

# Content & Multi-play Strategies

CANTO 33<sup>rd</sup> Annual conference  
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# The Old World



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# Traditional Pay TV ecosystem



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Content creators and aggregators

Distributors

Customers



FLOW



Value Chain

# Disruption in customer behavior and business models



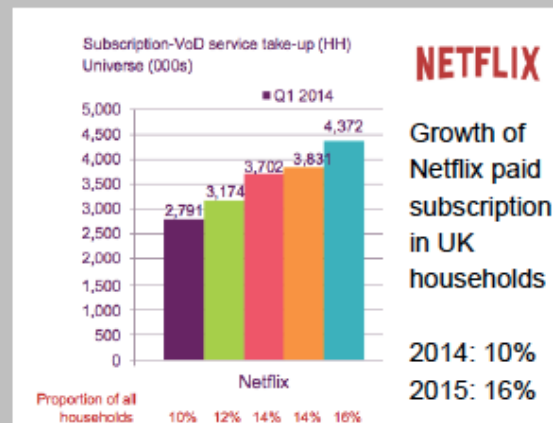
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## What is the change?

- There have been significant shifts in **how** consumers view content, **where** they view content and **what** they pay.
- Consumers are increasingly consuming content from near 'free' to paid Internet subscription services with decreasing viewership of traditional OTA's or Pay TV services

### New competitors are rapidly expanding the TV ecosystem

#### 'Over the top' (OTT) services increasing in popularity



### Consumer needs are changing, especially among the young

Between 2011-15, the time Americans aged 12-17 spent watching live TV has dropped by **more than 25%** ▼

