BROAD**VISION**

Q2 2017

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Full HD

Ultra HD

Cover Story

4K: 2B OR NOT 2B?

THE NEXT MILESTONE IN TELEVISION HISTORY OR JUST A FANCY TREND?
LOOK AT THE FUTURE OF ULTRA HD TECHNOLOGY IN FACTS AND FIGURES.

UPCOMING EVENTS

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4K:
2B OR NOT 2B?

Will 4K become a new broadcasting standard, or will it remain a luxury available to the units? What are the difficulties waiting for providers when starting the service in UHD? Answers to these and more questions are what you'll find in the detailed report of the BROADVISION analysts.

Author: Tatiana Skiba

User interest in high-definition video is one of the main engines of progress in the TV entertainment industry. The transition from standard to high resolution has significantly stimulated the development of the large screen market, the improvement of data compression and transmission algorithms, as well as the development of many related technologies.

Is 4K resolution the next step in the development of broadcasting technology? This is an essential question for both the major TV manufacturers as well as connoisseurs of high picture quality and other enthusiasts.

4K: 2B OR NOT 2B?

And, in contrast to the history surrounding the introduction of HD and Full HD, this time the experts' opinions are divided. Some predict that the format will achieve unprecedented success in the market while others say that it is more of a fad than a substantial technological leap forward.

We tried to look at the question regarding numbers and figure out whether the 4K format should be or not.

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PART 1: 4K DEVICES MARKET

4K TVS

Of all the devices that support the ultra-high resolution, undoubtedly 4K TVs will attract the greatest interest. According to forecasts by the analytical center OVUM, the number of connected UHD TVs in the world by 2020 will grow to 544 million, which is more than 10 times the level of 2015 and the average annual growth rate will be 73.8%.

The Number Of Connected 4K TVs Around The World

Source: OVUM
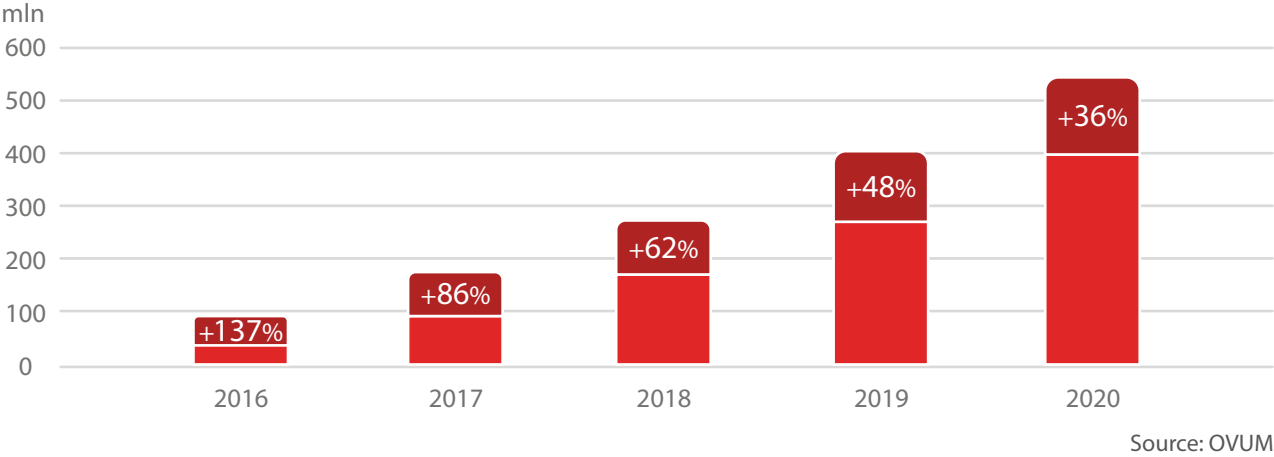
According to research by IHS and Strategy Analytics, by 2019 4K devices will account for almost 100% of the supply of large screen TVs (50 inches or more). After that, the format will begin to occupy a niche in the market for devices with increasingly smaller screen sizes.

By 2020, about 23% of households around the world will have UHD TVs, and in the most developed market in North America, this figure will reach 45%. Western Europe will take second place, and the MEA region will come in last.

Distribution Of Households With 4K TVs

- North America
- Western Europe
- Asia and the Pacific
- Central and Latin America
- Central and Eastern Europe
- Africa, Middle East
- World

Source: Strategy Analytics
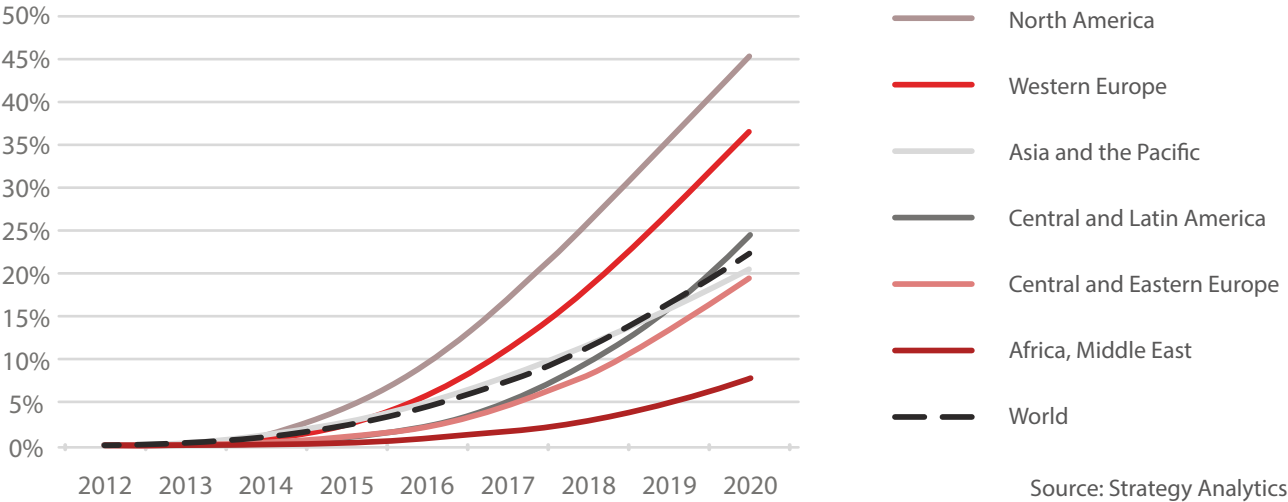
If we look at countries individually, then the leader regarding the adoption 4K TVs is Japan.

Japanese operators have started the broadcast of 4K TV by satellite, cable, and over IP networks. Most of the country's manufacturing sector is also transitioning to ultra-high definition screens. According to research conducted by the Mitsubishi Research Institute, in 2016 TVs that support UHD were already in 6% of households. According to forecasts, by 2020 their share will reach 50% of the country's TV market, which is much faster than the rate of adoption in North America and Europe.

The Growth In The Number Of 4K Devices In Japan

mln

| Year	Value
2016	1
2017	3
2018	5
2019	8
2020	11

Source: OVUM
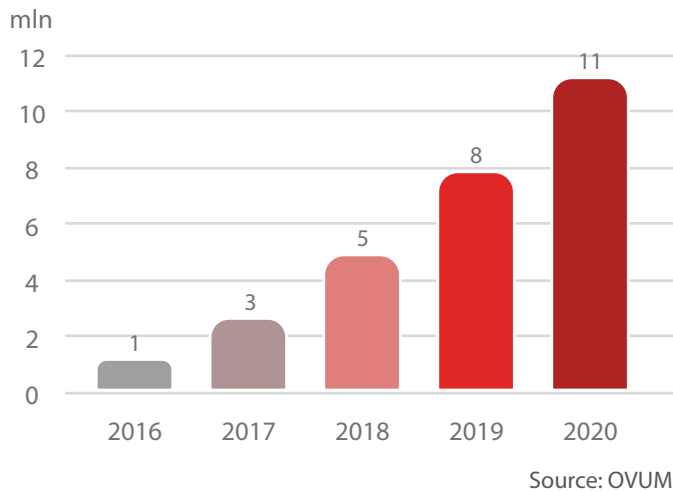
"By 2025, every family will own a 4K TV. We view this goal as our mission. The 2020 Olympic and Paralympic Games, which will take place in Tokyo, will be aired not only in 4K but also in 8K."

Masayuki Suga, A Representative Of The Ministry Of Internal Affairs And Communications Of Japan

China and South Korea will be the leading producers of 4K TVs since the largest companies manufacturing ultra-high resolution screens are located in these countries. At the same time, it is worth noting that Chinese production will be mainly aimed at the domestic market. By contrast, Korean factories for the most part plan to manufacture electronics for export.

World Leaders In The Production Of 4K UHD TVs

25,5 Others	74,5 Top 5 Players	Hisense	Sony	Samsung	LG	Changhong
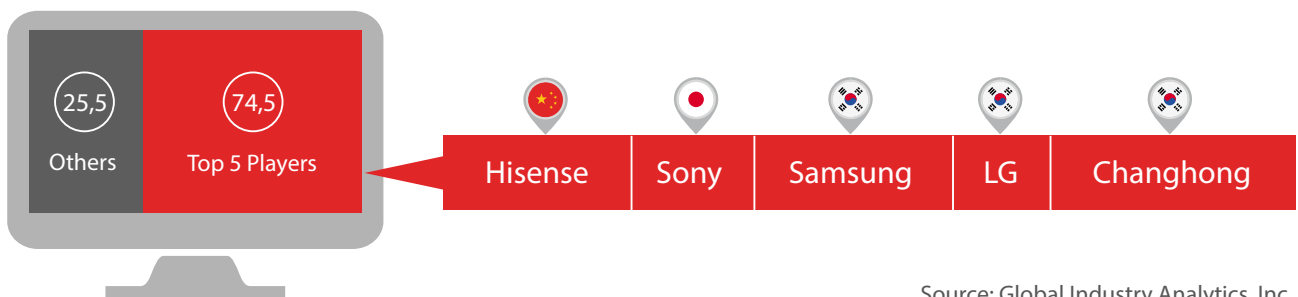
Source: Global Industry Analytics, Inc.

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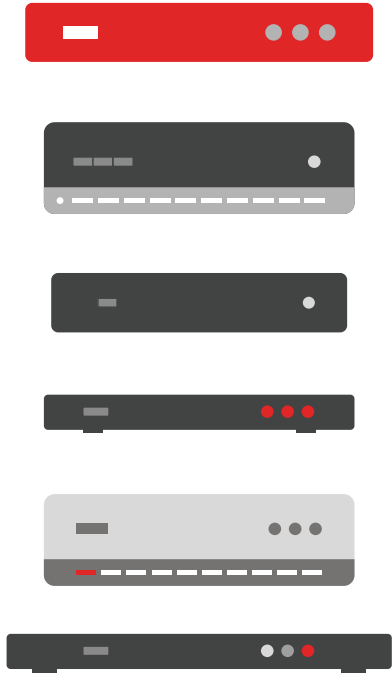
4K SET-TOP BOXES

Set-top boxes will also occupy a significant market share: the sales volume of UHD STB will grow by an average of 10 million units per year, and by 2020 annual production of these devices will exceed 50 million units. This will account for almost a quarter of the number of all purchased 4K devices.

According to forecasts by OVUM, by 2020 more than 225 million households around the world will be using 4K set-top boxes. The market leaders will be the most technologically advanced regions: over half of all users (80 million) will be residents of North America. Second place will be shared by Europe and Asia since they will have approximately the same number of users (65 million people). Analysts at OVUM predict that in the next 3 years the size of the market for 4K set-top boxes will be more than quadruple.

