

Du Digital Content Strategy

Residential Connected Life Experiences



EXECUTIVE SUMMARY

COMPANY PROFILE

Du is an integrated wired/wireless telecommunication service provider in the United Arab Emirates (UAE). It provides fixed and mobile telephony, broadband connectivity, IPTV services, and carrier services to residential and business customers.

COMPANY HISTORY

Du's official name is Emirates Integrated Telecommunications Company (EITC). It was commercially branded as du in February 2006. The company had 4.5 million subscribers by the end of March 2011.

Challenge/Opportunity

Du Telecom has launched a pan-Arabia digital content strategy to bring locally relevant content to its customers. This content strategy has been created by the du Media Lab arm of du telecom in an effort to create new revenue streams by capitalizing on the growing demand for content in local languages. It has launched Anayou, a social networking service for mobile phones and personal computers (PCs) and Nxt, which extends the premium content streaming service to digital homes.

In launching the localized content strategy, du leveraged the following opportunities:

- Only 1 percent of all Internet content worldwide is in Arabic, despite a high demand for Arabic content. This demand is set to grow with the increase in mobile and PC data usage.
- A demand also exists for a safe and trusted online space that is compatible with the cultural context of the Middle East.
- The Middle East and North Africa (MENA) region lacks a pan-Arab digital player that consistently provides a single destination for digital content that supports both fixed and mobile communication devices.

Du has capitalized on the opportunity to create a streamlined destination/digital platform, enabling a wide range of content offering as well as content-sharing services. Du is utilizing Internet TV as the key differentiating factor in attracting a larger audience.

However, this service has also presented du with a number of challenges:

- Anayou is du's social network offering, which is part of its digital content strategy. The overcrowded social networking space is difficult to penetrate with the heavy presence of Facebook, MySpace, and Yahoo-acquired Maktoob.
- Pure Arabic social networks have been launched in the past and have not been successful. It is hoped that the unique content offering and Internet television would serve as Anayou's competitive advantage and provide du with a better chance of success than others.
- Although du has a strong subscriber base in the UAE that it can leverage, Anayou (and Nxt) is soon to be launched across the Middle East. The primary challenge will be to gain subscribers in the rest of the MENA region, where du does not have a strong presence.

“We are proud to partner with Anayou in bringing our innovative solution to the Middle East and North Africa and for the first time, enable consumers to take control of their digital lives. By partnering with the leading service providers in the region, we will put the region at the forefront of the new digital living era.”

—Anousheh Ansari, CEO, Prodea Systems

Alliances/Partnerships

Du's strategic alliances are key to the success of its digital content strategy.

- Alliances with established gaming firms such as Eurosport Arabia and F4 Gaming bring several multiplayer online games to the portal.
- Du has partnered with GETMO Arabia to provide online music.
- A partnership with Rotana will deliver music and film content, while yet another partnership with MBC will result in television content for the platform.
- Anayou and Prodea Systems have teamed up to offer Nxt, an Internet service delivery platform. Nxt social will offer personalized social applications on the television while the user watches TV, such as streaming YouTube videos and Facebook applications.
- Other alliances include Funambol and Hungama to provide additional content.

“This is a key milestone in the life of du. We believe that there is an opportunity to create an Internet platform with the aim of becoming a major digital destination.”

—Osman Sultan, CEO, du

Experience Innovation

Du's pan-Arab digital content strategy is carrying forward its success as a global innovator after being awarded the Metropolitan Infrastructure Innovation Award by the United Kingdom's Global Telecoms Business magazine, in recognition of its success in implementing top-of-the-range IPTV services.

Anayou marks du Media Lab's first venture into the digital content space. Anayou is a social networking service culturally designed for the Middle Eastern audience. Currently the service is aimed at the mobile phone and the PC. Nxt, a joint venture with Prodea systems, is the second step in du's digital strategy. It is focused around the digital home, by offering premium streaming content for the television, a social networking service, as well as home security services. Nxt is a subscription-based service.

Anayou and Nxt are focused on delivering content (such as virtual gaming worlds, television shows, and movies) that is popular / acceptable to the local consumer base, given the strong emphasis on adherence to the cultural norms in the Middle East.

The Anayou service is still in the open beta stage for the launch. No official figures are available for the amount invested in du Media Labs digital ventures, but officials say the funding would be provided in phases as the project grows in scale.

Success Factors/Metrics/Monetization

- The digital strategy will leverage du's large subscriber base and the high level of demand for relevant Arabic content to create a new, sustained revenue stream in the form of streaming video content, gaming, virtual worlds, and social networking. This trend will further strengthen du's market position by adding to their subscriber base as well as establishing a strong presence beyond the UAE and to the rest of the Middle East.
- The current market for value-added services in the Middle East is estimated at around US\$350 million. Future growth is expected to come from value-added services categories such as general entertainment, interactive media services, gaming, and information. The total market is estimated at over US\$1.7 billion by 2010.
- Each of the components of the digital strategy will have a separate business model; however, the main premise for revenue generation will be through online advertising and other revenue-sharing agreements.

“In recognizing the digital world as a positive driving force in people's lives, we acknowledge that the people of Arabia deserve more from the Internet than what is presently offered. Anayou breaks the existing content and connectivity boundaries in our region and provides not only an exclusive, Arabian-made product available across three screens (mobile, web, and soon on the TV), but demonstrates du's commitment to the Arabian online world by building bridges, bringing people of Arabia together.”

—Osman Sultan, CEO, du

Company Background

- Read [Du Telecom overview](#)

Case Study Source: Cisco sponsored research developed by [Ovum](#)



Americas Headquarters
Cisco Systems, Inc.
San Jose, CA

Asia Pacific Headquarters
Cisco Systems (USA) Pte. Ltd.
Singapore

Europe Headquarters
Cisco Systems International BV Amsterdam,
The Netherlands

Cisco has more than 200 offices worldwide. Addresses, phone numbers, and fax numbers are listed on the Cisco Website at www.cisco.com/go/offices.

Cisco and the Cisco logo are trademarks or registered trademarks of Cisco and/or its affiliates in the U.S. and other countries. To view a list of Cisco trademarks, go to this URL: www.cisco.com/go/trademarks. Third party trademarks mentioned are the property of their respective owners. The use of the word partner does not imply a partnership relationship between Cisco and any other company. (1110R)