Insight on the global video delivery business

Digital TV Europe

October 2019

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Editor's note

MENA and more

In this issue of *Digital TV Europe,* we look at Liberty Global's technology strategy, streaming and broadcasting in the Middle East and North Africa, and recent developments in OTT TV technology.

Liberty Global has undergone massive changes over the past year. In the run-up to Cable Congress in Berlin in November, I talked to the cable giant's chief technology officer Enrique Rodriguez about his company's focus on networks, connectivity and entertainment.

Ahead of October's Video Exchange MENA Rebecca Hawkes assesses the latest developments in the Middle East pay TV, broadcast and streaming market, looking at the challenges faced by pay TV leaders BeIN Media and OSN, the progress made by streaming services, led by Starzplay Arabia, and the investment in local content led by MBC.

OTT TV technology has had a growing presence at IBC for a number of years. With the market for streaming services becoming increasingly crowded, content service providers are looking to get products up and running quickly. Jonathan Easton looks at some of the solutions on offer.

Also in this issue, in the run-up to MIPCOM, we interview US BBC and ITV joint-venture streamer BritBox's president Soumya Sriraman about the streamer's growth and the appetite for UK content on the other side of the Atlantic.

Stuart Thomson, editor

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News digest

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Fries: Liberty Global positioning itself for fixed-mobile future

Liberty Global's sale of its German and central European assets and planned sale of its Swiss unit "all make sense" in a market that is moving towards fixed-mobile convergence, but the company nevertheless sees "a lot of runway" to build value from its remaining assets, according to CEO Mike Fries.

Speaking at Goldman Sachs Communacopia conference in New York, Fries said that the company's completed and announced deals, with a total value of around US$30 billion (€27 billion), reflected the reality of "a highly converged or converging market" in which Liberty wanted to be a fixed-mobile convergence player with national scale or sell to one.

"This is the way Europe is going and we are just being attuned to that," the CEO said.

Playing down any notion that Liberty Global might be seeking an exit from the European market, Fries said that the company's remaining assets – including in this case UPC Switzerland and its Dutch JV with Vodafone – had a total of over 45 million fixed and mobile revenue-generating units and generated US$7 billion in EBITDA.

"We have a lot of work to do to grow these businesses," he said, adding that there was "still a lot of runway" to "realise great value for shareholders".

Following what he described as a successful share buyback totalling US$2.7 billion, Fries said that "the next order of business is investing in and turbocharging the markets we operate in".

Conceding that the markets in which the company operates are "very competitive", Fries said that Liberty was "making the moves you need to make to drive growth" and would focus on investing in "the core markets we operate in".

Addressing the company's flagship operator Virgin Media, Fries said that the company faced "headwinds in the UK – Brexit for starters".

"We don't target low-end markets but we didn't anticipate Brexit, and some people are migrating to lower speeds and discounts," he said.

He said that consumer confidence was falling, which was having an impact on all players, but said that Virgin Media was "getting more than [its] fair share of that pie".

Fries said that Virgin Media's second half would be "better than the first half" with "modest" RGU growth and lower overall capex offsetting increases in programming costs and taxes.

Fries defended Virgin Media's record with Project Lightning, its fibre network build-out programme, which he said delivered "incredible returns" despite the need for capital.

He said it was "too soon" to talk about acquiring or merging with a mobile operator in the UK. "Fixed-mobile convergence is not yet a big play in the UK. Everyone is revving their engines but no-one has started the race," he said.

Answering a question about wholesaling network access to third party players, Fries said that this was something the company was "evaluating", although he was opposed to governments mandating this, as had happened in Belgium.

"We don't think cable networks should be opened up by government," he said. However, he was positive about Vodafone's deal with Telefónica in Germany and hinted that Virgin Media could strike a deal in the UK.

"The rumour is that we are talking to someone in the UK," he said, adding that it was "too soon" to say anything further on this.

Fries said that the company's restructuring and scaling down of its central operations following the completion of the sale of its German and CEE assets to Vodafone was "nothing but a good news story" and that the company was "developing the core products that it needs" to ensure cross-border synergies.

He said that Liberty was now in a position to "monetise a lot of the investment we made in the prior three years" and that operating free cash flow was seeing very strong growth.

Turning to one of Liberty's remaining continental European markets, Fries said that the VodafoneZiggo JV in the Netherlands was "making great headway" with fixed-mobile convergence. He said that Liberty was "pleased with the business", but declined to be drawn on the future of the JV structure beyond saying that there are no plans for an IPO.

Netflix chief promises big UK programming spend

Netflix CEO Reed Hastings has said the streamer will spend £400 million (€450 million) on UK programming this year and added that there would be a "big increase" in 2020 as the company's investment in the country continues to soar.

The streamer's UK slate to date tops 50 shows including *Black Mirror*, *Sex Education* and *The Crown*, but Hastings said the company would be further ramping up its production in the country, which already has the second-biggest production spend only behind the US.

Speaking at the Royal Television Society Convention in Cambridge, Hastings said that its spending "will continue to grow following the subscriber base."

He said that while it would not double next year there would be "a big increase", as the streamer prepares to compete with new US-based streamers from WarnerMedia, Disney and Apple.

Earlier this year it emerged that Netflix had struck a far-reaching deal to create a UK production hub at Shepperton Studios and Hastings said he wanted the streamer to make the most of UK-based production expertise.

He added that he wanted to explore opportunities across the country but said Netflix wasn't trying to create production "factories", rather it would look for boutique deals across the UK.

In an expansive discussion with moderator Kirsty Wark, Hastings also said the company was not in the acquisitions business – aside from its deal for Millarworld – and said buying production companies was "not particularly part of the plan."

Netflix also lost out to Amazon in a bidding war for BBC comedy *Fleabag*, revealed Hastings, who also joked that with the inflation of drama budgets, one day *The Crown* would "look like a bargain."

He also reiterated that the streamer's competition comes from numerous sources including video games, linear TV and YouTube, adding that the company currently accounts for around 10% of TV consumption in the US and 5% in the UK.

But he admitted that the emergence of new direct-to-consumer services was providing "tremendous new competition" and creating a "whole new world," with the likes of Apple TV+, Disney+, HBO Max and MNBCUniversal's Peacock set to join incumbents such as Amazon.

Hastings also said binging remained a core strategy for the streamer, despite some competitors looking to move towards weekly releases. Netflix would, he added, experiment with different release strategies reflected by its soon-to-launch music competition series *Rhythm + Flow*, which is being released weekly.

In brief...

Piracy threat
A new survey of UK consumers has found that the growing number of streaming platforms and the fragmentation of content could lead to an increase in content piracy. The study of 1,500 UK consumers, carried out by price comparison site Broadband Genie, looked at the attitudes that people have towards streamers. It found that Netflix and Amazon Prime Video are the standout leaders with large content libraries, but 30% of respondents said that there is content that they want to watch on services that they don't have. Some 37% of respondents said that they would consider using illegal sources instead of paying for content should fragmentation continue to grow, with 60% of those people saying that they would consider paying for a VPN in order to hide their identity. Almost a fifth (18%) of the survey's respondents admitted that they currently often or occasionally access content via illegal streams or file sharing.

Liberty rolls out Gigabit services
Liberty Global's operating companies in Switzerland, Belgium and the UK have now all unveiled plans to roll out Gigabit broadband services. The UK's Virgin Media has kicked off the deployment of Gigabit broadband in Southampton, taking 1Gbps downstream speeds to 100,000 premises. The company plans to bring these speeds to its entire network, covering 15 million premises, by the end of 2021. The initiative, branded Gig1, also sees the launch of Virgin Media's new DOCSIS 3.1-enabled Hub 4 router.

BeoutQ hideout exposed
The location of pirate outfit beoutQ's headquarters has been located. As a part of its news show *What Lies Beneath*, journalists at Al Jazeera detailed how Slevision and Shammas – two Saudi service providers – are involved in operations carried out by beoutQ. The pirate broadcaster has been widely condemned by governments and sports bodies globally, with Qatari BeIN Media being the biggest victim as exclusive MENA rights holder to many significant sports events. The investigation found that beoutQ is based in the al-Qirawan district of Riyadh. This is despite years of protests from Saudi officials that the broadcaster was the product of hackers based Central and South America.

Sunrise strains to secure OK for Liberty Global deal

Swiss telco Sunrise has announced a reduction in the size of the rights issue planned to finance its troubled acquisition of UPC Switzerland in a bid to secure shareholder approval for the deal.

The telco is to reduce the size of the rights issue by CHF1.3 billion (€1.2 billion) to CHF2.8 billion ahead of a planned shareholder meeting on October 23.

The telco is also planning to take an increased absolute dividend in the range of CHF350-370 million for the 2019 financial year to its 2020 AGM, based on the higher than expected number of shares in the company post-rights issue.

Sunrise is also introducing a cash-for-title option enabling shareholders to receive the dividend in cash, newly issued Sunrise shares or a combination. The company's debt leverage ratio will increase as a result of the move.

Sunrise said the latest move followed extensive consultation with shareholders, although it is still faces the opposition of those most adamantly opposed to the transaction, including Germany's Freenet, Sunrise's largest shareholder, which said the leatest move "only scratches at the surface" of problems associated with the deal.

Liberty Global agreed in February to sell UPC Switzerland to Sunrise for a total enterprise value of CHF6.3 billion. In August Freenet issued a statement that it was "not satisfied" with the agreement, and that it would vote against the proposed CHF4.1 billion capital increase.

The company's move follows recent approval of the acquisition by regulator WEKO. The approval was granted without any conditions or stipulations.

Despite the opposition of a growing number of Sunrise shareholders to the terms agreed with UPC Switzerland owner Liberty Global, the latter has rejected the idea of making any changes to the agreement and said that it was "fully committed to completing the transaction as agreed".

Olaf Swantee, CEO of Sunrise said: "Since the announcement of the transaction, we have met with more than 200 investors and received strong support on the strategic and industrial logic of the acquisition. Today's enhancements to the initially proposed terms reflect the feedback from our shareholders. Following receipt of WEKO approval last week, we are now looking forward to moving swiftly towards completion of the transaction and to creating a stronger and more valuable fully-converged Swiss telecommunications leader for our shareholders."

Sunrise chairman Peter Kurer said: "The Board is pleased to announce these enhanced transaction terms which are the result of constructive engagement with our shareholders. We are confident that today's announcement will enable a successful conclusion of the acquisition of UPC Switzerland, which we believe will create a stronger and more valuable Sunrise for all of our shareholders, benefitting from the compelling strategic and financial rationale of the combination. We have full confidence in management's ability to successfully integrate UPC Switzerland and realize the significant expected synergies from the combination for all Sunrise stakeholders."

In brief...

Discovery launches foodie D2C

Discovery is launching its latest brand-focused direct-to-consumer offering via Food Network Kitchen – a major undertaking that also sees the business teaming up with Amazon. The platform, priced at US$6.99 per month, will offer live interactive cooking classes every week featuring top culinary experts, as well as grocery and equipment delivery. Overall, the service will offer 800 on-demand classes, and 25 live cooking classes each week. Food Network Kitchen will launch in late October in the US and will also be available across iOS (iPhone and iPad), and Android mobile devices. Food Network Kitchen will roll out across additional platforms and devices in 2020.

BritBox distribution deals

BritBox, the new UK SVOD streaming initiative of the BBC and ITV, has announced its first set of distribution deals. The OTT platform will be available on Samsung, Freeview Play and YouView devices. Launching between October and December 2019, BritBox will cost £5.99 (€6.73) per month and will offer a range of classic and contemporary shows from the BBC and ITV. The BritBox app will be available on the Tizen range of Samsung TVs, while the Freeview Play deal will see the app on a range of devices, including those from Sony, Digihome , Polaroid, Techwood and Toshiba. Meanwhile, YouView set-top boxes will receive the app by the end of 2019.

Pluto TV launches on Android

Viacom's Pluto TV has announced a major expansion to Android devices. The free-to-view streamer is now available through the Google Play Store in Germany, Austria, Switzerland and the UK. The news follows a similar announcement from September that saw the AVOD added to Apple's iOS. Users will have slightly different content offers based on their location. The service in Germany, Austria and Switzerland offers a line-up of over

Vivendi takes legal actions against Mediaset in Italy

Vivendi has followed up a legal action it initiated to disrupt the creation of Mediaset's new European holding company in the Netherlands by filing a suit against the company in Italy.

Mediaset said it had received a writ of summons from the French media giant requesting the Court of Milan to annul the resolution in favour of the merger passed by the Mediaset EGM in September. Vivendi is also seeking damages from harm to its business and prejudice to the profitability and value of its stake n the company.

The writ called for a cancellation of resolutions adopted by Mediaset including one preventing Simon Fiduciaria from being present at the meeting and exercising rights in relation to its stake in the Italian broadcaster.

Vivendi was obliged to pass the bulk of its 29% stake in Mediaset to Simon Fiduciaria, acting as a blind trust, in order to comply with Italian regulations preventing groups from simultaneously holding large stakes in broadcast and telecom companies.

However, Mediaset has maintained that Vivendi acquired its stake in Mediaset illicitly and that Simon Fiduciaria is merely a proxy for it. Simon Fiduciaria holds a 19.19% stake in Mediaset.

Vivendi's lawsuit also alleges that Fininvest, the Berlusconi family's investment vehicle and Mediaset's largest shareholder, effectively manages and coordinates activities at Mediaset.

The French company is also demanding a declaration that it is a legitimate shareholder and exercise all rights connected to the 9.61% stake in the company it continues to hold directly, as well as exercising rights connected to Simon Fiduciaria's stake.

