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## Expansion of the core business of traditional media companies in Spain through SVOD services

**Abstract**

The strategic importance of the internet for television became evident in the early 2000s, even destabilizing its very concept and finally resulting in convergence towards a profound transformation of the sector. The introduction of global over-the-top (OTT) media services into local markets has led to strategic changes in multimedia groups. This study considers the subscription video-on-demand (SVOD) services of Atresmedia and Mediaset España, the two main traditional media organizations in Spain that form a duopoly in the country's commercial television sector, with the aim of understanding and evaluating their positioning strategy in this market and the results obtained through the diversification of their core business. Based on an analysis of their content, price, and promotion policies and the results in terms of subscriptions and revenues, slight differences emerge regarding the strategy and scope of these two groups in their own environment in the sector. They compete for customers to achieve growth in the audiovisual market while seeking to retain a cross-media, multiplatform audience, as well as expand their core business of commercial linear television against a background of a reduction of advertising spend on television and the expected increase of hybrid financing models.

**Keywords**

**OTT, SVOD, television, diversification strategies.**

### 1. Introduction

Atresmedia and Mediaset España, which are currently the two largest audiovisual media groups in Spain, began their journey towards multimedia diversification 15 years ago by adding broadcasts via the internet and mobile devices to their linear television offering<sup>1</sup>.

The strategic importance of the internet for television was already evident at that time (Chan-Olmsted & Ha, 2003), leading the way towards a post-network era with radically different possibilities (Lotz, 2007). Convergence led to a profound transformation of the sector that both expanded it and blurred its limits (Rangone & Turconi, 2003; Marín, 2020), thus destabilizing the very concept of television (Christian, 2012). Rather than an evolution and adaptation to change, as seen by the continuous or adaptive processes in traditional industries (Campos-Freire, 2015), this was a disruptive innovation that altered the structure of the market itself (Küng, Picard & Towse, 2008; Cervi, 2019). Media organizations transformed to

<sup>1</sup> At that time, before their respective concentration processes in 2012 and 2010, the Antena 3 Group and Gestevisión-Telecinco.

become content providers for digital multimedia platforms (Doyle, 2015), and television was freed from the concept of the channel as the defining element of the distributed product, even removing the label “television” and adding the more comprehensive title of “content” (Askwith, 2007, p. 17).

In Spain, this mediamorphosis process (Fidler, 1997) started in a context of fragmentation and decreasing consumption of linear television due to an increase in supply and the strong rise of the internet, alongside an economic crisis that affected the advertising market. Diversification was introduced as a way to reach a new audience and increase advertising revenue (García-Carrizo, 2016). These trends continue today, even more strongly, in addition to the expansion and consolidation of nonlinear offerings and the decreasing importance of advertising on television in favor of “digital” media. In addition, current strategies attempt to retain a cross-media audience and diversify revenues (Telkmann, 2020), thereby expanding the core business of commercial linear television.

Digitization has transformed the Spanish media market (Álvarez-Monzoncillo, De-Haro-Rodríguez & López-Villanueva, 2016), impacting on both traditional commercial as well as pay-to-view television (Medina, Herrero & Etayo, 2015). In 2006, the website of the private channel Telecinco, with the largest linear audience, began to integrate audiovisual content, and in 2007, Antena 3, with the second largest, started to offer full episodes of its series via the web. It was predicted that broadcasters would become primary players in this new market by adopting multiplatform and multi-window strategies for the exploitation of rights (D’Arma, 2011). Since then, Atresmedia and Mediaset España have advanced to develop a whole, fundamentally nonlinear ecosystem on the internet (González-Conde & Salgado-Santamaría, 2015; Portilla & Medina, 2016; Alcolea-Díaz, 2017; Alcolea-Díaz & Santín, 2019), ranging from broadcaster video-on-demand (BVOD) services (*Atresplayer*, 2013; *Mitele*, 2011) and video sharing platforms (*Flooxer*, 2015; *Mtmad*, 2016), to the most recent subscription video-on-demand (SVOD) offerings (*Atresplayer Premium*, relaunched in 2019; *Mitele Plus*, 2019), thus reconceptualizing their role as VOD actors beyond catch-up service (Johnson, 2017). Moreover, as smart TVs increase, over-the-top (OTT) offerings have become key to reach existing audiences as well by mutually reinforcing linear and nonlinear offerings, which are combined by dual-viewers to optimize their experience through cross-viewing behavior in which most of the consumption time is linear (Comscore, 2021a, 2021b).

