

ZOO Digital Group

RE: ZOO Sheffield presentation to Premium TV

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Brief

To investigate various new avenues in which to take the PTV and ZOO joint venture QuizMatch, increasing its revenue and profile.

Background

PTV is a subsidiary of NTL and owns the digital rights to the Football League. The QuizMatch website has 50,000 registered users and since launch in February 2001 has been successful in attracting unique users.

ZOO has looked into various models to generate revenue from the site, increase the number of registered users and extend the site's profile.

QuizMatch

The QuizMatch (www.thequizmatch.com) has been quite successful since its launch in early February and the site hosts a series of quizzes all based on football. Players log on under the guise of their favourite league football club and play both for their own pride and the pride of their team.

The main quiz is not presented with any prizes but as a gateway to winning other quizzes, either through a weekly Champions quiz or a monthly version. The prizes have ranged from a 'goody bag' to a football season ticket.

There is a chat section to the site, and various statistics, updated every half-hour, with a leaderboard, team results and league tables.

The questions have a 'lifespan' of nine or ten weeks, with 3000 active questions, a measure to all but eliminate repetition. An average of 340 new questions are sourced and inputted into the site's database each week.

Potential Weaknesses

QuizMatch is only available on-line via fixed Internet and due to the nature of football the summer presents a large downturn in the number of players. The lack of players has made what was once a large community smaller.

A degree of staleness has crept into the game, as the questions are the only things that change week-on-week with no new versions or upgrades.

Other potential ways of increasing player numbers have not been explored, such as the NTL link with Celtic Football Club (the best supported team in Scotland) and in expanding the links from and to other football-related sites.

There is an uncertainty that the high numbers that were logging-on in early 2001 will return with the start of the new season in August.

Audience

QuizMatch appeals to the 16 to 35-year-old almost exclusively male domain. ZOO/PTV wanted the site to target those who go to football matches, read the football news daily and are committed to one club. Hand-in-hand with this is the QuizMatch 'community', forged through competitors playing as an integral part of their club against other clubs, instigating friendly rivalries.

There is an opportunity to increase the web and/or mobile and/or interactive TV traffic, promoting the on-line QuizMatch while finding a new audience.

Strategic Approach

ZOO proposes a number of potential ideas that would take QuizMatch into new and untapped areas to increase both the revenue and the audience for (1) the original site and (2) whatever new avenue is used.

The look of the new approach would be as similar as possible to the original QuizMatch, in whatever format (as appropriate). The new application would encourage repeat visits and longer time on-line or provide revenue to offset the costs of QuizMatch already incurred by PTV.

Tactical Ideas

The following suggestions investigate the various ways and means of establishing new opportunities for QuizMatch, with their pros and cons listed, along with preliminary conclusions of the medium proposed.

There are four categories: amending the existing site to stimulate investment and profile, applications involving mobile phones, applications involving outside revenue via sponsorship or selling content and other mediums or avenues that could be explored.

Further ideas can and will be generated on request.

SECTION A: AMENDING THE EXISTING SITE

Branding

A problem over the last few months has been the increasing staleness of the QuizMatch format. To increase the visual pleasure of the site, ZOO and PTV could introduce branding to personalise the game for each individual player.

As PTV has rights to the badges of each Nationwide League club in England, along with six Premiership sides and one Scottish League club, the log-in and lobby pages of QuizMatch could be 'skinned' as the colours of their favourite club, with the badge and sponsors included to add further realism to the branding experience.

Each club's shirt sponsor (such as NTL at Newcastle United, Time Computers at Blackburn Rovers or Midas Games at Sheffield United) would be invited to contribute in the online promotion of their company.

PROS: Sponsors of each club invited to contribute towards the new venture to brand the QuizMatch experience. To sponsor their team's personalised site would cost a small lump sum, guaranteeing exposure to their local fans.

Sponsors would see that they would have a ready-made audience, especially in the light of QuizMatch's 50,000 registered users. For QuizMatch the costs of producing the additional graphics and new creative developments would be more than offset by the revenue brought in by these new sponsors.

