

Publication date:
09 Sep 2020
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Vindicia's roadmap enables subscription services to build a tailored connected multimodal D2C ecosystem



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Summary

Omdia's *ICT Enterprise Insights 2019/20* survey revealed that the top three business priorities in the next 12–18 months for 42% of premium content owners (broadcasters, digital service providers, sports franchises, and pure over-the-top [OTT] TV and video services) with a direct-to-consumer (D2C) growth strategy are

- Achieving converged user data management to accelerate time to market
- Enhancing ARPU
- Building a connected multifaceted digital services offering to improve engagement rates and market differentiation

Enterprises have traditionally leveraged loosely coupled siloed best-of-breed technologies hosted on costly legacy infrastructure to continuously manage content, audience, and partner lifecycles. As margins come under pressure because of the shift of digital user preference toward “more and diverse access to services without offsetting QoS/QoE,” there is a push to carve out niche positioning in the highly competitive and fragmented D2C landscape. This paves the way for adoption of agile unified digital service lifecycle management platforms to reduce customer acquisition costs and churn and to create hybrid user-monetization avenues to safeguard margins in the long run.

In August 2020, Vindicia, a wholly owned subsidiary of Amdocs, highlighted its converged but modular platform as a service with a pre-embedded digital services partner network (MarketONE). Omdia believes that premium content owners will need to create a highly scalable, personalized, and interactive data-driven connected multimodal (entertainment and nonentertainment) meshed services portfolio D2C offering for every user at lower total cost of ownership (TCO) without increasing time to market and operating margins.

A paradigm shift toward digital service lifecycle management in tomorrow's integrated subscription economy

Omdia's *OTT Video Forecast: 2020–25* estimates that total digital user subscription spend will reach \$120 billion by 2025 with a CAGR of 12.1%. Furthermore, gaming-subscription revenue is forecast to rise to \$20.5 billion in 2025 from \$9.8 billion in 2020, an average annual growth of 21%. Historically, premium content owners (especially digital service providers) and pure-play subscription video-on-demand (SVOD) services focused on prebundling local, regional, and global Tier 1 TV and video assets to extend their digital user

reach and share. Customer acquisition costs steadily increased as a result of competition, which led to steady investments in creating a single entertainment hub (including TV, film, gaming, music, and live concerts asset repository) with the aim of improving engagement rates and safeguarding incremental ARPU. Vindicia's prepackaged multimodal modular (including MarketONE capabilities) D2C platform roadmap offers the following:

- **Vindicia Bundle module.** This offers a global, API-driven preintegrated partner network for entertainment and nonentertainment segments including sports, esports, video gaming, health and well-being, web security, retail and leisure, publishing, financial services, and communications. It includes end-to-end (E2E) managed partner search, discovery, syndication, onboarding, and royalty processing (financial transactions and settlements), that is, partner lifecycle management. It reduces not only back-office and partner integration overhead costs but also licensing-based-revenue leakages. This also assists in niche market positioning with prebundled local and regional partner networks offering a hyperpersonalized digital services repository (primarily nonentertainment).
- **Vindicia Connect module.** This delivers single sign-on for multifaceted connected digital services via contextual user experience / user interface (UX/UI) for each digital user. The digital user subscription journey (from onboarding to engagement touch points) is streamlined to reduce churn and to assist in launching newer services in real time.
- **Vindicia Subscribe module.** This provides subscription management including catalog, subscriber onboarding, data analytics, and insights coupled with customized multipayment support using either traditional (credit/debit card, bank, and cash) or new-age currency (engagement via social, partner, and service utilization) to create a highly contextual, location-based monetization avenue, which aims in the long term to reduce revenue leakage due to payment transaction failure for every digital user. This will help to improve incremental ARPU, reduce average customer acquisition costs (through analytics-led multimodal subscription-pricing dynamics based on usage), and improve retention by addressing active and passive churn.
- **Value add-on.** Vindicia's digital service lifecycle subscription analytics functionality provides the following primary benefits along with the three value pillars to premium content owners: personalization of D2C UX/UI anywhere, everywhere; hybrid monetization avenues; and a digital services portfolio (monitoring of partner's ROI on a continuous basis).

As premium content owners embark on the journey of aggregating newer digital services to strengthen their core market dominance and share, Vindicia's roadmap is well positioned to meet the paradigm shift toward a connected D2C goods and services ecosystem. Finally, Omdia believes that the third wave of personalization across the D2C landscape will be woven around digital services life cycle management rather than content (first wave) and the digital user (second wave).

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