Insight on the global video delivery business

Digital TV Europe

November/December 2019

The DTVE Interview: Sergio Oslé Varona, Movistar+ | VideoTech Innovation Awards 2019 preview

VideoTech INNOVATION AWARDS 2019

from Digital TV Europe

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Editor's note

Content meets technology

The intersection of content and technology is the topic to which most of our editorial coverage in Digital TV Europe is dedicated. In this issue we highlight different perspectives on ways in which technology can be used to enhance content distribution.

First, our headline interview in this issue is with Sergio Oslé Varona, president of Spanish pay TV platform Movistar+, which is offered as part of Telefónica's multi-play bundle. Oslé, who will speak at December's Video Exchange Streaming in London, outlines Movistar+'s approach to content and why service providers need to be more than simple aggregators of apps.

Second, December also sees the inaugural edition of *Digital TV Europe*'s VideoTech Innovation Awards at London's 116 Pall Mall. This will honour some of the leading-edge technologies that are transforming the business of content distribution. Our two-part preview feature highlights some of the big technology trends that underpin the awards and includes our fill shortlist of finalists.

Finally, we interview individual award winners Julien Signes and Sjef Pijnenburg and talk to the CEO and strategy chief of Partner Communications, whose head of TV and technologies, Ronen Gutmanovitz, is also an individual award winner this year.

Stuart Thomson, editor

Issue no 348

Published by:
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Printing Walstead Roche, Cornwall

Brought to you by informatech

News digest

News and analysis of the international digital TV business.

Disney+ surpasses expectations with 10 million sign-ups

Despite technical hitches along the way, the initial launch of Disney+ has proved to be very successful for the Mouse House, with the company attracting 10 million sign ups within the first 24 hours of the service's availability.

In a statement, the company said that over 10 million people had signed up for a one week free trial across the US, Canada and the Netherlands.

This far surpasses the expectations of analysts which had projected Disney+ would reach eigh million subscribers by the end of the year, and does not even include Australia and New Zealand where the service launched on November 19.

In other successful news for Disney, the platform's smartphone app was downloaded more than 3.2 million times in the first 24 hours.

According to researchers at Apptopia, the app was downloaded millions of times across its three available markets of the US, Canada and the Netherlands. By contrast, the report points out, the Netflix app was downloaded 140,000 times during that 24 hour period in the three countries.

The vast majority of downloads (89%) were done in the US, with 9% in Canada and only 2% in the Netherlands – where Disney+ had previously launched in a test phase in September. In the day after launch, the app sat atop the charts in Apple's App Store in the US and Canada, and is in second in the Netherlands.

Mobile users collectively spent 1.3 million hours streaming Disney+ across the three countries. This total was more than Roku and Amazon Prime Video combined, though mobile Netflix users streamed 6 million hours .

The success of the service will only serve to make Disney fans throughout the rest of Europe green with envy, with users in the UK, France, Germany, Italy and Spain having to wait until March 31.

While many have criticised the delayed launch, Disney's £800 million per year deal with Sky runs until 2020, and many streaming rights are tied up in this arrangement.

The UK in particular is very excited about the service which has received minimal promotion in the county. A new report from AudienceProject has found that 31% of future Disney+ users in the country plan to unsubscribe from Netflix, while Amazon Prime Video and Now TV are on the chopping block for 23% and 17% of future users.

Rune Werliin, chief product officer at AudienceProject said: "The entrance of Disney+ into the battleground of UK streaming services is set to radically change the state of play. Netflix's reign could be in question, as thousands of UK consumers consider switching from its service to Disney+. By this time next year, we could be looking at a very different picture when it comes to digital TV subscriptions and usage."

Despite the positive launch, one significant area of concern for the fledgling service was the large number of stolen accounts that were being sold on the dark web shortly after launch.

According to an investigation from *ZDNet*, thousands of accounts were being sold for between US$3-11 or even offered for free. These users saw their account email and password changed by hackers, which in effect locked them out of their accounts.

One Twitter user cited by the report said that their friend was a victim and that they had been blocked from their three-year prepaid account. Disney had offered the lengthy membership at a discount as an exclusive perk for its D23 fan club members.

Two users who spoke to *ZDNet* admitted to reusing passwords, suggesting that hackers used previously leaked email and password combinations to access the account. Others however said they had not, which would indicate that their computers were infected with keylogging or other forms of malware.

Hackers selling accounts on the dark web is no new phenomenon, but how quickly after launch they were made available will prove especially concerning for Disney. The report includes screenshots from a variety of illegitimate online marketplaces taken only hours after the service's launch.

A spokesperson for Disney said: "we have found no evidence of a security breach. We continuously audit our security systems and when we find an attempted suspicious login we proactively lock the associated user account and direct the user to select a new password."

The company suggested that rather than their servers being hacked, the finger should be pointed to data leaks at other sites and users reusing their old passwords.

Sunrise withdraws UPC Switzerland offer at €46 million cost

Sunrise has officially ended its interest in acquiring Liberty Global-owned UPC Switzerland.

While both parties were keen on the CHF6.3 billion (€5.67 billion) deal, repeated opposition from Freenet – which holds a 24.5% stake in Sunrise – ultimately proved to be its undoing.

The company had initially scheduled an EGM to approve the announced reduction in the size of the rights issue planned to finance the deal on October 23, but this was cancelled to leave the deal looking less-than-likely.

While announcing its Q3 results, the Swiss operator officially cancelled the deal. Sunrise will suffer a CHF50 million (€46 million) penalty as a result, while it also expects total additional transaction-related costs of CHF70-75 million. This is made up of CHF19 million in underwriting fees advisory and legal fees, along with the already incurred integration costs of CHF24 million.

Responding to the news, Mike Fries, CEO of Liberty Global, said: "While we would have preferred to keep the current SPA in place, we understand this move by Sunrise. The Sunrise board has been navigating a difficult situation. We look forward to continuing our conversations with either the board or Freenet about a potential transaction that creates significant value for both sets of shareholders and Swiss consumers. There is no question that UPC remains the fulcrum player in Switzerland's converging telecom market."

UPC issued a statement acknowledging the termination, while reaffirming that "it it is looking forward to continuing conversations with either the board of Sunrise or Freenet about a potential transaction that creates significant value for both sets of shareholders and Swiss consumers."

UPC also said that it will continue to "implement its growth plan, investing in the further development of its products and in the expansion of its high-performance cable network infrastructure."

Sunrise had initially scheduled an EGM to approve the announced reduction in the size of the rights issue planned to finance its acquisition of UPC Switzerland. The telco was to reduce the size of the rights issue by CHF1.3 billion to CHF2.8 billion.

However, after Freenet repeatedly said it would vote against the deal and proxy advisor ISS recommended shareholders do the same, Sunrise decided to scrap the meeting in order to avoid an embarrassing defeat.

The about-face from Sunrise directly contrasted with comments from the company's CEO made to CNN in October, when he said that "shareholders really support this deal" becuase of its potential to create value.

Overall in its quarterly earnings, Sunrise saw its net income increase by 52% to CHF48 million (€43.9 million). Revenue increased by 1% to CHF474 million (€430.42 million) in the period, while Sunrise expects to reach its targets for the year.

Sunrise also recently annouced a deal with smarthome networking vendor Plume. The Plume product is an AI-enriched mesh WiFI network, with Sunrise offering it to its customers for CHF4.90 per month and an activation fee of CHF90. Additional 'SuperPod' extenders are available at an additional cost of CHF90 each.

In brief...

Lionsgate and Amazon sign deal
Amazon is set to be the first-window streaming home for Lionsgate films in the UK, beginning in January. The platform has struck an output deal with the studio that covers recently released and forthcoming theatrical feature films. The multi-year deal begins on 1 January 2020 and will allow Prime members access to films such as *Angel Has Fallen*, *Rambo: Last Blood* and Lionsgate UK's *The Personal History of David Copperfield*. The agreement also encompasses upcoming films such as *Knives Out*, action epic *Midway* and *Bombshell*.

TDC hit by TV losses
Danish telco and cable operator TDC lost TV subscribers in the year to September and saw its TV profits decline sharply. The operator had 987,000 TV subscribers at the end of the period, down 20,000 year on year. Gross profit from TV declined by 12.8% due to the inclusion of SVOD services in its TV packages, higher content costs and investment in its own content line-up. On the positive side, Nuuday, TDC's service provider arm struck three new strategic partnership with TV2, Nordic Film and C More to bring more content to its offering.

US pay TV operators lose 1.7 million subs in Q3
Major US pay TV providers lost over 1.7 million subscribers in the most recent quarter. According to a new report from Leichtman Research Group, this is significantly more than the 975,000 subscribers lost in Q3 2018. The research was made up of figures the top pay TV providers which represent about 93% of the market. In total, those operators account for about 84.8 million subscribers.

Altice Europe turns in solid Q3
Altice Europe has turned in better than expected results for the third quarter, with revenue up by 6.9% and adjusted EBITDA rising by 8.8% on the back of an improved performance at Altice France. Altice France grew its residential base by 41,000 customers, with its fibre customer base increasing by 59,000 taking fibre penetration to 44% of the total base. Mobile post-paid customer increased by 234,000. In Portugal, Altice saw its residential base grow by 5,000 with 38,000 fibre net additions and 41,000 mobile post-paid net additions. Altice Europe turned in revenues of €3.43 billion for the quarter.

Dutch market provides model for broadband future

The Dutch broadband and connectivity market is one of the most attractive for investment in Europe, with two strong players – KPN and VodafoneZiggo – competing on innovation and the customer proposition, with a third challenger – Tele2 – offering additional competition, according to Christian Fangmann, director, global banking and markets at HSBC.

Speaking on a finance panel at Cable Congress, Fangmann said that Europe is desperately in need of consolidation if investment in next-generation networks is to take off, while regulators need to step back to stimulate the market.

He said that that mobile operators need to own fixed infrastructure and achieve scale. "Scale is extremely important. The downside is the bigger you get, the more inefficient you tend to be and the slower you tend to be," Fangmann said.

Speaking on the same panel, Manuel Kohnstamm, co-chair of Cable Europe from today and chief corporate affairs officer at Liberty Global, said that the European market is still very fragmented and in need of consolidation, providing an opportunity for major players. He said that incumbent telcos had been "late to the party" with investment in fibre.

Kohnstamm said the Dutch market, where essentially two converged players were fighting it out on price and innovation, could provide a model for other markets.

Also speaking on the panel, Philip Lowe, partner at consultancy Oxera said that the aim of European regulators is to simplify regulation and harmonise the efforts of national regulators. He said there was an ongoing effort to reduce regulation.

Lowe said that there had been regulatory concern about the number of mobile players in each market but that this was changing.

He said that there was a need for more nuanced regulation to allow market structures to develop with a regulatory framework that was "as flexible as possible".

Labour proposes nationalised broadband

The UK's Labour party has announced its plans to nationalise BT's fixed line network to provide free full-fibre broadband for the country should it win the upcoming general election.

The party has said that it will nationalise Openreach, along with parts of BT Technology, BT Enterprise and BT Consumer and that the move will be paid for by raising taxes on big tech firms like Google, Amazon and Facebook.