CONS: The take-up for such an offer could be limited. The prices to advertise via QuizMatch would have to be graded as, naturally, third division clubs have less supporters and less registered QuizMatch participants than first division or Premiership clubs. Could be overpowering for the player with a 'visual overload' of ideas.

CONCLUSIONS: A workable idea, with each club's main sponsors paying for the right for ZOO/PTV to extend their brand on-line and into QuizMatch. The players would see this as a personalisation of their particular site while the sponsors would hopefully see this as a valuable way of increasing brand awareness into new online avenues. However, if this proved unworkable, one company could be found to sponsor the whole site. This is explored in Section C.

Re-Invigorating the Current Format

As listed in the appendices (see pages 15-20) an additional way of increasing the profile of the site could be to work one or more of the ideas listed throughout this document with that of updating the gameplay and the aesthetic values of the current QuizMatch fixed internet site.

Various ideas that have been voiced over the past few months that could be worked into the scheme to highlight the better points about the QuizMatch site.

Such ideas include increasing the amount of pictures on-site, introducing audio/visual media to the site, adding a football news ticker, promoting the game via viral marketing, increased promotion for prizes and a cup game. Links with further teams, such as Celtic football club (with the largest home attendance of any NTL-associated club in Britain) could also be investigated.

One further idea that could be attempted is to increase the promotion of the site by virtue of clubs that display a click-through button. The weekly 'league' championship-winning club would be sent an email offering congratulations and asking their staff to promote this exciting news on-site. This would be a simple but effective marketing idea.

PROS: Adds to the appeal of QuizMatch as a site and the visual 'eye-candy' would attract not only potential sponsors but would increase dwell-time and page impressions.

Varying the gameplay would add a new dimension to the site that has been lacking over the last few months. Would be an inexpensive way of increasing the QuizMatch profile while making the site appear a visual treat for potential investors and sponsors.

CONS: Does little to increase revenue apart from offering a brighter and more exciting product for the customer and any potential sponsors.

CONCLUSIONS: The site would be re-invigorated and as this would be advertised via the weekly QuizMatch newsletter the players would be aware of this change and would check it out, increasing page impression and dwell time.

A lack of finance for these changes still remains apparent and this would inhibit the scale of any amendments. Please see the two appendices (page 15-20) for further details of other proposed ideas.

SECTION B: MOBILE PHONE APPLICATIONS

Second Generation (2G) Mobile Phones

1. GSM (Global System for Mobile Communication)

GSM is the second generation (current generation) of mobile phones available throughout Europe. These utilise WAP and SMS technology in basic ways. WAP is investigated here, SMS below.

WAP was the new, big thing last year but teething problems with the new technology along with general apathy towards what could be achieved meant that little is geared towards WAP nowadays.

WAP simply does not work well on GSM (second generation) phones.

PROS: A WAP-enabled QuizMatch site would be a welcome addition to the QuizMatch fold as the target audience would visit the site online while at the football matches, at the pub etc.

CONS: WAP as a technology is slow and unwieldy. There is a measured sense of 'Wapathy' among phone users towards the technology. There would not be a sense of community, a large plus point of the QuizMatch.

While new mobile phones have increased the speed of connection with WAP services, the system is still too slow and not conducive to the QuizMatch experience. There would be little or no revenue forthcoming.

CONCLUSIONS: A QuizMatch WAP site would only work with the emerging 3G phones, with their faster speeds and bluetooth-utilising technology (see GPRS/Bluetooth, below). At the moment, WAP is a discredited technology with little in the way of plus points and as no revenue would be gained through this medium, WAP is a non-starter.

2. SMS (Short Messaging Service)

SMS is seen as a major revenue generator for the next 36 months. Already, SMS text message competitions have been attempted through such diverse sources as Channel Four's Big Brother programme and currently, a text message competition involving 500 Interbrew pubs across the UK.

To expand on the example given above, the current Interbrew SMS quiz is a quick and easy game for customers in a bar environment (Interbrew want players to be texting while waiting for service). They text an answer to a simple question advertised behind the bar to a central phone number for which the player is charged 12-30p, depending on the customer's network.