The Number Of STBs With 4K Support Around The World

mln

Year	Value
2014	0
2015	2
2016	12
2017	46
2018	93
2019	152
2020	225
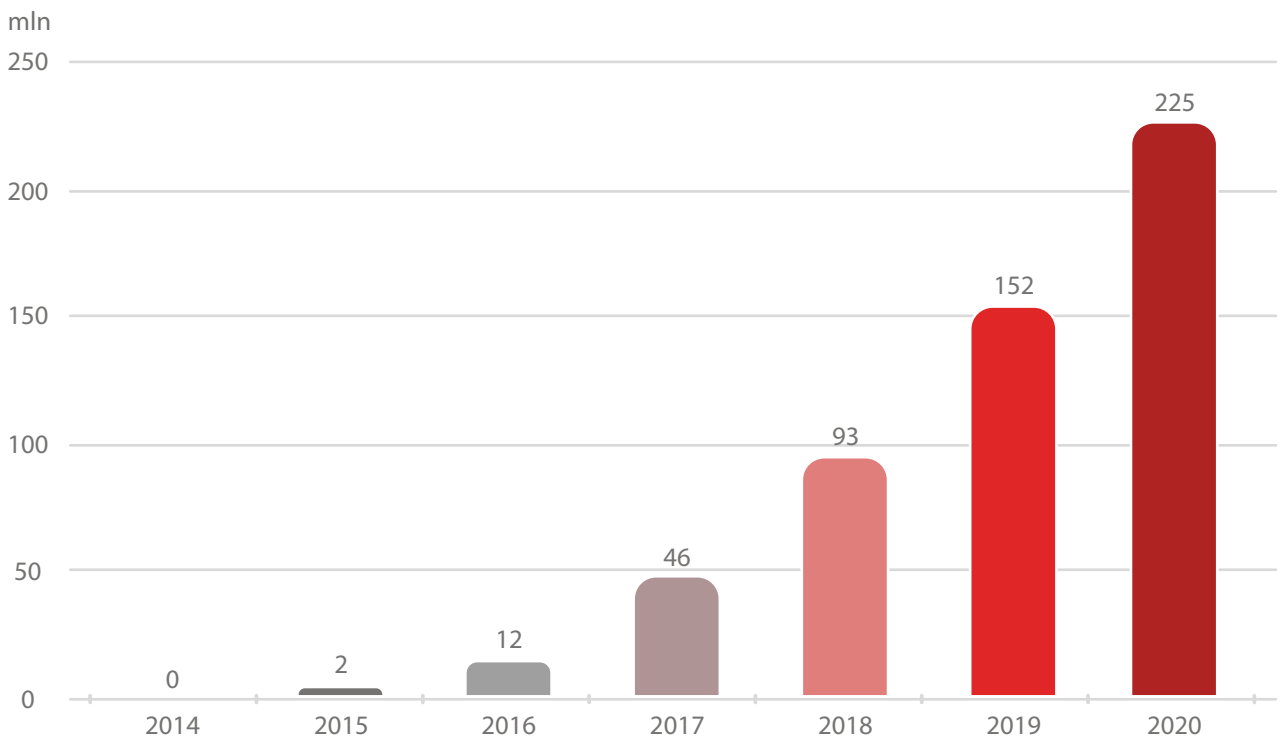
Source: OVUM

In the next 3 years the size of the market for 4K set-top boxes will be more than quadruple.

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PART 2: MARKET FOR 4K SERVICES

Despite the fact that, according to all forecasts, 4K devices will fly off store shelves, there will not be any significant growth in the service sector. The difference is because many people, even though they may own 4K TVs and set-top boxes, will not have access to 4K content. Instead, there will be content with upscaled Full HD. This will largely be because their home networks will not be ready to stream or download huge amounts of data and the unwillingness of customers to purchase an expensive subscription that will still offer a fairly small selection of content.

We have already observed a similar situation in the past: most of the Full HD devices were sold long before the emergence of popular services that offered a large selection of corresponding content in that format.

The revenue from the use of 4K by 2021 is estimated to be more than USD 10 billion a year. Cable TV will control half of the market. Terrestrial TV will account for the smallest share, which is primarily due to the limitations imposed by the broadcast technology itself.

It should be noted that these proportions differ depending on the region. For example, in Australia and Southeast Asia IPTV will account for the largest revenue, whereas in South America satellite TV will be the leading delivery format. Cable TV will dominate in North America and Western Europe since these are the regions with the largest number of connected households.

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Revenue From The Use Of 4K

mln USD

Legend: Cable/MMDS · Direct to Home (DTH) · IPTV · Terrestrial

Source: OVUM
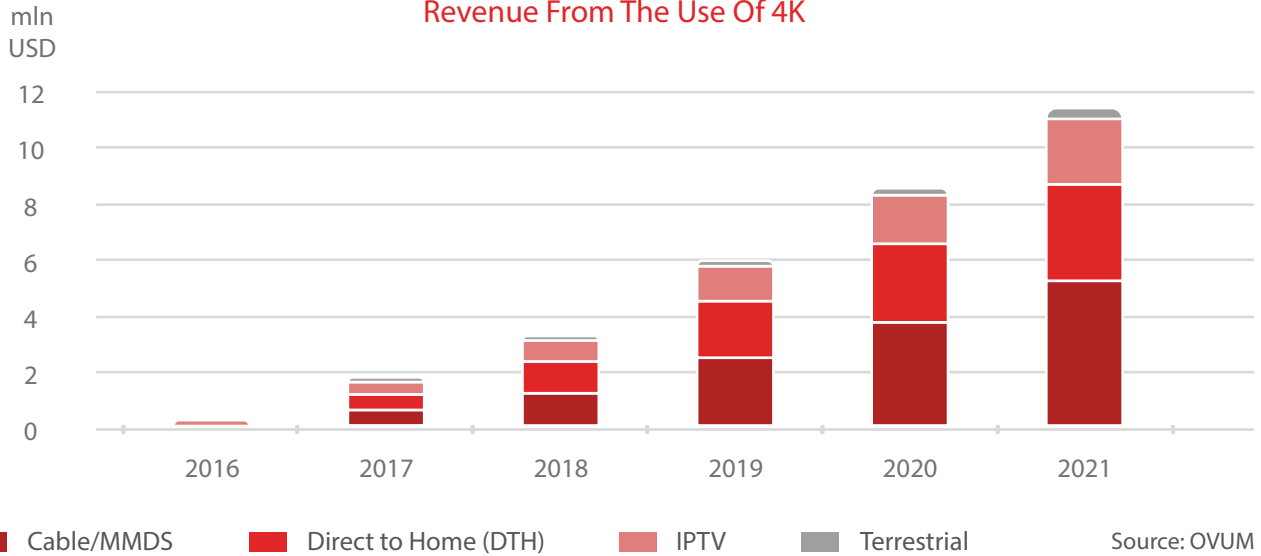
With the expansion of available UHD content as well as the falling prices for TVs and set-top boxes that support this format, the number of users will begin to grow exponentially. Most new users will come from the North American, Pacific, and Western European regions. They will be mainly residents of cities and members of the middle and upper middle classes.

Regarding broadcasting standards, by 2021 the primary growth in the number of users will occur in the cable, satellite and Internet TV segments. The consumption of 4K content through terrestrial broadcasts will be incredibly insignificant.

Subscribers For All Types Of 4K TV (2021)

28 mln+	14 mln+	10 mln+	200 K
Cable/MMDS	Direct to Home (DTH)	IPTV	Terrestrial
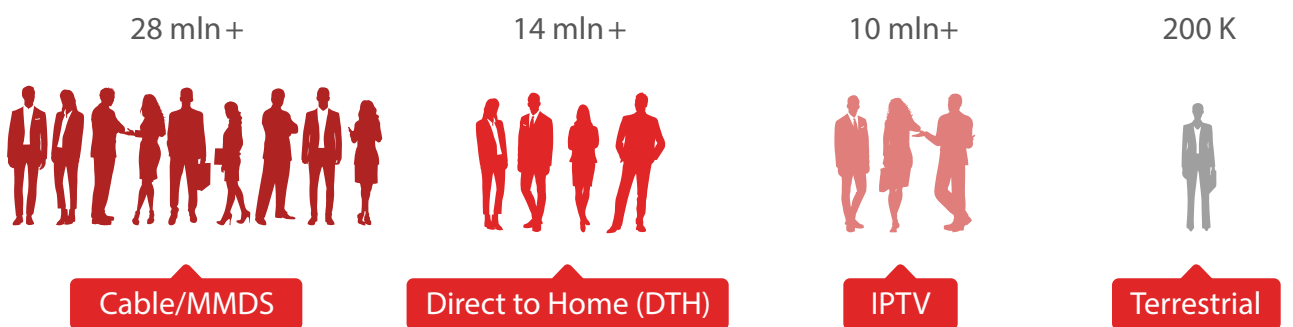
Source: OVUM

Nevertheless, IPTV providers stand to reap the greatest benefit from their subscribers. Each new subscriber will, on average, bring the operator almost USD 1,000 in annual revenue. This figure will be more modest for cable and satellite TV. This is because IPTV technology allows the easier and faster implementation of new demanded features, thereby attracting the segments of the population who are the most willing and able to pay.

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The Projected Revenue Per Subscriber For 4K TV Services By 2021

882,4 USD

Direct to Home (DTH)

985,7 USD

IPTV

676,8 USD

Cable/MMDS
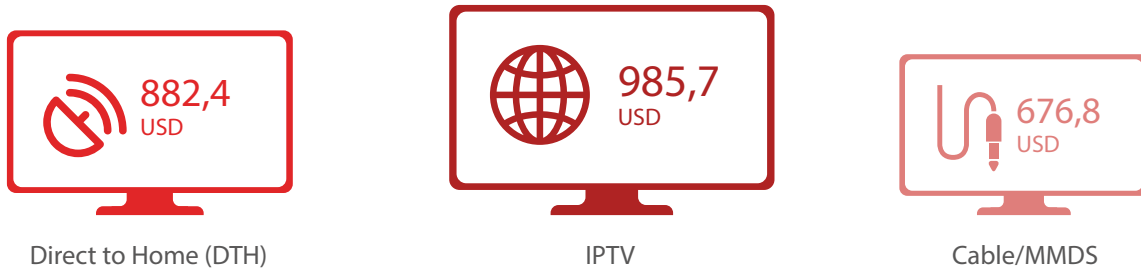
Source: OVUM

4K ON IPTV

It is expected that in 2021 the number of IPTV subscribers using 4K technology will reach more than 10 million worldwide, which represents a massive increase compared to 450,000 in 2017. The highest growth rates will be observed in Western Europe, where the total number of subscribers will be more than three million by 2021.

The lion's share of the profits will also be in the same region. Revenue for UHD IPTV in Western Europe will amount to USD 1.2 billion, representing almost half of the world's revenue for 4K format services (USD 2.5 billion).

By 2021, there will be more than three million subscribers to 4K IPTV in Western Europe, and revenue will reach USD 1.2 billion.

