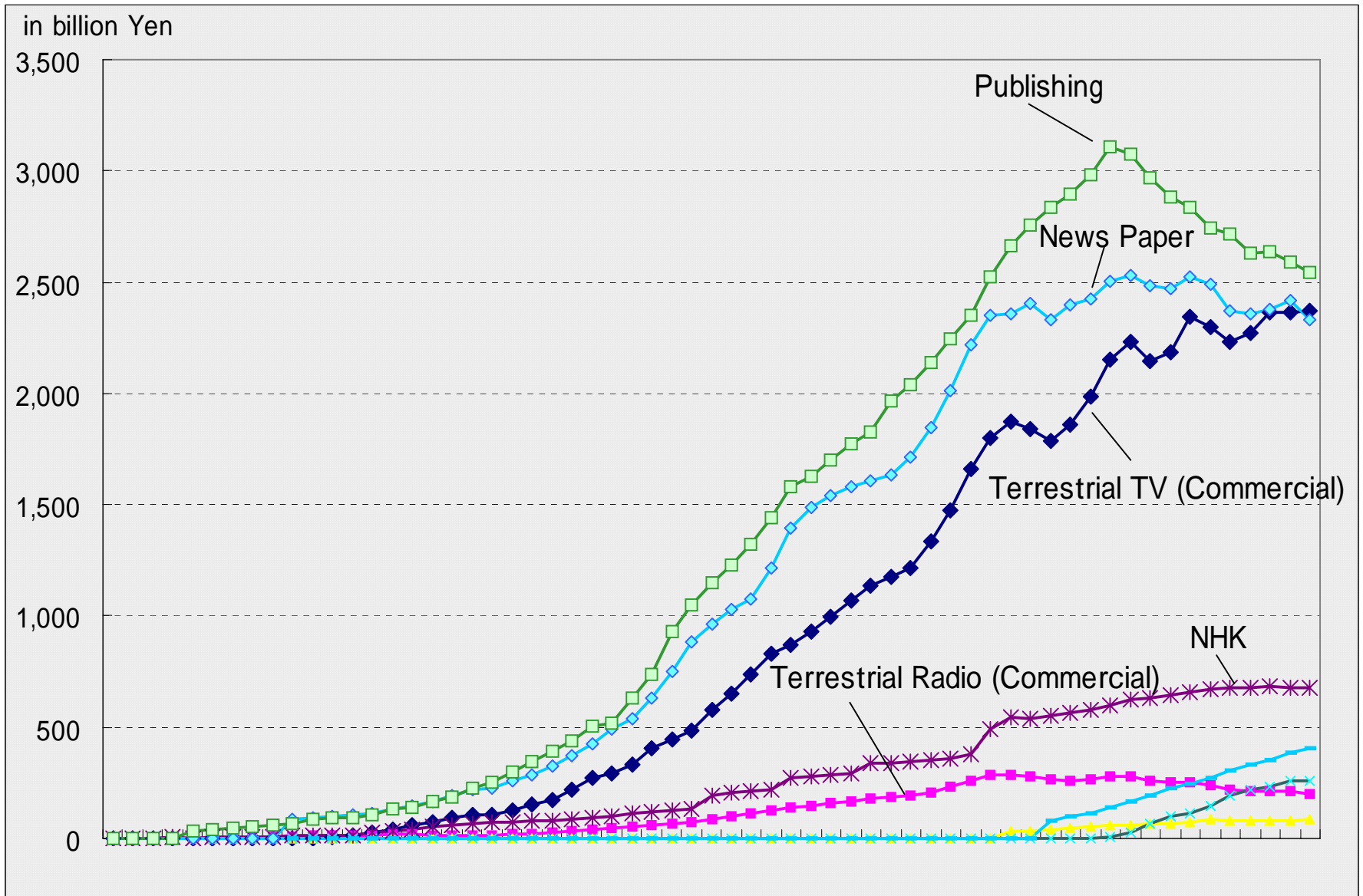
*NHK:3 TV channels(2 SDTV, 1 HDTV) at BS



3.Cable

*654 operators: 20,640,000 households (penetration rate=40.3%: Mar. 2007)

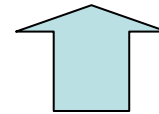
Scale of Japanese Media Industry



Tree Innovations in Broadcasting Industry

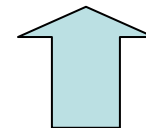
Revenue Model

Business Model Innovation



Programming, Services

Content Innovation



Infrastructure, Production

Technological Innovation

Technological Innovation

- **1901:** Marconi invented “Radio”
- **1920:** KDKA created the first official broadcast in Pittsburgh
- **1928:** W3XK, the first television broadcasting station in US (Washington D.C.) went on air on July 2.
- **1954:** NBC started color television service by NTSC color television standard.
- **1998:** BBC started digital terrestrial television in UK.