The prize, a pint of lager, is collected instantly after a computer draws a winner from a set number of entries within a certain, short period of time. The successful contestant simply takes the received message to the bar and claims the free drink.

QuizMatch via SMS would be very simple. The player receives either a single or a small random set of questions via a reversed billing phone line (15-30p costs to the player, currently available on Vodaphone, coming soon to BT) and simply texts the answers back to the server.

Prizes would be given out as a proportion of the total calls received over a set time period. The winners would be texted with a free or reduced rate phone number to text their address and claim their prize.

PROS: Very simple and could be set up quickly by ZOO. The revenue would be collected automatically. Prize giving would be automated. It is cheaper, and therefore more attractive, to the customer than putting money in a pub quiz machine.

Revenue would be easy to collect and as SMS quizzes have yet to be used on a large level we would have the advantage of being one of the first on the market.

CONS: No sense of community via the phone as the user simply texts the answer(s) back to the central phone line and does not engage in chat with other users.

Only available to those who know of the phone line being available. Therefore advertising would have to be implemented to make people aware of the service.

SMS messages only run to 160 characters, seriously limiting the amount sent by that service, probably to only one question with four short answers.

CONCLUSIONS: Good for revenue purposes but the additional advertising costs involved in setting up an SMS quiz would mean that this would seriously undermine PTV's attempts to find ways to attract new revenue without spending money to make money.

Third Generation (3G) Mobile Phones

1. GPRS

GPRS via mobile phones mean that the user is always on-line with connection fees based on data transferred rather than time online. The phone can receive and transmit data such as multimedia, pictures and, via bluetooth technology (see below) fast connection speeds via WAP to the Internet.

PROS: The connection speeds of GPRS means that the user has the same Internet experience as they could have in front of a fixed Internet application. The efficiency and speed of the network would be a real boost to running an Internet application (QuizMatch) as the questions could be used in real time with the same gameplay that current, fixed Internet customers take for granted.

CONS: Not really seen to be a worthwhile commercially-viable market until 2003 and within the next 18 months the GPRS market will be small with little of the mass market that SMS has achieved. No revenue could be collected via GPRS mobiles. If considered as an application for developing the QuizMatch theme, it would be best to see 3G mobile phones as a future application and one that will need time to develop in the marketplace first.

2. Bluetooth

Bluetooth technology means a faster connection between WAP (wireless application protocol) enabled devices and other electronic media or applications. Internet pages and/or email can be downloaded at 20 times the current rate of WAP.

Ericsson has recently released its first bluetooth-enabled mobile phone, the T39, and Motorola are launching their version, the Timeport 270c, shortly.

The upshot for QuizMatch is that ZOO/PTV introduce a WAP-enabled site accessible via mobile phones. While this site would be initially geared towards the low-level WAP-enabled phones currently on the market, high-level WAP (via bluetooth) could also access the site.

PROS: Connections are 20 times faster than usual WAP-enabled phones. QuizMatch via bluetooth would be a success in the medium-to-long term as customers use their enabled phones more. The game could be played at a speed similar to current fixed internet speeds, a problem that current WAP phones have been slow to overcome.

CONS: New technology that has, on the whole, yet to reach the marketplace. Yet to become the standard. Needs access points nearby, within 10 metres preferably, to connect with the Internet and other applications.

'Wapathy' still exists and mobile phone users are loath to embrace the current WAP technology due to its slow running time. A report published on-line recently states that the take-up of WAP technology will only rise, at best, to 16% of mobile phone users by the end of 2003, even if bluetooth meets its targets.

There are no means of revenue accumulation.

CONCLUSIONS: While a WAP addition to the QuizMatch site would be welcome once bluetooth is available, the apathy to WAP technology at present means that there will be an initial slow take-up of the new bluetooth technology and to the next generation of WAP in general.

Additionally, and perhaps most importantly, no revenue would be forthcoming.

SECTION C: OUTSIDE REVENUE

Interactive TV

Interactive TV has been a staple of the sports coverage of SKY, BBC and ITV for a couple of years now, along with more general interactive TV sites, such as Sky's Open, Liberate (on NTL) and YesTV.

