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OTT trends & future predictions

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Consumers expect streaming content from robust OTT apps for mobile and connected TVs. But only the best brands evolve these apps into successful enterprises. Now yours will, too.

TV has proven to be one of the most influential mediums for brands to build awareness and drive sales. But over-the-top applications are better.

OTT apps, or those that stream content without a cable box, combine the reach and power of traditional pay-TV with the scale and flexibility of the internet to create an unstoppable force for content creators, distributors, and brands everywhere.

While 70% of consumers have at least one major OTT subscription — Netflix, Amazon Prime Video, or Hulu — many look to other media outlets to fulfill their content demands. And that's where your brand can step up to fill in the gaps.

Hundreds of small and medium-sized businesses launch OTT apps every single day. What used to be a strategy only million-dollar media companies could take advantage of is now entirely in your budget and power to accomplish given the right team.

Since you can't dive headfirst into OTT creation without a plan (unless you're into wasting time, resources, and money), let this whitepaper be your guide. It covers all the bases of creating a successful OTT solution for your brand, including:

> **OTT entertainment and media spending forecasts**
>
> **how UX will continue to drive OTT app engagement**
>
> **pros and cons of direct-to-consumer TV apps vs. streaming service aggregators**
>
> **launching/improving an OTT service in 2020: challenges and opportunities**
>
> **growing your team: in-house vs. offshoring vs. nearshoring**

With traditional pay-TV in freefall and the rise of OTT options, it's never been a better time for content creators and brands to connect with their audiences.

Subscription video on demand (SVOD) services put out more original shows than broadcast or cable for the first time ever in 2018. And when you launch your OTT app, your content will be part of this next generation.
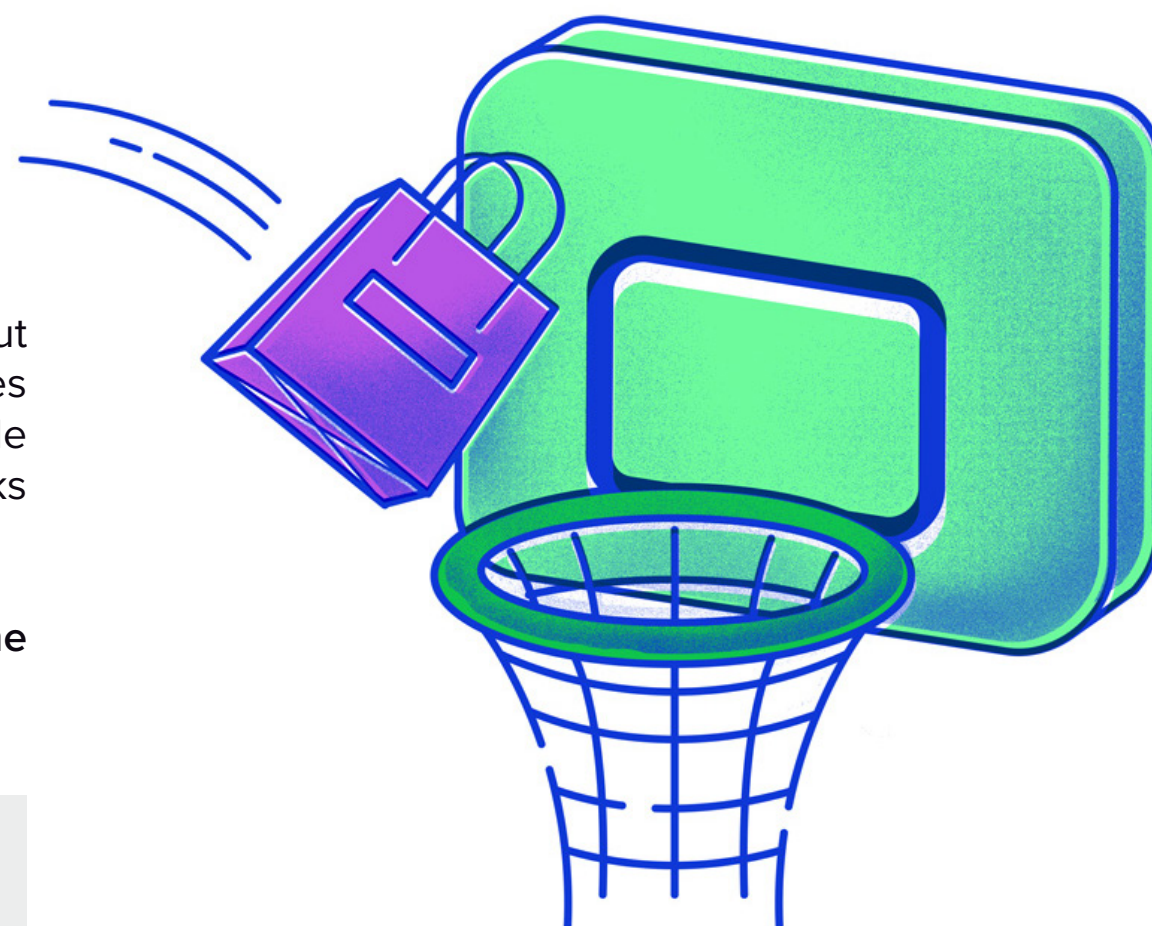
OTT entertainment and media spending forecasts

When we talk about OTT, we're generalizing about any standalone, streaming content that bypasses traditional media distribution channels like cable TV providers or telecommunications networks and uses the internet instead.

