

A Case Study on Partnership Types between Network Operators & Netflix: Based on Corporate Investment Model

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Abstract

We categorize partnership types between network operators and a global video streaming or over-the-top service provider, Netflix from 2011 to the first quarter 2018. The options are based on the integration of over-the-top (OTT), Netflix with pay TV and telecommunication operators in the form of carrier billing, access to over-the-top (OTT) via devices or the development of their tariff plans. Options of the Type 3, 'cooperation' or the Type 4, 'agreement' entails a kind of the technical involvement between two partners and commercial agreement. The types of partnership are evolving from one to others. Some partnerships have characteristics of more than one type. The majority of technical or service integration cooperation of Type 3 entail bundling and marketing promotion of Type 2 and Type 1. Similarly, the 'agreement' of Type 4, co-branded or white-label service initiative entail tariff or device user interface (UI) integration of the 'cooperation' of Type 3 and joint marketing initiatives of Type 1.

Keywords: *Partnership, Network operator, Over-The-Top, Netflix*

1. Introduction

The various kinds of partnerships between network-based pay TV operators (hereafter operators) and OTT (over-the-top) video streaming providers (hereafter OTT) have risen dramatically since 2015 [1]. The reason for it is to meet needs of both sides and the most alliance cases come from the partnership. The primary reason for the partnership in the network-based IPTV is the commoditization of broadband and traditional TV services to differentiate. They need to bundle more services and expand distribution channels in the form of OTT into TV STB (set-top box). In application-based OTT, TV STB integration and broadband bundling play a key role in market expansion.

Netflix tries to have partnerships with operators. In most cases, the OTT is used primarily for promotional purposes to enhance telco's broadband and mobile platform or to encourage usage of data plans. Partnership trends highlight the growing acceptance of mobile for video consumption and pay TV has its growing importance as a marketing channel for OTT. The purpose of this study is to categorize the partnership types between operators and Netflix from 2011 to 1st quarter 2018.

2. Theoretical background

2.1 Previous Researches

Song [2] emphasizes new demand of video distribution and analyses Netflix. It aims to analyze Netflix's business model innovation. The streaming service in the second differentiated business model stage gives rise to one hit wonder. The global expansion in the third segmented business model stage has limitations vulnerable to local price and content. Netflix tries the multi-homing in the fourth externally by maintaining open API and local content investment in the fifth integrated business model stage. Lastly, the 'platform in platform' in the sixth platform leadership business model stage has been tried to learn about the deeper unmet needs. Esler [3] emphasizes distribution technologies of pay TV in post-TV era. Greater attention can be placed on the role that major media conglomerates play in developing, funding, and legitimizing new forms of distribution, in addition to co-opting disruptive technologies and business models while hindering others. Zboralska and Davis [4] emphasize transnational OTT video distribution in the era of digital disruption and analyze Netflix's strategic expansion, growth in Canada and the ways Netflix is considered an opportunity, ally, or a threat by consumers, broadcasters, independent producers, and governments.

2.2 Theoretical Background

Henry Chesbrough constructed a model in 2002 to help companies evaluate their venture capital (hereafter VC) investments and determine when and how to conduct investment [5]. He thought, the decline in investments was part of a historic pattern of advance and retreat. 'Corporate venture capital' means the direct investment of corporate funds in start-ups and excludes investments made through an external fund. He categorizes dual dimensions of Corporate VC investment which is defined by two characteristics: Its objective and the degree to which the operations of the investing company and the start-up are linked. The second dimension of corporate VC investments is the degree to which companies in the investment portfolio are linked to the investing company's current operational capabilities. A start-up with strong links to the investing company can make use of that company's manufacturing plants, distribution channels, technology, or brand. It might adopt the investing company's business practices to build, sell, or service its products. A venture may offer the investing company an opportunity to build different capabilities. Housing these capabilities in a separate legal entity can insulate them from internal efforts to undermine them. If the venture and its processes fare well, the firm can evaluate whether and how to adapt its own processes to be more like those of the start-up. As Figure 1 shows, with two dimension, four ways to invest are formulated. Neither of the two dimensions of corporate investing, strategic versus financial and tightly linked versus loosely linked is an either-or proposition. Most investments fall somewhere along a spectrum between the two poles of each pair of attributes.

