

Case Study



AT&T in Mexico becomes OTT super-aggregator

Innovative wireless carrier brings leading OTT services and compelling user experience to its customers rapidly with MarketONE



vindicia[®]

Content and user experience become crucial

Like all carriers, AT&T in Mexico is facing intense competition. The company's response is to engage and retain its customers with a wide range of content services, underpinned by a slick user journey.

The carrier identified the need to serve a new breed of digital-savvy customers who expect a personalized experience. If these fickle consumers can't get access to the content services they expect in a simple, seamless interaction, they won't hesitate to go elsewhere for it.

AT&T in Mexico recognized the opportunity to engage these consumers and grow its business by becoming a "super-aggregator" of OTT services. In a market with relatively low credit card usage, the carrier can play a crucial role connecting content partners with its paying customers.

The company also has access to its own premium content, thanks to its sponsorship of the soccer-mad country's national team and wanted to ensure this delivered further value to its subscribers while generating new revenue.

However, the technology and business challenge of integrating multiple OTT partners and bringing these to consumers with a slick, seamless experience represented a huge barrier – with early integrations proving slow and expensive.

AT&T in Mexico



18 million wireless subscribers



15% market share



Targeting strong growth in content, entertainment, and OTT services to engage its digital-savvy customers



MarketONE key results for AT&T



Super-aggregation: Multiple leading OTT services with video, music, sports, and gaming brought to market within months of project kick-off.



Rapid scaling: Additional OTT services launched within weeks without further technical integration work.



Innovative monetization: Flexible business models, with consumers able to subscribe to digital services via AT&T in Mexico's curated digital store or direct via the OTT platforms.



Seamless user experience: Subscribers enjoy a consistent, frictionless user journey, growing customer engagement and satisfaction, and reducing churn.



Agile business: AT&T in Mexico benefits from fast time-to-revenue, with costs aligned to market success and consumer uptake.

"As we grow our media and entertainment business, AT&T in Mexico was seeking a way to rapidly integrate OTT partners into our digital offerings and provide our customers with the seamless, flexible subscription experiences they have come to expect."

- Janna Ducich, Vice President
Chief Marketing Officer
AT&T in Mexico

The OTT integration challenge for AT&T in Mexico

Risking a fragmented user experience

AT&T in Mexico discovered that traditional direct carrier billing (DCB) solutions could only solve part of the problem. While these can allow OTT providers to exploit the carrier's billing relationships, they don't work the other way around – doing little to help AT&T in Mexico aggregate and offer OTTs to its customers and deliver an improved, personalized experience.

What's more, old-fashioned DCB systems offer inflexible pricing models and a poor customer experience, leaving users to navigate a confusing and fragmented process, different for each OTT service they purchase.

Complex integration with legacy systems

AT&T in Mexico faced the complexity of making OTT subscriptions work effectively with its existing OSS/BSS billing systems, finding significant differences between traditional carrier billing and paid-in-advance recurring subscriptions for media and entertainment services. This threatened to impact the user experience unless the provider was able to support modern digital media models including:

- Enabling access to OTT services for individual members of a household, not just the bill payer
- Offering promotional bundling, such as one month of complimentary access to the premium national soccer team app
- Extending OTT services, including access to the soccer app, to users who are not currently AT&T customers
- Seamless processing of refunds, which had become a complex and expensive manual process via customer care channels

Slow onboarding of new OTT partners

AT&T recognized the importance of curating a broad range of content apps and other digital OTT services for both consumers and business customers. But after an initial bespoke integration with Netflix, the carrier realized that onboarding each new platform through a separate technology integration project was unsustainable.

Not only would this be very costly, significantly reducing margins, but it would take too long to make exciting new OTT services available to eager consumers in a sector where rapid time-to-market is now a core advantage.

If AT&T in Mexico was unable to launch popular new OTT services quickly and cheaply, it would impact its relationship with consumers and leave the market wide open for more nimble competitors.

Rapid time-to-revenue in the cloud

Digital media consumers are inundated with choice and winning a share of their viewing time and wallet demands AT&T in Mexico brings new services to market quickly. In an unpredictable era, it's also vital to ensure OTT services can be scaled up rapidly if they become a surprise hit, while minimizing costs for less-popular options.

MarketONE is a software-as-a-service (SaaS) platform running in Amazon Web Services, meaning it can be deployed very rapidly, and scaled up and down without delay to meet demand. The need for up-front capital investment is avoided, and the cost of operating the platform is directly linked to its success for the carrier. The rapid time-to-market for launching new OTT services maximizes conversion of new partnerships into revenue.

The role of service providers as content super-aggregators



Offering and bundling OTT services is a low-risk, high-return strategy for carriers wanting to differentiate their service with great digital content



Consumers get the benefit of access to a wide range of well-known premium content services



OTTs need billing partners in markets with low credit-card penetration



In an increasingly-competitive market, new OTT entrants are frequently turning to platform partners to help them reach a critical mass of consumers



A wide range of OTT content and service provider partners is pre-integrated with MarketONE. Launching a new service becomes a “plug and play” task delivered in a matter of weeks, rather than being a major project lasting many months – as AT&T in Mexico’s initial integration of Netflix became.

The result is AT&T in Mexico’s launch of a compelling offer of more than seven leading OTT services, including its own premium soccer app and access to the Google Play store, in less time than it would otherwise have taken to integrate a single partner.

Curating content with effective OTT partner management

Engaging consumers by curating the ideal range of digital content services depends on access to good-quality data about they’re watching. Previously, AT&T in Mexico’s business team had to log in to multiple systems to view the performance of each OTT partner.

