

# TVNZ

## “Inspiring On Every Screen”

- TVNZ’s Strategy 2007 - 2011





## FOREWORD

---

In the next five years, New Zealand will watch less television – at least as we know it today. Yet people will demand more television *content* and in ways that were hard to imagine just a few years ago. Video on demand, digital video recorders, mobile television, YouTube, MySpace – whatever it is or may become – New Zealanders have already begun to embrace these new forms of entertainment and connection.

However, some things will not change. TVNZ will remain the most powerful way for New Zealanders to share moments in time. And TVNZ will remain the one media company most capable of leading this nation into the media future, and committed to doing so in a way that delivers the greatest good for the people of New Zealand.

Starting right now, TVNZ will lead a transformation in the television and converged media industry that will affect everyone in New Zealand.

We will champion free digital television in New Zealand. We will champion local content. We will open the vaults to New Zealand's Television Archive for the benefit of coming generations. TVNZ will transcend television to reach our audience across the spectrum of technological advances.

In doing this, we will undoubtedly deepen what it means to be New Zealand's public broadcaster.

From Cape Reinga to Bluff, New Zealanders will see a TVNZ that reflects and inspires this nation, one that delivers greater choice, greater access and greater connection with its audience.

For over 26 years, TVNZ has broadcast the best of New Zealand; there is much, much more to come.

Rick Ellis, CEO



# TVNZ

## A Window Into Our Future



### It's 2011.

In the past 5 years TVNZ has achieved significant cost savings and dramatically improved efficiencies in nearly all aspects of its core operations. We can now commission and produce more programmes across all available platforms and we do this to the delight of our audiences. We have also repositioned our brands to reflect the immense public and commercial value we generate every day. As a result TVNZ remains a commercially strong and confident player in the New Zealand media industry and is recognised, valued and defended as an iconic national institution.

"Audience fragmentation" is not a problem. We have learned how to manage the natural redirection of our audience from our mass-appeal analogue channels to our digital channels on FreeView and other digital media outlets. Each of these offers unique value for our core demographic groups. So, now, for every viewer we lose on our core channels, we pick up new interactions on our digital and emerging mediums to grow our overall audience.

Our new mediums include digital broadcast, broadband and mobile platforms designed to entertain and engage people as communities and individuals. By concentrating on how to engage different people in different ways, we have truly become one with the public. Nearly everyone can find a way to engage with TVNZ in a way that works for them. For example:

Our music brand, Noise, is a hit with girls 15-19 years old and lives on multiple platforms. Our original programming, "Noise," is currently available via FreeView and by subscription video-on-demand on pay tv. The Noise micro-series, "One Minute Chat," is available as a podcast on our web sites [www.Noise.co.nz](http://www.Noise.co.nz), [www.tvnz.co.nz](http://www.tvnz.co.nz), or through any one of our mobile network partners, and there's an entire Podcast lounge available to fans on [www.Noise.co.nz](http://www.Noise.co.nz). CLUB Noise is an online social network that provides Kiwi girls a safe environment to build their own pages, produce their own video for the series "Interactive Noise", and meet others that share a passion for style, fun and New Zealand. A direct line to the TVNZ Archive allows online Noise fans to connect with New Zealand in ways relevant to them (e.g. what happened on my birthday). And in a collaborative effort with key platform partners, our Noise team will launch the Noise Channel on broadband IPTV in early 2012.

Today, TVNZ is more diverse and more fun. Our employees and local production partners know they are part of something very special. We are the company that inspires New Zealanders on every screen with fresh, engaging and informative programming that celebrates this special place we call home. We are TVNZ. We are New Zealand.





# Inspiring On Every Screen – TVNZ’s Strategy 2007 - 2011

## TABLE OF CONTENTS

FOREWORD.....	3
A WINDOW INTO OUR FUTURE .....	5
1 INTRODUCTION .....	9
2 TVNZ STRATEGY PROCESS .....	10
3 CHALLENGES.....	11
4 OUR PLACE IN THE VALUE CHAIN .....	19
5 VISION .....	21
6 STRATEGIC PRIORITIES.....	22



## 1 INTRODUCTION

---

TVNZ has the ability, at its best, to improve and enrich people's lives. We've been hard at work on this for the last 26 years and the range and quality of the public and commercial value TVNZ generates today is unequalled.

Last year we had 39 of the top 40 series<sup>1</sup> on our channels with a great mix of the best new local programming including *Dancing with the Stars*, *Off the Rails* and traditional favourites *Shortland Street* and *Fair Go*. We also brought New Zealand the best from around the world in *Grey's Anatomy*, *Lost* and *Desperate Housewives*. We interacted with New Zealanders online when we streamed the Commonwealth Games live and launched "YourCam" so New Zealanders can upload their own news clips from various regions around the country.

We prioritised events of national importance and extended the coverage of the Maori Queen, Te Arikinui Dame Te Atairangikaahu's funeral, and our international news correspondents were first on the scene in Lebanon and East Timor.

