

COVER STORY

THE TRUTH ABOUT TV

iflix wants to revolutionise the way you watch movies and shows – and it's got the chops to do it

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Change would seem to be the only constant today, with every institution imaginable – from the humble newspaper to the heights of public office – giving way to the irresistible march of progress.

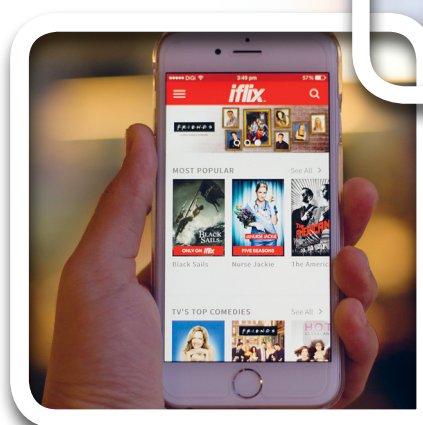
Television is no exception, and if iflix Sdn Bhd has its way, the conventional paradigm of passive media consumption in the home will soon be as passé as Betamax and bell-bottom blue jeans.

THE TIPPING POINT

“When the Internet arrives in new industries, you see two very significant things that happen time and time again, whether it's in travel, books or otherwise,” says iflix Group CEO Mark Britt. “The first is that it puts amazing power back in the hands of customers, and the second is that large, traditional companies tend to not respond particularly well to these disruptive technologies.”

iflix is the newest kid on the video-on-demand block, a lean, mean operation which, like NKOTB and the boy bands of yore, vows that it will listen when you say “I want it that way”.

The underlying assumption here is that yesterday's model of broadcast content, whether by television programming, cable or satellite, is increasingly irrelevant to contemporary audiences, if not obsolete. This comes as a growing number of millennials and Generation Z enter consumer markets and command purchasing power, with their buying and viewing habits subject to intense scrutiny.



iflix capitalises on the region's superlative mobile penetration



PHOTOS BY ANWAR FAIZ

One fundamental shift that has become readily apparent is that for people who grew up with YouTube and streaming content, freeing up half an hour solely to catch their favourite show in front of the idiot box just doesn't make sense anymore, particularly with a full third of that half hour given over to commercial breaks.

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Britt sees consumer empowerment as a primary consequence of technological innovation



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– Mark Britt, iflix Group CEO





The app has cross-platform support, from laptops and smartphones to tablets and desktops

BRAVE NEW WORLD

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240 MILLION SMARTPHONES

Tossing the old-school approach of passive content consumption out the window, iflix and other VOD suppliers, such as Singtel's Hooq just across the border, allow users to select when, where and what they want to watch.

Building on the model propagated by Netflix in the US, this rapidly emerging segment caters for a viewership defined by its mobility and preference for portability. Malaysians and their counterparts across the region now spend more than eight hours staring at their smartphones, tablets and laptops a day – and they demand more.

"It's been building to this for quite a while. There are now 240 million smartphones in Southeast Asia, each capable of supporting VOD services. We looked around and didn't see any of the traditional companies leveraging on the window, so we took the opportunity to provide the world's best content to everybody, at a price everyone can afford," says Britt.

An industry veteran with a movie-star smile, Britt is just one facet of the trinity of talents driving iflix's phenomenal rise, which includes Catcha Group CEO and chairman Patrick

Grove and iflix Group COO Azran Osman-Rani, widely credited with AirAsia X's expansion into a regional force with RM3 bil in revenue.

In bringing their vision to reality, the trio will have to address the challenges posed not just by competing suppliers, but by the large, traditional companies they seek to disrupt as well. Looming overhead is the spectre of illegal streaming sites, and the habitual inertia of a generation that has become accustomed to having everything for free.

CHOOSING THE BATTLEGROUND

Because that is the corollary of having an informed and active consumer base: it's smart enough to shop around, and nothing beats free. This is only true, however, if the quality of the product isn't a factor, nor the value of the time spent in finding alternatives – both key considerations in the perusal of illicit content, by all accounts.

Regardless, current estimates are that up to 90% of households in the region consume pirated content in some form. In tackling this demographic, the US\$30 mil (RM113 mil) platform is banking on the merits of convenience, safety and affordability.

"One important point when you compare us to other players in the industry is simplicity. We make it as simple a proposition as possible: just one price to access all content, without any packages or tiers. We strip out all that complexity, and our monthly fee is less than the price of a movie ticket nowadays," says Azran.

By tying up directly with studios such as Paramount, Metro-Goldwyn-Meyer and Disney, iflix also offers security you won't find on the seamier side of online streaming – a key concern given the steady rise of cyber incursions in Malaysia.



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CHANGING THE GAME

In positioning the brand, Britt differentiates between two distinct television viewership patterns apparent among users. Conventional consumption operates on a weekly basis, with followers of a series watching and discussing each new episode as it airs.

This approach to the medium has indirectly shaped the very content it delivers, with an emphasis on self-contained plots and frequent callbacks, as viewers could be forgiven for forgetting what happened in last week's chapter.

However, the arrival of Hulu, Amazon Prime and other VOD providers, and to some extent the DVD format before them, has led to the practice of binge-watching, where audiences run through an entire season or series in one sitting.

This has the benefit of allowing for content of greater complexity and thematic depth, such as *The Wire* and *Breaking Bad*, both of which feature overarching plots that benefit from rapid-fire viewing.

While iflix will offer the latest episodes of select shows, such as Starz's *Black Sails* and the ever-popular *Conan*, the emphasis is on offering complete libraries of existing quality content, allowing customers to marathon as much of their favourite series as they like.

TAKING IT FURTHER

Perhaps most gratifyingly, though the homegrown startup undeniably follows in the footsteps of Netflix's DNA, it is not complacent enough to simply follow the leader. Instead, the platform is constantly evolving, with the team anticipating the introduction of downloadable content in the next two months.

PHOTOS BY ANWAR FAIZ



The iflix team will be adding download-and-play capabilities to the app in the next two months



Azran, formerly of AirAsia X will be seeking to duplicate his success in iflix

"Download-and-play has been one of our key planned features from the start. It's something that Netflix said would never happen. It's been a challenge educating studios as to why it's relevant and necessary for emerging markets, so some degree of demonstration was needed to win their confidence," says Azran.

The hesitancy on the part of content suppliers comes from the question of digital rights management, as there is little to prevent users from duplicating anything they download.

Working around the problem, Britt and his partners will likely opt for a solution similar to that used by Sony's Privilege Movies, which limits the redistribution (and viewing window) of transferred proprietary content.

Despite the speed bumps, however, download-and-play is seen as a killer app in Southeast Asia, a region whose high rate of broadband and WiFi penetration does not always extend to rural areas.

Not everybody will get iflix, but then again, not everyone is supposed to. There are a couple of reasons you should be excited about it, not least of which is the satisfaction of seeing a purely domestic brand one-upping international players right out the gate.

The Kuala Lumpur-based contender has personality to spare as well, some of which is charmingly chronicled in its standalone app "The Tao of iflix". It also helps that the timing seems to be just right, with a sizeable segment of consumers hungry for VOD services that don't require a virtual private network to access.

In the end, perhaps sheer marketability will triumph. After all, there's no denying "iflix" is much easier to say than "Hooq".