

### What Is It?

- HDTV - or High Definition Television - is a digital television broadcasting system with a significantly higher resolution than traditional formats. It offers superior picture quality to standard television, with greater clarity, smoother motion, richer and more natural colours and surround sound.

### Current Market

- BSkyB is currently leading the way, with 465,000 homes capable of accessing 7,000 hours of HDTV a month, across 18 HD channels. These include high-definition versions of the Sky Sports channels, Sky One, Sky Arts and others such as Discovery, National Geographic and the History Channel.
- The BBC is also broadcasting a high-definition service. BBC HD is a separate channel with its own listing on electronic programming guides. It currently broadcasts four hours a day on weekdays and six hours a day at weekends, although this is expected to rise over the next couple of years. Over the summer, BBC HD will air the Olympics and Paralympics, Wimbledon, Euro 2008, the Chelsea Flower Show and coverage of the Glastonbury festival.
- Globally, just one-third of homes with an HDTV set are actually receiving HD content, according to Informa Telecoms & Media. However, the commentator expects HD programming to be much more readily available by 2011, with around 70% of HDTV set homes receiving content; equating to 105 million global TV homes.
- The BBC estimates that there are currently 10 million HD-ready sets in use in the UK and the corporation estimates that around 600,000 viewers are actively subscribing to HD services: 465,000 via Sky and 150,000 via Virgin.
- ITV is launching its HD service with live coverage of the Euro 2008 football championships in Austria and Switzerland, initially available to viewers watching on Freesat. In the future, even more of the ITV schedule will appear in HD, including drama, films and some acquisitions.

### Impact On Advertising

- With relatively limited channel choice in the UK currently available for HD programming, there has been minimal activity by advertisers to date. The first HD advert shown in the UK was for Sony Bravia, on 18 October 2006 during the Chelsea vs Barcelona Champions League football game, broadcast on Sky Sports HD 2. Last year, Ford became the first UK advertiser to run an entire multimedia campaign for the Mondeo in high definition.
- As take-up of HD devices and services increases, more advertisers will move into this arena to take full advantage of the new technology and what it can offer. Procrastinators claim that the service will enhance the appeal of TV, leading to increased viewership and advertising.
- Jack Myers US research shows HDTV viewers to be much more attentive and responsive to advertising. Paying significantly more attention to advertising, HDTV viewers are also more likely to consider advertising to be a recommendation.

### Going Forward

- HDTV may finally be on the brink of mass market acceptance, according to Informa. While just 4% of global homes will actively watch HD programming by the end of 2008, this equates to nearly 44 million active HD households, up from 19 million households by the end of 2007.
- By 2012, Informa forecasts there will be 179 million active HD homes (16% of all TV households), more than 4 times the number expected by the end of this year.
- Penetration of active HD homes is set to vary considerably from country to country. Canada and the US are expected to reach over 70% penetration by 2012, with Japan at 58%. By 2012, Informa predicts that the US will have 82.5 million active HD homes and Canada will contribute a further 9.4 million homes.
- France will boast the highest number of active HD homes in Europe by 2012, fuelled largely by the positive attitude to HD of its FTA broadcasters and digital platforms. UK HDTV adoption is expected to reach 7.4 million active HD homes by 2012.
- 82 million European households will be HD-ready by 2010 (48% of all TV homes). However, since HD-ready households also require an HD-capable set-top box, just 17 million (10% of all TV households) will actually be watching HDTV broadcasts, according to Screen Digest.
- Ofcom has finally laid out its proposals for bringing free-to-air high definition channels to an upgraded Freeview platform. In certain regions, three high definition channels could appear on Freeview as soon as next year, with up to four available in all areas after the digital switchover is complete in 2012.
- BBC aims to be broadcasting fully in HD by 2010, subject to the terms of its new charter.

**Top 10 countries by active HDTV households in 2012**

Country	Active HD homes (000s)
<b>USA</b>	82,534
<b>Japan</b>	27,084
<b>Canada</b>	9,441
<b>China</b>	8,367
<b>Korea</b>	8,035
<b>France</b>	7,657
<b>UK</b>	7,351
<b>Italy</b>	4,644
<b>Germany</b>	3,838
<b>India</b>	2,092

Source: Informa Telecoms & Media, April 2008