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Bundling OTT Services for Growth & Retention: The Essential Guide for Telcos and Pay TV Providers

November 2023

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Introduction

A defining aspect of an agile and modern monetization platform is its ability to remove the hurdles for launching new products and services. While this fact may be encouraging for progressive companies running internal systems offering flexibility and scalability, it is equally discouraging for enterprises saddled with legacy systems controlling billing and other critical business operations.

One such hurdle that, once removed, can open a much wider world of product and service launch possibilities is confining yourself to 'going it alone.' Why limit yourself when a full-fledged and functional partnership ecosystem can help increase your revenue, retain existing customers and gain new ones?

If it's the functional aspect limiting you, let's discuss.

Today's Streaming Trends & Possibilities Turning into Reality

Streaming services have made content more accessible, which is good. However, the scattered nature of this content being spread across multiple platforms, which makes it harder to find, is not so good.

Data is the new currency today. It's the data that informs providers how customers are behaving and where their preferences reside.

The overall revenue and overall subscriber count in the OTT space doubled in 2023 alone.

Expected to be a nearly $3 trillion industry by 2026,[2] this space at that time can be counted on to be more digital, mobile, more pitched at media attracting young viewers and more evenly distributed worldwide.

The numbers speak volumes:[1]

600+

OTT services in the USA

46%

of North American households subscribe to two or more OTT services

20%

have more than 5 subscriptions

51M

households in North America stream regularly

2X

OTT growth in 2023

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> " The best partnerships aren't dependent on a more common goal, but on a shared path of equality, desire, and no small amount of passion "
>
> - Sarah MacLean, New York Times bestselling author

The Benefits of Partnership as a Trilogy

This partnership is a true example of a win-win relationship. Bundling helps OTT services reach more customers quickly, and service providers, in turn, can apply these bundling strategies in order to increase revenue and retain existing customers.

Onboarding a partner is a very costly affair, both in terms of complexity and actual costs. Evergent helps simplify this process of onboarding partners by letting our customers focus on their own business strategies rather than doing the heavy lifting to interface with OTT providers.

By being connected with many OTT providers, we've taken the sting out of this entire layer for our customers. Rather than having to start with each new OTT partner from ground zero to manage the overall lifecycle and all transactions in adding more services and/or products to a bundle, this time-consuming and complex process is simplified by using our preconnected system so you can turn your attention to smart bundling to entice new customers.

The entire complexity of onboarding a partner - partner integration, revenue settlements, monitoring and reporting and more - is taken care of through the Evergent platform by reusing previous integration and setup information already available within the solution. All our customers have to do is oversee the onboarding and focus on their business.

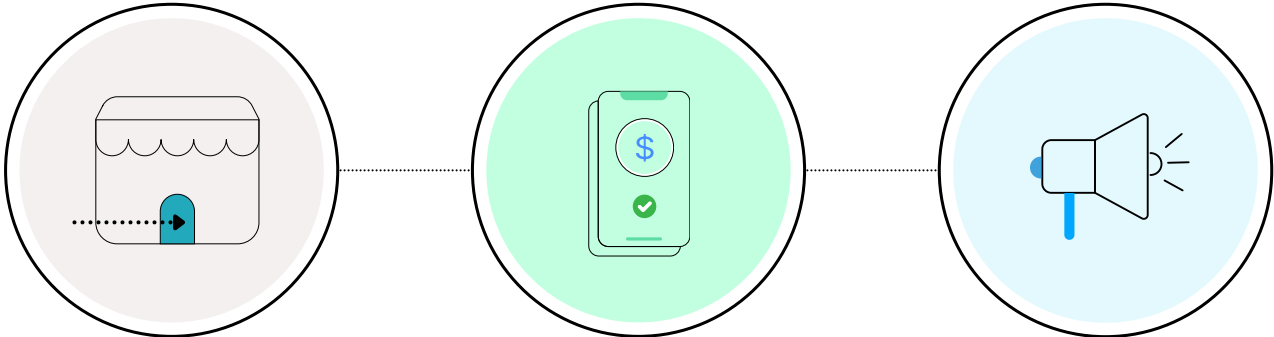What do we mean by growing subscribers by streamlining the onboarding of partners?

By simplifying the typically complex and costly onboarding process, you enable your partners to focus on their own business strategies, partnerships and offer true differentiation.

Examining the symbiotic relationship further…

A Top Three from the OTT Viewpoint

Entry into New Markets

OTT platforms seek partnerships to expand their reach and enter new markets efficiently. By partnering with established players, they can leverage local market expertise, distribution networks, and customer bases, overcoming entry barriers and offering localized content to attract users. As an example of the benefits of entering a new market with a partner, say your streaming platform begins to offer Disney+ as part of a movie package bundle and, as a result, builds up millions of new customers in a short period of time.