Subscriber Growth For 4K IPTV

mln

Year	Subscribers
2014	41 180
2015	229 815
2016	450 919
2017	1 802 894
2018	3 383 464
2019	5 421 032
2020	7 592 603
2021	10 082 838

Source: OVUM

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Revenue From 4K IPTV Services

mln USD

Year	Value
2015	50
2016	113
2017	438
2018	776
2019	1 249
2020	1 815
2021	2 455
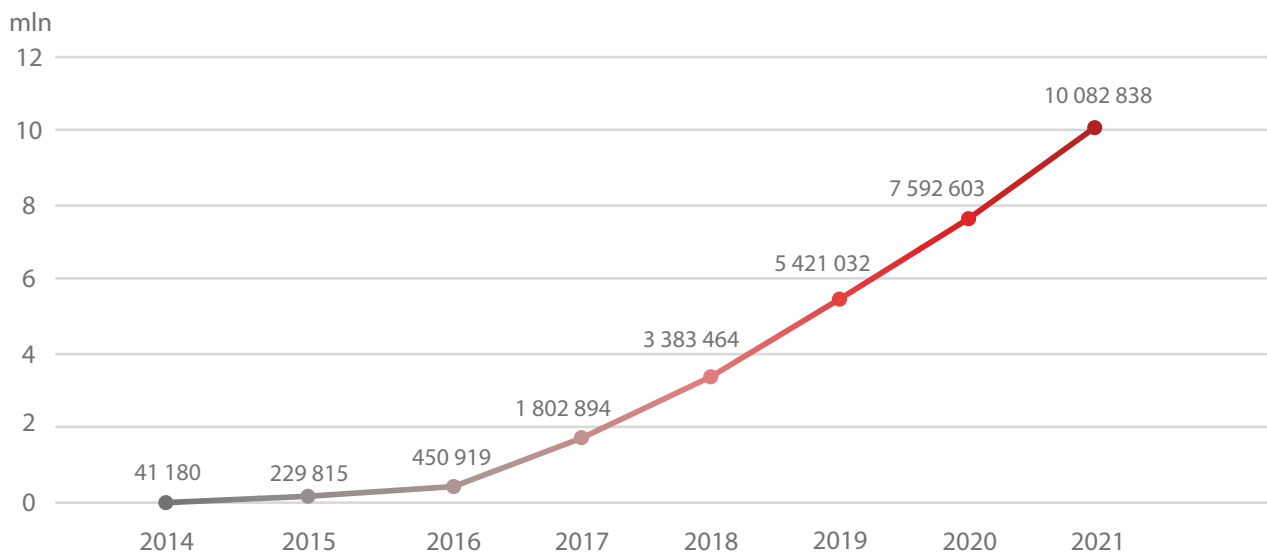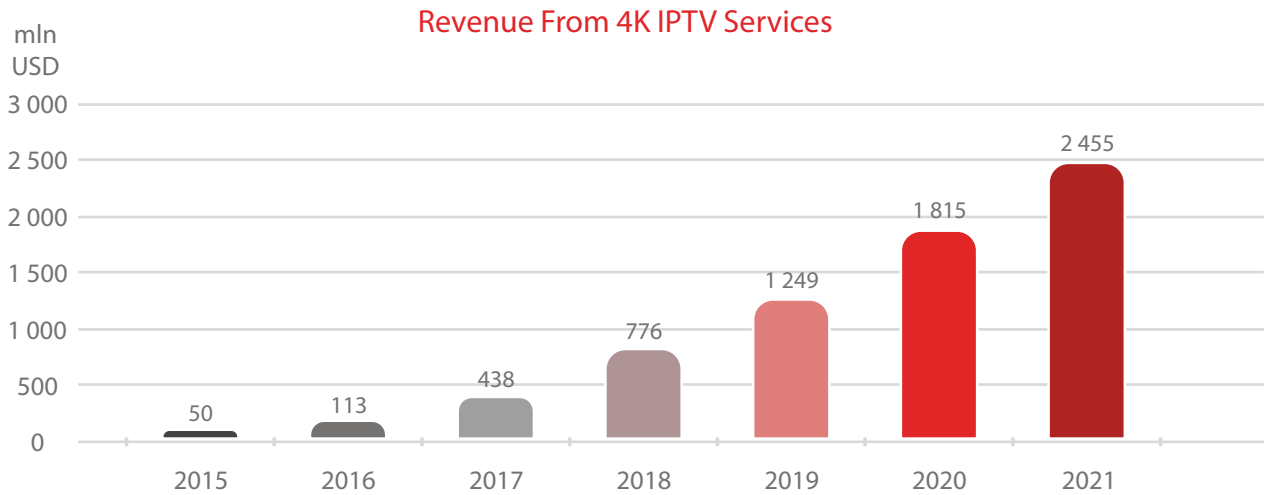
Source: OVUM

At the same time, it is interesting that European countries will not lead the market regarding the number of subscribers or amount of revenue.

The U.S. will occupy first place relating to the number of connected 4K devices with more than 2 million people. South Korea and China will share second place with a million subscribers each. The rest of the top ten countries will be mainly from the European region.

Top 10 Countries By Number Of 4K IPTV Subscribers

🇺🇸 2 307,55 K	🇰🇷 1 371,42 K	🇨🇳 1 350,53 K	🇫🇷 868,93 K	🇨🇦 603,22 K
🇩🇪 518,78 K	🇷🇺 497,67 K	🇪🇸 447,54 K	🇬🇧 446,1 K	🇳🇱 244,24 K
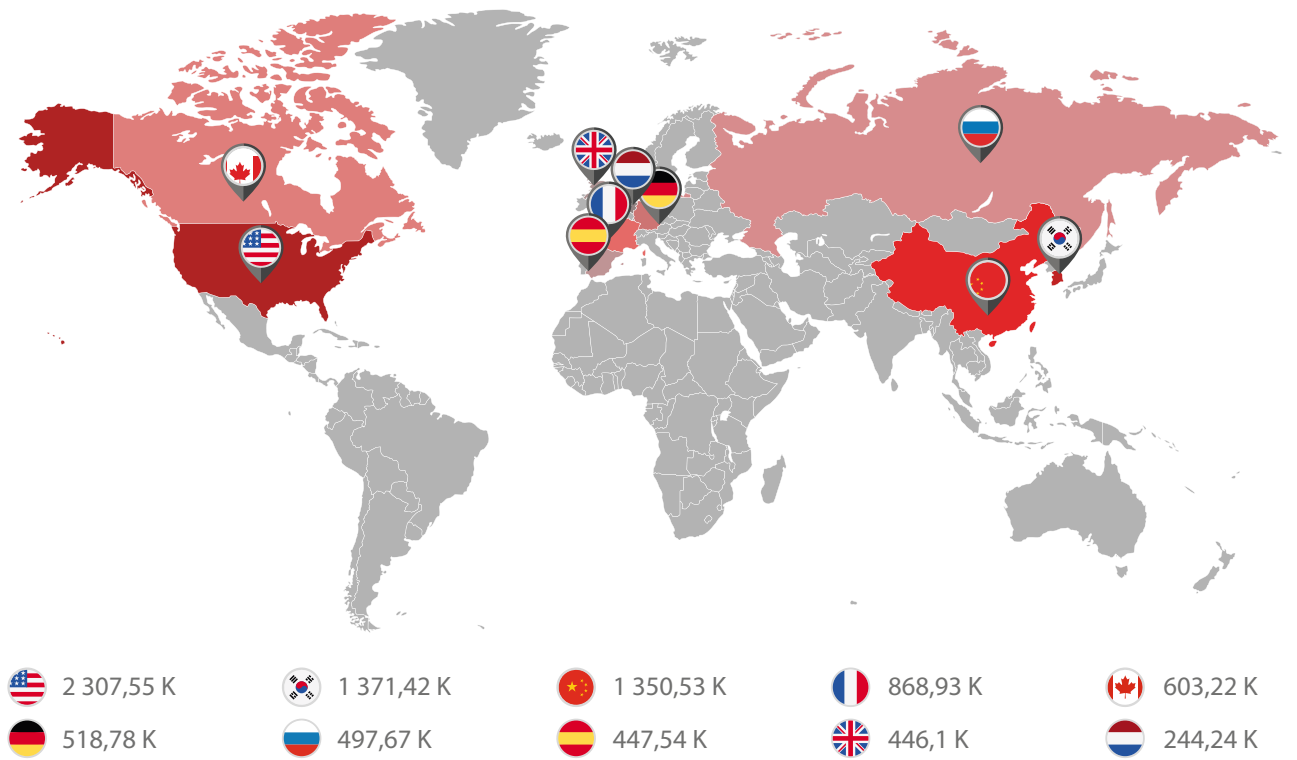
Source: OVUM

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South Korea will account for the largest revenue from the use of 4K via Internet TV with more than USD 400 million. This is due to the rapid growth in the number of subscribers as well as the fact that South Korea will be one of the leading manufacturers 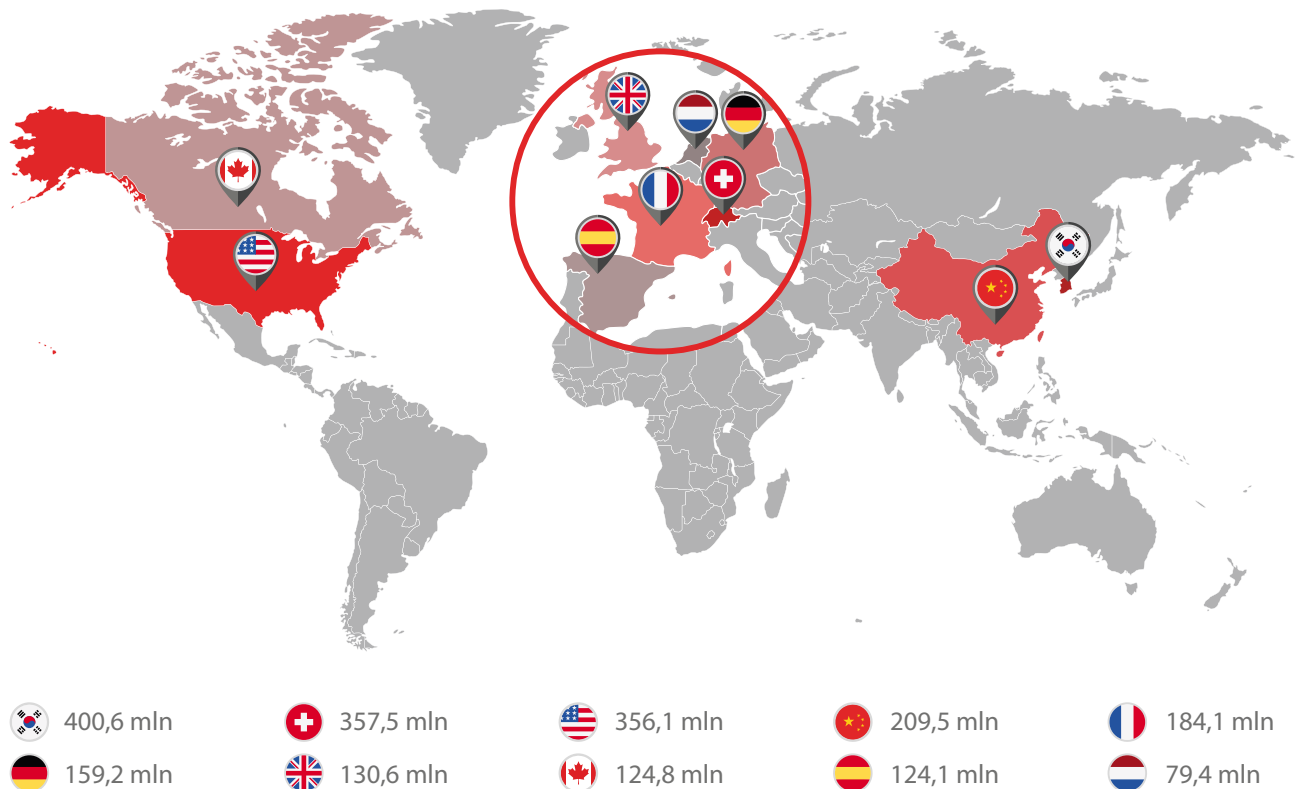of 4K devices. Also, the top ten most profitable countries will include the United States, Canada, China, and the countries of Western Europe.

Countries With The Highest Revenue From 4K IPTV Services

400,6 mln	357,5 mln	356,1 mln	209,5 mln	184,1 mln
159,2 mln	130,6 mln	124,8 mln	124,1 mln	79,4 mln

Source: OVUM

4K IN OTT AND VOD

According to Juniper Research, 4K content distributed through OTT services will become quite popular in the next 5 years. Their calculations have shown that by 2021, 4K OTT services will be used by almost 190 million unique users worldwide.

The main channel for accessing 4K OTT content will remain TVs, but the widespread adoption of multiscreen technology will make 4K content available for smartphones, tablets, and personal computers.

According to OVUM forecasts, by 2022 the revenue attributable to OTT video will exceed USD 60 billion. Of these, only USD 5 billion will be invested in services that broadcast content in 4K.

