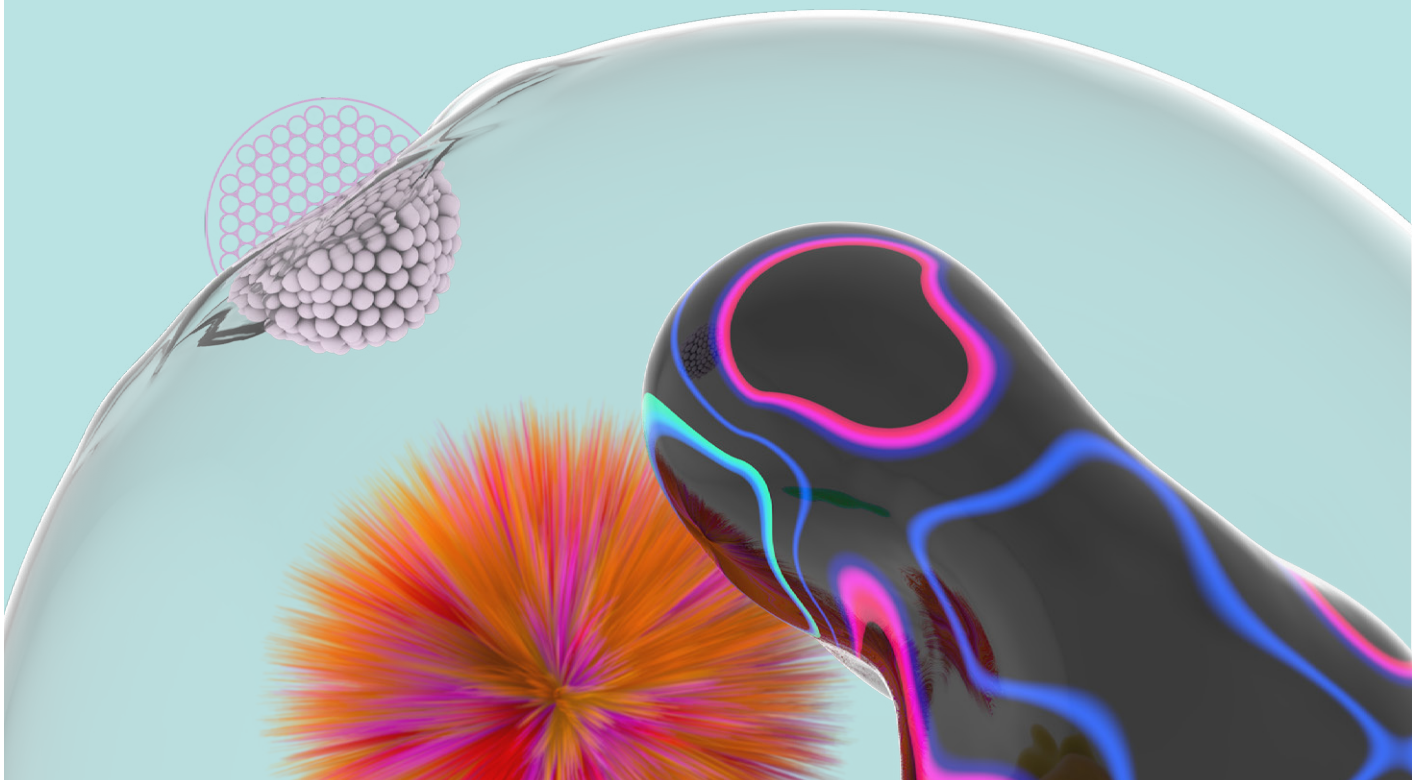


Super Bundling: Opening up new distribution channels for content providers

From customer growth to marketing innovation, how Super Bundling is reshaping the subscription economy



Executive Summary

In this report, you'll discover:

- 1 How the subscription market is booming, fuelled by a seemingly unquenchable subscriber thirst for more content
- 2 Why Super Bundling has become the new frontier for OTT providers and subscription services looking to cement brand loyalty and drive customer acquisition
- 3 Which companies are most trusted to deliver Super Bundling hubs and how content providers can capitalize on creative, complementary partnerships
- 4 The unmistakable synergy between telcos and content providers making Super Bundling a 'win-win' for all parties — telcos, content providers and subscribers
- 5 How plugging into the Bango Digital Vending Machine gives content providers instant access to a brand new marketing, distribution, and billing channel