Vivendi is also seeking to establish that Mediaset and Fininvest acted illegally by preventing Simon Fiduciaria from attending the shareholder meeting. The first court hearing is set for January 10.

Mediaset earlier posted increased first-half operating profits of €191.6 million, up 55%, on reduced revenues of €1.482 billion, down from €1.804 billion last year, with top line hit by the loss of pay TV revenues.

T-Mobile Polska integrates Amazon Prime Video

T-Mobile Polska has become the first Polish service provider to add Amazon Prime Video to its TV offering, available to subscribers as of yesterday.

Current and new Magenta 1 customers and subscribers to the operator's other mobile service will be able to subscribe and pay for Amazon Prime Video as part of their account.

T-Mobile customers will benefit from a seven-day promotional period to try out the service, which will be available via the T-Mobile Android TV 4K HDR set-top after they have activated it.

The move will enable T-Mobile customers to watch Amazon Prime Video originals such as *Carnival Row*, *Tom Clancy's Jack Ryan*, *The Boys* and *The Grand Tour*.

T-Mobile said it also planned to create a "wide range" of packages that will combine Amazon Prime Video with other telecom and entertainment services as part of a long-term strategy.

The operator has also refreshed its TV user interface to provide what it described as more intuitive access to TV and video services that include Netflix, YouTube, Ipla Sport as well as Amazon Prime Video.

In brief...

30 thematically-curated channels, including Pluto TV Movies, KultKrimi and recently launched Comedy Central Pluto TV and Comedy Central – Made in Germany. The UK offer includes more than 60 channels, showcasing a wide variety of indie and mainstream movies, factual entertainment and crime content. Separately, Viacom has further bolstered its Pluto TV offering with seven new channels. The most noteworthy of these channels is one solely dedicated to VH1's popular series *RuPaul's Drag Race*, which is made up of episodes from the show's first five seasons. There are also channels dedicated to other VH1 series *Love & Hip Hop* and *Black Ink Crew* along with VH1 Unscripted, VH1 Hip Hop Family, BET Her and BET Homecoming.

YouSee streaming partnerships
Danish telecom and cable operator TDC's YouSee operation has struck a new partnership with commercial broadcaster TV2 that will see streaming service TV2 Play and the broadcaster's new venture TV2 Sport X added to YouSee's Bland Self combined TV and streaming offering from the start of next year. YouSee has also struck a new agreement with Bonnier Broadcasting's pay TV arm C More, giving its full package customers access to the pay TV channel provider's four film and series channels. YouSee has also struck a new agreement with Nordisk Film bringing Danish movies in to YouSee TV and streaming customers.

Stankey denies DirecTV sale
WarnerMedia CEO John Stankey has refuted claims that the company is looking to sell DirecTV. Speaking to the *Wall Street Journal*, the CEO said that DirecTV "is an important part of what we're going to be doing going forward", following a report from the paper that AT&T was considering either spinning DirecTV off as its own company or selling it outright. He also suggested that DirecTV will be have a significant role to play in streamer HBOMax.

Ethiopia's first dedicated TV platform launches

Ethiosat has launched the country's first dedicated TV platform dedicated to the country's most popular channels.

Ethiosat has been launched as a result of agreements between the Association of Ethiopian Broadcasters (AEB), the Ethiopian Broadcasting Corporation (EBC), satellite operator SES.

Ethiosat is hosted on SES's NSS-12 satellite at 57° East and delivers over 30 channels for Ethiopian audiences only, with 12 of those channels already in High Definition (HD) quality.

To access Ethiosat direct-to-home (DTH), Ethiopian TV viewers must have their respective local satellite antenna installer change the position of their antenna. This will allow users to receive the content from SES's NSS-12 satellite.

Amman Fissehazion, chairman of the AEB, said, "Up until now, the majority of Ethiopia's content has been broadcast from an orbital location that also supplies content to Middle Eastern and North African countries, which explains the often confusing mix of content. By migrating the most popular Ethiopian TV channels to a new location on SES's satellite, we've created an Ethiopian-only TV offering, that also delivers a variety of channels in HD, a first in Ethiopia.

"We believe consolidating all Ethiopian TV channels and broadcasting them from one orbital position will fuel growth in the Ethiopian media sector, as local networks will now be able to easily expand their audience reach. This will foster healthy and growing advertising markets, which will result in a greater variety of content, and more localised content."

Ferdinand Kayser, CEO of SES Video said: "SES is supporting every aspect of this launch and providing on-the-ground services to ensure the success of Ethiosat, which includes training local installers to correctly repoint the satellite dishes of each TV household to ensure a seamless migration. Ethiosat is bringing a completely new television experience to Ethiopians. We intend for the reliability and quality of the new platform to attract many new viewers, fuelling a bright future for the Ethiopian media sector."

Comcast chief outlines Peacock plan

Comcast CEO Brian Roberts has laid out the company's plans for its new streamer, Peacock, saying that the company is looking for the "fastest way to get to profitability with the least amount of investment" with an ad-supported model being the way forward.

The CEO was speaking at a Q&A during Goldman Sachs' annual Communacopia conference.

He said that the company wanted to "do something different in a very increasingly crowded field".

Clarifying the situation, Roberts added that Peacock will be offered for free to existing US Comcast customers. The streamer will be available for non-Comcast users for free with ads, or with no ads for an as-yet unknown monthly fee.

He added that "advertising with a light ad load," combined with "the premium content that will be on this network" will create a platform "unlike any advertising inventory available".

Peacock was officially unveiled by NBCUniversal last month, with a touted Spring 2020 launch.

The streamer will launch with over 15,000 hours of programming and will be sold on the strength of existing properties like *The Office*, *30 Rock* and *Parks and Recreation* – the latter having been bought back from Netflix and set to be added to the service in October.

Roberts also said that Peacock will be central to a major marketing push during next year's Summer Olympics in Japan, with original shows promised to launch after the flagship event.

In brief...

Vodafone DE ups 500Mbps homes

Vodafone Deutschland says it has doubled the number of homes that receive internet speeds of up to 500Mbps over the last year to 20.8 million. Of the total, Vodafone says that over half – 10.9 million, can receive speeds of 1Gbps or above. The milestone comes after Vodafone upgraded cable networks in 20 more cities and towns, including Reinbek, Glinde, and Wentorf in Schleswig-Holstein and Spremberg and Cottbus in Brandenburg.

Comcast takes on Google

Comcast is throwing its weight behind US efforts to pile regulations onto big tech firms. As first reported by Reuters, the company's video ads division Freewheel has accused Google of "using privacy concerns as a pretext to limit FreeWheel's ability to sell ads on behalf of its clients' YouTube channels". The report, citing four people familiar with the matter, says that the discussion took place behind the closed doors of a September congressional task force.

DAZN tops sports app chart

Sports streamer DAZN has beat out ESPN to be the top revenue-generating sports app for the first half of 2019. As per a report from mobile app marketing intelligence firm Sensor Tower, DAZN has risen one place to become the leading app. Disney's ESPN app rose five places to reach second, while 2018's number one – MLB At Bat – dropped to third. The NBA official app and GPS hunting app onX Hunt were fourth and fifth respectively.

TIMVision adds Chili

Telecom Italia (TIM) has struck a deal with Italian video-on-demand service Chili to bring the latter's offering to TIMVision customers via their set-top boxes. TIMVision customers will be able to access the Chili catalogue and choose from a range of titles including, newly released movies at discounted rates that can be paid direct via their TIM accounts, according to the company. This deal extends an existing agreement between the pair.

OUR WORLD IN PERSPECTIVE

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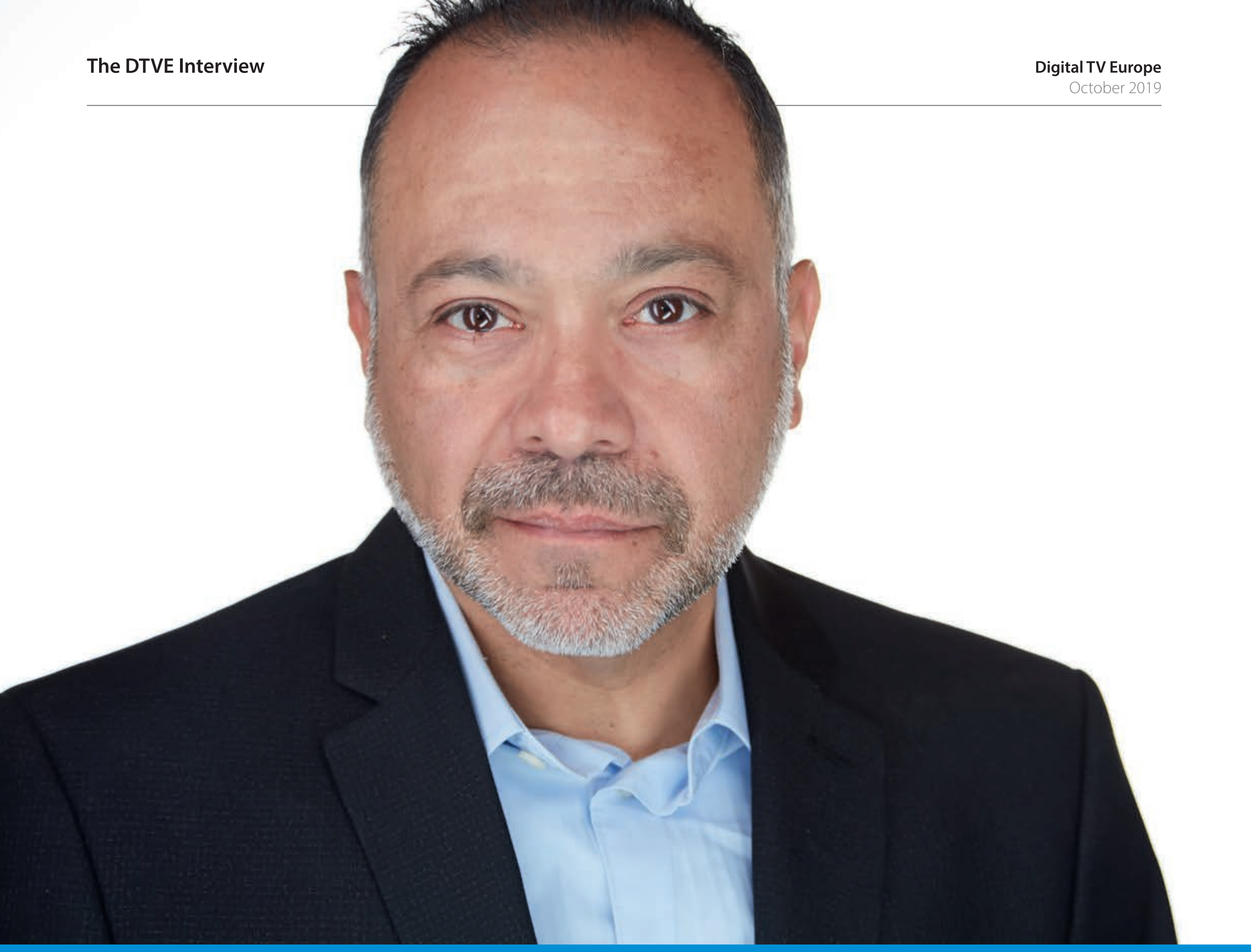


The DTVE interview:

Enrique Rodriguez, Liberty Global

Liberty Global has undergone massive changes over the last year, with a refocusing of its central technology function under the company's CTO, Enrique Rodriguez. Ahead of Cable Congress, he talked to Stuart Thomson about the cable giant's priorities and pragmatic approach to networks, connectivity and entertainment.

Liberty Global has undergone a series of major changes over the last year, most notably with the sale of its German and central European assets to Vodafone, which followed the 2018 sale of UPC Austria to T-Mobile and the acquisition of its satellite unit by M7 Group.

This downsizing has happened at the same time as a shift from a phase of heavy capital expenditure to one more focused on reaping the benefits of that investment – albeit while continuing to build out fibre networks and deliver higher speeds over its existing infrastructure.

These changes have had an impact on the way the company is managed. At the start of the year, Liberty initiated a big decentralisation drive that saw the disappearance of a central commercial function and a refocusing of its technology and innovation organisation.

Chief technology officer Enrique Rodriguez, who joined the cable giant from TiVo in July 2018, and was elevated to the board following the departure of former commercial chief Diederik Karsten in March, says that the changes in the central tech and innovation unit were more about optimising how best to develop and deliver roadmaps for networks, entertainment and connectivity across the company.

"Our implementation has always been local, with different brands across different countries," he says. "The changes we made earlier this year were to push more of our technology and operations out to the operating companies. We can now be much more aligned with the local sales and business teams."

He cites the appointment of Jeanie York, formerly Liberty's VP of network operations, as chief technology and information officer at Virgin Media at the head of an enhanced combined local engineering and IT team, as a key example.

Liberty Global's network, connectivity and entertainment platforms remain the responsibility of the central team, along with a new unit dedicated to servicing the ongoing needs of the operating companies that have been sold.

The ongoing stream of service revenue that the company takes from units acquired by third parties has increased significantly and Rodriguez says it make sense to have a dedicated organisation to look after this.

In relation to Liberty Global's own remaining operating units, Rodriguez is focused on the evolution of networks, connectivity and entertainment.

Gigabit networks

Regarding networks, the company is focusing on building out fibre in new areas and in digitising its HFC network.

"We continue to increase the penetration of fibre both in the core and access networks and we are continuing to digitise so that more and more of our traffic is carried over IP," says Rodriguez. "This allows us to take advantage of an ever-broader set of technologies that are being used in the growing market of IP networking."