The most popular OTT solutions come in the form of:

- **desktop or web-based apps**

- **mobile apps for smartphones and tablets downloadable from digital storefronts**

- **connectedTV apps users can download on internet-compatible TVs**

- **apps for third-party digital media players like Roku, AppleTV, and video game consoles**

46%
subscribe to two or more OTT services

OTT video ranks second in compound annual growth to virtual reality (VR), with a steady 14% projected growth through 2020. Experts say OTT app usage will grow to a $120 billion industry by 2022, and $200 billion by 2024, finally beating out pay-TV within the next few years.

As findings from the PWC Global Entertainment & Media Outlook for 2019-2023 show, the pay-TV subscription model will continue to decline in the US (dropping to $81.8bn), despite pared-down bundles, advanced set-top boxes, and 4K TV.

Check out these OTT stats at a glance:

- **more than 51 million US households regularly stream content from an OTT platform**

- **46% subscribe to two or more OTT services (most average 3.4 subscriptions), a 130% increase since 2014.**

- **people spend over 100 minutes on OTT apps every day, and pay an average of $8.53 per month per service.**

- **the global OTT video market will double in size by 2023.**

- **Asia Pacific will overtake North America as the world's biggest region in terms of OTT video revenue as soon as 2021.**

As consumers more frequently cut the cord with cable, they're also shifting from one OTT app or service to the next in the hope of finding their perfect fit. If you don't give your customers a way to stream your content, they'll look elsewhere. These digital platforms taking a share of your ad and subscription revenues are your biggest competitors.

So to thrive, companies need to think holistically about their brands and come up with clear strategies to stay relevant in a digital world where their consumers have an unlimited choice for how to spend their time and money.

Create one OTT app or design a complete OTT solution, and your consumers can instantly stream and download your content (be it audio, video, or other) on their favorite devices. Your OTT apps become ubiquitous branded environments available to your consumers anytime and anywhere.
But great content alone will not succeed.

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UX drives OTT app engagement

Do you know the top three reasons why consumers recommend their fave OTT service over another? Content variety, ease of content discovery, and stellar original programming.

Just as valuable as your content and infrastructure, amazing UX (ie ease of content discovery) inspires brand loyalty and compels consumers to subscribe directly from you versus choosing your app from a third-party platform.

user experience:
defined and reimagined

User experience (UX) encompasses all the details of how a product or service helps users solve problems. It's as much about aesthetics as it is about user functionality.

So besides the technical aspects, OTT UX designers must take a comprehensive approach to how consumers discover, engage, and interact with content on websites, mobile applications (Apple, Android, etc.), and connected TV apps (Roku, Amazon Fire TV, Apple TV, etc.).

This starts with a total understanding of your company's full customer journey from beginning to end and includes all customer touchpoints and pain points. UX intuitively predicts a subscriber's desire (like finding something interesting to watch) and rewards them (with relevant recommendations, for example).

Hitting the mark on your OTT app's user experience is the number one way to boost engagement. Bad news? It's the hardest thing for new OTT ventures to get right.

what separates solid UX
from average design

Anyone can create an OTT app with an okay user interface. It takes a lot more know-how and finesse to craft one that's unique, engaging, and glitch-free. Here's what you need for gold:

intuitive interface and seamless navigation

Your OTT app's user interface should predict your subscribers' next move before the thought even occurs to them. Each screen and user action should be adapted and optimized for the platform they select.

Designing and building around users' personal preferences, gleaned from data and usage patterns, creates solutions that appeal to individual users and works for an audience of billions alike.

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personalization and tailor-made experiences

OTT apps give you a direct-to-consumer pipeline of information exchange. Allow subscribers to set up user profiles -- and different viewers within the same household, or with the same login -- get to enjoy their own curated experience. This boosts customer satisfaction and also provides a win for you: you'll snag data about their locations, interests, viewing and searching behavior, and individual preferences. Based on this data alone, creators can fine-tune customized content; your marketing team can send out tailor-made in-app and push notifications that convert. This streamlined communication ability means: your customers won't ever miss new content; you'll reduce subscriber churn; and you'll increase customer retention.

content recommendations based on collective-behavior relationships

Subscribers stick around when there's engaging content and an easy way to find said content. An OTT app's success depends almost entirely on the ease of content discovery. Content recommendations drive 80% of shows watched on Netflix and account for 70% of YouTube views, after all.

Users like recommendations based on their viewing habits because they present personalized and relevant content that may break through their preconceived notions of what to watch next. These suggestions help them discover content they might not have otherwise thought to check out.

Content recommendations leverage behavioral data points with machine learning algorithms to tell the OTT app how to merchandise your content best to subscribers. This can trigger several types of content recommendations, such as by ranking, search, ratings, and similarity-based themes.

All your user has to do is click through your curated selection in their personalized feed of "up next" content. This provides a clean, intuitive way to find and consume content in a comfortable, satisfying, and engaging way.

Content recommendations drive

80%

of shows watched on Netflix and account for

70%

of YouTube views

> **"People are more demanding in how they want to consume their content, and what kind of content they want to have, and what they want to see on their home screen."**
>
> **- GUILLERMO MARTINEZ, STRATEGIC PARTNER DEVELOPMENT MANAGER FOR ANDROID TV**

Collective-behavior relationships make this happen.

A smart UX employs artificial intelligence (AI) to uncover collective-behavior relationships, or trends that relate content and connect titles that may not have a natural relationship with each other. These types of complicated relationships are not something the average user may be thinking about, but monitoring the aggregated viewing behavior of customers over time makes these complex relationships obvious — especially to AI.