TVNZ continues to be New Zealand's leading broadcaster through initiatives that interact at every level.

However, the need for strategic change is evident as we face an increasingly dynamic and challenging environment marked by economic uncertainty, increased competition and an audience that transcends television.

Key considerations underlying the need for this change include:

- Fewer people will be watching FTA television in the future.
- Consumers want access to content anytime, anywhere.
- Increasing pressure on FTA advertising shares/revenue due to cyclical trends in the marketplace, increased competition and other dynamics.
- Increasing competition for supply, particularly for iconic and mainstream programming.
- Local content costs 6 to 12 times more than international content.
- Increased demand from programme suppliers/producers for multi-platform distribution.
- Greater sophistication in media buying habits from advertisers and sponsors.

We face these challenges with enthusiasm as we embrace our Shareholder's Letter of Expectations and create public and commercial value by distributing content on every viable screen. TVNZ content will be available where and when New Zealanders want it.

We will transform our business to achieve this by implementing a fully digital infrastructure that enables public value through greater reach, viewer engagement, and sustained revenue growth. And via a new culture that generates growth, and encourages innovation and agility, TVNZ will be the most desired company to work for in New Zealand. We will represent to all professionals in digital media, technology and communications that we are the hub of television and converged media in this industry.

TVNZ will secure a definable and sustainable competitive advantage that will maximise value for stakeholders and drive forward our Charter remit and aspirations. We have a clear vision and one TVNZ can pursue from a position of strength.

We are New Zealand's largest cultural institution. TVNZ is New Zealand's public broadcaster and the only media company that demonstrates a wholly unique commitment to national identity and public sphere broadcasting.

<sup>1</sup> AGB Nielsen (Nielsen Media Research) based on ALL 5+ ratings

## 2 TVNZ STRATEGY PROCESS

In developing this strategy, TVNZ adopted an approach that considered the broad range of factors currently influencing our environment.

Areas of research and analysis included:

- Understanding our environment
- Assessing TVNZ
- Understanding New Zealanders

Macro-environmental research was used to understand market trends, technology advances and competitive dynamics. Assessing TVNZ involved extensive and wide-ranging internal consultation and discussions with numerous viewers, stakeholders and included thorough analysis of the shareholders' letter of expectation.

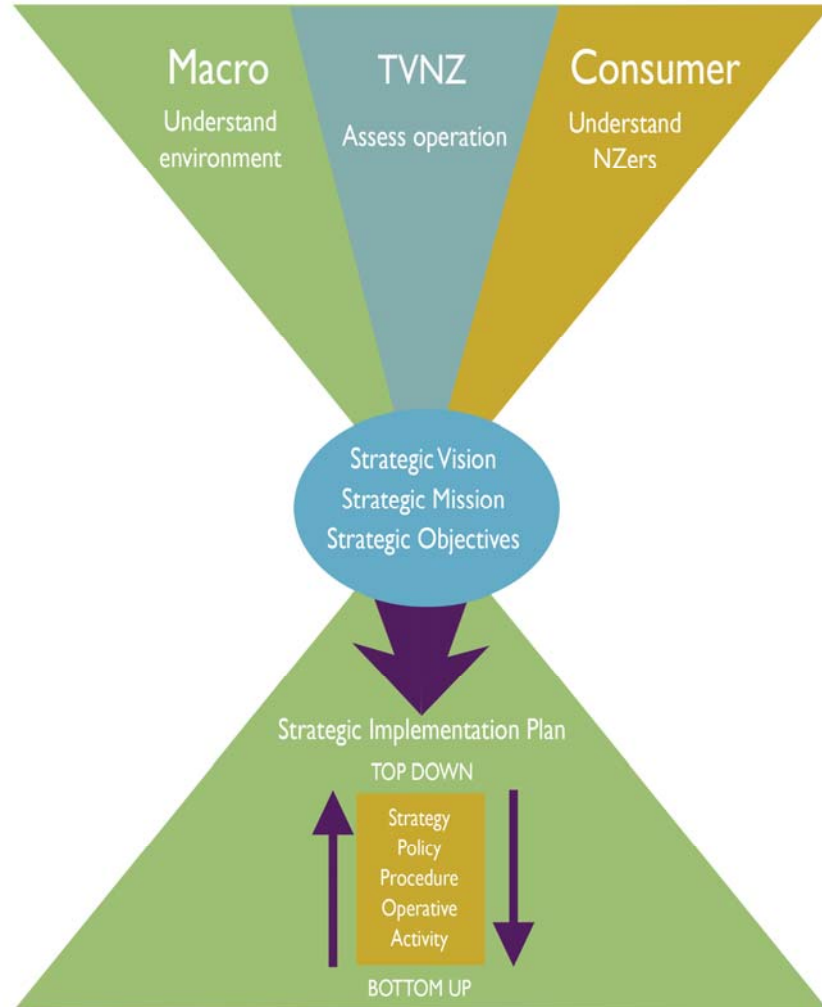
Consumer research helped us to gain a greater appreciation of how New Zealand is changing, through ethnicities, communities

and regions, what public value actually means to New Zealanders and the role that new platforms and technologies play in their lives.