Three key takeaways



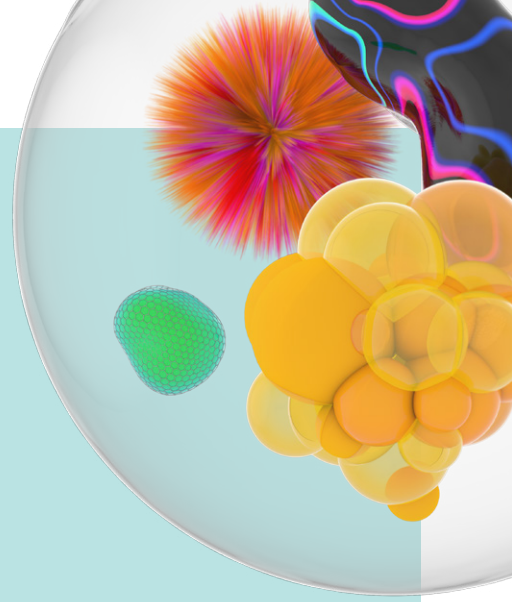
Subscribers are crying out for more content. At the same time, they're overwhelmed by the sheer volume and fragmentation of digital service subscriptions



The solution isn't fewer subscriptions but simpler management. Over three quarters (78%) of subscribers want one single platform for all their subscriptions. A further 77% want to pay multiple subscriptions via one monthly bill



Super Bundling isn't meant to replace existing channels for content and service providers. Instead, it's an additional channel for acquisition, increasing access to domestic markets and opening doors to new international markets as well



1

Introduction

The subscription market is booming, fuelled by a seemingly unquenchable thirst by consumers for more content. **More subscriptions. More everything.**

And they're prepared to pay for it. According to Juniper Research, the global subscriptions market is expected to hit \$600bn by 2026 — up from \$100bn in 2018 — with the number of subscriptions per person more than doubling from 2.2 to 5.3 over the same period.

It's a growth forecast that should make content providers sit up and pay attention.

But the off-the-chart success of the subscription economy also poses a problem — or perhaps more accurately — a consumer conundrum.

On the one hand, consumers are demanding — screaming for, some might say — more choice. At the same time, they're overwhelmed by the sheer volume and fragmentation of digital product and service subscriptions.

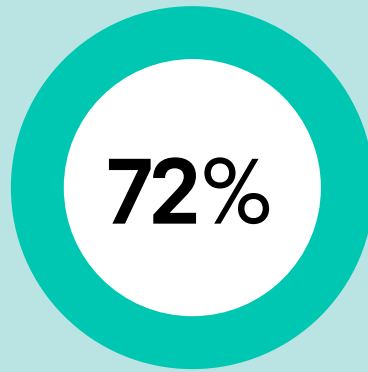
In other words, they want both. Rather than cut back, consumers have made it clear they want help to manage what's available. It's the modern-day version of wanting your cake and eating it.

But there is a solution. According to Bango's recent survey of 2,500 US consumers, 62% of consumers would sign up for more subscription services if they were easier to manage. What's more, 71% of consumers would spend more time using subscription services if a single app or platform was available.

What consumers want is a single platform to manage and enjoy their subscriptions. What they want is 'Super Bundling'.

Consumers want choice — but on their own terms

Super Bundling is a digital revolution driven by consumers that is bringing channel partners — such as telcos, banks and retailers — and content providers together like never before. In fact, it's a relationship between channel partners and content providers that's a match made in heaven.



feel there are too many subscriptions



don't know how much they spend on subscriptions

Demand for content predicted to push global subscription market value to **\$599bn** by 2026



Source:
Juniper Research

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What is Super Bundling?

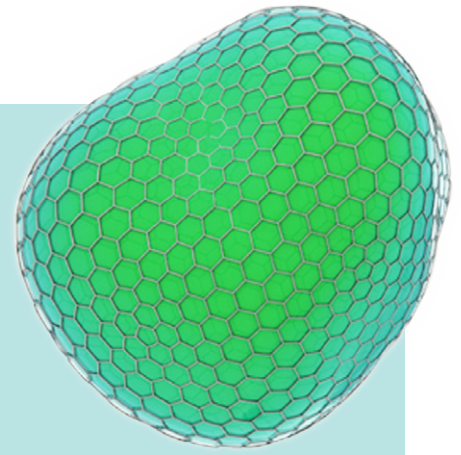
Super Bundling is the new frontier for brands looking to cement brand loyalty and drive customer acquisition.