At a campaign event, Labour leader Jeremy Corbyn (*pictured*) said: "It's time to make the very fastest full-fibre broadband free to everybody, in every home in every corner of the country."

Labour said it would roll out the free broadband to all individuals and businesses by 2030, covering between 15-18 million premises within five years and saving the average person £30.30 (€35) per month.

It added that there will be a £15.3 billion one-off capital cost to deliver the full-fibre network, which currently only reaches 10% of the country. The current Conservative government has pledged £5 billion for fibre expansion.

Talking to the BBC, BT CEO Philip Jansen said that these are "very ambitious ideas" but executing full fibre "is not straight forward".

Speaking on the concerns of internet service providers, shadow chancellor John McDonnell said that "I'm sure that we'll be able to ensure that we can come to an agreement" and that 'British Broadband' is only being proposed "because they [ISPs] have failed."

In brief...

Endemol Shine Group launches channels on Samsung

Endemol Shine Group is launching a raft of channels via Samsung's TV Plus service. The super-indie – which is in the process of being acquired by Banijay Group– has launched a trio of UK channels on the smart TV platform, with further channel launches planned in the US and across Europe in the coming months. Established in 2016, Samsung TV Plus is a free, ad-supported video service covering news, sports, entertainment and more. It comes pre-installed on all 2016 to 2019 Samsung smart TVs. Endemol Shine is distributing its content to TV Plus via Wurl, a provider of streaming video distribution and advertising services for connected TV. The three UK channels to launch on TV Plus are Reel Truth, Masters of Food and All Drama.

EU greenlights Telia takeover of Bonnier

The EU has provided conditional approval to Telia's proposed SEK9.2 billion (€890 million) takeover of Bonnier Broadcasting. The deal, initially announced in July 2018, had been the subject of an antitrust investigation from the EU since May. Now, following a series of concessions from the operator, the EU has greenlit the deal. It had previously been reported that the Commission was "concerned that the merged entity may shut out competitors from the audio-visual sector in Finland and Sweden". Telia has pledged that rivals will be offered fair access to its free-to-air and basic pay TV channels along with access to pay TV sports in Sweden and Finland.

New AVOD launches in UK

W4Free has become the latest AVOD service to launch in the UK.The free-to-view platform offers a "curated mix of short form lifestyle, crime, movies and tv series." The fledgling service, backed by chairman Chris Sharp, will be boosted by the expertise of Sky, which will handle ad sales.

Q&A: Jim Phillipoff, Irdeto

Jim Phillipoff, Head of Business Development, Media & Entertainment, Irdeto, discusses the security threats around smart home technology and opportunities for service providers

What are the main security threats facing consumers in relation to smart home devices?

The enormous scope of opportunities provided by connected devices and the Internet of Things (IoT) are still being explored. Consumers are becoming increasingly reliant on the convenience and customization allowed by connectivity today and there are also many benefits and opportunities for businesses themselves to take advantage of when it comes to IoT. However, on the flipside, the proliferation of IoT devices has provided hackers with unprecedented vulnerabilities, if these devices are not properly secured.

Many consumers are aware of the risks, with a 2018 survey conducted by Microsoft Market Intelligence highlighting concerns consumers have about digital assistants finding that the top concern was that "personal information or data is not secure." Digital assistants, like any connected device in the home, should be evaluated from a security perspective as well as just functionality and price. Hackers may well target digital assistants more than most other devices since they can function as a "hub" which will likely control other elements the home network – the same situation applies to the router as the gateway to the home network.

Where does responsibility for securing IoT devices and the smart home lie – with the service provider, device manufacturer or consumer?

Since there are so many device manufacturers, service providers have an opportunity to offer consumers a solution for the whole home. In fact, there's a good deal of research which shows that consumers are willing to pay to protect their privacy and data – research from Blackberry earlier this year found that 58% of consumers would be willing to pay more for connected devices, if they know their data and privacy is protected. By providing a security and Wi-Fi management service that consumers really want, CSPs (communication service providers) can increase ARPU and decrease key costs.

Certainly, consumers and service providers cannot rely on IoT device manufacturers for peace of mind and security of their network, and while there is some responsibility for the service provider when it comes to the router, the CSP often doesn't have visibility and device intel beyond the gateway to tackle these concerns.

What do service providers need to think about in securing smart home services, both in relation to their customers' needs and current and future legislation?

In addition to the increase in security vulnerabilities brought about by the proliferation of IoT devices, there are challenges for CSPs and consumers alike around control of the smart home. When subscribers encounter a security or connectivity issue, they turn to their broadband provider for help, but the CSP doesn't have visibility and device intel beyond the gateway to tackle these concerns. CSPs therefore require the tools to address connectivity and security problems more efficiently while offering value added services to consumers. In terms of legislation, things are still in their infancy, but the new IoT device labelling system included in the UK government's recent consultation is a good step. Providers should look at the problems caused by the smart home revolution as a growth opportunity which has the potential to help them achieve their key business objectives.

What role can technology providers such as Irdeto play in securing the smart home?

To address these challenges, Irdeto has launched Trusted Home which enables CSPs to secure the entire smart home, including the router itself, increase ARPU by offering value added services to consumers and decrease call center volumes and truck rolls. Developed in collaboration with Minim, a provider of AI-driven Wi-Fi management and IoT security platforms for service providers, Trusted Home is designed to provide the visibility and intelligence across the network to enable CSPs and consumers to address security and connectivity issues throughout the entire network.

Trusted Home offers an Android and iOS app with AI-driven self-setup, self-care and security guidance. CSPs can white-label this app or integrate into their existing consumer-facing apps. The solution also offers Wi-Fi management capabilities and comes with the Irdeto Care Portal, which gives customer support staff vital visibility to effectively troubleshoot top call issues, reducing time to resolution.

What role can Artificial Intelligence play in helping protect against threats?

Artificial intelligence can be a crucial tool in detecting threats and behavioral anomalies in the smart home in real-time. Trusted Home applies proprietary fingerprinting technology without compromising consumer privacy with practices such as Deep Packet Inspection. Through this automated recognition and anomaly detection, the solution highlights known vulnerabilities, suggests actions against threats, and even addresses connectivity issues.

For more information please visit: www.irdeto.com/video-entertainment/smart-home-security-wifi-management

EU cable turns in record revenues despite TV decline

European Union cable market revenue rose to a record high of €24 billion euros in 2018, up 3% from €23.3 billion in 2017, according to data released by Cable Europe and IHS Markit | Technology, now a part of Informa Tech, publisher of Digital TV Europe.

The all-time-high revenue results were propelled by continued growth in the total number of cable revenue generating units (RGUs) in the EU, according to the European Broadband Cable Yearbook offered by Regional RGUs increased by about one million in 2018 to reach an annual high of 121.7 million, up from 120.6 million in 2017. The majority of the RGU growth originated from the broadband sector, where consumers are continuing to add subscriptions to cable internet services.

Measured in terms of subscriptions, RGUs for cable internet service amounted to 38 million in 2018, up from 37.1 million in 2017. This growth helped drive the increase in overall EU RGUs for the year. Internet RGU growth outperformed the other services offered by cable providers in the region. EU subscriptions to cable TV declined by 275,000 in 2018.

EU cable TV service subscribers, which increased for the first time in nine years in 2017, declined in 2018, falling by 275,000 homes to 55 million.

Digital cable subscribers continued to rise in the region, increasing by four million to reach 45.2 million in 2018, as operators successfully converted significant numbers of subscribers from analogue TV to digital services.

Based on the power of bundled services, EU cable operators have grown total ARPU by €9 over 10 years by selling more services.

Europeans still receive their pay TV via cable more than any other technology, despite the tough competitive environment.

Presenting the stats at Cable Congress, Maria Rua Aguete, executive director of media, service providers and platforms for IHS Markit | Technology, said that online channels are dominating video subscription growth in the US, with virtual pay TV failing to compensate for traditional pay TV's decline. Pay TV subscribers in the US typically also take OTT TV services and use their traditional provider to access these services.

In the rest of the world, however, pay TV has been more or less stable. Cable and satellite remain the main players, she said. Despite the lead of OTT in overall global subscription numbers, revenues remain dominated by traditional pay TV.

Cable internet has also faced challenges, with fibre and telecom operators providing stiff competition, said Rua Aguete.

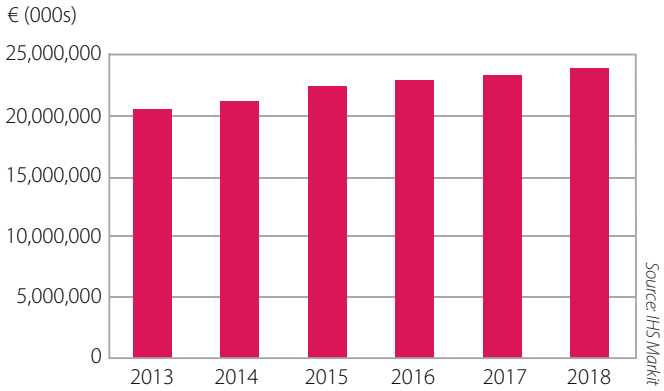
Subscription TV is still rising, even if most of the additions come from online video services. Netflix accounts for 49% of all online subscriptions, followed by Amaxon with 20%.

The European cable market now has two main players – Vodafone and Liberty Global with 34% and 22% of the market respectively in terms of subscribers, she said. Other major players include RCS&RDS, Altice France and Tele Columbus.

Rua Aguete also said that Spain is the European leader in next-generation broadband access, coming after only South Korea globally. 50 European operators of all types meanwhile provide converged fixed and mobile services and a growing number of operators are launching 5G services.

Cable has also led partnerships with online video providers, particularly Netflix. "Cable has been the pioneer in this type of partnership," said Rua Aguete with alternative routes for receiving premium TV also on the rise.

Total cable revenue (all services)



In brief...

HBO Max to exceed targets
According to analyst Michael Nathanson of MoffettNathanson Research, WarnerMedia's upcoming HBO Max streamer will surpass the company's expectations to generate US$8.2 billion in total revenues and reach 51 million subscribers by 2025.

BeIN launches beIN Sports Xtra
Qatar's beIN Sports has announced the US launch of beIN Sports Xtra. The free English-language channel will offer live sports, news, analysis and highlights that. Launching initially on the Roku Channel, the company said that of beIN Sports Xtra will utilise its existing English and Spanish feed to drive awareness of the brand and content "that would otherwise be crowded out of the live premiere window given the extensive rights offering in the US."

Roku TV to launch in UK
The first Roku TV-equipped TV models will launch in the UK next week, the company has confirmed. The Hisense smart TVs, which were announced at IFA 2019, will be the first sets to launch in the country powered by Roku OS. The 4K HDR TVs themselves are fairly low-cost, starting at £329 (€384) for the 43-inch model and rising to £649 for the 65-inch set.

Starzplay renews Intigral deal
SVOD outfit Starzplay Arabia has signed a multi-year deal with Saudi Telecom Company (STC)-owned Intigral, renewing its agreement with the telco for the second time. The deal sees Starzplay's full service and content library available to STC's broadband users along with subscribers to its Jawwy TV OTT platform. Starzplay, owned by Lionsgate, is available in 20 countries across the Middle East, North Africa and Pakistan. It is the leading streaming platform in the MENA region, having topped one million subscribers at the beginning of 2019 and adding 200,000 subscribers in the most recent quarter.