Based on this research, a core strategy team, through consultation with over 60 of TVNZ's best professionals, as well as discussions with key external partners, developed the new vision, mission and key objectives.

We have a strategy – "Inspiring On Every Screen" - that communicates the action required to implement our vision, mission and key objectives. A process is now ongoing to drive the strategy and shape future policy, procedures, operational priorities and activities. Simultaneously, a process has begun and will be ongoing to reconcile, integrate and align present and future work streams, our culture and the organisational design with the new strategy.

The core strategy team has produced a comprehensive and long-term implementation plan that will help transform the business, contribute positive change for the industry, and integrate and accelerate progress towards the key objectives of the strategy.



## 3 CHALLENGES

---

### 3.1 Introduction

The industry is in a state of change as new entrants emerge rapidly from telecommunications and the Internet.

Our audience is fragmenting in response to greater choice and control. Advancements in consumer technologies such as mobile phones and Digital Video Recorders (DVRs) are forging new viewing behaviours and encouraging marketers to spend less money on television advertisements and trial and test new ways of advertising.

Suppliers are also starting to bypass the traditional content aggregators and distributors. International deals with carriers like Vodafone or Alcatel have already impacted distribution opportunities in this market. In addition, a growing number of international suppliers are now selling content directly to consumers. For example, many of the major studios and international distributors are selling content directly and this trend could extend to the local content market.

### 3.2 Strategic options

TVNZ is in a position of strength. We are the only New Zealand television company that demonstrates a commitment to fostering national identity and public sphere broadcasting. The quantity and quality of our local content broadcasts are peerless and we offer the pre-eminent television and online local video content propositions in the market. To ensure that our position of strength continues we have considered three strategic options:

#### 1) Retrenchment

Retrenchment would concentrate the provision of services around a narrow space. This strategy does not align with the future landscape of a multi-channel, multi-platform environment where interaction and integration between various media extends and adds value to content. Ultimately, retrenchment would lead us to public service obscurity on par with the PBS in the United States, SBS in Australia and CBC in Canada, where audience shares are 3%, 5% and 7%, respectively.

#### 2) Attack

The second option is attack. However, attacking the competition through pure might is simply not feasible. Many of our competitors are part of large international media conglomerates with large cash reserves. An attack strategy would also place us at odds with potential distribution partners and media alliances that could otherwise help us grow and diversify our content presence and revenue streams. Even worse, an attack strategy could isolate, if not relegate, local content to a relatively limited space.

#### 3) Co-opetition

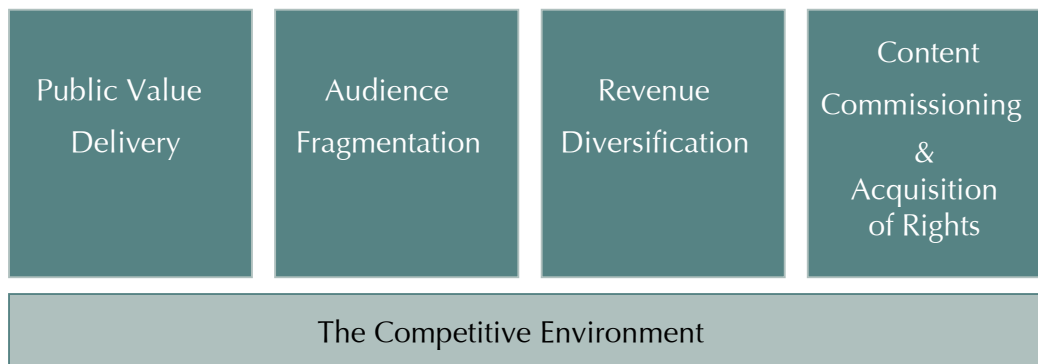
This leaves a strategy of co-opetition. Co-opetition will enable us to cooperate with other media players, including new entrants and traditional rivals, around certain content properties or platforms, while competing in other areas, particularly in relation to channel marketing and securing content supply deals.

A strategy of co-opetition will help us to effectively leverage our local content leadership and develop or strengthen business partnerships. It will also better place us to exploit the convergence of television with online and emerging media, and achieve the operational agility necessary to sustain first mover advantage.

Co-opetition will allow TVNZ to create new value in the B2B and B2C environment and, consequently, underpins the strategy proposed in this document.

### 3.3 Challenges

As we confront the marketplace and pursue this strategy, we face five challenges:



In addressing the first four challenges, we will be confronted by our competitive environment, which includes existing competitors like CanWest and SKY/PRIME as well as new entrants such as Telecom and Vodafone. The constant threat of competition and the rising uncertainty of new entrants in the marketplace is a challenge that intensifies the first four challenges and underpins our strategic response.

