

Orange Content Everywhere Service

Residential Connected Life Experiences



EXECUTIVE SUMMARY

COMPANY PROFILE

Orange is the key brand of France Telecom, one of the world's leading telecommunications operators. With almost 131 million customers, the Orange brand covers Internet, television, and mobile services in the majority of countries where the Group operates.

COMPANY HISTORY

Orange, a mobile service provider started in 1994 in United Kingdom, was acquired by France Telecom in 2000. Since then, France Telecom has unified its Internet, television, and mobile services under the Orange brand. At the end of 2009, France Telecom had sales of €44.8 billion (€22.1 billion for the first half of 2010). As of 30 June 2010, the Group had a total customer base of 182 million customers in 32 countries.

Challenge/Opportunity

Orange's Content Everywhere service is an integrated TV/video service across TV, PC, and mobile devices (where feasible). The core thrust of this service is cross-platform, cross-device TV made possible by acquiring premium content rights and leveraging acquired content expertise, OSS/BSS, and R&D assets to build custom offerings on an increasingly unified platform to different devices. Besides France, Orange has implemented its Content Everywhere strategy in the following markets: Spain, Poland, and Senegal (TV/PC/mobile); the United Kingdom and Mauritius (PC/mobile); and Switzerland, Romania, Slovakia, and Belgium (mobile only).

In launching this service, Orange is faced with following challenges:

- According to Ovum, in mature and highly competitive broadband markets, a strong Content Everywhere offering in itself is not enough and must be combined with both competitive pricing to win market share of mainstream customers and strategic marketing aimed at winning reluctant broadband and digital media adopters.
- Orange faces a considerable challenge in developing a full-blown triple-play strategy, which includes mainstream TV and VoD in markets where it is a challenger, not an incumbent. To date, much of Orange's growth in both TV subscribers and revenue has derived from its home markets of France and Poland.

- Plans for an IPTV launch in the United Kingdom were shelved due to unfavorable market conditions (although a merged T-mobile/Orange will be in a much stronger position), forcing Orange to focus on mobile/PC-related content only. Even in markets where it has launched a full triple-play offer, it has had mixed results due to the economic recession affecting those markets as well as the strong competition that it has had to face.
- In markets where Orange's TV presence is weak, realistically, Orange is only likely to achieve significant growth in the short- to medium-term either via acquisition or by the development of hard-hitting partnerships.

However, this service has also provided a number of opportunities to Orange that it is actively pursuing.

- Orange has a powerful brand and a substantial mobile and broadband subscriber base, giving it a good opportunity to capture new revenues in content and related services.
- Orange's Content Everywhere strategy seeks to leverage scale, brand, and market position to develop more personalized and relevant content across platforms not only to generate additional revenue, but also to differentiate itself from competitors and win market share in fixed and mobile broadband.
- Multiscreen delivery of content is of particular importance to Orange. IPTV and web video have seen encouraging uptake in France and Poland, but the recent boom in smartphones and mobile broadband underlines the popularity of mobile TV. Orange has seen strong growth, particularly in areas where it can leverage its premium content portfolio (e.g., live sports and reality TV shows).
- Orange is also pursuing opportunities in cross-platform advertising solutions. It launched multiscreen advertising in France and Spain in mid-2008. Over the course of 2009, it implemented a pan-Europe segmentation, which is also aimed at providing a more effective means of targeting advertising.
- Orange is also leveraging its content assets outside its subscriber footprint. Its "Video Party" service aggregates its pay content and free content in one portal, which non-Orange customers can purchase using a credit card or "Video Tickets."

"We are creating a 'cloud' of content that can be accessed on TV, widgets, interactive entertainment, and social networking sites. This content will be part of a transmedia offer, meaning it will be interactive, designed for and rebounding among the three screens."

— Xavier Couture, Head of Orange Content Division

Alliances/Partnerships

Orange has multiple partnerships across hardware, software, and content arenas to drive its Content Everywhere strategy.

- For delivery of its main IPTV service, Orange partnered with an IPTV set-top box (STB) manufacturer and a home gateway/middleware vendor. Orange launched its "Soft At Home" initiative with these partners to facilitate a more open distribution model and a coordinated eco-system within the home (with the service provider taking a central role). The SoftAtHome platform runs on home gateways, STBs, and

network-attached servers. PCs, mobile phones, PDAs, and other consumer devices can be connected to this platform.

- In January 2010, Orange signed a three-year partnership with LG Electronics to offer access to an Orange portal offering multimedia services (Orange Sport info, news, live radio, TV programs, music) on Internet-connected LG televisions. From March 2010, the portal is accessible with a button on the TV remote control.
- In March 2010, Orange announced a partnership with NetVibes to provide mobile customers with access to a large portfolio of widgets (Orange widgets were launched in July 2009). The aim is to provide access to popular local content in customers' own language, with Orange envisaging extending widgets to Orange portals on TVs and fixed broadband-connected devices.

“...flexibility and choice are key differentiators for Orange. Not only around exclusive content, but also in innovation regarding access to content: on-demand, multiscreen, download features.”

— Herve Payan, Director of Partnership and Services for Orange Content Group

Strategy

Orange is consistently taking a first mover position in both extending content availability to new devices/channels and in developing new forms of content, normally leveraging either a) its strong broadband/IPTV position in France, or b) its strong mobile position internationally. Orange offers the following value propositions for its Content Everywhere customers:

- In December 2009, Orange launched an Orange App Shop, an on-device client distributed over the air. This feature provides one-click access from the Orange homescreen to Orange TV, games, and maps alongside a growing catalogue of mobile applications from key content providers and third-party application developers.
- Orange offers more flexibility in how customers can purchase premium content. It has an innovative customer segmentation more suited to its custom base, which enables the company to cater to its customers' demands more closely.
- Orange has produced solid financial results over the past few years, which has helped to boost the financing and the extensive resources required to deliver a full-blown multiscreen content and advertising strategy. This financial position gives Orange an edge over national rivals in two key areas: content ownership and content expertise via R&D investments. Content ownership underpins Orange's success in driving IPTV/VoD uptake and sales. It gives Orange superior leverage over telco rivals and a greater competitive edge in competing with the Canal+ group. Content ownership also provides Orange with much more maneuverability for innovation in content availability, formats, and portability.
- Orange has developed its own programs and formats for premium content where it sees a significant opportunity for further revenue growth. For example, it has its own Orange Sports channel with Orange presenters and experts, and is developing and testing technologies for new formats (e.g., training crews to capture images in 3D).
- Orange is also acting as what it terms a network editor: i.e., offering smart enabler services to third-party content partners, and allowing these partners to further enhance their offerings.

Success Factors/Metrics/Monetization

Orange is one of the few telcos to report significant revenues from content and advertising. Revenues from content, advertising, e-health, and other value-added services in 2008 were €1.5 billion, accounting for 9 percent of overall revenues for France Telecom. The bulk of this revenue growth is being driven by pay TV packages and subscriptions to premium content. Orange has seen increasing subscriptions to pay and premium packages among its IPTV subscriber base, which shows that its investment in content is starting to produce returns. Orange aims to double this by 2011 and is seeking to raise revenue contribution from these three segments to 20 percent of overall revenues by 2012. There is little information available on the extent of advertising revenues. Ovum believes that the bulk of revenues comes from Orange's IPTV and VoD services, primarily those delivered to the TV, but with an increasing revenue contribution from mobile content.

Company Background

- Read [Orange overview](#)



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)