### Established players are responding aggressively to these changes

#### Exploring new business models

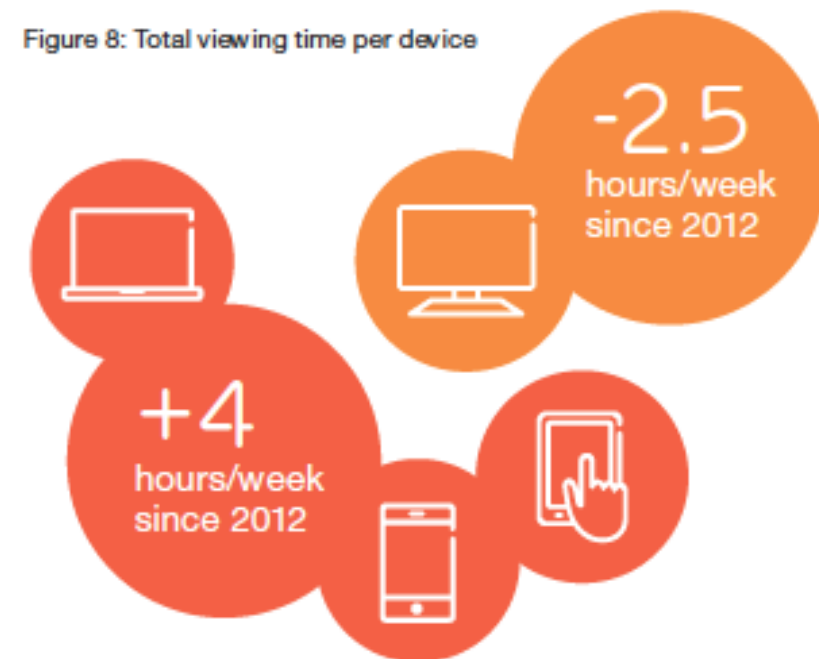
**Dish launches Sling TV in the U.S.**

**Sky takes on Netflix with Now TV internet service**

#### Expanding into adjacencies

**Comcast has acquired French ad tech company StickyAds for more than \$100 million**

Figure 8: Total viewing time per device

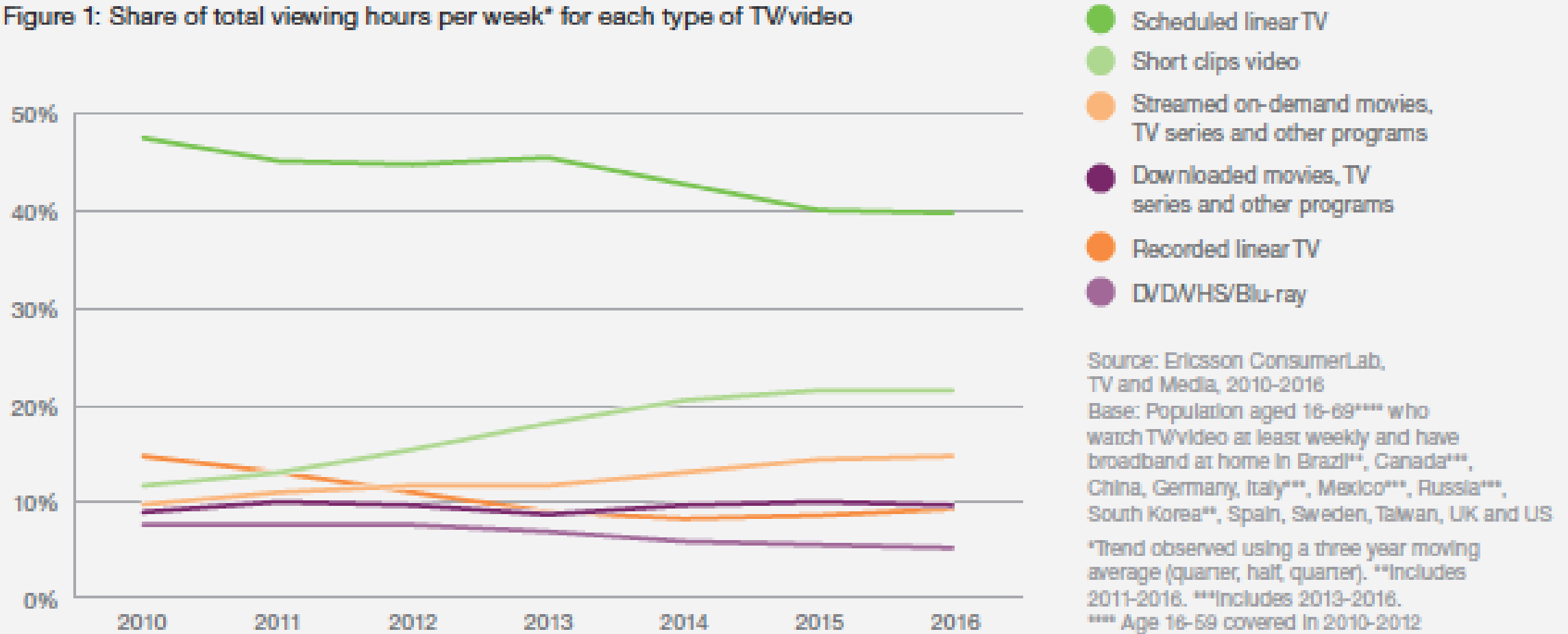


# Shifting consumer preferences present challenges to the traditional model



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Figure 1: Share of total viewing hours per week\* for each type of TV/video



