

Digital television policies in Greece

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A SHORT VIEW OF THE GREEK TV LANDSCAPE

Greece is a small European country, located on the southern region of the Balkan Peninsula, in the south-eastern part of Europe. The total area of the country is 132,000 km², while its population is of 11.5 million inhabitants. Most of the population, about 4 million, is concentrated in the wider metropolitan area of the capital, Athens. This extreme concentration is one of the side effects of the centralized character of the modern Greek state, alongside the unplanned urbanization caused by the industrialization of the country since the 1960s. Unlike other European countries, almost all Greeks (about 98 per cent of the population) speak the same language, Greek, as mother tongue, and share the same religion, the Greek Orthodox. Greece has joined the EU (then it was called the European Economic Community) in the 1st of January, 1981. It is also a member of the Eurozone since 2001. Until 2007 (when Bulgaria and Romania joined the EU), Greece was the only member-state of the EU in its neighborhood region.

Central control and inadequate planning is a “symptom” of the modern Greek state that has seriously “infected” not only urbanization, but other sectors of the Greek economy and industry as well, like for instance, the media. The media sector in Greece is characterized by an excess in supply over demand. In effect, it appears to be a kind of tradition in Greece, since there are more newspapers, more TV channels, more magazines and more radio stations than such a small market can support (Papathanassopoulos 2001).

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It is certainly no coincidence that both radio and television, the two major electronic media of the 20th century, made their first steps under the strong-iron fist of authoritarian dictatorships. Radio was founded in 1938, when the whole country was under the control of the Fascist-like dictatorial regime of Ioannis Metaxas, while television first started broadcasting in February 1966, roughly a year before a coup d'état executed by a bunch of colonels has sunk the country into darkness for seven years (1967-1974).

The public service broadcaster, ERT, served the purpose of a propaganda outlet for the military regime for almost the entirety of its first decade of life. But the government's tight grip continued even after the fall of the "junta" in 1974, as the ruling party of that time had the legitimacy (according to the Greek Constitution of 1975) to appoint all seats at the Board of Administrators (BoA) of ERT. The monopolization of broadcasting by ERT, alongside the complete control of the flow of information from the airwaves by the ruling party, led to an ever growing resentment from a part of the political system, the media professionals, academics and eventually the public. During the late eighties, the Public Service Broadcaster has lost, in the eyes of public opinion, its legitimacy as a trusted provider of free and unbiased information, a situation that led, after a series of blows, to the deregulation of the Greek television system. The deregulation of the state broadcasting monopoly in the late 1980s has led to a radical transformation of the whole media sector. In fact, the Greek newspapers faced the biggest challenge in their history: increasing competition from electronic media and the need to harness the publishing tools offered by new technologies. For newspapers, these challenges required the reconsideration of traditional publishing goals and marketing strategies.

The Greek market is very rich in magazine titles, with more than 900 popular and special interest titles. However, there are about 50 consumer magazines - mostly monthlies - of real importance. The financial crisis and the subsequent decline in advertising revenues, related with a sharp decline in sales, have led many magazines to suspend circulation. The best period of the magazine sector, especially life style magazines, was between 1995-2004, which witnessed a big explosion of new titles and advertising revenues. Since then, the Greek magazine sector has entered a period of re-shaping in terms of titles and publishers, in order to cope to the new and highly

competitive media environment, especially with the development of broadband internet. The broadcasting sector has undergone a spectacular change: from a broadcasting environment with two public TV channels and four public radio stations, in the early 1990s, it has been led to an overloaded environment comprising 160 private TV channels and 1200 private radio stations broadcasting into an overcrowded landscape. In addition, Greece has undergone a broadcasting commercialization, adopting a market-led approach, resulting in even more channels, more advertising, more domestic productions and more programme imports, as well as more politics.

The deregulation of the broadcasting system gave a substantial contribution to a situation which was quite eloquently described as “the Greek analogue television chaos”. Some of the consequences of this chaos were to be felt decades after the end of the state monopoly, and in the process of full digital migration. One of the most serious consequences was the lack of available frequencies. During the first decade of deregulation, it was quite a rule for commercial TV channels, mostly local ones, to “occupy” a free analogue frequency in their area (usually a frequency not used by any other channel, either public or commercial), on the basis of a rather defying “first call, first served” principle. The situation was quite similar to the one experienced in Italy after 1976, when local channels quadrupled practically “overnight”, creating what was called “the Far West of frequencies”. This bullying behaviour practically sealed the entrance to new market players, as there were no available frequencies to launch a new channel. On top of that, political clientelism and favouritism with the local political elite resulted in the rather *bizarre* situation where those “occupiers” paid no fee or licence costs for the use of those frequencies! The political system quickly understood that “freezing” this lawless situation from the part of TV stations would concur to their benefit: they denied them the full legitimacy that a proper licensing regime would have established, as it is always tempting from the point of view of politicians to ‘hold hostage’ the broadcasting system. It is emblematic of the “intertwined” conjunctions between political and media systems that, even in 2011, (22 years since the first commercial station started broadcasting) no permanent licences have been issued and all channels rely on temporary permits.

