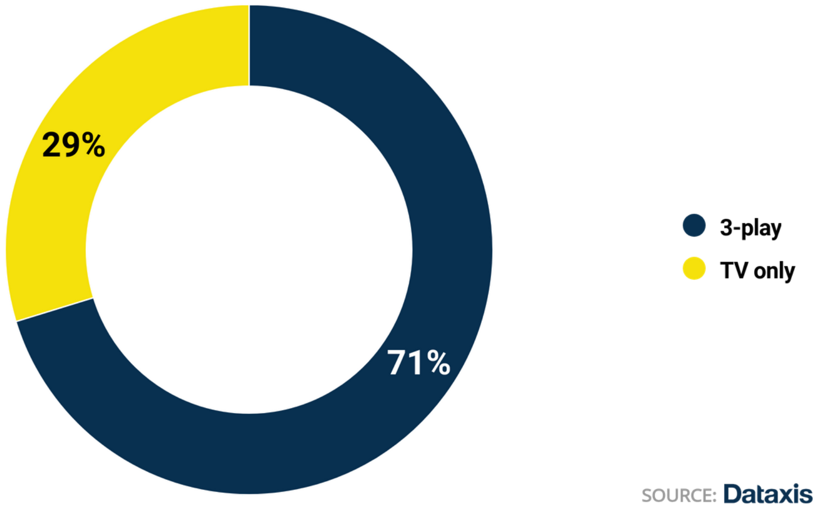
# Operators becoming aggregators: opportunities and challenges in content distribution

RESEARCH HIGHLIGHT | 20 January, 2021

During the latest Nextv Series Europe event, Dataxis hosted a panel discussion on innovation in content distribution to discuss operators' strategies and challenges when delivering content, and making it easily available for consumers. Indeed, the shift from linear to on-demand video consumption and the proliferation of OTT platforms over the last few years has led operators to embrace the role of content aggregator.

Combining content from their own production or from third-party players, should they be global big players such as Netflix or more local or niche platforms, the amount of content offered by operators has dramatically increased. Therefore, great recommendation and search features have become key to make sure the relevant content is delivered to consumers. For instance, voice control is getting very popular and has been quickly adopted by customers, as Ivor Micallef, Director Entertainment Products at Telenet, underlined. For Frank Rippl, Head of Product TV & Entertainment Europe at Deutsche Telekom, "metadata is the foundation of any UI and UX improvement and innovation in the future".

**Pay TV revenues by type of actor in Western Europe in 2019**




SOURCE: Dataxis ©

The TV experience is all the more important for convergent operators, who bundle entertainment packages with broadband and mobile services. Ignacio Garcia-Legaz, Director of TV in Vodafone Spain, explains that Vodafone makes most of its margin on connectivity services, while TV is more aimed at attracting new customers and then reducing the churn. According to Dataxis estimations, the rise of convergent services in Western Europe has been translated into facts, with almost 75% of the total pay TV revenues in Western Europe in 2019 being generated by operators that have at least triple-play services, especially in strong convergent markets like Spain.

Another key element for convergent operators is the distribution strategy, and in particular the ability to offer their entertainment proposition outside their fixed or mobile networks, either through an OTT direct-to-consumer (D2C) product, like the recently launched Streamz by Telenet with DPG Media in Flanders, or through dedicated TV apps on Smart TVs. An hybrid model with both set-top boxes and apps is likely to become a common strategy in the coming months, according to the panellists.

To get more insights on this topic, catch up with our panel discussion with this link: View Catch Up Session

Guillaume **Perrin** | Market Analyst