In enabling model, a firm makes investments only for strategic reasons. A successful investment enables the firm's own businesses to benefit but that a strong operational link between the start-up and the firm isn't necessary to realize that benefit. A firm can use its VC investments to stimulate the ecosystem. In the passive model of VC investment, the ventures are not connected to the firm's own strategy and are only loosely linked to the firm's operational capabilities. The firm lacks the means to actively advance its own business through these investments. In passive venturing, a firm is just another investor subject to the vagaries of financial returns in the private equity market. The driving model of investment is characterized by a strategic goals and tight links between a start-up and the operations of the investing firm. Although it's clear that many driving

investments can advance a corporate strategy, there are limits to what they can achieve. The tight coupling of these investments with a firm's current processes means that these investments can sustain the current strategy. They are unlikely to help a corporation cope with disruptive strategies or to identify new opportunities when the company must go beyond its current capabilities to respond to a change in the industry environment.

A firm makes the emergent model of investments in start-ups having tight links to its operating capabilities but offering little to enhance its current strategy. Nevertheless, if the business environment shifts, such a new venture might suddenly become strategically valuable. This gives it an optionlike strategic upside beyond whatever financial returns it generates. A firm may sense an opportunity in a strategic "whitespace," a new market with a new set of customers. Exploring the potential of such a market is often difficult for a company focused on serving its current market. Investing in a start-up willing and able to enter this uncharted territory, selling real products to real customers, provides information that could never be gleaned from the hypothetical questions of a market research survey. If the market seems to hold potential, the investing company can choose to shift its course. While the immediate benefits of such investments are financial, the ultimate return may result from exercising the strategic option. In that sense, emergent investments complement the benefits of driving investments designed only to further the company's current strategy.

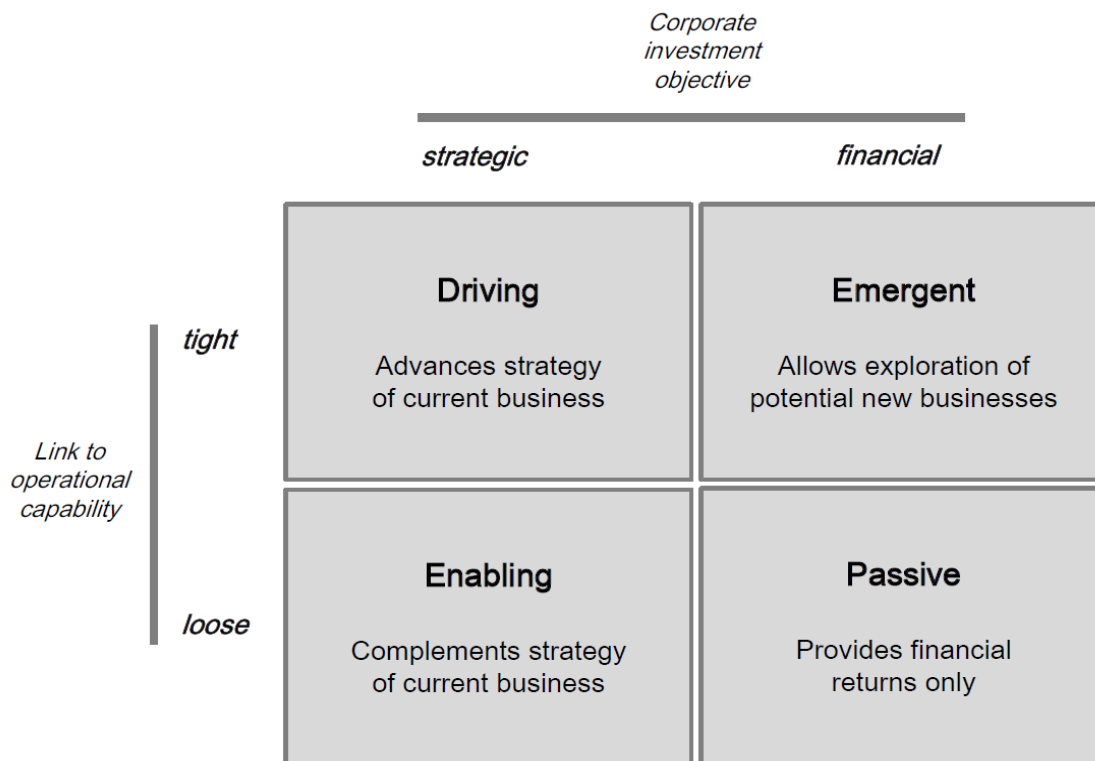


Figure 1. Corporate (VC) investment model

3. Research design

3.1 Research question

The author formulates an analysis framework as Figure 2. The vertical axis shows Netflix's link to operational capability of operators. The access activities being closer to the bottom side are more likely to involve loose

