Accenture leverages Accenture Video Solution to help KPN be “Over-the-Top” in the Dutch TV market in record time.

High performance. Delivered.
About KPN

KPN is a leading information and telecommunications provider in the Netherlands, offering wireline and wireless telephony, Internet and television (TV) to consumers, and end-to-end telecommunications, information and communications technology (ICT) services to business customers. In Germany and Belgium, KPN pursues a multibrand strategy in its mobile operations, and its two companies—E-Plus and BASE—together are ranked third in the market. KPN provides wholesale network services to third parties and operates an efficient Internet protocol-based infrastructure with global scale in international wholesale through iBasis. At the end of December 2010, KPN’s TV and Internet customers were at 1.2 million and 2.5 million, respectively. In 2010, KPN reported revenues of €13.4 billion.
Business challenge

In a swiftly evolving telecommunications and ICT market, it is critical for companies to be able to bring innovative products and services rapidly to the market. "First to market" is what makes leaders in an already crowded marketplace. This race is also fuelling a convergence revolution that is radically changing the way technologies interact with each other and presenting people with a whole new ecosystem of services customized to their preferences. ICT companies must deliver convergent services ever more rapidly and look for innovative ways to integrate previously separate technologies, such as voice, data and video.

For a broad telecommunications service provider like KPN, this presents a business environment rich with opportunities that it must translate into reality faster than competition. An ongoing strategic imperative 2015, KPN is looking at providing “innovative” TV services to the Dutch consumer market in response to an ever-growing demand for interactive functionalities. KPN is aware that smart players—incumbents and new entrants alike—are already making their first moves in this space. It recognizes that innovative, high-quality TV services—launched faster and more cost effectively—will help it stay ahead of competition.

To defend market share in the broadband space and gain a leading position in the Dutch interactive TV (iTV) market, KPN wanted to launch a new offering in linear and nonlinear video distribution over broadband networks—"Over-the-Top TV" or OTT-TV. The new service, now called “KPN iTV Online," is helping KPN move toward convergent, personalized, multidevice models.

For KPN, the pay offs of successfully integrating the Internet and TV are manifold. iTV will help KPN differentiate itself in the highly competitive Dutch TV market, especially from cable operators. Second, iTV can help improve customer loyalty by providing richer and higher-quality "anywhere and anytime" services, helping increase average revenue per user (ARPU) and attract new customers, thereby increasing market share. Third, it also positions KPN well to increase advertising revenues through better customer profiling and targeting in the future.

KPN knew that choosing an experienced end-to-end solution provider and systems integrator that could help jump start and accelerate its iTV journey to its customers’ satisfaction would be crucial in the success of its innovative TV services strategy.

With TV solutions becoming increasingly software driven than technology/hardware driven, Accenture was a clear choice over other technology players due to its in-depth knowledge and experience in the ICT domain, particularly in the Dutch market. KPN also recognized Accenture's recent success with helping Mediaset, Italy's largest commercial broadcaster and a major media company in Europe, to launch one of the world's first premium, multidevice OTT-TV services—NET TV. The launch involved a strong collaboration with the Accenture Innovation Center for Broadband in Rome, part of a global network of such centers at Accenture. According to Eric Kuisch, Head of Network & Services at KPN, "We need acceleration and rigor to help us succeed in bringing innovative TV services to market; we know Accenture can do this as no other."
How Accenture helped

To maximize the business opportunity arising from personalized on-demand services, KPN realized that its OTT-TV service needed to be brought to market on multiple devices. To begin with, KPN asked Accenture to provide a seamless consumer experience by making iTV Online content available on the personal computer (PC), Apple iPad and Android tablet, alongside conventional devices. And, to meet evolving client expectations, it wanted Accenture to gradually scale and enrich the offering in terms of features, devices and capacity.