Many experts believe that digital transition will have a beneficial impact on Greek TV landscape. Many of the misdeeds and “irregularities” of the past will be

magically erased, and the new digital environment will constitute a modernization of the system, fully incorporating it with the European mainframe. However, even if someone can take for granted the existence of a strong political will to end the mess and put in place a modern legal framework, the recent downturn of the Greek economy and the severe financial crisis, which is looming upon Greece, will certainly take their toll in terms of forestalling any serious movements in that direction. This paper will try to discuss the development of digital television in Greece. The main focus will be to trace the initial stages and roll-out of different digital platforms for delivering audiovisual content (terrestrial, satellite, IPTV, mobile etc.), government policies and strategies (whenever such actually exist), as well as to present, in a clear and synoptic form, the players, the economics and the politics associated with this new digital era for the television medium. Satellite was the first platform that transmitted digital signals to the Greek TV households, and this will be our starting point as well.

DIGITAL SATELLITE TV

Satellite TV in Greece, as in the majority of countries, started as an analogue television service. From the beginning, the television offer was based on a subscription business model (Pay-TV). Satellite broadcasting started in 1994, when Greek Authorities gave their permission for the operation of Filmnet, the country's first pay-TV channel, owned by Multichoice/ Netmed Hellas, and member of the South-African based Naspers Group of companies. The initial analogue offer comprised three thematic channels (the first one was Filmnet, with a programme menu filled with mostly American movies and TV series; the second one was Filmnet Sport, covering all major sports, but primarily football; and the third channel was targeting kids and families, with a programme menu filled with kids TV series and cartoons). Multichoice/Netmed Hellas adopted and implemented an aggressive marketing policy, by acquiring TV rights of football and basketball games, and premier films. Those practices helped the company to "survive" in an environment rather "hostile" to Pay TV like the one in Greece, and by the end of 2000, the number of subscribers had reached 290.000.

Since international environment was in favour of the development of digital television, the company decided to enter the digital age, without abandoning, however, its utilizing frequencies leased from ERT, the Public Service Broadcaster. In effect, the history of Greek satellite digital television (and of digital television as well) starts in March 1998, when Multichoice/ Netmed Hellas announced its intentions to 'go ahead' with its own digital platform, called Nova. This announcement caused anxiety and furore within some circles around the socialist government of those days. The reason is that PASOK, the ruling party, wanted to "secure" the digital future of two major state-controlled companies, the incumbent telecoms operator OTE, and the public service broadcaster ERT. In that framework, the government was openly in favour of a single satellite platform, in which all the interested parties, both private and public, could participate, and therefore announced that it would pass a new law on both Pay and digital TV services. In effect, after pressures by the shareholders of Multichoice Hellas (Netmed NV, Teletypos), the government presented to the Parliament its proposals, in June 1998. As expected, they became law in October 1998 (see also Iosifides 2001). The new law on "the provision of subscription of broadcasting services and related regulations", the so-called law 2644 of 1998 (Government Gazette 1998), attempted to cover all aspects of subscribing broadcasting services, not only of satellite but also of any other Pay television service.

Exactly as the law had predicted, soon after its passing the involved parties expressed their interest to cooperate on a single, joint digital platform, considering that the Greek market was too small for competitive digital ventures. Not willing to lose any more time, Multichoice/ Netmed Hellas moved swiftly, and at the end of December 1998, applied for a license at the Ministry of Press and Media, and at the National Broadcasting Council, the audiovisual regulatory authority (NBC). After the application, all interested parties (mostly commercial FTA TV stations) started negotiations concerning the percentages each one would hold on the digital satellite platform, Nova. One of the thorniest issues of these negotiations was the current net value of the company that would own and manage the satellite platform and the Pay TV services. Investment banks (such as the Lehman Brothers and Merrill Lynch) were hired in order to provide a much needed evaluation. Negotiations were tough and lengthy, all the interested parties could not reach an agreement at the end of the day.

The events that followed the break-up of negotiations gave a serious boost to Multichoice/ Netmed Hellas plans. First of all, on May 20th, 1999, the NBC decided to award a broadcasting license to Multichoice/ Netmed Hellas. The company reacted immediately, announcing the start of digital satellite television services. In fact, on December 16th, 1999, Nova officially started its operation, by securing three transponders on Eutelsat's Hot Birds Satellites 2, 3 and 4, respectively, all of them located at 13 degrees East. The company also signed a 15-year contract with the Greek state which allowed the former to offer Pay TV and related services (Pay-per-View, tele-votting, tele-betting, interactive games etc.) to its Greek subscribers.

The 15-year contract was the first which the Greek state signed with Multichoice/ Netmed Hellas. It entailed the payment of 0.5 percent of the company's gross annual profits, a value to be adjusted every two years, and 45.000 Euros per day. The service started by providing a wide variety of Greek and international channels, as well as interactive services. Through NOVA, the viewers were able to see more than 300 foreign satellite channels and listen to local and international radio stations.

