

Independent Communications NEWS

Serving ACA Connects Members
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the right place."*

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ACA CONNECTS CHAIRMAN

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GETTING READY TO MEET THE NEW YEAR

MATTHEW M. POLKA
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Transitioning to IP Video

Initiating Services, Migrating Customers, and Generating Revenue



By Mark Guerrazzi

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Transitioning to IP Video involves a great deal of thought and planning. First, the operator has to think through the key strategic considerations and benefits for transitioning to IP video. Then it has to find the right partner ([see Adara 9/21 ICN article](#)).

There's more: The next step is to determine how best to initiate these services, entice existing customers off of legacy platform/s, and target and win new broadband and video customers. This should draw them to the portability of content across all their existing devices and ubiquitous search and curation capabilities across all linear, VOD and SVOD/OTT services.

Advertising zone capability within the IP video solution can deliver a host of new marketing opportunities to all of the mobile/TV screens. It will give operators the ability to do the following: Drive key marketing messages, promote partners and community initiatives, brand-build and, most importantly, self-promote and give their broadband services a public "face" by delivering constant, branded visual customer engagement for many hours every day.

This ad-zone capability can be leveraged as a Trojan horse to win new broadband customers away from a broadband-only competitor by first winning the customer's video business, thereby driving up customer conversion and driving down customer acquisition cost.

New monetization opportunities exist with tiered Cloud DVR (CDVR) services as well as tiered stream/device usage levels. Whereas legacy DVR set top rental has offered beneficial ROI through ongoing rental revenue, tiered CDVR pricing structures aligned with total storage, duration of storage, and number of simultaneous streams/devices supported elevate this revenue/profit opportunity to a new level and scale in ways that traditional video services could never do. Because CDVR storage is shared and not CPE-based, CDVR pricing offers can be more easily delivered (via ad zones), experimented with, monitored and tweaked to maximize subscriber uptake, revenue and incremental profit/ROI. There are numerous CDVR revenue/partnership models, and the solution partner should make recommendations on the best approach for each operator.

Understanding how to market and position the service is critical. IP Video can, for example, be delivered as a mobile/TVE augmentation to existing STB-based video services, encompassing only the most-watched content, or it can be delivered as a full line-up service. While the former approach can help minimize the initial investment and still significantly build the customer value proposition and brand awareness, the latter approach may be a prerequisite for new markets/customers.

The IP video solution must have the ability to curate OTT/SVOD apps and all online content inside the operator TV app. Ensuring that universal search "hits" include OTT/SVOD content on Netflix, Disney+, Prime, Hulu, etc. as well as on the operator's own linear/VOD content is critical. In this way, the operator earns the "credit" from customers for being a one-stop destination, without the need for the operator executing separate, extremely onerous business relationships with each of the OTT/SVOD providers. Furthermore, having the ability for the operator or the subscriber to easily add links to non-traditional and/or personal entertainment options such as photo albums, gaming and lesser-known OTT streaming URLs enhances the operator's "one-stop" value proposition and further favorably differentiates to make the service the best among all competitive offerings. ■



Mark Guerrazzi