

NEW TELEVISION INSIDER

GET Cable proves there is life after UPC

When in 2005 UPC took the decision to sell its interests in cable operators where it could not reasonably achieve market leadership, it meant a total withdrawal from the Nordic market. Its Swedish interests became a part of Com Hem, while in neighbouring Norway the buyout specialist Candover paid NOK3.6 billion (€413.8 million) to create GET. A little under two years later and Candover had neared doubled its investment to NOK5.8 billion, selling to Goldman Sachs and Quadrangle though retaining a minority stake.

Around 370,000 households are served by GET, representing some 20% Norway's total cable households, the number having remained stable since the UPC signs were taken down. According to CEO Gunnar Evensen, the principal effort has been in driving up the ARPU among existing customers, 95% of who have already seen the analogue switch off of their terrestrially transmitted services. He says that Norwegians initially purchased a convertor box to ensure a continuity of service, but are now re-entering the market to see what the pay-TV operators have available for them.

"We didn't lose anyone, but we didn't gain anyone either, and I think that ground will come back," he adds. "If you look at the rationale, cable is a better offer, you get double the number of channels than you do on Riks TV for the same price, but then you sometimes had to wait for the installation." Get's 36 basic channels compares with 18 from the terrestrial pay-TV operator, though Riks TV customers do get a head start of five channels from NRK.

A total of 57% of GET customers now have a digital receiver from the cable operator, though the upgrade process has slowed slightly. GET is part of a highly competitive landscape. The terrestrial operator RiksTV, owned by a consortium of Telenor, NRK and TV2, offers a pay-TV package to supplement the small free-to-air offer. Telenor also owns Canal Digital, which has satellite and cable and is developing IPTV operations, while Viasat has satellite and an eye on IPTV. There is also a small grouping of IPTV operators, mostly formed by energy companies and grouped together under umbrella brands. When UPC pulled out of Norway the operator had around 25,000 customers on the Motorola platform, but in reality little progress had been made, and UPC had far from committed to which digital technologies it would deploy on its networks. "We had several discussions with the group before we left, and one of them was the timing for the digitisation of the Norwegian market. We were on a timeline for 2008, so that was not possible," says Evensen.

It was then that GET opted for a combination of technologies from NDS, Kaon, Cisco and Tandberg Television. NDS would supply both middleware and encryption into set-top boxes manufactured by the South Korean company Kaon. "We landed on NDS based on their roadmap, we felt that these guys had a long term strategy, both on their cable footprint, and on IP which was also important to us. We always felt that as a relatively small customer we would get the attention that we needed to get the business moving. We felt that Kaon was very

flexible, and interested in new business, and these guys turn around on a coin.” For the time being, GET is maintaining its exclusive relationship with Kaon.

GET was one of Kaon’s first cable customers, and using the NDS XTV software stack introduced the first PVR product into the Norwegian market, HD followed in March 2008, and VOD the following October. Like many other operators, Evensen has his eye on increased revenues from the medium. As yet there is no VOD content offered from either the public broadcaster NRK or its commercial counterpart TV2, although they have an online catch-up platform and conversations are taking place with both of them.

GET already has an online TV guide from where PVR owners can remotely set recordings; an iPhone application similar to that already implemented by Sky and DirecTV will also shortly be available.

The next stage will be to implement the internet through the set-top box. “We’re really working hard on that, but I think it is a necessity for us to get there,” says Evensen.

Rolf Bive, CTO at GET, admits it is a little early, the most common method being to dress up around a dozen websites that would easily work on TV. “We are looking at a different process to see if it is possible to do more than that.”

The new digital network allows for VoIP, on demand and broadcast, making an early decision to build everything around IP, and Evensen believes GET to be the first cable operator in Europe to make such a decision. When the signal gets to the hub it is converted back to the HFC network and combined with broadband and telephony. The configuration has also made it possible to reduce the operation to run on a single headend.

The result is now when a new customer approaches GET they can be offered either a cable or an IP service, dependent on where they live, and the GET footprint extended to the burgeoning IP networks that may not otherwise have sufficient resources to run a TV offer of their own. It is a single multiplatform headend delivering the customers the same user interface and product independent of IP or HFC.

“New build in Norway will build with CAT5 or fibre, and that’s a market we want to participate in. Many European cable operators still see IP as a threat to their business, up here it’s still a threat, but it’s also the biggest growth potential,” says Evensen.

It is still early days and IPTV customers amount to just 2,500, the service having been first made available late last year. While GET has put the investment into the platform and its delivery, the local IPTV provider is responsible for paying for the infrastructure in their area.

DOCSIS 3.0 has been deployed in around 70% of the network and the current top speed is 26 Mbps, though this will be increased to 50 Mbps within the next few weeks and 100 Mbps before the end of the year.

With no regulatory pressures, GET is looking to maintain its analogue services for as long as possible. It may only become an issue when more capacity is needed within the network.

Get Cable

- 370,000 households served by Get
- 70% of homes are multiple dwelling units
- Footprint in all 6 major cities in Norway
- Fully digitised network passes 517,000 homes
- 70% of network 2-way enabled for triple play
- Pay-TV market share: 75%
- Broadband market share 40%
- 57% of Get customers have digital box
- Broadband subscribers grew 48% 06-08
- Telephony subscribers grew by 32% 2006-08

Source: Get Cable

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