The birth of radio communication technology

The creation of “Broadcasting”

The first TV station(?)

The first full-blown color TV service

The first digital terrestrial television

Digital Terrestrial Television in Japan

- Started on Dec.1,2003 (Tokyo,Osaka,Nagoya).
- Date of Analogue switch off: July 24,2011 .
- HDTV (Hi-vision) centric services.
- Mobile TV service is coming into operation in same frequency band.
- Total investment in digitization of terrestrial broadcasting is estimated over 100 billion Yen (only commercial TV stations)



Content Innovation in Japanese TV

- 1953-1959
Sports, Theater play, News, Drama
- 1960-1969
"Wide Show" (television tabloid show),
Music, Animation, American TV drama
- 1970-1979
Satellite Link, ENG
- 1980-1989
Quiz Show ,Comedy Show ("manzai"),
News Show, *SNG*
- 1990-1999
Political Program, "Trendy Drama"(drama series for
younger age)
- 2000-
HDTV, (Variety Show)



Business Model Innovation

- **1920:**
"Commercial Broadcasting Model" was invented by KDKA(?)
- **1949:**
American cable TV operator started subscription services.
The first "Subscription Broadcasting Model" (?)



Ad from the Syracuse Herald, 1924

A High Definition TV

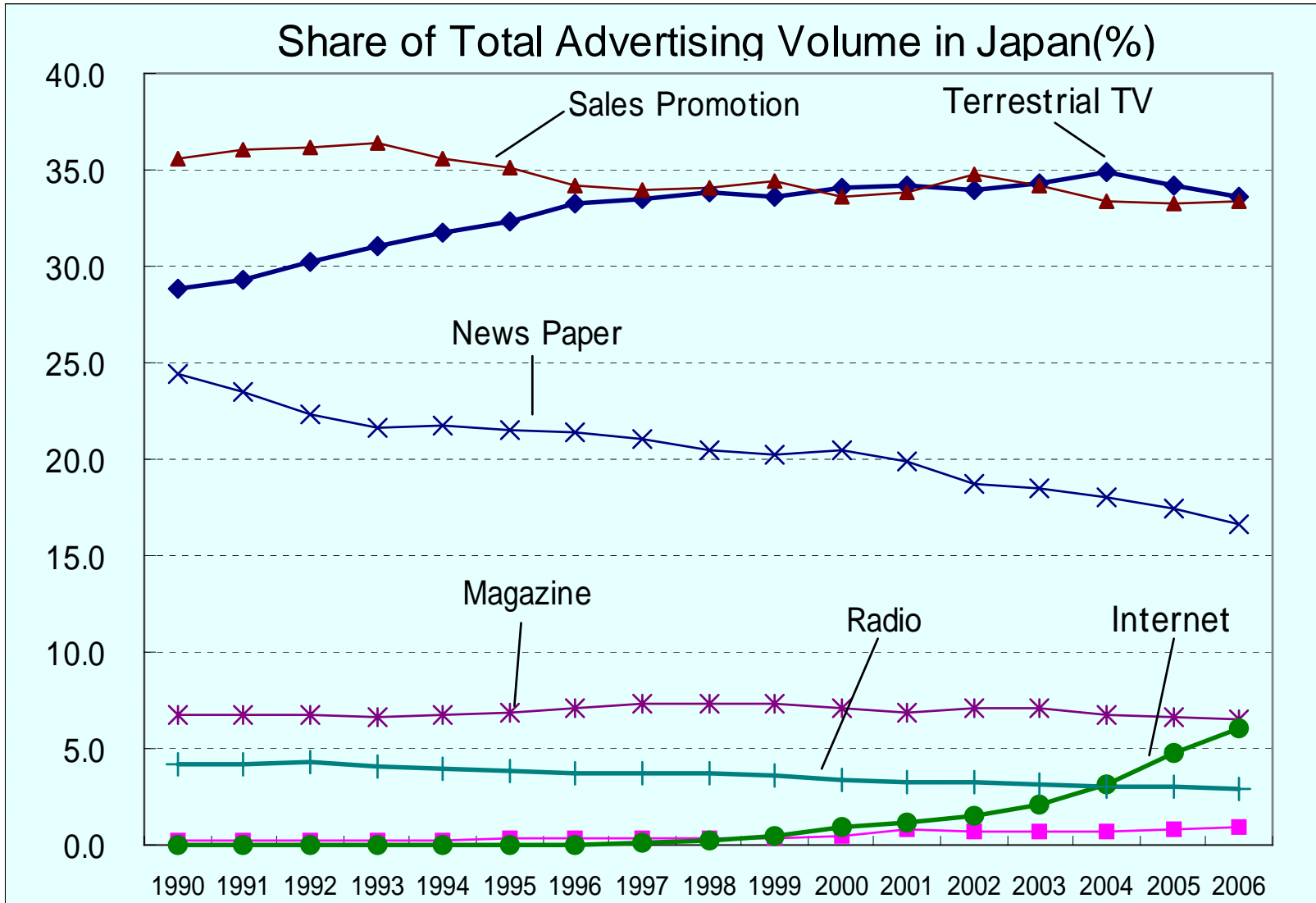


HD Receiver

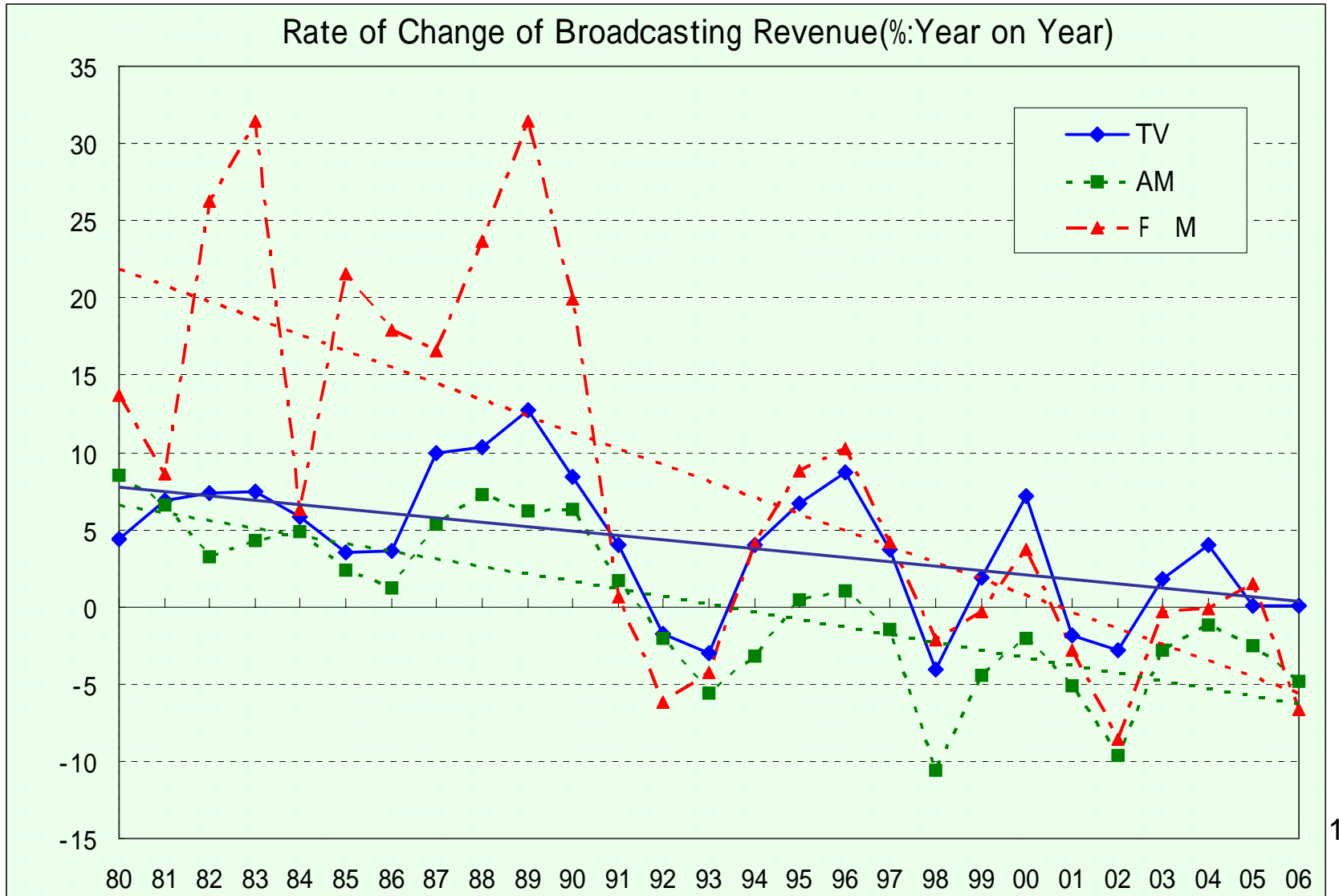


There are only two business models in commercial broadcasting industry !