link meaning that OTT services are complements of current pay TV business, while those closer to the upper part are more likely to be tight link meaning that usually premium OTT services are included in pay TV's current business. The horizontal axis shows the operator's investment objectives. These closer to the left part are more likely to represent strategic fit and to be cooperation. The objectives closer to the right side are more likely to be financial fit and tend to be business agreement. The enabling model is concerned with marketing. The passive model is bundling relationship providing only financial returns. The driving model is cooperation. The emergent model is agreement to explore potential new businesses. This study investigates the partnerships between operators and Netflix all over the world from 2011 to 1st quarter of 2018 based on the database provided by OVUM. All data has been taken from operator websites and press releases. Total number of deals are 1,293 and among them, Netflix's deal amounted to 9% (119 deals) and next OTT video was YouTube, 1.7%.

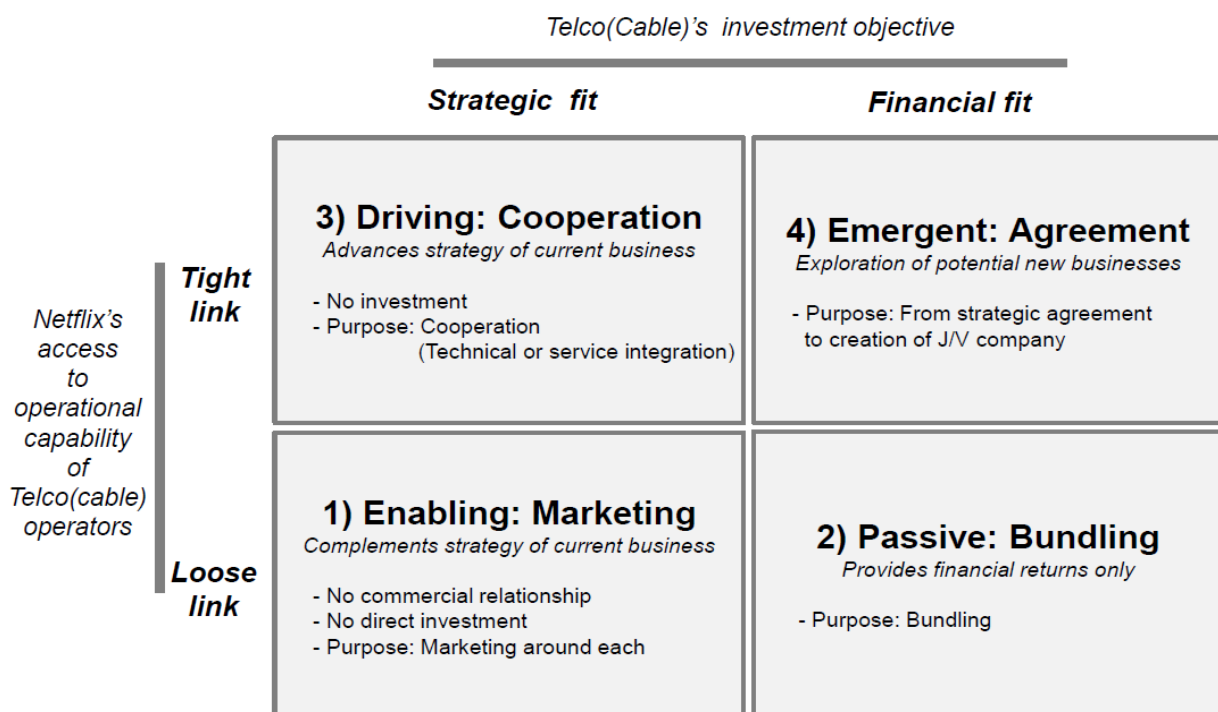


Figure 2. Analysis framework for categorizing 4 partnership types betw. network operators & Netflix

So, in this paper, Netflix's deals are categorized into four types of corporate investment model. The research questions are as follows based on the analysis framework in Figure 2:

- 1) What cases can be categorized as the marketing deal of network operators with Netflix?
- 2) What cases can be categorized as the bundling deal of network operators with Netflix?
- 3) What cases can be categorized as the cooperation deal of network operators with Netflix?
- 4) What cases can be categorized as the agreement deal of network operators with Netflix?

