

On the Radar: You.i TV enables cost-effective multiplatform reach and faster customer acquisition

Creating a highly interactive UX at scale on every screen is pivotal today

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Summary

Catalyst

Ovum's *ICT Enterprise Insights 2018/19* survey highlighted that for almost two-fifths (39%) of premium content owners (broadcast TV providers, film studios, D2C [OTT] providers, sports franchises, and digital service providers), the top three business priorities for the next 18 months are improving time to market, launching new D2C (OTT) services at lower total cost of ownership (TCO), and reducing TV & video application workflow inefficiencies to strengthen digital reach. Furthermore, growing investment in live media repositories is gradually pushing most premium content owners to build device-agnostic, scalable, and cost-effective user interfaces (UI) to improve not only long-term single media asset return on investment (ROI), but also profit margins. As devices and screens continue to proliferate, using the legacy approach of siloed, customized, professional services–embedded UX/UI will be insufficient to meet new business requirements. This is paving the way for premium content owners to embrace non-native TV & video application technology stacks to improve scalability and customer acquisition.

You.i TV's horizontally differentiated multiscreen TV & video application platform, You.i Engine One, helps significantly lower application lifecycle TCO and eases multiplatform engagement complexities in the long run.

Key messages

- You.i TV's long-term growth strategy is to help premium content owners build a DIY TV & video application development ecosystem, not only to reduce multiscreen engagement complexities and TCO, but also to exploit new monetization avenues including ad-supported models.
- The company plans to strengthen its penetration of core media markets and expand its footprint in non-media OTT TV & video segments, such as health and fitness, to diversify its customer base.
- You.i Engine One's primary value proposition is woven around the reusability of a single codebase across multiple engagement touchpoints (devices and screens), enabling operational productivity and resource utilization enhancements to ease the OTT TV & video journey.
- Broadcast TV providers, sports franchises, and digital service providers are its leading customer segments, with steady expansion into film studios and D2C (OTT) services segments planned for the next 12–18 months.
- North America is the dominant market for You.i TV, with aggressive expansion into Europe, the Middle East, and Asia (EMEA) planned for the next 12–18 months.
- In September 2018, the company secured additional funding of \$23m to support its global market expansion, developer community, re-engineering of ad experience functionality, and new product innovation marketing roadmap. The total capital raised so far is \$47m.
- In the next 12–18 months, You.i TV plans to expand its indirect go-to-market (GTM) channels through strategic partnerships with local and regional resellers and system integrators (SIs).

- Although the company has a strong tier-1 referenceable customer portfolio, which includes Twitch, NBA, Fox, and AT&T, it needs to steadily increase its penetration of regional and local pure-play OTT TV & video services segments in core and noncore markets to improve its sustainable competitive advantage.

Ovum view

As multiscreen TV & video engagement rates become the primary key performance indicator (KPI) pushing premium content owners to invest in local and live (2L) content repositories, these enterprises will increasingly focus on building a unified, scalable, and multifaceted (across smartphones, tablets, gaming consoles, smart TVs, and set-top boxes [STBs]) media engagement workflow to improve economies of scale and scope. This will gradually drive adoption of converged multiscreen TV & video application platforms such as You.i Engine One, to strengthen average revenue per user (ARPU) and per application (ARPA) and safeguard margins.

Although pure-play OTT TV & video services and film studios are the smallest segments of You.i TV's customer base today, Ovum believes that its current technology roadmap, woven around creating a seamlessly integrated multiplatform engagement workflow in close collaboration with partners working in personalized recommendations, predictive analytics, and e-commerce, will enable it to penetrate its core and noncore markets. Indirect channels (local and regional SIs) for emerging markets such as Latin America and Asia-Pacific will help it acquire new customers for midsize to large media engagement transformation projects in the next 2–3 years.

Recommendations for enterprises

Why put You.i TV on your radar?

Ovum's *ICT Enterprise Insights 2018/19* survey revealed that more than one-third (34%) of premium content owners will be investing predominantly in ICT projects focused on building a robust hybrid D2C monetization ecosystem in the next 24 months. Furthermore, the majority of these ICT investments will be in unifying downstream content supply chain modules – media distribution, monetization, and engagement workflows – to strengthen penetration of the highly fragmented global multiscreen TV & video services segment. Also, the proliferation of media consumption platforms, screens, and devices and the continued rise in investments in 2L media asset repositories are pushing most premium content owners to leverage technologies that will increase multiplatform engagement rates without increasing cashflow margin risks. The traditional "lift and shift" application development approach of leveraging highly tailored, nonstandardized, and siloed architecture frameworks, OS integration layers, and testing for every device and media consumption platform is inefficient and may hamper operating margins in the long run. These multidimensional challenges necessitate the unification of multiscreen TV & video application lifecycle management, not just to lower TCO, but also to enable the faster launch of hybrid D2C monetization services. The company's flagship offering, You.i Engine One SDK – leveraging the React Native framework tightly embedded with in-house development and professional services capabilities – transforms media engagement workflows into highly scalable, modular, and DIY-centric operational agility.