The concept is simple. It revolves around a content hub that brings together dozens of subscription services — all in one place and as part of one monthly bill. Typically, this could be done by a telco although it's a viable strategy for other partners as well (see Section 3).

But to make Super Bundling complete, it needs content providers and subscription-based businesses.

Of course, organizations like telcos are no strangers to bundling. The concept took off when they started packaging their own services — such as data, call time and SMS — as part of their bills. And as this model became more successful, telcos became more creative, branching out to offer subscriptions in areas such as sports and movies.

Today, the industry is going through the next generation of bundling — Super Bundling. It may look like the bundling of old, but it's on a completely different level. Driven by consumers, telcos are responding by offering Super Bundling platforms that offer unparalleled choice, ease of use and simplified payments and billing.



It really is Win. Win. Win.



For telcos and channel partners... hosting an attractive and content-rich content hub not only increases revenue by attracting new customers it also helps to retain those they have already acquired. This is particularly true for telcos, with 82% of leaders surveyed by Bango saying they want to become 'more than just a telecommunications company'. 84% believe customers should increasingly see them as content providers first and network providers second.



For consumers... Super Bundling gives them exactly what they want. Diverse, rich Super Bundling content hubs provide access to a huge and varied ecosystem of content such as gaming, music, dating, productivity, food — you name it — and all available on a single platform via a single bill. Crucially, Super Bundling gives customers much more control over their digital services allowing them to sign up to, pause, resume and cancel subscriptions all in one place.



And for content providers... it means instant access to millions of potential customers — all for the cost of one easy integration. To put this opportunity into context, content providers can access the entire US

market via four telcos. By being part of the Super Bundling revolution, not only can content providers piggyback on that reach, they also benefit from associating with formidable marketing power of household brands.

This year alone, 20% of all online video subscriptions will be sold via telco bundling. While in regions such as Latin America and the Caribbean, nearly half of all streaming video on demand (SVOD) will be sold via telcos by 2026. Source: Omdia.

But this is about more than SVOD. Every conceivable subscription-based business or content provider — such as gaming, health and fitness, music, education and physical goods services such as food delivery and beauty products — stands to benefit from making their services available through Super Bundling hubs.

**Super Bundling:
Consumers want it.
Telcos are embracing it.
For content providers,
it's an opportunity too
good to miss.**

Super Bundling allows consumers to manage their subscriptions habits



78%

of subscription users want one single platform for all their subscriptions



77%

of subscribers want to pay multiple subscriptions via one monthly bill

Super Bundling defined

Super Bundling provides customers with access to a huge range of subscription services, managed through — and paid for — via a single content hub.

These Super Bundling content hubs are in high demand, with 79% of US consumers saying they would be ‘more loyal’ to a telco that provides an all-in-one subscription service.

More than half (57%) go as far as to say they would leave their current TV, mobile or broadband provider if this service was offered elsewhere.

Recognizing this demand, telco giants have been quick to act, with 88% of telcos planning to offer their own Super Bundling content hub.

Once live, telcos will continue to add to and build on these content hubs with new subscriptions and deals for years to come.

But offering a Super Bundling content hub is no easy feat. It requires telcos to add dozens of new subscriptions and partnerships, amplifying the challenges and complexities of second-gen bundles.