Your UX can recommend related titles based on cast, director, location, themes, and more. Global or similarity-based behavior can also be discovered by dividing collective behavior trends by demographics or specific actions. Here, you'll be able to identify personas within collective viewing trends that you can use with new customers, based on which cohort or persona they match.

compelling, personalized artwork

Artwork is one of the best ways to capture the attention of endless scrollers and recommend new or unfamiliar content. These small thumbnails must draw in viewers and give them a reason to think about whether that new title is worth checking out.

Artificial intelligence takes artwork to the next level. AI can highlight specific aspects of a title — such as an actor, location, theme, etc. — and use that information to select the best artwork to connect with each of your subscribers based on their viewing preferences.

Let's say a user binge-watches movies starring Robert De Niro. Instead of merely recommending other De Niro flicks, AI goes the distance to recommend content with De Niro and makes sure to feature De Niro in the artwork, even if he's not the lead.

Upon scrolling through this targeted, personalized recommendation, viewers are captured and compelled by the artwork like an enchanting doorway to a secret garden. They'll respond more favorably to new content when it's presented alongside familiar favorites. You'll improve the overall customer experience, deliver more valuable content, and take engagement levels to new heights. That's a quality user experience.

video previews: our #1 call to action

As content libraries expand, viewers need a quick way of grabbing information about unfamiliar titles in their feeds. Video previews are specifically designed video synopses that make it easier and faster for viewers to make confident watching decisions. They provide an overview of the story, characters, and tone of a title in a few seconds.

Video previews combat "browser fatigue," i.e., that endless cycling through thumbnails without ever finding something to watch. If the artwork gets a subscriber to stop scrolling, the video preview compels them to add the title to their list or immediately start viewing.

User interface, personalization, and content recommendations are all part of UX. Nail these components, and your content will have everything it needs to shine.

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benefits of UX in OTT

User experience has become increasingly important for media companies to differentiate their streaming video offerings. So what happens when you prioritize all the pieces of solid UX in your OTT app?

**clean ux =
happy customers**

Developing OTT apps can be very tricky. It would be terrible for you to spend months and thousands of dollars on a mediocre developer who delivers a buggy, clunky, ugly OTT app. So investing in UX upfront means you may significantly reduce costs of fixing these issues down the road.

Remember, 51% of people say "accessibility/ search of desired content" ranks in their top three reasons for choosing, subscribing to, and recommending an OTT app or streaming service. Make your UX as clean, simple, and intuitive as possible, and you'll make your viewers' lives easier. If your UX helps users quickly browse and discover content that keeps them engaged, they'll choose to subscribe to your service directly rather than through your third-party competitors.

higher engagement, brand loyalty, and retention

Content is king, but engagement wins it all. Personalized recommendations and an easy-to-navigate UX boost content consumption, app engagement, and customer lifetime value.

The best part about having an OTT app is the ability to control your customer's journey. Similar to working a new lead through a sales funnel, you'll be able to guide your subscriber with personalized recommendations for content every step of their journey with your brand. When you display your value by creating unique user experiences, you get return customers and brand ambassadors (i.e., people who recommend and praise your OTT app to others and amplify your reach).

As you collect stats and analyze trends, you'll score in-depth insight to help you target new niches within your subscriber base and word-of-mouth referrals as they develop in real-time. Adapting to your evolving subscriber needs with fresh content increases conversions (or desired actions you want users to take), reduces churn, and ups brand loyalty.

All this matters when your subscribers have the choice between downloading your OTT app directly or going with an OTT aggregator.

51%

of people say "accessibility / search of desired content" ranks in their top three reasons for choosing an OTT app or streaming service.

pros and cons of direct-to-consumer TV apps vs. streaming service aggregators

How much do you want to invest in your own direct-to-consumer offerings versus relying on established companies to grow your subscription base?

Before you answer that, you must understand that the "streaming wars" isn't just about subscriptions and shifting your traditional business into the digital age. It's about the long-term and why every media and technology company is fighting over the same thing — the direct customer relationship.

OTT aggregators wrangle pipsqueaks and giants of the OTT app world in one place so users can browse for everything in a single platform. Roku and Apple TV have joined Amazon in becoming OTT aggregators via The Roku Channel and Apple TV Channels, respectively. Consumers can now purchase a video service, such as Showtime, from at least a dozen different OTT aggregators, for instance.

Should your app join their ranks or stand alone? Let's weigh all your options.

pros of partnering with aggregators

reach a mega audience

OTT aggregators widen your reach. People outside of your target audience will see your app as they're scrolling for their own customized content. Prime Channels puts your brand in front of Amazon's 100 million subscribers, for example. We often hear clients admit that they love being a part of the Prime Channels program because the customer acquisition cost is zero dollars.

> **Consumers suffering from "subscription fatigue" ditched their cable bill only to assume three or more OTT subscriptions.**

one-stop-shop for consumers

Market research shows that customers increasingly expect a single provider to make all the TV services they want to watch available in one place. Respondents in one focus group admitted that they would rather purchase a subscription video service through an OTT aggregator than directly from the network. Why?

Because the ease of a single-user interface (and managing a single bill) is too tempting to pass up. Consumers suffering from "subscription fatigue" ditched their cable bill only to assume three or more OTT subscriptions. That's why more than half of all direct-to-consumer subscription purchases, such as HBO, are made directly through Amazon Prime Channels. The rate's even higher for Showtime (72%) and Starz (70%).

Create your OTT app, and a popular aggregator will integrate it into their offerings so your subscribers don't have to add another subscription to their budget.

cons of partnering with aggregators

loss of direct-to-consumer relationships

If you only partner with an OTT aggregator and don't invest in your own direct-to-consumer model, you risk losing leverage with your customers. The OTT aggregators get to fend off their competition (i.e., you) by stealing your customer relationships and earning a percentage of your subscriptions. PS: OTT aggregators typically keep about 30% of your revenue.