In-vision with the sporting event, the user can read news on how the tournament is unfolding, find results and forthcoming fixtures, watch play from different angles, change commentaries and play quizzes related to the featured sport. Interactive TV graphics appear on screen as a digital version of Ceefax or Teletext.

ZOO can develop an Interactive TV version of QuizMatch to be deployed on any of the above platforms.

With the launch of the new ITV Sport channel next month (11 August) we have an incredible opportunity to sell QuizMatch as a solution to their quiz engine needs, especially as the majority of the channel's output will be football related.

Importantly, ITV will have the 'exclusive' rights to the Nationwide League from August onwards and having a quiz geared towards the same set of supporters would be seen as beneficial from both companies' perspectives.

With the recent news that NTL have signed an agreement with ITV to screen the new sports channel the numbers that can watch the football coverage via ITVDigital (nee ONDigital) has risen to nearly 4 million (a deal with Telewest cable is imminent, adding another possible one million subscribers).

The further news that NTL are in talks to buy the ailing digital station means that ZOO could be in an exciting position to provide other digital content to the operator should they find QuizMatch a success on interactive TV.

This presents a massive opportunity for ZOO to utilise PTV and their parent company in broadening both the awareness and the appeal of QuizMatch. Rather than going to ITV to try and thrash out an agreement, ZOO/PTV move towards NTL in allowing them to screen the quiz as part of the interactive section of certain broadcasts.

While the QuizMatch would be provided free to the customer via this application, the money forthcoming would be through NTL (rather than their subsidiary) and/or ITV.

At worst, even if NTL are unable to pay for the service, the added value of having a quiz visible to millions of subscribers and for not having to write, design and build a quiz themselves would drive up the perceived worth and down the perceived cost.

PROS: Massive potential audience of near 4 million. Cross-platform appeal as the Internet game would complement the interactive TV game. It appeals to those that QuizMatch already targets.

The prizes for the Internet version of QuizMatch could be upgraded due to the ITV sponsorship of the Nationwide League. It could become a quiz to engage 'football families' and would be very user-friendly.

CONS: ITV already have a (poorly developed) quiz, last used on their interactive coverage of the Champions League last season. They are likely to keep this content provision in-house rather than paying to move the contract outside. Development costs could be quite high, leading to a reduction in revenue in the short to medium term.

The prizes would only be available through the Internet rather than the interactive TV site (there is no way at the present time that details can be inputted via interactive TV).

NTL's involvement in their alleged bid for ITV Digital could present a situation where they need to cut costs in other departments (as they have already alluded to in the press) to fund the acquisition of the troubled company. That would have serious implications for QuizMatch at this time, with future finance and investments opportunities limited.

Finally, there would be no feeling of community with other players (a definite plus point of the online game).

CONCLUSIONS: A likely candidate. Link in with sponsorship of the site by ITV or NTL and the site could become huge.

The potential number of users would be high, the players are QuizMatch's target group, they would have paid for the product (via subscription fees or Internet connection) and the business relationship between ZOO, PTV and the host company would certainly be a profitable exercise if QuizMatch was to be successful.

However, revenue would be reduced initially as ZOO develops the game to function successfully with the interactive TV.

ISPs/Portals

There are many potential distribution platforms that QuizMatch could harness, whether it be an ISP (internet service provider) or a portal.

ISPs: ZOO has had an on-going relationship with ISPs AOL, Lycos and Freeserve and is also in contact with BTinternet and Yahoo. It would be very easy to re-deploy QuizMatch on one of those providers and would be excellent in maintaining or creating a relationship encompassing PTV, ZOO and the new ISP.

Portals: ZOO and PTV could distribute QuizMatch to a separate, football-related portal in an effort to increase profile and revenue. These could include skysports.com, umbro.com, teamtalk.com, bbcfootball.com and sports.com.