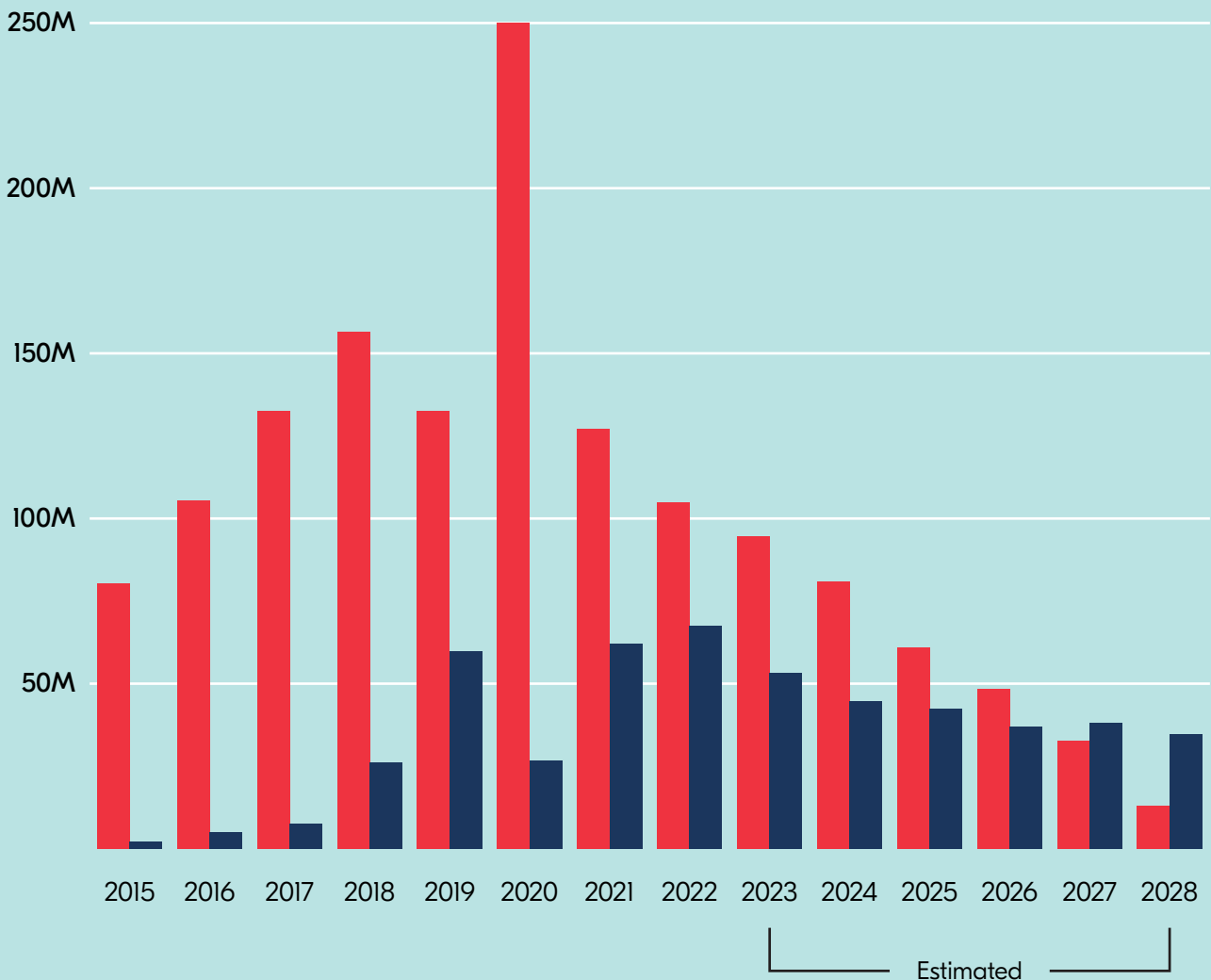
That said, the rewards are worth it. 82% of telco leaders say Super Bundling will be key to improving their customer retention and acquisition, while 88% believe Super Bundling will provide a ‘vital’ source of future revenue. Source: Super Bundling - The Final Frontier.

Content providers are past peak direct-to-consumer sales -
Super Bundling is a new channel for acquiring new subscribers

Global online video subscription net adds



Direct-to-consumer Bundled



Source Omdia report: Direct-to-consumer refers to subscriptions based on direct contracts between customer and online video operator. Bundled means indirect & wholesale subscriptions that are contractual between customer and a distribution partner of the online video operator.

3

Who is leading on Super Bundling?

While there's no question consumers want a single platform to manage all their subscriptions, there is a question about who is best placed to provide it.

Telcos — shorthand for mobile, broadband and pay TV operators — are clearly in the driving seat.

According to Bango's research, 61% of consumers would be happy for their TV or cable provider to host their subscriptions hub while more than half (51%) would be satisfied with their cellphone provider.

Consumers would also be happy for payment companies (42%), banks (31%), broadband and utility providers (29%) — even retail brands (23%) — to do the job.

What links them all is a reliable billing relationship which happens on a regular (usually monthly) cadence, which then leads to a more general mutual trust between consumer and provider. In other words, who is best placed to build a subscriptions ecosystem and who do consumers trust to manage payments?

It's a question being hotly debated today as the subscriptions economy adjusts to this new approach.