### 3.4 Public value delivery

#### 3.4.1 The Challenge

Everyday TVNZ delivers enormous public value to the people of New Zealand in line with our commitment to the Charter, primarily through our core channels, TV ONE and TV2. While TV ONE and TV2 will remain at the core of our Charter delivery for some time, our challenge is to extend our public value on other platforms.

#### 3.4.2 The Opportunity

Over the next 5 years, we will promote national identity and national interests, and enhance public value through a multi-platform presence. We will deepen our relationships with the public – en masse, as discreet communities and, where appropriate and feasible (e.g. online), as unique individuals.

We will do this by:

- Continuing to improve the programming on TV ONE and TV2 in line with our present Charter aspirations.
- Making our local content available on more platforms.
- Implementing a digital infrastructure that will enable greater and more efficient delivery of public value across a broader, multi-platform environment.
- Launching a short to medium term – two new digital channels.

We expect our new FTA digital channels to primarily diversify and broaden the TVNZ public value proposition. As our strategic plan for new digital services states the FTA digital services will enhance public value delivery by:

- Extending public broadcasting delivery beyond the current levels provided by TV ONE and TV2 in order to:
  - Increase accessibility to public broadcasting content
  - Commission, produce and broadcast more original local content

- Apply cross promotion and complementary scheduling across all TVNZ channels, thus increasing visibility and awareness of public broadcasting content.
- Progressively developing viewer response measurements that go beyond the demographic evaluation required by advertisers, and building profiles of viewer groups in order to take account of behaviours, needs and interests.
- Strengthening New Zealanders' sense of national identity.
- Programming new digital channels to maximise the benefit of the expenditure, creativity and viewer loyalty invested in New Zealand-made programmes, and increase flexibility within the schedules to provide viewers with a more comprehensive worldview.
- Encouraging households to switch from analogue to digital reception and thereby achieve the public benefits and commercial transformation arising from a digital society.
- Adopting approaches to technology convergence, audience fragmentation, and the imperatives of commercial competition in a manner that demonstrates best value for money.

### 3.5 Audience fragmentation

#### 3.5.1 The Challenge

The term audience fragmentation describes the dispersion of the total television audience as viewers reallocate their time to different television channels and leisure activities. The main factors that influence audience fragmentation are:

- More channels (driven primarily by a continuous increase in digital television, a phenomenon seen in almost all markets),
- More viewing platforms (e.g. broadband, broadcast and mobile) and delivery options (e.g. downloading, streaming, mobile and broadband broadcasting, time-shifted play, video on demand, pay per view, etc.)
- Competing media and consumer entertainment applications (e.g. games, the Internet, DVD movies, etc.).

Audience fragmentation means viewers are increasingly harder to reach and contributes to erosion in audience share.

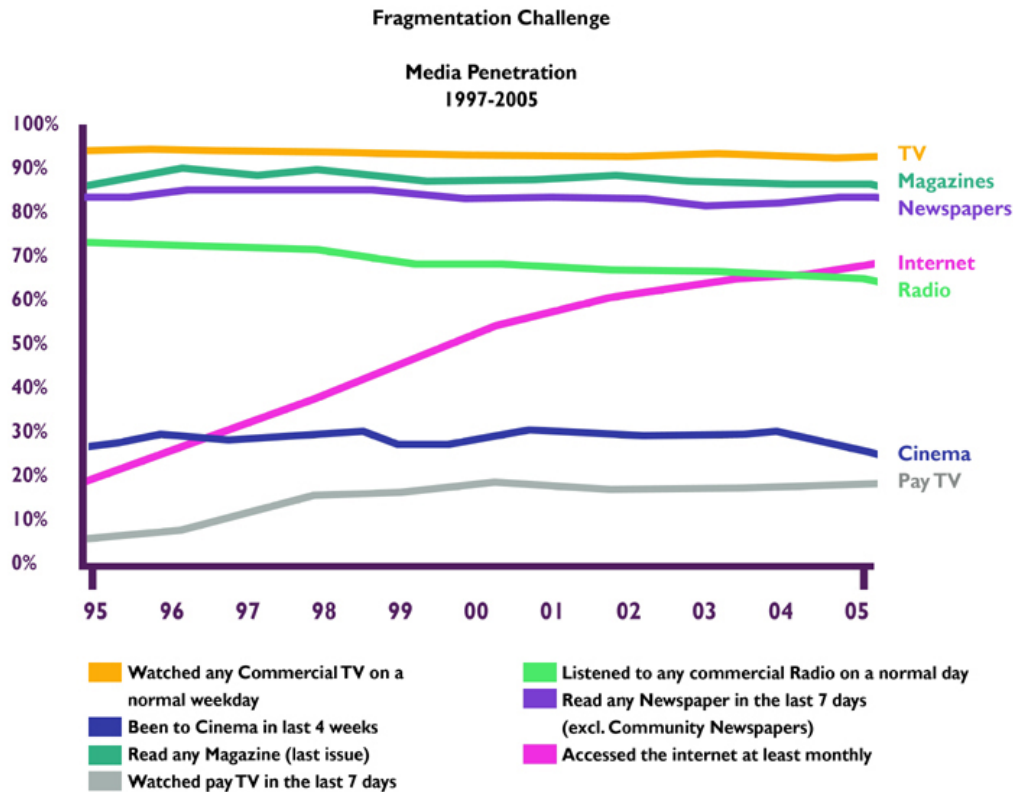
In New Zealand, the main cause of audience fragmentation in television is the proliferation of SKY channels, although changes in technology and viewing habits also fuel audience fragmentation. The audience is seeking – and technology is enabling – greater and more flexible access to programmes and, increasingly, the personalisation of content (e.g. via interactive services, user-generated and shared content, and Digital Video Recorders such as SKY's MY SKY). Viewers are developing non-linear and often sophisticated consumption habits, such as content downloading from the Internet or multi-tasking (i.e. simultaneously watching television and other platforms like the Internet or mobile phones).