PROS: Easy to set up and good for bonding a business relationship, especially as the product is so good and already has such a large number of registered players. Revenue would be collected at the rate of approximately £1.75 per 1000 page impressions and the ISP/Portals market would mean that dwell time, page impressions and registrations would rise dramatically. The increased page impressions could make QuizMatch a better proposition for sponsorship at a later date.

CONS: The revenue would not be large comparatively and banner ads would not earn much money. A potential problem is that the site would be distilled or sterilised by the need to tone down the questions and chat to comply with the ISP/Portal's rules of distribution.

CONCLUSIONS: Certainly a viable option. Revenue and profile would increase while the costs and workload would remain similar. Registrations would rise as customers become aware of the QuizMatch offer. Finally, it would increase the profile markedly in the short to medium term if ZOO and PTV decide to launch a sponsored QuizMatch portal.

Sponsorship

Sponsorship by a relevant company would increase revenue/offset costs by a sizeable amount in the short to medium term. Company to consider including sportswear manufacturers (Umbro, Adidas etc), those with associations with the Football League/FA (Lucozade, Yorkie, Nationwide building society, Barclaycard et al) or those trying to increase awareness of their involvement in football (NTL, ITV etc).

The site, or a section of it, would be branded around the company's logo with further ambient advertising in the form of questions relating to the brand and/or celebrity endorsers of that product. Further stealth advertising could form picture questions featuring players wearing the company's logo, scenes featuring logos in the background and conspicuous absence of other rival company's logos.

PROS: Revenue earned immediately as QuizMatch is branded in the colours/logos of the sponsor company. Initial costs would be at a minimum save the initial change of QuizMatch's 'skin'. Better prizes would be offered to fit in with the company's national or global image, leading to an increase in dwell time and page impressions. The connection between the major company and QuizMatch would increase the site's profile.

CONS: Current users could feel that the site has 'sold out' by moving to a more branded experience. A current moral backlash due to the question of branding could result in unfavourable reviews/comments.

CONCLUSIONS: A worthwhile and high-revenue way of restructuring QuizMatch around a larger, higher-profile company and receiving promotion on their 'coat-tails'. However, a large minority of current users could feel that QuizMatch has become too commercial. Possible interference from the new company as they tone down the 'laddishness' of the questions and/or chat, sterilising the site. Could lead to a reducing number of returning users as they feel that the site has 'sold out'.

SECTION D: OTHER MEDIUMS

Out of Home 'Pay to Play' Entertainment Solutions (Pub Quiz Machines)

The largest supplier to the 'Pay to Play' market is Leisure Link, with 90,000 machines in the UK market alone. They provide the integrated hardware to pubs, leisure complexes and clubs for retail and, more likely, for rental. The individual units are usually over a two-month period with the profits/revenue monitored on a weekly basis. This section only investigates Leisure Link as it is far and away the market leader in the out of home entertainment solution field.

This section could have been split into two categories:

- a. QuizMatch on an established pub quiz machine
- b. QuizMatch standalone machine

However, as Leisure Link are moving away from the standalone machine (point b, above) to those with multi-purpose capabilities the standalone game seems to have had its day. This category will not be investigated.

As for QuizMatch on an established pub quiz machine, Leisure Link currently provide standard touch-screen technology to pubs and clubs based along with newer 'Itbox' solutions that link the user to content via a fixed Internet connection.

1. Touch-screen technology

An ageing technology as used in such classics as Hangman and Battleships; it has a simple user interface with the machine giving the player a set of questions with three possible answers. The user presses the appropriate answer on screen in an effort to firstly collect points and secondly to accumulate those points to collect cash prizes up to £40 but usually within the £1-£5 range.

These are easy on the eye, easy to understand, require little in the way of prior knowledge of a system (apart from putting a pound coin in a slot and touching a screen) and are hugely successful.

PROS: They are usually housed in the less fashionable bars, pubs and clubs and appeal to the 'train-spotter' fraternity, a core 'pub quiz' audience of the Internet QuizMatch incarnation. The connection between these pubs, the users and football is a close one. QuizMatch would be very popular.

CONS: The profits from such a venture would be negligible as, to put it simply, we would be selling a set of football questions wholesale to Leisure Link with little or no further input.