3.2 Methodology

This study is a secondary analysis based on the database provided by OVUM research company. Most of the data in this study can be found in OVUM's "Global OTT video bundling deals and service partnerships tracker:

1H18” [6]. The expected results are to compare the key business activities of each of four types. It is expected to catch partnership trend from 2011 to 1st quarter of 2018. There are 106 deals because one contract is calculated as one partnership deal.

4. Results and discussion

4.1 Marketing deals between network operators and Netflix

In Type 1, marketing partnership, Netflix boosts their brand presence by free marketing partnership on app with local operators and catering for local consumers with local content. For the operators, new data plan can be attractive with free OTT trial and in some cases, zero-rated access is allowed. In Type 1 partnerships, partners leverage each other’s brand to promote services. T-mobile’s ‘BingeOn’ service in the US is a good example in 2015 and 2017.

Table 1. Marketing deals

Year	Pay TV (Country)	Platform	Paid	Carrier billing	Zero-rated data	Note
2014 (2)	Vodafone UK	Mobile	x	x	x	6 months Netflix promotion for telco app users in ‘Red 4G’ plan
	Antel (Uruguay)	Mobile	x	x	x	Netflix app promotion for telco’s app users in Antel’s LTE
2015 (2)	T-Mobile (USA)	Mobile	x	x	o	Netflix app promotion for telco ‘Binge On’ users with unlimited data
	Vodafone (New Zealand)	Mobile	x	x	x	Netflix app promotion for subscribing mobile plan ‘Red+’
2016 (2)	T-Mobile (Poland)	Mobile	x	x	x	Polish language in Netflix app and Polish content provision
	Vodafone (Turkey)	Mobile	x	x	x	Turkish language in Netflix app and Turkish content provision
2017 (9)	Hrvatski Telekom (Croatia)	Mobile	x	x	o	Exclusive unlimited data tariff with Netflix app promotion
	A1 (Austria)	Mobile	x	x	o	Exclusive unlimited data tariff with Netflix app promotion
	Deutsche Telekom (Germany)	Mobile	x	x	o	Exclusive unlimited data tariff with OTT app promotion incl. Netflix
	Telco Altice (4 countries)	Mobile	x	x	x	Marketing deal with Netflix app on all eligible devices offered by telco.
	3 UK (England)	Mobile	x	x	o	App with zero-rating as marketing tool for ‘Go Binge’ data plan
	Telekom (South Africa)	Mobile	x	x	o	Apps with zero-rating as marketing tool for unlimited data plan
	T-Mobile (USA)	Mobile	x	x	o	Apps with zero-rating as marketing tool for unlimited data plans
	Telekom Romania	Mobile	x	x	o	Apps with zero-rating as marketing tool for unlimited data plan
Vodafone (New Zealand)	Mobile	x	x	o	Apps with zero-rating as marketing tool for unlimited data plan	

4.2 Bundling deals between network operators and Netflix

In Type 2, the bundling partnership, mobile is the key growth channel for Netflix and pay TV STB

implementations and fixed broadband bundling are playing also a steadily increasing role in the development of partnerships, but mobile has grown dramatically to be the largest service distribution channel and in some cases, TV bundling is allowed. This trend highlights the operators' growing acceptance of mobile bundling for Netflix's video delivery as well as its growing importance as a marketing channel for operators' own OTT entertainment services. The proliferation of carrier billing arrangements is very clear from Type 2, because the regional payment is convenient for Netflix subscribers.