Carrier Billing

Carrier billing is a key driver for partnerships between OTT platforms and telecom service providers, enabling seamless payment processing through mobile phone bills. It provides access to users without traditional payment methods, increasing conversion rates.

Marketing

Carrier billing is a key driver for partnerships between OTT platforms and telecom service providers, Collaborative marketing efforts with other companies amplify brand visibility, reach, and drive user acquisition. Joint campaigns leverage the partner's customer base and promotional channels, attracting new users based on trusted recommendations. Strategic partnerships enable cross-promotion and cross-selling opportunities, adding value to customers and increasing revenue.

These reasons for partnering allow OTT platforms to strategically expand their market presence, streamline monetization efforts, and enhance user acquisition and retention strategies.

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A Top Three from the Service Provider Viewpoint
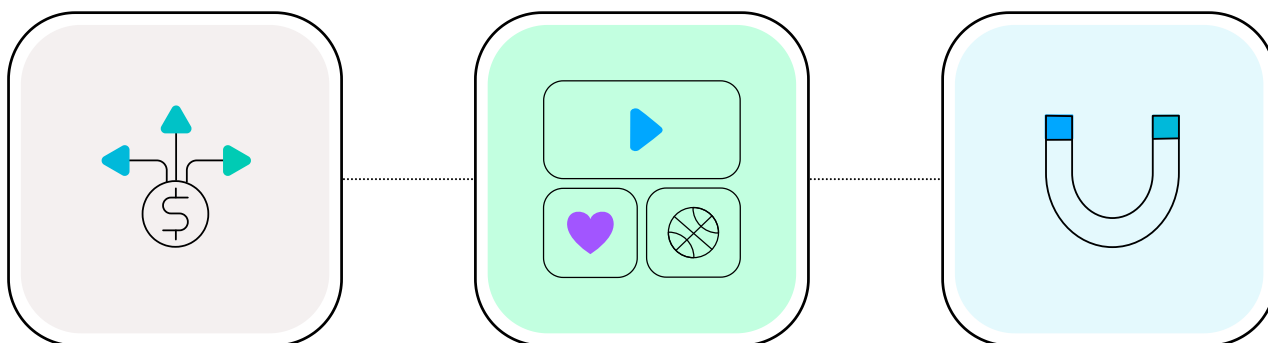
Boosting ARPU

Partnering with OTT platforms offers service providers numerous benefits in boosting average revenue per user (ARPU), differentiation, and customer retention. By bundling OTT services with existing offerings, service providers can increase ARPU through upselling and cross-selling, enticing customers to upgrade their plans and generating higher revenue per user.

Offering Differentiation

Collaborating with OTT platforms allows service providers to stand out in the market by offering exclusive or unique content, creating a differentiated entertainment experience that attracts and retains customers. Through partnerships, service providers can curate specialized content libraries that cater to specific demographics, gaining a competitive edge and appealing to targeted audiences.

Retention

Customer retention is a key challenge across the industry. OTT integration, however, is a key enticement to combat that potential for churn. To better understand, let's revisit the use of Disney+. Consider a streaming service offering a 'gold pack' bundle of sports, movies and other packages. For a customer of this package only interested in live sports matches, there's a potential for churn. However, if free Disney+ for three months is offered to everyone with that bundle, based on viewership analysis, there suddenly becomes a stickiness enticing customers - even that one only interested in live sports matches - to stay with the current package rather than downgrade and lose Disney+.

Another retention benefit is single billing. By consolidating and billing other services on the same bill, you've made life easier for your customers who now don't have to keep tabs on five different bills. Whether some of these consolidated services are offered free or at discounted amounts, it's a win-win for the customer, now paying less for multiple services than paying for each individually - and a much stickier situation from a retention point of view.

Partnership Roadblocks to Overcome

Fragmented OTT market and customer preferences

The OTT market has been severely fragmented, leading to similarly fragmented customer preferences. The proliferation of OTT services has resulted in a crowded market with a wide range of options for customers. This makes it difficult for telecom and (Direct-To-Home) DTH companies to keep up with changing customer preferences and offer a relevant selection of services.

Complex partner onboarding and revenue-sharing models

Partner onboarding is a complex process that involves negotiating contracts, revenue sharing, and integrating with legacy systems. This can be time-consuming and costly for telecom and DTH companies.

Partnering with another entity is about negotiating for revenue sharing, integration with their legacy systems and more and all of these issues are time-intensive activities.

The Challenge of Integration

Telecom and DTH companies often have legacy systems and infrastructure that can be difficult to integrate with new technologies and services.

Key integration issues include:
- Partners having different systems and processes
- Legacy architecture (monolithic architecture), scalability issues and customer support

Integrating with partners who rely on such outdated architecture can be a complex, costly task. When it comes to scalability, when it comes to customer support, we have seen challenges in these areas as well.