Nova wanted to profit from the fact that it was the only Pay-TV service in the country, and its price policy was streamlined according to the goal of breaking-even in the shortest period possible. This led to prices that were considered to be very high for the medium income earned at the time by a Greek family, and furthermore Nova's offer in the market comprised only one package (no diversification according to the major needs of the subscriber, that is, a basic package, a package for football fans, a package for film lovers, etc.).

Nova's monopoly did not last for long. The NBC awarded a licence for the provision of Pay TV services via a digital satellite to a second company, Interactive S.A., member of the Intersat Group, led by businessman Mr. George Batatoudis, only a year after Nova's (2000). That same year, a third digital satellite TV venture, led by the telecommunications organisation OTE, by the public broadcaster ERT and by Alpha Digital Synthesis S.A., a subsidiary of private TV station Alpha TV, announced their aim to offer their services to the audience.

Although many believed that this new venture had the (hidden) backing of the socialist government, because of the participation of OTE and ERT, the three partners could not reach an agreement, and their cooperation plans collapsed. Commercial TV

station Alpha TV decided to get along with this new venture even if they couldn't count on the support of the two public companies (OTE & ERT). So, one and a half years later, Alpha TV announced their plans to enter the digital television landscape with their platform, Alpha Digital. The second digital satellite platform in the Greek TV landscape started broadcasting on October 29th, 2001. The company was a joint venture of Mr. Efstathios Tsotsoros (35%) and Greek businessman Dimitris Kontominas (60%), through his companies Interamerican Hellenic Life Ins. Co. (insurance, 20%), Intertek International Technologies (20%) and Alpha Communications Network (19.4%), and others. There were also negotiations for the participation of an American company, but details were never published. According to a press interview, the company had invested 31 billion drachmas (€89.6 million) for the whole operation.

Alpha Digital's satellite bouquet consisted of 17 thematic TV channels and radio stations. It also transmitted more than 100 FTA channels and 50 radio stations, and had already signed contracts with some of the most popular football teams in Greece, in order to broadcast their home games under exclusive rights. Alpha Digital decided to subsidize the purchase of the set-top box, in order to boost their subscriptions, but selecting a different Conditional Access system from the one used by Nova. The consequence of this business choice was that the two set-top boxes (Nova's and Alpha Digital's) were incompatible, because different access cards could not be inserted in the card-slot of different devices, thus denying the possibility for multiple access cards to be inserted in the card-slot of the subsidized devices. Therefore, someone who wanted to watch both packages was obliged to have two different set-top boxes at home. The cost of Alpha Digital's reception equipment, as well as the monthly subscription fee, was higher than that of Nova's. Regardless of the fact that there were voices arguing that the Greek broadcasting market was too small to sustain competing digital platforms operating incompatible decoding technologies, Alpha Digital considered that subscription television was at its childhood in Greece. They seemed to believe that the prospects were favourable and that the market would create a vast business opportunity during the following years of realisation of convergence, and that there was room for a second operator in the market.

The main dilemma that Alpha Digital was facing was akin also to Nova, whose budget sheets were still on the red mark, after more than seven years of operation:

namely how to attract the largest number of subscribers with the lowest possible cost of acquisition of prime content. For Greek households, and above all for the male audience which both platforms were vowing to attract, prime time could only mean one thing: football, and especially Greek League football. Alpha Digital then had to offer its services to subscribers at reasonable prices, considering that pay-TV in Greece was too expensive, while at the same time trying to keep their budget as tight as it could be. The problem with this strategy was that most of the football clubs of Greece's major League had already signed multi-annual contracts with Nova. Alpha Digital's only alternative was to offer much higher contracts to the clubs, and thus 10 out of 18 of them broke their previous contract with Multichoice/ Netmed Hellas.

The result of this was a "war" between the two digital platforms, and the Greek football league became one of the most expensive programmes in European television. But this war led to an impasse, if not a fiasco. After a year of intense competition, especially on football TV rights, Alpha Digital, with only 35.000 subscribers, announced on September 9th, 2002, the suspension of their operation due to failure in keeping up with its financial obligations. Alpha Digital's collapse brought about the woes inflicted upon football by television rights problems that affected other European countries as well. Since digital pay-TV entered the Greek television universe, it was frequently remarked that the domestic market, due to its size and peculiarities, was not in a comfortable position to sustain two competitive digital platforms (Papathanassopoulos, 2006; 2002). In fact, the eagerness of interested companies and businesses parties in introducing digital TV services led them to ignore both the size of the Greek market and Greek consumers' behaviour. It was also proven in practice that the Greek market is too small for competing digital pay-TV ventures. As a result, no economies of scale were created and the final cost was passed on to the consumer, while the market actually did not expand with the arrival of the second platform. After the demise of Alpha Digital, Nova was left as with the sole Pay TV platform for the following four years (until 2006, when Vivodi launched the first IPTV service in Greece) but this headway did not materialize into inflated revenues from disillusioned subscribers that returned to Nova after being left stranded by the Alpha Digital wreckage. Today, almost a decade after Alpha Digital's collapse, Nova's subscribers have reached 380.000, a meagre 20% above the number which the platform had

attained in 2001. But, as the tide turns, Nova is about to face a rather formidable foe by the end of 2011.