The DTVE interview:

Sergio Oslé Varona, Movistar+

Telefónica/Movistar+ has been at the forefront of telecom operators seeking to invest in content as a key differentiator, not only through premium football, but also as a producer of highly regarded premium drama. Movistar+ president Sergio Oslé Varona talks to Stuart Thomson about the company's approach ahead of his appearance at Video Exchange Streaming.

Few telecom operators have embraced the role of content provider – as opposed to simply content aggregator – as wholeheartedly as Telefónica.

The Spanish telco's bundled TV platform, Movistar+, has invested significantly in premium content, not only through its hold of premium La Liga football rights but its investment in a raft of highly-rated original scripted series starting with historic drama *La Peste* and including shows such as *Velvet Coleccion, Dime Quien Soy* and *El Embarcadero*.

Following the growing number of telcos that seek simply to offer TV services by becoming aggregators of third-party apps is not a path that Sergio Oslé Varona, president of Movistar+, has any intention to follow. Oslé believes that becoming a gateway to Netflix and Amazon's own in-app experience places service providers on the same level as the consumer device manufacturers with which they are competing.

"We don't believe that is the right strategy for us. It brings us closer to competing with device manufacturers. In the end you don't offer much different than what a smart TV manufacturer does," says Oslé.

The Movistar+ chief identifies three layers of differentiation that help Telefónica attract and retain subscribers.

One is aggregating third-party content in the shape of linear channels and the video-on-demand user experience.

A second is to provide premium subscription content which includes Movistar+'s substantial premium football offering but also includes its line-up of highly-regarded original series and movies as well as – lesser-known outside of Spain – unscripted content.

The third and final layer is the company's technical platform and its ability to differentiate through advanced functionality.

Telefónica has 4.1 million pay TV customers in Spain, making it the country's pay TV leader by some distance. As with rivals, its pay TV service is bundled with other telecom services. Customers need to sign up to the operator's quad-play service to receive TV. However, for Oslé, the different layers of the Movistar+ TV experience make it very different from competitors, particularly those that increasingly are tempted simply to aggregate third-party apps.

Third-party content does however play an important role in the overall offering, including the content of app providers such as Netflix.

"We still rely a lot on third party content providers. We aggregate them on linear channels or we aggregate via our VoD user experience, which gives you easy access to content curated for you through different criteria," says Oslé, who adds that it is "surprising" how much content is still consumed on the platform via linear channels, the overall drift to on-demand notwithstanding. The word 'curation' is crucial in this context, however.

"We still believe that there is something substantial that we can provide to our customers through getting rights and trying to aggregate an offer that we create ourselves," he says.

The next tier of the Movistar+ offering is the premium tier, which traditionally has been build around football. Despite much commentary about the high price of rights in Spain for La Liga and other high-profile rights, Oslé says that the economics still make sense for Telefónica, and he points out that the amount paid for the current tranche of rights is already a bit less than was paid previously.

"As of today we run the numbers and it is profitable for us," he says. "The price is always high. The rights are a substantial part of our cost base but [the rights holders] have already initiated a rationalisation phase."

Oslé reserves some criticism for the obligatory wholesale regime under which Telefónica is forced to sell on rights to other parties that wish to access them. Only Orange among the country's main operators has taken up the most recent offer, leading rival Vodafone struggling to defend its base. Football is also available via Mediaset's Mitele+ online service. Movistar+ remains the service of choice for most football fans, though there is broader competition in the popular market for communal viewing in bars and restaurants.

"The world has changed in the last three years and it doesn't reflect the balance of power between the different players now. [The regulator] was trying to ensure we didn't use our scale to close the market," says Oslé of the regulatory regime. The world, he suggests, is no longer one in which Telefónica can easily dominate the market for rights.

"With the advance of OTT that is no longer the case. We are fighting for all kinds of rights all the time and we are fighting against players that are global in nature. They sometimes don't even have profitability as their key concern," he says. "There are some aspects of the wholesale agreement that should be adapted to the new environment that we face. But even in the current scenario we are happy with our investment in football."

> "If you want to be a relevant distributor of content, you cannot just be a collection of apps – It doesn't give you any edge against device manufacturers"

Movistar originals

Beyond premium sports, Movistar+ is widely known for its investment in a raft of high-profile drama series. The company produces about 12-15 series a year, and also invests in a number of non-scripted shows, making up the balance of its approximate spend of €100 million on both types of content.

"It enables us to differentiate ourselves. It is our soul. It is what enables us to go beyond being a distributor or device manufacturer or a set top box distributor," says Oslé of this content investment, which he says is "working surprisingly well" for the company in terms of the engagement it delivers from viewers. He says the popularity of the shows has been "an order of magnitude" greater than what was originally anticipated and that his team had "ever imagined there was such as appetite" for high-quality local premium content in the country among people who are unable to find everything they want either on the country's free-to-air TV channels or on the likes of Netflix.

Oslé says that Movistar+'s investment in originals also delivers measurable economic benefits. He says that what the company spends relative to how much is watched means that its spend on original content delivers the same benefit as content spend on third-party acquisitions.

Oslé is clear that Movistar+ is not trying to compete with Netflix or HBO, who he sees as little different than traditional suppliers such as the Hollywood majors. He returns to the theme of needing to go beyond aggregation.

"We are more than happy to distribute content from third parties. There were majors in the past and there will be new majors in the future. But we need to offer to our customers something more than just a collection of partners. That was probably always true, but it is now truer than ever. If you want to be a relevant distributor of content, you cannot just be a collection of apps. It doesn't give you any edge against device manufacturers," he says.

To win customers, it is necessary to offer them something that they can't get elsewhere – or else compete purely on price. If Movistar+ can offer consumers "exclusive content that they couldn't get elsewhere", it can attract potential new customers and also give existing subscribers a reason not to migrate to another provider on cost grounds for fear they might be missing out.

Oslé says that original content also plays a role in enabling Movistar+ to retain relevance for underserved – and attractive – audience segments. In particular, he says, the service seeks original

content that offers something to those audience segments that are unlikely to be drawn to the platform by football.

"We very purposefully use our own original production to fill in the gaps. We have partners that provide content but we are aware that for some of our audience segments there might be gaps and we target a lot of original production at those gaps. A lot is targeted at women or young people," he says.

Movistar+ spends around €100 million a year on originals, the bulk devoted to scripted drama with a smaller chunk allocated to a raft of unscripted content. Oslé says that whether to increase this has been the subject of internal discussion. He says that Movistar+ tested a bigger slate for one quarter, but that the results were not satisfactory.

"We are not trying to build up inventory. We can get our inventory from third parties," he says, adding that Movistar originals have to stand out to have value.

He points out that Movistar+'s flagship channel #0 is really intended only as a shop window for content rather than a full-fledged channel that needs to be scheduled 24/7. He says Movistar+ has no ambition to create a Sky One-like offering.

"Our internal production needs space to breath. We are very careful when we release a series and we put a lot of care into communicating it. We treat them almost like new movies," he says. "We learned that if we try to increase our pace and do more than one series a month or more than 25 entertainment programmes a year, it doesn't work."

On the non-scripted side, Movistar+ has in fact cut "many of the entertainment programmes that we made in the past", says Oslé, to focus on about 25 shows a year that "really make a difference" such as the humour-infused late night show *La Resistencia* with David Broncano, which appeals to a sought-after youthful audience.

The overall aim, says Oslé, is to come up with a raft of scripted and unscripted shows that incentive people to "pay a little bit more" and stick with the Movistar+ service. Oslé's team have not varied the pay TV formula overmuch. Telefónica recently launched a low-cost OTT TV version of the platform called Movistar Lite, but Oslé is clear that the intention with this is simply to attract new subscribers and then convert them to the main offering rather than to create an alternative platform that will build a strong separate base, such as Sky's Now TV. In fact he contrasts Sky's use of a distinct brand with Telefónica's deliberate use of the Movistar brand for its own low-cost service.

"We are still focused on making our customers come to our overall package, but for those that don't know us and for whom that is a leap of faith we wanted to launch what we internally call a sampler, and that is what Movistar Lite is," he says. "You can see our own production and some of the stuff that our partners provide and some of the sport. But you are not able to enjoy the full experience. For that you need to upgrade to our overall package and you need to sign up to a quad-play bundle."

The final element of that overall package that delivers differentiated value is the technology itself.

"We are part of a telco and we are very technologically driven. We are also increasing our investment in our own platform. We have our own OTT technology. Most customers reach us through IPTV but half also reach us thorough OTT and we have a very robust technology that we are able to stream over with very low delay, including for live events. We are also able to add advanced features," he says. He cites the group's investment in advanced advertising, with solutions to

Movistar original series *Dime Quien Soy.*

adapt ads including in a linear channel based on the characteristics of individual households as well as experiments in interactive advertising. Telefónica is also investing in voice recognition in the shape of its Aura technology. It has linked Aura with the TV platform to provide an improved customer experience to viewers.

Investment in OTT technology notwithstanding, in general Oslé shies away from the idea that the rules of the game have been fundamentally changed by streaming.

"Once all is said and done the rules will be more or less the same as 20 years ago. People like Netflix or the Hollywood majors have realised they can go straight to the customer but at the end they need to partner with distributors because they need to make sure their product reaches customers and someone takes care of the boring stuff like billing customers and managing churn," he says.

He says that the majors have enjoyed a strong position in the past by being able to "focus on amazing content" while "passing on the commercial risk to parties like ourselves" by signing output deals.

Distributors, on the other hand, were able to carry that risk. "The reason they could do this is that we are very good at managing that risk, handling the commercial side of dealing with customers, and we would do that for a very low margin," he says.

Oslé believes that in this context, Movistar+'s main competitors in the future will not be Netflix or Disney or WarnerMedia, or even the likes of Vodafone or Orange, but device manufacturers such as Apple or Amazon.

As far as those studios now taking the plunge into direct-to-consumer streaming are concerned – as well as the likes of pure OTT players such as Netflix – he is convinced most will quickly revert to a more traditional supplier-distributor relationship.

"I think we will end up in the same place. The new majors or the old ones will just try to strike deals with distributors which protect them from the hassle of dealing with customers, which is a low margin business that carries a ton of commercial risk," he says.

"Some people have to do the actual management of the customers and put content in front of them and I think we will still be relevant in the future if only to fill that role – which is a role we have been filling for a long time." ■

Future vision

Ahead of the VideoTech Innovation Awards, Jonathan Easton speaks to a number of the shortlisted nominees about the innovations being made in the industry and the evolution of next-generation TV.

With smart TVs and app integration now the norm in the living room, operators are looking for the next innovations that will help them attract – and retain – customers in this era of cord-cutting. While it is an exciting time to be in the digital TV industry, a user base that is rapidly evolving its consumption habits is forcing established players to take a bold new approach in order to avoid being eclipsed by digital native up-and-comers.