As new technologies emerge and mature, it will become harder to reach our mass audiences through traditional means, particularly among the younger demographic. New Zealanders will increasingly source content internationally directly from rights holders, via portal providers and myriad media repositories online, and sites like Bebo<sup>2</sup>, MySpace, YouTube and similar rich media sites will grow in popularity.

The same trends that fuel audience fragmentation also demonstrate a potentially more significant discovery, a new market reality: the audience now participates across the value chain, including content creation, aggregation, distribution and consumption. Piracy, content sharing and audience-generated video and content are just some examples of a growing trend

<sup>2</sup> According to Hitwise (2006), social networking sites (e.g. Bebo/MySpace) attract 5% of NZ Internet visits.

that is changing the industry and which – left unabated – threatens to accelerate the shift from television to new forms of entertainment.



### 3.5.2 The Opportunity

However, in recognising the evolution of consumer media habits, we see an opportunity to adapt. In response, we will transform ourselves from a single medium operation to a multi-media, multi-platform business. Our response will preserve and expand our unique position of content leadership, leverage economies of scale, promote national identity and generate greater appeal among all demographics, in particular the youth.

This will mean increased access to local content across all viable platforms. In doing so, we will aspire to secure a first to market presence where there is an opportunity to connect with the audience in a creative and desired way, or secure a future option to participate through a media alliance or platform partner. We will leverage our relationships with the independent production community and funding bodies to collaborate around expanded local content distribution to new screens (online, on mobile, in-transit, etc.). We will also explore interactive television and other new media opportunities for both local and international content and may do so in partnership with platform providers and media alliances.

In the medium-term, we will address the growing popularity of user-generated content (e.g. YouTube and MySpace) and begin to source more content directly from the public. Eventually, we will even offer all New Zealanders unique opportunities to contribute their own content.

## 3.6 Revenue diversification

### 3.6.1 The Challenge

Moving forward, TVNZ will struggle to maintain its current level of earnings. Firstly, people will not watch as much FTA television in the future. This trend is intractable. As a result, FTA television’s share of total advertising is expected to decline over the next 2-5 years. Secondly, the market will continue to challenge our share of television advertising and, specifically, the commercially-attractive 18-54 demographic range, resulting in slower growth and erosion of the airtime premium.

The reasons for this include the uncertain economy, audience fragmentation and increased fragmentation of media spend. A number of advertising categories currently demonstrate a low or declining share of television advertising. These include automotive, clothing, government departments, household electrical products and travel. Advertisers are also showing signs of fragmenting to other media, such as online, press, radio and in-store media. Nevertheless, the size of all media spending will continue to grow into the long term, driven partially by the growth of new media.

Simultaneously, programming costs will increase significantly over time as competition intensifies over content<sup>3</sup>. From 2007 forward, TVNZ's projected advertising revenues may be unable to keep pace with increasing programme costs and, as a result, the company's EBIT may decline.

### **3.6.2 The Opportunity**

In order to address this challenge, we will:

1) Evolve our current value propositions to marketers and extend our share of total media spend.

We will achieve this by aligning all sales activities behind uniform and broad-based media propositions (i.e. beyond airtime sales) and developing a unique engagement model with agencies, advertisers, sponsors and other media buying companies to ensure our continued prominence.

2) Diversify our earnings base.

This may be achieved by leveraging our existing media assets to move into new business areas, soliciting increased funding from the government in order to maintain the core business, or by pursuing business diversification (i.e. new business opportunities). The ultimate solution lies across all of these options.

TVNZ will also deliver content on new channels and platforms, and, over time, derive new forms of revenue from them, such as licence fees paid by platform partners. This multi-channel, multi-platform approach will enable TVNZ to significantly protect our reach advantage and generate new revenues from either a mass (e.g. time shifted broadcasts, simulcasts, IPTV, etc) or a consumer-based proposition (e.g. TV and video on demand, podcasting, mobisodes).

