



## **ITU-ASEAN Forum on Over the Top (OTT) Services: Business, Policy and Regulatory Trends**

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# Emerging OTT and Service Landscape

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## What is driving Emerging OTT ?

- OTT is the future service model for communications and media,
- OTT players are rapidly expanding across multiple communication and digital service domains.
- The availability of high speed internet has opened up new avenues for OTT applications.
- The growth of smartphones, along with improvements in mobile infrastructure, has also assisted the growth.
- Cloud Services.

# Types of OTT services

1. **OTT Voice and Messaging** (Communication services)
2. **OTT Application** eco-systems (mainly non-real time), linked to social networks, e-commerce;
3. **OTT Media** - Video / audio content.

# What is special for OTT Subscriber



1. Compatible with all devices connected to the Internet (PC, smartphones, tablets and smart TVs ...).
2. Contribution of mobile technologies such as Wifi, 3G and 4G to the growth in the uptake of mobile services and Internet.
3. Multiscreen Consumption
4. By offering conventional source of revenue (Call, SMS, etc.) for free, OTT Service Provider (OSP) are getting very rapidly the backing of users.

# Impact of Services OTT

## Advantage:

- ❖ Benefit from worldwide coverage by internet and quick deployment
- ❖ Exploit economies of scale
- ❖ Exploit broadband connectivity
- ❖ Benefit from publicity revenues
- ❖ High negotiation power towards suppliers

# Impact of Services OTT

## Disadvantage:

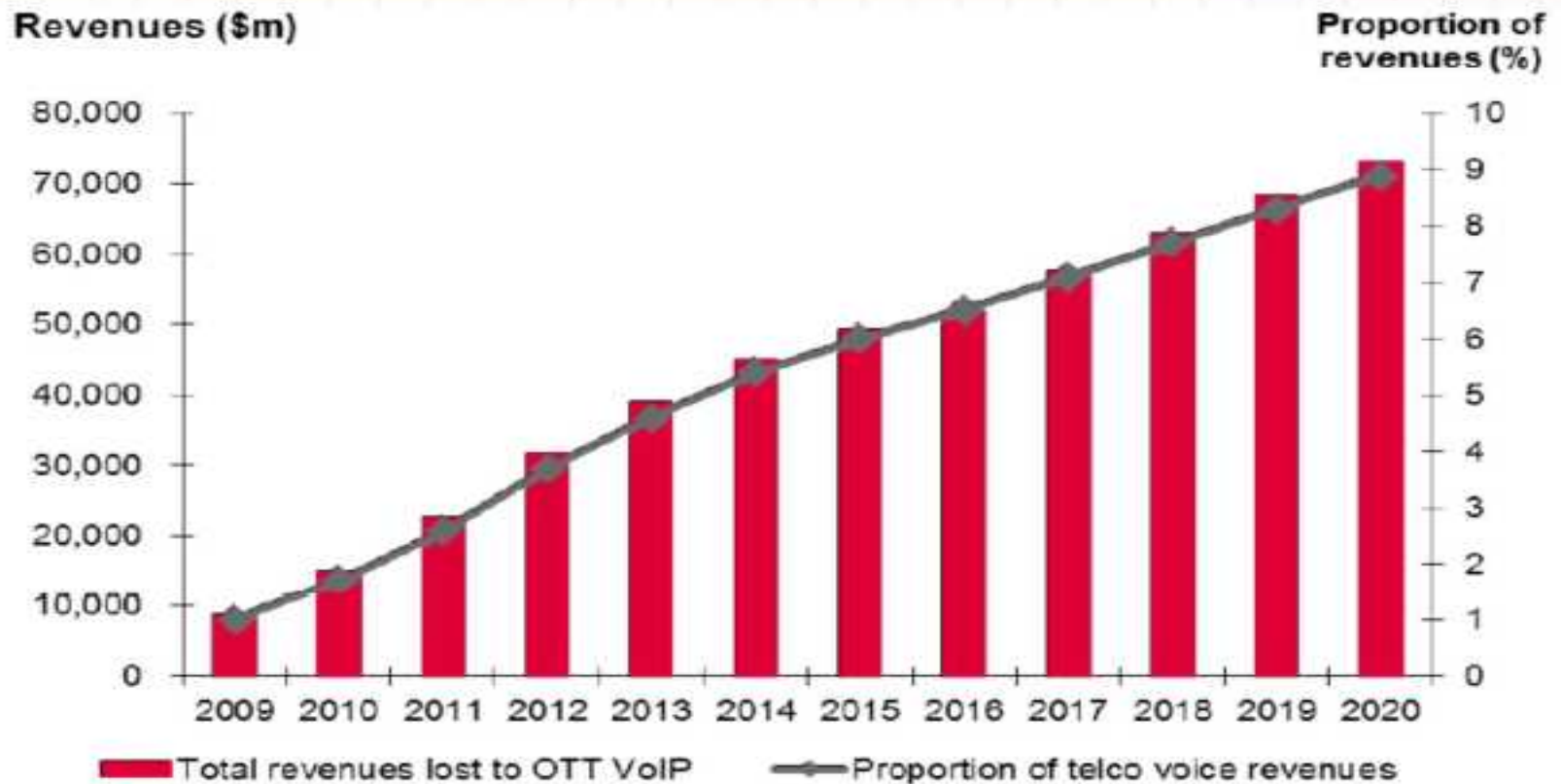
- ❖ Difficulties to assure end to end quality control
- ❖ Less advantage for proximity and consumer experience related requirements
- ❖ Lower capability for country national and local dependent services
- ❖ Lack of contribution to the Universal Services Fund and very limited
- ❖ Significant loss of revenues in voice and messaging services
- ❖ OTT tax evasion and collection problem
- ❖ Personal data and privacy issues hardly addressable by national regulation
- ❖ Security concerns hardly controllable