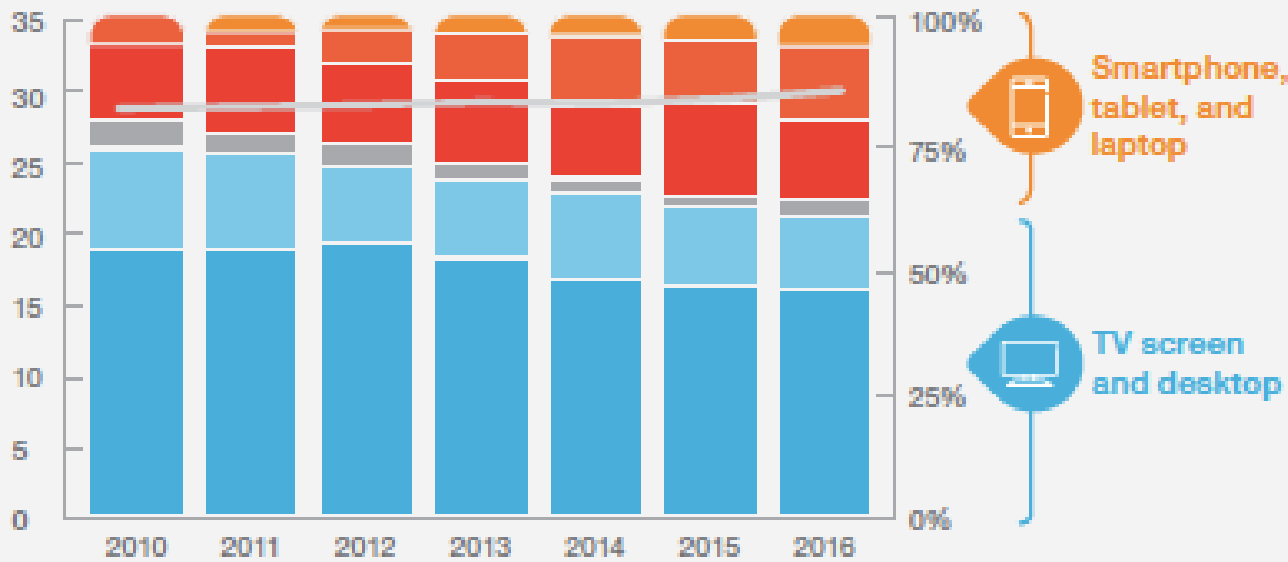
Viewership via 'traditional' devices has declined with increased viewership on alternate devices such as computers, tablets and smartphones.

# Shifting consumer preferences present challenges to the traditional model



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Figure 5: Share of total TV-time spent on each device, and average hours per week spent watching TV/video\*



Source: Ericsson ConsumerLab, TV and Media, 2010-2016  
 Base: Population aged 16-69\*\*\*\* who watch TV/video at least weekly and have broadband at home in Brazil\*\*, Canada\*\*\*, China, Germany, Italy\*\*\*, Mexico\*\*\*, Russia\*\*\*, South Korea\*\*, Spain, Sweden, Taiwan, UK and US  
 \*Trend observed using a three year moving average (quarter, half, quarter). \*\*Includes 2011-2016. \*\*\*Includes 2013-2016. \*\*\*\*Age 16-69 covered in 2010-2012

Figure 6: Percentage of total weekly viewing time spent on each device among Mobility Centrics\*

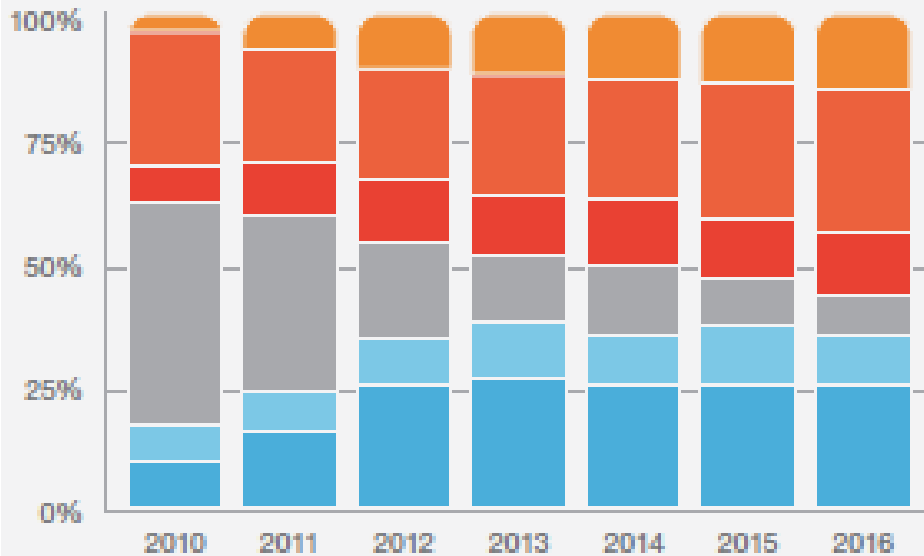
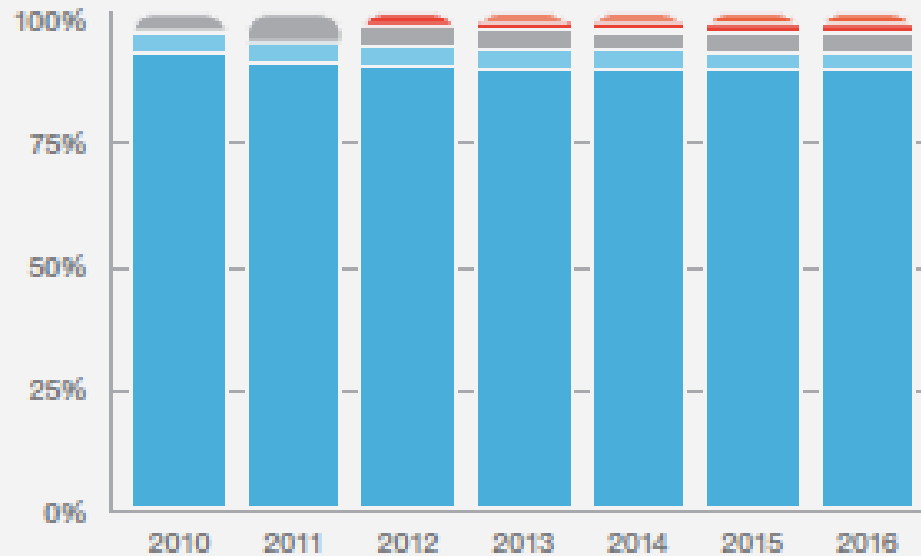