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OTT Revenue

mln USD

Source: OVUM

— 4K   — SD   — HD
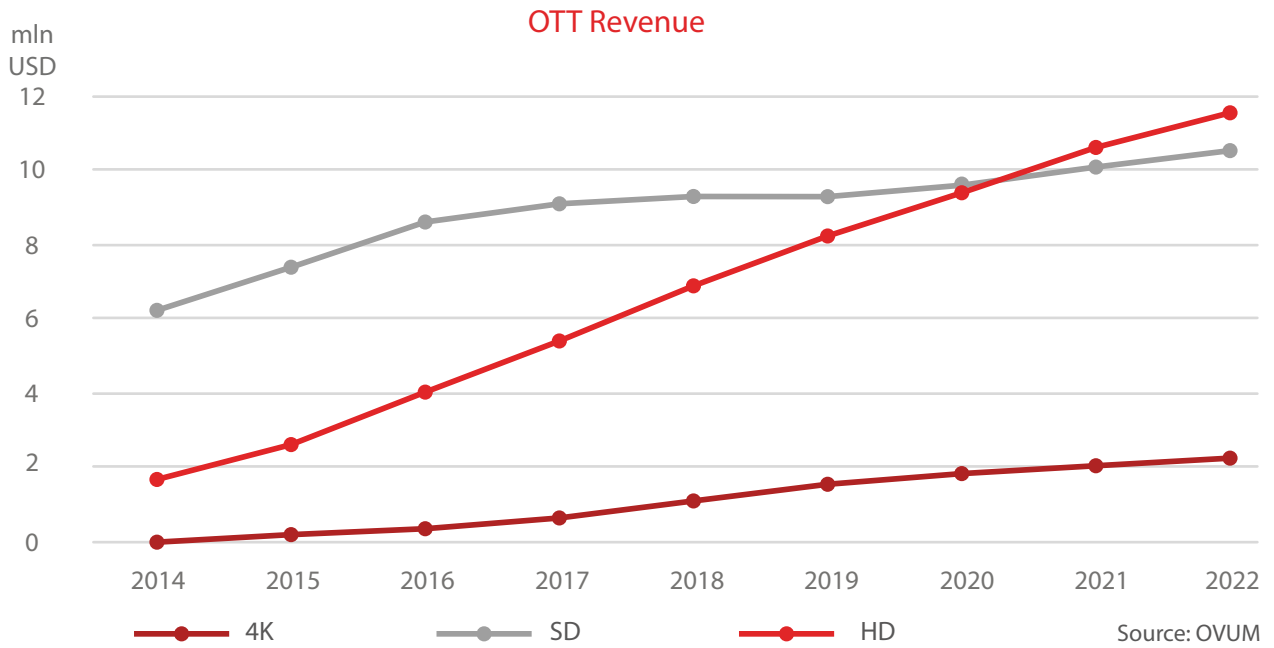
Subscriptions to TV channels will account for more than half of 4K OTT revenue (over USD 3 billion). The revenue from watching movies will be more than USD 2 billion.

4K OTT Video Revenue By Genre

■ Movies   ■ TV   ■ Other

Source: OVUM
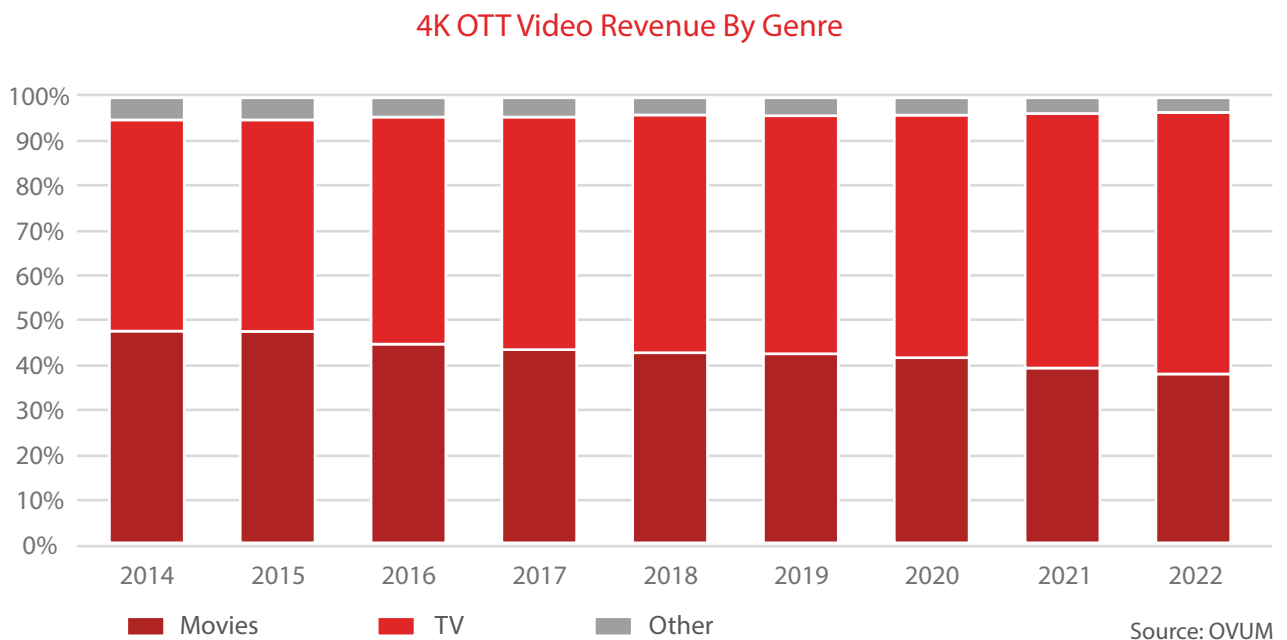
Over half of all 4K OTT revenue will go to companies in North America. By 2022, the revenue of U.S. companies will exceed USD 2.8 billion, and U.S. residents will generate almost all of it.
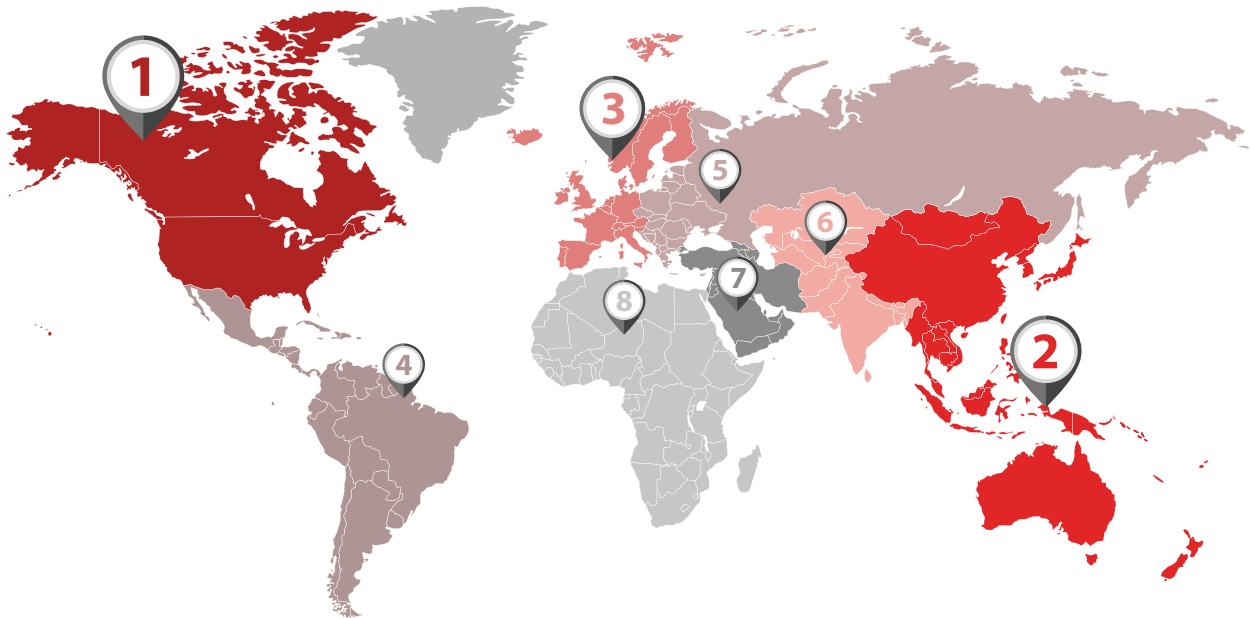
The Western European and Pacific-Asia regions will also occupy a significant market share. In other regions, 4K revenue will not exceed the USD 100 million mark.

Revenue From 4K OTT Video By 2022 Broken Down By World Regions, USD

1. North America — 2814,1 mln
2. Oceania, Eastern & South-Eastern Asia — 1179,4 mln
3. Western Europe — 872,6 mln
4. Latin America & the Caribbean — 168,5 mln
5. Eastern Europe — 136,8 mln
6. Central & Southern Asia — 105,5 mln
7. Middle East — 71 mln
8. Africa — 20,1 mln

Source: OVUM

Countries With The Largest Revenue From 4K OTT Video By 2022, USD

USA — 2679,6 mln
China — 497,4 mln
Japan — 332,5 mln
United Kingdom — 211,4 mln

South Korea — 141,4 mln
Canada — 134,5 mln
Germany — 131,1 mln
Australia — 90,7 mln

India — 80 mln
Netherlands — 72,1 mln

Source: OVUM

If we talk about payment models, then the most attractive for providers will be SVOD (the subscription model). By 2022, revenue from subscriptions will have reached almost USD 5 billion. Users are expected to exhibit the greatest interest in HD content. However, the share of 4K will also grow rapidly and by 2022 will account for almost 10% of the market (more than USD 4 billion).

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Forecast For SVOD Revenue

mln USD

Legend: 4K, HD, SD

Source: OVUM
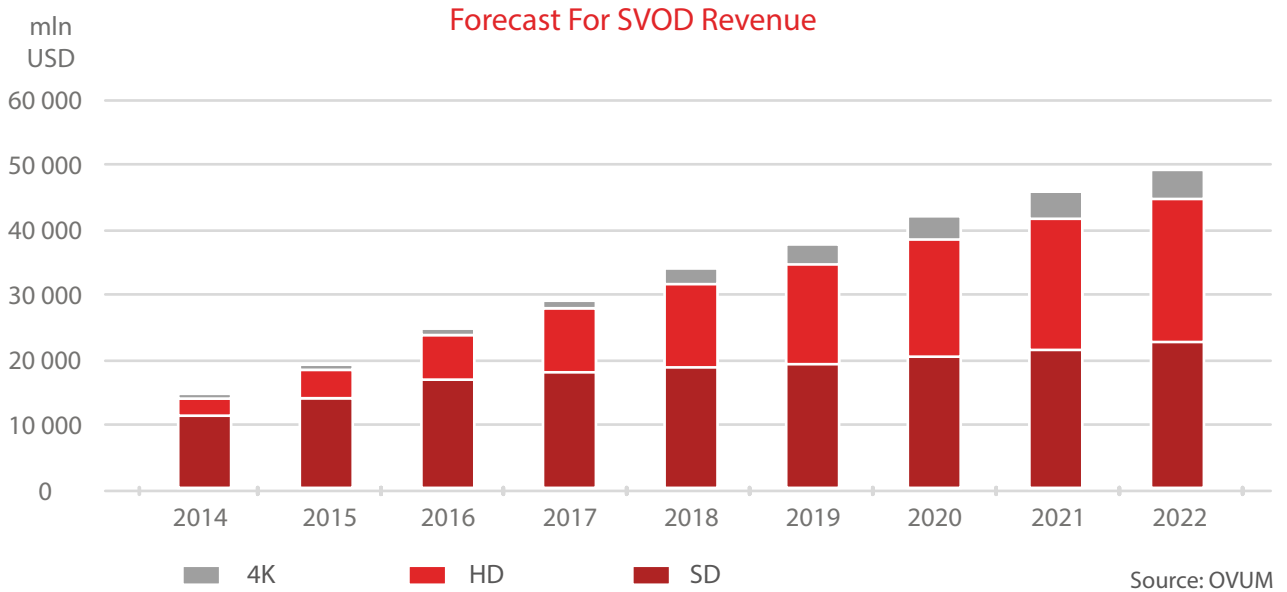
The TVOD (pay-per-view) model will generate significantly less revenue than the subscription model. The reason is that the model is losing popularity, and many providers, including Google Play, are switching to subscriptions.

But even despite this, the profit of TVOD providers will grow. By 2022 their revenue will amount to more than USD 11 billion. At the same time, the demand for 4K and HD content will increase significantly, and the share of SD will drop. Most users of pay-per-view services, including owners of SmartTV devices and home theaters, want to watch movies in the highest quality and with maximum convenience when they purchase content.