OTE Satellite TV and Hellas Sat

Greece had obtained, as a result of multilateral negotiations at ICAO, the right to launch a satellite at the orbital position 39 degrees east. After a long period of delays and indecision from 1993 until 2001, the Greek and Cypriot governments finally reached an agreement to form, in August 2001, a joint company⁺, having as main task the launching and managing of Greece's satellite system. Hellas Sat was the trade name of the joint enterprise, which was inaugurated by both the governments of Greece and Cyprus. Hellas Sat owns and operates the high power and advanced satellite HELLAS SAT 2, which was successfully launched by Lockheed Martin's Atlas 5 rocket into orbit by May 2003, from Cape Canaveral. Hellas Sat's aims were to link Greece with its Diaspora and to provide services to the country's remote island and mountain regions, as well as to serve a range of civilian and military needs. It was planned to be used for video transmissions, digital satellite television broadcasting, high-speed Internet connections and two-way broadband services.

Hellas Sat is a subsidiary of the Hellenic Telecommunications Organisation (OTE S.A.), since OTE is the major player in this satellite venture, owning an 83.34 percent stake in Hellas-Sat SA. The project cost 180 million Euros, including the satellite, the Atlas rocket and related insurance. Other shareholders in Hellas Sat are: the Hellenic Aerospace Industry (EAB), with 3.93 percent, the Cyprus Telecommunications Authority, with 3.84 percent, Cypriot IT firm AvacomNet Services, with 8.5 percent, and Canada's TELESAT, with 0.39 percent. A primary controlling station is located in Greece and a reserve one in Cyprus.

⁺ The cooperation with Cyprus emerged when, during the hearings and negotiations process with the involved companies in the project, it was realised that it only made business sense if it were on the basis of the joint use of frequencies of two orbital (geostatic) positions. Canadian company Telesat, a partner with Cyprus bourse-listed AvacomNet, proposed the joint use of the frequencies of Hellas Sat and Kypros Sat in the same position (i.e., 39 degrees east longitude), in which the Cypriot satellite has 16 frequencies and the Greek one 24.

Hellas Sat is fully functional, meeting the needs of OTE, and covers Greece, Cyprus and another 25 countries in the Balkans, Central Europe, Africa and the Middle East; the satellite's active-life spans a full 15-year period. Media and telecom analysts interpreted OTE involvement in Hellas Sat as the first step towards the full roll-out of a digital satellite television offer to Greek households. The reasoning behind this thought was strong: first of all, OTE has never denied that it was investigating different business propositions which were put on the table by other Media companies (ERT, Ant1, Alpha Digital, etc.). Secondly, the Greek government and OTE saw the satellite endeavour as an issue of prestige, if not for strengthening the geopolitical role of Greece in the Eastern Mediterranean and the Balkans. Third, OTE had already obtained first hand experience on how to run a Pay TV business, as the Greek telecom operator is the owner of the Romanian digital satellite platform DOLCE, which was launched in 2006, as well as the owner of the Greek IPTV service Conn-X TV, which had a soft launch on October 2008, before moving to a full scale market launch in September 2009. However, OTE's moves were rather sluggish and many experts ascribe this hesitation on entering the satellite Pay TV market to political pressure from government officials. Finally, after many postponements, OTE satellite TV was launched on October 3rd, 2011, comprising a bouquet of 46 channels which were split in five sub-packages (the full package comprises all 46 channels). The sub-packages are being offered at much lower prices than Nova's, a strategy that many believe will instigate a price war between both services.

DIGITAL TERRESTRIAL TELEVISION

Digital terrestrial television (DTT), among all digital platforms, is the one on which governments are involved the most. This can be attributed to a plethora of reasons: supporting national TV equipment manufacturing industry, supporting national audiovisual production, upholding a status of "intervening powers" for government in contrast with other platforms and, primarily, the management of the frequencies spectrum, which is a very valuable public resource and can guarantee considerable revenues for the state. In many countries, especially in Europe, governments were actually the "sponsors" of digital terrestrial TV, spending public

money on state aid and consumer help schemes, and supporting information campaigns and DTT roll-out ventures. Strangely enough, this was not the case in Greece, thanks to the dismay of two consecutive Greek governments who were proved utterly unfit to keep under “command and control” the whole procedure. The Greek government chose, right from the beginning, a “light hands” “laissez faire” approach, at a time when a more “interventionist” policy would have granted more fruitful results. And now, almost lethally stricken by a dreadful economic crisis, it lays helplessly stranded and deprived of any meaningful policy tools.

