



# MODELS OF THE FUTURE

When it comes to debating the future of broadcast, the prediction has been the same for a number of years: the rising popularity of over-the-top (OTT) services will soon replace the traditional linear viewing model. A recent study found that 70% of broadcast industry experts believe OTT will overtake TV completely by 2022. **Nick Moreno**, Head of Strategy, Satellite and Media at **Arqiva**, examines whether the future is really this black and white – or will there be shades of grey?

**Y**ou only needed to take a quick stroll around this year's NAB Show to see that OTT and streaming technologies dominated the floor. From Ericsson's pledge to 'transform TV' with a new OTT dynamic-ad insertion technology, to Nokia and Kaltura's partnership on OTT video personalisation, or Harmonic's suite of new OTT delivery solutions, it seemed everyone was going above-and-beyond for over-the-top.

The wave of announcements is testament to the maturity of OTT

technology to date. While a year or so ago OTT could have been considered a playground for niche broadcasters to have their first kick around in mainstream programming, with technology advances coming thick and fast, it is now a pitch for the entire broadcasting world to play on.

## OTT GATHERING PACE

The reason behind the sudden hive of activity is the way the OTT proposition has changed over the past few years.

When OTT first emerged as an alternative viewing model it lacked

“**Media companies can build up a wealth of data about their audiences**”

the moneymaking appeal of traditional models. While an exciting concept, for most broadcasting and media companies it was very much a case of 'digital pennies versus physical pounds'. However, fast forward to 2017 and many broadcasters are realising the revenues they can win with the right OTT approach.

That 'right approach' often involves going direct to the consumer (D2C) – one of OTT's biggest plus points. Not only can broadcasters forge 'personal' relationships with their viewers, but they can also build up a wealth



of audience data in order to determine what content to distribute, how to deliver it, and how to apply it to successful (and very profitable) content strategies.

Naturally, OTT has become a very popular method of content consumption with consumers, not least because of the huge volumes of content now available wherever and whenever. However, our excitement for this ‘shiny’ new model may well have led to some lazy forecasts around the demise of DTT.

**DTT REMAINS RELEVANT**

While some are relegating Digital Terrestrial Television (DTT) to the bench, in reality it is more relevant than ever.

The emergence of contemporary viewing models has caused DTT to evolve, and it now finds itself instrumental in many of the OTT offerings consumers are familiar with today: Freeview Play, EE TV, TalkTalk TV, BT TV, YouView, and Sky’s Now TV, to name but a few.

With so many platforms relying on DTT technology in some form to power a hybrid DTT/IP offering for customers (rather than forcing viewers to choose one over the other) this trend speaks volumes about DTT’s continued place in the market – namely its position as the underpinning platform in the evolution of television, and its

ability to complement newer technologies.

In today’s context, DTT offers broadcasters a free base on top of which additional IP-based services can be added to give viewers a choice in the way they consume content – whether via free catch up or subscription-based services.

It is also ideal for handling huge amounts of traffic. With today’s connected consumers demanding instant, uninterrupted content, and HD and UHD fast becoming the standards for television viewing in the UK, a reliable platform capable of handling increased quantities of data is paramount. When you consider how disparate the UK’s broadband access is right now, that same reliability can’t always be promised by IP alone.

**SCHEDULES AT THE HEART**

The other assumption made about the growth of OTT is that consumers are becoming less and less interested in the traditional TV viewing experience – no longer does the living room hold the same appeal with audiences; scheduled viewing governed by a central EPG is an inconvenience.

However, a look at recent audience figures would suggest this is far from the truth.

Looking back to last year, it was a DTT-based TV show that

captured UK viewers’ attention: The BBC’s *Great British Bake Off* – with nine of the ten most watched programmes in 2016 being episodes of the show’s seventh series, whose finale pulled in an astounding 14.8 million viewers in real-time.

As is clearly in evidence, shows like *Great British Bake Off*, *X Factor* and *I’m a Celebrity...Get Me Out of Here* continue to be massive scheduled draws for audiences because of their ability to start a conversation – something that social media is only too happy to feed.

Viewers can now engage with their television programmes more closely than ever before through platforms like Facebook and Twitter; they can share their thoughts in real-time, question the views of others, vote in timely competitions, etc., and this is ensuring that there remains huge interest in DTT programming.

**BEST OF BOTH WORLDS**

So what does all this mean for future broadcasting models? Is one likely to emerge triumphant?

IP-delivered catch-up and OTT television is clearly transforming the way people are viewing their content, and this change in consumer behaviour will shape the evolution of television broadcasting for years to come.

However this is by no means at the expense of linear DTT, which, contrary to popular belief, will continue to underpin this exciting new age of television.

The challenge for broadcasters at present is understanding the ways people are (or want to be) watching and consuming content – namely anytime, anywhere, on any device – and blending these into a workable hybrid model that meets the demands of the modern consumer.

The result should be a future broadcasting platform that seamlessly combines the desirables of both DTT and OTT television in order to win the attention of viewers for years to come. ■

“ Hugely popular scheduled TV shows start conversations among the audience, fed by social media ”

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