Entertainment Challenges in Today's Digital Society

by Gabriel Dusil

1.a. Is 2nd Screen a threat to broadcasters?

Some broadcasters see OTT as a threat at the moment, mainly due to the observed *loss of control* of their subscriber base. For example, while today's consumers are watching content on their living room TV, they are also simultaneously tweeting, 'liking' and surfing the Internet. They are commenting on what they are watching and discovering complementary content. They are researching information on an actor, athlete, or television personality. Or they are simply checking their email. It's happening in parallel on a second screen such as a tablet or a smartphone, and all of this activity is *out-of-band* to the broadcast signal. For some broadcasters, this is viewed as losing control of their subscribers because they are not controlling that 2nd screen and can't monitor what the consumer is doing on that device.

At the same time, some broadcasters are identifying the second screen as an *opportunity* to further *engage the subscriber* in live content. By providing complementary content in parallel to live programming, broadcasters are engaging in 2nd screen to wrest back this control. One example is the award-winning AMC show, *The Walking Dead,* which broadcasts complementary content over the Internet while the show is being aired.

It's fair to say that a lot of activity by broadcasters on the 2nd screen is still experimental, but we continue to advocate experimentation. This is how the industry will optimize subscriber engagement, make it more personal, and refine their experience in computing and in developing new and engaging applications.

Second screen is an opportunity because it can drive new revenue streams from broadcasters; not only for advertising revenue, but also for introducing subscribers to new content using recommendation engines, social networking, and responsive design.

1.b. What are the challenges for OTT moving forward?

One challenge for OTT is in its global expansion. Namely, in the content service provider's ability to obtain the appropriate rights of foreign content for resale in their local market. The challenge they face is in balancing the serviceable market for OTT against the cost of licensing rights from the USA, UK, or other foreign studios. This is further complicated by multi-device restrictions which can be used to consume the content. Some markets simply don't have the capital to purchase premium titles from the likes of Hollywood and expect to get a profitable return on investment in a local market that does not have a sizable subscriber count. Some of these markets just don't have high enough purchasing power to justify the subscription fees required to cover the upfront cost of an entertainment library.

Secondly, OTT needs to have a compelling user interface and user experience (UI/UX). It's fair to say that content is still king. That has not changed. The basis here is that it's not just the content that needs to be immersive and engaging – it's the entire ecosystem surrounding it. When consumers go to a concert or live sports event, what do they remember? It's not just how great the band or the sporting event was, but the spectacle and energy of the fans. That's what is unforgettable - the environment is the *kingdom*. Content is still king, but the kingdom needs to be engaging and personal. In the context of an OTT service this is a virtual environment, but the same principle applies. The environment needs to be engaging and fun, not just the content itself. In markets where content is plentiful, then the competitive differentiator is in a compelling UI/UX.

Thirdly, Digital Rights Management needs to be seamless and portable. Certainly content needs to be protected, and today's DRM solutions serve this

need. But there is a sensitive balance between protecting the content and ease of use. DRM needs to evolve where content can be purchased once and remains portable between any operating system or device.

Coca Cola recently redid their website saying that "content is social at the core, digital by design, and emotional." Coca Cola may not be an entertainment company per se, but that message speaks directly to the entertainment industry.

• Synopsis

Understanding the entertainment market from ten thousand meters helps industry executives make strategic decisions. This leads to tactical initiatives that drive innovation, new services, and revenue growth. This Q&A series takes a top level view of today's digital landscape and helps decision makers navigate through the latest technologies and trends in digital video. Gabriel Dusil, Chief Marketing & Corporate Strategy Officer from Visual Unity, discusses the ongoing developments in Over the Top (OTT) services, how these platforms are helping to shape today's digital society, and addresses the evolving changes in consumer behavior. Topics include 2nd Screen, 4K Ultra High Definition video, H.265 HEVC, global challenges surrounding content distribution, and the future of OTT.

• About Gabriel Dusil

Gabriel Dusil is the Chief Marketing and Corporate Strategy Officer at Visual Unity, with a mandate to advance the company's portfolio into next

generation solutions and expand the company's global presence. Before joining Visual Unity, Gabriel was the VP of Sales & Marketing at Cognitive Security, and Director of Alliances at SecureWorks, responsible for partners in Europe, the Middle East, and Africa (EMEA). Previously, Gabriel worked at VeriSign and Motorola in a combination of senior marketing and sales roles. Gabriel obtained a degree in Engineering Physics from McMaster University in Canada and has advanced knowledge in Online Video Solutions, Cloud Computing, Security as a Service (SaaS), Identity and Access Management (IAM), and Managed Security Services (MSS).

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• Tags

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