

# IPTV: A hope for the Indian Market?



Mr. David Godfrey, Director Operations, NDS Asia Pacific

**D**elivering TV by broadband to IP set-top-boxes (STBs) and PCs is a new, fast-growing market segment. Today, multi-service providers are looking to take advantage of the commercial opportunities presented by IP networks. To succeed in IPTV, an end-to-end solution that delivers the content and compelling services that TV viewers' want is needed.

Having been in the IPTV market since 2000, NDS is successfully able to put it all together with an end-to-end integrated, secure IPTV middleware platform called NDS Metro™. Metro™ IPTV builds on NDS' vast experience in delivering digital TV solutions. It is specifically designed to address and manage issues that are crucial to an IPTV provider, including interoperability, scalability, flexibility, DRM and interactivity. Metro™ IPTV grows and scales with the IPTV platform's success and, importantly, is flexible enough to work across a network with different STB suppliers.

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During 2007 NDS set up integration labs in France, the UK, India and Israel. The purpose of these labs is to facilitate product development and testing in addition to ongoing research and development. This enables NDS to ensure solutions work smoothly regardless of where the different parts of the system were developed and future upgrade paths are available.

Today China and India are considered as potential high growth markets for IPTV. With 4.78 crore subscribers, China had the largest broadband subscriber base in Asia Pacific in 2006, of which nearly 70 per cent were residential subscribers. China, combined with the already mature IPTV market in Hong Kong, is expected to contribute nearly 60 per cent of the total Asia Pacific IPTV revenues in 2013.

The primary IPTV players have been the Telco's who are driving the IP market by offering increasingly higher bandwidth Internet access. In India state owned Telecom operators like MTNL have a captive broadband subscriber base of 3.3 lakh that they can leverage. BSNL, Reliance Mobile and Bharti Airtel are also contemplating IPTV services.

Enabling Telco's to introduce IPTV services, NDS has made it possible to add on-demand and sophisticated interactive and guide applications to the existing list of IPTV customers like SES Americom, Viasat, Arcor, Yes, KT, Softbank-BBTV, Sistema, TVB Pay Vision Ltd., Telecom Austria, CYTA, Auna, BB Cable TV, Comstar (Sistema), Telecom Italia and GET.

NDS Metro™ is an end-to-end IPTV solution for Telco's looking to launch a full IPTV service. NDS Metro™ meets all existing business needs while enabling service providers to leverage the IPTV opportunity; whether one is looking to launch a full IPTV service or augment existing offerings. NDS Metro's™ IP applications also enable incumbent satellite pay-TV opera-

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tors to extend into pure IP environments as well as introduce two-way services such as Video-on-Demand. NDS Metro™ is unique because it incorporates proven MediaHighway™ middleware to provide a platform for delivering compelling pay-TV services and generate more revenue per user (ARPU). Metro™ provides a platform to increase revenues (ARPU) through a number of Pay-TV models including

- Subscription based TV with multiple packages and multiple tiers of subscription
- TV Event Pay-per-View for live events
- Video-on-Demand rental
- Video-on-Demand subscription services
- DVR (digital video recorder) - a churn reducer.

The solution comes with pre-integrated STB, Encoder and VOD server.

**Market Analysis on IPTV:**

Despite the optimistic discussion surrounding IPTV in India, there are a host of stumbling blocks the Telecom sector must overcome before it can make IPTV a sustainable reality. India has merely 1.8 million broadband connections; only half of the government-envisioned figure. Low subscription rates are largely due to high cost, low PC penetration and the limited bandwidth available. The biggest challenge lies in the readiness of the IPTV network infrastructure and the cost of increasing the existing bandwidth. To provide good quality TV services via IP would require the extensive up-grade of existing broadband infrastructure and bandwidth. This would result in high capital and operational expenditure which ultimately must be born by subscribers or increased advertising revenue.

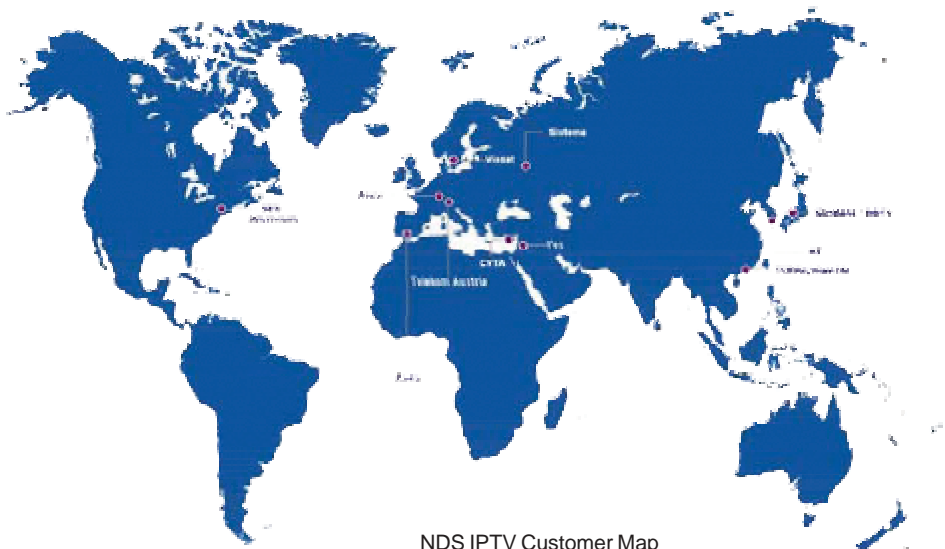
Over 50 per cent of the country's telephony infrastructure is ready for IPTV. BSNL/MTNL, Reliance Infocomm, Bharti Airtel and VSNL are all set to venture into IPTV in India in a big way. Hardware vendors too are looking at IPTV as a new potential revenue stream for their

