‘TV the Telco way’ will be the differentiator for Mobile and Fixed Operators in 2016

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It’s common for Telecoms operators to think of TV as something well established where innovation only comes from the traditional players –Pay TV or Free-to-Air broadcasters- and where only premium content can win over customers. However, TV has the potential to be a game changer for operators willing to leverage emerging trends to provide a better and more relevant TV service. With that in mind, I’ve outlined four key trends that we can expect to see in the next 12 to 24 months where TV will evolve in the ‘Telco way’ to help them truly differentiate in their markets.

1. The mobile will become the primary screen

Smartphone usage has grown exponentially over the past few years, and is even overtaking PCs in the UK as the primary internet connection source according to Ofcom. This is due to the recent technological advancements that means the devices in our pockets have more computing power than those used to send astronauts into space!

This has affected the TV industry too, with many now choosing to consume content on their personal device – mobile or tablet – not just on their TV or PC. The BBC’s iPlayer video on demand (VOD) platform is just one example of this, with viewings higher on mobiles and tablets than computers for almost two years.

So why has this growth happened and what are we likely to see in 2016? You only have to look at the speed of these technological advances, coupled with the reduction in the average cost of smartphones and tablets – particularly Android devices – to see that they are becoming an appealing tool to consume content. But that’s not just in the countries where you would expect to see this growth, we’re also seeing this in the emerging nations, particularly in some of the African nations where mobile customer connections are expected to reach one billion imminently. Again, this is driven through the growing affordability of these devices, and many now choose to conduct most of their business, including bank transactions, via a mobile rather than a PC.

However, it’s not just affordability that’s made mobiles more appealing, it’s because it is now much simpler to set up a mobile infrastructure than a fixed line over such vast distances. This growth in the market has created an opportunity for operators and content providers to work together to find solutions to engage with users and provide them with the content they are looking for, most notably with the mobile as the primary screen, not the TV or PC.

This strategy is going to become increasingly important in the next 12 months as more operators around the world take note and look at how they can provide a better TV service across both mobile devices and traditional TV screens. This will likely be driven by further integration of social media and increasingly personalised experiences that are designed to benefit the specific user, rather than generic solutions.

2. Content discovery on the user’s terms will be paramount

It’s not always easy to find online content that’s relevant or of interest despite there being such a wide range of it available. Even deploying more advanced search solutions there are still issues with finding content. While those of us within the industry know that it can be a very difficult task to offer aggregated content across different apps and content streams, this is exactly the type of service users wants. Whether it's Netflix, iPlayer, YouTube or broadcast TV doesn't matter to them. They just want to be able to find and consume content regardless of the app it comes from.

In September this year Apple CEO Tim Cook went on record supporting the rise of the app, stating that "we believe the future of TV is apps". It's a valid point, particularly as mobile first delivered TV content becomes more important. However, customers want to be able to search within those apps, not just the apps themselves. Viewers will often have multiple accounts and they want to consume content through one interface rather than the messy and confused standards that currently exists.

This becomes even more important as a user moves onto different screens. On the daily commute they may want to watch short-form videos, while at home they could be more interested in feature-length programming. For content providers the next step is now to find a way to deliver relevant content to the consumer that is optimised to search across all apps and can vary to fit the time of day the user is consuming it. The provider that can successfully deliver this integrated Content discovery in such a fragmented landscape will therefore secure a significant share of the market.

3. Broadcasters must establish new distribution channels to remain relevant

The increasing number of content outlets available to users is leading to new forms of distribution opportunities for the traditional broadcasters. The BBC for example is already delivering exclusive content on the BBC iPlayer and will be making BBC Three an online-only channel as of 2016 in a bid to reach new audiences.

One French broadcaster has taken this a step further and allows viewers to pay to purchase episodes of some soaps online before they appear on TV. This is an important step as it opens up a new revenue stream.

To be effective online, content also needs to factor in some fundamental differences with online viewing so consider for example reducing ad break lengths to avoid losing viewers. To counter this, there are tools available that enable better ad targeting, making each ad more relevant to them. Screen size also needs to be front of mind, as a piece of content that looks good on a TV screen may not be as affective on a smaller phone or tablet.

However they choose to monetise, broadcasters need to find a solution to reach audiences online whilst maintaining revenue. Broadcasters must ensure they don't just deliver a basic TV service to these new distribution channels, they need to find a way to be relevant and engaging to a different audience too, and working with telcos to stay relevant above OTT services like YouTube to their Mobile customers in particular.

4. TelcoTV will gain momentum over Pay TV models

TelcoTV is about giving the viewer greater choice over the free and premium content they can consume delivered through one medium – the telecoms operator. While it makes business sense for pay TV providers to promote their own channels over free TV it doesn't necessarily make sense to the consumer. They just want to watch TV, regardless of whether it's free or premium Customers are happy to pay for premium content, but on their terms and only when this content is relevant to them – so they do not have to be tied to expensive Pay-TV subscriptions.

With operators increasingly embracing TelcoTV-based solutions, consumers often get access to both models, making it more appealing for telecoms operators to invest and develop new hybrid solutions that reach the widest group of targets – across Free and Premium content. While some are doing this already – EE for example –telcos are still in their relative infancy in terms of market share in TV. This means that they need deliver a compelling mix of Free and Premium content: TelcoTV delivers this perfect mix offering the widest choice to customers across live and OTT On-Demand content.

The traditional TV model is changing, and now is the time for Telecoms operators to seize the opportunities available in order to differentiate themselves, and shape ‘TV the Telco way’ to develop new revenue streams and to ensure a successful 2016 and beyond.

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