Don't become another Toys R Us story in lost leverage. In 2000, Toys R Us signed what was supposed to be a 10-year contract as the exclusive vendor of toys on Amazon. One day, Amazon decided to change the rules and began to allow other toy vendors to sell on its site anyway. Toys R Us sued Amazon to end the agreement in 2004. However, it took another 13 years for the company to get serious about its e-commerce brand and compete with Amazon and other online retailers. They waited until it was too late, and it led to their demise.

Toys R Us became overly dependent on a single strategy and a single affiliate partner. The retail giant completely lost its leverage and the same can happen to your company.

All consumer-facing brands must create leverage so their competitors won't render them totally useless. Toys R Us stopped providing customers with any reason to do business directly with them. They failed to give their customers anything more than what they could get from Amazon. So they literally gave Amazon their customers, their browsing and buying habits, and the majority of their revenue. You don't have to follow suit.

Without leverage, your brand's dead in the water

All consumer-facing brands must create leverage so their competitors won't render them totally useless. Toys R Us stopped providing customers with any reason to do business directly with them. They failed to give their customers anything more than what they could get from Amazon. So they literally gave Amazon their customers, their browsing and buying habits, and the majority of their revenue. You don't have to follow suit.

loss of control

An OTT app allows you to speak directly to your customers and guide them with thoughtfully-targeted content. When you give aggregators your content, they earn this direct chat time with your subscribers. And they control how your customer journeys from discovery to recommended titles. They reflect your brand and speak on your behalf.

But you have no idea what they're really up to. And you have no control over how they market your content to your audience.

Let's take a well-known player like HBO to demonstrate this risk. HBO is virtually non-existent in the base Prime Video offering. To watch HBO on Amazon, you have to scroll through rows of Amazon offerings first. Then when you click the HBO portal, you're taken to a crummy, impersonal landing page. Want to browse the network's movies? Have fun scrolling through the single row of 200 unorganized titles.

No subscriber wants to deal with a row of jumbled, random content like this. And HBO knows that. HBO's direct-to-consumer app gives subscribers access to 100s of movies, and they're all neatly organized by genre, to provide real value to their customers. Aggregators don't care how your content is presented. And that doesn't bode well for your customer relationships.

pros of investing in your direct-to-consumer OTT app

personalize your customer journey

The beauty of investing in your own direct-to-consumer OTT app is the ability to personalize the user journey with relevant messaging and video recommendations. You define customer journeys and user experiences across your website, mobile, and connected TV apps that are most conducive to your business' success. And you get to decide everything a user engages with — from the user interface to the click-through noises to the content recommendations.

You lose this crucial ability when you go with OTT aggregators. As we saw, most will simply dump your content into an unorganized heap and force your interested viewers to search for their proverbial needle in a haystack. That's not the best branded experience you can give your customers. But your direct-to-consumer OTT can be.

deliver exclusive content, raise subscription price

Going in the opposite direction of the lowest-price model, giving subscribers exclusive content and original programming via your OTT app may boost subscription revenue. Subscribers will pay extra for content they can't get anywhere else.

If you can't offer exclusivity, try early access for original programming. Releasing new episodes on your app before they're live anywhere else will prompt subscribers to choose your app over your competitors. Starz releases episodes for their popular series on their OTT app a day before they air on live TV, for instance. Peacock is offering similar early release options; both The Tonight Show Starring Jimmy Fallon and Late Night with Seth Meyers will air hours before linear TV viewers can tune in.

offer consumers a lower price, grow subscription base

Did you know Netflix saves $1 billion every year just by recommending the most relevant content to each individual user? Owning the user data from your direct-to-consumer app will help your team make smarter decisions to save money while growing revenue. Since your biggest competitors are now the digital platforms taking a share of your ad and subscription revenues, you may be able to beat them on price.

How flexible you can be on your pricing comes down to how well you can minimize your operating costs and whether you have restrictions in your existing partner agreements. Become the lowest price in town, and subscribers may soon flock your way.

download-to-go

OTT aggregators don't offer subscribers the option of download-to-go, which lets users download content directly to their mobile devices to watch whenever they want regardless of connectivity. This feature is often standard for direct-to-consumer subscribers — and another area where you'll gain the competitive edge.

> **Netflix saves $1 billion every year just by recommending the most relevant content to each individual user**

cons of partnering with aggregators

you have to budget for and create an ott app... welp.

What happens when you ignore the aggregators in favor of creating your own OTT app? Your brand's in control and on the hook for everything. But your ROI may be well-worth the upfront investments in time, resources, and capital.

Think about this:
Back in 2001, Target signed a deal that allowed Amazon to run its e-commerce operations. Less than ten years later, Target pulled out of the Amazon deal and assumed full control over the design and management of its e-commerce technology platform, fulfillment, and guest services operations.

Target had to pony up $2.5 billion per year to make this a possibility without tanking revenue. But they foresaw the benefits and the profit from this direct stream being worth the cost of development. Their e-commerce revenue stream became too strategically important to outsource to, essentially, their competition.

You must never stop providing customers with reasons to do business directly with your company. Offering value they won't receive elsewhere starts with your OTT app. This means you'll need to handle all the technology, infrastructure, content, retention, and billing duties. And when issues arise, you'll also need to provide customer support.

marketing for viewership

OTT aggregators make fantastic affiliate partners thanks to their "built-in" audience. But when you create an OTT app, they'll become your direct-to-consumer threat for viewers and subscribers. You'll need to create a plan to attract enough OTT subscribers to make your app profitable. This requires a deep dive into your short- and long-term strategies for engaging with subscribers across various marketing channels to grow both sides of your business.