With MarketONE, all metrics and KPIs are in one place, making it simple to view the performance of each partner and enabling faster, better business decisions.

“ We leverage...MarketONE to build customer loyalty by providing an amazing experience of premium media, entertainment and gaming content from across our portfolio and that of our OTT partners.”

**- Janna Ducich, Vice President
Chief Marketing Officer, AT&T in Mexico**

Content super-aggregator meets OTT super-integrator MarketONE

User experience underpinning super-aggregator success

AT&T in Mexico deployed MarketONE, accelerating its strategy to offer a wide range of media and entertainment services, underpinned by a personalized and seamless user experience. This enables the carrier to curate a range of OTT services combining three crucial anchors of a successful super-aggregator:

- **User experience management with Vindicia Connect:** Providing a frictionless process for consumers to add new services, all in one place and without the complexity of dealing with multiple user IDs, passwords, and interfaces.
- **Subscription management with Vindicia Subscribe:** Handling recurring and one-time payment models with seamless integration into existing billing systems – without needing to modify legacy platforms.
- **Partner lifecycle management with Vindicia Bundle:** Streamlining integration with multiple OTT partners in one place, enabling rapid onboarding, and avoiding the need to reinvent the wheel with every new added service.

Commercially, AT&T in Mexico’s deployment of MarketONE enables the carrier to support the full range of flexible of business models needed to ensure competitive success:

- Creating a “digital store” of leading OTT services, aggregated by AT&T in Mexico for its pre-pay and post-pay customers
- Allowing OTT partners to offer direct carrier billing via AT&T for those consumers already engaging directly with OTT apps
- Enabling AT&T in Mexico to offer its own premium soccer content to non-customers

Close collaboration delivering OTT success

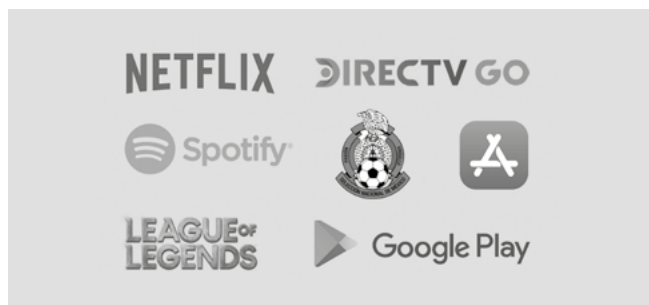
New OTT partners added every few weeks

AT&T in Mexico decided to deploy MarketONE after hitting the limits of a traditional DCB approach. After a rapid implementation phase, the platform was ready for production by the end of December 2019. The first OTT partner was live and available for consumers weeks later in February 2020, with additional OTT services launched every few weeks after that.

The results are that AT&T's consumers in Mexico have access to content services quicker, while the carrier benefits from earlier revenue flows. MarketONE's SaaS model means costs are aligned with the revenue growth, protecting margins.

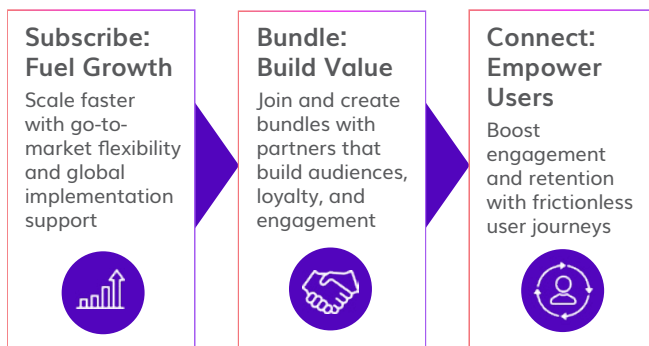
The key to this rapid implementation was the combination of MarketONE's cloud technology, pre-existing OTT integrations, and the effective, close collaboration between AT&T in Mexico's staff and the MarketONE team, working together to deliver a successful project quickly.

AT&T in Mexico is now a super-aggregator of video, music, sports, gaming and app store OTT services:



The Vindicia MarketONE Platform

The MarketONE platform combines Vindicia Subscribe, Bundle and Connect:



Working with MarketONE, AT&T in Mexico is transforming the digital media experience for consumers

- ✓ Consistent user experience and single sign-on across every OTT partner service
- ✓ Streamlined verification of customer eligibility and spending limits
- ✓ Complete subscription billing for OTT services, combining any mix of recurring and one-time purchases
- ✓ Transactions initiated by consumers using either AT&T's own digital store, or via OTT partners
- ✓ Flexible product catalog and business models, including free trials and discounts to attract subscribers
- ✓ Cost and complexity of integrating OTT partners is dramatically reduced
- ✓ Time-to-revenue of new OTT partner integrations is greatly accelerated
- ✓ Cloud SaaS platform links performance and costs to consumer revenue growth



ABOUT VINDICIA

Vindicia offers comprehensive subscription management solutions that help businesses acquire and retain more customers. Providing much more than just a billing and payments system, the company's SaaS-based subscription management platform combines big data analysis, strategic consulting and proprietary retention technology. Vindicia provides its clients with more recurring revenue, more customer data, better insights, and greater value throughout the entire subscriber lifecycle. To learn more visit www.vindicia.com.

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US Headquarters

Vindicia, Inc.
2988 Campus Drive, Suite 300
San Mateo, California 94403-2531
P +1 650 264 4700
F +1 650 264 4701
vindicia.com/contact-us

vindicia.com