Table 2. Bundling deals

Year	Pay TV (Country)	Platform	Paid	Carrier billing	Zero-rated data	Note
2014 (3)	Comcast (USA)	Mobile	o	o	x	Netflix bundling in Xfinity mobile platform with carrier billing
	Vodafone (Ireland)	Mobile	o	o	x	After 6 months trial, subscription for mobile plan, Red Extra' plan
	Verizon (USA)	Mobile	o	o	x	Netflix bundling in TPS, FiOS plan with carrier billing
2015 (7)	Softbank (Japan)	Mobile	o	o	x	Netflix subscription with separate voucher sale in retail store of telco
	3 Denmark	Mobile	o	o	x	After 6 months trial, discounted subscription for mobile plan
	Vodafone (England)	Mobile	o	o	x	Subscription with 'Vodafone Red Value', 'SIM Only' 'Red + Sharer'
	Vodafone (Italy)	Mobile	o	o	x	Subscription with broadband or mobile network bundle
	Optus (Australia)	Mobile	o	o	o	After trial, discounted subscription with unlimited data
	T-Mobile (Austria)	Mobile	o	o	x	After 6 months free trial, subscription of telco's mobile plan
	TalkTalk (England)	Mobile	o	o	x	After 6 months free trial, subscribing telco's mobile plan 'PlusTV'
2016 (5)	Globe Telecom (Philippines)	Mobile	o	o	x	After free trial, subscription with IPTV and mobile
	Telecom Argentina	Mobile/broadband	o	o	x	After free trial, subscription with main tariff of mobile and broadband
	U Mobile (Malaysia)	Mobile/broadband	o	o	o	After free trial, subscription with unlimited broadband 'Video-Onz'
	Orange Espana	Mobile	o	o	x	After free trial, subscribing Orange TV's 'Cine y Series' and mobile
	Vodafone Italia	Mobile	o	o	x	Bolton tariff of "Christmas Card 2016" with temporary zero-rated data
2017 (10)	Vodafone (Germany)	Mobile	o	o	o	Subscription with zero-rated data on 'Red' and 'Young' tariff
	TIM (Brazil)	Mobile	o	o	o	Subscription offer with 'TIM Black'
	T-Mobile (Netherlands)	Mobile	o	o	o	After 6 months trial, subscription with 2 year 'Go Unlimited' plan
	Spark New Zealand	Mobile/broadband	o	o	o	Netflix content (one year) & broadband (2 years of unlimited data plan)
	Vodafone (India)	Mobile	o	o	x	Netflix SVOD app bundling with mobile plan
	Proximus	Mobile	o	o	x	Discounted price of bolt-on plans with Netflix

	(Belgium)					bundling option
	Partner Comm. (Israel)	Mobile	o	o	x	After 6 months free trial, subscribing telco's mobile plan
	Deutsche Telekom (5 nations)	Mobile	o	o	o	Netflix app bundling with zero-rated bolt-on plan (Germany and so on)
	Wind Tre (Italy)	Mobile	o	o	x	After 6 months free trial, subscribing one of telco's mobile plan options
	AT&T (Mexico)	Mobile	o	o	x	Subscription offer with 'Conecta' (prepaid card of bill payment option)
2018	PTCL (Pakistan)	Mobile	o	o	x	'Netflix gift' subscription offer with mobile (payment option)

4.3 Cooperation deals between network operators and Netflix

A significant proportion of partnerships are Type 3, 56% of the total. The reason involves the limitation of service bundling by tariff plan. They need to have an improvement of user interface or experience which include billing integration, technical integration and service integration with one remote control. In Type 3, the operators strive for deeper integration of Netflix services. To enable access to Netflix video via their STB UI, the operators ensure that OTT services are seamlessly integrated into their wider TV offerings. Measures to achieve fuller integration include carrier billing, same interface of Netflix services and proprietary offerings in the electronic program guide (EPG) and ensured reliability of streaming services. The point of such Type 3 implementations is to deliver an improved OTT user experience and position such services in front of TV viewers prepared to pay a subscription fee. The mix of partnership types is evolving.

Table 3. Cooperation deals

Year	Pay TV (Country)	Platform	Paid	Carrier billing	Zero-rated data	Note
2013 (2)	ComHem (Sweden)	UI of smartSTB	o	o	x	App integration into TiVo interface of Cable TV
	Wao! (Denmark)	UI of IPTV STB	o	o	x	App integration into telco's IPTV interface
2014 (16)	RCN (USA)	UI of smart STB	o	o	x	App integration TiVo interface of Cable TV
	Atlantic Broadband (USA)	UI of smart STB	o	o	x	App integration TiVo interface of Cable TV
	Grande Com(USA)	UI of smart STB	o	o	x	App integration TiVo interface of Cable TV
	Suddenlink Com. (USA)	UI of smart STB	o	o	x	App integration TiVo interface of Cable TV
	GCI (Alaska,US)	UI of smart STB	o	o	x	App integration TiVo interface of Cable TV
	MidcontinentCom (USA)	UI of smart STB	o	o	x	App integration TiVo interface of Cable TV
	Cable One (USA)	UI of smart STB	o	o	x	App integration TiVo interface of Cable TV
	Time Warner Cable (USA)	UI of cable STB	o	o	x	Integration into Cable TV interface
	Bouygues	UI of	o	o	x	Integration into IPTV, mobile, game console