The evolution of the network involves an ongoing reduction in the use of active analogue components "wherever we can" and the deployment of technologies including Remote-PHY and virtual CMTS to "centralise the intelligence of those networks and push analogue processing further and further out towards the end customers", says Rodriguez.

"This gives us a lot of flexibility when it comes to increasing capacity and frequency planning in the coax part of the network. It increases our operational efficiency and reduces just about every operational headache that you have in a network the size of ours," he says.

"At the same time, it improves the consumer experience on those networks that fewer active components. We see improved performance and reliability, which is extremely important in the connectivity business."

Virgin Media has continued to roll out full fibre networks in new build areas as part of the Project Lightning initiative, although the company's latest initiative, Gig1, is about delivering 1Gbps to a wider footprint over its HFC network using DOCSIS 3.1. Liberty has in fact now rolled out or unveiled plans to roll out 1Gbps services across its footprint. Virgin Media has kicked off the deployment of Gigabit broadband over its HFC network, beginning in Southampton, taking 1Gbps downstream speeds to 100,000 premises.

The company plans to bring these speeds to its entire network, covering 15 million premises, by the end of 2021. The initiative also sees the launch of Virgin Media's new DOCSIS 3.1-enabled Hub 4 router.

UPC Switzerland has also begun offering 1Gbps speeds across its entire footprint, with customers opting for 1Gbps Internet to receive a new Giga Connect Box. Belgium's Telenet has also announced plans to roll out DOCSIS 3.1 across its footprint.

"We have made announcements in our Gigabit markets, taking advantage of new technologies like DOCSIS 3.1 both at the network and the gateway level to make sure we continue to get further speeds and we have maintained the speed leadership in just about all of our markets," says Rodriguez.

He says that Liberty will look at different network architectures to reach consumers, depending on the circumstances. "We don't see ourselves as tied to HFC or any one technology. We think we can be quite smart about where is the right place to deploy each one of those network technologies," he says.

"When you look at our footprint it is dominated by HFC. I'm pretty confident we have a clear way to 1Gbps and beyond with HFC but you will see us utilise whatever network technology we feel is appropriate for a given use case."

He says one of the goals of the central technology organisation is "to make sure that those networks have as much commonality as possible is things such as operational management".

> Our central objective is to delight the consumer with better and better connectivity, better and better services and better and better integration between fixed and mobile.

Rodriguez highlights Liberty's successful rollout of the advanced gateway, which is now present in 13 million homes across its footprint. He says that the company is continuing "to improve the Quality of Service and performance and increase the intelligence" of the platform with a combination of Connect Cloud, Liberty's smart cloud technology, and its Connect app, which allows consumer to manage certain features of the gateway, get help of monitor performance.

In-home connectivity is a key and often overlooked part of the connectivity puzzle. Liberty Global has yet to make any commitment regarding WiFi 6, the latest and potentially greatest generation of in-home networking technology, which would require the roll out of new consumer hardware, although Rodriguez says that is something that will be "coming onto our roadmap in the future". However, he says that Liberty is continuing to make continuous improvements in WiFi, including the deployment of new smart WiFi features in its existing generation of gateways.

Entertainment platform

Beyond connectivity, video entertainment remains a central part of Liberty's proposition and the operator is also continuing to evolve its entertainment platform. The latest iteration of its RDK-based core platform, Horizon 4, has been rolled out in Switzerland and the Netherlands and a soft launch is underway in Belgium. Rodriguez says that Liberty is "at work on planning its deployment in the UK, starting with field trials later this year and scale deployments in 2020".

Continuous evolution of the feature set offered remains a key goal, and Rodriguez is particularly enthusiastic about the potential appeal of voice interaction.

"We see a lot of engagement around voice control," he says. "This is something, that the consumer really likes to use if it is done right. We want to see continuous improvement when it comes to functionality."

Regarding TiVo, where Rodriguez was briefly CEO before joining Liberty and which supplies Virgin Media's current TV platform, the technology chief describes his former employer as "a fantastic partner" with which it recently launched advanced advertising. He says the company has "still to detail" how it will manage the transition between the two platforms but points out that, in a business where sweating legacy infrastructure is crucial to the bottom line, Virgin will likely continue to service TiVo boxes for a long time to come.

"This business relies heavily on existing hardware. It may not be technically possible or economically feasible to replace or update hardware to keep everything aligned and the business is used to having different generations on the go at the same time," he says.

Its investment in Horizon 4 notwithstanding, Rodriguez implies that Liberty is in any case broadly agnostic about how to deliver entertainment services – with the inference to be drawn that this will primarily be led by consumers.

"We have been believers in executing a strategy that integrates bring-your-own-device in a number of ways," he says. "It depends on the market but we have deployed on Apple TV and on the retail versions of Android TV, on Android-powered TVs and smart TVs and on the complete range of mobile devices. Entertainment belongs on every screen. If people love their Apple TV, we don't have any issue in bringing entertainment to those devices."

Rodriguez does not completely rule out a future deployment of Android TV Operator Tier either. "You can move between different versions of Android relatively easily and it would not be a significant development for us to use Operator Tier. We continue to evaluate it but we have made no decision one way or the other," he says.

Fixed-mobile convergence

Entertainment is likely to play a significant role in driving consumer interest in fixed-mobile convergence.

At a commercial and strategic level, fixed-mobile convergence was a key motivator behind the sale of Liberty's operating units in Germany, Austria and central Europe as well as the potential sale of UPC Switzerland and the creation of the VodafoneZiggo JV.

All of this was to some extent driven by the perceived appeal of attractively priced bundles of fixed and mobile products to consumers.

Virgin Media, which has been building out fibre under its Project Lightning initiative, is now launching 1Gbps services over its existing HFC network.

However, Rodriguez places more emphasis on the ways in which the combination of fixed and mobile networks could connect with consumers' changing lifestyles.

"The main thing is to identify ways in which the convergence of fixed and mobile networks improves the consumer experience. In some cases it could be pricing or more seamless roaming between mobile and WiFi or things that cross over between your mobile life and life in the home," he says. "We used to talk about entertainment to every screen. We never called it fixed mobile convergence but that is exactly what it is. It is bringing you services that are traditionally associated with fixed networks in the home to every screen. I think we have only seen the beginning of what fixed mobile convergence can bring to the end consumer."

While 5G mobile networks could help supercharge interest in fixed-mobile applications, Rodriguez says Liberty will remain "very pragmatic" about mobile technology and mobile strategy, pointing out that many fixed-mobile applications can be rolled out "without having to wait for 5G".

Similarly, Liberty will remain pragmatic about its overall mobile strategy, relying on MVNO agreements to deliver mobile services where that makes sense, while looking to ownership of mobile networks in other markets such as The Netherlands.

"We are not religious about any one of these technologies or trends. We adapt pretty well to different markets," says Rodriguez.

The same applies to other potential consumer applications associated with high-speed connectivity, such as the smart home, augmented reality and cloud gaming. While Telenet has experimented with smart home applications, and with AR through its venue-based gaming experience The Park in Antwerp, Ghent and Hasselt, Rodriguez believes it will be some time before such applications are ready for wide-scale deployments.

In the meantime, Liberty is focused on making the best use of its network and technology assets to provide to consumers the services they actually want to use now.

"Our central objective is to delight the consumer with better and better connectivity, better and better services and, where appropriate, better and better integration between fixed and mobile," he says. ■

Arabian evolution

Under a cloud of piracy and political tensions, the TV industry in MENA still continues to grow. Rebecca Hawkes takes a look at the changing market and how its local attitudes make it stand out from the rest of the world.

Rampant content piracy, video streaming fervour, and continued political tensions in the Gulf have dominated the competitive landscape of pay TV in the Middle East and North Africa (MENA) over the past year.

The two direct-to-home (DTH) heavyweights – UAE-based OSN and Qatar's beIN Media – have both been dealt blows to their subscription-based businesses in the last 12 months, with OSN's major shareholder Kuwait Projects Co reportedly looking to sell its 60.5% stake, and beIN cutting its regional workforce by a fifth.

The political backdrop, which saw Saudi Arabia, Egypt, Bahrain, and the UAE cut all diplomatic and economic ties with Qatar in June 2017, has had significant ramifications in the media sector. BeIN Media has been forbidden to legally operate in their territories and has lost an estimated 45% of its subscriber base as a result, although it is now available once again in the UAE on IPTV networks operated by Etisalat and Du, and on CNE in Egypt.

Above: Netflix original *Jinn* is one example of the focus that the streamer is placing on MENA, investing heavily in local content.

OSN has also suffered setbacks, losing almost 15% of its subscriber base between the second quarter of 2015 and the third quarter of 2017, said IHS Markit in its Pay TV & Online Subscription Video Report 2019. Through slashing prices and launching more flexible packages in 2018, analysts believe it has won back 5% of the subscribers it lost the two previous years, though revenues have taken a hit.

Satellite suppression

As a result of these struggles – along with the ever-present spectre of content piracy – an 8% revenue drop was recorded from 2017 to 2018 across MENA's entire pay TV sector. Analysts at Digital TV Research suggest that over the two-year period from 2016 pay TV revenues fell 16% from US$1.25 billion to US$1.06 billion across 13 Arab countries.

"BeIN lost around 45% of its subscriptions base and over US$600 million in subscription revenues between the middle of 2017, when the Saudi-led blockade began, until the end of 2018," says Constantinos Papavassilopoulos, associate director at IHS Markit.

BeIN has also had a well-documented battle with Saudi-based pirate network BeoutQ which recently, after two years of international disapproval, disappeared from the airwaves.

BeIN's competitor OSN is facing similar major difficulties without enjoying financial backing like beIN. "The decision of OSN's previous management team to relaunch the brand with more flexibility in subscription packages was mostly unsuccessful," says Papavassilopoulos. Now, due to financial pressures, it is implementing cost cutting strategies, such as ceasing the broadcast of sports."

In July, OSN confirmed it has put an end to all sports coverage, discontinuing its Pelha packs at the conclusion of this year's ICC Cricket World Cup.

This overall scenario is a far cry from 2010-16, when the region's pay TV market recorded a 17% CAGR, says Papavassilopoulos. It was during this period of growth that Pelha was acquired by OSN to appeal to the large South Asian diaspora living in the Gulf and grow its customer base. However, English and Arabic programming now appear to be the focus for the operator, as it consolidates its programming assets.

Speculation abounds around a rescue plan for OSN, which remains the dominant rights holder of premium Hollywood content in the region until 2022 and offers attractive Arabic content on its Ya Hala channels – though any potential investor would need deep pockets to compete with state-backed beIN Media.

Meanwhile, OSN's new management team, led by former board member Patrick Tillieux, is focusing on its new low-cost contract-free pack for Saudi Arabian viewers. Called El Farq (The Difference), it offers TV channels from Fox, HBO and Disney for SAR159 (€39) per month.

Its launch followed an OSN study which discovered Saudi Arabian households spend an average of eight hours a day watching TV, explaining why the Kingdom holds such promise for the region's players.

El Farq officially launched in February 2019 following a three-month pilot, which it stimulated growth in OSN's subscriber base, particularly in the 25 to 44 age group, OSN's chief commercial operator Steve MacDiarmid said.

Despite satellite's struggles, the regional pay TV market did slowly grow to 4.5 million subscriptions by the end of 2018, up 6% from 4.2 million the year before. This increase was spurred by growth in MENA's IPTV services.

Streaming soars

Saudi Arabia remains the largest MENA market for over-the-top (OTT) video services, followed by the UAE. But while the performance of pay TV is sluggish, video streaming is flourishing in a region dominated by its youthful, tech-savvy, mobile first population.

By the end of 2018, the number of online video subscriptions was equivalent to 40% of pay TV subscriptions, says IHS Markit, although OTT revenue was only 7% the size of pay TV revenue in the region.

Paid subscriptions for online video at the end of 2018 stood at 1.78 million, up 45% year-over-year, while revenues from paid subscriptions reached a high of US$146 million for the year, up 41% year-over-year. OTT video revenues are predicted to reach US$416 million by 2023.

Despite the emphasis on mobile, while Qatar, Saudi Arabia and the UAE have unveiled 5G mobile networks, 4G is yet to take hold across swathes of North Africa.

But, across all the generations of infrastructure, mobile devices remain the favoured method of watching streamed content. At the end of 2018, the number of mobile broadband subscribers in the region was 17 times higher than that of fixed broadband subscribers.

"The pattern of growth for the streaming sector is mimicking the growth of the pay-TV market, geographically, in MENA," says Papavassilopoulos. "It is strongest in the Gulf, where there is higher disposable income, greater technology awareness, better infrastructure, reliable mobile broadband, and more credit card users."

Still leading MENA's SVOD pack is Starz Play Arabia, with a 29% share of the market. Netflix is just behind with 25% of the region's subscriptions, closely followed by MBC-owned local platform Shahid Plus at 24%.

Netflix and Starz Play accounted for a third of the SVOD market in 2018, as Shahid Plus took 15% of revenues.

Shining bright

At the beginning of 2019, Lionsgate-backed Starz Play Arabia passed the one million subscriber mark and is still growing at a rate of 60% year-over-year, according to CEO and co-founder Maaz Sheikh.

The company could break even this year, Sheikh says, "but we must try to maintain growth and our position in the market."

Below: Starz Play is the market-leading SVOD in Saudi Arabia – a rare case where Netflix is not the leading player.