## **2. The streaming market**

Streaming services (such as *Netflix* and *Hulu*) emerged between 2006 and 2008, and by 2017, SVOD subscribers exceeded pay-to-view television viewers in the USA. In Europe, this sector took off with the arrival and expansion of *Netflix* (in Spain since 2015). The introduction of global OTT services to national markets led to strategic changes in multimedia groups (Pérez-Rufí, Gómez-Pérez & Castro-Higueras, 2020; Guerrero-Pérez, 2018). This market transformation led, in this case for traditional television operators, to strategic planning to align their objectives and resources with the opportunities detected and thereby improve their commercial performance (Kotler, 1984; Drucker, 1986; Medina-Laverón, 2015).

These services led to a growing consumption of nonlinear content (Juniper Research, 2021), freeing it from the established protocols of linear distribution (Lotz, 2016) and changing user expectations regarding audiovisual content, as especially appreciated by young people (Kantar Media, 2016). Given that original content is essential for subscribers, who prefer fiction (Comscore, 2021b) and 74% of whom watch mainly new series (Kantar, 2020), providers must provide a constant supply of hits and new content, which differentiates their users from those of linear television (Comscore, 2021a), being served through algorithmically curated catalogs (Lobato, 2018). The main strength of this approach is thus having a vast content library, while the production industry will leverage the development of the OTT market in order to develop (PwC, 2018). Television companies in Spain began to form alliances to share

content via VOD services but quickly became aware of the long-term difficulties of such a strategy (Cascajosa-Virino, 2018) because of the advantages of providing distinct content in this environment (Doyle, 2015).

New offerings will continue to be launched onto this market by actors in the media sector over the coming years, which will increase investment in premium content and mark the era of peak TV (European Audiovisual Observatory, 2021). In 2019, four new offerings (*DAZN*, *Atresplayer Premium*, *Mitele Plus*, and *Movistar + Lite*) were added to the Spanish OTT market, and 41% of households with internet access used a paid streaming video service, with a growth in subscriptions to paid services by more than 280% (CNMC, 2020).

In 2020, 79% of the Spanish OTT SVOD market (of 10.8 million subscribers) was concentrated in *Netflix* (44%), *Amazon* (25%), and *AppleTV+* (10%) (European Audiovisual Observatory, 2021). The revenue share of SVOD in the total audiovisual market was 6%, the same as the European average, although still representing its growth driver (European Audiovisual Observatory, 2021). This market exhibited a structural change, accelerated in 2020 by the economic crisis, which reduced advertising spend on television in Spain by 18.4%, while digital media, the most important according to the Spanish ranking of advertising spent since 2019, showed a drop of only 5% (Infoadex, 2021).

### **3. The pandemic as a disruptive environment**

The COVID19 pandemic accelerated preexisting trends in media consumption habits, with a strong move towards the online environment and across all devices, writing another chapter in the story of the “streaming wars” (Comscore, 2020). The pandemic further increased the importance of home entertainment and resulted in more time being available to view video content (Juniper Research, 2021). *Amazon Prime Video*, whose subscription is mostly linked to their premium online sales service *Prime*, benefited from a significant growth in online purchases (Kantar, 2021a). The arrival of *Disney+* in Spain in March 2020 was accelerated with a strong promotional offer to take advantage of the lockdown. Indeed, much of the growth in television consumption during the lockdown came from the VOD services of television networks (Kantar, 2020).

Meanwhile, at the end of 2020 and beginning of 2021, a slowdown was observed in the growth of some offerings. For example, *Netflix* captured 4 million new users worldwide in the first quarter of 2021, compared with its estimate of 6 million (Roig, Clares-Gavilán, Sánchez-Navarro, 2021), in the context of an economic crisis in addition to the reduction in content production due to the pandemic.