	(France)	TV/mobile				interface
	Deutsche Telekom	UI of IPTV STB	o	o	x	Integration into IPTV interface
	Belgacom (Belgium)	UI of IPTV STB	o	o	x	Integration into IPTV interface
	Orange	UI of smart STB	o	o	x	Integration into smart TV 'Orange TV'
	Cogeco Cable (Canada)	UI of cable TV STB	o	o	x	Integration into Cable TV interface
	Vodafone Germany	UI of IPTV STB/Mobile	o	o	x	Integration into IPTV & mobile interface
	Dish Network (USA)	UI of sat. TV STB	o	o	x	Integration into Satellite TV 'Hopper' interface
	BT (England)	UI of hybridSTB	o	o	x	App integration into smart TV interface, 'YouView'
2015 (8)	TalkTalk (England)	UI of IPTV STB	o	o	x	Integration into IPTV interface
	Media-com Com. (USA)	UI of smart STB	o	o	x	Integration into TiVo interface of Cable TV
	Elisa (Finland)	UI of IPTV STB	o	o	x	Integration into IPTV interface
	TIM (Italy)	UI of smart STB	o	o	x	App integration into telco's smart STB 'TIMvision'
	Vodafone (Spain)	UI of IPTV STB	o	o	x	Integration into IPTV interface
	KPN (Netherlands)	UI of IPTV STB	o	o	x	App integration into telco's 'KPN Interactive TV'
	TDC (Denmark)	UI of IPTV STB	o	o	x	Integration into IPTV 'TDC TV' STB UI
	Bell Canada	UI of IPTV STB	o	o	x	Integration into IPTV interface
2016 (14)	Singtel (Singapore)	UI of IPTV/mobile/PC	o	o	x	Integration into SingtelTV, mobile, PC interfaces (6 months)
	StarHub (Singapore)	UI of IPTV STB	o	o	x	Integration into IPTV interface (limited duration: 6 months)
	Sky (Hong Kong)	UI of smart 4K IPTV STB	o	o	x	App integration into NowTV, 4KTV interface
	D'Live (South Korea)	UI of smart cable STB	o	o	x	App integration into D'Live TV with button
	Millicom (Latin America/ 7 areas)	UI of smart IPTV /mobile	o	o	x	App integration into 'TigoStar' and 'TigoSmart'
	Comcast (USA)	UI of smart cable STB	o	o	x	App integration into 'X1' STB interface of smart TV
	Liberty Global (Three continents)	UI of smart IPTV STB	o	o	x	App integration into smart STBs (Dutch 'Horizon')
	Telia (Sweden/	UI of smart	o	o	x	App integration into smart STBs (Telias Media Box)

	Finland)	IPTV STB				
	SaskTel (Canada)	UI of smart IPTV STB	o	o	x	App integration into smart STB, max TV
	Telia Estonia	UI of IPTV STB	o	o	x	Service integration into IPTV, Telia TV
	Ziggo (Netherlands)	UI of smart cable STB	o	o	x	Service/app integration into smart STB 'Horizon TV'
	UPC (Swiss)	UI of smart IPTV STB	o	o	x	Service/app integration into smart STB 'Horizon Box'
	Swiss com (Swiss)	UI of smart TV/ UHD STB	o	o	x	App integration into smart IPTV and UHD TV STB
	Orange (Spain)	UI of smart TV STB	o	o	x	Integration into OrangeTV within 'Cine y Series' pack
2017 (12)	Telenor (Norway)	UI of smart cable STB	o	o	x	Service integration into CanalDigitalCable TV 'T-We'
	Bharti Airtel (India)	UI of hybrid & smart STB	o	o	x	Service/app integration into 'InternetTV' & 4K STB
	Videocond 2h (India)	UI of hybrid & smart STB	o	o	x	Service/app integration into 'HD Smart Connect'
	Liberty Global Unity media (Germany)	UI of smart recorder STB	o	o	x	App integration into 'HorizonHDRRecorder' (free trial)
	PLDT (Philippines)	UI of Roku OTT STB	o	o	x	App integration into telco's partner STB of Roku
	Partner Com (Israel)	UI of IPTV STB	o	o	x	Integration into 'PartnerTV' with Netflix button
	Deutsche Telecom	UI of UHD STB	o	o	x	Direct access of video app to UHD STB interface
	DNA (Finland)	UI of smart STB	o	o	x	Channel integration of app to 'DNATV-Hubi' EPG
	Orange (global)	UI of smart STB	o	o	x	Service integration into Android based 'OrangeTV'
	Shaw Comm. (Canada)	UI of smart STB	o	o	x	Service integration into AI based 'BlueSkyTV'
	Altice Portugal	UI of IPTV STB	o	o	x	Service & app integration into 'MeoTV' (ch. & app)
	Orange Poland	UI of 4K TV STB	o	o	x	App integration into smart 4K TV interface
2018 (6)	Altice USA	UI of hybrid STB	o	o	x	App integration into 'Altice One' STB with WiFi
	Euskaltel, R, Telecable (Spain)	UI of smart4K STBs	o	o	x	Integration into 4KTV of cableTVs with Netflix button
	Verizon (USA)	UI of IPTV STB	o	o	x	Integration of Netflix into 'Multi-Room DVR' interface
	Vodafone (Germany)	UI of smart STB	o	o	x	Service & app integration into smart 'GigaTV4K' STB