Highlights

Background

Historically, the founders of You.i TV, Jason Flick and Stuart Russell, have focused on streamlining the digital user engagement workflow to address two pivotal business challenges faced by connected media enterprises: lowering churn and enhancing long-term ARPU. Video gaming and consumer-led applications (e.g. Kobo eReader and Canon cameras) were the company's primary business activities after its inception in 2008. In the past five years, it has steadily shifted its focus toward multiscreen TV and the video landscape. The shift has leveraged its flagship single codebase, GPU-accelerated rendering, and native integration with multidimensional operating systems through C++ language to help premium content owners expand their single media asset reach at lower TCO in real time. Although its legacy technology roadmap laid the foundation for building a unified multiscreen TV & video application offering, You.i Engine One's scalability, converged single codebase, and pre-embedded third-party integration are its core competencies. This unique differentiator and its early mover advantage have resulted in it securing a total capital investment of \$47m, with a strong sales force across its core markets of the US and EMEA.

As of July 2019, broadcast TV providers, sports franchises, and digital service providers are its dominant customers, with pure-play D2C (OTT) services and film studios presenting the fastest-growing opportunities to diversify its cashflow margin risks. The company's standard pre-embedded third-party integrations are pivotal, not only to lower TCO (with a single unified codebase for more than 10 devices or media consumption platforms), but also to drastically reduce time to market for new digital services and ease the upgrade cycle to meet changing business needs.

In the past 12 months, You.i TV's two-fold growth strategy has been to extend support to the React Native ecosystem (e.g. Redbox On Demand app creation for the Roku platform in the US) to further ease multiscreen TV & video application development workflow complexities, and to expand its footprint in local and regional EMEA markets.

Products and services

The company's highly converged multiscreen TV & video application development portfolio, with tightly embedded professional services (especially consulting) and customization functionalities, is well positioned to address business environment changes in real time in the vibrant connected media landscape. It has further expanded its vertical capabilities via strategic technology partnerships and alliances in digital rights management (DRM), personalized recommendations, m-commerce, and predictive analytics, to reduce inefficiencies across the content supply chain for premium content owners. This not only significantly lowers TCO, but also helps create a converged media value chain for multiple digital TV & video services, resulting in higher profit margins and increased operational productivity.

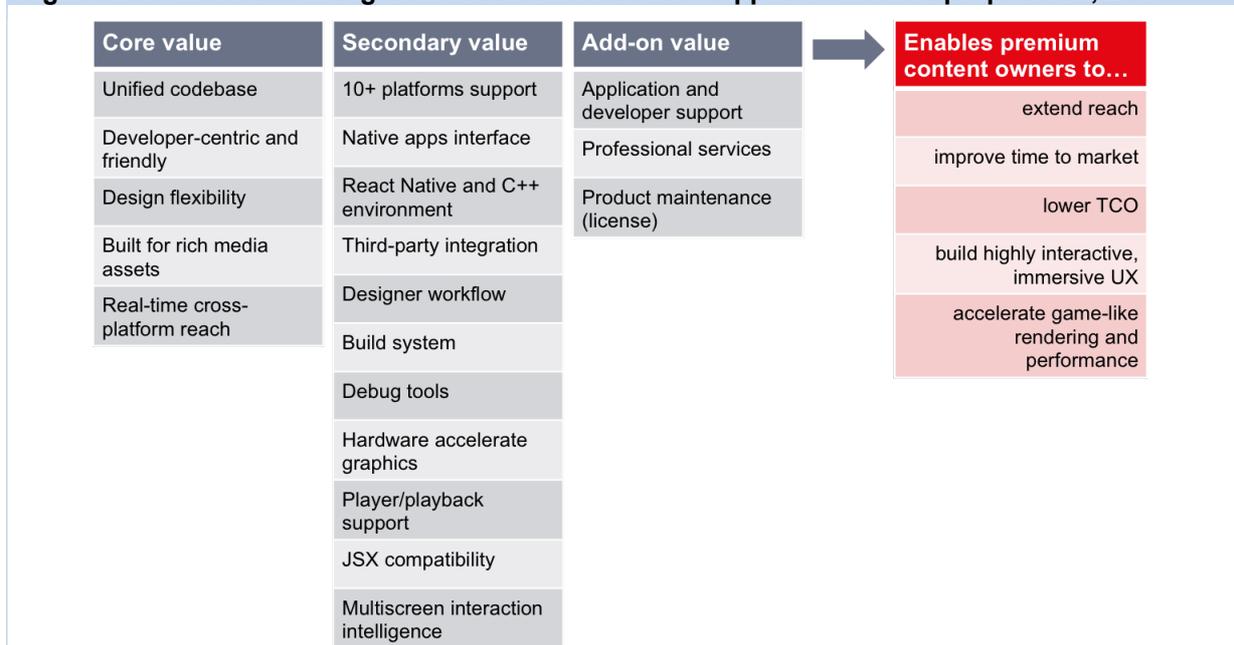
You.i TV has followed an organic, tailored, and customer-centric product enhancement strategy via continuous investment in research & development (R&D), which comprises almost half its workforce. This has resulted in the following:

- An application design workflow for the creation of multiscreen uniform UX and engagement touchpoints via React Native JSX plug-ins to improve time to market.

- A flexible pricing model (single to unlimited touchpoints) with both developer and professional services support.
- In-house hardware-centric rendering functionalities to lower business discontinuity risks.
- Unified codebase functionality for multifaceted engagement touchpoints to help premium content owners acquire new customers, enhance operational excellence, and lower media engagement workflow inefficiencies in the long run.

Streamlining the multiscreen TV & video application development ecosystem remains the core competency of You.i TV, through the reuse of unified multiplatform architecture and a single codebase, the guaranteed service-level agreement (SLA) at the center of application maintenance, and vertically diversified predictive analytics tie-ups. These key competencies are vital for You.i TV to secure and retain new customers in the long run.

Figure 1: You.i TV's converged multiscreen TV & video application value proposition, 2019



Source: Ovum and You.i TV

Business model and commercial strategy

Enabling premium content owners to build their multiscreen TV & video application ecosystems in-house is the company's growth strategy in the next 2–3 years. This has resulted in it extending prepackaged multichannel publishing, tailored professional, and knowledge management services for React Native developers. Furthermore, the company is steadily diversifying its customer base with the gradual acquisition of proofs of concept (POCs) in pure-play D2C (OTT) services and STB hardware-centric digital service provider markets. As 2L becomes the flagship engagement tool, not just for tier-1 premium content owners but also those in tiers 2 and 3, You.i TV's scalable and cost-effective value proposition will accelerate its regional and local penetration, especially among businesses with revenues of less than \$500m.

Direct sales are the company's dominant GTM strategy, accounting for 100% of its new customers in 2019. The company is slightly shifting its focus toward indirect channels, especially regional and local SIs, to expand its footprint in emerging markets such as Latin America and Asia-Pacific in the next 2–

3 years. Furthermore, as the personalization of UX/UI for every user becomes the core business priority to lower churn and increase ARPU, You.i TV plans to follow a "customer business priority"-driven technology partner ecosystem expansion strategy: needs-based media transformation project-centric strategic alliances and partnerships based on industry-specific or geography-specific capabilities.

The global multiscreen TV & video application development market is highly competitive, with traditional service agencies such as 3SS, 24i, and Accedo being the key competitors of You.i TV. These companies are also potential customers of You.i TV's unified media engagement workflow capabilities. Although it faces steep competitive pressures, the company's value proposition, focused on safeguarding operating margins, optimizing resource utilization rates, exploiting new monetization avenues, and enabling multiplatform engagement touchpoint (application) lifecycle management, is its USP.

Data sheet

Key facts

Product name	You.i Engine One	Product classification	Multiscreen TV & video application
Version number	5.4	Release date	July 2019
Industries covered	Broadcast TV & video providers, digital service providers, sports franchises, D2C (OTT) service providers	Geographies covered	North America, Western Europe, the Middle East
Relevant company sizes	All	Licensing options	Annual (per platform), enterprise version (unlimited)
URL	http://www.youi.tv	Routes to market	Direct sales
Company headquarters	Ottawa, Canada	Number of employees	220

Source: Ovum

Appendix

On the Radar

Ovum's "On the Radar" series highlights up-and-coming companies bringing potentially disruptive ideas, products, or business models to their markets. "On the Radar" companies bear watching for their potential impact on the market for the current or future services of telcos and their suppliers.

Further reading

"Kaltura strengthens media acquisition, monetization, and engagement workflow capabilities," SPT004-000040 (April 2019)

On the Radar: Utelly manages personalized multiscreen user engagement lifecycle at scale, SPT004-000034 (February 2019)

On the Radar: Ostmodern enables personalized user engagement, SPT004-000008 (March 2018)

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