For this type of business, it may be decisive to have a core business to subsidize streaming and develop strategies, especially for the smallest companies, in order to attract and retain subscribers, for example, through aggregation with other services (European Audiovisual Observatory, 2021). In this market, it is crucial to limit the churn rate, although switching platforms and boomerang consumers who join then leave are becoming more frequent. Content aggregators represent an increasing tendency aimed at addressing this type of consumption and capturing new customers (Kantar, 2020).

Another important market risk, especially for traditional commercial television networks, is the predictable intensification of advertising-supported services (Kantar Media, 2021b) because of the risk of users leaving as they accumulate subscriptions. An alternative to increase revenue and counteract subscription fatigue (Juniper Research, 2021) is the hybrid OTT model, which will increase competition between advertising media, even in the digital environment, and result in a greater transfer of investment to such media.

### **4. Methodology**

This work is based on a case study method that enables a more global understanding of a particular phenomenon in context (Stake, 1998; Gibbert, Ruigrok & Wicki, 2008), being

especially suitable to answer certain types of questions that emphasize the how and why (Yin, 2009), as in this study.

The object of study of this work are the SVOD services offered by the two main commercial linear television operators in Spain, Atresmedia and Mediaset España, and their content and commercial strategy, with the following objectives (O) and research questions (RQ):

- O1. To determine and evaluate the positioning strategy of Atresmedia and Mediaset España in the SVOD market, based on their content, price, and promotion policies.
- O2. To contextualize and assess these strategies in the environment of COVID19.
- RQ1. Considering how the pandemic has accelerated the tendency for change in consumer habits, has it also served as a stimulus for the supply and consumption of the studied SVOD platforms?
- RQ2. Are the possibly different strategies of these two operators essential for the results obtained by their offerings?

The variables analyzed to reveal these strategies are obtained by studying the annual accounts of Atresmedia and Mediaset España, their management and corporate responsibility reports (Atresmedia, 2018-2020; Mediaset, 2016-2021a), their quarterly reports to the CNMV, data from assessment companies and auditors, and on advertising spend from Dragón (Arce Media, 2019-2021).

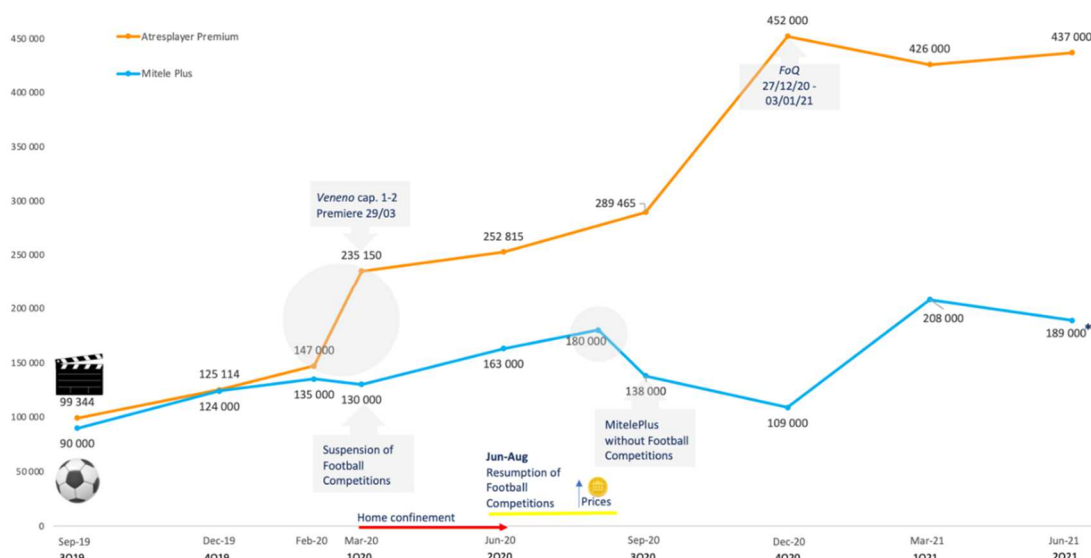
We hypothesize that this disruptive environment has benefited the SVOD offerings of commercial televisions, which have also reinforced their strategy to respond to the loss of advertising spend on television and to the increase in hybrid financing models in the market.

## 5. Results

### 5.1. Evolution of the number of subscribers and content strategy

In the summer of 2019, Atresmedia relaunched its SVOD offering, *Atresplayer Premium*, and Mediaset España launched *Mitele Plus*. Despite showing very similar subscription data for the third quarter of 2019, their evolution thereafter was not uniform.