Limitation of Commercial Revenue

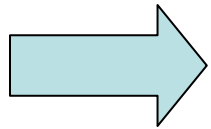


All Japanese Terrestrial Broadcastings seem to be declining.



Commercial Broadcasting Model follows Kondratiev Cycle?

- Commercial TV launched at 1953.
- Commercial revenue started to decline around 2001-2002.



50-year Cycle

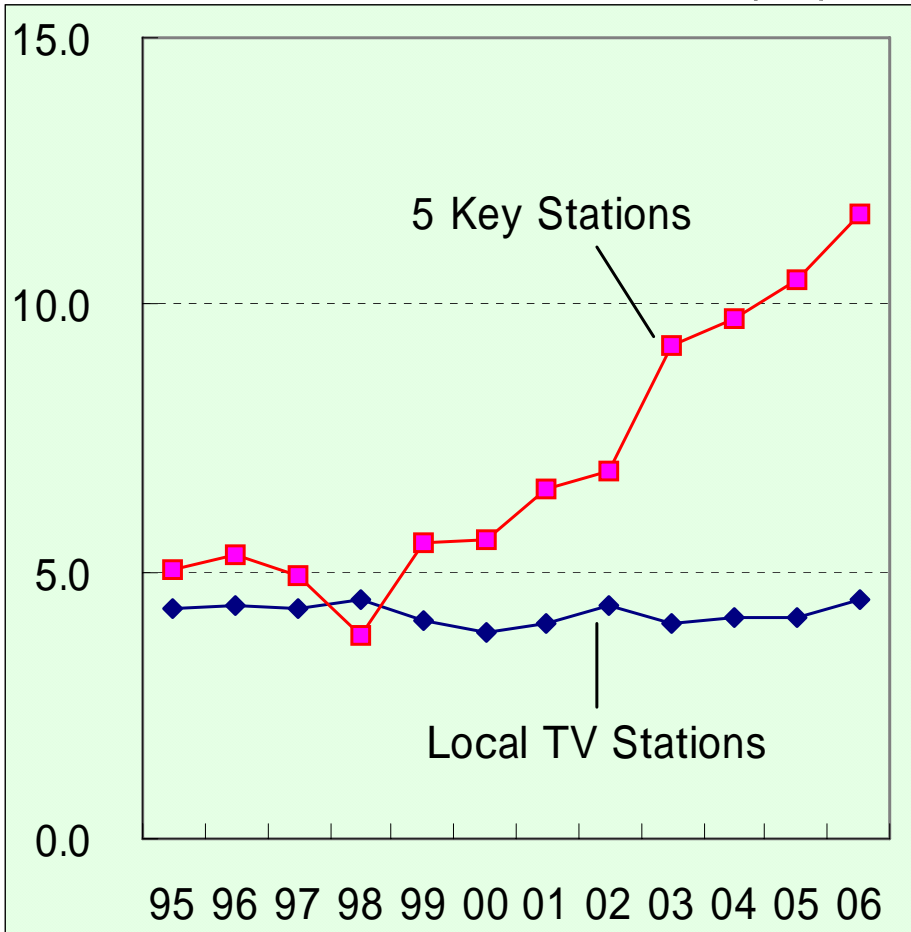
Nikolai Dmitriyevich Kondratiev

1892-1938



Creation of New Broadcasting Business Model

Non-Broadcasting Sales
Share of Total Revenue(%)



Non-Broadcasting Sales consist of Program Sales, Movie, DVD, Merchandising, Event Business, etc..

From
Commercial Broadcasting Model
To
Hybrid Broadcasting Model