Only your brand knows which path is best for your audience. For most, a combination of direct-to-consumer offerings paired with an aggregator partnership makes the most sense. So how do you go about building this type of OTT solution?

Target had to pony up $2.5 billion per year to make this a possibility without tanking revenue

launching and improving an OTT service in 2020: challenges and opportunities

Building a sustainable OTT service is technically complex; it requires a thorough understanding of advanced technologies that continue to evolve. If you want to launch your OTT app or expand your streaming services, you may want the help of a specific OTT expert or OTT agency. They'll know exactly where to begin and what challenges to take on first, such as:
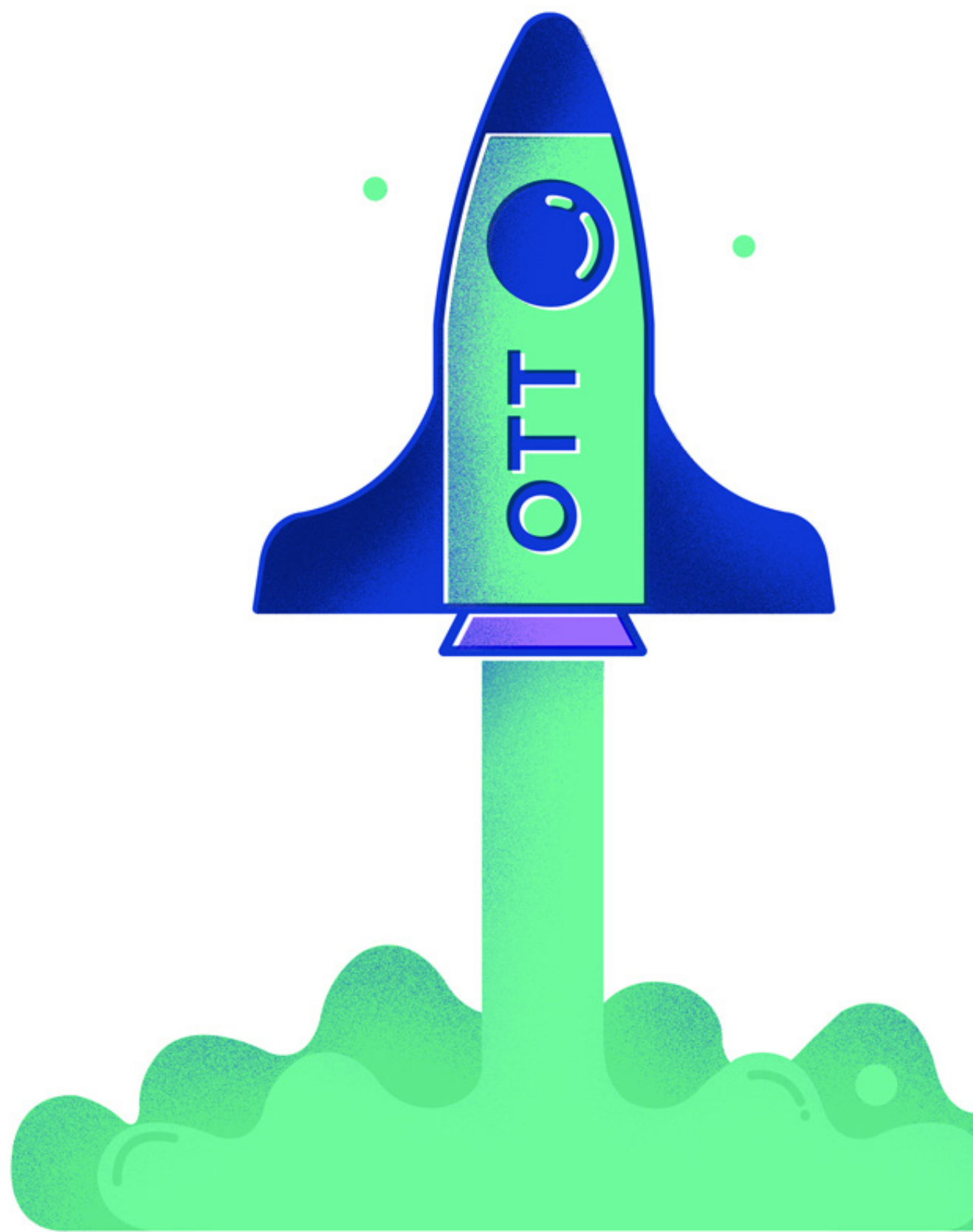
1. technology and infrastructure

Unlike building apps for mobile, OTT TV apps are much more fragmented, and there are clear problems creating infrastructure for every option. Roku, Amazon Fire TV, Apple TV, Android TV, Samsung Tizen, XBOX, etc. all have their own separate development platforms.

Then every platform has its unique coding languages and SDKs. Roku uses a language called Scenegraph, which is a mix of XML and their proprietary language, BrightScript. Android TV is based on, you guessed it, Android. Apple tvOS uses Objective-C, Swift, and Javascript. Amazon Fire TV can use either Android or HTML5. And many SmartTVs run purely on HTML5.

What about the upcoming 5G rollout? Consumers are spending more time online, yet many Americans still have insufficient bandwidth. 5G could make more complex (or heavy) UX/UI load faster, improving your app's performance despite more elaborate builds.

If you want to build apps for each platform and continue to update them as technology advances, you need a team with innumerable technical skills. And these wizards are often extremely difficult to find.