A stand-out example of this in action is Comcast's assertive moves with its Flex streaming TV platform in the US. While it launched at a US$5 per month premium offering for its Xfinity customers, the operator is now going all-in on the platform with CEO Brian Roberts referring to it as Comcast's "fourth pillar" during a recent earnings call. The company has even knocked off that US$5 barrier to entry, and will now provide it to broadband customers for free.

This decision is undoubtedly informed by the amount of information the company has about the ways their customers consume content, a move which echoes the beliefs of VideoTech Innovation Awards-shortlisted TiVo's senior director of international marketing Charles Dawes who says: "The biggest asset that a pay TV operator has with regards to fighting churn and retaining its existing customers is data. This data is the information they have about customer behaviours and interactions with their services, not only via the TV but via their mobile and internet services too."

It is clear that data is more important than ever when it comes to reviewing current services and providing evolutions of what consumers want in a manner that is profitable. But, as Dawes puts it, "data by itself is useless unless you know how to interpret it and build accurate, predictive models that allow you to pre-empt any actions a customer might take to leave your service."

Data is ultimately just numbers on a screen, and Jacques-Edouard Guillemot, SVP of executive affairs at Kudelski Group, another VideoTech Innovation Awards

finalist, agrees that this next-generation asset will only be of value if it is approached with a clear mission statement.

"To ensure success, service providers first need to identify which real, tangible business challenge they wish to address with data," Guillemot says. "Do they want to address churn? What is the best way to encourage the use of the service?"

As VideoTech Innovation Awards finalist Viaccess-Orca's vice president of product platform marketing Yuval Shachar surmises: "Fighting customer churn and retaining a satisfied, engaged television viewer is all about understanding the end user and their main drivers."

Reducing churn through design

Now more than ever, consumers hold the cards. While in a pre-OTT era, pay TV customers only had a handful of operators and packages to purchase from regardless of what they actually wanted, the field has now opened up to the extent that consumers have the liberty to pick and choose how they watch TV.

"There are three reasons why consumers choose a video platform: content, price and UX," says Roland Sars, CEO of artificial intelligence tech provider Media Distillery. "The content differs per platform, but every platform has unique and appealing content to offer."

What should not be overlooked is the platforms on which users consume their content, points out Shachar: "Users can consume services via various devices, so knowing how to fit the right device type, timing, location, and other objective factors can make a whole world of difference."

Particularly as a large number of OTT operators are offering their services on a month-by-month rolling contract that allows users to opt out with little hesitation, it has become operative to create an experience that is compelling to users on a daily basis.

"UX is becoming the most important element," claims Sars. "The customers want convenience and the platforms should just work nicely. When they cannot find content, when the recommendations are not relevant, visuals are lousy or the UI is not appealing, they lose attention and switch apps. The user experience is what is decisive in the loyalty and engagement for customers of the TV operators."

This is even more important than price, Sars adds: "Price is important, but nowadays consumers don't mind that much anymore to spend one Euro more or less for a platform."

Guillemot agrees that the UX is vital to customer retention, saying: "The user experience is extremely important in making the service sticky.

"Poor quality of experience, difficult-to-navigate catalogues, are some of the main reasons for churn. The UI needs to be simple and built in a very fact-based way. Often however, internal "religions" prevent the UI to be effective," he says. "User experience, together with business performance and content security, is the foundation of any successful service offering."

> The user experience is extremely important in making the service sticky.
>
> Jacques-Edouard Guillemot, Kudelski Group

This is a mindset backed by recent research from Parks Associates that found that service users are more likely to recommend a platform based on the quality of the user interface (UI) than they are on content recommendations.

A sign of the times is that the study found one-fifth of households cancel an OTT subscription based on an inability to find something to watch – and this is largely due to a poorly optimised UX.

VideoTech INNOVATION AWARDS 2019

Shortlisted nominees in categories focusing on the future of TV

Advanced TV Innovation of the Year

CommScope for Smart Media Device
ZTE Corporation for 5G Live TV
Viaccess-Orca for Anti-Piracy Center
Newstag for NAAS - Newsroom As A Service
KT Corporation for GiGA Genie
MEO - Serviços de Comunicações e Multimédia for TV Experience
Meta Data Systems Limited for its Cloud & API Gateway

Advanced TV Service of the Year

Corporació Catalana de Mitjans Audiovisuals for Immersive Accessibility 4 All
Partner Communications for Partner TV
United Cloud for EON
Liberty Global for Horizon 4
Netgem for netgem.tv service

Next Gen Advertising Award

Partner Communications for Partner TV
Yospace and TV4 for server-side ad insertion (SSAI)
SoftAtHome for Addressable TV
Mirriad for In-Video Advertising
Telaria for Video Management Platform (VMP)
Newstag for NAAS - Newsroom As A Service
TiVo for Sponsored Discovery

Continued >

> *Video Tech Innovation Awards shortlist continued*

The UX Award

Zappware for Marketing Console
ZTE Corporation for 4K AI STB - S200
SoftAtHome for ImpressioTV
United Cloud for EON
Telekom Slovenije for NEO smart-living platform
Vionlabs for content discovery platform
netgem.tv for netgem.tv service

Pay TV Service Innovation of the Year

ZTE Corporation for ZTE 4K Dual Ecosystem STB - B860H V5.0
Partner Communications for Partner TV
United Cloud for EON Smart Boxes
NAGRA for TVkey Cloud

AI and Machine Learning Innovation of the Year

Synamedia for Credentials Sharing Insight
3SS and Media Distillery for their Ultra-Personal TV Solution
Prime Focus Technologies for AI-led Content Segmentation
Accedo for Accedo and Jump
NAGRA for its Insight data and AI-driven pay-TV business performance platform
Media Distillery for Next Generation Replay Experience
Microsoft Azure for Video Indexer for Animation

AI and addressable ads

However, the user sat in their home is not the only buyer that operators are selling to. With a greater-than-ever demand for return on investment, advertisers are increasingly turning to platforms where they can not only entirely control how their message is delivered but who it's delivered to.

"Advertising is shifting from the broadcaster to the TV operator," says Sars. "The future of TV is smart, and advertising strategies need to follow suit."

Addressable advertising for linear TV has long been a future ideal, but the infrastructure simply hasn't been available to realise it in the past. But given its success in VOD, the results show the concept is worth the hype.

Recent data from Sky, from analysis of 52,000 ad breaks in the UK, found that addressable TV has cut channel switching by 48% and boosted ad recall by 49%. Users on average were 21% more engaged by addressable ads, while purchase intent was up by 7% – up to 20% for new-to-TV brands.

"Advanced advertising has the potential to both supplement existing models and create entirely new revenue streams. Advertising has always been part of commercial broadcasting. Today, we have the ability to bring some of the best functions of the digital space, including targeting, addressability and reporting to the pay-TV operator ecosystem," says Dawes. "Consumers today, especially younger ones, are very savvy and understand the media industry's economics – advertising supports the investment in premium content. The key challenge is to deliver an advertising experience that integrates well within the overall user experience and offers true value to the that savvy end user."

Ultimately, most conversations around all aspects of next-generation TV tend to boil down to two key terms: machine learning and artificial intelligence.

"AI and machine learning are core to maximising the potential of the data that is available in any advanced TV experience," asserts Dawes. "Going forward, the ability to accurately predict rather than solely recommend is key for any viewing experience and helps drive some of the new solutions that prevent behaviours like churn – before they even happen."

In the future, data-driven machine learning is going to be more pronounced than ever, suggests Shachar: "We predict that in the future deep learning will be used more and more to add the context of the user into the model being used or for unsupervised learning of desired and undesired customer journeys, as well as the use of NLP and sentiment analysis for voice-activated TV and search."

Whether it is in terms of the content being consumed by viewers or the advertisements being presented to them, the future of television is all about data – utilising data to create a product that consumers love to use and advertising that is relevant to them – and creating an agile strategy that can dynamically give users the product that they want.

> **The future of TV is smart, and advertising strategies need to follow suit.**
>
> Roland Sars, Media Distillery

Looking at the development of the market, and the growing importance of data in particular, it becomes increasingly difficult to disagree with Shachar when he says: "TV service providers should not wait to launch a data-driven strategy. If they do, their competitors will recognise the opportunity to employ what so many consumer-facing brands have already done with undeniable success. Once a new service provider wins over customers, it will be difficult for the old service provider to get them back." ■

Lisette Preston-Barnes, Business Development Director, TiVo

Getting personal: Why targeted TV advertising is changing the digital game

Getting up close and personal with overwhelmed consumers is necessary for advertisers in the digital age.

Today, with linear TV viewing shifting to a fragmented viewing experience, the future of legacy advertising – the lifeblood of free TV – has been brought into question. But not all is lost, with recent technology and innovation opening up a whole new world of advanced TV for entertainment advertisers.

One emerging opportunity has arisen in order to help combat the fact that modern TV can resemble an entertainment content avalanche. Viewers must now contend with a mountain of options to overcome. Indeed, it can be time-consuming, not to mention tedious to scroll through such a wide and diverse selection of shows and movies. The whole experience can be a literal turn-off with viewers who can become increasingly unsure of what to watch next.

On the flip side, the pain of indecision can mean that viewers are more open to suggestions to help them navigate the thousands of options available – to feel confident that a new film or show is worth committing to. Being able to capitalise on this moment – when a viewer is willing to experiment – is where opportunity lies.

The challenge for advertisers in this moment, then, is how to cut through the noise and ensure that consumers engage with their brand – especially if that brand is a new show or film. This is where recommendation engines – built on the backbone of machine learning – come in, providing dynamic, personalised suggestions based on industry trends and an individual's viewing history. The more television individuals watch, the more precise the recommendations become.

With today's consumers taking more control over their buying process, advertisers need to get personal. Insights collected through data, or personalisation, are helping entertainment advertisers not only target the right audience, but also form a better understanding of their customers' likes and dislikes and deliver more relevant experiences to them.

The ads are shown when and where viewers are ripe for conversion – when they are actively looking for something to watch next. This increases the likelihood of revenue for advertisers, helping brands with their marketing spend.

Our Sponsored Discovery solution is part of this new generation of targeted entertainment advertising. Launched in 2018 and powered by TiVo's Personalised Content Discovery (PCD) platform, Sponsored Discovery nestles ads dynamically in carousels displaying targeted recommendations, streamlining choices for viewers and capturing their attention where they consume content. It's a great way to help recover lapsed viewers, help grow and retain loyal audiences, and drive new customers to valuable media properties. It's also fair to note that the ad unit is strictly for entertainment advertisers so that the experience feels native and relevant to the rest of the content around it.

It worked for a major US network, which used Sponsored Discovery to drive through the clutter to promote the premier and second episode of its highly anticipated new show in March 2019. With the shows placed in the first box of the recommendations carousel, the tune-in difference between the targeted and baseline households increased by 348% for live and same-day viewing. This figure rose to 449% after three days, an amazing result for the network.

Entertainment advertising has entered a brave new world where cords have been cut and individual tastes ostensibly now reign supreme. Innovations in machine-learning and data collection are reshaping the media landscape, streamlining experiences designed to encourage loyalty, goodwill and keep audiences hungry for more.

VideoTech INNOVATION AWARDS 2019

Julien Signes is the winner of the VideoTech Innovation Awards' Lifetime Achievement award for 2019. Signes, who heads Synamedia's video network business, played a key role in the development of MPEG-4, initially at Orange, before founding Envivio, where he launched the first software-based MPEG-4 compression solutions years ahead of the competition.