**Figure 1.** Evolution of *Atresplayer Premium* and *Mitele Plus* subscriptions (3Q of 2019 to 2Q of 2021).



Source: Own elaboration using data provided by the platforms to the CNMV.

\* Average of the first half of 2021

When launched, *Mitele Plus* already enjoyed the broadcast rights for La Liga, the Champions League and the European League for 2019/2020, a powerful driver for demand (especially as they were only available outside packages), which allowed it to close in on its competitor. The suspension of these football competitions in March 2020 because of COVID19 slowed its growth, although the resumption of La Liga in June and the final phase of the Champions and European Leagues in August increased its client base, followed by a drop at the end of the season with the loss of these rights.

The introduction of a new service to attract subscribers, *Mitele Plus Internacional*, may have helped limit any further collapse.

In 2018, Mediaset España strengthened its production and distribution of content by creating *Mediterráneo Audiovisual* as a combination of its founder production companies (e.g., Telecinco Cinema, La Fábrica de la Tele, Alea Media, or Mandarina). Its strategy regarding fictional content has not prioritized its SVOD service as the first vehicle for exploitation of its series. Since 2006, various operators have included content from this group in their premium services and consolidated previous screenings of the group's most important series. This trend, albeit with ups and downs, has marked the nonlinear offering by this group. More recently, Mediaset España has signed agreements with global SVOD platforms, in some cases for exclusive premieres. For example, in 2019, it reached agreements with *Amazon Prime Video* to premiere its series.

The 2020 offering reveals a commitment by *Mitele Plus* to broadcasting exclusive content, consisting of reality shows (such as *Sola/Solo*, released in September) and entertainment, with crossover strategies (such as exclusive shows to kick off special editions) with the main formats of linear television, such as *Supervivientes*.

In contrast to the slowdown or drop experienced by global and local platforms, the first four months of 2021 show a positive trend, exceeding the best records, with almost twice as many (1.9 times) customers compared with the end of 2020. The group emphasizes the role of its reality shows (such as *La isla de las tentaciones*) and programs such as *Got talent* (Mediaset, 2021b). In addition, at the end of 2020, the Fight Sports channel for contact sports was added as another new element of its SVOD offering. However, the average for the first half of 2021 once again shows slower growth.

Atresmedia has referred to the internet as an instrument for audience loyalty (Grupo Antena 3, 2008) and an opportunity to project an innovative image (Grupo Antena 3, 2009), while also noting the need to increase the linkage of its productions to its multimedia profile.

It took one step towards a commitment to production with the launch in 2018 of Atresmedia Studios, whose activity was transferred in 2020 to Buendía Producción and Buendía Estudios, a 50% joint venture with Telefónica. And although, just like its competitor, it had been exploiting its content by selling it to the main pay-to-view TV companies and SVOD platforms, Atresmedia strongly opted for *Atresplayer Premium* as the first vehicle for its exploitation. When it relaunched its SVOD in 2019, it targeted exclusive previews of series (for example, *Toy Boy* or *La Valla*), considering that the results of its offering rely on a strategy based on original, exclusive content and previews (Atresmedia, 2021).

This approach benefitted from the positive effect of the lockdown on audiovisual consumption and subscriptions to SVOD services, having a favorable impact on their growth rate. *Veneno* was launched during lockdown, premiering its first two episodes on 29 March 2020. According to data from the operator, this series then achieved subscription figures up to 20 times higher on average, and again in the days after episodes 1 and 2 were broadcast on Antena 3 (on 25 October 2020, with the greatest audience share on the day), registrations on the platform increased by 20%. The subscription rate shot up until the end of 2020, supported by the same strategy of providing the first opportunity to view premium content. The premiere of *Física o Química: El reencuentro* stands out in the final stretch of the year.

## 5.2. Pricing strategy and subscription modalities

At launch, both offerings started with a very similar price. *Mitele Plus* started at 2.5 euros per month, with the possibility of an annual subscription (25 euros per year), like other SVOD platforms (*Amazon Prime Video* or *Disney+*). The basic subscription went up to 3 euros in June 2020 and to 4 euros from February 2021. Free periods have sometimes been offered, especially to attract customers to the annual option, including additional benefits through its “User Club,” such as participation in events.