Forecast For TVOD Revenue

mln USD

Legend: 4K, HD, SD

Source: OVUM

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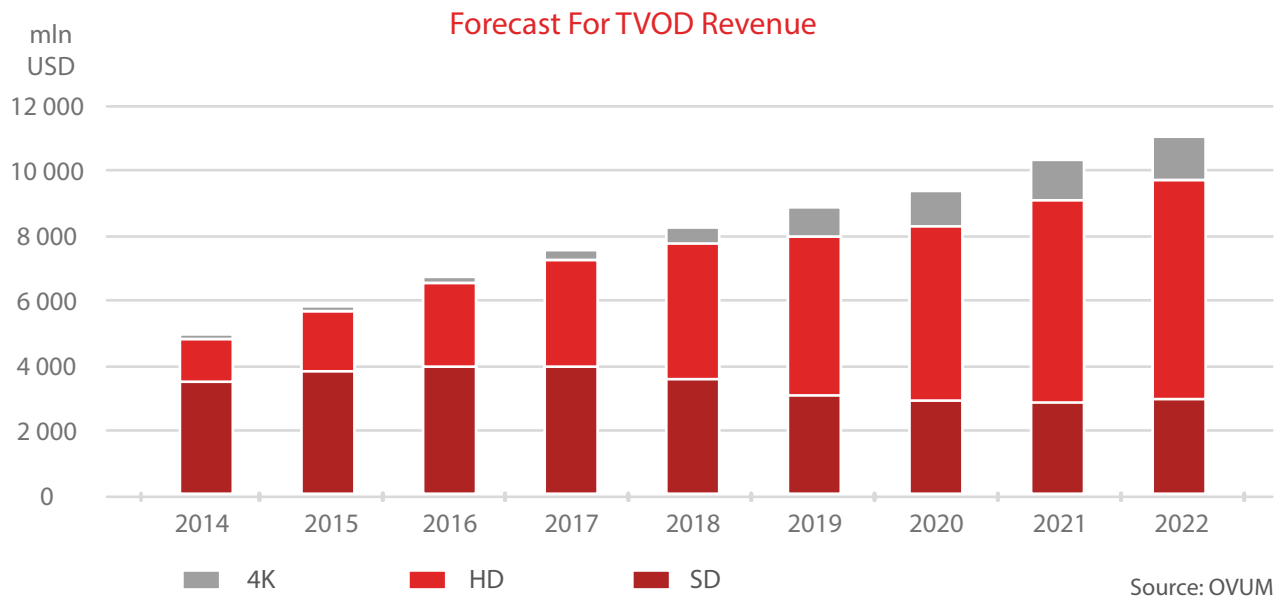
PART 3: TRENDS

An analysis of the obtained data shows that mass adoption of the 4K format would be shortly more of a realistic expectation than a bold assumption.

The following global trends will be the main engines of growth:

Demand for the latest generation electronics;

Growth in the number of urban households;

Launch of UHD channels and services, distribution of Blue Ray disks;

Growth in the size and the standard of living of the middle class;

Falling prices for 4K devices;

Development of technologies for compressing and transmitting information and improving image quality.

The following factors will act as constraints on development:

The market price of equipment that supports UHD will still be high for the majority of the population;

The market situation may continue to be very unclear for a while, which means that investing in the 4K business is investing in an industry that is not yet fully formed;

Consumers have differing views about this technology. Many people consider it to be a marketing ploy;

There is still a small amount of 4K content, and significant investments must be made to create video in this format;

Large investments must be made in broadcasting equipment infrastructure. Despite the fact that there is a fairly large amount of interest in 4K technology, today there is a shortage of network bandwidth, which is needed for the full-scale transmission of 4K video;

For small or remote communities with low-speed Internet access, the use of 4K is almost impossible.

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The operator has a tough choice in this environment: start investing in the development of its own 4K service or continue to provide less expensive Full HD format services that are still in demand. It is also unclear when companies should enter the race: at the initial stages, when the competition will be lower, or later when all of the necessary technical infrastructures for providing TV services in UHD will be Installed And Ready.

NUMBER OF PIXELS VS. QUALITY OF CONTENT

Despite the predictions of market success for the 4K format, discussions about it have been gradually subsiding in the expert environment. Industry leaders are focusing less on new technologies and more on the creativity of content.

This means that the struggle for the viewer's attention cannot be won by the introduction of 4K resolution by itself. Equal attention must be paid to the quality of content. Unique, innovative projects attract the viewer regardless of the country of production and the budget spent.

Operators who want to achieve success on the market in the next five years should decide not only how, but also what to show to their subscribers.

"For generation Z, TV as entertainment is opposed to as a gadget or format."

Richard Chambers,
Head of Zooming Studios

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VICTORY LIES
IN PREPARATION

A conversation with Mikhail Nikitin, VP Sales Europe at Infomir, about trends and the development of the digital TV market.

Interview by Denys Gorbunov

What are the most promising trends in the television industry? Which new inventions are highly expected on the market in the next few years? And are we prepared for these discoveries? Mikhail Nikitin, Infomir's expert on the subject of business development in Europe, answered these questions and much more.

Mikhail Nikitin,
VP Sales Europe
at Infomir

What trends do you think will prevail in the digital TV market in the next few years?

Among the main trends is the developing interest toward OTT and IPTV, broadcasting in UHD format, more advanced technologies in content protection, like watermarking, and also a growing interest in wireless data transmission and Android operating systems. Moreover, depending on the market, these trends manifest themselves in their own way.

But these are only the trends. The reality is that within the next 2 years, the majority of operators will continue to opt for the development of simple, inexpensive, economically viable services that run on proven technologies: standard protection systems, a set of features and applications under the Linux operating system, with Full-HD support, etc.

Many operators have begun broadcasting in UHD format…

This is, without doubt, a promising trend fuelled by the rising sales of 4K TV sets. But in reality, there isn't very much UHD content at the moment. Investments are considerable. Reliable equipment and viable devices are limited, and subscribers of such services are few.

Ultra HD   **Full HD**

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Providing such services is more of a marketing strategy, an attempt to stand out and confirm your leader position on the market. But what is more important is the possibility to test the environment, to see its potential, do define the strategy. As they say "Victory lies in preparation".

We study the needs of emerging markets thoroughly and we see the operators' and telecommunication providers' growing interest toward improved image and video quality through wireless connections and services in general. New developments in the field of content protection are in high demand. All these prove that UHD TV is a long-term trend.

Which complementary technology developments will ultra-high-definition TV's widespread distribution lead to?

In the long term, we can even speak of the development of virtual reality and 8K. But these technologies will not happen on a mass level for another few years. Currently, market players are concerned with more urgent tasks like providing a stable and reliable service when implementing the new 4K technology.   If an operator says that it has launched a service in UHD format, this does not automatically mean that the provided service is considerably better and is to the   consumer's satisfaction. In the foreseeable future, during the period of format implementation, both users and operators will face many problems related to the lack of content and equipment. When passing to Full HD we were confronted with exactly the same situation.

Can Infomir propose consumers something in this segment?

We are currently developing and planning on producing a few devices that support the UHD format. Having said that, we are not simply trying to release a device that has the latest "in" feature.

Infomir offers a new line of fifth-series MAG set-top boxes with 4K UHD support and powerful Amlogic chipsets to existing and potential clients. These devices offer a 25% higher performance compared to their predecessors.

"

> 4K content is becoming increasingly popular in the television industry: high-resolution videos allow displaying a highly detailed image.

In 2021, Infomir presented new operator set-top boxes: Android TV MAG500A set-top box and Linux MAG520/520w3 media player. The devices are equipped with a new ergonomic Qubic case and support HEVC that allows content streaming even for users with a slow Internet connection. The set-top boxes provide surround eight-channel Dolby Digital Plus™ sound playback and offer ports for connecting peripherals.

MAG520 W3

Linux 4.9	4K and HEVC support		
API for integration	Dolby Digital Plus™ sound		
Dual-band Wi-Fi (2.4 and 5 GHz)	1 GB RAM		

Learn More

MAG500 A

|			
Android 9.0	4K and HEVC support		
Chromecast built-in	Voice-controlled remote		
Dual-band Wi-Fi (2.4 and 5 GHz)	2 GB RAM		

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At the beginning of our talk, you said that in the next 2 years the market will continue to be oriented toward time-tested technologies that support HD format. Are you planning on continuing to develop solutions for this segment, or switching to UHD?

When choosing a set-top box, our current clients and the majority of operators in our traditional markets prefer the already tested solutions. Their subscribers are fairly conservative, they value stability, reliability and low-level prices for the services provided. For them, we will continue to propose upgraded basic models, built on Broadcom microchips.

The released products will continue to have the well tested standard functions, but with a new design and supporting H.265 HEVC compression technology. There is no immediate need for HEVC technology, but it is possible to include it in the new set-top boxes in order to protect our customers from an unnecessary change of their devices later on. Furthermore, in all our solutions, even basic ones, we provide the possibility of wireless connections using 2.4 GHz 802.11 n or 24 GHz /5 GHz 802.11, depending on customer requirements.

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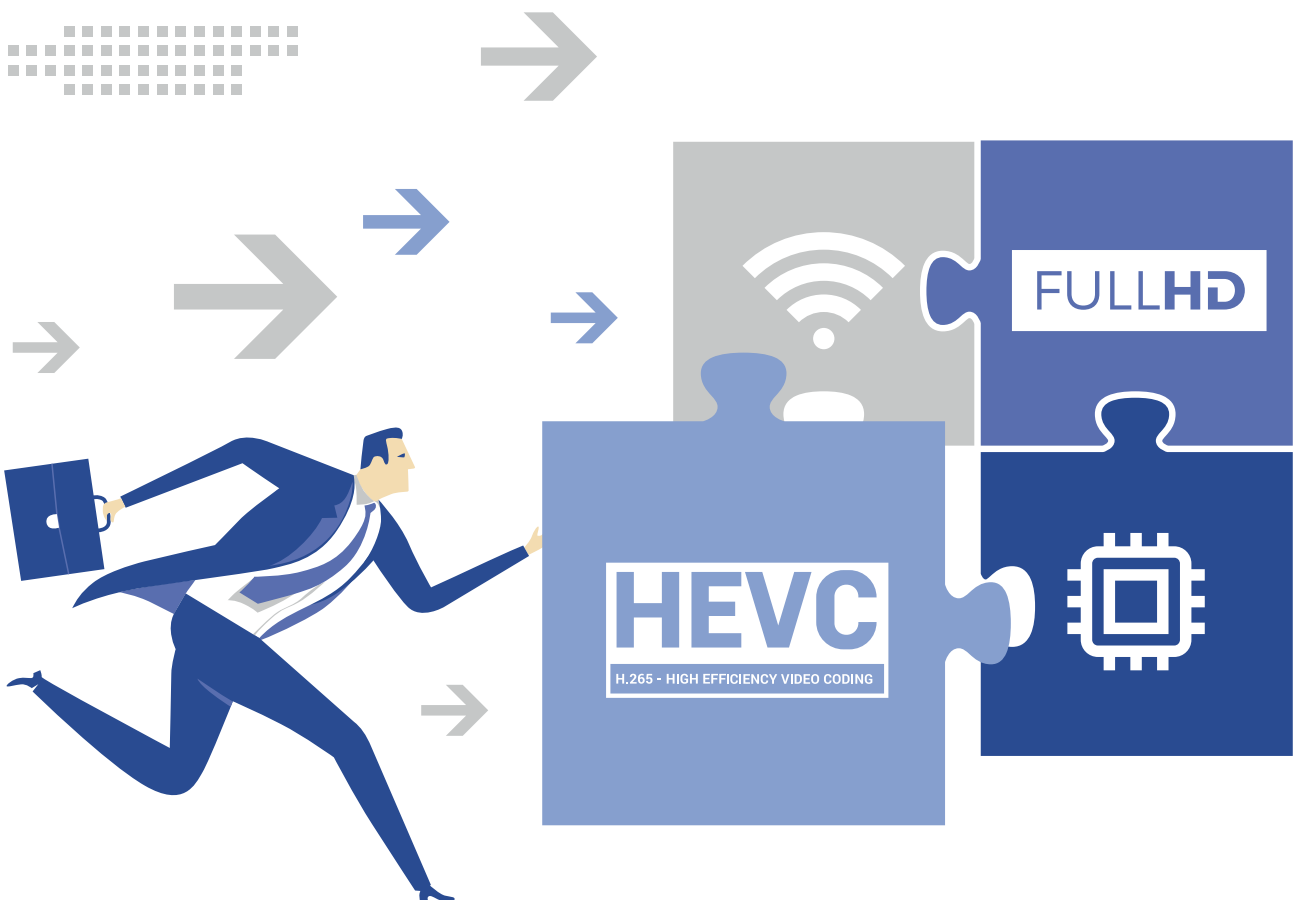
Infomir is promoting its own middleware solution. What are its perspectives and what can you tell us about software developing trends for digital television in general?