	Vodafone (Australia)	UI of smart 4K STB	o	o	x	App integration into 4K streaming STB after free trial
	OSN (Middle East)	UI of sat. TV STB	o	o	x	Service integration into satelliteTV interface (channel)

4.4 Agreement deals between network operators and Netflix

Type 4, agreement partnerships involve some form of commercial agreement between operators and Netflix for both needs of network and content. Operators as telcos or Internet service providers (ISPs) can leverage OTT partnerships to enhance fixed broadband and Netflix presents an opportunity for telecommunications to add value to their fixed broadband access propositions. Recently, the capability to integrate OTT premium video services is a powerful selling point for fiber upgrades. Some telcos that do not have pay TV platform want to have alternative video customer segments in the way of cobranding with OTT or white-label service launch. For example, cheap and simple Roku STB or Android-based smart TV STB can be cobranded. Operator can launch a suite of white-label OTT services that may appeal to audiences resistant to traditional pay TV. Vodafone Portugal has Netflix on its white-label service, 'Vodafone TV.' It gives viewers the option to switch between their smartphone, tablet and TV and with some of the content, viewers have convenience to stop what they're watching on TV, pick it up on their smartphone, and continue watching after they've left the house. For Netflix, this is a kind of network investment of operators.

Table 4. Agreement deals

Year	Pay TV (Country)	Platform	Paid	Carrier billing	Zero-rated data	Note
2014	AT&T (USA)	Smart TV STB, mobile	o	o	N/A	Co-branding & AT&T's network sharing
2015 (2)	TIM (Brazil)	Smart TV STB, Mobile	o	o	N/A	White-label 'Live TIM Blue Box' / 'TV Alphaville' / TDTV/ OTTs
	Vodafone (Portugal)	Mobile, smart TV STB	o	o	N/A	After free trial, Cobranding on 'Vodafone TV' and network sharing
2016 (2)	Vodafone (Romania)	Mobile	o	o	N/A	White-label service '4GTV+' by content and network sharing
	PTCL (Pakistan)	Smart TV STB/Mobile	o	o	N/A	Co-branding & network and content sharing
2018	Sky (UK & Ireland)	Satellite Fixed STB	o	o	N/A	White-label service, 'Sky Q' by content and network sharing

5. Conclusion

The purpose of this study is to categorize four partnership types between operators and Netflix from 2011 to 1st quarter 2018. Statistically, the ration of the bundling and cooperation types is 80% and the agreement type is in infant stage. The number overview is as following table 1. The number of partnerships between operators and Netflix has risen since 2014. Global operator, Vodafone's partnerships are various along with regional market environment. Although Netflix remains the most prolific OTT video service partner, the situation of regional subsidiaries' strategy is diverse. For example, Vodafone New Zealand is still in Type 1 level, in both deals in 2015 and 2017. However, Vodafone Germany stays in Type 3 in both deals of 2014 and

1st Quarter of 2018. Some operators have improved the deals with Netflix in same Type or upgraded Types. These cases are underlined in *Table 1*.