At the outset, Mediaset España also offered three OTT football packages (all including the basic offering): *Mitele Plus LaLiga* (19.99 euros/month), *Mitele Plus Champions League* (16.99 euros), and *Mitele Plus Fútbol Total* (35 euros/month). The latter, the most attractive and most expensive per subscriber, also had an initial price promotion (30 euros, with conditions). Fight Sport costs 5 euros per month and includes the basic service, while *Mitele Plus International* is available from 4 euros per month.

In 2020, with the return of football competitions, Mediaset increased the price of football, despite the substantial offers available in this market, particularly from Movistar. In June, *Mitele Plus LaLiga* started to cost 25 euros, with the obligation of making two payments. In July, *Mitele Plus Champions League* increased to 35 euros (45 without a previous package), and new subscribers to *Mitele Plus Fútbol Total* were required to make three payments summing to 85 euros, or 40 euros for prior subscribers. Given the lack of scale, they opted for a price increase. Indeed, with the 163,000 subscribers as of June 2020, even in the hypothetical case where they all opted for the largest football package, the total of 5.7 million euros is still much less than the 20 million euros paid to Telefónica as a minimum guaranteed cost (MGC) for the purchase of these rights.

*Atresplayer Premium* offers a single package that can be national or international. In 2019, it cost 2.99 euros per month, with an annual subscription launched in April 2020. Its price remained the same until March 2021, when it was increased to 3.99 euros (39.99 per year). The international offering, *Premium International*, cost 4.99 euros per month (49.99 per year), with the first seven days of subscription being free.

It is worth making a brief aside here to compare the downward evolution of the price of SVOD offerings in Spain, with an average revenue per user (ARPU) in Western Europe three times lower than that of pay-to-view television (European Audiovisual Observatory, 2021). For example, Atresmedia’s *Nubeox Premium* service cost 10 euros per month in 2012, while Atresplayer’s TVOD Videoclub service cost 4 euros for 48 hours of content rental in 2015. The monthly subscription to the previous *Atresplayer Premium* cost 4 euros in 2017, while its TVOD offering cost 1 euro to access each preview or specific content for those who were not premium customers.

Currently, the basic rates for both platforms are the same as *Amazon Prime Video* but lower than the other global (*AppleTV+*, 5 euros; *Netflix*, from 8 euros; *HBO* and *Disney+*, 9 euros) and local OTT services (*Movistar + Lite*, 8 euros per month).

Regarding the subscription modalities, it is worth highlighting the trend for aggregation of both platforms within other offerings. In March 2021, they joined *Movistar+*, on which both can be seen if previously contracted, and their content can be accessed and subscribed to via the platform’s search engine (beyond their standard rates). Likewise, *Atresplayer Premium* is also incorporated into the Vodafone TV offering.

## 5.3. Advertising strategy

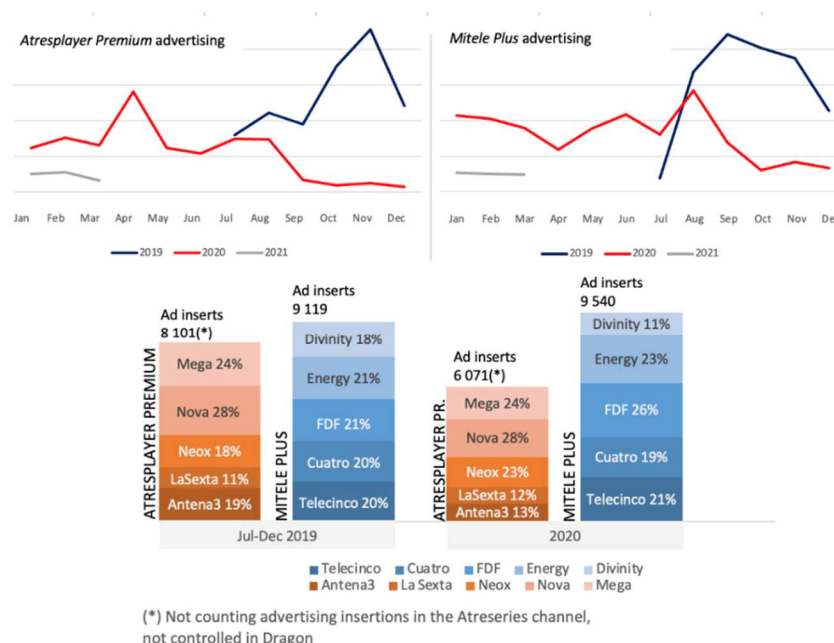
Both Atresmedia and Mediaset España use their own media to promote their offerings. For example, Mediaset announced during the gala final of *Supervivientes* on its main channel *Telecinco* (18 July 2019, with a 41% audience share and more than 4 million viewers) that *Mitele Plus* would offer the main sports competitions. Likewise, news programs have also frequently been used to broadcast news about each group’s film productions, box office data, and cinema

