High Definition

Television is fast becoming the most fiercely contested communications marketplace. It continues to change beyond recognition, ushering in new players, new devices, and new ways of interacting with content. On one front, convergence and interactivity is luring traditional telecoms companies and the new communications giants to the contest, while the very definition of TV blurs. “TV is rapidly moving from being a one-way, linear activity to being more interactive in terms of subscribers’ ability to control where, when, and on which device they want to watch television,” says Jeff Heynen, lead analyst at Infonetics. Meanwhile, “telcos and cable companies are offering home automation, security, and video conferencing to subscribers in an effort to make the TV the hub of the digital home.” Infonetics predicts that we will spend a cumulative $43 billion on home networking devices by 2016. Juniper Research looks a year further and predicts ‘Smart Home’ revenues will reach almost $60 billion by 2017.

On another front, the increasing ease of buying products via the TV is bringing payments giants and innovators to our screens, handsets, and remote controls. Google, PayPal, Apple and a host of other innovative companies with deep pockets are vying for the customer’s attention – and money. Advertising is adapting fast, pulling viewers into personalized stories in ever more innovative ways and with unheard-of conversion rates. For example, the use of second screens while watching TV increases brand recall by 69% and purchase intent by 72%. So says research house Nielsen, which shows just how compelling and immediate the opportunities of the ‘new’ TV market are. TV will continue to grow at an extraordinary rate, bringing challenge and opportunity in equal measure. The global Pay TV market was worth $261 billion in 2011, according to Infonetics, and is set to grow to $371 billion by 2016. Pyramid Research believes that the number of Pay TV accounts is set to pass a billion in the next two years, and Juniper says there will be $650 million internet-connected TVs by 2017.

The questions facing the industry, the new one that is home to a vastly wider range of players than just five years ago, are fundamental. They range from the philosophical, late night scrutiny of what TV actually is anymore to the more immediate and crucial challenge of what to do about it. The answers are not easy ones.

The Workaround Trap

The speed of change and innovation itself causes problems. The closely linked market of telecommunications serves as a strong lesson, where redefinition of the market and non-traditional competition have driven the need for dramatic change. Communications providers have been forced to decide what role they play along the communications, media and high tech spectrum in order to define a coherent strategy to adapt. In other words, what is the “product” (or service) that they are trying to sell, and what is required to do so. TV providers need to do the same to stay competitive. In many cases, when the industry changes this fast, companies become reactive and tactical. They iterate new products on top of the old portfolio and system paradigms. This means a new product launch is likely to be a variation of existing offers, defined and provisioned via spreadsheets and ‘bolted on’ until the budget and time become available to integrate and manage it all properly. This makes sense on one level, because speed is of the essence, but this approach only works up until the point when the sheer number of subscribers, offers and systems that are involved in selling the right product to the right person at the right price become untenable. Errors creep in and customers complain and quit or at least diversify. As competition and variety of products increase the choice of provider, it becomes increasingly easy for customers to do so.

Companies that survive this phase are the ones who have managed to take a step back from the day-to-day emergencies and formulate a long-term strategy. They understand the need to define their role in the market and what they will sell and then plan an infrastructure that delivers it. Companies that don’t make the workaround angle their permanent approach are the ones that assert leadership in the market. They are better able to keep their customers happy, respond to competition, and ultimately retain and attract new customers.
Case Study – Taking Control and Reducing Product Delivery Times by 75%

The largest digital TV company in the UK took such a step. Faced with a large and increasing number of unfit-for-purpose systems that need to serve a large and increasing number of old style products, they recognized they had a problem. In an environment of unnecessary complexity, their customer service team became more and more prone to making mistakes in those vital processes between the sale and a product smoothly delivered to a happy customer. They took the strategic decision to overhaul their portfolio and their sales process, putting agility, speed and flexibility at the forefront.

As part of that overhaul, the company chose the Sigma EPM as their partner to rationalize their portfolio and remove complexity from their product development process. They were able to put the responsibility for products back into the hands of Product Managers – and their marketing teams.

They Went from This...

To This.....

The benefits of stepping back from a tactical approach and tackling the workaround issue speak for themselves. For this TV company, product delivery times have been reduced by 75%; early launches, synchronized across all sales channels, are now the norm; customer service teams make fewer errors and there is a 50% reduction in back office processing. The greater control and reporting of offers is realizing savings of £10 million a year, and sales, revenue, and the number of subscribers are all up.

Action!

You will only thrive in the communications and TV markets in the next few years by being agile and able to deliver the products that customers want, where and when they want them. How you do that directly determines how well you thrive - a customer’s desire for your product and their experience using it affects whether they stick around.

Time to take control?

ABOUT SIGMA SYSTEMS

Sigma Systems is a privately-held market leader in catalog-driven Idea-to-Install products for Communications Service Providers (CSPs). The company’s BSS/OSS product portfolio spans cloud brokerage, product & service catalog, configure price quote, order management, service provisioning, service inventory, device management and professional services. Sigma has fulfilled 100s of millions of residential and business RGUs including broadband, VoIP, SIP trunking, unified communication, IPTV, mobile, cloud and M2M services.

Service Providers around the globe trust Sigma Systems to help them to generate new revenues and contribute to their organizations’ profitability through the rapid and cost-effective delivery of new services.

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