## **3.7 Content commissioning and acquisition**

### **3.7.1 The Challenge**

In 2005 TVNZ aired 39 of the top 40 television series<sup>4</sup>. However this success belies a growing threat to our business as our traditional content strongholds in news, sport, drama and comedy have been eroded through increased competition for local and international content.

Another significant threat is rights disintermediation or the practice of viewers or rights holders bypassing TVNZ's supplier relationships. This can occur through piracy, direct negotiation between platform providers and rights holders, and direct content sales to consumers (e.g. iTunes).

### **3.7.2 The Opportunity**

If we are to remain the FTA content leader we must identify the content strands that New Zealanders want, collaborate on creative propositions for these strands with local producers, and secure relevant and attractive supply arrangements with international distributors.

<sup>3</sup> There are fewer first-run series and films targeting a mass audience relative to the overall increase in channels, so rights to those first-run series and films are becoming more expensive. Similarly, rights to major sports events have become more expensive in recent years as TV3 and pay television operators, including SKY, attempt to lure audience/subscribers.

<sup>4</sup> AGB Nielsen (Nielsen Media Research) based on ALL 5+ ratings

Our future success will remain largely dependent on whether we have or can acquire the rights to the programme content that will attract and sustain an audience. Our ability to negotiate and secure content rights consistent with our future platforms and delivery systems will be paramount.

### **3.8 The competitive environment**

The market is currently in a state of change as existing competitors evolve their strategies and new entrants emerge. Therefore, challenges and opportunities are best examined in relation to existing competitors and, separately, in relation to new entrants.

#### **3.8.1 Existing competitors**

##### **3.8.1.1 The Challenge**

Our established and largest competitors are majority foreign-owned or influenced CanWest and SKY/Prime.

##### **3.8.1.1.1 Cross media ownership**

Cross media ownership is becoming more widespread. SKY now owns Prime; CanWest owns both television and radio stations; and Fairfax owns newspapers, magazines, and Trademe.co.nz.

These companies are and will continue to utilise cross media ownership to expand audience reach, favourably negotiate programme and content rights and present to advertisers a single point from which to coordinate media campaigns. Cross media ownership is particularly advantageous for pursuing brand and programme extensions or any integrated media proposition. The practice delivers confidence to programme suppliers seeking coordinated exposure across a multi-channel, multi-platform environment, and to agencies and advertisers seeking a broader media and public relations opportunity.

##### **3.8.1.2 The Opportunity**

In response to the threat of competition, TVNZ must adopt strategies to protect and grow our core business as well as cultivate new revenue streams. This begins with a strengthening of our content proposition and encompasses a coordinated, cross-media sales and marketing strategy.

We must evolve our current value propositions to marketers, platform providers, and consumers. We must align all sales activities behind a uniform and broad-based media proposition (i.e. beyond airtime sales). We must evolve how we engage with agencies, advertisers, sponsors and other media buying companies to ensure continued prominence, deliver greater value to its audiences and derive greater commercial support for our Charter objectives.

In the face of growing cross-media ownership, it will become increasingly important for us to develop media alliances and pursue a strategy of co-opetition. At times, we may engage with the competition in marketing or broadcasting partnerships.

#### **3.8.2 New Entrants**

##### **3.8.2.1 The Challenge**

New players in the market will emerge from telcos, ISPs, mobile network providers, and web portals and may be expected to compete aggressively for content. In addition, social networking sites like Bebo, MySpace or a New Zealand entrant will significantly fragment certain audience demographics.

Other potential entrants will include software and hardware providers, particularly in areas of rights ownership, media management, DVRs and consumer devices. For example, Alcatel recently acquired the global online and mobile content rights to America's Cup 2007, thereby influencing our partnership strategy around that sporting event.

In the fixed-line space, Telecom, Vodafone (via ihug) and other ISPs will pursue video services using an on demand model in the first instance (Telecom's VOD service is expected in late 2007), which will require it to offer an inventory similar to DVD rental operations. The success of this group will be constrained by network readiness and the relative success of incumbent SKY.

In the wireless and mobile space, the major players will include Telecom Mobile, Vodafone and CallPlus (a.k.a. Slingshot). CallPlus is investing \$100m over 5 years on a national WiMAX infrastructure (i.e. wireless broadband) in order to utilise its WiMAX spectrum and bypass go-to-market difficulties around fixed line broadband. This may enable CallPlus to offer video services to areas not serviced by fixed line broadband.

Content portals and social networking sites, such as YouTube and MySpace, are attracting a lot of attention with their popularity growing across the world. The number of users turning their attention to these sites suggests that they may in time threaten our content proposition.

