

# IPTV success helps Belgacom leap ahead



Belgacom provides a complete quad-play solution comprising fixed and mobile telephony, the Internet and television to meet the demands of its business and residential customers.

IPTV is a major enhancement to any communications brand, attracting consumers by offering new, more convenient ways to view TV. One company that has moved early and is seeing the rewards is Belgacom TV in Belgium. Within 28 months of launching its IPTV service, the provider had won nearly 250,000 subscribers and foresees strong growth well into the future.

Belgacom offers fixed telephony services to about 4.5 million households, and is also the main Internet provider, commanding more than 50% of the residential market. For the fiscal year ending 31 December 2006, it posted a total revenue of €6.1 billion and a net operating profit (EBITDA) of €2.15 billion.

Belgacom decided to enter the TV market as a means of increasing customer loyalty and reducing churn, as well as extending its business reach. It needed a future-proof solution that would meet evolving technological and market demands and which would help it become a quad-play provider.

With an ambition to be a trendsetter in digital TV, its challenge was to develop a TV distribution platform from scratch. It also needed to build a credible TV brand with premium content that would break the national broadcasting stranglehold of the cable companies, which enjoyed a greater than 90% market share.

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– Scott Alcott,  
Executive Vice-President Service Delivery Engine,  
Belgacom

IPTV is changing television forever. Offering new ways to view, when and where we want, the technology also promises new opportunities for service providers to broaden their market and win new revenue streams.

IPTV is already a reality and it's beginning to demonstrate just how convergence can bring new business opportunities for service providers by enabling them to offer their customers total flexibility and freedom in the way they watch TV. It also promises innovative services that go way beyond even this, with new levels of interactivity that will create new business models and break new ground in advertising.

With IPTV an operator can gain a strong competitive advantage by strengthening its broadband offering and creating real differentiation by becoming the gatekeeper between content providers and advertisers and the end user. IPTV enables operators to become a valuable partner for other entertainment players.

### **Protect existing business while raising new revenue**

Scott Alcott, Executive Vice-President Service Delivery Engine, Belgacom, says: "We launched our service in June 2005 and since then we've been winning hundreds of new customers every day, totalling nearly 250,000 by September 2007, with an ARPU of €15.8."

As a first step towards convergence, the Belgacom Group launched a number of 'bundles' in the first half of 2007, enabling residential customers to purchase a combination of several products or services to obtain attractive rate reductions. Customers can choose between "Internet + TV Pack", "Internet + TV + Mobile Pack" or "Internet + Mobile Pack". The launch of bundled services is very successful and has driven growth in Belgacom TV and mobile customers.

### **Killer content enhances brand image**

As well as the raw growth figures, Belgacom TV has enhanced its brand image by launching innovative services. Jean-Charles De Keyser, Vice President, Belgacom TV says: "Today, thanks to the technology, the three media, TV, Web and 3G mobile are fully integrated. For example, on Belgacom TV you can watch football matches on your screen. Then you can watch the summary of all the matches on the web. And if a goal is scored you can immediately watch it on your mobile phone."

Alcott emphasises the impact of this: "Today, with the exclusive rights to Belgium's premier soccer league, Belgacom TV offers real killer content."

### **A partnership built on consultation**

Belgacom turned to Nokia Siemens Networks to help it achieve its goals. The two companies worked closely

together with Belgacom benefiting from a consultative approach, which led to the joint development of a solution and its deployment. This strong partnership has been a major part of the success of the project.

"The most important thing in our relationship is that we work together on behalf of our customers. This means that we must first find out what our customers want so that we can translate their expectations into technology. I think that the dialog between our companies about the expectations of our customers will allow the further evolution of the technology of tomorrow," says De Keyser.

### **Next generation entertainment**

"On our way to becoming a quad-play provider, we introduced the Nokia Siemens Networks Home Entertainment Solution to our clients. This is where they expect next generation communications and entertainment offerings – on the TV screen," Alcott explains.

Nokia Siemens Networks Home Entertainment is a multi-service access platform that enables convergence of services to an all-IP network

infrastructure with the necessary carrier-grade quality. A complete end-to-end solution with pre-integrated best-of-breed components, Home Entertainment allows consumers to enjoy a completely new experience in entertainment, while allowing the operator to tap into new revenue sources.

Says Alcott: "Nokia Siemens Networks as a global integrator provided us with a resilient and fully integrated end-to-end solution, from the video on demand streamer to the set-top boxes at the customer premises, all based upon open standards."

The success of the project has led Belgacom to extend the contract to help the company add high-definition television. The network upgrade will enable Belgacom to offer multiple IPTV channels on multiple TV sets simultaneously and high definition television (HDTV) to more than 60% of Belgian households by spring 2008.

Alcott concludes: "The development of Nokia Siemens Networks Home Entertainment with new and innovative services, together with a strong partner, is the key to our future success."