Regardless, Super Bundling is a gift for content providers — giving them unparalleled access to a massive channel and an almost limitless supply of potential new customers.

In fact, consumers and subscriptions platforms are crying out for them to join the Super Bundling party because it opens up new opportunities that increase user stickiness and average revenue per use (ARPU) for both the Super Bundling platform owner and the content providers.

One of the key attractions of Super Bundling is how it boosts brands' ability to market to — and reach all of — their potential customer target segments. This is why Super Bundling is about so much more than just SVOD. But that means platforms need to work with content providers across the board, including:



SVOD TV & Movies
(e.g. Netflix, Disney+, Max)



Sports SVOD
(e.g. NFL+, UFC Fight Pass)



Health, Fitness & Mindfulness
(e.g. Peloton, Strava, Calm)



Gaming
(e.g. Xbox GamePass, PlayStation Plus)



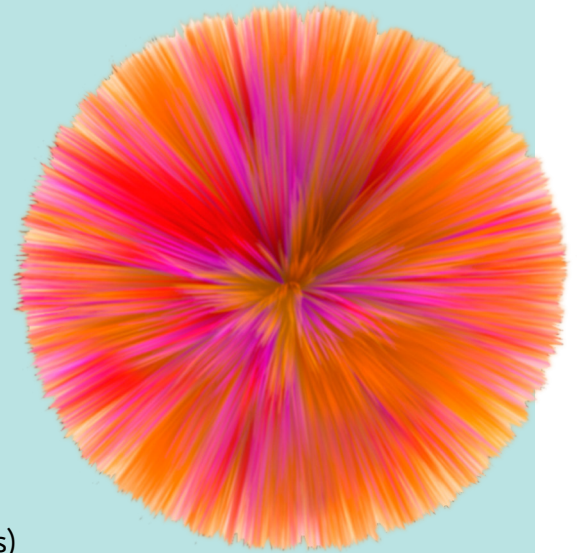
Education
(e.g. Duolingo, Wondrium, Masterclass, Perlego)



Productivity
(e.g. Microsoft 365, Adobe Creative Cloud)



Food Delivery
(e.g. Blue Apron, HelloFresh)



“For providers of subscription-based digital services, bundling is essentially about tapping into the distribution, marketing, and billing power that telcos have in local markets.”

**Telco exec interviewed
for Omdia Report:**

Super Bundling: What telco leadership needs to know about securing a wider role in the subscriptions market

But that's just the start. It's not just about the sheer variety of services on offer that makes Super Bundling unique. A true Super Bundling hub gives brands the unique ability to intelligently and flexibly combine multiple services into bespoke offers for specific audiences. These more creative incentives and promotions supercharge efforts on customer acquisition, retention and increased ARPU, such as:



Buy 2, get 5% off.

Buy 3, get 10% off



Trial periods



Discounts



Creative marketing and content-related synergies

This sort of targeted and creative marketing is only possible with Super Bundling where dozens of services are pre-integrated in a content hub.

Elevating value through creative bundling

“Maybe a user is interested in two of the three, but will end up buying the bundle for the discount benefits and then stay on the bundle for the retention for the discount benefits.”

“We've tried a few partnerships with telcos which have been really successful for us. Users of telco services are already paying on a monthly basis.”

“They are high ARPU subscribers. They are sticky. We thought it would be a good LTV retention play. And, obviously, the marketing dollars of the telcos are great to be part of as well.”

duolingo

George Audi

Head of Business Development and Partnerships, **Duolingo**

4 Why Super Bundling benefits content providers

What makes Super Bundling so unique is the unmistakable synergy between telcos and content providers. They're made for each other.

One provides access to vast audiences. The other is a source of content and services to keep people coming back for more.

And when they join forces, this mutually beneficial relationship means more customers, increased revenue and reduced churn.

Together, they create a Super Bundling match made in heaven

and a one-stop destination that keeps customers hooked and coming back for more.

Reach

Telcos have millions of customers and provide an unequalled channel for content providers. It's not just the sheer number of potential customers that should make content providers sit up and take notice.

Size matters: The big three wireless telcos in the US
(Number of subscribers)



217.4 million
(Q4 2022)



143.3 million
(Q4 2022)



113.6 million
(Q4 2022)

Telcos spend a fortune building their brand and customer loyalty. By partnering with telcos via dynamic Super Bundling hubs, content providers can leverage both the power of trusted brands and their reach.

