IPTV Deployment Issues, Opportunities, and Challenges in India

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IPTV deployments started in India almost two years ago with great expectations and projections. In spite of all the advantages of interactivity, video on demand, and ease of installation, the number of deployments has not reached even the fraction of projected numbers; while the projected revenue stream is still a distant dream for telco operators.

Content providers providing quality programs are always on lookout for ways to increase their viewership. Limited DSL broadband penetration amongst fixed line consumers is a major concern for content providers to provide quality content for IPTV. Reach and proliferation of cable and DTH provide a good viewership base for content providers, which is not currently available from IPTV. For video on demand to become popular, it is important to provide latest movies and programs through VoD. Since IPTV penetration is still low, getting good VoD content is not viable.

Telcos in India have appointed service providers in different areas to provide IPTV service. In certain areas Telcos have given licenses to more than one service provider, complicating the deployment scenario. Lack of experience of some of the IPTV service providers specifically on video management is also a factor leading to poor quality of video on IPTV. In the last two years, IPTV has not grown beyond one million installations, failing to provide expected revenue stream for Telco Operators. Is this the end of IPTV in India?

Just providing video programs/video on demand through IPTV does not seem to be a viable business model in India since cable and DTH have already established a very large viewership base for themselves. Telcos and IPTV service providers have to come out with newer applications that can catch the attention of consumers. Eagerness to capture the IPTV circles from Telcos has made service providers accept the challenge of deployments in record time. Service providers have been quite successful in deploying the services in time as mandated by Telco operators. It looks service providers are focused more on replicating services that DTH/Cable operators provide. Unless IPTV establishes a unique selling proposition (USP), it will not be a popular choice for TV viewing.

No doubt the DSL Broadband connectivity is going to take some more time to proliferate. By that time additional interactive services are to be added into IPTV service. When it comes to interactivity, IPTV has an important role to play. Some of the additional services like Caller ID and option to take or drop the call, internet browsing over TV, and home networking applications will make IPTV attractive. One more service that can get into IPTV is video surveillance. In coming years, competition will be in terms of added services coming along with entertainment. When it comes to adding additional interactive services, IPTV will play a major role.

Bandwidth and infrastructure issues with respect to broadband through DSL are getting resolved through Fiber to Home and Wimax technologies becoming cost effective and popular. With these technologies the last mile issues will get resolved providing good bandwidth at the consumer's end. Leading Telcos already own fiber backend in India. Wimax is already deployed in metros and will become popular and cost effective in other areas too in next few years. Hence IPTV service providers have to focus on adding compelling additional services along with video on demand in the boquet of their services.

Cost of service is one more issue for cost sensitive consumers in India. Telco operators are looking for stream of revenue. IPTV service providers look for early break even. Consumers look for highest quality of service/services at lowest price! To make this happen IPTV service providers look for options that help

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them to roll out services at the earliest. Service provider's costs include cost of reception, transcoding and distribution equipment along with cost of set top boxes to be deployed in large numbers at the consumer end. Along with this, service provider has to pay royalties to middleware vendor and the digital rights management (DRM)/conditional access (CAS). To roll out services at the earliest, service provider makes choice of hardware, middleware and CAS/DRM that cost the lowest. If the service provider looks at a five-year horizon and then makes a choice of each of these cost elements, that will help him to start additional value added services incrementally with minimum additional cost. Changing hardware/other elements later to include additional services can be very expensive. Design houses like Tata Elxsi can help the service provider in making right choices and provide right design solutions.

In Europe and China, IPTV has been able to pick up pretty fast since subscriber base there for broadband over DSL has been quite substantial. Also IPTV has been providing unique user experience through interactivity. New business models are emerging since more and more services like TV, video on demand, VOIP/video conference, internet, home surveillance, and home networking are getting converged. Different service providers are coming together to provide value added services to customer under one roof. New business models like Hybrid TV through DTH/Cable and interactivity through IPTV are coming up where Telcos and MSOs come together to provide added services. When it comes to interactivity and service convergence, IPTV will play a major role in the years to come. ■