Riding the Video Rapids: MVPD Challenges and Opportunities
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Even before quarantines and lockdowns, video content was becoming more plentiful and more popular with consumers than ever before. As cable providers transformed to become communications providers and added infrastructure to deliver internet, the demand for video never slowed down. As demand increases, so are the number of video content providers.

In addition to traditional Multichannel Video Programming Distributors (MVPDs), virtual (vMVPD) and over-the-top services like Netflix, Amazon Prime Video, Hulu and others are also delivering content that consumers want to watch. Yet even as customers sign on to these services in record numbers, nearly two-thirds continue their traditional MVPD television service.

Why? It’s local. To take full advantage of the pull from local coverage and branding, operators need to embrace virtual content offerings and enable customers to enjoy whatever content they choose without giving up their local interface and service.

There is an opportunity here for local MVPD operators to eliminate the need for customers to manage multiple independent streaming capabilities by aggregating the viewing experience
into a single interface. Those local providers can then become the one place consumers go for access to entertainment across any device.

As enablers, not just providers, local MVPDs are in an ideal position to simplify access to aggregated sources and economically deliver fully featured, high-quality content options that customers want to use and will continue to rely on. All industry players want to position themselves as that core entertainment source, but local MVPDs are best positioned to offer all the traditional TV and streaming content customers want while continuing to deliver local content and support.

**TV Has Gotten Complicated**

Not only are there more choices, but the choices are better. Rather than reruns of old movies and programming there are rivers of original content coming from all directions. Hub Entertainment Research follows the industry and has compiled data for 2020 on how people find, choose and consume video content. Figures quoted in this article are derived from that data.

For starters, there are more scripted original series available to consumers than ever before. But all this content doesn’t come from one source. Viewers using more than four sources are more satisfied and, while in some ways that is becoming problematic, customers hesitate to cut the cord. As streaming services become the default for customers when they turn on the TV, MVPDs risk becoming the Internet plumbing for streaming providers even as 54% of subscribers insist that TV watching is “essential” or “very important.”

Viewers who use more TV sources are more satisfied, but with variety comes complexity. The challenge then, is to manage the complexity of all these available sources. There is an urgent need to simplify the user interface and deliver a visibly better experience. From streaming to voice-control to universal search, consumer demands continue to escalate.

Nearly a quarter of respondents say they have too many TV subscriptions, yet they aren’t cancelling them. Maybe it’s just too difficult to navigate all those subscriptions. There are so many TV shows to choose from that it’s hard to know where to start and difficult to sift through all the options. Scrolling through multiple listings is worse than not knowing, so the ability to search intuitively and consistently across subscriptions is becoming more and more important to viewers.
Making Sense of it All

Providing a simplified approach to access and engage with video content is rapidly becoming table stakes for operators. Voice command is used by 80% of viewers and 52% use universal search at least once per week. And those that don’t have universal search wish they did. More than half of streaming subscribers log in through their pay TV set top box, and the ability to search across subscriptions can ensure that remains the primary access method.

Analyzing user data gives an operator more than the ability to aggregate services. By analyzing viewing habits and user behavior, content choices can be personalized and suggestions provided. Discovery of compatible content is an effective way to simplify the experience and increase perceived value.

Accommodating variety while reducing complexity is the goal and it can be done. MVPDs can continue to own customer engagement in a complex content environment by economically delivering aggregation and simplicity.

Connecting Saskatchewan – Access Communications Cooperative

Cable Regina has been the preferred cable provider in Regina, Saskatchewan since it began serving customers in 1978. In 2000, the company changed its name to Access Communications and expanded its service area and offerings. The company has always been community-focused and offers numerous community support, education and government channels.

While customers favor the local coop, they also want access to other sources of content. The number of subscriptions to over-the-top services is steadily increasing and as the local internet provider Access Communications has invested heavily in network infrastructure. Yet 90% of that infrastructure continues to be used to deliver video.

The primary goal for Access Communications is to implement a solution that economically gives customers the ability to aggregate content from multiple providers while retaining the local content and support they currently enjoy. To solidify the brand and engender loyalty, the cooperative will offer a user interface that makes navigation and discovery easy and intuitive.
Access Communications wants to be the single point of contact for numerous communications technologies such as internet, video, connected home and anything else that comes along. Jeffrey De Sarno, CTO at Access Communications sums up the strategy, “We want to add everyone’s content and applications and allow customers to choose the content they want. Allowing everything on our platform opens up the world for aggregation, removes operating costs, enables customer choice and offers a way for operators to stay in consumers’ homes and hearts.” To that end, Access Communications began working with Enghouse Networks to implement Elevate, a cloud-based TV-as-a-service solution that delivers easy access to quality video.

**Four Key Considerations**

For Access Communications, or any MVPD, there are four key considerations when selecting a solution.

1. **Ease of access to content**

   Enabling competing content might seem like a mistake but owning the customer is what matters. Customers prefer local MVPDs, but loyalty only goes so far. The key to becoming the go-to source for communications is being able to economically offer or enable everything users want. That means taking advantage of technology that exists rather than building new.