As in many other European countries, it was the public broadcaster ERT that has acted as a pioneer, introducing DTT to Greek audience. ERT undertook a pilot project, launching three new channels in the first semester of 2006 (not simulcasting ERT’s analogue channels), which were only available on digital terrestrial television. ERT started broadcasting DTT channels while no legislative framework was in place in Greece. The channels are being broadcasted free-to-air and are funded exclusively from ERT’s budget, as they carry no advertisements (according to ERT’s officials, the public service broadcaster did not want to offend or alienate commercial broadcasters by eroding their advertising revenues). The Greek conservative government (2004-2009) assigned to ERT two multiplexes -with four channels spots each (DVB-T & MPEG-2). Despite the fact that the government had clearly stated that ERT’s DTT broadcasting was under a pilot regime, the legislative vacuum had to be filled.

THE LAW 3592/2007 ON DIGITAL TV SERVICES

On 19th of July, 2007, a new legislative framework, Law 3592/2007, has received a positive vote from the Hellenic Parliament. The Law tries to establish a comprehensive legislative apparatus that will be swiftly integrated with the new regulatory framework for electronic communications networks and services being pursued by the EU.

The Law makes a clear distinction between platform and multiplex operator (sometimes it is called network operator), and content provider. The platform or multiplex operator is under a general license regime, provided that its undertaking/company is registered by the Hellenic Telecommunications & Post

Commission (E.E.T.T.). The Ministry of Transport & Communications and the Ministry of Press and the Media are responsible for establishing the digital frequencies map and for planning the relevant assignments. The new Act makes it possible for licensed television stations to transmit digitally their analogue TV programmes (simulcasting), using frequencies that are to be allocated for the period up until the digital switchover. The majority of those frequencies is being used for analogue TV broadcasting by local TV stations, but they will be cleared so as to be available only for digital terrestrial TV broadcasting. The procedure for licensing digital terrestrial television stations is to be regulated through a Presidential Decree;

The Law is following the direction of the French regulatory framework for DTT, as the frequency is being allocated to each channel editor and not to the platform, multiplex or technical operator. But contrary to the French law, the Greek one fosters a financial charge which will be levied for spectrum usage. The new bill does not create a special authority (organization or body), with competence to settle issues relating to the switch--over process (such as the Digital UK in the United Kingdom or the Comitato Nazionale Italia Digitale in Italy), as well as it does not propose a timetable for this process.

Responsibilities for the Ministry of Transport & Communications and the Ministry of Press and the Media:

- Establishing the regulatory framework for the licensing procedure;
- Creating the frequency map and establishing technical requirements;
- Granting of licenses

National Council for Radio and Television:

- Responsible for initiating the tender procedure for the granting of licenses and for checking the compliance with the relevant legislation regarding content;

Hellenic Telecommunications & Post Commission

- Checking for compliance with technical requirements.

Finally, this new legislation contains provisions on the implementation of the Electronic Communications Services & Networks Directive 2002/77/EC, as well as on television via broadband networks (IPTV) and wireless networks (mobile TV).

The law 3592/2007 received a plethora of criticism on the ground that it contains no provision for a switchover plan, or for the procedures and criteria for licensing new digital channels. There is no timetable, even the frequency map (a *sine qua non* for any analogue switch off procedure) which is being used is provisional, with an unclear future as to when the final one will be ready. Furthermore, the Law “freezes” any new technological development, as it demands that only four channels can be added to any multiplex, without taking into account more effective standards (MPEG-4 and later on DVB-T2). Also, it makes no provision for HDTV channels or interactive services on multiplexes. Law 3592/2007 is incomplete and, according to many legal experts, a row of decrees and ministerial decisions is needed to cover the numerous details that need clarification.

The years 2007-2009 could be characterized as a period of stagnation. ERT did not carry on the expansion of its DTT network, leaving the majority of Greek towns and regions (apart from Athens and Thessaloniki) with no DTT signal. This delay was attributed to efforts by the conservative government to encourage commercial analogue TV broadcasters to collaborate with ERT in forming a joint multiplex operator company, one which will act as the network operator for the whole Greek Digital Terrestrial Platform. This plan, according to government circles, will help keeping the cost of rolling-out a nationwide DTT network at a reasonably low level, while fostering the necessary scale economies. Commercial broadcasters and ERT were brought together at the negotiating table, but talks did not produce the sought outcome. Commercial broadcasters decided to go along relying on their strengths, and in June 2009 formed a joint network operator company, Digea. Digea was established by all seven major commercial TV stations in Greece (MEGA, Ant1, ALPHA, STAR, Alter, TV Macedonia and SKAI), and started broadcasting (simulcasting the analogue channels in two multiplexes) utilizing DVB-T MPEG-4 in September 2009, from an area in the Corinthian Gulf, in the Peloponnese. In January 2010, they carried on their DTT roll-out from the city of Thessaloniki, before moving to Athens in June 2010, just in time for the FIFA World Cup. Before the end of 2010, Digea has switched off its analogue channels