He continues: "While our shareholders are willing to bet on expansion and invest in growth, we'll focus on that. It is less of a priority to break even, although the unit economics of each subscriber are important to generate positive cash."

Each subscriber adds what Sheikh calls a "positive lifetime value", although the amount each generates for Starz Play varies enormously. To underline that, 80% of the SVOD company's revenue hail from the Gulf States, despite North Africa providing 30-35% of all Starz Play subscribers.

> To embark on an original production, you have to accept you could create content which will only be successful in one area, and not another.
>
> Maaz Sheikh, Starz Play

Starz Play owes its leadership position in large part to its early market entry and drive to forge extensive distribution deals and convenient payment options. It now has, says Sheikh, "a two to three-year window in which to dominate the market, so when the global players do inevitability catch up, we have already established ourselves".

Among its successful partnerships is one with STC's aggregated live TV and VOD platform Jawwy TV, for which Starz Play provides the Hollywood content. Currently it operates in Saudi Arabia, Bahrain and Kuwait, though it has ambitions for rolling out further into the region.

In terms of content, Sheikh says Starz Play Arabia is now getting better at understanding not only consumer consumption but what drives unique consumption. Series such as *Grey's Anatomy*, *The Big Bang Theory*, *Friends* and *The Office* are binge-viewed and drive high consumption figures – far greater than those of its new 'day and date' shows, such as *Vikings* and *Power*. "But, on the day a brand-new show hits, we see a 30-40% lift on subscriptions, so these 'day and date shows' drive new acquisitions for us," says Sheikh.

When content comes off Netflix and Starz Play becomes the sole home for it in the region (as happened with *The Office*), that also has "a very material impact" he adds.

Around 80% of Starz Play's 6,000 hours of western content is licensed through major studios, while the rest is from minor studios or independent producers. Bollywood is also featured, and the platform offers 2,000 hours of Arabic content, with a raft of classic and modern Egyptian and Lebanese films most recently added to the offer.

OSN's El Farq launched earlier this year.

Original sin

Local originals are not on the cards for Starz Play anytime soon Sheikh says. "MENA is a market with tons of variability from one country to the next. To embark on an original production, you have to accept you could create content which will only be successful in one area, and not another. To monetise this is a challenge," he says. "Netflix has started on this journey and for now we have an opportunity to watch and learn. Ultimately it is a natural extension, even for us, to produce local original content to differentiate ourselves from linear broadcasters." But first, Sheikh believes the entire value chain in the region has to evolve and adapt, from script writing to consumer taste.

Evolution in the local production market has occurred in terms of the creation and consumption of short-form content. Tapping into this, Starz Play has been working with Saudi producer Mykrott to bring its *Masameer* and *Yaarob* animations to the platform. "This digital windowing has been a very successful experiment for us," says Sheikh.

But though Netflix is driving original series creation in MENA, its first steps have not been without controversy.

In June, Netflix's much anticipated Arabic drama debut, Kabreet Productions' series *Jinn*, came under fire for its strong language, scenes of physical intimacy and for the Arabic dialect and adopted accents, with a shocked social media reaction.

The paradox for Netflix and others is that much of the western content with strong adult themes is accepted and enjoyed across the Arab world.

How far the cultural backlash over *Jinn* has affected Netflix in MENA remains to be seen, but the streamer's roll out of Arabic originals continues.

In August, *Dollar*, an original drama set in Lebanon began streaming worldwide. Another Netflix original, the Egyptian *Paranormal*, is also in the pipeline.

While these, and forthcoming Jordanian series *Al Rawbi School for Girls*, demonstrate Netflix' intent to produce regional series, its list of Arabic originals is still slight when compared to its slate of Indian or Turkish programming.

"The problem with MENA content is that it doesn't travel well. The market is much more conservative, and much more fragmented. There isn't a homogenous taste within the Arab world," says Papavassilopoulos. "And Netflix's investment in all developing markets is done with one eye on the local market and another fixed firmly on the international market. This is a difficult path to tread."

Local flavour

The leader of locally produced, pan-regionally appealing Arabic content is undoubtedly Dubai-based broadcast group MBC. Its free-to-air broadcasts of Ramadan series and localised versions of international formats such as *Arabs Got Talent*, *Project Runway* and *The Voice* regularly attract upwards of 100 million viewers.

Although still based on the advertising supported model, MBC now offers subscription services, such as online video platform Shahid Plus, and has forged partnerships with pay TV operators, telecom operators, content producers, and even mobile operators to diversify its revenue streams.

The Saudi-backed media group has also been unveiling a number of localised initiatives to help increase its influence in target markets.

The latest of these is MBC Channel 5, a channel launched in September 2109 for the Maghreb countries of Morocco, Tunisia and Algeria.

The Maghreb has been watching MBC broadcasts since the network launched in 1991, and – as a 'guesstimate' – MBC already commands around 10% of its TV advertising market, according to MBC Group director of commercial Mazen Hayek. So, why dedicate a new channel that cannot be sustained by commercial returns alone?

"We see the launch of MBC 5 as more beneficial for the region than it is for MBC in terms of revenue-reaping. It will provide investment in the local media sector and create jobs for practitioners, pop stars, and others," says Hayek. "In the Maghreb, there is a huge pool of talent and an amazing local artistic heritage, so that can feed into our content." (Last year's winner of *The Voice*, 10-year old Hamza Labyad, was from Morocco, for example.)

"Investing in MBC 5 will enhance the MBC experience overall for viewers. It will infuse local flavour, that local aroma, that you don't get to taste or grasp unless you actually work in a region. We felt it in Egypt, are feeling it in Iraq, and will now feel it in Morocco," Hayek says, alluding to MBC's Egyptian channel Masr which has been on air since 2012 and MBC Persia which launched in October 2018.

The new channels are part of the company's five-year growth plan "to provide first-rate content tailored to audiences around the world".

They, and the media group's other platforms, will be supported by its content production unit MBC Studios, established in 2018.

MBC Studios is tasked with producing high quality films, TV and on-demand content, and to help drive Saudi Arabia's emerging entertainment sector, in line with Crown Prince Mohammad bin Salman's ambitions to create a regional media hub in the Kingdom.

Ramping up local content creation is clearly central to MBC's strategy, and not only for its linear broadcasts. Its digital team, now led by ex-Hulu executive Johannes Larcher, "has been working relentlessly to revamp Shahid into a great video-on-demand platform", says Hayek.

> "5G will be a real quantum leap in streaming and consumption habits, but we need to manage expectations"
>
> Mazen Hayek, MBC

Shahid will be relaunched in early 2020, with stepped up content acquisitions and a new user interface. And, with that increasing slate of premium original content to tap into, MBC has aggressive plans to leapfrog existing VOD operators into the region's top spot.

5G mobile developments are also being taken into consideration by the broadcaster. "5G will be a real quantum leap, it will bring about a change in streaming and consumption habits, with long form content enjoyed on mobiles too," says Hayek. "But we need to manage expectations. 5G is a growing technological enabler and we will be ready, but it won't immediately replace cable and satellite."

Forecasting the future

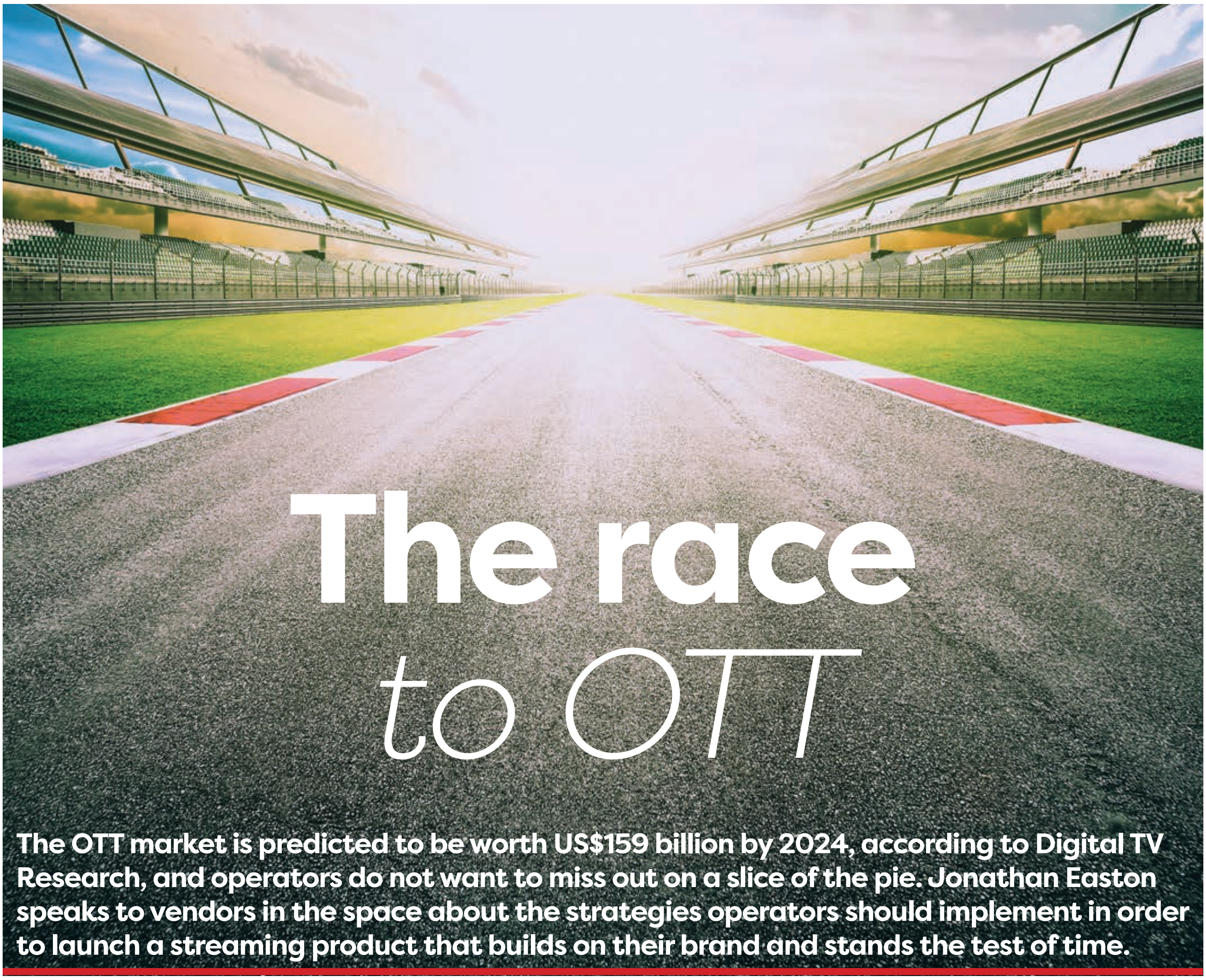
Nor will SVOD services replace pay TV services in MENA in the near future, despite their popularity and the rising trend of cord cutting in other global markets.

"Pay TV penetration [in MENA] is very low, at around 10%, but the main reason for the lack of cord cutting is that online video still does not offer the high-quality content found in the catalogues of the major pay TV operators," says IHS Markit. The research outfit cites beIN's estimated US$1 billion a year spend on content such as the rights to major sports leagues and events, as a figure hard to match.

Looking forward, and assuming pirate TV channel beoutQ remains off air, pay TV subscriptions in MENA are forecast by IHS Markit to grow at a CAGR of 6% from 2018 to 2023. The growth is expected, once again, to be fed mainly by IPTV acquisitions.

Pay TV revenues are expected to rise 8% during the same five-year period, while OTT services will continue their regional rampage. Indeed, by 2025, analysts predict online video subscriptions will overtake the subscriber base of pay TV operators across MENA.

Which runners lead the race will then become clearer. ■



The race to OTT

The OTT market is predicted to be worth US$159 billion by 2024, according to Digital TV Research, and operators do not want to miss out on a slice of the pie. Jonathan Easton speaks to vendors in the space about the strategies operators should implement in order to launch a streaming product that builds on their brand and stands the test of time.

Unsurprisingly, OTT was a central theme of IBC 2019. Whether it was operators discussing the merits of different pricing models or vendors promoting the merits of AI-enriched content delivery networks, OTT was on the tip of tongues all around the RAI. What is increasingly apparent is that OTT offerings are no longer an exceptional add-on to an operator's main service; they are the norm – and those who lack any form of OTT product are going to fall behind in the near future.

"Consumers don't watch TV like they used to and pay TV operators know it," says Marco Frattolin, senior product manager in charge of operator products at OTT platform provider Vewd. "Not only are they watching traditional TV in new ways – multiscreen, multitasking, non-linear – but they are watching OTT content at a growing rate, challenging operators with enabling both in a consistent and easy-to-use way."

These sentiments are shared by Magine's Håkan Tranvik, who agrees that "consumer behaviour is radically changing and this means that traditional operators need to adapt."

This consumer behaviour has, of course, been shaped and informed by the unprecedented growth of Netflix.

With the wealth of options from the so-called 'big five'– Netflix, Amazon Prime Video, along with the imminently arriving Disney+, Apple TV+ and HBO Max – it is no wonder that a recent study from Roku anticipates that 60 million American households will view video exclusively through streaming in the next five years.

But though the likely market leaders have been identified, there will still be room for alternative providers.

"Right now, there is a land grab for market share. Various researchers say Netflix, Amazon, and Disney+ will make up a minority of the subscriber market share in 2023 with the bulk of the pie split between China and 'others'," says Brightcove product marketing manager Lexie Knauer. "The 'others' piece is what is at stake. There is a rush to capture the remaining market share. There are only so many more cords left to be cut, and content distributors need to ensure they have a unique value proposition, whether that's niche, specialised content, or a superior viewing experience. Otherwise, they won't survive in the fragmented marketplace, risking churn and abandonment to other services."