Infomir's middleware is rather unique on the market. This is a solution with an open source code that is accessible even to small operators. It is intended for internet providers that want to provide digital television services, but are in a situation of extreme competition from bigger and more experienced operators.

Stalker Middleware gives them the possibility to deploy a full service in a short period of time, with minimum cost and a competitive set of services. The solution supports integration with conditional access systems, as well as the possibility of implementation of third party UI solutions.

However, the provider must ensure independent integration with billing systems, have the rights to content distribution and put in place the necessary infrastructure. All in all, we have developed this software as an entry-level solution that allows operators to considerably reduce their capital investment at the beginning of their project.

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Can you propose solutions for companies with more experience in this market?

We are collaborating with companies that provide highly-scalable commercial solutions like middleware and end-to-end systems. I will mention a few: Beenius, United.Cloud, Wyplay. For our part, we ensure a seamless integration with our devices and technical assistance.

What software trends and technologies do you think are the most promising?

If we are talking trends, then the most notable one is the transition toward cloud technologies, the integration with recommendation engines, consumer preference analysis systems, but also the use of conditional access contactless payment.

The right combination of these technologies will allow for a synergy effect. The provider will no longer need to support and develop the infrastructure. It has the possibility of entrusting another company with the broadcasted content management, its aggregation, analysis of customer behavior data, broadcasting quality monitoring, etc. The user, on the other hand, receives the service according to his/her preferences. In this case, our task as a hardware based solutions developer and manufacturer is to deliver reliable and well-adjusted software.

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How has your business developed in Europe in the last few years?

Regardless of certain signs of crisis in the manufacturing industry, we are growing as a company and conquering new markets. We are trying to hold our positions and guarantee everything mnecessary for future growth, including developing new solutions and investing in integration and partnership projects. We are putting great effort into developing our business in Eastern Europe, America, and the Middle East.

The European market is a priority for us. In the Eastern part, we are working with a few operators and plan to increase our production volumes. The region has potential but is also challenging because we are faced with a phenomenon of price dumping from Chinese manufacturers.

We have to count on our company's ability to produce reliable and stable solutions, state our position and optimize our solutions. Our new products will allow us to work more aggressively when it comes to competition in this region.

In Western Europe, our company is most active in the retail sector. But we are currently working on propositions for operators in this region.

Let's summarize. What can we expect from Infomir in 2017-2018?

The next year will be interesting. We expect to launch on the market a few device platforms for the HD, HD HEVC, as well as UHD segments. Furthermore, we are announcing a new industrial design for our devices and, I hope, our customers will appreciate it. We are confident that we will win a few new projects in the segment of Tier2 operators.

We are positive about the future.

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HOW TO BECOME THE VIEWERS' FIRST CHOICE

An interview with Filip Remškar, CEO of Beenius, about the company's history, recent developments and plans for the future.

Interview by Denys Gorbunov

Beenius

Today, Beenius is recognized as one of the most affluent trendsetters in the IPTV/OTT industry. Being a developer of a proven and easily integrated platform for heterogeneous operator environments, they have been changing the way video is consumed since the day of their first product release in 2007. Filip Remškar, CEO of Beenius, has agreed to share a few secrets of the company's success with the BROADVISION readers to help them build their own success story.

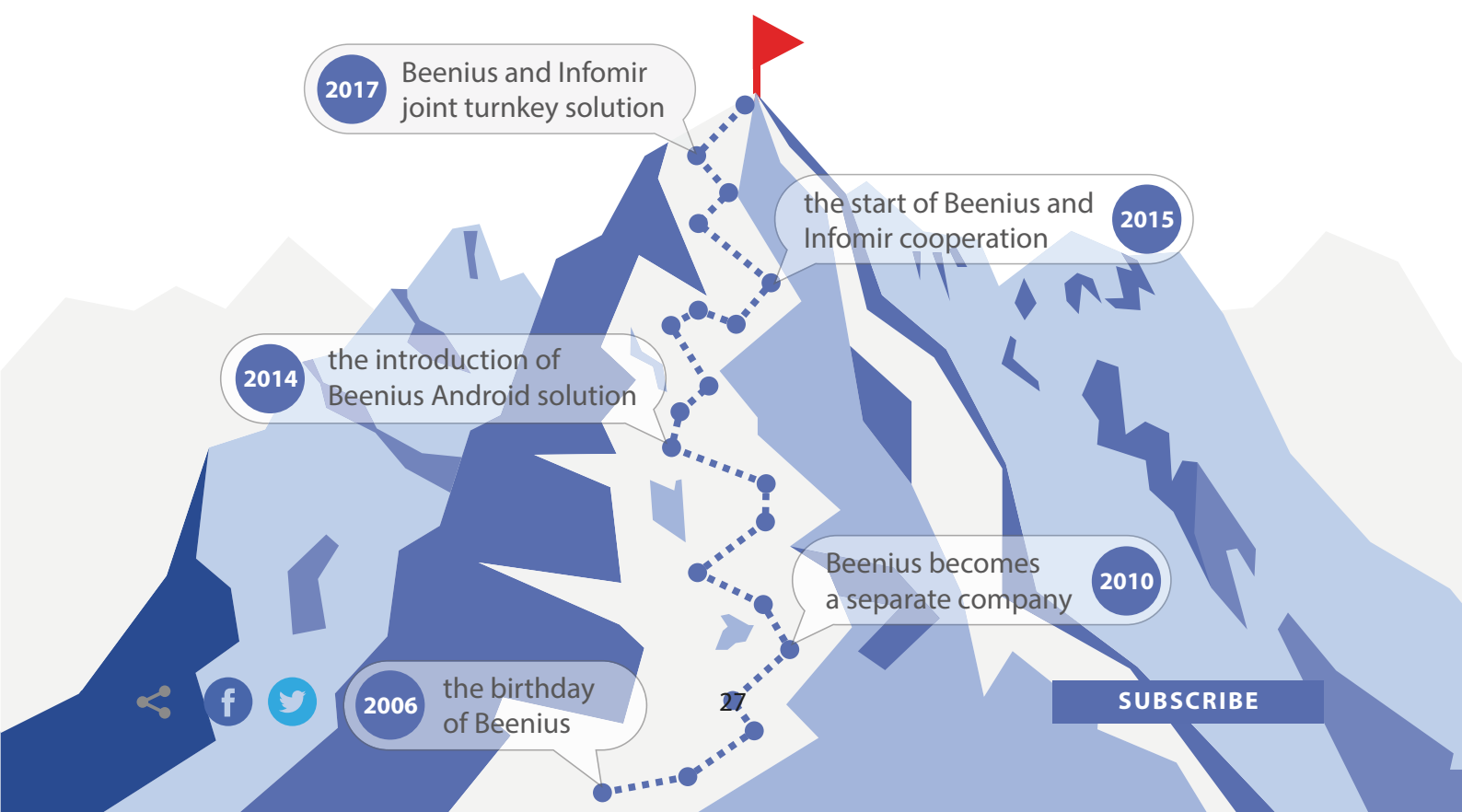Filip Remškar,
CEO of Beenius

Let's start from the beginning. What are the origins of Beenius?

Beenius as an idea was born in the year 2006 in the Smart Com company, an ICT system integrator, who had recognized the need of modern video services. The department was evolving rapidly from 2006 to 2010. Then it demerged from Smart Com and became a separate company with its own trademark focus and vision.

How big is the company now?

Both Smart Com Group and Beenius have grown substantially since 2010. Smart Com now combines four high-tech companies with over 150 highly skilled employees.

Beenius forms a team of 45 professionals with extensive knowledge of system integration. Their expertise, and having Smart Com as an owner, gave Beenius an opportunity to offer complete end-to-end solutions and, as a result, a competitive advantage on the market.

2017 Beenius and Infomir joint turnkey solution

the start of Beenius and Infomir cooperation **2015**

2014 the introduction of Beenius Android solution

Beenius becomes a separate company **2010**

2006 the birthday of Beenius

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What are the main company's growth drivers in your opinion?

I would say it's ingenuity and innovations. Beenius has always supported research and testing of different technologies by challenging colleagues to enhance media offerings of operators. We maintain internal creativity with regular hackathons and support different research projects. All useful findings are always freely distributed among our employees, customers and partners.
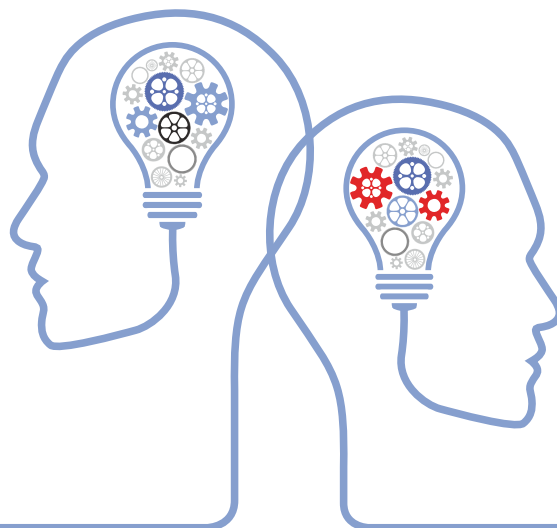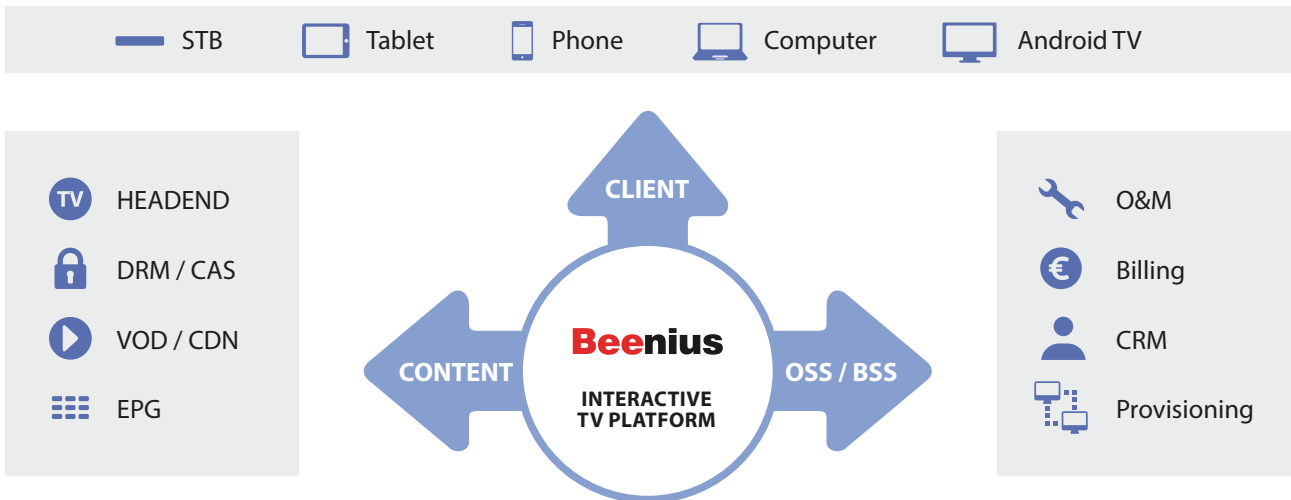
How do you share your knowledge?