from a large area in Northeastern Greece (in the borders with Turkey and Bulgaria), and in the first semester of 2011, Digea's DTT network had covered Thessaly (at the centre of mainland Greece) and the island of Rhodes in the southeastern part of the Aegean sea. By the end of the third quarter of 2011, Digea's DTT network covered roughly 65% of Greek households. The company's CEO Mr Giorgos Mathios has stated that, by the end of the first semester of 2010, Digea's founding partners had already spent around four (4) million euros on equipment purchase and other relevant costs. Their plans for the rest of 2011 have been altered due to the financial hardships that some members of Digea are facing, and to the quagmire between Digea and ERT in reference to the formulation of a common plan for the analogue switch off.

ERT, on the other hand, "reactivated" its plans and started moving to the Greek periphery, executing regional switch offs in Thrace, Thessaly and in the northern part of Peloponnese, by the end of 2011. Furthermore, the public broadcaster aimed to rearrange the channels spot in the two multiplexes, by merging two digital channels and creating a new one, ERT HD. ERT is now managing two multiplexes: the first (DVB-T, MPEG-2) comprises the following channels: PRISMA+, CINE/SPORT+, the Parliamentary Channel and RIKSAT, while the second (DVB-T, MPEG-4) comprises the "old" analogue channels (ET1, NET, ERT3) plus the new ERT HD channel. ERT has included five radio stations in the offer of its second multiplex. In a very recent development, on the 19th of March 2012, ERT ceased broadcasting its two remaining pilot digital channels (PRISMA+ & CINE/SPORT+). The Public Service Broadcaster announced that the decision was the first in a string of serious reforms that ERT is in a process to undertake following the Government's mandate for shrinking some of ERT's operations and implementing draconian budgetary cuts. The channels-slots on the first multiplex have been filled with the BBC World Service and the Deutsche Welle English service. The two remaining slots have been covered by Euronews and TV5 Monde/Europe.

A third DTT network operator was created in 2009, Digital Union, by a joint effort of some local and regional channels. Digital Union's strategy is to manage and run the two local multiplexes that have been assigned for each one of the 11 broader services areas (according to the provisional UHF Frequency Map, Greece is being divided into 11 broader services area. In each service area, the minimum number of

multiplexes that is operational is seven). Digital Union is active in Thessaly, Attica, Northern Peloponnese, Macedonia and Crete.

Greece moves forward in a rather haphazard and slow-moving manner, and many experts believe that even the final deadline for digital switchover (17th of June, 2015) will be a hard target to achieve. At the time of writing this chapter the country is faced with an inadequate legal framework, a provisional frequency map, and a delayed licensing procedure, while private TV stations are at the verge of bankruptcy. Moreover, the government has not established a single organization or entity with the sole authority and power to oversee and manage the switchover process (like *Digital* in the UK, *TNT pour tous* in France, *ImpulsaTDT* in Spain etc.). The severe financial crisis renders any future planning uncertain and it will be a real challenge (not only for the Greek government, but for the television market as a whole) to be able to fund information on public campaigns which are needed, or indeed to provide any form of assistance to low income families and people with disabilities.

IPTV

IPTV is the third digital television platform in Greece. Cable television is practically non existent in Greece (apart from two pilot projects in the 1980s, in the city of Rethymnon, and in Plaka, in the old city of Athens). As in most other countries, IPTV started as a bundled service i.e. telephone, Internet access and television content were bundled together as a single package, charging every subscriber with a single bill. Broadband penetration in Greece (a prerequisite for offering TV content via IP networks) was limited at the beginning of 2007, around 7%. This situation enabled the market entry of new players, companies that were not previously involved in the television business. The pioneers of IPTV are telecom companies, because the provision of television services enabled them to reduce churn from their main business (voice and data i.e. telephone and Internet). Two newcomers in the Greek Media market, Vivodi and OnTelecoms, were the first companies to offer IPTV services in Greece. Vivodi started as broadband provider, covering only a small part of Athens in 2004. Its major shareholder is Lazaros Efraimoglou, a local businessman. OnTelecoms's owner's profile is more diversified: among its major shareholders is a team of Italian businessmen who manage the Fastweb IPTV service in the neighboring country. Both