premieres, as well as new productions and film premieres. For example, the closing news stores on some news programs on *La Sexta* present the premieres of series on different SVOD platforms, including *Atresplayer Premium*, or that have been produced in the Atresmedia group environment (in the domain *serielistas.lasexta.com*).

Apart from these types of actions, both groups promote their platforms through advertising, mainly on their own television channels. Figure 2 shows the monthly evolution and distribution of advertising slots for SVOD services on the channels as measured by Dragón (excluding specific content on the platforms, the corporate group, and the VOD offerings *Atresplayer* or *Mitele*, all of which are minor).

Although in general there is a higher volume of advertising for *Mitele Plus*, this comparison is hindered by the fact that the database does not include *Atreseries*, which is probably an important vehicle for advertising of *Atresplayer Premium*. In any case, high advertising pressure can be observed in 2019, when these offerings were (re)launched. In addition, Atresmedia made a special effort to advertise its platform in April 2020 (22% of the advertising slots for that year), precisely when advertising for *Mitele Plus* fell. *Mediaset* reinforced advertising of its OTT service in June (11% of advertising slots) and August (14%), coinciding with the return of football competitions. They also advertised on the channels of their respective groups: Atresmedia uses all its channels for support, especially the thematic ones such as *Nova* and *Mega*, while *Mediaset* focused on the *FDL* and *Energy* series channel, avoiding *Boing*. This distribution is significant regarding the search for a younger audience, as *Mega*, *Divinity*, *Energy* and *FDL* had a majority profile of 45–54 years old in 2019, while that of *Neox* was 35–44 years old.

**Figure 2.** The distribution and monthly evolution of advertising slots for *Atresplayer Premium* and *Mitele Plus* by channel.



Source: Own elaboration based on data from the Dragón database (Arce Media).

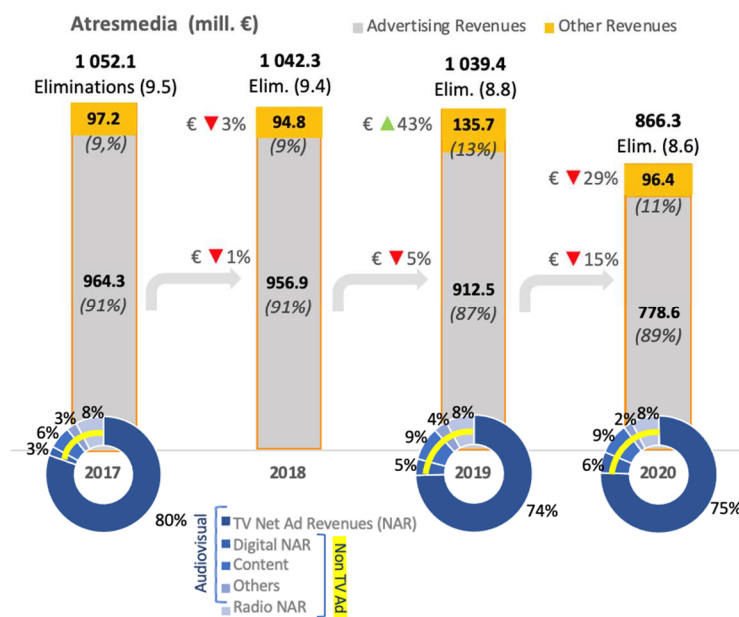
Likewise, both groups advertise their SVOD services on other media. For example, in 2020, Atresmedia carried out more than 9,300 adverts for *Atresmedia Premium* outside linear television, mainly on the internet (78%), both on the group’s websites and on other digital media, with the others in the press and radio, either belonging to the group or not.