What has been the most rewarding aspect of your career to date?
At a high level, it is so rewarding to be involved in transforming the content and entertainment industries and seeing directly how it benefits consumers.

Without doubt the standout moment in my career was when we took Envivio public with a listing on NASDAQ. It was validation of our approach and the fulfilment of a vision that entertainment was going to expand from the TV to multiple devices, giving users a choice of how to access content.

It's easy to forget how quickly things have changed. Back in 2004, it was such a novelty seeing someone watching video content on a mobile device that I used to ask to take a photo. Now it is the norm on every bus and train.

What lessons can the evolution of MPEG-4 provide for the developers of the next generation of video processing technology?
The biggest lesson is the art of patience.

MPEG-4 was introduced in 1998 and the first implementation followed in 2000. At that point, we were certain that MPEG-4 would explode in 2004. Instead, 2004 came and went and nothing happened.

In hindsight, it is easy to say things will always take longer than you think when there is a complex ecosystem involving lots of partners.

The other takeaway is persistence. If you have a vision and it is right you should not give up.

What do you see as the biggest technology challenge facing video distributors today?
The biggest challenge they face is deciding how to deliver their content to consumers. Once it used to be hard to get high quality video content to consumers, but now we have gone the opposite way and distributors are overwhelmed with the choices of formats and delivery mechanisms. Once a decision has been made, there is always the worry of committing to one technology that might be leapfrogged by something new soon after.

Which next-generation video processing technologies do you see as having the greatest promise to transform the industry?
Of course we believe that there will be better compression, new protocols and more efficient storage. These are a given.

But the bigger picture is delivering on the promise of content, any time, anywhere and on any device with highest quality and lowest cost possible. To do so, providers will distribute their content globally using the cloud, end-to-end.

While the general direction of content delivery is clearly going to be cloud distribution, there are still some questions about how this will evolve, including content protection and how the content will be made available to consumers. It's great to be a part of the action.

What is your own personal ambition now?
I want to play a key role in making the next generation of entertainment a reality. ■

Partner tv

The fastest growing TV service in Israel
is honored to be nominated in 5 categories
in the 2019 VideoTech Innovation Awards

Cloud control

Many of this year's VideoTech Innovation Awards categories focus on multiscreen and OTT TV applications and the cloud technologies that enable them. Stuart Thomson reports.

How great is the potential for growth in OTT and streaming services and which business models make the most sense? These are questions to which most of the world's major content rights owners are currently seeking answers.

Digital TV Europe's VideoTech Innovations Awards aims to highlight some the technologies that can enable rights-owners make the most of their assets in the emerging OTT landscape.

Content rights holders are addressing a range of potential business models but figuring out a strategy that maximises the value of those rights is not simple.

SVOD, AVOD and TVOD all have their adherents and may be appropriate in different circumstances, either as standalone options or in combination with pay TV services.

"Choosing the right business model for a cloud TV service depends on multiple factors. Geography and demographics play a significant role. While paying hundreds of dollars for subscriptions in developed markets such as the US or UK is very reasonable, the lower-priced or free and ad-based services are likely to gain more traction in emerging markets," says Gideon Gilboa SVP of product and marketing for Media and telecom at Kaltura, one of this year's VIA finalists.

"The reality is that we're at the beginning of the unstoppable transition from linear to OTT. With more entrants coming into the OTT space it helps build momentum and with that will come greater choice, value and functionality," says Ben Lavender, chief product officer at DAZN, another finalist. "SVOD makes a lot of sense from a business model and DAZN is pure SVOD. AVOD can also be attractive from a customer point of view, but you must have the scale."

The strategy choices are important for those who aggregate as well as those who produce their own original content. The content choices made in populating retail services will be crucially important to their success.

"Original content vs content acquisition must be the billion-dollar question in our industry right now. It seems clear that you either differentiate on original content, or you focus on being the best aggregator. Doing both is increasingly difficult if not impossible because content owners will be reluctant to sell rights to aggregators who also compete on original content. Instead, a pure aggregator likely has a better chance of securing high-

value content," says Marco Frattolin, senior product manager for operator products at Vewd, another finalist.

For many service providers, access to content is becoming more challenging.

"Creating original content requires heavy investments that only a few can bear, therefore taking an approach of content aggregation and micro-bundles of specific content libraries introduces an additional model that was not available in the age of traditional TV," says Gilboa. "This extensive business freedom and flexibility is attributed to cloud-based services, allowing providers to experiment with multiple business offers in real-time, to ensure optimal service monetisation for every market."

The use of cloud technology is of growing importance in eliminating costs associated with content distribution and opening the way for a greater range of content to be viably distributed and made available on-demand.

"Cloud technology will increasingly be used to leverage innovation, simplify workflows, make integrations more flexible, manage DevOps processes, etc.," says Frattolin.

"There is an advantage for incumbent operators that lets you cut a lot of costs out of your business model and lets you serve more wide-ranging needs. We've already seen this happen in music with Spotify and Apple where consumption is now defined by playlists," says Lavender.

Gliboa meanwhile says that the adoption of cloud technology and the convergence of TV and data "marks the beginning of a new era for cognitive TV – merging cloud TV with data and AI will create TV services that will be 'conscious' and capable of dynamically learning and adapting to users' behaviour" and contends that "third-generation TV experiences will be possible only by utilising cloud-native tools for ML and AI-based segmentation of the audience, super-aggregation of services, adaptive advertising, predictive UI, real-time recommendations and tailored bundle creation".

For Avraham Poupko, architects team manager at Synamedia, another VIA finalist, different variants of cloud technology are being adopted at different speeds by different types of video service providers.

VideoTech INNOVATION AWARDS 2019

Shortlisted nominees in categories focusing on multiscreen and OTT services

OTT TV Service of the Year

DAZN Group for DAZN
Kaltura for VOOT Kids Launch
Partner Communications for Partner TV
United Cloud for EON Smart Box
Bitmovin for BBC Smart TV and STB Distribution
SUPER RTL for Kividoo

OTT TV Technology of the Year

Synamedia for Smart Rate Control's content adaptive encoding for live streaming
Qwilt for Content Delivery Sharing (CDS)
Conviva for Conviva Content Insights
Verizon Media for Smartplay Stream Routing
MainStreaming for The HyperNode
CenturyLink for CDN Mesh Delivery
Media Distillery for Next Generation Replay Experience

Hybrid Video Innovation of the Year

Vewd for Live broadcast TV enhancement with OTT audio using HbbTV
Harmonic for Primary Distribution SaaS Solution
ZTE Corporation for ZTE 4K UHD Hybrid DVB STB - B820C-A15
United Cloud for EON Smart Box
CommScope for its Unified Video Solution
Cyfrowy Polsat for EVOBOX HD (in partnership with Irdeto)

Live-streaming Initiative of the Year

WRC Promoter for WRC All Live
Red Bee Media for Ultra Low Latency (3.5 seconds) for Live OTT Feeds
Comviva and Ooredoo Myanmar for Comviva's Live Content Streaming Solution
Kiswe Mobile for CloudCast
MainStreaming for The HyperNode
MEO - Serviços de Comunicações e Multimédia for Live Streaming Platform (Apps MEO and PPV)
Dejero/Musion 3D/Vodafone Romania for Live broadcast over 5G

TV App of the Year

Partner Communications for Partner TV
United Cloud for EON
Digital Entertainment Club DECTV.TV for DECTV Network
MEO - Serviços de Comunicações e Multimédia for MEO Remote

Cloud Service Innovation of the Year

Amdocs for Amdocs MarketONE
Kaltura for Flipkart Videos Launch
ZTE Coporation for Cloud TV
Accedo for Accedo One
3SS for 3READY Assistant with Cloud-2-Cloud Integration
Make.TV Inc. for Live Video Cloud for News Organizations
Planetcast Media Services for Cloud Playout

"Those pay TV operators who have already invested heavily in hardware are tending to wait until their system needs upgrading or replacing," he says. "Storage as a service is being adopted quickly by both OTT and pay TV operators because it eliminates the risks associated with fluctuating needs, particularly for VOD."

Poupko says that while large and medium operators tend to deploy their own software and platform to support their needs, smaller players are more likely to tap platform or software-as-a-service offerings.

Conquest of live

The current frontier for OTT TV is the conquest of live TV and live-streaming services which have grown over the last couple of years as a combination of increasing bandwidth and innovation in video processing which has made it possible for services to become more broadcast-like in terms of quality.

> Live content offerings have become one of the most important assets to deepen engagement with viewers
>
> Gideon Gilboa, Kaltura

"Live streaming is truly the next milestone for OTT streaming. It needs to be equivalent to broadcast in terms of stability, robustness, simplicity, and latency. Only then will it enjoy market acceptance. The industry is investing heavily to make this a reality, and there have been significant improvements at significant scale," says Frattolin.

Gilboa concurs that "live content offerings have become one of the most important assets to deepen engagement with viewers and to gauge whether or not streaming can really replace traditional TV".

Once again, says Gilboa, the cloud can help by enabling service providers to "set up linear channels or live events streaming in a fast and simple way, while avoiding the complexity of building and operating broadcast-grade content acquisition and video processing infrastructure".

While live streaming requires very high service availability and cost, innovation in ways to monetise such services can help providers mitigate this to some extent. "By leveraging the flexibility that only cloud TV infrastructure can unlock, operators could monetise their live streams by offering tailored advertising and personalized offers to their audience, in a way that is not possible in a "one-size-fits-all" traditional broadcast approach," says Gilboa.

OTT is not only the province of standalone streaming providers, with traditional broadcasters and pay TV operators increasingly adopting hybrid delivery approaches.

"It makes sense to combine broadcast and streaming whenever possible. Broadcast TV offers the most efficient use of resources, mainly bandwidth, when many viewers are watching the same content at the same quality at the same time. Once that changes, streaming technologies have the advantage," says Poupko. "The challenge with a hybrid approach is balancing factors including viewing habits and expectations, the cost of broadcast and streaming bandwidth, and the cost of local storage."

Frattolin says that content service providers "need a hybrid approach if they want to be effective" but also identifies a number of challenges that need to be overcome including the technical challenge of finding proven vendors and components that are "actually hybrid".

"Many systems and solutions either take broadcast or OTT first and then add the other technology as an afterthought. This almost always creates problems," he says. There is also a challenge in securing content rights across both broadcast and OTT and, finally, he says, "a UX challenge about how to make hybrid really seamless to the end-user, from content discovery to consumption".

For Lavender, hybrid represents a transition phase: "Hybrid can work as a transition step in certain markets where broadband might struggle to keep pace with demand and some customers don't have the bandwidth for OTT."

The end position for service providers that have relied on traditional distribution technology is possibly the delivery of TV as an app on any device, without needing to supply your own. But this comes with its own challenges.

"The advantage for operators is that once a TV app is deployed, they do not need to worry about supporting hardware." says Poupko. "The advantage for viewers is that they have use a choice of applications. For a sophisticated user this is an advantage, but the idea of the TV becoming another computer can be intimidating for some."