Other developments will encourage the audience to break ties with TVNZ's core channels and may demonstrate a potential threat to TVNZ over time. In the past 10 months, the media market in New Zealand has seen a number of new developments demonstrating the growing presence of new entrants, including:

- The announcement of the forthcoming Freeview launch.
- SKY has acquired Prime.
- Vodafone and Telecom have become content aggregators/distributors already trialling video content on mobile phones (TVNZ is supplying news and weather content to Telecom).
- Fairfax has acquired Trademe and is consolidating its stuff.co.nz and trademe.co.nz content.
- The Government's announcement that it will act to allow competitors access to Telecom's local loop has signalled potential growth in broadband penetration and, along with it, an anticipated increase in broadband video services, such as video on demand and television over the Internet.
- Vodafone's purchase of ihug, thereby creating a multi-service competitor for Telecom. This follows similar moves by Vodafone in several European markets and signifies a global trend towards convergence and the delivery of triple/quadruple-play services in the telecom markets.
- Seven Network has entered a joint venture with Yahoo to provide Australians and New Zealanders video sneak peaks, music videos, news and entertainment, including content that overlaps with TVNZ's foreign acquisitions.
- Video iPods and Digital/Personal Video Recorders (D/PVRs) have entered the market.
- Sony's plans to introduce a home media storage and player device using an IP connection to access movie catalogues and technology to enable viewers to "broadcast" from the PC to the television.

### **3.8.2.2 The Opportunity**

Market developments may present significant opportunities for TVNZ to cultivate strategic partnerships, extend reach and engage with viewers in new and meaningful ways. Because all new entrants require content, and TVNZ offers the pre-eminent content proposition to the market, we believe that new entrants present more of an opportunity than a threat. To capitalise on this opportunity we must develop an effective partnership model that defines our market alliances, how we engage, in what areas, and with what priority.

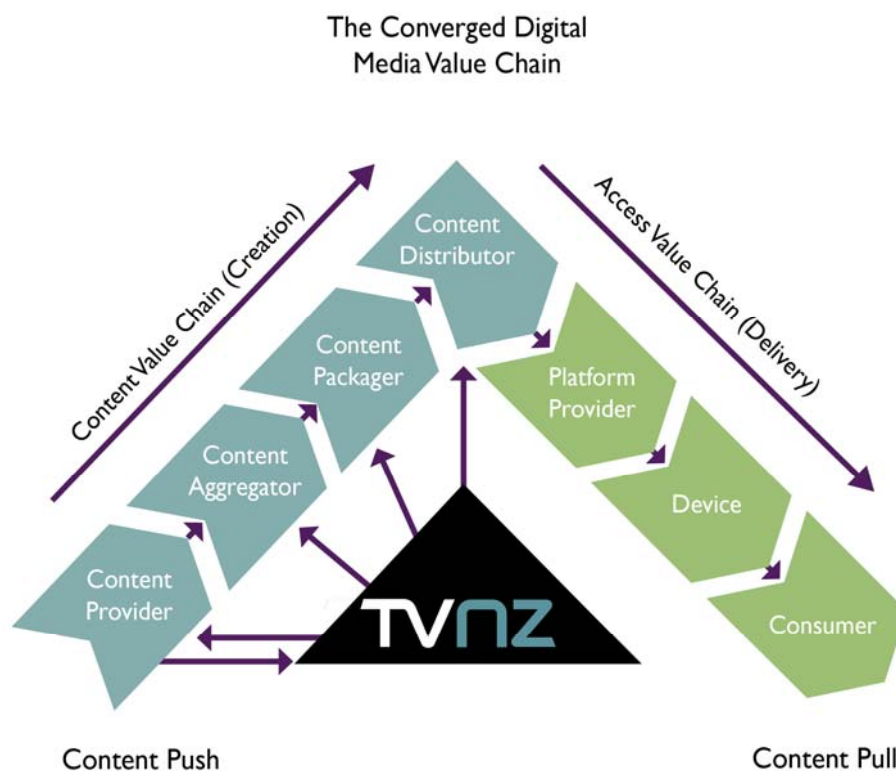
In order to respond to future developments, we must remain a fluid and agile organisation, able to foresee market scenarios, adapt to new opportunities as they emerge and respond to unforeseen developments in a fashion that protects our core and creates new value at the same time. Our financial and operational management must exhibit agility, and, through effective marketing and revenue management, we may achieve a level of public and commercial value that will distinguish us in the marketplace.

## 4 OUR PLACE IN THE VALUE CHAIN

The way in which New Zealanders consume content is changing as we move from analogue push to digital pull. The diagram below depicts a new digital media value chain that outlines this new environment.

The left side of the diagram indicates “content push” where value is driven by content creation, aggregating, packaging and distributing. As the digital era makes it possible for anyone to create and share content, user generated content will drive a proliferation of supply and advertising will be embedded in a variety of new ways. Rights management, security and pre-vetted content packages created for individual ethnicities, communities and regions will become more valuable. Brands will also become even more important as New Zealanders migrate to a selected few trusted content providers across increasingly fragmented channels and platforms.