businesses.

In assessing the rollout of IPTV service, MTNL captured a total of 500 IPTV subscribers in New Delhi and Mumbai during its first five months of operation; the company expects to acquire 80,000 over the next twelve. MTNL has signed revenue sharing deals for content aggregation and distribution with several companies including India Online (IOL) Broadband and Time Broadband Services Pvt. Ltd. both of who deliver content for Mumbai; with Aksh Optifibre Ltd. who manage software, hardware and content delivery for IPTV services in Mumbai and New Delhi. Although many of the Telco's are in trial mode, there is also serious interest from Reliance and Tata-VSNL. Bharti is currently conducting a trial with IPTV services in Gurgaon to test the technology and customer acceptance, services to be launched shortly.

**IPTV boosts DRM:**

In the IPTV era video is just another category of data file, capable of being stored, copied, pasted and redistributed. This has profound implications for tackling piracy and theft, because traditional conditional access (CA) mechanisms based on smart cards in the set top box do little to protect files once they have been downloaded. With a poor history of interoperability among IPTV vendors, customers are increasingly looking to more integrated, end-



NDS IPTV Customer Map

to-end solutions. Potential customers have long wish lists and want to see advanced services supported on the roadmap.

For the growing IPTV market, the NDS Metro™ end-to-end solution features VideoGuard® to protect content at the headend as well as on the target device. This helps operators remain competitive by securely offering the best movies, sports, and entertainment and a full range of On-Demand, Pay-per-View, and other benefits like iTV applications.

Interactive applications will also play an important role in future adoption of IPTV. Examples include remote voting in talent competitions, convergence with mobile TV services and communications services such as chats and messaging. Integration of IPTV in the home network, access to offers on the Internet, personalization of program offerings and targeted advertising will add another dimension to the viewing experience.

IPTV in India Triple Play SWOT	
<p><b>STRENGTHS</b>            Bidirectional Network            Convergence High            Demand of TV services</p>	<p><b>OPPORTUNITIES</b>            Interactive TV            services Increase            ARPU Customized publicity</p>
<p><b>WEAKNESSES</b>            Immature            technology Premium            content required Complex            and expensive</p>	<p><b>THREATS</b>            Television is a mature            market Sold as a cheap            bundle Competitors are            moving to DTH</p>

For more than 15 years, NDS has been at the forefront of interactive TV development. NDS is now widely regarded as the leading provider of iTV (interactive TV) applications and technology for many of the world's leading operators, third party broadcasters, and content owners. NDS Metro provides the infrastructure for service providers to leverage the capabilities of their IP connected STBs and enables next generation iTV applications with a variety of features.

**Conclusion:**

Although IPTV is in the very nascent stages, the future of IPTV in India is promising. This is a service that provides an

**ABOUT THE AUTHOR**



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David has been with NDS for more than seven years and has about 14 years' experience in the broadcasting industry.

David was previously with TANDBERG Television as Sales and Marketing Director for Asia Pacific and was the Marketing Director for NDS Europe, responsible for business development, specializing in DVB compression and conditional access systems for digital television migration in the European pay-TV markets.

opportunity to offer interactive value added services such as ticketing, education, Internet on TV, video conferencing and more. This would enable higher revenue per customer thus increasing the base ARPU that is under pressure due to increased competition from DTH and Cable.

The combination of IP delivery and home networking technology is changing the way we consume and share entertainment. With NDS Metro™, you get a secure, comprehensive solution that enables you to deliver a competitive IPTV service. By combining NDS Metro™ with advanced software for residential gateways from Jungo, an NDS company, your IPTV business will be in a strong position to support a fully integrated home network solution. That means you can securely share content between devices such as STBs, Portable Media Players, PCs, and mobile devices. Benefit from our past skill and experience as pay-TV leaders with NDS Metro™, so your business can capitalize on the IPTV opportunity now and in the future.