Figure 7: Percentage of total weekly viewing time spent on each device among TV Couch Traditionalists\*



Millennials and younger age cohorts view the majority of their content on mobile devices vs. TV

# The New World – OTT's



## New routes to market

### Digital



### Hardware



## New market entrants

### The 4 categories of OTTs



# The New World

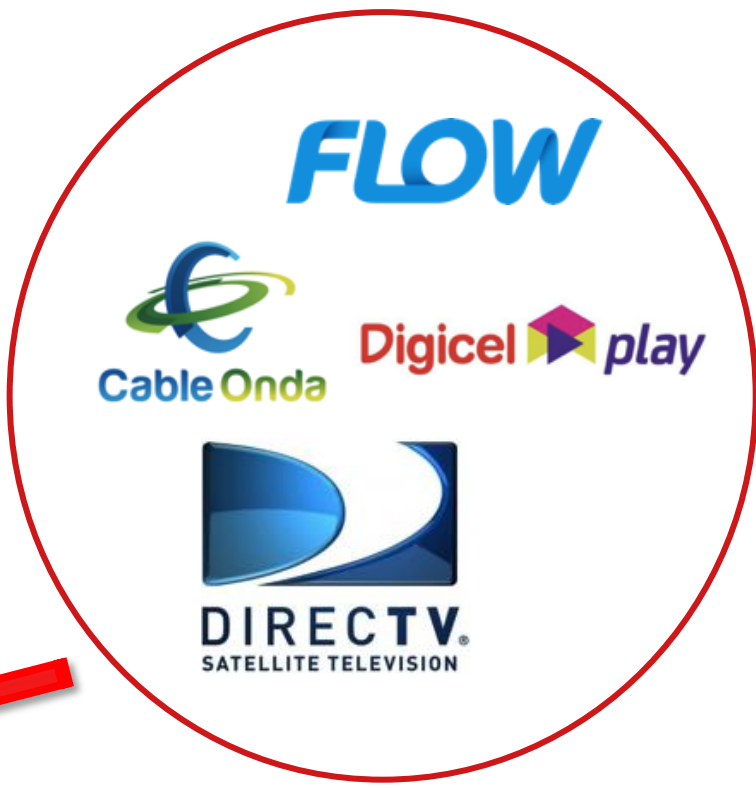


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Disruption, revenue leakage and an expansion of content providers and new business models.