2. content acquisition

What's the plan for your OTT content? Capturing and engaging your audience with original content is a challenge. Consumers consistently demand content, but fresh, new programming is expensive. So you'll need to create a continued content development plan that fits within your subscriber pricing strategy.

Figure out these content decisions first:

- **type of content to offer (video, audio, etc.)**

- **genre or niche to specialize in amount of content to provide (unlimited, tiers or levels, etc.)**

- **frequency of content releases budget and target production value**

- **launch type (live, periodical, on-demand, etc.)**

3. advertising and monetization

You may start with free branded content to inspire users to sign up for your app. But you'll want to transition to advertisements, subscriptions, pay-per-view pricing, or other revenue-generating strategies to monetize your OTT app and create a viable profit stream.

The three primary ways to monetize your app are:

- **charging for subscriptions**
- **charging for transactions**
- **advertising**

While the process of charging for subscriptions is self-explanatory, charging for transactions can be more confusing. However, we need not look farther than mobile to see how consumers are used to making in-app purchases. The same is true for your OTT app.

In-app purchases for content or channel subscriptions will entice your viewers to browse around, get an idea of the content they can expect, and see the value you provide before they have to commit to paying.

Advertising, like in-app purchase options, is also something many users are accustomed to and expect. As a revenue model however, you have to dance the fine line between showing too many ads that alienate viewers or cause advertising fatigue or else your users will drop off and you'll have no one left to show ads to.

Of course, there are hybrid models of the above. Hulu charges for subscriptions but offers a reduced rate that is combined with advertisements to attract different types of customers.

NBCU's Peacock has recently revealed new advertising plans that are somewhat similar to Hulu. The new streaming service, which promises to be light on ads, will show fewer than five minutes of ads per hour for both Peacock Premium and the free version.

For comparison, Hulu shows about nine minutes of commercials per hour, Tubi, a free streaming service, shows about four, and traditional TV networks show, on average, 11 minutes of commercials each hour.

4. UX and programming guides

You already know how important UX is to the adoption of and continuing engagement with your OTT app. So you'll need to multiply this need by every screen you plan to offer content for. Each screen presents a different challenge to the best viewing experience. And you need a multi-screen distribution strategy to leverage the strengths and weaknesses of each platform.

TV screens are still your most significant revenue generator. So OTT apps streaming to your TV will be a large profit driver. Smartphones are ideal for finding and sharing content thanks to push notifications and the ability to cast to connected screens. Tablets may be the best of both worlds: its smartphone capabilities are conducive for sharing while its "lean-back" style of immersive TV screens boosts satisfaction.

5. piracy

How will you control potential theft, copying, or hacking of your content? What about subscribers sharing passwords? Will you prevent people from downloading your content on multiple devices, or for extended periods?

6. subscriber churn

Interesting content keeps 64% of US subscribers and 55% of UK subscribers loyal to their OTT services for more than a year. But survey responses show 38% of Americans canceled one or more OTT services in the last year, with Hulu users slightly more likely than other platform users to bail ship.

The top two reasons cited for canceling an OTT service? Subscribers either can't find enough content they like, or they don't find the service a good value for their money. Your content and UX should help here, but you'll still want someone in charge of customer engagement.

So who's going to handle all the building, analytics, troubleshooting, and maintenance of your OTT app and subscriber base?

38%
of Americans **canceled** one or more OTT services in the last year

growing your team: in-house vs. offshoring vs. nearshoring

How do you create reliable infrastructure that not only works but differentiates your OTT app from the fierce competition? It all depends on how much you're willing to invest and how quickly you want your product to hit the proverbial or physical shelf. It's ultimately up to you to decide on the amount of resources and time you're willing to devote to the project.

considerations for building an OTT app

How will you best take advantage of the OTT marketplace? You must follow the best practices for creating and launching an OTT app. You'll need to outline a plan for which devices you'll start with first and whether you'll use a template or completely customize your UX and UI design.

You don't need to launch OTT apps on every platform at the same time. Start with the most beneficial and then work outwards after analyzing your usage data.

For example, over half of OTT users stream from mobile apps due to their convenience. Yet certain content performs better on TV screens than mobile (like fitness content or kids entertainment). If you're in this boat, more than 40% of OTT users stream from a Roku, so that's the best place to launch your app for TV audiences.

Knowing and preparing for these ins-and-outs will lead to your highest chances of success. And this intel may also help you decide whether to build your OTT app in-house or outsource the project.

pros and cons: building versus buying

The popular belief around building OTT apps in-house is that you can "control" delivery, updates, and improvements for multiple code bases much faster than if you outsource the investment. You can upgrade web platform assets to serve as connected TV front-end experiences and consolidate various operating systems into your package.

However, this often comes at the cost of time and money in both the short and the long term. You can't hope to deliver the product as quickly as you might need when the required skill sets are so specialized and hard to find. Hiring for these skills full time often results in less experienced staff who don't have a suite of app launches under their belt.

The myriad of platforms you may require can often lead to overstaffing your design and engineering team to accommodate these specializations. Covering so many bases will eat into your budget and delay your launch.

On the other hand, partnering with a competent outsource partner will let you customize an OTT solution for various operating systems using a team of experts possessing the right skill-set. The experience those teams or individuals bring to the table by having executed similar solutions can be an invaluable asset to your delivery speed.

Choosing the right mix of skills and a partner to collaborate with allows you to cover many bases more efficiently, and do it at a lower cost than establishing the entire infrastructure and hiring all the talent needed to build and market your OTT products on your own.