Saying that it offering an OTT service is make-or-break right now would be to exaggerate, but operators do risk being left behind and should lean on their pre-existing customer relationships, says Frattolin: "Customer relationships are at risk. Currently, operators have a great opportunity to position themselves between the consumer and the OTT streaming providers by offering more of the services consumers demand."

One way that operators can bridge that gap without investing heavily in a large-scale platform of their own is to take advantage of a trend towards aggregation, adds Frattolin: "OTT channelisation means that there will be more and more OTT services available with different content, so consumers will need an aggregation layer, and that's the operator opportunity."

You.i TV head of product market development Simon Leadlay has a similar mindset: "Operators who get left behind will struggle with a fragmented subscriber base, will not be able to show a high enough value in their service due to limitations on consumer device support, and will lose customers to more-attractive platforms who bring a better service to a wider range of devices."

Taking an approach

It is one thing for operators to acknowledge a need to break into the space, but there is no one-size-fits-all approach – both in terms of technology and content.

"Operators need to move fast with a flexible approach. This is a play where larger tier-one operators have an advantage, using their own muscle to invest in platforms and exclusive content. At the same time they have old legacy in their systems and technology changes in their platforms are very costly," says Tranvik. "For the tier-two and three operators, the situation is different. They need to be smart and build their OTT position in a more cost-efficient way with minimised capital expenditure and the potential to adjust in an agile fashion."

There certainly is pressure on content service providers to present an OTT offer, but in order to avoid creating a product with a high churn they must have the right approach, says Knauer. "It's imperative that operators have a well-defined launch plan. From content strategy to promotional activities, preparation is key," she says. "Depending on how quickly an operator is looking to launch, it should investigate working with a technology partner that offers an easy to manage templated approach. Moreso, working with a strategic partner that has strong relationships with distribution platforms can really speed up the app submission process to get the service across the finish line."

As far as technological partners for OTT development goes, there is no lack of options on the market, with many hawking their wares in the RAI.

Each vendor offers differentiated products and provides various degrees of hand-holding, but there are undoubtedly unifying aspects across the market to serve operators' needs.

"Good-quality E2E solutions should be both flexible and yet should also provide a quicker time to market. In a traditional E2E solution, a great deal of time is unfortunately spent customising the user-interface for deployment, which spoils the benefit of a pre-integrated solution," says Leadley. "Operators are now looking to accelerate and simplify this UI customisation process, all while refusing to take just a locked-in templated solution. They are looking for tools and technologies that offer solutions to cross-platform app and service development, both to speed initial development and also to reduce ongoing maintenance and feature development costs."

> Good-quality E2E solutions should both be flexible and yet should also provide a quicker time to market.
>
> Simon Leadlay, You.i TV

Identifying and avoiding pain points

So far, so simple, it would seem. Get content in place, pick a platform provider and launch across smartphones and smart TVs across the region.

However, there are plenty of issues surrounding the deployment of an OTT service that operators should consider.

"Most operator product owners would love to see their service deployed as widely as possible," says Leadley. "But without a unifying technology stack, they suffer the pain of multiple code bases and mismatched per-platform feature sets. This greatly impacts an operator's ability to reach their entire viewership and inevitably reduces their launch ambitions and service availability."

What starts as an ambition to launch one app that is accessible across multiple devices can quickly lead to the creation of multiple internal teams responsible for different platforms. It is not uncommon for operators to have platform-specific teams, one vendor commented at IBC.

This then can result in poor resource management, and the service ultimately becoming a patchwork of incrementally implemented bug fixes and patches rather than a unified platform with a clear editorial drive.

Above: Panasonic has been one of the first smart TV manufacturers to implement HbbTV.

The focus on multi-platform interoperability is a concern that most vendors are well aware of, Tranvik confirms.

"To make a functional OTT service you will need to build a multi-platform solution," he says. "If not using a managed template service this means costly upgrades and it can be time consuming to align the user experience."

One solution for this, Knauer suggests, is a SaaS-based OTT video management and publishing system that "uses template-based designs for live and on-demand video". Such an approach, the Brightcove manager points out, "is much easier to manage across an organisation and doesn't require engineering resources".

"It also eliminates the complexity of maintaining custom development work," she adds.

Leadley promotes a similar approach. "Operators should take control of their front-end technology stack and follow the best practices that have previously been demonstrated by both the video game industry and by OTT leaders such as Netflix," he says. "Choose a single rendering engine which is capable of running on every device, and then develop a single unified code base which allows your service to run everywhere. The alternative common practice of developing multiple different apps, one per platform, is simply not sustainable or affordable in a world of increasing device fragmentation and consumer choice."

It is no small task to launch an OTT product, but such services are growing in number and are only going to become more central to the consumer experience of TV.

While millennials are known in the industry for driving the rate of cord-cutting, generation Z – those born in the late 90s and early 2000s – are likely to be cord-nevers. It will be some time until this latter group becomes the primary purchasing generation globally, but operators must start to plan for a future where the majority have been raised on a steady viewing diet of Snapchat, Netflix and YouTube.

With that OTT market only going to get more congested and contested, time is of the essence. But instead of rushing out a half-baked product, operators need to create a solution for now that can carry them into the future. ■

HbbTV OpApp: operator services without a set-top

HbbTV, the hybrid broadcast-broadband TV standard widely used in Europe, has extended its reach into OTT recently via the OpApp specification. This has changed the game for service providers, allowing them to save on physical set-top box design, manufacture and truck rolls.

In the grand scheme of things this is still early days for this technology, but it is starting to have an impact.

"When you look at what Panasonic and Samsung have rolled out this year, really integrating OpApp into their smart TVs, you can get an idea of where the industry can take this," says Brightcove product marketing manager Lexie Knauer. "No requirement for a set-top box, CI module or smartcard. That's a pretty big deal in itself."

But OpApp does not just provide a cost-saving benefit to the operator, Knauer says. "For consumers, it keeps things simple," she adds. "The user-interface is one that's familiar and easy to use. From a simple aesthetics standpoint, an OpApp can replace a set-top box, meaning consumers don't need to worry about running cables and finding a place for another device. It also means not requiring an additional remote. It just makes things easier."

The benefits are clear to be seen, but there are few case studies on the market to prove the viability of the product.

March 2019 saw satellite operator SES launch a version of its German platform HD+ using OpApp and the company is particularly keen on seeing how the technology develops.

"The direct integration eliminates the entry barriers for the use of HD, UHD and non-linear offers. We are playing in a whole new league now regarding convenience and simplicity," said Alexander Sacher, VP product and solutions development media platform at SES and CTO of HD+ when the OpApp was launched.

He continued: "Our new offering is far more than just an additional option of receiving HD+. It might even stimulate the German TV market, high-definition television and the parallel use of linear and non-linear television."

However, while HbbTV OpApp might seem a more affordable and straightforward option than traditional broadcast, it is still worth noting that many emerging parts of the world are still lacking internet speeds required. A report from SES pointed out that the standard for effectively streaming SD video is a download speed of 3Mbps, requiring an average download speed in the order of 5Mbps and that only seven sub-Saharan African countries have the infrastructure set up required. In these parts of the world, it might be some time before IPTV is able to dislodge satellite.

View point

Jonathan Easton

The streaming spectrum

We are getting increasingly close to the 'later this year' to which everyone in the industry has been referring in relation to the launch of streaming services Apple TV+, Disney+, and the beta of HBO Max.

It will still be some time until the success of the streamers can be quantified but one thing that can be said is that, content-wise, there is a clear spectrum upon which each player sits.

On one end is Apple TV+, which is dedicated to original content. Apple has said that the service will launch with nine titles, all originals – and all with weighty budgets. This is arguably a sensible move following the launch of Apple's redesigned TV app to act as a hub for disparate streamers (excluding Netflix), where Apple TV+ will reside.

At US$4.99 (€5.60) per month, the price of the offering may be easier for consumers to swallow than a Netflix subscription that sits at over US$10 per month, but the company will need to ensure that new content is added on a regular basis in order to avoid churn.

Apple's reliance on new properties for its premium service – as well as the offer of a year's free subscription with basically any new Apple product – stands in sharp contrast to established media player NBCUniversal's approach to streaming. The Comcast-owned media group recently unveiled its plans for the ad-supported Peacock. It will launch later than its competitors in April 2020, but the company is confident that its content strategy will be enough to attract eyeballs.

In stark contrast to Apple TV+'s nine series, Peacock will launch with over 15,000 hours of iconic shows such as modern comedy classics *30 Rock*, *The Office* and *Brooklyn Nine-Nine*, and older favourites *Cheers* and *Will & Grace*, along with movie acquisitions from Universal Pictures and DreamWorks Animation like the *Fast & Furious* franchise and *Back To The Future*.

The streamer will also play host to original shows based on existing properties such as reboots of *Saved By The Bell* and *Battlestar Galactica*.

But front-and-centre of this platform will be the shows and movies that are household names globally. Comcast chairman, CEO and president Brian Roberts said as much on a Q&A at Goldman Sachs' annual Communacopia conference, indicating that the company has identified this strategy as the "fastest way to get to profitability with the least amount of investment".

This echoes NBCUniveral CEO Steve Burke who, on the company's Q2 earnings call, referenced another streamer's strategy: "When Netflix started, it was all acquired programming. And I believe, today, acquired programming is something like 80% of Netflix's volume. The vast majority of our volume, I expect to be acquired. We are spending some money on originals…but I would expect the vast majority of the consumption in the beginning would be acquired."

WarnerMedia's HBO Max, which is expected to launch later this year in beta and fully roll out in the spring, is leaning on well-known shows like *Game of Thrones* and *The Big Bang Theory* (to which it acquired the rights for a figure reported to be between US$600 million and US$1 billion) but it has already commissioned a range of original series, including an adaptation based around Frank Herbert's novel *Dune*, true-life drama *Tokyo Vice*, and rom-com *Love Life* starring Anna Kendrick.

> **"Platforms that stress how easy it is for users to cancel their subscription will be fighting to prove their value on a daily basis."**

Anna Kendrick also is the lead in *Noel*, an upcoming Christmas film on Disney+, widely seen as the most serious challenger to Netflix.

According to a report from Parrot Analytics, most Americans who say they'll sign up to Disney+ aren't most excited to watch multi-million dollar originals like *The Mandalorian* or *Lady & The Tramp*, or Disney's 80-plus years' worth of classic animated and live-action movies – but instead Fox's *The Simpsons*, which will see all 30 seasons available.

Not that Disney's execs will mind one bit. With the vast amount of content it has amassed through almost a century of creation and acquisition, combined with the content it is developing specifically for the platform, Disney is attempting to cast as wide a net as possible and it has a good chance of doing just that.

Ultimately though, there is no one-size-fits-all approach when it comes to launching a streamer. The platforms are playing to their own strengths, whether that is an existing content or originals.

What will determine a platform's success is how well it engages with and pays attention to the wants of its users. Platforms that stress how easy it is for users to cancel their subscription will be fighting to prove their value on a daily basis. ■

nangu.TV content aggregation offers users fast and convenient programme selection

Ladislav Navrátil,
CTO & product officer, nangu.TV

There is an enormous amount of television programme content nowadays. Users have 180 channels available with live broadcasting. If you include a seven-day time shift offer, this means there are as many as 30,000 shows which can be watched at any moment in time. Content can be played or paused at any time on any user device. In addition, thousands more titles are also available from other sources such as VOD libraries, e.g. HBO GO, video libraries provided by operators and streaming television.

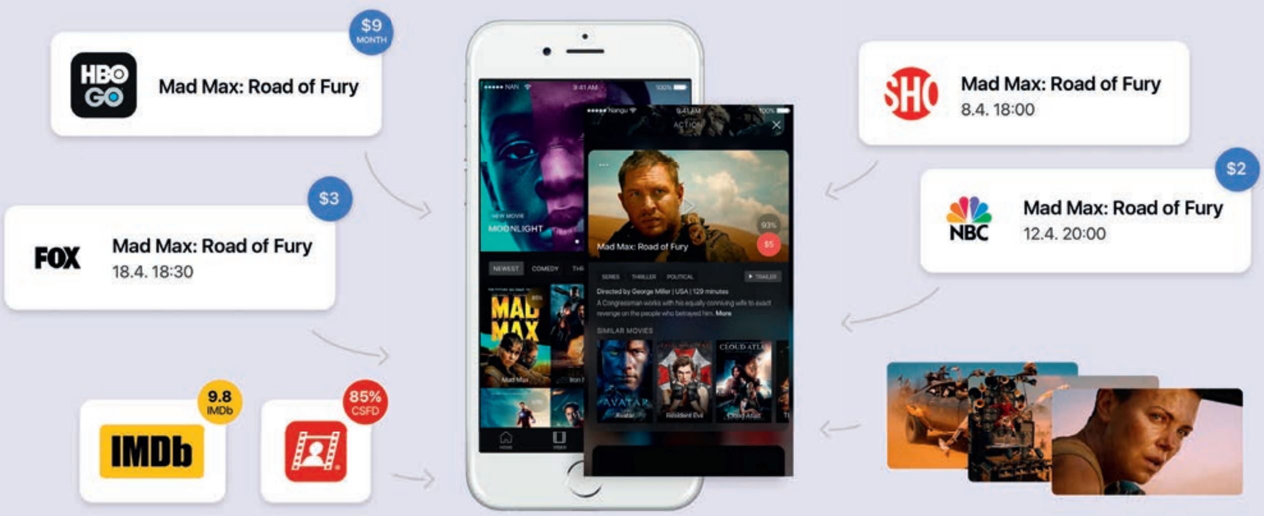
nangu.TV also aggregates series and sports programmes in the same manner, the latter especially because sports content is some of the most frequently viewed.