Skinny Bundles



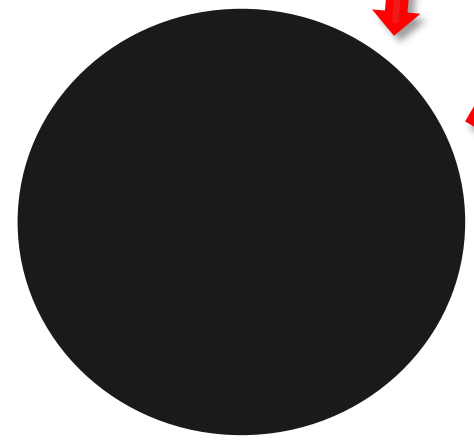
Distributors (Cable TV Operators)



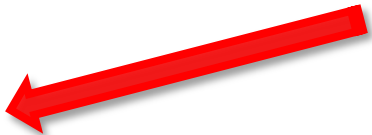
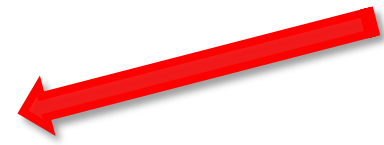
Pure OTT



Crowd sourced content (primarily social media)



Piracy





# How do we adapt and respond to this disruption, shifting customer behavior and expectations?



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*New customer propositions, increased content availability on multiple devices, improved personalization, discovery and a strong value proposition are key to success*

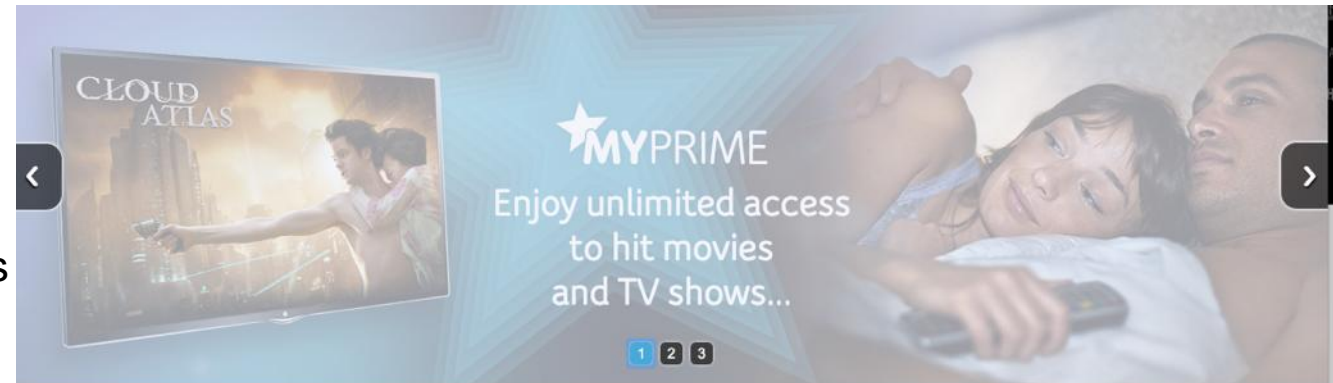
AREA	STRATEGIES
<b>New business models</b>	<ol style="list-style-type: none"><li>1. Content available as part of your mobile/broadband subscription</li><li>2. Slimmed down TV packages/services (Skinny bundles) to better target customer segments</li><li>3. Experiment with various models (Advertising based, subscription) etc. based on market dynamics</li></ol>
<b>Innovation</b>	<ol style="list-style-type: none"><li>1. Increased content availability on multiple devices</li><li>2. Deliver personalized recommendations, improved discovery of content and a better user experience</li><li>3. Additional payment methods capitalizing on prepaid subscriptions in our markets</li></ol>
<b>Content</b>	<ol style="list-style-type: none"><li>1. Use LIVE sports, local content and other relevant content as a significant differentiator and defense against traditional competitors and illegal OTT's.</li><li>2. Evolve content rights to optimise breadth and depth per market</li><li>3. Invest strategically to offer exclusive content in various markets</li><li>4. Partner with and integrate the best third party content into ecosystems</li></ol>

The slide features a background of several overlapping, rounded, light-colored shapes that resemble petals or leaves, arranged in a fan-like pattern. A horizontal bar with a blue-to-purple gradient is positioned across the middle of the slide, containing the word "Appendix" in white text.

