



Reinventing STB Strategy

It's a critical time for the set-top box sector, with software taking precedence over hardware. Oliver Soellner, member of the management board of ABOX42, tells us how the company developed total set-top box solutions for a new type of television



Oliver Soellner, ABOX42, Member of the Management Board

Q: You came to ABOX42 at a time of market transition. How has the company evolved since you came aboard?

A: I joined the company in 2010 when ABOX42 was starting its B2B activities and began to provide modern set-top box solutions to operators in Europe. My background was in sales, business development and marketing and those were the roles I took when I started. Last year, I joined the management board of the company, but my main focus is still sales and business development. The core technologies that we use today – modern and solid hardware architecture and design; rich software stack & SDK, a very complete developer IDE for a fast integration and development – of applications and services; compatibility with all modern streaming solutions (multicast, unicast in various flavours and with various DRM/software CAS solutions); total lifecycle management solution for updates and upgrades of the

complete software stack in the field – all these elements together are part of the total solution we offer and were built in the early days of the company and further enhanced over time to match the market requirements of today and tomorrow. The idea was to build a set-top box platform that works completely differently to the legacy products; which were project-based and required heavy development work which is expensive and time consuming. The ABOX42 way is to provide a platform that already matches more than 90 per cent of the operator requirements and where only a small amount of development effort is required in order to create a custom operator solution. This makes it much faster and much less expensive for operators to launch a modern TV service. Our first projects were carried out in Germany; one of the most complex markets due to the requirement to support a variety of different services (additional to the core operator TV application/service, such as HbbTV, local catch-up TV and on-demand services and support for third-party services like YouTube). Then in the central European space there were operators who saw what we did and became quite interested in our multi-application approach and what they could build on our core technology. Eventually, we found ourselves building an entire solution, including set-top box hardware, lifecycle management, and maintenance solutions and services.

Q: How does the ABOX42 approach differ from that of most set-top box companies?

A: With more than 20 years in web technologies, web services and electronics the founders' backgrounds were all relevant to IPTV products. So we had a very good understanding of the new technologies which entered the TV market in the last few years both on Retail and Operator side. When we entered the operator market, we started to build the core software architecture and enhanced it step by

► step with experience gained from existing projects and new requirements from the market. Over time we created one of the most rich software stacks in this industry, capable of all modern TV services, which moved us into a leading position once it comes to a modern and rich set-top box platform ready for the market requirements of today and flexible to expand in the future. As we carried out more projects in different regions. For example, we recently added a solution for the central European market with local recording and local time shift: functionalities that aren't very common in the IPTV space but were necessary because of the regulatory requirements in certain countries where you can't yet use network PVR. We now serve markets in the Middle East where you need user interfaces that read right to left rather than left to right. And we've been able to incorporate those functionalities across the software. Ultimately, the differentiator is our total solution, which has a very feature-rich software stack offering compatibility to all major technologies used in today's TV propositions and solutions.

Q: So, you're not customising for each individual project?

A: That's right. We avoid building individual solutions and try to focus on an overall product where our additional development is going to pay off for all potential customers. The fact is that we do not need to do it for each project, since the majority of the customer requirements are fulfilled by the existing platform. Therefore, it's all about the enhancement of the overall platform and making the overall software stack more feature-rich to serve other customers. And that's a bit of a unique approach. The traditional set-top box business is much more project driven.

Q: Where do you see set-top box companies struggling?

A: We have been trying to put a focus on how to maintain the product in the field. We see more and more projects out there – even with some of our big competitors – struggling with rolling out new software and new features in the field. If you want to run such a solution for five years or more, there will be new features coming up, and it's important to be able to upgrade the product and maintain it. We put a lot of focus on that, trying to talk to the right people, and it starts to pay off.

Q: How are you dealing with the flood of content owners looking to get into the IPTV space?

A: We speak to a lot of broadcasters and people who have rights or own certain channels. For them it's a question of what is the most intelligent way to reach their customer. We've seen a couple of projects where someone aggregates content rights for a certain geography and is able to sell it to people living outside that geography. That's a definitely a market, and people are willing to pay for such services. But for single content providers who only have a limited number of channels, I'm not sure it's a good proposition to look for a set-top box TV solution. In some cases, we try to add niche content providers to existing operator solutions. If you have an operator who is serving his customers via

DVB-C, with a hybrid proposition, they can add channels that aren't available via cable and satellite but are distributed by IP. It's no longer necessary for a content provider to buy satellite capacity or make their content available through an operator's cable network. Other ways, like OTT distribution and streaming, are very efficient, especially for these niche providers. We do see that operators are keen on additional content offerings to enrich their channel portfolio, and today's technologies allow you to combine the best of both worlds, the DVB world and the IP world, and for the consumer it's the same user experience.

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Q: What are the biggest challenges coming up in the next few years?

A: The traditional way of doing projects is not working anymore. Operators are looking for much shorter project lead times. The big investments that were done for first or second generation IPTV solutions are no longer happening. People are well educated in terms of what is available in the market, and they are looking for a compelling solution they can roll out with the least cost and in the shortest time period. The strategy from our side is to be compatible with all the relevant solutions in the market and be part of the new development that is happening. That means not only talking to customers or operators, but partnering and building up ecosystems with the providers: middleware providers and hosted solutions providers. If we do a good job and are able to make both operators and providers aware of the advantages of the solution we offer, then we have a very good market position.

Q: Do you see the changes in the IPTV space accelerating? Or will we enter a period of stability?

A: Web technology has proven to be the way to go. There are not too many surprises around the corner in terms of new streaming formats. I think the space is pretty much clear. You do have 4K content increasing, which will be driven by the VoD side at first and later in live TV. But I think for the next few years it's pretty much clear how the market will develop. The challenge for people will be dealing with this coexistence of different services using different technologies, which is an area of expertise for us.

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