   Capabilities like voice control and universal search are important to users and must be customized to specific devices and operating systems. Fortunately, interfaces exist for most major streaming services and devices. They are well-defined and have proven reliable across platforms. It is the ability to manage and maintain those interfaces that becomes challenging.

   Interfaces to live TV, nDVR, video-on-demand, etc. that are located and managed in the cloud are more economical, flexible and easier to configure and update. Policy management should also be easily modified in a single place; while access to content, customer data and preferences is readily available without having to individually manage and manipulate multiple systems and interfaces.

2. **Focus on excellent User eXperience (UX)**

   Each screen is different, and the user experience needs to be aligned with all of them. As changes are made to devices and operating systems the apps delivering video must also adjust. Simple and fast access to a familiar user interface is critical to unifying the customer experience across and among multiple devices.

*Jeffrey De Sarno*

CTO, Access Communications
A delivery platform that uses consistent and configurable interfaces and elements can be customized to carry local branding along with a familiar look and feel. Applying intelligence gathered about usage and behavior allows further customization for each user and properly applied, can deliver content recommendations. In addition, the ability to quickly offer customers new and/or higher margin services easily and inexpensively expands reach. Knowing how users interact with their content enables issues to be diagnosed quickly and prevent customers from churning.

3. Keep costs low

Any content, any time on any device is expensive to deliver unless the MVPD can leverage existing and emerging technologies. A highly scalable, multi-tenant cloud solution is flexible, reliable and more economical than dedicated in-house solutions. These traditional server-based solutions are expensive to maintain and difficult to scale, configure and monetize.

A cloud-native modular architecture, data plane and control plane can deliver IPTV that is easier and more economical to deploy and operate. A multi-tenant environment enables local MVPDs to rapidly deploy and deliver new services and features without necessitating a major system upgrade. As new devices come onto the market, new features and apps can be quickly added.

Operators pay a monthly rate per subscriber for a cloud service and the commitment can scale up or down in line with customer demand. The risk of customers not wanting or not wanting to pay for a new service or feature is minimized because new features and functions can be rapidly turned on and then turned off if the desired revenue is not realized.

4. Evergreen Solution

A multi-tenant cloud solution is quick to install and configurable enough to react to rapid changes in the market. The ability to capture and use customer data and the resultant knowledge enables MVPDs to customize offerings to the local market and subscribers rather forcing a “one size fits all” option that doesn’t fit anyone.

Data about customer viewing habits and behaviors also helps to optimize and evolve business processes and
systems. Continuously evolving the solution on top of a stable and scalable platform makes it easy to adjust offerings, manage customers, detect faults and rapidly respond to failures.

The ability to rapidly reconfigure and create offers and bundles allows operators to promote those features and services that will have the broadest appeal. Likewise, localized seasonal or special event offers can be quickly configured and deployed to the customer base. The result is a solution that solidifies the brand while economically serving a wide variety of customers with the content and experience they want.

**TV as a Service (TVaaS) addresses the four key considerations**

The challenge of keeping up with customer Pay TV demands increases as the number and variety of devices and programming options continues to expand. With no end in sight, it is incumbent on MVPDs to find a way to economically deliver a wide variety of services as well as the features and functions that enable a simplified user experience. One option that allows operators to retain their local feel and flexibility is TV-as-a-Service (TVaaS). IPTV offered as a service in a multi-tenant cloud environment reduces risk and meets availability, configurability, reliability and scalability requirements at a reasonable cost.

TV-as-a-service unifies traditional content with streaming alternatives and presents it to customers using a single, simple interface that economically serves the customer while bolstering the brand. Implementing a single, aggregated solution is a significant undertaking and requires careful planning and oversight. Operating processes must be evaluated and standardized across the business and systems must be aligned to ensure reliable ongoing operations. But it is worth the effort.

Elevate TVaaS from Enghouse Networks provides a multi-tenant, cloud-based solution that changes the way operators deliver – and invest in – Pay TV. Elevate is a fully managed video services solution that includes hardware, software, services and 24/7 management and support.

Video is more than cable and Elevate delivers the ability to aggregate streaming content with traditional TV using a single, seamless approach. The platform is being continuously evolved to ensure that MVPDs can economically deliver and support the quality and variety of services and user experience demanded by customers without sacrificing the benefits of local services and community support.
About Enghouse

Enghouse is a Canadian publicly traded company (TSX: ENGH), which provides enterprise software solutions focusing on remote work, visual computing and communications for next-generation software-defined networks. Further information about Enghouse may be obtained from the Company’s website at www.enghouse.com.

Enghouse Networks is a reliable global telecommunications technology and solutions provider. Our commitment is to successfully deliver solutions that can enable digital transformation, ultimately building a connected global community. From edge to cloud, our applications reliably enable next generation communications and media companies, defence, public safety agencies and utilities to plan, design, engineer, monitor, protect and simplify network complexity, in a vendor-agnostic 5G, IoT, Cloud, AI, NFV and SDN ecosystem.