# Appendix

# Reference case 1 – UPC MyPrime

- Proposition
  - Available as part of select UPC Cable subscriptions or available to non-customers.
- Value Proposition
  - Access to a huge selection of the most entertaining films released in recent years, timeless classics and a wide range of entire TV series.
  - Available at no additional charge in select UPC cable bundles
- User Experience
  - Intuitive, carousel type UI
- Content proposition focusing on:
  - TV & Series
  - Movies – Similar recency and variety to Netflix/Hulu
- Price –
  - No Contract. C. US\$10 /month
- Device compatibility
  - PC/Laptop, Xbox, Chromecast, Apple TV
  - Smartphone/Tablet (iOS, Android)

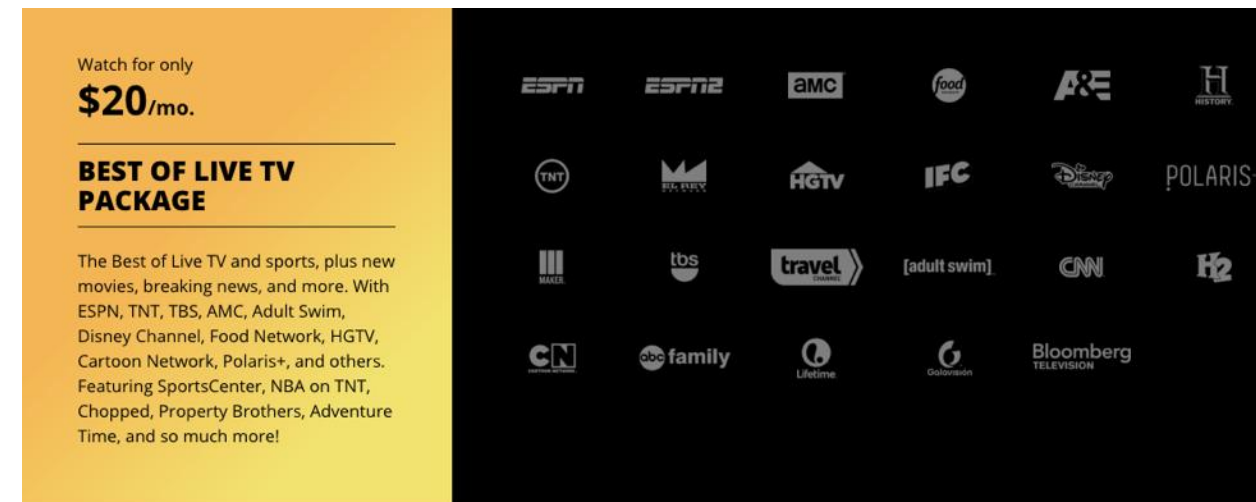


- Brand identity and key messages
  - ‘Take Back TV’ is one of Sling TV’s key messages and speaks to the control, flexibility of the svc. vs. ‘traditional cable’
- Target customer
  - 1p Cable subscribers, 3P customers.

# Reference case 2 – Dish – Sling TV



- **Standalone proposition**
  - Available to non-Dish customers
- **Value Proposition**
  - ‘Get the best of LIVE TV with ESPN & more for \$20/month’
  - Sling TV is one of the few OTT’s which include high cost live content such as Sports.
  - Cost structure is significantly higher due to content from AMC, Food, TNT and ESPN etc.
  - Positioned as a Cable replacement with numerous optional packages and live TV channels
- **User Experience**
  - Intuitive, carousel type UI
- **Live TV proposition focusing on:**
  - First and second rate TV programs from American 4+1 networks
  - Movies – Similar recency and variety to Netflix/Hulu
- **Price –**
  - No Contract. US\$20 /month
- **Device compatibility**
  - PC/Laptop, Xbox, Chromecast, Apple TV
  - Smartphone/Tablet (iOS, Android)



- Brand identity and key messages
  - ‘Take Back TV’ is one of Sling TV’s key messages and speaks to the control, flexibility of the svc. vs. ‘traditional cable’
- Target customer
  - Broadband only subscriber