Now we have two special online courses offering a great opportunity to receive complete training from Beenius specialists just in a few days. You can study Beenius server installation, configuration, and administration as well as software development. Our partners also speak well of our webinars. The last one, dedicated to pros and cons of Android vs. Linux STB, received tons of positive reviews and good comments.

I'm sure, Beenius can offer something more. What are the company's main products?

Beenius primary product is versatile multi delivery video platform for IPTV, OTT and DVB Hybrid solutions. It supports multiscreen and social TV features, and is compatible both with Linux and Android STBs. It also provides users and operators with many demanded features, such as freemium, T-Commerce, advertising, etc. All that enables operators to tailor their video offerings in a best possible manner to achieve greater ARPU.

Our video platform is a software product, so we're always in search of reliable hardware base to deliver it to its audience. Lately we've joined our efforts with Infomir in attempt to offer a family of set-top boxes pre-integrated with Beenius platform to a wide range of telecom providers. The new solution was presented at ANGA COM 2017, so I think some readers may already be familiar with it.

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STB Tablet Phone Computer Android TV

HEADEND

DRM / CAS

VOD / CDN

EPG

CLIENT

Beenius
INTERACTIVE
TV PLATFORM

CONTENT

OSS / BSS

O&M

Billing

CRM

Provisioning

Please, tell more about this joint project for those, who didn't manage to visit the expo.

The solution was developed for service providers and telecoms looking for an optimal balance between cost, performance and service delivery.

Beenius has been working on Android STB Applications that enable service providers to offer enjoyable TV experience with the unified look and feel on various screens that subscriber may have at his or her home. Infomir has focused its efforts on uniting Android OS with 4K video. The result of this attempt MAG410 has proven to be highly efficient. It provides outstanding performance, video, and audio quality as well as easy integration with our Interactive TV Platform.

Our joint solution enables a smooth transition for cable providers from DVB-C to OTT and supports service providers with Android STB Applications by supplying them with reliable and efficient software and hardware products.

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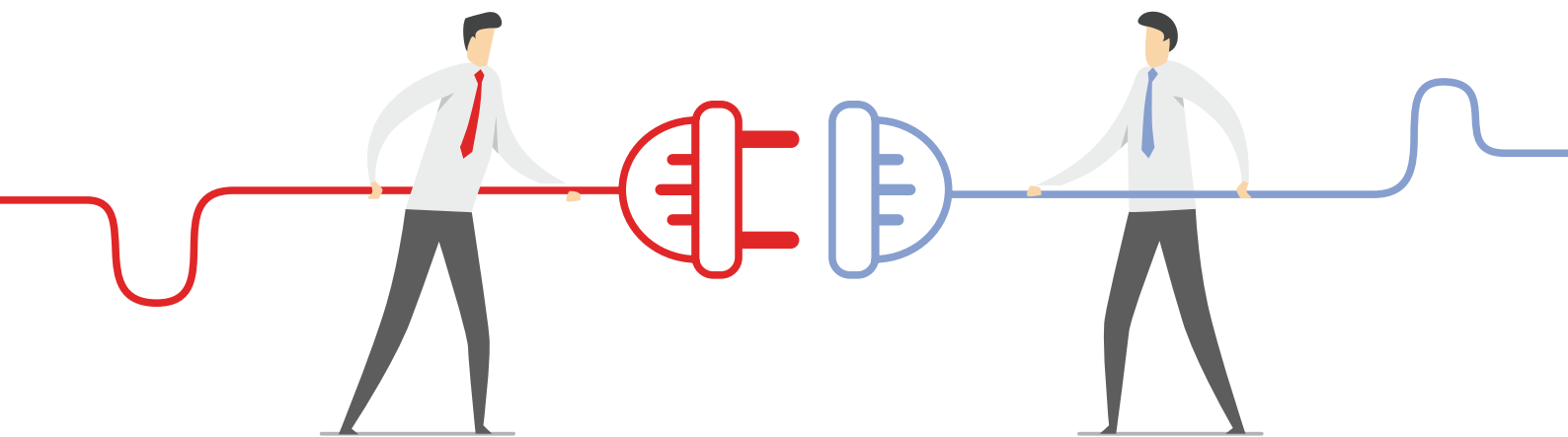
What are the benefits of this combined solution?

Pay-TV operators often depend on a team of highly skilled experts that can advise them on every unique solution. But in most cases, operators have limited resource and experience that result in feature deficiencies, project delays, and over expenditure. The use of a reliable hardware platform and a middleware solution already deployed in millions of homes allows solving most of the issues professionally, timely and in a well-planned manner.

Why have you chosen Infomir STBs as a hardware platform?

The main reason was their products quality. We've been working with MAG STBs for many years, and they've proven themselves to be technologically advanced, stable and telco grade.

Another reason is that it was always a pleasure for us to collaborate with Infomir. Both companies nurture high awareness for the end clients and their success. The ease of partnership derives from the professionalism of both teams and sharing aligned views towards our customers.

Pre-integrated set-top boxes

| MAG255 | MAG410 | IM4301w2 | IM4301w3 |

And for a bottom line. What trends and technologies would you consider the most promising?

Ever since the introduction of Beenius Android solution in 2014, we firmly believe that this is the next step for enhancing telco offerings. Android OS in combination with the recommendation engine for personalized video experience and functionalities for different go-to-market strategies, such as freemium model, makes a product that is able to satisfy even the most special needs. Such technologies are the keys to success and prosperity for operators and for those who are able to meet their demands.

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THINK GLOBALLY, ACT DIGITALLY

We've responded to our readers' requests and prepared a case study based on our personal experience. In this article, the company's marketing specialists will describe for the readers Infomir's digital marketing strategy, which has allowed us to develop a successful business in the international market.

Author: Maria Kovalenko

There comes a time when every successful manufacturing company realizes that further growth is impossible, unless they expand their sales geography beyond their home country. At this point, top management faces the issue of entering the international market and engaging in competition with foreign companies.

In this article, we will demonstrate the successful management of international marketing activities, using our own company — Infomir — as an example. We aim to highlight the key role of digital marketing tools, which has completely replaced offline methods. In particular, in the processes associated with customer acquisition (lead generation) and marketing communication effectiveness analysis.

This article will be useful for growing enterprises wishing to go beyond local markets. We will be glad if our experience helps you to build your own powerful strategy.
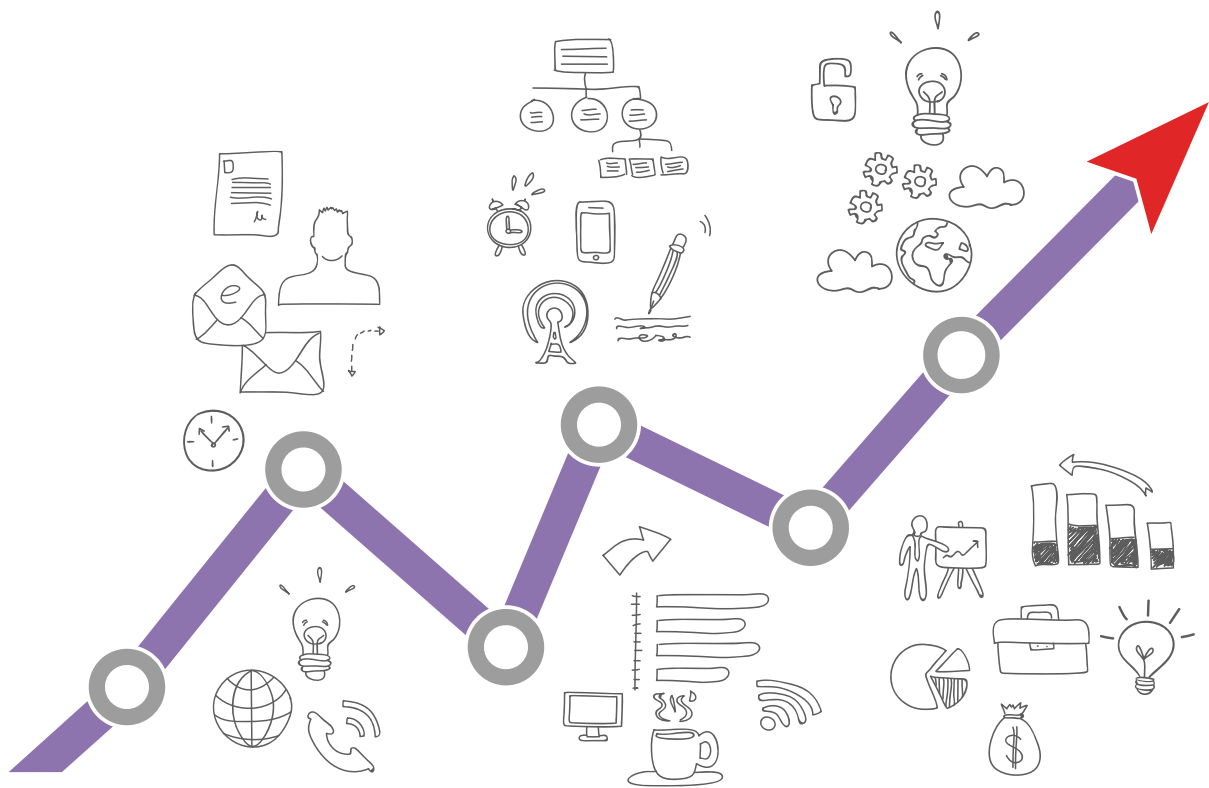
OUR EXPERTS:

Victor Artyushchenko
Commercial
Director

Igor Oklander
Head of Marketing
Department

Denys Gorbunov
PR Manager

Maksym Katarzhuk
Digital Marketing
Manager

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ABOUT INFOMIR

Infomir's main office is located in Odessa, Ukraine. Here, we develop, design, manufacture, sell and support IPTV/OTT set-top boxes under the brand name MAG. In addition, the company successfully implements other kinds of electronic equipment: Matrix AMM meters, Cobra street lights, and energy-saving LED lamps under the brand names of Jooby and LEDDY.

During 15 years of operation, Infomir has opened branch offices and logistics centers in the United States, Germany, the United Arab Emirates, and Estonia. The company's products are available in more than 120 countries all over the globe. Annual sales have averaged one million units. The most rapid growth was observed over the past 4 years, when the company expanded its presence from 56 countries in 2012 to 126 in October 2016.

These numbers became a reality due to the wise usage of digital marketing tools.

15 years in the market

5 international offices

3247 accomplished projects worldwide

OUR SUITE OF TOOLS

An important consideration when choosing digital marketing tools was Infomir's activity in the B2B (Business to Business) segment. The company's customers are not the end users of set-top boxes, but rather providers of IPTV/OTT services who make wholesale purchases for further distribution among their subscribers. In this case, promotional techniques are different from those used in the B2C (Business to Customer) segment.

According to the company's internal marketing reports, most of the customers are generated by the official website, which is available in 7 languages. The most effective traffic generating tools are PPC (contextual advertising) and SEO to help increase organic search engine rankings. The third source of lead generation is social networks, of which Facebook is the most actively cultivated, while Twitter and LinkedIn are mostly used for PR and informational purposes.

**Let's study all the tools in detail.**

PPC AND SEO

These two basic tools allow Infomir to acquire more than 100,000 website visitors each month and make the company's products available for online audiences.

34

PPC

Precise targeting is the most important thing when using PPC. That's why our marketing and analytics departments work hand in hand. Our researchers regularly collect the latest data on the state of the global IPTV/OTT market and determine the most promising directions for development.
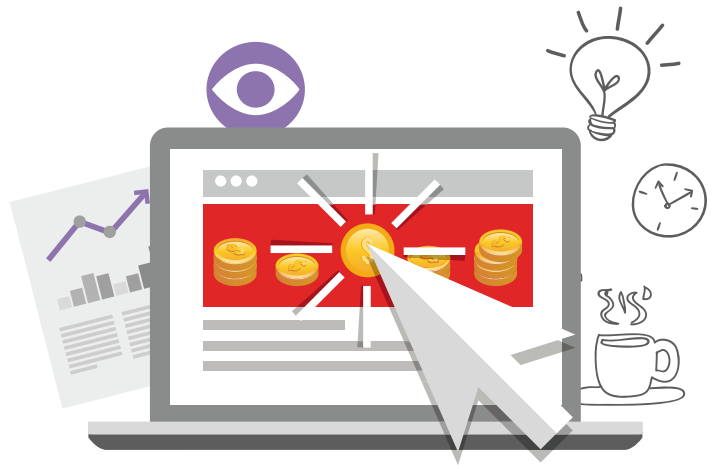
Analytics

Our marketing experts constantly analyze the effectiveness of all promotion channels and react quickly to changes in indicators. Using analytics enables us to significantly optimize the Internet marketing results.