providers, OnTelecoms and Vivodi, offer their services only in Athens and a few more major cities, through their own closed IP Network (local loop unbundling from incumbent telecom operator OTE). Vivodi was the first company to offer IPTV services back in 2006. The market name of the service was Cable TV (somewhat misleading as no cable TV exists in Greece). Cable TV is a triple-play service (together with phone calls to 21 international destinations and a 20 Mbps internet connection). Only a few months after Vivodi, OnTelecoms offered a triple-play service called All in One (it consists of a fixed telephone, a broadband connection with speeds between 16 and 24 Mbps, and a TV service). For more than a year (end of 2008), none of these two companies had published any subscribers' data. Analyst's estimations put the number of IPTV subscribers of Vivodi and OnTelecoms at 24.000 and 35.000 respectively, at the end of 2009. The reasons for these disappointing figures are multiple: poor content, limited geographical coverage, limited marketing and advertising campaigns, public aversion to Pay TV, Nova's competition, etc. Things were about to get worse for both companies, when in 2009 two telecoms powerhouses, incumbent OTE and Hellas Online (a major broadband provider) announced their plans to enter the IPTV market. OTE launched its own service, with the trade name Conn-X TV, in October 2008, as a pilot, and six months later as a full commercial offer. Hellas Online followed suite and launched its own HoL TV at the second semester of 2009. Both providers were subsidizing the set-top box. They also offered, right from the beginning, Video On Demand (VoD) services, PVR functionality (albeit the subscriber had to pay the cost of purchasing the advanced set-top box) and modem/routers with WiFi capabilities. The entry of OTE and Hellas Online caused turmoil in the IPTV market, especially for Vivodi and OnTelecoms. The two newcomers had stronger financial muscles and could negotiate more generous contracts with content owners. OnTelecoms and Vivodi started negotiations for a possible merger between the two companies and, finally reached an agreement on September 2009. According to the agreement, OnTelecoms acquired 100% of Vivodi's shares, with the latter acting from then on as a subsidiary of the former. OTE and Hellas Online boosted their IPTV offer with HD channels, more VoD content, and lucrative football deals (especially Conn-X TV, which acquired the rights of some major European football leagues). At the time of writing (October 2011), Conn-X TV has around 60.000 subscribers, while Hellas Online has given no official

data. However, Hellas Online is revamping its service, renamed as “hol my TV”, and is enriching its offer with more HD content and a free set-top box for every new subscriber. IPTV is definitely “here to stay”, but with only a meager 3-4% of penetration on Greek households, it has a long way to cover.

Other platforms (Mobile TV) & services (HDTV, VoD, Catch-up TV)

Mobile TV is not developed in Greece, despite the fact that Greeks possess one of the highest per capita penetration rates of mobile phones (over 140% of the population). The main reason for this is that neither broadcasters nor mobile operators were seriously interested in rolling out that service. No DVB-H service was ever launched in Greece, despite the success the service had in Italy, and the fact that a similar service was launched, albeit with no success, in neighboring Albania. The three mobile operators in Greece (Cosmote, Vodafone and Wind) experimented with a 3G offer that comprised a selection of the programmes of few of the main commercial channels (MEGA, Ant1, Alpha etc.). The offer included live as well as On Demand content. The mobile operators had reached some form of agreement with the broadcasters, but no serious attempt was ever made for marketing and advertising this new offer. Another impeding factor was the high charges inflicted upon a mobile subscriber who would try to use its 3G phone connection to watch a television programme. Greece had amongst the highest billing charges for 3G use in Europe. Mobile operators focused their strategy towards the provision of Mobile Internet rather than Mobile TV, as they considered that the former will be more profitable on the short run than the latter.

High Definition is a newcomer to the Greek TV landscape. As in the rest of Europe, it was the satellite provider, Nova, which offered the first HD channels. This is understandable since satellite providers have the necessary capacity to transmit HDTV streams. Nova wanted to boost its product and HDTV channels were the proper tool to carry it out. The digital satellite provider's HD offer included both international channels (Nat Geo Wild, Discovery, Eurosport, etc.), as well as Nova's own channels (Nova Sports channels). Additionally, during the 2009-2010 football season in Greece, it started broadcasting a number of matches in HD format. The next broadcaster to

trial HDTV was ERT. The public service broadcaster created a new digital channel, ERT HD, and inserted it to one of two digital multiplexes it operates. The first HD broadcast from ERT HD was the UEFA Champions League final, between Barcelona and Manchester United on May 2011. ERT has stated that ERT HD was a pilot channel and the broadcasters' intentions were to cover some major events (major football, basketball and tennis matches, the EuroVision Song Contest, etc.) so as to introduce HDTV to Greek public. ERT's initiatives caused a furor and a string of reactions from commercial broadcasters and Digea. They accused ERT of violating an agreement between all digital terrestrial broadcasters on which it was declared they would move forward in rolling out DTT in a coordinated and synchronized manner, with no surprises and unilateral "fait accompli". ERT replied by stating that HD transmissions were not prohibited according to the current state of law, and that ERT HD was a pilot project. Furthermore, ERT argued that since HD is the future of TV, as many experts claim, then it should be credited for "introducing and educating" the public for this great development, instead of having to face a string of accusations and threats. At the moment, there is no concrete government plan for the introduction of HDTV on DTT platform, and the initiative lies at the hands of broadcasters. The majority of DTT broadcasters are not ready for HDTV because they have not made the necessary investments in time.. IPTV providers OTE and Hellas Online are planning to offer HD channels on their respective services beginning on the last quarter of 2011⁵.