The follow-up support of an OTT app launch can come in many forms. You can have a rapid response support team available entirely in-house, fully outsourced, or a hybrid. While both offshoring and nearshoring represent forms of outsourcing business operations to a different region or country, there are some significant differences between the two models.

pros and cons: offshoring

In offshoring, your company moves its OTT development to another country where it may be able to take advantage of lower labor and production costs, amongst other benefits like having greater availability in other time zones and access to different skill-sets.

Less regulated environments do contribute to lower operating expenses. But organizations that undergo offshoring soon run into many challenges, business interruptions, complex cultural disconnects, difficulties in project management, and hidden costs.

There's the processing lag of data and information when you may be 12+ hours behind. Travel and training costs can also eat up an allocated expense budget, especially when you factor in the resource commitment needed by existing employees to train their offshore counterparts. Additionally, the compliance costs to satisfy the complexities of foreign legal and human resource requirements present yet another challenge.

All these reasons explain why offshoring is becoming less of a default outsourcing practice. The alternative — nearshoring — offers more appealing benefits for companies who want to be closer both geographically and culturally to their production team.

pros and cons: nearshoring

Nearshoring occurs when companies decide to work with teams in countries located closer in proximity to their own. UK companies may nearshore operations to Spain instead of the Philippines, for example.

This model offers more of a cultural and aesthetic affinity and better alignment in time zones. Without long lag times, the speed to market and the ability to run agile projects go way up. You can pick up your phone and reach your outsourcing counterpart at almost any hour during the business day.

Video conferencing and other real-time communication platforms become a defacto option for US-based project managers looking for insight and overall status updates.

why not a hybrid approach?

With Zemoga's headquarters in Bogota, Colombia, we're situated near enough to our US clients to allow for a hybrid approach. Our team of 180 staff members work with organizations on-site or remotely from our offices in New York City, Los Angeles, and Wilton, CT. Then we partner with the best tech talent across Latin America.

While Eastern European nations are a nearshoring hotbed for the big players in the European market, organizations based in the US and Canada are increasingly looking towards Latin America for their design and engineering resources.

LatAm is a natural nearshoring partner for North American businesses beyond the shared geographical proximity and often similar time zones (if not the same). Many differentiators should put Latin American production companies at the top of your list too.

LatAm's rising education levels means it now boasts a:

- **population with very high English proficiency**

- **booming tech industry**

- **diverse range of growing world-class tech talent and expertise**

This winning combination allows Zemoga to deliver on three fronts: superior quality, quick time to market, and cost-efficiency.

organizations based in the US and Canada are increasingly looking towards Latin America for their design and engineering resources.

build better
with Zemoga

The OTT industry is changing rapidly, but the one constant of digital evolution is that great experience + great content wins. Here's where we fit in.

hi, we're zemoga!

Zemoga has been driving innovation in media and entertainment for over 15 years. Our global team of OTT experts helps companies navigate the media landscape by providing an understanding of the pitfalls and opportunities of OTT while bringing transparency to the total cost of ownership.

We put together a wide range of experiences across multiple disciplines, from Strategic Consultation, App Creation, and Content Discovery to Monetization, KPI Monitoring/ Reporting, and ongoing customer support.
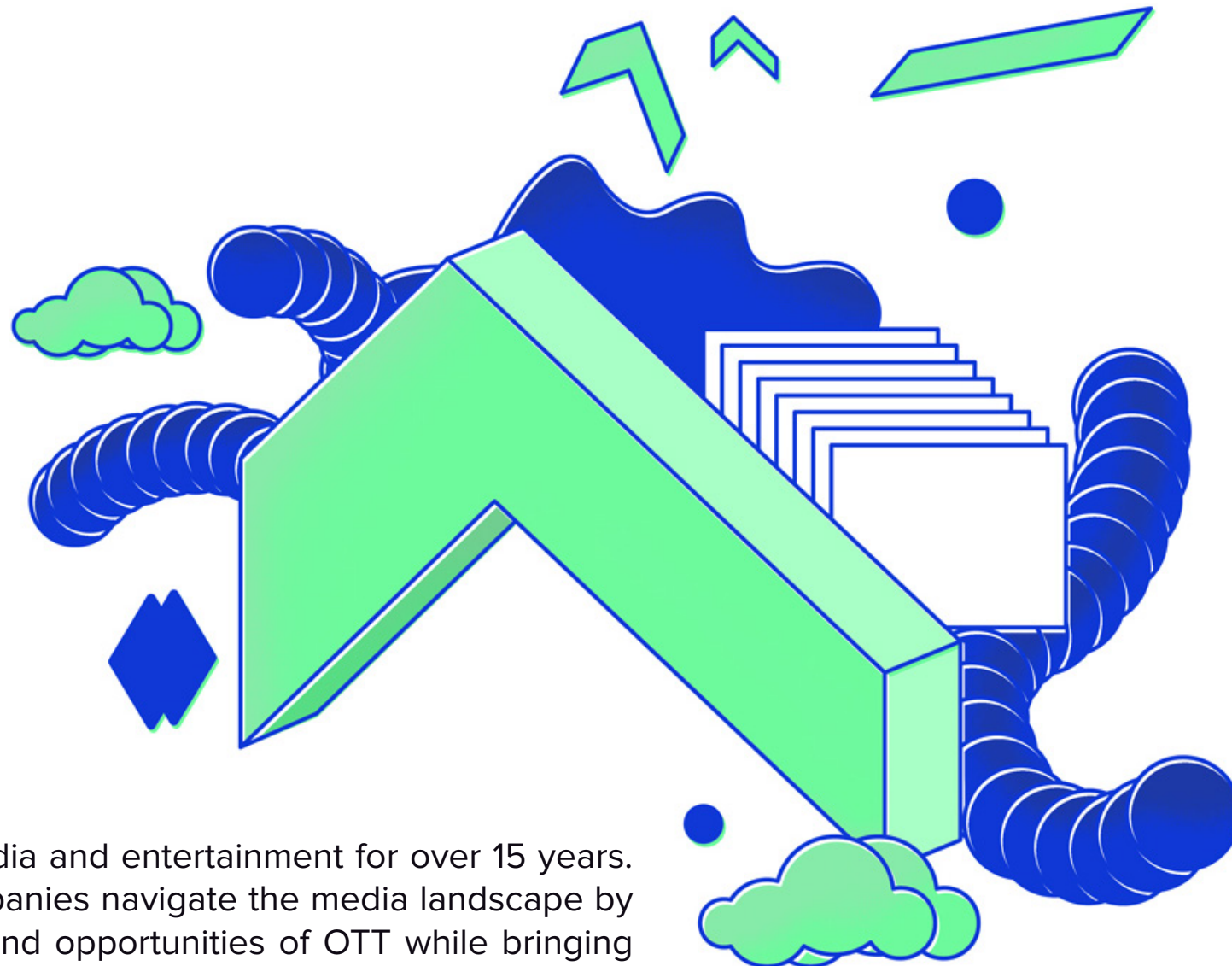
we're really good at...