However, he says, TV as an app brings challenges in terms of security and the need to maintain the full set of applications across devices with a danger that operators might discontinue support.

Frattolin agrees that TV as an app has "the clear advantage of reducing operator capex" but adds that this has be traded off against "less control over the UX, fewer possibilities to add advanced features, and reduced ability to prevent competitive services to run on the same device".

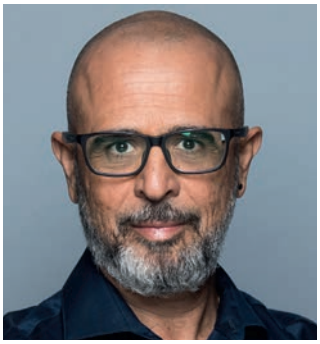
Neverthless, solutions do exist, including HbbTV Operator Apps, a standard that is gaining traction. Operators, he says, may increasingly adopt a variegated strategy, providing a high-end box-based offering alongside app-based lower-cost variants.

With a more fragmented and varied landscape, rights holders and service providers need innovative solutions to enable them to master the new environment while keeping control of cost and quality. ■

VideoTech INNOVATION AWARDS 2019

Partner Communications execs talk about the strategies and successes that have led its head of TV and technologies division, Ronen Gutmanovitz, to win best Video Technologist of the year at the VideoTech Innovation Awards.

Isaac Benbenisti, CEO



What does it mean to be a 'super aggregator TV service provider' and why does this model benefit consumers?
Being a super aggregator means bringing our subscribers access to all the vast content offered by global streaming services in Israel, along with dozens of leading linear channels provided with up to two weeks of catch-up ability. Partner TV is the only TV service in Israel, offering integration with YouTube, Netflix, Amazon Prime Video, Spotify and more, on 100% of its STBs. The fact that you can find all this rich content, and that it is all accessible through Partner TV without having to switch from one HDMI to the other, makes for a perfect viewing experience.

What are the key elements of a successful service that maximises both the revenue opportunity for the service provider and customer satisfaction with the service?
It is all about placing the customer\viewer in the center of everything we do, and remembering that as a service company, we are here to serve.

The way we do that, is by constantly observing and learning the ever-changing viewing habits, allowing us to always add innovative features and adjustments that make the viewing experience even better.

One interesting insight that we've learned recently, was that only 49% of the daily viewing time on Partner TV STBs, meaning four hours and twenty nine minutes, is spent in the linear channels, additional 29% is spent on streaming services, and an additional 22% is spent in time-shifted TV, mainly in viewing content with our Catch Up ability.

How has Partner set about growing its presence in the Israeli TV distribution market and what key demands from consumers has it been able to address?
Partner TV has been the fastest growing TV service in Israel for more than two years since launched in August 2017. This is mainly since we operated from the get-go with the understanding that the future of pay TV services is in becoming a 'super aggregator'. Customers' desire to have all content available in one place has given our service the competitive advantage and appeal over our competitors in Israel, who still serve content in the old-school way that forces the user to switch between separate content services and providers, instead of accessing all the content worlds through one user-friendly gate.

What new and innovative features do you have on Partner TV, for providing your subscribers an even better viewing experience?
The new interface we've recently introduced, includes advanced 'global search' capabilities, that brings search results from all the content worlds available to our customers, including linear channels, recordings, VOD content, streaming apps installed on the STB, etc. One of the things we clearly see is that the immense richness of content significantly increases viewers' search-time, and we do everything we can for making the process simpler and easier for our customers. The new global search ability along with the voice search supporting Partner TV remote, makes for the best search interface in the market, giving us a significant competitive advantage.

Liran Dan, VP strategy and business development

Can you share some of your plans for 2020?
In order to further develop our 'super aggregator' strategy, we will soon be adding a cloud gaming service to the content and music services available on Partner TV. The new gaming app, will enable our customers to turn the STB into a gaming console, with access to hundreds of popular games in different genres. Customers will be able to play using their own controllers, or use new controllers provided by Partner TV, adding another dimension of fun to their viewing experience.

What is your strategy when it comes to the changes in the advertising world, resulting from the shift to OTT services?
In 2019, we have integrated advanced systems, enabling us to offer advanced Addressable TV services to advertisers, with much more accurate segmentation capabilities. We see the programmatic advertising market in the world growing impressively, and the capabilities we offer today are the most advanced in Israel. In recent months, international companies such as Samsung, H&M and others have launched advertising campaigns on Partner TV, based on our addressable TV abilities. The capabilities made available by such new innovative programmatic advertising systems, are definitely a significant market-changing development in the global advertising world. ■

VideoTech INNOVATION AWARDS 2019

Sjef Pijnenburg is the recipient of the VideoTech Innovation Award for Outstanding Digital Achievement 2019, in recognition of creating a market-leading content aggregation company that exactly matches the needs of the moment.

What has been the most rewarding aspect of your career to date?
It's a really exciting time to be at the forefront of such a dynamic and evolving sector of the industry. It's been highly rewarding to build a company that feels like a family, working on a daily basis with a high-class team and with their help, seeing ODMedia grow from a small company into a bustling global content aggregation company that delivers to all platforms worldwide.

To top it all, this year we have been awarded global Netflix partner of the year. In our market, Netflix is by far the most critical and prestigious platform to work with. Being the best of their 27 global partners is like winning the World Championships.

What roles does ODMedia play in the content delivery chain and why is it important?
With ODMedia Group, rights holders can directly access and distribute to all global platforms, technically and commercially. We help in the strategy and implement our process to ensure the best result for the content and the owner.

What have been the biggest changes in the way content is distributed to the end user over the last couple of years?
Entertainment companies worldwide are faced with changes in their ecosystem. The market is declining to a point where the cost of physical distribution is too high and with broadcast sales declining, companies need to change their strategy.

The traditional sales agent role is changing. Where previously sales agents represented global exclusive selling rights, rights holders are now able to handle a large part of their global distribution themselves. The launch of global digital platforms has opened up a multitude of distribution opportunities to a degree that has never been seen before.

The end user can be found everywhere within the different platforms and reach every consumer in the world. This means content owners have a direct opportunity to distribute worldwide. However, they need an aggregator, a technical and strategic partner and that's where ODMedia comes in.

What are the most pressing challenges facing rights holders against the background of the changes taking place in content distribution and what solutions are available?
Local exploitation opportunities are declining, the local DVD market is disappearing, Telcos are investing less in content and TV broadcasters are limiting their spending. For a rights holder, it is becoming more and more important to define a global distribution strategy and not limit themselves to one form of distribution.

In today's ecosystem it's possible to distribute for a reasonable cost in every country in the world. As the different business

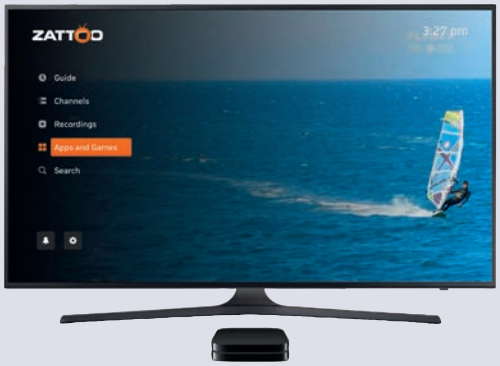
models – TVOD, SVOD, AVOD – are opening many monetisation opportunities, it's more important than ever to have a global thinking when creating and buying content. Make sure to cut as much legacy costs as possible and maximise global viewership with a clear strategy on platforms, pricing and promotion. Rights holders have to make a commercial distribution strategy in which they can decide with whom and when to license.

What are your ambitions for ODMedia?
We aspire to be a full one-stop- shop facilitator for rights holders and offer all the services needed to successfully distribute content to digital platforms across the world. We want to be the best in our market. Grow further, remain solid and healthy and be a passionate company that people love to work for. ■

Zattoo brings white label TVaaS to Android TV Operator Tier market

Google has achieved significant success over the last couple of years for Android TV on the back of its Android TV Operator Tier program. TV operators have been able to tap into Android TV to deliver fast time to market, enable access to Google Play and provide the potential to deploy advanced set-top boxes at an affordable cost, while allowing them to retain control of the look and feel of their service. While Android TV for operators has simplified the business of launching a pay TV service, operators have until now still needed to source a device manufacturer to supply a set top box and also an experienced integration partner to launch the service. This potentially involves significant cost, time and complexity.

Step in multiscreen technology provider Zattoo, which is now taking its TV-as-a-service concept to Android TV, enabling operators to get to market quickly by providing a white label 4K set-top solution that relieves clients from the burden of developing and integration of a their own launcher applications. "Network operators are opting more and more for set-top boxes powered by Android TV as an alternative to Linux-based set-top boxes, so we had two main objectives. The first was to offer Android TV as a white label offering as part of our TVaaS platform.



The second was to satisfy the requirements of existing and future B2B customers," says Franziska Kleemann, Product Owner for Android TV Operator Tier at Zattoo. Kleemann says that one of the challenges operators face in getting to market quickly is to find a suitable manufacturer to not only supply their set-top boxes but also manage the entire integration effort. With a ready-to-roll white label solution from Zattoo, operators can rely on a trusted partner to do most of the heavy lifting, says Kleemann. "Operators can select a fully brand-able, 4K set-top box product from us without any need to go and find a device manufacturer of their own," she says. "They won't face the potential minefield of incurring unforeseen costs if they don't find the right partners."

Zattoo has focused on meeting the needs of most medium-sized operators and delivering a consistent user experience. "We see a lot of interest both from existing and new customers. Our product is a fully white label offering. We guarantee performance. It is part of our larger TVaaS solution with white label TV applications available to more than 15 device platforms. Operators get the benefit of our back end, hosted video headend, the CDN and new features and developments in content discovery and video-on-demand," says Kleemann. The apps available from Zattoo as part of its Android TV offering include content discovery, network DVR, restart, startover, series record and time-shift TV. "Because we are offering this as a white label service, operators can get a unified and consistent experience across all manner of big screen,web, game consoles and mobile devices."

