

KANGAROO The demise of the planned VoD venture forces broadcasters to reveal new online strategies

ITV and C4 boost online plans

By Emma Barnett

ITV and Channel 4 are responding to the prohibition of the planned video-on-demand venture Kangaroo by lining up new online strategies.

The Competition Commission blocked Kangaroo's launch last week, due to fears it could control the supply of VoD.

ITV plans to exploit its popular TV collection by moving more archived content on to ITV.com. It could also make its online VoD offer available on new platforms – a process known as syndication.

At present, 400 hours of ITV programmes are available on its catch-up service; 400 hours of BBC TV content per week is also available on the catch-up function of the BBC iPlayer.

Meanwhile, Channel 4 is considering introducing targeted advertising on Channel4.com by introducing a user registration function as it too looks to replace revenue it hoped to earn from Kangaroo.

Errol Baran, head of new media advertising sales, Channel 4, said: "We're really disappointed because Kangaroo was such a great opportunity for advertisers and agencies,



EastEnders: popular BBC archive

£45m
estimated total funding
requirement for Kangaroo

(Source: Enders Analysis)

but we will now plough all our energies into our own VoD products – 4oD and catch-up TV."

Jon Gisby, director of future media and technology, Channel 4, added: "Kangaroo only represented a small chunk of revenue in the short to mid-term, but obviously a larger part in the long term. We are

now examining all the options to plug this gap."

An ITV spokesman said: "In the past year, ITV has moved away from providing an archiving service on ITV.com because Kangaroo was coming. Now we are looking at putting more of our old content online and also at all syndication options."

As the only publicly listed company of Kangaroo's three backers, ITV is the only broadcaster whose online targets are in the public domain. But its target of £150m in online revenue by 2012 (previously 2010) "looks particularly exposed", according to Enders Analysis.

Meanwhile, many believe BBC Worldwide still harbours big plans to commercially exploit the BBC's popular archive. BBC Worldwide must still hit a target of increasing online revenue to more than 10% of total revenue by 2012. However, BBC Worldwide said it was too early to reveal its new online plans.

A spokesman added: "Kangaroo was going to complement our content syndication strategy, so we will look again at what we are doing syndication-wise and see how we can make the most of the properties we have."

The implications

- Agencies predict that a wave of overseas-based VoD players, such as Hulu, will seek to enter the UK, following the demise of Kangaroo
- Jimmy Maymann, chief executive of Go Viral, said: "More international players will now move into the market, such as Hulu, as they were scared about the potential power of Kangaroo and will probably try to cut content deals with the likes of ITV and C4."
- Maymann says the move to block Kangaroo was the correct one for the UK VoD market from a commercial perspective, arguing: "Having a dominant player in a field like this is not the best way to have a dynamic marketplace."
- Agencies claim to have been told by ITV and C4 that increased investment will now go in to their respective digital properties.
- Camilla Day, head of VoD at PHD, said: "I have heard from Kangaroo's shareholders that the reserved money will be reinvested, so I don't think the decision will detrimentally effect the UK VoD market – it will just become more broadcaster focused."