Super Bundling isn't meant to replace the existing channels for content and service providers. Instead, it's another channel for acquisition gaining traction fast.

Not only does it increase access to domestic markets, it opens the doors to new international markets as well. Indeed, 'piggybacking' on the brand of a local telco provider can massively accelerate awareness and sign-ups for a digital service provider attempting to enter a new market for the first time.

Simplified payments

More than half (52%) of consumers are frustrated that they can't manage all their subscriptions in one place. While almost eight in ten (78%) want one single platform to manage all their subscriptions. In other words, consumers want to manage all their subscriptions in one place. And they don't want it to be a chore.



The snag is, payment ecosystems can be extremely complex, differing between countries and regions. Different rates of credit card penetration and payment behaviors can hamper content providers entering new markets.

By partnering with local telcos, subscription service providers can adapt to those

local market conditions without having to do the heavy lifting themselves — significantly expanding their potential total addressable market.

For content providers using a Super Bundling hub, this is simply not a problem — because the platform handles all the payments on their behalf.



Stickiness

Getting users to purchase subscriptions in bundles — especially if they're offered with discounts — means they're less likely to cancel subscriptions. And the ability for consumers to flex their subscriptions — switching them on and off — means relationships are maintained rather than cut off.

According to Omdia's recent report on Super Bundling, one exec whose company operates in a high-churn market reported that households that subscribe to its full suite of services — including mobile, fixed broadband and value-added digital services — are “32% less likely to switch to another operator.”



Creative bundling increases perceived value

By integrating with a Super Bundling content hub, content providers benefit from the halo effect of being closely associated with other premium services. This can be enhanced via creative deal combinations or multi-buy discounts that increase the consumer's perceived value of each subscription service.



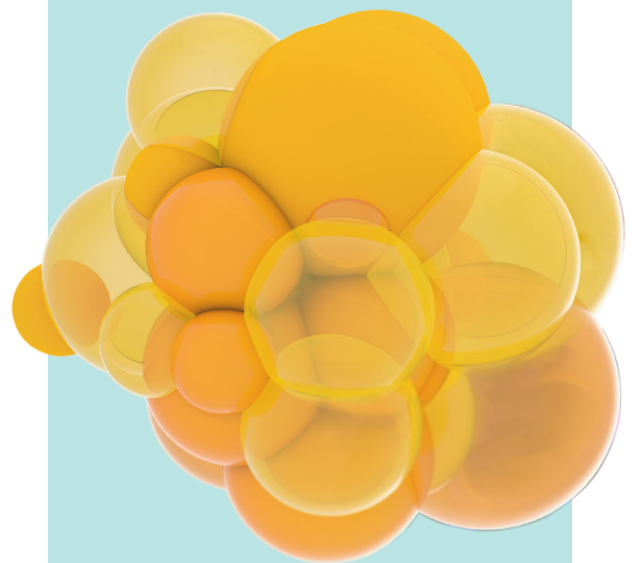
Reduced customer acquisition costs (CAC)

Make no mistake, acquiring new customers can be costly, especially in direct-to-consumer (D2C) channels. According to Deloitte, acquiring a new streaming video customer is estimated to cost around \$200 per subscriber. Depending on the package, it could take months — if not years — to recoup that marketing spend. Joint marketing, introductory offers, enhanced targeting and the consumer appeal of bundles all contribute to more effective marketing and reduced CAC. In effect, Super Bundling hubs help to subsidize the marketing costs of content providers providing a platform for creative marketing creativity and measurable offers.

“We want to increase stickiness because there are a lot of companies trying to lure our subscribers away.”

Telco exec interviewed for Omdia Report:

Super Bundling: What telco leadership needs to know about securing a wider role in the subscriptions market



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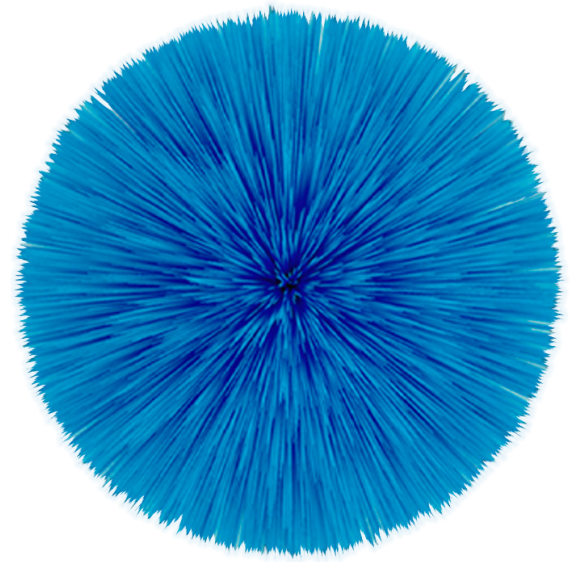
How to capitalize on Super Bundling

Super Bundling gives content providers instant access to a ready-made distribution, marketing and billing network used by telcos and other channels around the world.