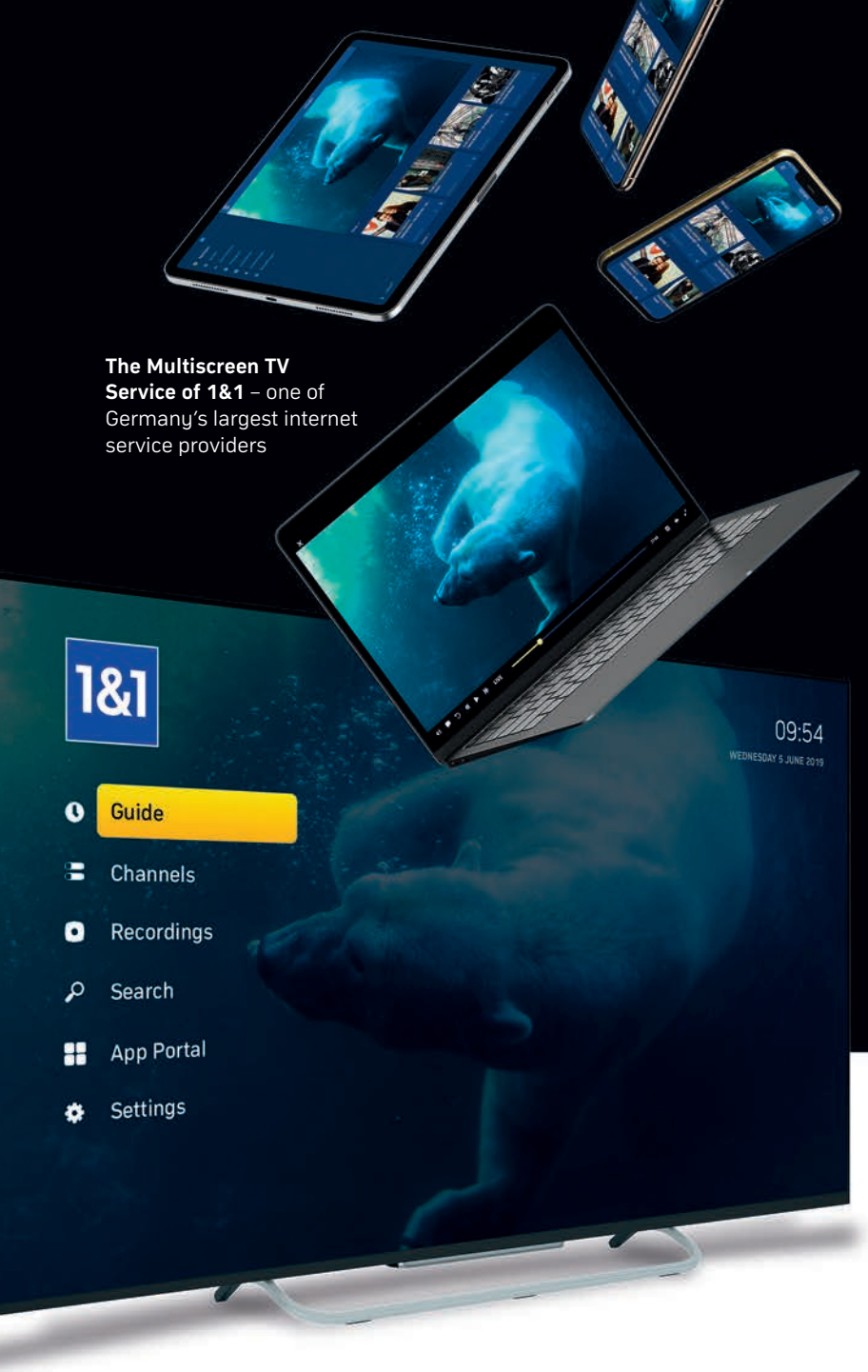
Kleemann says that Zattoo has found a partner for the initiative that can deliver a "perfect combination" of a high-specification system-on-chip platform at "a very competitive price", opening up the market to a new range of operators that may not be as well-resourced as tier-one players.

"We have a good, strong partner with a solid roadmap that can move very quickly and efficiently," says Kleemann. According to Kleemann, that roadmap means that operators will benefit from a clear path to upgrade to next generation devices, giving them certainty that they will be able to keep up with changes to Android TV without needing to allocate lots of resources to achieve this. Zattoo is currently offering a pure IP solution, but plans to follow up with a hybrid box including broadcast tuners later.

As part of its TVaaS service – and part of the Android TV operator tier program – Zattoo has also upgraded its content discovery and VOD offering. According to Stefan Tiess, product manager of Zattoo's discovery squad, the first goal of what Zattoo has branded Discovery 2.0 is to enable viewers to search for and select content via a single interface across linear and non-linear channels, recordings and "all kinds of VOD content".

Second, he says, content discovery should be personalised. To enable this Zattoo has introduced recommendation based on previous viewing behaviour across all types of content that users can access. Zattoo's content discovery portal, which is powered by a recommendation system that was built in-house, taps machine learning algorithms that are extendable across all types of content, most recently with the addition of transactional VOD and electronic sell-through content to the mix. "Previously we had distinct areas for recordings and catch-up and TVOD content that are now combined in one overarching discovery experience, allowing operators to provide their own on-demand offerings on the same page as other content," says Tiess. Discovery 2.0 is included by Zattoo in its Android TV for operators white label offering, providing operators with an additional incentive to sign up.

"We are proud to once again be an innovation leader in this industry, especially when it comes to Android TV for operators," says Nicolas Westermann, head of B2B product at Zattoo. "We are already one of the leading TV platforms for network operators in Europe and we are delighted to have formalised a partnership with one of the world's leading manufactures when it comes to Set Top Boxes powered by Android TV. We are very excited about what this new product will bring to our offering and also the experience our new Content Discovery and VOD features will provide to network operators and their end users throughout Europe and further afield."



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For more information, go to **zattoo.com/solutions**

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Tech in focus

News and analysis of the technology behind digital video.

DVB-I spec officially approved

The DVB has formally approved the specification for DVB-I.

The industry consortium initially demonstrated the new DVB-I standard at IBC. The demo included broadband and broadcast delivered linear television services using HTTP-based access and streaming mechanisms.

The body said that specification aims to ensure that linear television delivered over the internet is as user-friendly and robust as a traditional broadcast television experience. It offers the possibility for linear television services to be delivered to any device with a suitable internet connection and media player, including TV sets, smartphones, tablets and media streaming devices.

DVB chair Peter MacAvock (*pictured*) said: "In developing an internet-centric solution for linear television services, we are providing the industry with a crucial missing piece that raises internet-based delivery to the same level in the DVB ecosystem as RF-based content delivery.

"With these building blocks, addressing the discovery of DVB-I services and the delivery of programme metadata, DVB offers broadcasters and operators an exciting new deployment option."

The DVB-I specification defines DVB-I Service Lists, a means for internet-connected devices to find curated sets of linear television services that may be delivered through broadband or broadcast mechanisms. It also defines the methods to retrieve electronic programme data for those services, which can be integrated into a single coherent offering that is accessed through a consistent user interface.

With the publication of the DVB BlueBook, implementers can now proceed with the development of DVB-I-enabled clients, while broadcasters and other content providers can take the necessary steps to make their services available via DVB-I.

At IBC, the organisation 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 then grouped together as the same service on the EPG.

In brief...

Nagra and Kaon launch Android TV offer

Content protection firm Nagra has partnered with broadband customer premise equipment provider Kaon to launch a new streaming platform for Android TV. The solution is designed to accelerate time-to-market of Android TV-based services for pay-TV operators. The hybrid Android TV-based service will be offered through the Nagra Android Fast Track programme and pre-integrated with Nagra security clients, including Nagra Connect and Nagra Protect. It will also be offered in a new hybrid set-top box designed by Kaon and based on the Broadcom BCM7268 chipset. The companies say that the solution will enable the delivery of advanced TV features in a highly secure and cost-effective environment, in full compliance with the Google Media-CAS framework for Android TV.

Netflix to drop old device support

Netflix is dropping support for some Samsung devices in December, including certain smart TVs. Announcing the news on its website, Samsung has warned users that support for some Smart TV apps will end on December 1. The post says that many older TVs are not equipped with the technical capability to present Netflix's latest more feature-rich interface.

Brightcove launches new SaaS-based OTT platform

Cloud tech provider Brightcove has announced the launch of its latest SaaS-based OTT platform. The product, called Brightcove Beacon, is designed to help pay TV providers stay relevant to their audiences by allowing them to simultaneously launch content on multiple platforms. The company says that the product also enables multiple paths to monetisation, including advertising, subscription, freemium, and authentication models. The mobile-oriented platform was created in light of recent statistics from the company that shows 53% of global video views begin on mobile devices, smartphones and tablets.

BBC and Sky sign deal

The BBC and Sky have signed a collaborative deal across content and technology.

The main feature of the deal is the availability of the BBC iPlayer app and connected red-button service on Sky Q. Sky Q users will have access to the full iPlayer experiences, building upon the range of on-demand content already offered through the platform.

Users can access the iPlayer app by pressing the red button when watching a BBC channel or through the Sky Q UI.

In the announcement, the broadcasters also said that they are exploring a range of other partnership opportunities, such as the availability of BBC Sounds on Sky and Now TV platforms, and committing to BBC content being available on Sky's future TV platform.

On the tech side, the BBC and Sky are in the early stages of exploring the use of PromoSmart to serve more personalised promotional content to BBC viewers. PromoSmart, powered by Sky's AdSmart targeting technology, will mean that viewers in different households could be shown different trailers for BBC content that are more relevant to their interests during the breaks between programmes when watching BBC channels live.

Virgin to move MVNO to Vodafone

Liberty Global's Virgin Media has announced that it is moving its MVNO from BT to Vodafone.

The move will take place in late 2021 in a five-year deal. Virgin said that this will enable the launch of new services like 5G, with Vodafone heavily investing in the new technology.

Virgin Media, one of the early MVNO pioneers, has used EE for nearly 20 years but Vodafone has won the new contract to lure away its business.

Both BT and Vodafone have launched 5G services, but Vodafone's close relationship with Liberty Global in the Netherlands – along with the acquisition of its German business – means that the companies evidently have a strong working partnership.

Lutz Schüler, Virgin Media CEO, said the deal will "open up a whole new world of opportunity" for the operator.

The move also marks a significant shift for Vodafone, which has previously shunned MVNO operations in the UK.

Nick Jeffery, Vodafone UK CEO, said the company was pleased with the opportunity to "to work with them in the next phase of their development."

BT responded to the news by saying that Virgin remains a valued customer. A statement from the operator said: "We will continue to provide a full spectrum of mobile services to Virgin Media and support Virgin Mobile customers under our existing MVNO agreement, until they transition."

A life in TV

Ahead of speaking at VideoExchange Streaming in London, DAZN chief product officer Ben Lavender talks to *Digital TV Europe* about his illustrious career – including being the brains behind BBC iPlayer – and the sports streamer's lofty ambitions to be as "ubiquitous as Netflix."

How would you describe your role in the company?
As chief product officer, I've led the design and development of DAZN from its inception in 2015 to its subsequent launches in nine countries. I've built up a 140 strong team spanning product management, business analysis, UX design, machine learning and analytics. My role is to make sure customers can effortlessly access the sport they want to watch, on their device of choice.

What has been your career path to this point?
Early in my career, my roles were in development and technical program management. Whilst working at the BBC I had this idea for an internet-based catch up TV service, which then became BBC iPlayer. Creating BBC iPlayer saw me transition into product management and that's what I've been doing ever since. After iPlayer, I went on to launch LOVEFiLM's streaming service which was then acquired by Amazon in 2012. I stayed as product leader for nearly three years, where my team built the first OTT TV apps for the Amazon Video Store, before joining DAZN.

What experiences have you taken from developing those projects to working for DAZN?
Over the years I've learned doing OTT video at scale is very hard and there is no time to learn on the job. And creating an OTT player for live sport is even harder than developing one for entertainment. We've also borrowed from an old product development approach I learned at Amazon where we work backwards to get us thinking about new features and products from the customer point of view. We'll start by writing a press release announcing the feature, including what it looks and feels like, how it works and how we'll roll it out.