As a comparative example, considering only the ten linear channels included in Figure 2, *Amazon Prime Video* carried out 4,917 direct adverts in 2020, not counting those of series and cross advertisements, corresponding to a lower volume. However, more than 16,000 adverts were outside of linear television channels (63% on the internet), with large figures in cinema and in outside venues, as for other platforms.

#### 5.4. Results for revenue diversification

Figure 3 shows the evolution of the structure and amount of net revenue of the Atresmedia group (audiovisual and radio business) and its diversification in terms of the dependence on television advertising.

**Figure 3.** Revenue structure and revenue by business area (audiovisual and radio) for Atresmedia.



Source: Own elaboration.

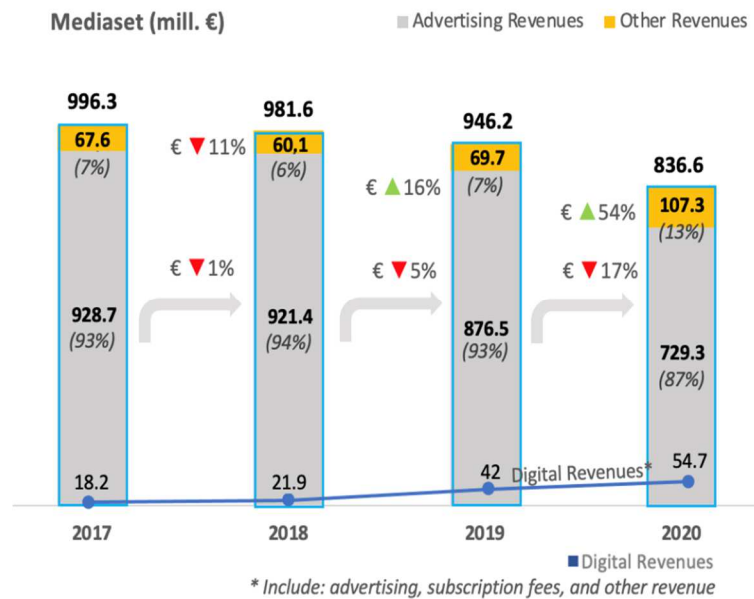
Its net revenue structure reveals a strong dependence on advertising (87% in 2019), which is understandable given that its core business is commercial television/radio. The audiovisual business (including television advertising, digital advertising, content, and other revenues) predominates in the group compared with radio. However, the results of the diversification strategy can be appreciated in a lower dependence on advertising in general, and on television as an advertising medium in particular.

An increase is observed in revenue from other sources (“other revenues”) that are not part of its main activity and include, among others, copyright, film production, special events on radio, commissions, and the internet (commercial exploitation of content). In 2019, which can serve as a better reference given the special situation during 2020, “other revenues” represents 13% of the total, an increase of 5 percentage points in comparison with 2018. The amount rises from 94.8 million in 2018 to 135.7 million in 2020, representing an increase of 43%. This coincides with greater activity in the production and sale of content. In 2020, the importance of advertising increased again (despite a 15% drop in revenue), due to the stoppage in the production and sale of content and despite the increase in subscriptions to its SVOD service.



There is also a tendency for an increase in revenues not from television advertising (“Non TVAd”), reaching 25% of the total in 2020. Note that “content” includes *Atresplayer Premium* subscriptions as well as revenue from the production and sale of series, the production and distribution of channels for pay-to-view platforms, and cinema. “Content” rises from 6% in 2017 to 9% in 2019 and 2020. Despite representing the same percentage of total revenue in 2020, it falls from 96 million euros in 2019 to 75 million in 2020, a decrease that can be attributed to reduced revenues from films (Atresmedia, 2021).

**Figure 4.** Revenue structure for Mediaset España and digital revenues.



Source: Own elaboration.

