Establishing

A SUCCESSFUL STREAMING BUSINESS

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STREAMING HAS TAKEN THE WORLD BY STORM SINCE THE GLOBAL PANDEMIC OF 2020 AND AUDIENCES HAVE LAPPED IT UP, ADAPTING TO A FAST-EVOLVING LANDSCAPE EXTREMELY QUICKLY. ATTRACTING AND RETAINING VIEWERS REMAINS A CONUNDRUM HOWEVER; AND CEES VAN VERSENDAAL OFFERS SOME VALUABLE INSIGHT IN ADDRESSING THE ISSUE.

Telcos, ISPs and network operators generally see adding streaming television as a natural part of their business. It adds value, potentially increasing revenues significantly. Perhaps even more importantly, it reduces churn as another reason to stay.

When looking to create the service, most see two principal requirements: the content – a set of channels and programmes that will attract consumers – and the technology platform, from the servers to the consumer apps. The platform has to manage subscribers and services, as well as providing the streaming delivery. Apps must provide a high quality, intuitive experience familiar to consumers. Taken together, content and technology must come at an affordable price for a viable business.

I would argue that there is a third requirement which must be addressed from the very beginning: marketing. You have to invest in marketing to start the audience growth. Once it reaches critical mass then it will probably be self-sustaining, but to go from nothing to a worthwhile audience takes real effort.

I would further suggest that content, technology and marketing form a tripod. Without all three your efforts will fall over. The three are equally important.

They are also closely interlinked. Obviously, subscribers sign up to get the content they want. So the marketing has to focus on what is on offer, enticing subscribers in.

Once signed up, how do you keep them on the platform? How do you keep them engaged? How do you upsell – what opportunities and attractions are there for upselling.

CONTENT

It is obvious, but you are nothing without content. But that content has to be available at the right price. You need to understand your local market and manage expectations accordingly.

As a simple example, the exclusive rights to, say, the English Premier League football might be $20 per subscriber per month. But if your market cannot afford more than $2 a month, then this is a non-starter.

Your content has to compete for its place in the consumer's wallet. It has to deliver what the audience expects, but you cannot over-promise. Equally, if you invest in good marketing you will know what your potential subscriber base wants and what it is prepared to pay, so you can go back to content owners and negotiate from solid information.

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These negotiations may be daunting for network providers who have little or no experience in television rights. At MwareTV, we have done many of the deals, so we can provide users of our technology platform with potentially hundreds of channels on a single licence.

Local knowledge of the market will determine how many channels you offer, initially and over time. One of the ways to maintain interest in the service is by regularly adding new content.

You might decide to launch with a relatively low channel count, focusing on the key interests of the market and allowing subscribers to find their way around the system without being overwhelmed. Then add more channels to keep the audience base interested, and perhaps to cover planned subscription increases.

Always remember one of the key rules of business: keeping customers is more cost-effective than finding new ones.

BUILD A BRAND

The first mission of the marketing campaign is to create an identity for the service, and for the channels within it. Audiences have to know that you have content they want to watch, and how to get it.

The way you achieve this will be different in each territory. We have recently worked with a new service in Africa, for example, which enjoyed great success by identifying a couple of very successful social media influencers. They have created a buzz around the start-up.

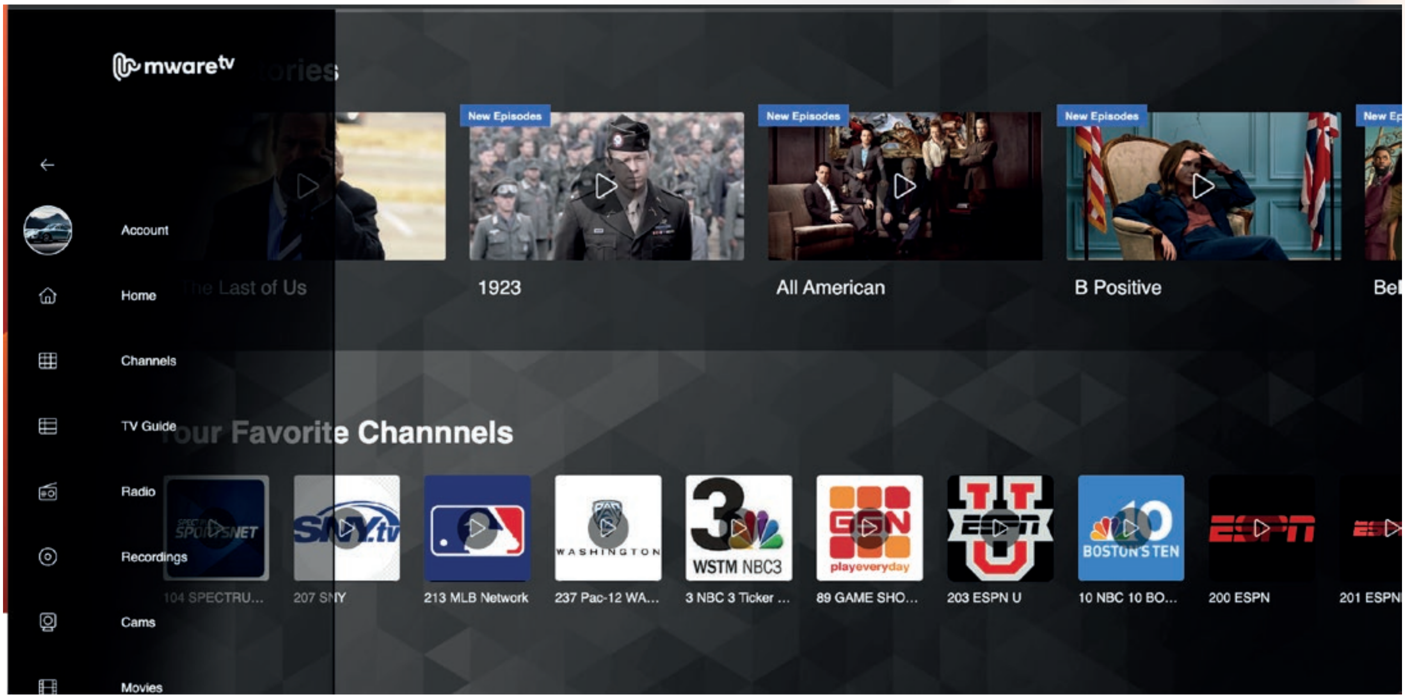
Here is a good example of why the interdependence of the three legs of the tripod is important. Influencers can only bring new subscribers in if there is a simple and direct way for them to sign up. So the technology platform has to provide the support they need, like offer codes which influencers can embed in their posts.