Video-on-Demand (VoD) is being offered as an extra service, as an added value component of the main subscription packages. Nova started offering a VoD service in 2001, but it had attracted limited interest from the subscribers. The service was revamped in 2010, named Nova On Demand, and it functions by downloading to the hard disk of the subscriber's PVR set-top box a selection of movies and TV series. The menu alters every two weeks, while any downloaded TV content has to be consumed within the next 20 hours. The service is offered free of charge for those among Nova clients who have subscribed to the full package. On their part, OTE and Hellas Online are also offering VoD, which mainly consists on a selection of movies, TV series, documentaries and music video clips. The VoD content is transferred from the servers

⁵ In fact OTE offers (end of March 2012) nine (9) HD channels but only on its satellite platform. The IPTV platform still offers no HD channels.

of each company upon request sent by the subscriber (so in the case of IPTV there is no need for the subscriber to possess a PVR set-top box) through their private IP networks (network-stored content). In the case of Conn-X TV, some of the content is being offered for free for existing clients while some other (more exclusive and comprising recent Hollywood blockbusters) is provided for some extra fee, or as a Pay-per-View service. Currently, digital terrestrial broadcasters have no plan to move into the VoD business.

An area where “traditional” broadcasters were actively involved in is catch-up TV. All major public and commercial broadcasters use their websites as a platform for transmitting TV content. The content usually comprises TV series and shows, news bulletins and infotainment programmes, for which the broadcasters hold rights, excluding therefore foreign TV series and shows, football matches, movies and foreign reality shows. The content is offered for free, but is tied with some advertising. The interested viewer can choose to either download the content to its own hard disk for later viewing, or to watch it being streamed on his computer screen. Some broadcasters have uploaded the full range of episodes of a TV serial on their websites, while others keep the content online for only 15 days.

ENDNOTE

The severe financial crisis has hit all sectors of society, and the media sector could not be an exception. On the contrary, the media sector is one of the major victims, with media outlets ceasing publication and unemployment reaching one of the highest levels in the industry. This situation has been causing doubts whether Greece can manage to complete switchover plans within the EU time frame or not. Once again, the gap between smaller and larger, more affluent and lesser affluent, countries in the era of globalization cannot be overlooked (Papathanassopoulos 2005, 2007). Nevertheless, digital television may be seen as a driver for development. Private channels claim that, in areas where DTT is the only mode of reception, people have changed their TV sets almost immediately. This is true, but the question on how many of them will survive the financial tornado the country, its economy and society are facing, hasn't got an answer yet.

Table 1: Basic Statistical Data for Greece (1st Semester 2011)

Population & Equipment	Data	Percentage
Households	3.789.000	
TV Households	3.770.000	99,3%
Analogue TV Households (including households equipped with digital TV where at least 1 TV set receives analogue TV)	3.770.000	100%
Digital Satellite Households	474.000	12,5%
Digital Terrestrial Households	700.000	18,48%
I.P.T.V. Households	130.000	3,43%
Total Digital TV Households	1.304.000	34,41%
Households equipped with at least 1 PC	2.046.060	54%
Households with Internet	1.780.830	47%
Households with Broadband Internet	1.591.380	42%
Installed 3G phones	1.023.030	27%

Table 2: Digital Terrestrial TV Network Operators in Greece (1st semester 2011)

Name	E.R.T.	Digea	Digital Union
Launch Year	2006	2009	2010
No. of Multiplexes	2	4 (2 national+2 with local and regional channels)	2
Population Coverage	Circa 65%	Circa 65%	Circa 55%
Plans for DVB-T2 Launch?	No	No	No
Compression Standard (MPEG-4 or MPEG-2)	MPEG-2 on the first Multiplex. MPEG-4 on the 2 nd Multiplex.	MPEG-4 on both Multiplexes	MPEG-2 on both Multiplexes
No. of Channels	8	14 (6 national channels on 2 Muxes and 8 local and regional channels on two Muxes)	8
HDTV channels on offer?	Yes (one channel, ERT HD on the MPEG-4 Multiplex)	No	No
Interactive services on the Multiplex?	Yes (info+ on the MPEG-2 Multiplex)	No	No

Table 3: IPTV Services in Greece (end 2010)

IPTV Services	Hellas On Line	OTE Conn-X TV	On Telecoms	Vivodi
Monthly Subscription Fee (in euros €)	9,90 (only for the TV service)	15 (only for the TV service)	34,90 (triple-play package)	35 (triple-play package)
Service Activation Fee (in euros €)	49,90	None	60	65
Set Top Box (with no PVR functionality)		Free	Free	Free
Set Top Box (with PVR functionality)	Free	99	Not available	Not available
WiFi modem/router	Free	35	Not available	Free
HD Channels	Yes (2 nd semester 2009)	No (but the stb has HD functionality)	No	No
VoD costs / pay per view (movies only)	From 0,99€ to 3,99€ per movie	From 2€ to 4€ per movie	From 2€ to 3€ per movie	From 1,99€ to 3€ per movie

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