

TelcoTV: Rise Above the Generic

FierceTelecom

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The sun may have been absent during last week's TelcoTV show in Orlando, Fla., but one of the resonant trends that I saw in my relatively two short days at the show was the drive to differentiate.



As much as I am a fan of TelcoTV--and I say telco TV because there's quite a difference between Verizon's hybrid RF overlay and the much-hyped IPTV--the reality is cable has the upper hand on video. Marc Savoie, Vice President of Product Management of network management vendor Mariner, echoed a similar sentiment during the show. "Telco TV is still such a small piece of the video market and cable has a 20 year head-start," he said.

Marc is right. While the efforts of the tier 1s and even tier 2-3 service providers are certainly compelling, I think the problem is that the me-too attempt of providing VOD and HDTV service will only get you so far. Certainly, AT&T and Verizon have the market and financial muscle to roll out massive campaigns to talk about how they are better than cable, but most tier 2 and 3 carriers lack such capabilities. One way to achieve that differentiation over cable is to provide local content. While probably not as relevant in a big city like New York, carrying the local high school sports games and other local events will likely resonate with users in rural or small town market.

Launching these differentiated offerings isn't exactly easy for the smaller service providers, however.

One of the things I hear consistently is that the pieces they buy to build out a telco TV service don't work together or they don't have the money or resources to integrate all of the pieces. For instance, a telco will buy a piece of middleware to do channel changing, but it does not work with the head end and home gateways aren't compatible with other devices in the home. In other words, nothing talks to one another.

But it looks like the large vendors, who typically ignored smaller carriers, are offering packages that fit the tier 2-3 carrier needs. Case in point is Alcatel-Lucent's [Triple Play Express \(TPE\)](#). In addition to seeing vendors take more of an active role serving smaller carriers, my fellow Irish associate Dan O'Shea [pointed out](#) in his recent Editor's Corner, that independent telcos are relying on one another to build out a video business.

Despite the challenges service providers face in building out a video business, Brook Longdon, head of media and entertainment for Nokia Siemens Networks, said during the Wednesday keynote session at the Telco TV show that service providers should create a telco TV offering that reflects the culture and

spirit of a specific market.

"TV is not generic," he said. "It looks very different in different parts of the world. It looks very different even if we look at rural telephone companies. The local high school football game is very important there. In small communities it weaves you into the core of the community by delivering those services with an endearing product."

And perhaps that's the key takeaway here for telcos: if you want to build a successful video business, you'll need to rise above the generic.

[--Sean](#)