

BROADCASTING

GMM Z reaches out to cable firms

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GMM Z, the satellite TV unit of GMM Grammy Plc, is trying to convince 300 local cable TV operators to join its content network and share some revenue.

It plans to attract 3.5 million households that are subscribers of these local cable TV operators to install GMM Z set-top boxes.

GMM Z missed its set-top box sales target of 2 million, selling only 1.5 million boxes last year, and sales are still slow.

Vichit Aearevorakul, the managing director of Charoen Ying (8888) Co, a leading local cable TV operator in Bangkok, said GMM Z is offering a 30-channel package to many local cable operators. The channels comprise free-to-air, pay-TV and view-on-demand.

GMM Z will share 20% of pay-TV service revenue with local cable TV operators. It will also install its set-top boxes to subscribers of these 300 local cable TV operators for free, but they have to pay 25 baht a month to GMM Z for a standard-

definition box and 40 baht for a high-definition box.

"This option seems to have received positive feedback from local cable operators, as they will not pay for GMM Z set-top boxes. Now their subscribers will have more channel choices," said Mr Vichit.

GMM Z will import 500,000 new set-top boxes for cable TV systems (DVB-C) from China. It hopes to clinch the deal with 300 cable operators in April or May.

Customers can choose the set-top box they want and the content for each platform at the same price. This is a shortcut for GMM Z to add viewers and generate revenue from advertising spending.

Grammy operated a number of satellite TV channels last year and wanted to raise revenue from TV ads, which was worth 65 billion baht last year. But at least 50% of advertisers were still clustered in two free TV channels — Channels 3 and 7.

Its satellite TV business faced many problems caused by various satellite TV platforms. The biggest satellite TV platform, owned by PSI Holding, charged a high channel arrangement fee that made Grammy unhappy, so it decided to enter the set-top box business.

Vilasinee Chivanond, GMM Z's vice-president, admitted the company has a new business model but would not reveal it. For the moment, GMM Z is happy to partner with every platform and broadcaster.