In the case of series, the customer sees the available seasons and episodes, including information as to when upcoming episodes will be available. For sports, the technology can recognise which sport is concerned and whether it is a live broadcast. It is even able to ascertain the league and which teams are playing. "We are also working on additional new features which will soon be launched to market, making sports broadcast selection and viewing even more user-friendly," said Ladislav Navrátil, Chief Technology and Product Officer at nangu.TV.

Content aggregation is our latest enhanced video service functionality technology, enabling immediate viewing of live broadcasts and programme archives as well as films and series from operators' offers. nangu.TV services are used by leading operators in the Central and Eastern Europe markets such as O2 Czech Republic and the Slovak operator Orange.

About nangu.TV

nangu.TV is a Czech software company which develops comprehensive IPTV and OTT multimedia platform solutions. We have been in this dynamic field for almost 15 years and, over that time, have established a position as market leader in Central and Eastern Europe. Successful services such as O2 TV, T-Mobile TV and the Slovak Orange TV are based on IPTV/OTT solutions from nangu.TV. In total, the company registers almost one million devices connected to the nangu.TV platform.



Data analysis

DTVE research partner IHS Markit's assessment of recent developments.

DAZN: a country-by-country update

Sports subscription service DAZN is closing in on five million subscribers across its nine markets. Tim Westcott, research director, channels and programming and Max Signorelli, research analyst, media and entertainment at IHS Markit assess the streamer's progress on a country-by-country basis.

DAZN, the online sport subscription service, has already seen explosive growth since it launched in its first four markets in August 2016. The service is currently available in Japan, Germany, Austria, Switzerland, Canada, Italy, the US and, most recently, Brazil, where it launched earlier this year.

Germany, Austria and Switzerland

DAZN's first launch was in the German-speaking countries of Europe on 10 August 2016, with a price of €9.99 a month. IHS Markit estimates that the service passed the one million subscriber mark this year and will have more than 1.56 million subscribers at the end of 2019. Close to 1.4 million of these will be in Germany. We forecast that revenues will be $163 million in 2019, up 45% on the year before.

Champions League football, sublicensed from Sky, is probably the strongest part of the rights portfolio. In 2018/2019, DAZN showed 100 matches on an exclusive basis, sharing the semi-final and final rights with Sky (unusually, all the German teams were knocked out in the last 16 stage). DAZN also has the Europa League and La Liga as well as all major US sports, but from 2019/20 lost rights to the English Premier League to Sky.

DAZN will clearly look to build on its foothold in Germany by pitching for further Bundesliga rights in the next cycle, running from the 2021/22 season. DAZN currently has a package of on demand rights and from this season started distributing Eurosport's channels, including 45 Bundesliga matches a season (the Eurosport deal also covers Italy and Spain).

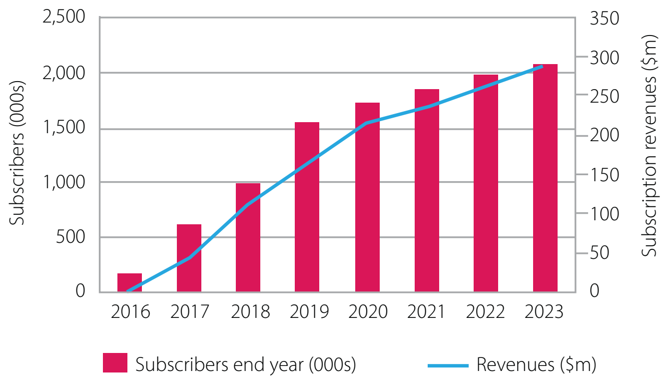
Reports that rights holder the DFL was considering dropping the 'no single buyer' rule would be a headache for DAZN, which could then have to challenge Sky for exclusivity. If Sky is not permitted to bid for all the live rights, DAZN would be well placed to acquire at least one package of rights to the first division of the Bundesliga.

Italy

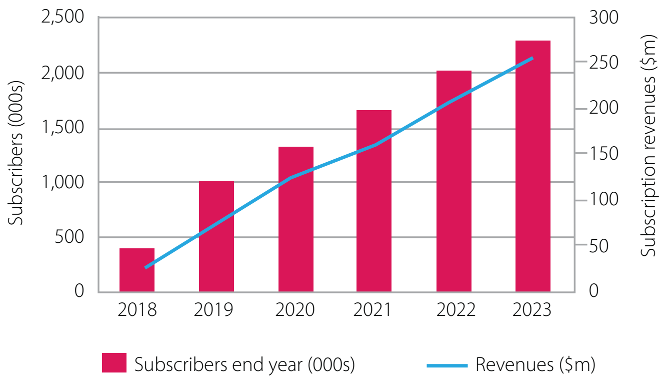
DAZN Italy launched in August 2018, at the start of the new season of Italy's football championship, Serie A. By the end of the year, we estimate that DAZN had 370,000 paying subscribers and Italy and that this will increase 167% to 990,000 at the end of 2019. Revenues are forecast to increase to US$72 million (€66 million) this year.

In football-mad Italy, securing a package of Serie A rights was a major coup for the streaming service. Benefiting from Mediaset's withdrawal

Germany, Austria, Switzerland: Subs and revenues



Italy: Subs and revenues



Source: IHS Markit

from sports pay TV, DAZN acquired exclusive rights to 114 games a season, including matches played on Saturday night and Sunday afternoon. The fee of €193 million a season makes Serie A one of the service's most costly deals. DAZN also has rights to Serie B and La Liga but pay TV market leader Sky has the rights to Champions League, Europa League and Premier League, as well as 266 Serie A games a season.

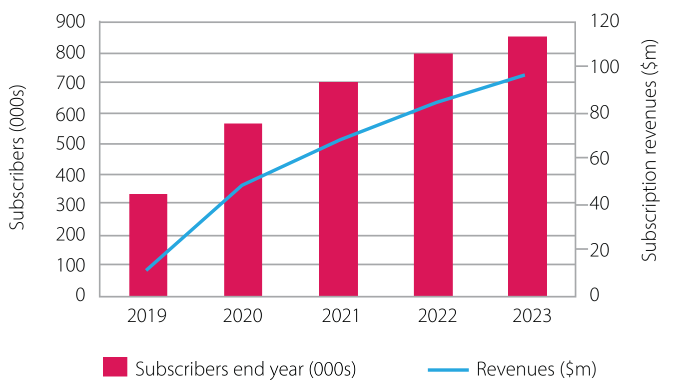
A promising launch was marred by some technical issues which were widely covered by the Italian press. DAZN has also suffered from consumers exploiting the free trial month offer by opening multiple accounts. DAZN has introduced changes to make abuse of the free trials harder and is also working with local ISPs to improve service quality.

Another key move has been to agree deals with local operators. Sky included the DAZN app on its Sky Q set-top box from its launch and bundled a reduced-price DAZN subscription with its pay TV packages. This year, the deal has evolved further. A new channel called DAZN1 will be launched on the Sky satellite platform offering up to 12 hours a day of live programming. DAZN has also launched on Sky's Now TV standalone online service in Italy. The sports streamer has also launched a new subscription package with broadband operator Fastweb and is reportedly in talks with Telecom Italia.

Spain

DAZN has grown rapidly in Spain since launching in March 2019. IHS Markit estimates that by the end of the year it will have 332,000 paying subscribers, with revenues of $12 million. We expect revenues to increase 70% next year. DAZN was competitively priced at launch at €4.99 a month. This was increased to €9.99 to bring it into line with DAZN Italy, in August.

Spain: Subs and revenues



In Spain, DAZN has a fairly small portfolio of rights but with three events with strong local appeal. Moto GP motorcycling is an event which has been dominated by Spanish competitors in recent seasons, with Euroleague basketball is also highly popular in Spain. Premier League football is, of course, football, with several key local players featuring for the top-flight English teams. Both the two last events ran from the latter part of the year so the benefit on subscriber take up has yet to be seen in full.

DAZN faces a powerful competitor in incumbent telco Telefónica, which has secured most of the rights to La Liga (nine of the 10 weekly first division games), as well as the Champions League and Europa League. While Telefónica is obliged to offer its rights for sublicensing, DAZN was unable to agree a viable price. This means that in the current season, consumers interested in live coverage of la Liga will be able to choose between Telefónica, Orange and Mediaset Espana's online service, which is offering la Liga for €19.99 a month.

DAZN's other territories

DAZN launched in Japan shortly after its European debut on 23 August 2016. A basic subscription price was ¥1,750 (€14.90) a month at launch. Japan has been DAZN's most successful country in terms of subscribers: we estimate it had 1.2 million customers at the end of 2018 and forecast this will rise to 1.6 million by end 2019. Champions League football, sublicensed from Sky, is probably the strongest part of the rights portfolio

Canada was the first North American launch for DAZN, in July 2017. It has proved a tough market for the service. IHS Markit estimates subscribers declined in the year after launch to an estimated 114,000 at the end of 2018, though we believe the service returned to growth strongly in 2019. DAZN Canada has a strong offer of football, including the Champions League, Premier League, Major League Soccer, La Liga and Serie A, but its most important deal is the National Football League.

The US was the second major launch for DAZN in 2018, following Italy. IHS Markit expects its subscriber base to increase to 731,000 at the end of this year, following a deal with Comcast. The US rights portfolio is unlike any of the other DAZN countries, being mainly focused around boxing and other fight sports.

DAZN launched in Brazil, its first move into Latin America, in May 2019. IHS Markit forecasts that it will have 161,000 paying subscribers by the end of 2019. DAZN has the Brazil rights to the Copa Sudamericana (the second-tier competition for Latin American football clubs), Italy's Serie A and France's Ligue 1, and also streamed the CONCACAF Gold Cup. ■

This is an edited extract of IHS's report DAZN's high risk play to engage fans with low cost online sport. For more information see technology.ihs.com

A life in TV

Ahead of MIPCOM, *Digital TV Europe* speaks with BritBox president Soumya Sriraman about the streamer's growth in the US and how consumer appetites differ on the different sides of the Atlantic.

How would you describe your role in the BritBox organisation?
As the president of BritBox, I work on strategy, partnerships, overseeing acquisitions and our technology. I am an engineer by trade with an insatiable appetite for British content, hence BritBox being not just my job but also my passion.

What has been your career to get you to this position?
Before I was appointed president prior to launch, I was the EVP of Franchise and Digital Enterprises at BBC Studios, formerly known as BBC Worldwide. With my background in engineering, skills as an analyst, and fervour for the content, I came up with a business plan to bring BBC Worldwide into the SVOD marketplace that the president of BBC Studios Americas subsequently greenlit. At the eleventh hour, we had a great 'ah ha' moment – let's bring together BBC Studios and ITV – and that is what we did, bringing us to launch of BritBox as the largest streaming offering of British content in the US and Canada. Before joining the BBC, I was at the helm for Tartan Films, and prior to that Vivendi Universal.

What does an average day look like for you?
I normally start my day quite early, speaking with colleagues in the UK, then into the office for strategic planning meetings, partnership meetings, and of course checking in with the different teams on any questions or speed bumps they might be encountering. Our team isn't the largest; we are all juggling a lot of different projects at once, we are nimble and move in a moment – and at the end of the day, we have a lot of fun!

How has BritBox evolved since its initial launch?
At launch we had a pretty massive offering for the marketplace with some incredible gems and beloved series, actually the largest streaming library of British content available. Within our first year, we started production on our first original, reviving *The Bletchley Circle* brand, with the newest series – *The Bletchley Circle: San Francisco*. BritBox continues to premiere events in our "NOW" feature, that have never been available in the US or Canada, such as: *The RHS Chelsea Flower Show* and *Trooping the Colour*. BritBox also premiered the incredible crime drama *Vera* Season 9, day and date with the UK – closing the gap from across the pond. We have several more – you just have to check out BritBox. Also, one that I would be remiss not to mention is The Royal Wedding, BritBox was the only place in the US you could see the ITV live feed.

At IBC you said that PBS, in broadcasting *Downton Abbey*, "created the market" for you. Why do you think that particular show had such an effect in the way British TV is viewed in the US market?
The show had a little something for everyone. It was a period piece during an era that continues to resonate with all generations, it had an incredible cast, amazing sets, and fabulous costumes – overall it has all the elements that bring together great storytelling.

How do you think the audience will receive BritBox in the UK?
I am very optimistic. My colleagues in the UK know what they are doing and as you might have seen the recent announcement of joining forces with Channel 5 and Comedy Central, they continue to strengthen the BritBox offering.

What do you think are the key differences between audiences in the UK and in the US?
While audiences worldwide love amazing content, in the UK, BritBox is in its home market and needs to cater to a different set of needs. Audience requirements are different. We are fortunate to have an innate base of anglophiles in the US.

What can we expect to see from BritBox going forward?
We are going to continue to listen to our community, make strategic alliances, like the one we just made with San Francisco and South Florida local PBS Stations, and commission and co-commission programming. Basically we are following through with our commitment to having the largest digital offering available, bringing the best of British content to our audience. ■

Tech in focus

News and analysis of the technology behind digital video.

Google launches 4K operator tier dongle device

Google has unveiled its operator tier dongle.

The customisable unit features a new design that allows operators to quickly deploy Android TV to customers.