Bringing together telcos and content providers in one place, the Bango Digital Vending Machine is a SaaS product that enables the Super Bundling of content subscriptions.

Verizon in the US and Optus in Australia have already created their own vibrant subscription hubs – bringing together dozens of providers including Netflix, ESPN, Amazon Prime, Duolingo, YouTube, Peloton, Audible and more in one seamlessly integrated solution.





The Bango Digital Vending Machine isn't just for established players. The low barrier to entry means it's ideal for content and service providers looking to make a name for themselves. Plus, it opens doors to some of the biggest reseller networks around including telcos, banks and retailers.

Support for a range of commercial models means that the Bango Digital Vending Machine ensures you get to market at speed and with minimal integration pain.

If content providers want to sell and agree commercial terms directly with the telco, all that's needed is one simple technical integration.

Alternatively, for brands looking for faster time to market, Bango also offers an eDistribution service with commercial terms and contracting handled between the content provider and Bango. 'Pre-stocked' subscription offers are then immediately available to any partner that has a Bango Digital Vending Machine product license.

Whatever approach, the result is the same. No awkward introductions or multiple, difficult-to-manage commercial relationships. Instead, there's just one. Bango. And we take care of the rest.

Our pre-built integrations ensure content providers are made available to all the telcos, all the time.

“With the video bundling boom having peaked and the music subscriptions market nearing saturation, telcos should be casting their nets wider for bundling partners. Not only should they be looking to other media verticals, but to the growing number of physical-good services that are now sold as subscriptions.”

Telco exec interviewed for Omdia Report:

Super Bundling: What telco leadership needs to know about securing a wider role in the subscriptions market

verizon[✓] +play

+play is an online platform, offered by Verizon, that enables mobile subscribers to manage their subscription-based streaming services.

Verizon launched +play, a revolutionary platform that enables its customers to effortlessly manage a variety of subscriptions, spanning entertainment, audio, gaming, fitness, music, and lifestyle, all within a single user-friendly interface. Through strategic partnerships with major players like Netflix, Peloton, Live Nation's Veeps, and popular services like Disney+ and discovery+, +play simplifies access to exclusive content deals.



In an era where the average streamer is expected to subscribe to more than five services by 2024, +play addresses the challenge of keeping track of expenses and content choices. It offers Verizon customers an efficient way to manage subscriptions across all their devices while facilitating the discovery of new content. Additionally, it provides insights into exclusive deals for various content services.

+play enhances Verizon's existing content offerings, which include Disney+, Hulu, ESPN+, Discovery, and AMC+, and introduces new partners such as Netflix, Peloton, Veeps, WW International, A+E Networks, The Athletic, Calm, Duolingo, and TelevisaUnivision's Vix+. Notably, +play is a free digital hub available to Verizon customers, with trials commencing in March and a consumer launch expected later this year.

OPTUS SubHub

Optus, the second largest operator in Australia, is among the first telcos to offer Super Bundling through its service, SubHub.

The platform offers Optus subscribers the option to add various streaming services to its mobile subscription, and a platform to manage these subscriptions.

SubHub continues to add new services regularly some of the services that are available now include Netflix, Amazon Prime, Paramount Plus, Microsoft 365, Calm and Binge. Optus SubHub is not available to prepaid customers.

The Super Bundling service is exclusive to Optus' mobile subscribers, further increasing its value.

SubHub is offered at no extra cost to subscribers. Customers can log in via their standard log in details and build their subscription packages as they wish.





Join the Super Bundling revolution

There is no if Super Bundling will happen. Or when. The Super Bundling revolution is happening. Now.

With the Bango Digital Vending Machine, you can get your product in front of hundreds of millions of potential subscribers within weeks.

By adopting this technology, subscription providers and other brands can quickly join up with hundreds of other subscription services to build engaging offers targeted at different customer segments to create compelling content hubs to consumers.