> " Things work better when you focus on the product and its needs, rather than the organization or the equipment, so that all the activities needed to design, order, and provide a product occur in continuous flow. "
>
> - James P. Womack and Daniel T. Jones,
> co-authors, "Lean Thinking: Banish Waste and Create Wealth in Your Corporation

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The Importance of OTT Bundling

Why is it so important to bundle OTT services into their product portfolio?

- Bundling OTT services with traditional services such as TV and the Internet can increase customer engagement and retention.

- Customer engagement and retention is key. Everyone wants to retain their customers. While focusing on getting more customers, focus should never be taken off the ability to retain those you already have. In many respects, that's more important than the effort to attract new customers.

- Customers are more likely to stay with a provider that offers a wide range of services.

- From the customer's point of view, if their needs are being met by one provider, why would they want to have a separate billing arrangement with multiple providers? Customers are apt to question the value - and security - of providing their credit card to so many different services. Stickiness becomes a critical component.

- By bundling OTT services, telecom and DTH companies can offer personalized and customized services which cater to specific customer needs.

How Evergent Helps Streamline Partner Onboarding

We allow our customers to launch their services faster.

How do we do that?

We have a product suite in place that allows partner onboarding through configuration. We do not require months to onboard a partner. We take days. We onboard each partner in terms of their settlement contract, revenue sharing and more, all happening through the Evergent Monetization Platform (EMP).
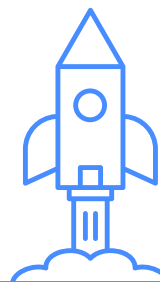
Launch Faster!

Launch new services, products and promotions in days, not months

This method helps service providers onboard a partner and manage the time to market, to allow for monetization as early as possible.

Onboarding a partner is just one activity. Offering the bundle with that partner is another activity. Settlement is equally important between partners so how do we ensure that correct representation is there when it comes to revenue sharing? We simplify complex rules through our settlement engine. We provide reconciliation when it comes to sharing the revenue between partners so there is transparency in the process and disputes can be eliminated.
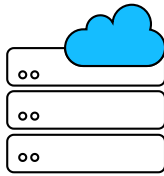
The Evergent OTT aggregation platform is powered by a cloud-based, API-driven, SaaS-based platform.

EMP offers comprehensive integration support, covering the management of partners, subscribers, and users throughout their lifecycle.

Evergent solutions enable partners to grow subscribers through the use of a simplified and cost-effective partner onboarding process.

Such a configuration-driven partner onboarding process can save time and reduce costs for service providers while also enabling faster time-to-market to monetize early.

Additionally, the automation of revenue data sharing and billing processes reduces the risk of errors and disputes.
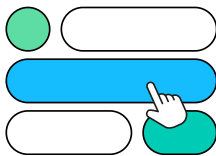
Evergent's user-friendly partner onboarding interface helps customers grow subscribers two-fold, by launching new bundles with agility and by providing a satisfying initial customer experience.
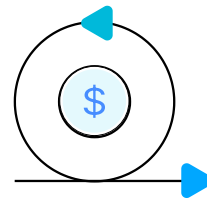
By reusing existing integrations with partners, agility is brought into the onboarding process which enables service providers to launch new bundles at speed to then achieve monetization agility.

When Evergent onboards a new partner, there is no need to do everything all over again from scratch. Evergent reuses the existing implementation. All the heavy lifting is done the first time during integration which is reused with each subsequent integration. By doing this, we're able to state as fact that we have a configuration-driven ecosystem, enabling the onboarding of partners with ease.

Key modules in the Evergent ecosystem to help manage the lifecycle of our partner onboarding include the following:

1. Partner onboarding - configuration-driven partner onboarding
2. Service management - product mapping, charging rules
3. Settlement - contracts, rules, invoices
4. Technical management - API integration, entitlement
5. Reporting and dashboards - recon, reports
6. Self-care - self-service, support
7. Monitoring & ops - configuration management, alerts

Partner onboarding | Service management | Settlement | Technical management | Reporting and dashboards | Self-care | Monitoring & ops

Your Next Steps

Agile monetization can effectively drive high subscriber retention and offer superior customer experience, truly delivering on the promise of our era of cloud and agile-based solutions, over the legacy systems of yesterday.

When it comes to simplifying potentially complex and costly onboarding processes for your eager partner-in-waiting, technology is no longer the inhibitor, but the accelerant.

To discover more about how we enable our customers to grow faster by simplifying the onboarding process, please contact our team at www.evergent.com.

Reference

1. Global Entertainment & Media Outlook for 2019-2023, PwC

2. Perspectives from the Global Entertainment & Media Outlook 2022 - 2026, PwC