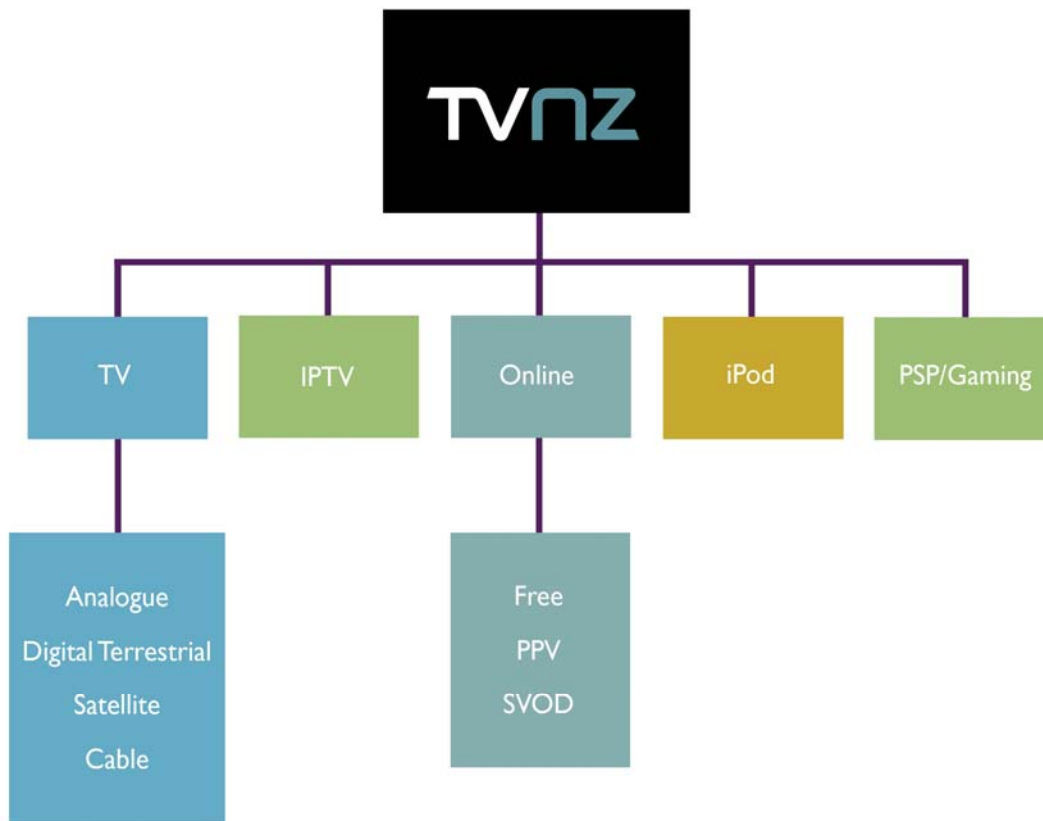
The right hand side indicates “content pull” and will be dominated by platform providers and device manufacturers who are being forced into multi-play offers as they look to allow consumers to access this content anywhere, anytime on demand.



In the future, TVNZ will focus on the left or “content push” side of the value chain. As the market’s premiere local content provider and aggregator, our strongest point of difference is our ability to source and package content for New Zealand consumers. We will initiate a multi-media, multi-platform, and commercially diverse strategy in order to protect our position as the pre-eminent local content provider and aggregator in the market and create a stronger value proposition for rights holders and the local production community.

TVNZ will work closely with the local production community to drive forward creativity and innovation, particularly in the area of commissioning. This will enable us to distribute this content across our multi-channel network, including analogue playout, digital playout and non-linear distribution on new media platforms. In addition to established partners, such as Kordia and FreeView, key platform partners will include telcos, mobile network providers and global media companies.

These partnerships will help us to accelerate access to TVNZ content across valuable platforms and open doors to additional advertising and sponsorship revenues, as well as new revenue models, such as IPTV and video on demand, as illustrated in the following diagram.



The digital media value chain provides us with clear opportunities to create significant public and commercial value through the distribution of TVNZ content where and when New Zealanders want it.

TVNZ's renewed focus on the "content push" side of the digital media value chain is the foundation of our strategy and forms the backdrop for our new vision, mission and strategic priorities:



## Vision

Inspiring New Zealanders on every screen



## Mission

By impressing NZ with fresh, engaging and informative programming, available anywhere and anytime.



The diagram above illustrates our strategic priorities moving forward. Starting from the base, we will **transform our business**. TVNZ will implement a fully digital infrastructure and make our content available across all viable platforms to reach more New Zealanders in more ways.

We will continue to invest in, negotiate and secure valuable local and international content rights, which will then allow us to deliver a multi-platform proposition that will attract and grow our audience, as well as minimise disintermediation. We will have a unique point of difference as the **local content leader**.

Owning the rights to the best local and international content, combined with our ability to distribute content across more platforms will position us as the **preferred partner** for many companies.

Having the best content and partnering with the right companies to ensure access anywhere and at anytime will increase our ability to generate both public and commercial value. TVNZ will be **valued by all New Zealanders as their public broadcaster**.

\* \* \* \*