Zemoga provides dedicated OTT engineering and design talent to leading US companies so they can get their OTT solutions off the ground. We fill talent gaps across what are often the hardest to fill roles in their organizations. Short term, long-term, on-site, and near shore. If there is a void, we can fill it. And our OTT app experts will seamlessly integrate into your project team.

we're committed to better processes, better solutions, better efficiencies, better design, better people. It's simple; we just Build Better.

we design with the platform and the user in mind

Zemoga creates custom solutions for programmers and distributors looking to leverage the latest technologies and platforms. We're platform-agnostic and know how to go through every stage of the product life-cycle to deliver on time and in budget.

Our full-stack team can support any technology out there and provide support on the implementation of a full end-to-end solution, along with an expert strategy team that can guide the implementation of a profitable and sustainable solution. Our experience is industry-proven.

Zemoga supports all major Connected TV and mobile platforms, including Roku, Amazon Fire TV, Apple TV, Android TV, Samsung Tizen, iOS, Android TV/mobile, and more.

meet our proprietary framework: zTV

Our longtime experience delivering on leading platforms like Roku, Apple, and Google led us to design and develop a custom framework accelerator we call zTV.

zTV is a proprietary set of modules that expedites the time to market for your channels, regardless of the platform. zTV has a common set of features in the framework that can be leveraged by our staff to increase development velocity when delivering standard requirements like content navigation, discovery, and video players.

Using the best practices from our leading partners, we maximize performance on all devices and almost completely remove the risk of certification pitfalls.

great user experience + great content always wins

Zemoga's in-depth knowledge of mobile and in-home media consumption behaviors — combined with expertise in attracting and retaining an audience through digital channels — allows us to help our clients achieve their OTT dreams.

We've invested aggressively in partnerships, platforms, and people to support this new digital age of media consumption. Still, success ultimately depends on your user's experience of discovery and how much they enjoy your customer journey. Crafting bingeable user experiences takes a robust and user-friendly UX. That's why we specialize in OTT UX development.

Content creators and digital publishers are transforming the TV experience as we know it. So let Zemoga help your brand navigate and take advantage of this new marketplace the right way.

Ready to discuss your
goals? We are!

ott@zemoga.com

zemoga®
build better

stats backed by facts

Study: U.S. SVOD Buyers Average 3.4 Services:

https://www.mediaplaynews.com/study-us-svod-buyers-average-services/

OTT Market to surpass US$200 billion by 2024

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Real-time relevance and predicting purchases:

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The State of OTT Video Viewing: Top Devices and Platforms:

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Jimmy Fallon and Seth Meyers' late-night shows will stream early exclusively on Peacock

https://www.theverge.com/2020/1/16/21069452/nbc-peacock-jimmy-fallon-seth-meyers-shows-exclusive-streaming-nbcuniversal-late-night

Study: Partnering, Aggregation, and Bundling in Video Services:

https://www.parksassociates.com/report/partnering-aggregation-bundling-video-services

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YouTube's recommendations drive 70% of what we watch:

https://qz.com/1178125/youtubes-recommendations-drive-70-of-what-we-watch/

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https://www.mediaplaynews.com/research-content-variety-ease-of-discovery-and-original-programming-key-in-ott/

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https://www.juniperresearch.com/press/press-releases/ott-tv-revenues-to-surge-approaching-120bn-2022

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Streaming Video Services Made More Original Shows Than Broadcast or Cable in 2018, Report Says:

https://fortune.com/2018/12/13/streaming-video-original-shows-spending-2018/

The Future of OTT Is in Tailored Experiences, Says Android TV:

https://www.streamingmedia.com/Articles/Editorial/Featured-Articles/The-Future-of-OTT-Is-in-Tailored-Experiences-Says-Android-TV-134925.aspx

The Future of Direct-to-Consumer (DTC) Video Services – Analysis & Forecasts, 2018-2022:

https://www.tdgresearch.com/what-we-do/syndicated-reports/future-direct-consumer-dtc-video-services-analysis-forecasts-2018-2028/

Percentage of U.S. Households With Multiple OTT Subs Has Jumped by 130% Since 2014:

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The most important buying factors for video-streaming services:

https://mashable.com/article/most-important-buying-factors-for-video-streaming-services/