The analytics in the technology platform must also track the success of this or any campaign, to see which tactics are most successful and where the marketing investment is best spent.

It is likely that successful marketing campaigns will spread between efforts inside the app – cross-trails, special promotions and so on – and outside, through direct messaging, social media and more. Netflix, for example, is investing heavily in promoting its new content, largely outside the app, tempting those yet to sign up to consider joining the service.

KEEPING THE AUDIENCE

As already noted, it is important to keep your current customers happy to avoid churn: replacing them will be difficult and expensive. A satisfied audience will naturally grow, and more users – premium users – will start chasing you.



You have to make it easy for subscribers to stay, so first you have to have a common look and feel, with distinctive branding across every platform. Again, this is a fundamental of the MwareTV offering, that all platforms are supported and apps can be created and customised using simple, no-coding drag and drop.

At the time of launch, potential audiences need to understand what is available. Operators should have made tactical decisions to achieve an initial offering that will excite them. Once the service is online, you learn from the statistics. Your analytics must show you what content is sought after and what is not, which drives how you develop further.

Make it simple to renew subscriptions. Auto-renewal is always attractive for the service provider, although some markets have made it illegal and others may find it inappropriate. However you do it, find ways to make it easy. Again, this must be a part of the technology platform.

Introduce offerings in stages. Adding to the service makes it feel dynamic, and gives you another reason to engage with subscribers. Tell them you are adding new things, in app or on other platforms. Selling content is not like selling broadband – you have to keep telling audiences that they need your service.

FAST

There is much talk at the moment about FAST: free, ad-supported streaming television. People always get excited when the word "free" appears.

In truth, for service providers, FAST needs a lot of up-front investment. You are paying for the content, then selling the advertising, in the hope that revenues eventually cover cost.

But as FAST grows in popularity – there are hundreds of FAST channels in the US, for instance – then each ends up with a very small audience. Even if you can achieve a reasonable cost per thousand, if you don't have a lot of thousands or your advertisement fill rate is low, then the gross income is still small.

It may be that you find a hybrid model that balances the offering for you. That might be some good premium channels, plus FAST offerings to offer a wider choice. There is also the marketing benefit of so many free channels on your service.

Event television may be another route to big revenues. Pay-per-view events need to be must-see television (at least to some segment of the audience) to work, but when they do it is good value for the network and there is a feelgood factor about the service itself.

TECHNOLOGY

Marketing informs potential subscribers about your great content, but you need the right technology platform to deliver it. More than that, you need the right platform to drive the marketing.

Your TV platform needs to be able to add reels, push trailers and other dynamic ways of presenting your content on a weekly basis. You must promote the newest or hottest content frequently on the screen, and the platform must make this easy to design and implement.

Analytics are vital to any successful service. You should be tracking audience numbers by channel and by programme. But the data can also tell you how often subscribers are using your platform. If you have a user who has not logged on for a couple of weeks, use direct marketing to get them back. Offer them a special deal. Make them aware of programmes they may have overlooked.

Send targeted, personalised marketing messages by whatever means will attract their attention, inside and outside the app. Keep it dynamic to keep it engaging. Aim to upsell, not just to retain.

Streaming services are a very attractive proposition for network operators. As with any media offering, content is king. As with any business, you have to market to win consumers: in this case by telling them all about your content.

The third leg of the tripod is the technology, and that has to provide all the tools and data that the marketers need. It is the three parts together – content, technology and marketing – that will lead to success.

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