Briefly talk us through the evolution of DAZN as an app from its launch to today.
Since launching in 2016, we're now live in nine countries across four continents; including Japan, Brazil, Italy, Spain, Germany, Austria, Switzerland, Canada and the US. Now we're constantly refining our service so that live sport can be played out more efficiently on whatever device a viewer is watching, wherever you are. Our aim is for the app to be as ubiquitous as Netflix.

At Video Exchange Streaming, you are going to be speaking at the keynote panel "Who controls the UX, controls the audience". What are your 'golden rules' of UX?
Make as many decisions as you can based on data and try to avoid gut feel. When you're coming up with an idea, utilise viewer data and then incorporate third-party data sources to validate that. Ultimately, it's just got to work and to do that, you need rock-solid playback.

How do you differentiate between the needs of different countries?
There is a lot of analysis that goes into every market launch. What is the infrastructure set up and how are users consuming content in that market? This year we launched in Spain and Brazil, and they couldn't have been two more different markets in a lot of ways. For example, Brazil has a very large, geographically different network typography, with strong connectivity in metropolitan areas but getting worse in rural areas. Whereas Spain has strong internet connectivity comparable to Germany country-wide. How you explain the product also varies by market, so we implement usability prior to launch.

What are you doing to make sure users don't feel overwhelmed by the large amount of content on DAZN?
We have a simple customer experience. If you can use Amazon or Netflix, you'll be able to use our interface. We also have a schedule for our content to help navigation. Sport is event-driven by nature, so users are used to discovering their content that way. Personalisation is also something we're investing heavily in.

What is your approach to mobile and 5G, and do you feel there needs to be a trade-off between video quality and data efficiency?
When it comes down to mobile viewing, the tech for non-live content is already working quite well. With live sport, there's more that can go wrong and that's where the value of 5G will come in. 5G will work so well for us because it's got greater bandwidth and multicast built-in which will raise the bar on our quality of service. ■

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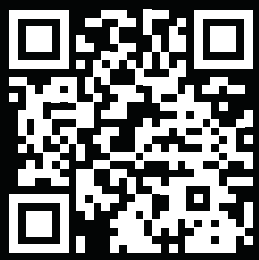

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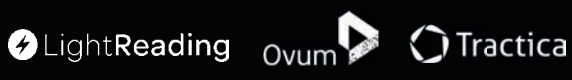


Event guide

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

The Future of TV Advertising Global

King's Place, London
December 10-11

The Future of TV Advertising Global is the premier strategy and thought-leadership event for TV advertising globally. This year the event is focused on making TV the best performance media it can be, delivering on short-term objectives as well as long-term brand building, and identifying the conditions needed to make TV the centrepiece of multi-channel marketing.

CES

Las Vegas Convention Center, Las Vegas
January 7-10

CES is the world's gathering place for all those who thrive on the business of consumer technologies. It has served as the proving ground for innovators and breakthrough technologies for 50 years – the global stage where next-generation innovations are introduced to the marketplace. Owned and produced by the Consumer Technology Association (CTA), it attracts the world's business leaders and pioneering thinkers. Key topics of the 2020 show will include 5G, advertising and immersive entertainment.

Mobile World Congress

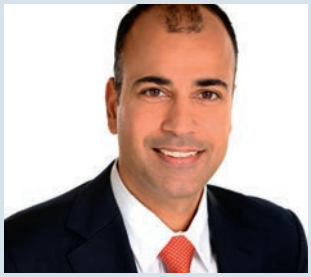
Fira Gran Via, Barcelona
February 24-27

MWC is the largest mobile event in the world, bringing together the latest innovations and leading-edge technology alongside today's most influential visionaries. The event incorporates a thought-leadership conference featuring prominent executives representing global mobile operators, device manufacturers, technology providers, vendors, and content owners. Core topics of the event will include AI, IoT, 5G, customer engagement, media and entertainment, security and privacy, and our planet.

People & places

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

Raj for Sky Deutschland CEO



Sky Deutschland's **Carsten Schmidt** has announced his resignation from the role of CEO and will step down at the end of 2019 to be replaced by **Devesh Raj** (*pictured*).

Schmidt, who will retain an advisory role at the operator, has been with the business for over 20 years and served as CEO for just shy of five. During his tenure, Sky rolled out its flagship Sky Q set-top box and produced high-profile originals *Das Boot* and *Babylon Berlin*.

Raj joined Sky Deutschland this past summer as the overall group's COO for continental Europe and provisional chief commercial officer. The appointment is something of a changing of the guard, with Raj joining the German operator following Comcast's acquisition of Sky and having spent five years as senior VP of strategic and financial planning at Comcast/NBC Universal. He will report to Andrea Zappia, Sky CEO continental Europe.

Technicolor has announced the appointment of **Richard Moat** as its CEO. The exec replaces **Frédéric Rose**, who has held the role since 2008. The company said that the decision for Rose to leave the role was mutual. Moat's most recent role was as CEO of Irish telco Eir Limited. He joined the company in 2012, and was its CEO from 2014-18. Prior to that, Moat was the deputy CEO and CFO of EE prior to its sale to BT. Moat also spent 17 years at Orange group, including as CEO of Orange Romandia, CEO of Orange Denmark and CEO of Orange Thailand.

Telenor has named **Jukka Leinonen**, the CEO of Finnish cable and telecom operator DNA, as head of its new Nordic cluster. Leinonen will be part of Telenor's Group Executive Management and assume the role of chair of Telenor Sweden and Telenor Denmark, in addition to retaining his role as CEO of DNA in Finland. Leinonen has worked at DNA since 2010, joining as Senior Vice President, Corporate Business before being appointed CEO of DNA in 2013. From 2002-2009 he held various senior management roles at TeliaSonera.

Spacecom CEO and president **David Pollack** has announced his resignation from the Israeli satellite operator.In a statement made to the Tel Aviv Stock Exchange, the company announced that the it has "entered into negotiations" with Pollack over "concluding his position". The company added that it will make a further statement when both parties "have reached an agreement on terms and timing" and that the its executive board committee will search for a new CEO. Pollack joined the company from Israel Aerospace Industries.

Swedish telco Telia has announced a shakeup of its executive team. **Stein-Erik Vellan** (*pictured*), senior vice president and current CEO of Telia Finland will move to the same role for Norway with current boss **Abraham Foss** leaving his position. The company's executive vice president, group general counsel and head of corporate affairs **Jonas Bengtsson** will head up Finland while Telia searches for a permanent CEO. **Heli Partanen**, currently head of consumer business in Finland, will become acting vice CEO and lead the day-to-day business.

Other moves...

Maltese cable operator Melita has named **Graziella Costa** as its new head of customer experience. Costa will be tasked with continuously improving the experience of existing and potential customers. Costa was previously head of projects at the company . Melita said the appointment comes after a period when it has invested heavily in new processes and training to improve customer experience.

OTT and TV platform provider Viaccess-Orca (VO) has announced the appointment of **Guillaume Forbin** as its chief security officer. In this role, Forbin will be responsible for protecting VO's content protection solutions from current and future TV piracy threats. These products include CAS, DRM and secure video player.

Independent TV advertising and analytics platform vendor Innovid has announced the appointment of **Wolfgang Kirschner** to lead its European expansion efforts. Based out of Munich, Kirschner will specifically head up expansion across Germany, Austria and Switzerland and focus on building the company's regional teams.

Sports streamer DAZN has announced the appointment of **Andrew Ryan** as managing director of FIBA Media to head the company's new joint venture with the International Basketball Federation (FIBA). Ryan will report directly to Stewart Walker, EVP global rights partnerships, who himself joined the company in September, and will be responsible for driving FIBA Media's growth strategy.

Final analysis

Kate Bulkley

AVOD on the rise

There's no doubt that streaming video and direct to consumer (DTC) services are the future of broadcasting. And, while Netflix and YouTube may be the pioneers, the early days of streaming are now officially over.

Subscription video-on-demand (SVOD) services seem to be heading into overload. The number of new ones that will launch in the next few months is staggering. Analysts at MIDiA Research believe that most people will top out at three subscription streaming services, meaning that the competition among the services will be fierce.

Then there is ad-funded streaming (AVOD), which from a slower start is also picking up the pace, partly because the SVOD market is starting to look pretty crowded.

Broadcasters in particular see AVOD as a way to stay relevant with audiences who don't want to wait for scheduled programming.

> **Big channel providers and content owners keen to move beyond their traditional wholesale businesses, are also embracing DTC and the AVOD model.**

Big channel providers and content owners keen to move beyond their traditional wholesale businesses, are also embracing DTC and the AVOD model. Discovery, for example, continues to roll out its Dplay streaming service in Europe with an October launch in the UK, bringing the number of countries with the service to 10 with more promised in 2020.

Meanwhile, Viacom has also moved into the same space in a big way, buying Pluto TV for US$340 million early in 2019 and supercharging its growth by adding more channels and more territories to its reach. At MIPCOM, Olivier Jollet, managing director of Pluto TV for Europe said: "Every broadcaster will stream their linear feeds in five years."

The secret to AVOD, Jollet said, is to make the advertising inventory "high value" for the advertiser and "more enjoyable" for the viewer.

Also at MIPCOM, Barcelona-based Rakuten TV announced that it would launch a pan-European AVOD service in 40 countries across Europe. This is a big move for a service that has been focused on transaction VOD (TVOD) centred predominantly on Hollywood movies and which also has a Spanish SVOD service.

Another sign that AVOD is on the rise is evidence of video platforms buying or building in-house advertising capabilities. For instance, AT&T, which owns WarnerMedia, bought online advertising technology company AppNexus last year and merged it with its Xandr analytics and advertising business.

Separately in October, streaming platform Roku bought digital advertising inventory platform Dataxu for US$150 million. Dataxu provides ad technology to Viacom and Sky in the UK and is the targeting and measurement solution for the big US TV data consortium OpenAP.

Engaging audiences across both linear and streaming platforms is the new big thing, but at least one broadcaster is thinking even bigger. In Germany, ProSiebenSat.1 has placed a big bet on Joyn, a new ad-supported streaming service that aggregates 55 channels including public service broadcasters ARD and ZDF with lots of VOD content.

Together with Discovery as a 50/50 partner, ProSiebenSat.1 launched Joyn in the summer with a €150 million investment and a dedicated team of 300 people.

It is a project that is "not for the faint-hearted," quipped the CEO of ProSiebenSat.1, Max Conze at MIPCOM. His ambition is to create a "virtuous circle of entertainment, audiences and commerce".

To restrict ProSiebenSat.1 to being a TV advertising business is limiting, particularly as all kinds of transactions are moving online. Through a wholly-owned company called NuCom Group, Conze has been building up a portfolio of ecommerce businesses from online dating and price comparison sites to beauty, health and experience sites.

The share price of ProSiebenSat.1 has suffered considerably, falling by 40% in the last year. But Berenberg analyst Sarah Simon believes that there is upside to Conze's plan after what she calls "a transition year".

Of course, Silicon Valley players have been targeting viewers of their content for years and are so adept at it that Google and Facebook have cornered around 80% of all digital advertising. But there are cracks in their model, underlined by the growing concerns about privacy and algorithms putting brands next to objectionable online content.

Creating entertaining content for audiences and serving advertisers is something that TV has excelled at, but as Conze says, the new world is about capturing and monetising total viewing time. ■

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