Speaking at IBC, Android TV head Shalini Govil-Pai and group product manager Vince Wu presented the 4K streaming device that was developed with an OEM – reportedly Askey.

The hardware is basic with room for branding on both the remote and the box itself. Specs-wise, the dongle is equipped with USB-C, a quad-core processor, dual-band WiFi and Bluetooth 4.0.

Wu added that the device is being designed and developed by Google with standard software updates, and that it comes "pre-certified with popular OTT services" such as Netflix and Google-owned YouTube.

The device also supports voice with Google assistant.

During the presentation, the company showed off a new hybrid-set-top box reference design.

This production-ready board is, according to Wu, designed to "standardise the form factor to ease upgrade efforts". It has an Amlogic CPU and includes a Bluetooth remote.

Both products are explicitly designed to improve an operator's speed to market. However, the hybrid-STB reference design enables more flexibility for a full STB, but requires more work on the part of the operator.

During the conference, Govil-Pai said that Android TV is seeing a great amount of success with over 1,000 streaming content providers and partnerships with over 140 operators in more than 60 markets, and said that the TV could emerge as the device at the centre of the smart home.

BT Sport demos its first 8K broadcast

Broadcaster BT Sport showcased live 8K for the first time at IBC 2019.

Showing a match from the first day of the Rugby Sevens, chief operating officer Jamie Hindhaugh said that, while the company is serious about 8K, this "doesn't mean we're launching 8K tomorrow".

Instead, he said that the use of any technology is about "enhancing the capture of the coverage" in order to improve the company's Ultimate proposition.

BT Sport Ultimate is the broadcaster's top-of-the-line channel that broadcasts in UHD, HDR and with Dolby Atmos sound.

Speaking to *Digital TV Europe*, Hindhaugh said: "As the kit rolls out, we'll begin to look to the benefit of 8K cameras to enhance our 4K output. Then there'll come a stage where either the delivery mechanism becomes lighter or that there are 8K TVs out there and people start to want it."

But the COO was keen to stress that "under our Ultimate brand we're no longer talking about formats". He continued: "What we'll be able to do is roll out 8K that serves 8K platforms without talking about 8K. That's what we're trying to do; many people don't understand the difference between 4K and 8K and why should they?"

Hindhaugh also spoke about the importance of high-frame rates in sport and that this will be another vital aspect of Ultimate's evolution, and reaffirmed the company's commitment to virtual reality.

He said: "Our most engaged audience are the people who use Ultimate and 360° video. If you look at something like 360 in terms of just numbers that's wrong. You've got to look at it as a brand, and the opportunities that are going to arise out of it."

DVB outlines plan for DVB-I

The DVB used IBC to make the first public demonstration of linear TV using the new DVB-I standard, which employs internet-based access and streaming to deliver TV services over broadband networks.

The demo included broadband and broadcast delivered linear television services using HTTP-based access and streaming mechanisms.

It showcased key elements of the spec as a DVB-I Service List, DVB-DASH streaming with a recently released low latency mode, and Multicast Adaptive Bit Rate support for network optimisation.

The DVB sees the ability to deliver a unique service list combining broadcast and internet delivered services as a key goal. The DVB-I service list allows broadcasters to deliver multiple versions of services over different means that are grouped together as the same service.

The specifications have been "a work in progress", according to the organisation, which plans to produce specs for service discovery in November, along with programme information.

The DVB used IBC to highlight low-latency mode for DVB-DASH, something that was approved in February but will be updated in November.

The organisation is also planning to introduce multicast adaptive bitrate streaming – DVB mABR – early next year.

DVB-I is intended to simplify the delivery of OTT services to something akin to DVB-enabled broadcast, according to DVB steering board chairman Peter MacAvock (*pictured*).

BBC unveils details on voice assistant project

The BBC has revealed more details of its upcoming Beeb voice assistant.

In comments made to *Digital TV Europe* following the BBC Global News Digital Upfronts in London, a spokesperson confirmed that the voice assistant, currently being developed under the working title 'Beeb', is "being constructed to be both international and commercial outside the UK".

The voice assistant was announced at the end of August, and is being developed by the team responsible for existing BBC voice experiences including CBeebies bedtime stories and interactive games.

The spokesperson said that the broadcaster is currently considering its options, "including content sponsorship and pre-roll/mid-roll ad insertion" and that it is "actively seeking the input of advertisers and brands so that the 'Beeb' platform can be created in a way which fully meets their needs, as well as the audience's".

From a technical perspective, the voice assistant will be based on a new technology called Songbird. This uses synthetic speech generation to "transform the BBC's existing text-based journalism into audio" and "listen to questions, and find an answer from the BBC's immense vault of pre-existing journalism".

In addition, Beeb is being developed with the BBC's radio archives in mind, and that it will be able to present people with relevant audio clips.

The BBC also intends to make its news articles – the spokesperson said around 3,000 per day in 40 languages – all available in speech format in a product that is independent of Beeb. This "fully commercial" product is set to launch in 2020, and will be integrated into the full BBC.com news site.

The spokesperson said: "As well as acting as a search tool, we hope that, one day, Beeb could even be able to actively create new, original content, by learning from and synthesising knowledge from across the BBC."

In brief...

ZEE5 partners with Kaltura for new player

Indian streamer ZEE5 has announced a deal with video tech provider Kaltura for the deployment of the Kaltura TV Platform Player. The player currently supports over 8,000 devices, and ZEE5 believes it is best suited to serve its global audience of over 76 million users.

Protected Media launches new OTT traffic verification SDK

Ad fraud detection solutions provider Protected Media has announced the launch of its new SDK for CTV and OTT. The new SDK allows the verification of OTT traffic at the source, and provides media buyers with clean marketplaces in which to purchase fraud-free, viewable inventory. The data attaches to the impression as an identifier which can be authenticated by anyone along the distribution flow at a trusted Protected Media server.

Roku and Innovid expand analytics partnership

Roku has announced the expansion of its partnership with Innovid to produce a new analytics solution. The companies have been partnered for several years, with Innovid's ad tech being a part of Roku's ad framework since 2015. A statement from the company said that the new solution is designed to measure and understand daily demographic reach and frequency on TV campaigns run across the Roku platform, and linear TV.

ErosNow partners with Microsoft for 'next gen' video platform

South Asian OTT Eros Now has announced a collaboration with Microsoft to build what it says is a "next generation online video platform" on Microsoft Azure for consumers across the globe. As of March, Eros Now has 18.8 million paid subscribers and 154.7 million registered users. This represented a 138% increase in paid subscribers over the preceding 12 months.

DAZN launches virtual production facility

Sports streaming outfit DAZN has unveiled a new virtual production facility that it says will enhance its global broadcast infrastructure and scales-up its global production output. The facility makes a variety of production resources accessible remotely from any location.

Synamedia: aggregation will define future of pay TV

Pay TV operators have a future despite the growth in streaming services because there is a growing need for someone to aggregate OTT content and present it in a searchable and convenient way to subscribers, according to Synamedia CEO Yves Padrines.

"A lot of people are questioning the future of pay TV. We see there is more choice also in the means of how people access content," said Padrines (right), speaking at Synamedia's IBC press event.

Padrines said that consumers ultimately are not "going to self-provision" all of the content now available to them from multiple disparate sources.

A unified view and unified search is still desirable, while aggregating multiple OTT services will be too expensive for most consumers, he said.

"There is a need for a new bundle," he said, and the traditional pay TV and cable providers are best positioned to provide this. "This is the new pay TV," he said.

Padrines said that Synamedia was engaged in helping customers transition to the world of IP, essential to enable the new services that consumers want, and to secure their revenue at a time when streaming piracy is rampant.

He said the company would help its customers transition to the world of IP, with a unified video pipeline and unified headend.

The other key priority is to help operators secure their revenue, and the company is investing a lot in this, "not only to protect the service but also the content itself, and we work closely with the content owners and rights holders", he said. This includes the problem of credential sharing

Synamedia's third priority is to help companies generate new revenue streams through the "new oil" of data, said Padrines.

Linear and on-demand targeted advertising has been developed with AdSmart for Sky and Synamedia is now investing in new areas of how to monetise "the new oil" of data.

Also speaking at the Synamedia event, Jean-Marc Racine, chief product officer, said targeted advertising is now being brought to the company's Infinite platform across both OTT and broadcast channels.

Racine said that "device reach" is a key goal for operators and Synamedia was helping this with support for its own Evo platform, as well as for Android TV and RDK.

Racine said that Synamedia was able to demonstrate equivalent latency across OTT and broadcast, while its Smart Rate Control technology can change the bit rate for video depending on the type of content being viewed.

In brief...

BBC confirms 2020 Red Button switch-off
The BBC is switching off its Red Button news and sport service next year, the broadcaster has announced. BBC Red Button served as the modern equivalent to Ceefax, which shut down in 2012, and allowed users to read news and sports content through their TV. The Red Button service launched in 1999. While it is removing the text functionality of the service, the PSB confirmed that users will still be able to use the red button for feed selection for events like Glastonbury and Wimbledon.

Airtel selects Irdeto for content delivery security
Indian telco service provider Airtel has announced a deal with Irdeto to deliver content on its new Airtel Xstream 4K Hybrid Box. The new STB, based on Android 9.0, brings satellite TV and OTT content together on a single device, with an experience secured by Irdeto Cloaked CA. The new hybrid box is a part of Airtel's converged Airtel Xstream platform, and offers more than 500 TV channels with the Airtel Xstream app pre-installed. In addition, the unit offers access to Netflix, Amazon Prime Video and YouTube.

SmartDTV Global and Synamedia collaborate on IP dongles
Pay TV solutions provider SmarDTV Global has announced a partnership with Synamedia on secure STB IP dongles integrated with its Infinite platform. The company says that the collaboration will "make it easy for operators with large installed base of STBs to add multi-screen services". New STB IP dongles will give pay-TV operators a low-cost way to quickly launch OTT and UHD services as they respond to changing viewing habits.

Spacecom expands African reach with ViewMedia deal
Spacecom, operator of the Amos satellite fleet, has announced that ViewMedia will launch a new digital broadcast platform on the Amos-17 communication satellite. ViewMedia is the new commercial name of UK-based media content distributor Viewsat. The satellite is located at the 17°E orbital position above Africa and will provide DVBS-2 broadcast services to West Africa.

FandangoNOW launches VR app
VOD service FandangoNOW has launched its movie and TV store on Oculus VR devices. Available on Oculus Go and Oculus Quest headsets in the US, the store provides access to over 90,000 movies and TV shows to rent and buy. The company says that in addition to regular films and shows, hundreds of 3D titles, including *Spider-Man: Far from Home* will be available to stream through the app.

Sky Italia launches dishless Sky Q
Sky Italia's Sky Q Fibra service has officially launched. This offers subscribers who do not want to or cannot install a satellite an almost complete version of the Sky Q experience over fibre broadband. Channels are streamed through the set-top box. The service is available to customers of Telecom Italia, Vodafone, Wind, 3 Italia, Fastweb and Tiscali FTTH or FTTC, provided that they have a minimum bandwidth of 15Mbps. The only caveat is a lack of 4K capability.

CommScope launches new networking tech

CommScope has announced three new technologies designed to improve network scale, speed and latency.

The company says that the advances "create unprecedented choice and control" for broadband network operators.

DAA Aggregator is the company's new scalable architecture that extends fibre deeper into the network, promises a lowered total cost of ownership and requires minimal changes to existing fibre networks.

A statement from the vendor says that the change will increase the number of homes passed per RPD serving group from 20-40 to between 150-400.

The second product is the Extended Soft FDD. This is a new combination of software-only frequency division duplex (FDD) and extended spectrum DOCSICS (ESD) which pushes network interface speeds beyond 1.2 GHz.

The last new technology is the new DOCSIS timing protocol. This offers precise timing distribution over the DOCSIS network, with the company saying that this precision is required for time-critical processing and applications. Current and future applications for this protocol include mobile backhaul, virtual reality and autonomous vehicle control.

Tom Cloonan, CommScope CTO, said: "2020 is about efficiency and simplicity. There will be significant changes to architectures over time, and it's important to work with a company that has both industry-leading technology and the expertise to execute at any point in that transformation."

Liliane Offredo-Zreik of ACG Research said: "CommScope furthers its industry leadership role by introducing new solutions that address the needs of cable operators as they modernize their networks. CommScope has the most comprehensive portfolio that meets the evolving and increasingly divergent needs of the cable industry."

The vendor also announced that it is working on network-transformation projects in Europe's first eight Gigabit Cities with Liberty Global in Southampton, Utrecht, Warsaw, Bochum, Dusseldorf, Cologne, Frankfurt and Mannheim.

Finally, the company revealed work on a forthcoming fibre-to-the-home conversion in Wyandotte, Michigan.

People & places

The latest appointments, promotions and departures in the European digital TV industry

ITV Studios' **Maria Kyriacou** is joining Viacom International Media Networks (VIMN). The exec – who most recently served as president of international for ITV Studios – has boarded the media group as president for VIMN UK, Northern and Eastern Europe, replacing James Currell, who departed the business in June. Kyriacou's new role includes oversight of all media networks and related businesses in 33 countries, as well as Channel 5 in the UK. She will report into David Lynn, president and CEO of VIMN. The exec has been at ITV Studios since 2010.

Former Liberty Global executive **Eric Tveter** has been named as the first chairman of London-based esports startup Veloce Esports and has become a major investor in the company. Veloce was founded by Formula E motorsports champion Jean-Eric Vergne, racing drivers, Rupert Sevendsen-Cook and Jack Clarke and sports agent Jamie Maclaurin and has a focus on motorsports-themed games. It acts as an agent for esports stars, hosts esports motor races with commentary and manages esports teams for brands such as Formula 1's Alfa Romeo Racing.