Under the terms of the initial contract spanning March–September 2011, Accenture assumed responsibility for a broad range of activities, including:

- Initial analysis, development and deployment of the final service.
- Design of the AVS architecture and its integration with the existing KPN-Nokia Siemens Network (NSN) iTV platform used to deliver the new iTV solution.
- Redesign of the most aggressive KPN cycles, such as testing, to define the shortest timelines possible.
- Field trials and testing.
- Overall program management and program management office support to track project development.
- Presence of a strong local Accenture team at the client location—to ensure all delivery processes are optimized and there is maximum alignment between KPN departments and Accenture.
- Strong governance structure supported by active executive support.
To help KPN beat cable competition in the iTV space, Accenture set itself an aggressive timeline—from March 2011, when KPN decided to launch the OTT-TV service for PC and iPad, the service was to be made ready for field trial testing in just five months. “Innovation” in software and TV was the central plank in Accenture’s strategy to meet KPN’s objectives. Accenture had successfully addressed a similar challenge at Mediaset by leveraging the Accenture Video Solution (AVS). The AVS is an Accenture Software product—built through a powerful mix of integrated technologies—that enables the delivery of digital video over broadband for a seamless user experience, and allows the integration of broadband and broadcast digital video on multiple devices. The solution is based on a smart IT architecture that enables service providers to launch new, high-quality services quickly and cost effectively, while at the same time reducing risk and the initial costs of IT and infrastructure set-up.
The iTV Online service leverages KPN’s Content Delivery Network (CDN) capabilities for content streaming. Built using the latest technology and highest network levels, the CDN provides various B2B and consumer market services. The CDN also provides high stability through a redundant layer, guaranteeing best-in-class streaming services for its clients, including Over-the-Top TV services.
To enable a differentiated and interactive consumer experience for KPN customers, Accenture leveraged the AVS solution to design a set of new, leading-edge iTV functions for the PC, Android tablet and iPad including:

- Live TV to make 20 channels available online.
- Seamless login—automatic login using the IP address and client information after starting the session.
- Advanced electronic program guide and recording to provide updated menus for current, upcoming and catch-up programming content.
- Remote recording to allow users full mobility in setting or deleting recordings.
- Catch-up TV to allow users to select and watch video content on demand.
- Extensive video-on-demand catalogue.
- Recommendation engine to promote relevant content to individuals based on their user profile—viewing preferences and interests—and provide them with a "personal content channel."
- Adaptive streaming on PCs and set-top boxes to provide a guaranteed quality of service, both in standard and high-definition, in an open Internet environment, even if the broadband line is congested or unstable. The ability to provide a consistent, high-quality service has a positive impact on customer acquisition and retention.

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Eric Kuisch, Head of Network & Services at KPN
High performance delivered

The innovative, high-quality OTT-TV service—KPN iTV Online—delivered by Accenture has helped KPN become the first to field this innovation in the high-potential OTT-TV market in the Netherlands. The pre-integrated assets and industrialized development processes available at the Accenture Innovation Center for Broadband enabled Accenture to deliver the service in record time and improve KPN’s time to market to less than five months—from start of the project to the initial piloting phase. The AVS was fully integrated with KPN’s existing platform to provide an innovative modular TV platform that is scalable quickly—providing KPN the flexibility to minimize new development work and launch additional services quickly. Post the launch of the iTV service in September 2011, Accenture has been working with KPN on enriching the current offering with new features by incorporating initial client feedback. As a result, a new release was brought to market in October 2011. Continuing with the strong momentum of bringing innovation to market, these enhanced set of features have been made available on the Android-based Samsung Galaxy Tab. And there are more possibilities available within the AVS, such as Connected TV and integrating TV Services on gaming devices like Microsoft XBOX.

Powering freedom and mobility for KPN customers, the iTV service has been a resounding success in the Dutch TV market. Customer response has been particularly positive with respect to the user experience, specifically the user interface design, seamless login and stability of the service. Two days after its launch, enthusiasm for the KPN Online iTV iPad application was evident, as it became the most downloaded free application in the Netherlands and received a 4.5 out of 5.0 score at the Apple iStore. Unprecedented in KPN’s product launch history, remarkably few customers have contacted the KPN service desk with queries in the launch month. KPN witnessed a strong uptake in its customer base for iTV and has been able to reach 25 percent of the Dutch iPad market in September itself, positioning it well to grow its consumer base for its wide range of telecommunications and ICT services and offer enhanced services.

The successful launch of iTV Online has significantly altered the Dutch TV landscape as KPN beat competition to launch the service first. Collaborating with Accenture to bring this innovation to life, KPN has been able to provide an unprecedented user experience, helping it strengthening its leading position in the broadband space and growing its TV market share in the Dutch TV market.
Accenture is a global management consulting, technology services and outsourcing company, with approximately 236,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$25.5 billion for the fiscal year ended Aug. 31, 2011. Its home page is www.accenture.com.

Contact us
To learn more about how Accenture can help your company achieve high performance by deploying services, content and infrastructure for IP video solutions, please contact:

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