## OTT Services Impact Revenues

1. OTT impact revenue of all the three **real time application** verticals: voice, messaging and video, and
2. Non-real time applications: e-payments, e-banking, entertainment apps, mobile location based services and digital advertising.

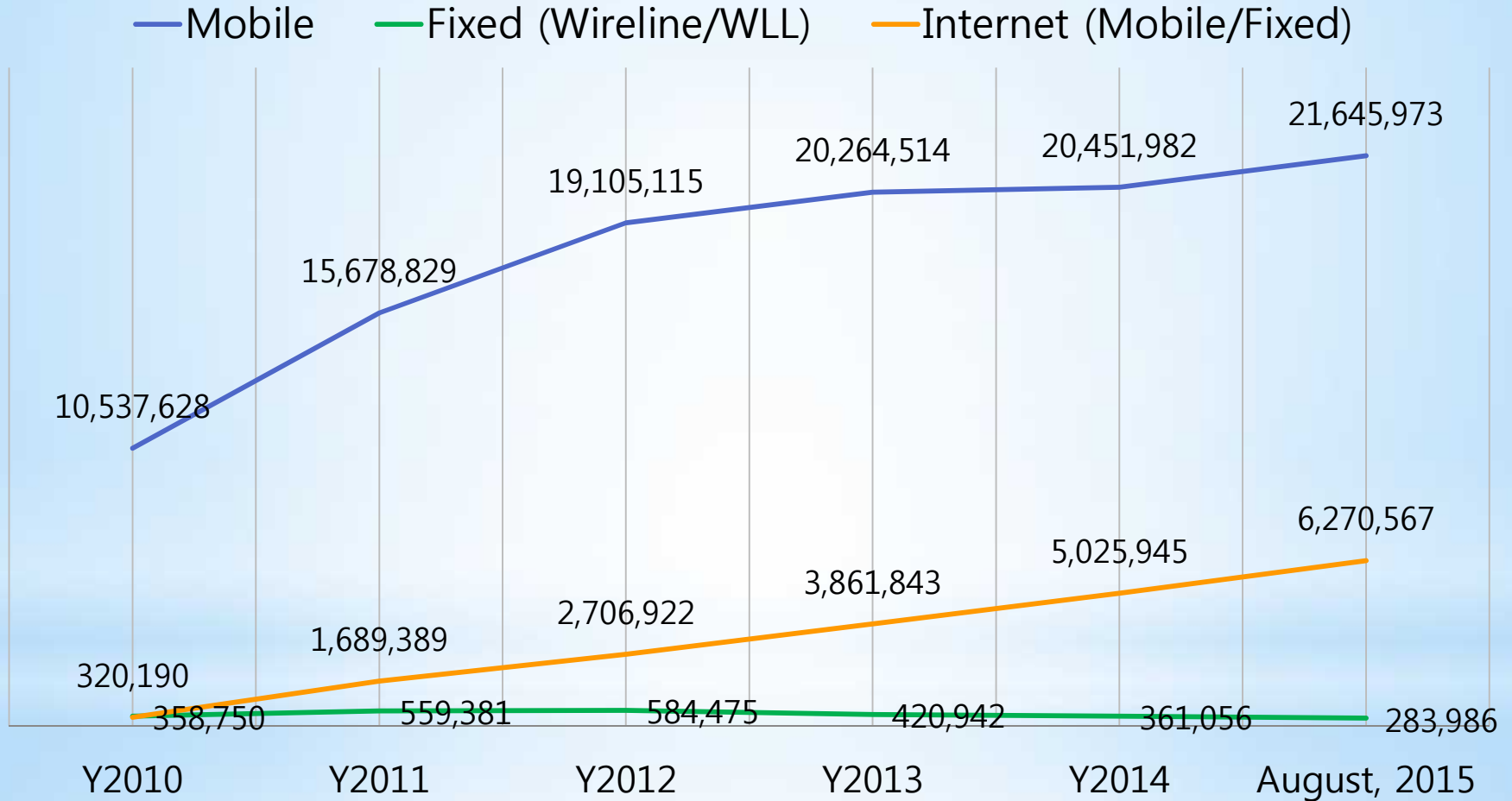


# Global Financial Impact - Total revenues lost to OTT VoIP for the period 2009 – 2020



Source: Ovum

# Cambodian's Telecom/Internet Subscriber 2010-2015



Source: TRC

# Present OTT Services in Cambodia



**Skype**

- Call
- SMS



**Tango**

- Call
- SMS



**Viber**

- Call
- SMS



**Line**

- Call
- SMS
- Game



**Whatsapp**

- SMS
- File Sharing
- Voice SMS



**Telegram**

- Call
- SMS
- Voice SMS
- File Sharing



# Direction Forward

# Policy-makers and regulatory bodies

1. OTT is an inevitable part of globalization; government and regulators should embrace OTT's players and operators to discover how they regulate and share equal treatment between operator and industry to create an appropriate policy in supporting healthy competition.
2. Harmonizing/Developing regulatory framework faced by network operators to ensure that these reflect the changed market situation and rebalance obligations as found to be necessary.

## **Operator: Possibility responses to counter the OTT challenges**

Operators have a wide range of options to tackle the OTT opportunity:

### **1. Blocking OTT**

- Blocking off the content of OTT players
- Containment OTT

### **2. Charge OTT provider for network used:**

- Mobile operators can monetize the access to OTT services via data charges bundled within the monthly package.

### **3. Partner with OTT players**

- Complement own portfolio
- Secure high value segments by service differentiation

## **Operator: Possibility responses to counter the OTT challenges**

### **3. Offer own "OTT services"**

- Emulating OTT (Operator launching their own OTT app)
- Integrate OTT service in product bundle

### **4. Offer "advanced integrated services"**

- Secure revenues from high value segments
- Capitalize on high value propositions

## Conclusion

1. A major enabler of OTT growth has been the lack of regulation that it has faced to date.
2. Calling and messaging revenues might continue to decline at operators with an impact on voice revenues in the near future.
3. Partnership with known consumers OTT brands monetization or emulating OTT services (not only in messaging, but in all possible domains) will be the best fit strategy for operators.
4. Continuing study to identify opportunity and challenges of OTT services and to discuss areas of interest with OTT players through any platforms.



**Thank You**