

## ‘TV Everywhere’ in Latin America

by Jerónimo Macanás, Vice-president Latin America and Southern Europe, Accedo.tv

‘TV Everywhere’ to describe new services that distribute TV content to a wide variety of Internet enabled devices, such as computers, smartphone’s, tablets, smart TVs or game consoles. For the consumer, TV Everywhere means the ability to access content on the best screen available whenever they want, wherever they are. Traditional and pay TV providers are competing now with over-the-top providers like Netflix, with cell phone operators - indeed anyone that reaches a screen - a win-win situation for consumers.



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TV content is on the move or, better-said, TV is everywhere but what does TV Everywhere really mean nowadays?

The term TV Everywhere has been used a lot, but it can seem at times as if everyone has a different view of the meaning. TV Networks, Pay TV operators, media companies and Consumer electronics manufacturers use the term TV Everywhere to describe new services where TV content is distributed to a large number of Internet enabled devices, such as Computers, Smartphone’s, Tablets, Smart TVs or Game Consoles.

For the consumer, TV Everywhere services mean they can enjoy content on the best screen available, depending on who they are and what they are doing, adapting in real time the experience of watching content depending on viewer circumstances.

For instance, after FOX distributes, through its linear channels, the new episode of Walking Dead, they allow viewers subscribed to traditional Pay TV services, such as Direct TV, to watch the show through their set-top-boxes through their Internet enabled devices despite whether they are in the living room or not.

### TV Everywhere strategies

When you take a look at the TV Everywhere landscape, it is clear that there are different motivations and strategies regarding the benefit to these companies of providing TV Everywhere services.

Pay TV companies want to play defensively and offensively in a business that has radically changed. Defensively against pure over-the-top (OTT) players, such as Netflix, Amazon or iTunes, maintaining the operator’s

relevance and dissuading users from cutting the cord, and offensively to secure additional customer revenue through up-selling, bundling content delivery via connected devices to sell broadband and other bundles to TV-only single-play customers.

There is a shift of strategy from Pay TV platforms in the establishment of connected TVs, as true set-top-boxes, replacing and extending the experience outside of the living room through mobile phones and tablets in an unmanaged network scenario (Pay TV Operator Off Network Service). Interesting examples about this strategy are AT&T in the US, BSKyB’s Now TV service in UK, Terra Ao Vivo service in Brazil or Foxtel in Australia.

The TV Networks approach is different, because for them the most important factors are generating a strong brand image to

achieve customer loyalty and strong content engagement in a scenario where consumers are gradually watching less linear TV and increasingly shifting to On Demand TV. I believe in the coming years TV Networks will no longer be simply television channels, and will become content companies giving its consumers content instantly, wherever they may be. Additionally, TV Networks will focus on delivering TV Everywhere services married to advertising in equal measures. In parallel advertisers' media budget will increasingly shift from traditional TV to connected devices advertising as the ad inventory on these platforms grows, providing more accurate targeting data, enabling the TV Networks to effectively develop their monetization strategy for connected devices.

Nowadays TV Networks mainly want to give a value added service to their TV Operator customers through TV Everywhere initiatives, in order to generate additional revenues from library content and to provide an alternative to piracy but I think this is just the first step of a too much more advanced strategy.

Finally, I believe it is important to remember the possibility to a new entrant in the TV Everywhere space coming up with a disruptive offering. For example CE manufacturers like Apple, Samsung or Microsoft, or companies like Google should be considered for coming up with a truly disruptive direct-to-consumer premium TV offering. An interesting example is the recently launched XBOX One, includes the so called Xbox's Live TV, where the user just needs to mention the name of a channel and it'll switch over, or mention the name of a show and the Xbox will find it. Is this just the beginning of a game console integrated Television service?

## The Latin American Landscape

In all cases (Pay TV operators, TV Networks or potential new entrants), I see TV Everywhere services accelerating through 2013, globally, and especially in Latin America. I believe 2013 is the year of TV Everywhere in Latin America, largely due to the shifting consumer viewing habits, growth of Latin American economies and an attractive market size of 500 million people. LatAm consumers are expecting access to the content they choose when and where they want it.

Indeed, during 2012 TV Everywhere platforms in Latin America were created

to compete with legitimate OTT services growing offer, like Netflix, in most LatAm territories, or Netmovies in Brazil, which started to take shape in 2012. Today most major Latin American pay TV operators (Telefónica, Claro, Direct TV, etc.), and TV Networks (FOX, Moviecity, ESPN, HBO, Turner, A+E, GLOBO, etc.) have, or are planning to roll out services on OTT devices, and suddenly consumers will have the choice of multiple premium content providers via a plethora of TV and mobile devices. Over the coming three or four years, this will radically change the TV industry as we know it, increasing competition and changing the way people consume TV in Latin America.

An interesting example of a recent TV Everywhere strategy in the region is Moviecity (FOX international Channels). A few weeks ago, Moviecity launched its new TVE generation service (Moviecity Play) bringing to its subscribers more than two thousand exclusive shows in 22 Latin American territories. Its customers now have complete flexibility to watch content at anytime in multiple formats, and in more than 350 internet enabled types of devices. Moviecity Play's new generation service includes some interesting innovative features in response to early adopter viewers demand for interactivity between TV and mobile devices, including advanced search and discovery and dual screen, amongst others.

On the TV operator side Telefonica/Vivo's strategy is remarkable, with its over-the-top video service, Vivo Play, where mobility is one of the key differentiators of its application. The service offers a content catalogue, for which the customer pays a fixed amount per month and gets access to a catalogue of 3,500 titles, including movies, TV shows, Kids content, etc. The service can be accessed from smart phones, tablets, game consoles and connected TVs.

I believe connected devices will, in particular, be an interesting distribution enabler for niche content providers in Latin America, especially the ones with a pan-regional audience. Suddenly it's possible to sign from ten to 15 distribution deals and reach millions of devices, where previously niche content providers needed to convince either TV channels or local TV operators, in an endless business development effort.

## Launching TV Everywhere

It is clear that TV Everywhere is expanding at an astounding rate

across the region, and across the globe. These services offer a number of key differentiators and revenue opportunities for the providers, as well as being an extremely compelling offering for the consumers. However, establishing, delivering, and maintaining a premium TV Everywhere offering can be time consuming, costly and complex in a fragmented world of devices that are constantly changing. There is also a growing trend for personalization of the TV experience, where everybody is looking to own the consumer. Content owners, distribution networks and consumer electronics manufacturers drive the battle to control the screen and therefore own the consumer.

Over the past couple of years, the main challenge has been about launching attractive applications with great functionalities. Now, I increasingly see challenges like monetization, distribution, scalability and sustainability. TV Everywhere is here to stay but a solid strategy from those companies willing to fight this battle as winners is needed.

Viewers are demanding more accessibility to their favourite content on their favourite devices, as well as looking for better content discovery tools and solid recommendation features to find new content according to their tastes. Last but not least users also expect the possibility to socialize while they enjoy their favourite film or TV programme. In addition, users are increasingly demanding dual screen offerings, where navigation and browsing takes place on a tablet or a mobile phone, whilst the viewing takes place on a TV. All of this in an increasingly personalized service environment.

TV Everywhere Players have decided to fight the battle to meet viewer's high expectations and demand. In order to achieve that, they will need to offer fast and efficient rollout of multiplatform applications, new and original content specifically designed and created for new platforms, whilst establishing relationships with strategic consumer electronics manufacturers for branding and positioning.

TV Everywhere is here to stay. Are you ready to join this TV revolution? ●