2. 'Itbox' Technology

This has recently been rolled-out across Britain as a 'new generation' of quiz machine, using fixed Internet technology via a phone line and a fast broadband connection, available in the usual outlets (pubs, clubs and leisure industry sites).

These machines advertise quizzes along with other content such as football news, music, adult entertainment and much more. The QuizMatch site could be advertised via the main page of such a system, especially as quizzes are a major force in bringing people to such an entertainment system while in a pub/club.

PROS: The QuizMatch site would be unaffected by this medium as it requires no new technology or development. People would become aware of QuizMatch at the pub/club and this could lead to cross-platform awareness of our product. Revenue/profile generated could

easily expand as old touch-screen technology is replaced by newer 'Itboxes'. Broadband connection a definite plus-point.

CONS: As the content provider buys space on the Itbox to promote its product (one such content provider is the Daily Star with their Megastar site) there would be an initial outlay to buy or franchise space on the machine. This would probably be augmented by a yearly subscription to maintain presence. Competing for the same space/revenue as rival quizzes and those already established could be a hindrance to growth.

CONCLUSIONS: The older technology would gain less in revenue as it would be a one-off payment but would also cost us less to transfer the questions with little in the way of technical support and no further costs. Advertising the Internet site would increase our profile with a target demographic.

Itbox technology would collect more revenues and profits but would cost more in establishing and maintaining a presence. However, the second solution would also gain QuizMatch a wider audience as a game that could be played both at the pub/club and then at home/work. The newer Itbox is an easier and more profitable solution to the answer of obtaining revenue from QuizMatch.

CD-ROM Applications

CD-ROMs would be used to create a stand-alone, off-line quiz (a la QuizMatch) which would be sold as a PC computer game, most likely from football club shops. In order for the quiz game to realise a profit it would be sold as a branded product, targeting clubs that (1) NTL holds the rights for and (2) have a large fan base (over 10,000 average home attendance for the research conducted here).

The CD-ROM outer and inner packaging, and the 'skin' for the software itself (on-screen image) would be styled in specific club colours. There would be a higher than usual percentage of questions regarding that specific club as opposed to the wider world of football.

The best chance of success would be in using clubs with a large support base, and those with whom NTL have already procured the rights to club colours etc.

The CD-ROM would be styled in the colours of the more successful teams to which NTL have the exclusive rights;

English Premiership clubs: Aston Villa, Blackburn Rovers, Bolton Wanderers, Leicester City, Middlesbrough and Newcastle United

English Nationwide League clubs: Manchester City, Birmingham City, Coventry City, Nottingham Forest, Sheffield Wednesday, Wolverhampton Wanderers, Bradford City, West Bromwich Albion, Sheffield United, Crystal Palace, Norwich City, Millwall, Watford, Portsmouth, and Burnley.

Scottish Premier League clubs: Celtic and Rangers

All of the above clubs have an average attendance of over 10,000 and therefore a larger than average fan base.

PROS: CD-ROMs would help stimulate a new audience for the game and the QuizMatch product would be specifically targeted at the correct demographic. Secondly, the product would be personalised to fit in with the fans' affiliations.

The technology to play CD-ROMs is widely available and the format is user-friendly. Finally, the CD-ROMs could be regularly updated with new questions negating any chance of questions going 'out of date'.

CONS: The cost of design, production and implementation of the 'game' would mean that PTV would not realise any revenue immediately. Is there a market for this type of game? Careful consideration would have to go into how much such a game would cost. How many would have to be produced/sold to make a profit?

There would be extra costs in personalising each set of CD-ROMs to the needs of each club involved including research/sourcing of new questions to fulfil each club's CD-ROM requirement. Finally, it's not 'pushing back the boundaries' of technology to produce a set of CD-ROMs and the medium could feel dated very soon.

CONCLUSIONS: A solid, if uninspiring, potentially revenue-high application for QuizMatch with ZOO's expertise in that media making production easy. However, if the CD-ROM does not sell or the production and development costs are too high then potential revenue will be lost and good money will be thrown after bad. Very probable to succeed if marketed and developed correctly.