SEO

At the same time, our SEO specialists work with a number of factors that influence our search positions in Google, Yandex, and Bing. We carry out such activities as the improvement of website performance and responsiveness, content optimization, building back links, etc.

Content Marketing

Over the last few years, content marketing has become one of the most effective tools. Therefore, we pay special attention to generating interesting and useful data for our users. Our content managers form the pool of topics based on frequently asked questions. Using this approach, our copywriters and editors prepare the most relevant articles possible. Users find these materials when searching on the Internet — they click on an interesting topic and then are taken to the company's website. Such content is way more effective than common SEO-texts, as it not only ranks high in the search engines but also solves a particular problem for a potential client.

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SMM
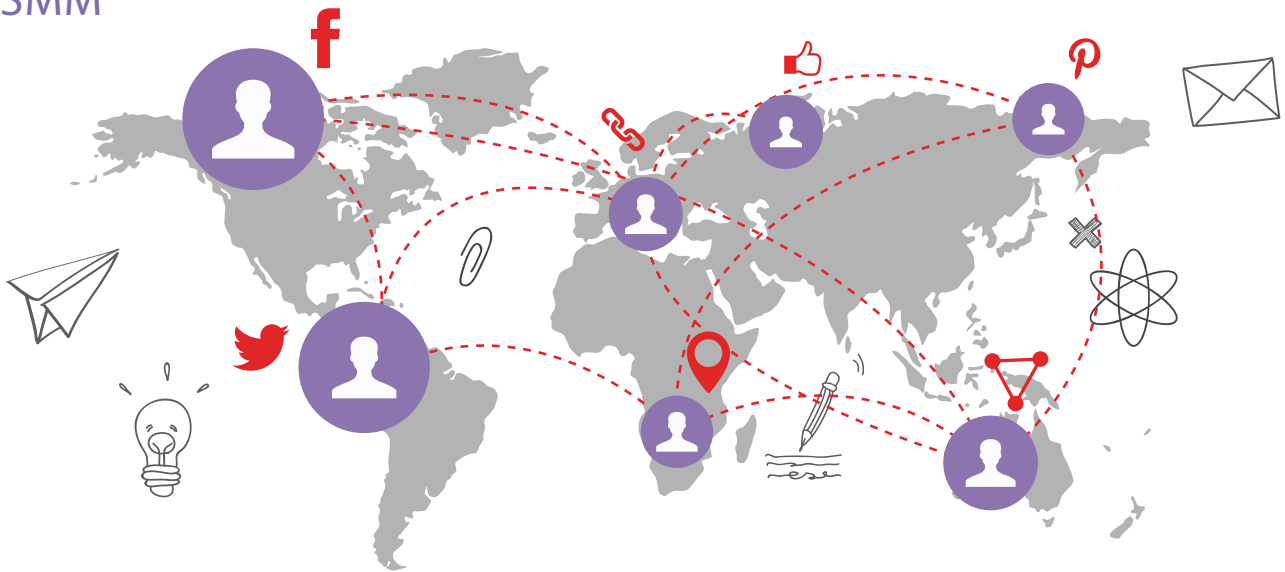
Error Correction

SMM promotion in the B2B segment differs substantially from B2C activities. Usually, it is difficult for an SMM specialist to interact with a target audience that consists of representatives from large companies rather than of end users. Infomir has found the right approach to engage potential clients in social networks. This has become possible with thematic content and proper targeting. Audience segmentation was based on such parameters as gender, age, language, region, interests, and ad placement.

When using SMM promotion, many companies make the mistake of including a large number of followers in their group. These followers are usually bots or non-target audience. This strategy is pure self-deceit and contributes nothing, even if the figure in the "subscribers" column looks more impressive.

At the moment, Infomir's Facebook group has about 10,000 followers. These are all real professionals in the IPTV/OTT industry from all over the world. An average publication covers   about 2 thousand people. Each post is promoted individually based on geography and the interests of the audience. There is no point in showing the publication to users who are not interested in it.

Content

There is a school of thought that professionals, like most of the people in social networks, prefer entertainment content. They do, but you can read funny posts and see popular memes in any entertainment venue, but you cannot get the unique information from the world of IPTV/OTT there.

That's why we focus on making our information useful when creating content categories for SMM.

The main content categories are:

- announcements and photo reports of key industry events;
- reviews of popular set-top boxes;
- answers to frequently asked technical questions;
- recommendations on setting up the middleware;
- articles dedicated to market analytics;
- special terms definition;
- Infomir news.

> It is impossible to follow the principle of relationship marketing while hiding the employee's faces behind the company logo.
>
> Victor Artyushchenko, Commercial Director

The "Our Team" category is special for Infomir. Each employee can share his or her thoughts on the correct business approach here. This removes the barrier between the company and its customers and also helps us better uncover the inner values of Infomir.

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WEBSITE

After the target audience reaches the company's website, they can review Infomir products in detail and fill out the contact form to receive feedback on any issue. For instance, you can find out the price for a product in a specific region or order a set-top box to test it on your own network.

This form fills the lead generation role and after being populated it falls into CRM (Customer Relationship Management) — a program that automatically generates a lead card. Thus, Infomir gets all the necessary data, such as name, company, email, phone number, a region of residence, etc. This allows our manager to choose the most appropriate offer.

After our employee contacts the client and identifies his or her needs, he can transfer this client from the "Leads" to the "Companies" section with a single mouse click. Then the system automatically appoints one of the senior managers to the new client.

EMAIL MARKETING

While SEO, PPC, and SMM are three pillars of Infomir's lead generation, email marketing is mostly used for secondary contact with existing partners.

> We find this channel important, as it allows us to maintain regular communication with partners and companies that are considering becoming our customers.
>
> Igor Oklander, Head of Marketing Department

SUBSCRIBE

A person joins the email marketing base when subscribing to our newsletter or by filling out a feedback form on any product page. After one of these actions is complete, the contacts automatically go to the email marketing automation service.

All received user data is sorted according to linguistic and geographical principles into different "boxes". This allows the company's PR department to inform the customers of news and events relevant to their region, in a relevant language.

Today, the subscriber base contains about 20 thousand contacts, 80% of which are IPTV/OTT providers and distributors from around the world.

USER SUPPORT

Without digital marketing tools such as CRM, call-tracking, and email marketing, it would be impossible to monitor the effectiveness of the online-communications.

To learn what customers think of Infomir, a special Feedback service was created. With its help, users can find answers to their questions or leave a review. To solve users' technical issues, we feature an online support department. This way, the company can monitor and react to customer feedback in a timely fashion and avoid misinformation and the possible spread of negativity in the network. For reviews on third parties resources, Infomir uses online monitoring services and, if needed, responds promptly to brand name mentions.
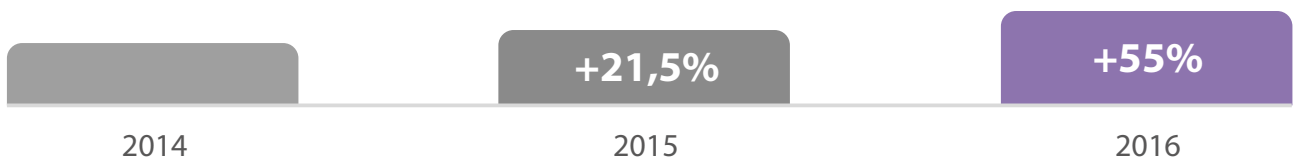
RESULTS

Infomir has demonstrated by its own example that entering the international market and subsequently competing successfully requires an up-to-date product, providing customers with high-quality service, and proper use of digital marketing tools.
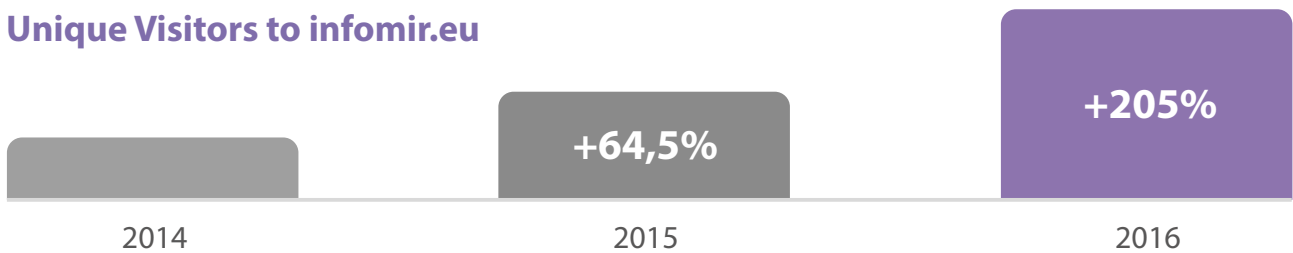
For Infomir, systematic lead acquisition and interaction with clients from over 120 countries has been the result of timely transition from offline to online promotion technologies.

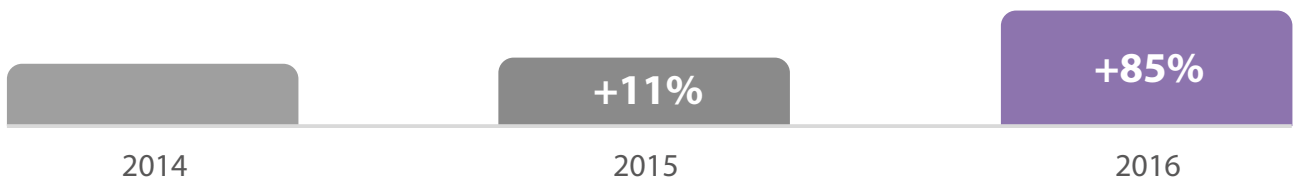**You can evaluate the results of this approach for yourself:**

Sales Growth

	+21,5%	+55%
2014	2015	2016

Unique Visitors to infomir.eu

	+64,5%	+205%
2014	2015	2016

Number of Leads

	+11%	+85%
2014	2015	2016

Infomir Geography

77 countries	92 countries	114 countries	126 countries
2013	2014	2015	2016

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MEET INFOMIR IN PERSON!

The Infomir's Team appreciates live communication and is eager to share the experience and to establish new partnership relations. We annually take part in professional exhibitions and forums all around the world. We'll be happy to invite you to one of our stands at the major events of the industry.

IBC'2017
15 - 19 September 2017
Amsterdam, The Netherlands, RAI Amsterdam
L09, Hall 14

NABShow NY'2017
18 - 19 October 2017
New York, USA, Jacob K. Javits Convention Center

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EDITORIAL

BROADVISION is a quarterly online magazine created by the Infomir Group. Developed by our marketing specialists, it is dedicated to IPTV/OTT industry and modern technologies. This is our second edition, so it is very important for us to learn what you would like to see in the following publications.

If you have any suggestions, comments or ideas for the new articles, or if you work for a company we should write about, please don't hesitate to email us at **broadvision@infomir.com**.

We really hope you enjoyed reading our magazine just as we enjoyed working on it. Subscribe to our email newsletter or share it on Facebook and Twitter — it will be a positive sign for us that we are doing everything right.

Help us make BROADVISION even better!

THE ISSUE WAS CREATED BY:

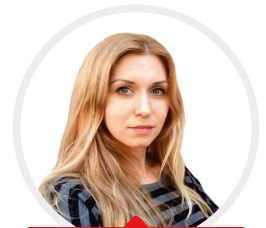**Project manager:**

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With **Lea Mihelčič, Marina Verbenets** and **Irina Tischenko.**

Special thanks to **Mikhail Nikitin, Victor Artyushchenko** and **Filip Remškar** for sharing their knowledge with us.

BROADVISION by im infomir

www.infomir.eu

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