Table 1. Key summary of the results

Type/Year	2013	2014	2015	2016	2017	1st Q 2018
Enabling: Marketing	-	Vodafone UK Antel (Uruguay)	T-Mobile (USA) Vodafone (New Zealand)	T-Mobile (Poland) Vodafone (Turkey)	Hrvatski Telekom (Croatia), A1 (Austria), Deutsche Telekom (Germany), Telco Altice (4 countries), 3 UK (England), Telekom (South Africa), T-Mobile (USA), Telekom Romania, Vodafone (New Zealand)	-
15 deals (14%)	0	2	2	2	9	0
Passive: Bundling		Comcast (USA) Vodafone (Ireland) Verizon (USA)	Softbank (Japan) 3 (Denmark) Vodafone (England) Vodafone (Italy) Optus (Australia) T-Mobile (Austria) TalkTalk (England)	Globe Telecom (Philippines) Telecom Argentina (Argentina) U Mobile (Malaysia) Orange Espana (Spain) Vodafone (Italy)	Vodafone ^(Germany) , TIM (Brazil), T-Mobile (Netherlands), Spark New Zealand (NZ), Vodafone ^(India) , Proximus ^(Belgium) Partner Comm. (Israel), DT(5 Countries), Wind Tre (Italy), AT&T (Mexico)	PTCL (Pakistan)
26 deals (24%)	0	3	7	5	10	1
Driving: Cooperation	Com Ham (Sweden) Wao! (Denmark)	RCN(US), Atlantic Broadband (USA) Grande Com (US) Suddenlink Com.(US) GCI (Alaska/US) Midcontinent Com. (USA) CableOne (USA) TimeWarner Cable (USA) Bouygues (France) DT ^(Germany) Belgacom (Belgium)	TalkTalk (England) Mediacom Com. (USA) Elisa (Finland) TIM (Italy) Vodafone (Spain) KPN ^(the Netherlands) TDC (Denmark) Bell Canada (Canada)	Singtel (Singapore) StarHub (Singapore) Sky (Hong Kong) D'Live (S-Korea) Millicom (Latin America, 7 nations), Comcast (USA) Liberty Global (3 nations) Telia (Sweden&Fin land) SaskTel (Canada) Telia Estonia	Telenor (Norway) Bharti Airtel (India) Videocond2h (India) Liberty Global (Germany) PLDT (the Philippines) Partner Com. (Israel) DT (Germany) DNA (Finland) Orange (global) Altice Portugal Orange (Portugal)	Altice USA Euskaltel/ R/ Telecable (Spain) Verizon (USA) Vodafone (Germany) Vodafone (Australia) OSAN (Middle East)

		Orange(France) CogecoCable (Canada) Vodafone (Germany) DishNetwork (USA), BT(England)		(Estonia) Ziggo (the Netherlands) UPC(Swiss), Swisscom Orange (Spain)		
59 deals (56%)	2	16	8	14	12	6
Emergent: Agreement	-	AT&T (USA)	TIM (Brazil) Vodafone (Portugal)	Vodafone (Romania) PTCL (Pakistan)	-	Sky (UK & Ireland)
6 deals (6%)	0	1	2	2	0	2

In conclusion, operators and Netflix have reasons to evolve their partnerships from Type 1 to Type 3 or 4. For instance, Comcast's partnership strategy evolved from Type 1 in 2014 to Type 3 in 2016. In general, Type 1 is a good starting point for both players to work in trust, but the goal of the partnerships is to generate revenue and customer loyalty for both parties. Beyond simple marketing and discounted bundling, deeper partnerships are more beneficial. These options are based on deeper integration of OTT services with those of operators, in the form of carrier billing, UI or network access to direct OTT video via operator-provided devices, or the development of operator tariff plans that promote OTT services. All such options are based on Type 3 or 4 partnerships, which entail technical involvement between two parties and commercial agreement. Therefore, the types of partnership are not fixed, but evolving from one to others. Some partnerships have characteristics of more than one type. That means, the majority of technical or service integration cooperation (Type 3) entail bundling and marketing promotion (Type 2 and Type 1) between operators and Netflix. Similarly, a Type 4 co-branded or white-label service initiative entail tariff or device UI integration (Type 3) and joint marketing initiatives (Type 1).

This analysis has an important implication for future business strategy. It is clear, the mobile has dominant partnership channel in terms of network and content. Mobile operators are a primary market for OTT video. The proliferation of LTE (and 5G thereafter) makes mobile networks an important distribution channel for Netflix. By forging video partnerships, operators can develop data tariff strategies monetizing their network. At the same time, they want to own an important platform of OTT service. Mobile operators should use their mobile platform to recruit customers for SVOD services if possible, with their fixed broadband or pay TV platforms together. Therefore, operators need to offer the premium, original OTT content. OTT needs mobile network operators to deliver to the right audiences and vice versa. The recent growth in partnerships in Type 3 and 4 suggests that OTT players are increasingly reliant on mobile operators to bring their services to market, particularly in geographies lacking in broadband. It is expected in near future, service integration including carrier billing (Type 3) and some exploration of white-label entertainment portals in commercial agreement with OTTs (Type 4) will be increasing for the creation of the mobile ecosystem [10].

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