Lionsgate has promoted **Jeffrey Hirsch** to the president and CEO of Starz, its premium cable and satellite television network and OTT. As CEO, Hirsch will shape the overall business and programming strategy for Starz and oversee the continued evolution and expansion of the STARZ premium subscription platform around the world, which the company describes as "one of the industry's most successful domestic OTT businesses". Hirsch joined four years ago, was promoted to COO in 2016 and has been running the network for nearly a year.

Discovery has promoted **Katie Coteman** to vice-president, advertising and partnerships, effective immediately. She was previously senior director of commercial operations. In her new role, she will lead the ad sales, partnerships and digital sales strategies for Discovery's channel brands in the UK. Meanwhile, **Kirsty Baker** and **Alex Hodge** have joined Discovery in the newly created positions of director of partnerships and content and director of ad sales and programmatic, with a focus on developing brand partnerships and digital revenue.

NENT group shuffles senior management team

Nordic Entertainment Group (NENT Group) has unveiled a comprehensive restructuring of its senior management team, revamping its content operation and shifting away from a country-focused model.

The company, which owns assets including Nordic streamer Viaplay, numerous production outfits and Nordic broadcast brands including TV3, will split its production business NENT Studios into three units covering the Nordic region and central and eastern Europe, the UK, and the US.

Morten Mogensen (right), previously CEO of production outfit Nice Entertainment Group, becomes senior VP & head of NENT Studios in the Nordics and CEE, while **Jakob Mejlhede Andersen**, who had been group head of content, has been named CEO of NENT Studios UK. A US-based exec is yet to be appointed, who will oversee NENT investments including recent acquisition Picturestart.

They will join **Kim Mikkelsen**, who becomes SVP & head of NENT Sport and **Jonas Gustafsson**, SVP & CEO of Viasat consumer, in reporting to president and CEO **Anders Jensen**.

He continues to lead the company and will sit on its group executive management team, which is being cut in half from 15 divisional heads to just eight.

Andersen, **Mikkelsen**, **Gustafsson**, and **Mogensen** are all stepping down from the group exec team, along with Viafree chief **Cecilia Gave**, Viaplay chief commercial officer **Alexander Bastin**, Norway chief **Vegard Klubbenes Drogseth** and **Mathias Norrback**, who heads up Finland.

It now includes group content chief **Filippa Wallestam**, who becomes EVP & chief content officer, and former Denmark chief **Kim Poder**, who has been named EVP & chief commercial officer.

The team also includes: **Gabriel Catrina**, who becomes EVP & chief financial officer; **Sahar Kupersmidt**, EVP & chief people and culture officer; **Matthew Hooper** becomes EVP & chief corporate affairs officer; **Kaj af Kleen** is EVP & chief technology and product officer; and **Mia Suazo Eriksson** takes the role of EVP & chief marketing officer.

The changes are part of a shift in strategy for the company, which is moving from a country-focused operating model to a structure based on markets, platforms and brands. It will, however, retain on-the-ground presence in Sweden, Norway, Denmark and Finland, as well as the UK.

Warner sets HBO Max team

WarnerMedia has cemented its digital leadership team for HBO Max with several key appointments.

Reporting to the previously announced boss Tony Goncalves is **Andy Forssell** (right) who is charged with HBO Max operations in the role of EVP and general manager of WarnerMedia Direct-to-Consumer.

Joining Forssel is a new exec team made up of: DirecTV digital media veteran **Sarah Lyons**, SVP of product experience; global media and tech marketer **Katie Soo**, SVP growth marketing; former Warner Bros. research and analytics expert **Keith Camoosa**, SVP of data insights and operations; **Jess Miller**, VP of project management; and Crunchyroll business intelligence veteran **Reid DeRamus** as senior director of business operations.

In addition, Forssell will receive support from other leads across Warner media including Lionsgate's **Sean Kisker**, who will serve as EVP and chief strategy officer for Otter Media. Kisker will work closely with WarnerMedia Entertainment chief strategy officer and EVP of financial planning Josh Walker.

HBO Max is scheduled to launch in spring of 2020 with 10,000 hours of premium content, though pricing has not yet been announced.

Other moves...

Cloud-based content supply chain platform Ownzones has named **Rick Phelps** as chief commercial officer to lead sales strategy, business development as the company continues to expand internationally.

Tele2 international chief **Guillaume van Gaver** has left the company as the operator refocuses on the Swedish and Baltic markets following its withdrawal from activities further afield.

The UK's Digital TV Group (DTG) has named **Yvonne Thomas** as strategic technologist. Thomas was previously product manager and product owner at services company Arvato Systems. She also serves as the education director for the Society of Motion Picture and Television Engineers (SMPTE).

Emirates Integrated Telecommunications Company, better known as Du, has appointed **Johan Dennelind** as chief executive, replacing Osman Sultan. Sultan held the position for almost 14 years. Dennelind, who will take up the mantle in 2020, joins from Swedish telco Telia where he acted as CEO for six years.

Viacom International Media Networks (VIMN) has announced the appointment of **Simone Fenu** to the role of senior director of licensing and consumer products for Italy and Greece.

Cellcom Israel CEO **Sholem Lapidot** resigned from his post following significant losses and the announcement of drastic plans to restructure, including cutting the company's workforce by a third. **Eran Saar**, boss of Cellcom's holding company DIC, will take up the post until Cellcom's next general shareholders meeting.

Jan Koeppen has been promoted to president of Disney for Europe, Middle East and Africa (EMEA). Koeppen joined following the 21st Century Fox acquisition, where he served as president of Fox Networks for Europe and Africa.

BritBox has announced its management led by the previously announced Reemah Sakaan. Joining Sakaan is **Amy Jones** who will oversee commissions, acquisition and scheduling for the streamer., **Amy Townsend** as director of consumer marketing and head of product **Lee Marshall**. **Steve Waterman** has taken the role of head of research, insight and data. ITV technology's **Thomas Thomas** heads up technology and operations. Thomas has been with the company for over 15 years. Elsewhere, **Tom Price** is director of commercial and financial planning. Price worked on the creation of BritBox US and previously as a director of Cirkus. The final addition is **Neill Torbit**, former lead creative at Sky, who completes the group as creative lead.

KPN has confirmed the appointment of **Joost Farwerck** as its new CEO following the debacle of its appointment of former Proximus chief executive Dominique Leroy, which was cancelled following the opening of an investigation regarding share dealing by the executive in the weeks leading up to her nomination.

The Dutch telco had earlier named Farwerck, KPN's chief operating officer, as interim CEO following the annulation of Leroy's appointment. Confirming him as CEO, KPN also announced a wider restructure of its management. The company has appointed Chris Figee, currently chief financial officer of ASR Netherlands, as its new CFO, succeeding Kees de Jager, from the beginning of February.

WarnerMedia CEO **John Stankey** has been appointed president and COO of HBO parent group AT&T. The role – which will begin in October – sets up the long-time AT&T exec as the successor to chairman and CEO Randall Stephenson, whom he now reports into. Stankey first joined AT&T in 1985 and has worked across all areas, including corporate strategy and M&A; operations, IT and technology; and consumer mobility, broadband and TV. He will continue serving as CEO of WarnerMedia. WarnerMedia's sales and international division has appointed **Sofia Chang** and **Rich Warren** as president of its distribution business. Both arrive in the position with the same remit to oversee distribution for all Turner channels, HBO and upcoming SVOD HBO Max.

TF1 CEO **Gilles Péllisson** is to take the role of president of the board of Salto for two years, while operational management of the streaming outfit will be led by **Thomas Follin**, until now a member of the executive committee of M6. Follinwill be tasked with seeing through the launch of the platform in the first quarter of next year. He joined M6 in 2008 to head up the broadcaster's launch of M6 Replay, its catch-up offering. He took charge of the various multiscreen offerings now provided under the 6play brand, and has also supervised the domestic and international development of M6's video-on-demand service. Since 2016, Follin has also headed distribution of M6's channels and other services.

Event guide

DTVE's look at the most important events that are coming up for professionals in the digital TV industry.

Sportel Monaco 2019

Monte Carlo, Monaco
October 21-24

Sportel Monaco boasts of being the world's only exhibition and trade show for the international sports media and technology industry. The event is geared up for companies that have commercial interest in the global sports business industry. The 2018 event saw over 3,000 atendees from more than 950 companies, with 42% of the attendees being C-level executives. Speakers during the conference include top execs from companies such as Red Bee Media, Mediakind, Nielsen and Eurovision Sport.

Video Exchange MENA

The Address, Dubai Marina, Dubai
October 22-23

Video Exchange MENA looks at the evolution of traditional business models in an age of transforming consumer behaviour. During the two-day event, partners will have access to insights from, and networking opportunities with, C-level practitioners from the leading players amongst telecom operators, broadcasters, OTT TV service providers and content owners. Conference attendees can expect to hear from influential players in the region such as Starzplay Arabia, Orange, Sky News Arabia and CNNI.

Video Exchange Streaming

Millennium Gloucester Hotel, Kensington.
December 3-4

Video Exchange Streaming brings the former OTTtv World Summit and Content Delivery World events under a united proposition. Lying at the intersection of product, content, technology and business strategies, the event will bring together broadcasters, OTT providers and telcos who are leading in the launch and development of streaming services. The event is for those involved in the launch and development of OTT streaming services and will bring together execs from across Europe and North America.

mip
driving the content economy®

mip tv®
move at the speed of content

30 mars – 02 avril 2020
Cannes, France

mip formats®

mip doc®

28 mars – 29 mars 2020
Cannes, France

mip com®
the world's entertainment market

12-15 octobre 2020
Cannes, France

mip junior®

10 – 11 octobre 2020
Cannes, France

mip cancun®
latin america market

20 – 22 novembre 2019
Cancun, Latin America

mip china®
Hangzhou

June 2020
Hangzou, China

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Final analysis

Kate Bulkley

Big tech, big media and the rush to scale

Looking around the media business today, scale is considered the panacea. Traditional media players, led by Disney, Comcast and Warner Media, have each spent billions over the last several years on M&A deals to increase their size and customer footprints. Viacom's recently announced merger with CBS to create a US$30 billion media beast is only the latest.

Given what's at stake, the rush to scale is likely to continue. But it's becoming increasingly clear that scale alone isn't enough to ensure long-term success.

Netflix, for example, has based its valuation and ability to raise debt on its subscriber growth trajectory and it has rapidly opened new markets to add new customers. But as virgin territories have become harder to find and the competition from others launching into the SVOD space has ramped up, fissures have appeared in Netflix's scale play.

But being successful in the TV space is no longer just about scale or even best-in-class content and easy-to-use technology. Sky CEO Jeremy Darroch believes that success in today's competitive media landscape is about "how you run and manage a consumer facing business".

Sky is leaning into content by doubling its investment in Sky Studios. The global footprint of Comcast's NBCUniversal distribution business adds scale to Sky's content sales business. But, speaking at the RTS conference in September, Darroch seemed most excited by Comcast's appreciation of Sky's ability to gather customer insight from its broadband, mobile and TV businesses.

Competition is ramping up and the traditional media players are re-inventing how they think about audiences and recalibrating their ability to tap into audience appetites and desires by launching their own direct to consumer offerings.

> **"Competition is ramping up and the traditional media players are re-inventing how they think about audiences and recalibrating their ability to tap into appetites."**

Netflix has looked unassailable, but the competitive landscape is changing. The content Netflix depends on is getting more expensive, with the US$500 million five-year deal for *Seinfeld* as proof enough.

Studios that were happy to license library content to SVOD platforms are now pulling back and retaining content for their own services. Netflix will lose the rights to shows like *Friends* and *The Office* to WarnerMedia's HBOMax and NBCUniversal's Peacock respectively.

Budgets for commissioned premium content are also being pushed up with Disney, WarnerMedia, Amazon and Apple are all increasing the amount spent on original content. This money for content is good news for content creators and consumers but costly for platforms.

Scale is also crucial for traditional pay TV companies, but the rise of streaming services has meant that pay TV offerings have had to become more responsive to customer demands.

Most pay TV operators now offer skinny bundles, as well as VOD. They are providing customers with access to streamers like Netflix to become better aggregators of content.

When Comcast spent US$39 billion to buy Sky, the US company was keen to add European scale to its US-centric business and allow it access to bigger audiences. Comcast was looking for new growth markets and ways to scale up its content creation, making Sky an obvious choice.

The flatlining of linear TV audiences over the past several years has led to questioning of the idea that TV is best at aggregating large audiences. Linear TV advertising has been undermined by the rise of digital advertising that can reach large numbers of people and granularly track their behaviour and attitude toward brands.

Most marketers and even some TV bosses now admit that TV has not been good enough in making the case to brands and advertisers. But TV advertising has attributes that advertising on the web does not and while there has been a rush to push advertising money to the tech giants, a re-think is happening among advertisers who value the premium content, mass reach and regulated nature of the TV environment.

"TV has reached another inflection point and marketers and brands are looking for scale," Linda Yaccarino, chairman of advertising sales and client partnerships at NBCUniversal, told the RTS audience.

For Yaccarino, the best way to leverage scale is to give consumers the best possible experience and that includes partnering with advertisers.

Yaccarino says the secret is to use "common sense and a moral compass" around how you treat consumers and brands – something the big tech has gotten wrong and is having a hard time changing. ■

Kate Bulkley is a journalist specialising in media and telecommunications.