The technology is open to any channel partner — and any subscription service — giving them another distribution channel to find new paying customers.

Some of the biggest players in the market including Netflix, ESPN, Amazon Prime, YouTube, Peloton, Audible and more are already part of the Bango Digital Vending Machine.

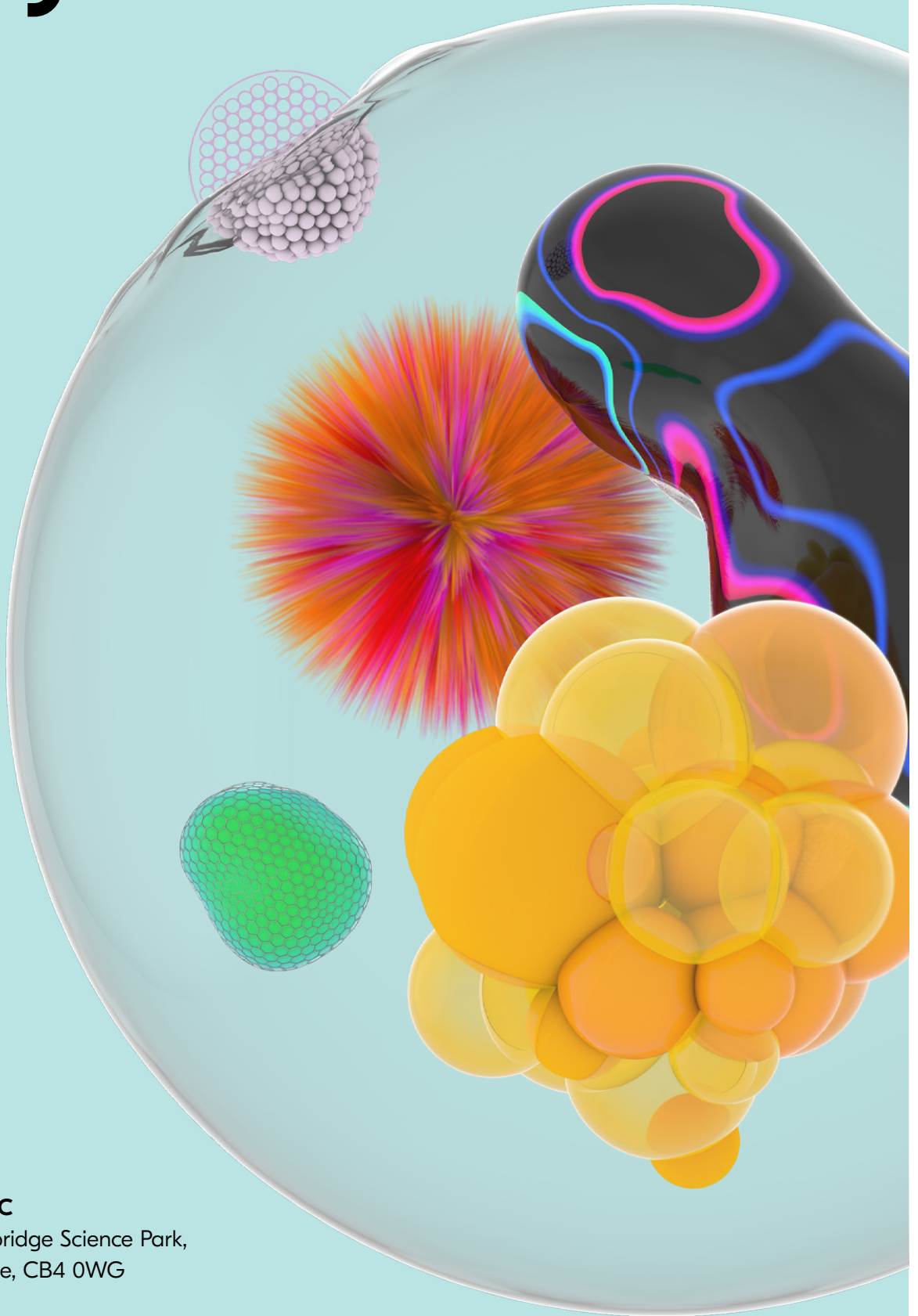
It's time for you to be part of the Super Bundling revolution too.

Want to find out more about the Bango Digital Vending Machine and how Super Bundling can supercharge your content business?



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