Mediaset España (Fig. 4) shows a greater dependence on advertising revenue, albeit with important caveats. “Other revenues” includes, among others, cinema activity, the sale of content, and subscriptions to *Mitele Plus*. It is significant that, in 2020, given the fall in advertising revenue, they achieved an increase of 54%, reaching 107.3 million euros, which can mainly be attributed to the production and sale of content. Considering only digital revenues, which include, among other items, digital advertising and subscription rates, the significant increase in 2019 and 2020 is mainly due to the greater activity of the group in the digital advertising market.

## 6. Discussion and Conclusions

This work describes the SVOD market strategy of the Atresmedia and Mediaset España groups, which retain a duopoly in Spanish commercial television. Both groups reconceptualized their role as players in the VOD market, following a trend seen for traditional operators in other geographic markets (Johnson, 2017). In 2019, in response to the market situation, Atresmedia stated three business guidelines: expanding its core business, generating content, and building a more global and diversified group (Atresmedia, 2019). A first step in this strategic plan to expand the core business was the adaptation of the business towards digital distribution by relaunching *Atresplayer Premium*. Mediaset Spain also mentions the culmination of its transformation into an audiovisual company in 2020 (Mediaset, 2021a), presenting three axes: promoting profitability on the internet (Kopacheva, 2021) alongside the promotion of alliances in production and exploitation of audiovisual

content, all targeting diversification away from a dependence on advertising. The creation of the OTT services *Mitele Plus* and *Mediterráneo Audiovisual* can be framed within this strategic pillar, and it is within this context that the attempt to merge with its Italian parent company Mediaset can be justified.

The two groups present distinct content policies. Mediaset used football as a lever to launch *Mitele Plus*, but it has not prioritized its service as the first vehicle for the exploitation of its series, relying instead on exclusive content from its reality and entertainment shows. Premium sport is ruled out by the need for large scales to recover the high investment and due to the special technical requirements for providing a good user experience. It also moved away from the most highly demanded content (fiction and premieres). Everything indicates that Mediaset España mainly continues to treat the other OTT services more as a complement than as competition to its business (Hidalgo-Marí, Segarra-Saavedra & Palomares-Sánchez, 2021).

Atresmedia has opted for *Atresplayer Premium* as the main vehicle for exploitation, which benefits it in terms of not only increasing customers but also, and especially through cross-viewing behavior on smart TVs, audience loyalty, thereby generating branded, high-quality content that makes the offering distinct and links the linear and nonlinear offerings.

This strategy, which it has continued to strengthen, has allowed Atresmedia to benefit from the disruptive environment of the pandemic. However, Mediaset could not do this, because of its excessive reliance on football, which was temporarily suspended and in which, after even a price change, it later stopped to invest. Mediaset's commitment to reality and entertainment shows enabled growth in early 2021, albeit with results still far below its competitor.

In an environment of strong and increasing competition in global OTT production (e.g., Amazon's purchase of Metro Goldwyn Mayer), local services must have a broad portfolio of content, requiring increased production and investment (which both groups have done). In this regard, and also considering that a low ARPU requires scale for the success of these services, both groups are seeking to increase their corporate strength, as evidenced by Atresmedia's strategic agreement with Telefónica, or the attempted merger by absorption of Mediaset and Mediaset España. On the other hand, a future strategy could be through co-competition, as they did previously in the hybrid DTT platform LOVEStv, which was launched by CRTVE, Mediaset España, and Atresmedia and has operated regularly since 2018 (Alcolea-Díaz, Santín, 2019). In addition, their own content requires greater promotion, something that both groups solve by advertising on their own media.

Their pricing strategies include an annual payment option, which seeks a stable customer base and an improved chance of loyalty, thus helping to reduce the churn rate. However, the monthly subscription option maintains the flexibility necessary for these services. In particular, the aggregation strategies with the offerings of other operators to increase their reach should enhance rather than risk customer permanence.

The results of both groups reflect an attempt to diversify the business, a fundamental aim given the faltering television advertising market, while the intensification of hybrid OTT services can be predicted, with both groups offering VOD services including advertising (*Atresplayer*, which in 2020 had an average of 5.2 million unique users per month, and *Mitele*, with an average of 2.5 million unique users per month). Although SVOD revenues remain far from those of the core business (commercial television) and content production, it is important for them to position themselves in their own environment in order to compete against global offerings that dominate the sector, to benefit from the growth drivers of the audiovisual market.

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