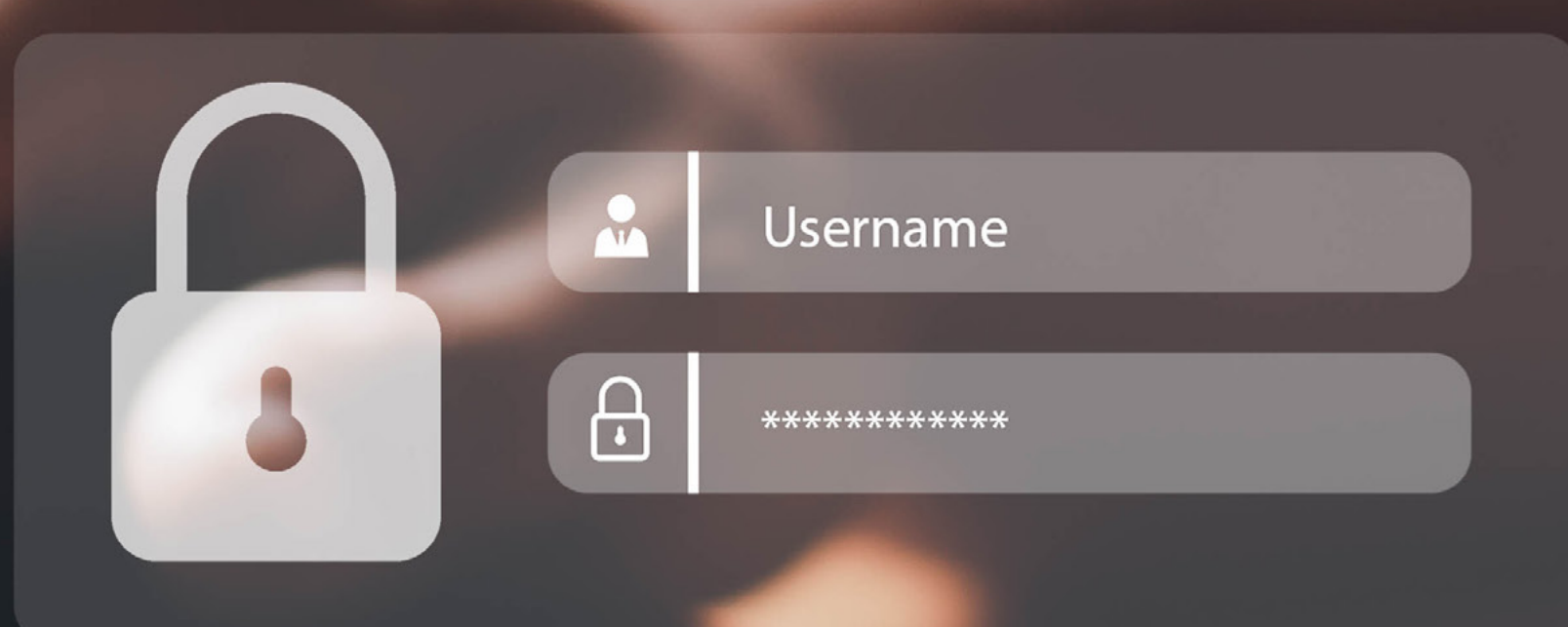


MYTH #4

Credentials Sharing Does Not Pose a Threat to a Streaming Provider's Business



The Myth

Copyright infringement comes in many shapes and sizes, particularly when it's driven by credentials (also referred to as password sharing).

At one end of the credentials-sharing spectrum is innocent sharing with friends and family. Then there's "middle-of-the-road" sharing, where the sharer lends credentials at a small fee. Sharing can also extend to full-fledged fraud: pirates sell credentials online, while stolen or leaked credentials databases are sold on the dark web.

Regardless of how credentials are abused, the phenomenon is increasingly rampant. It's not a question of whether credentials are being shared, but rather how much it impacts your business. Even Netflix is doing something about it.

Let's take a closer look at the issue and see what you can do about it.



The Truth

Direct implications for your business

Some consumers obtain credentials from casual sharers such as family and friends. Others, meanwhile, buy them on the cheap from fraudsters, knowingly or not, through legitimate or illicit marketplaces. The truth is your business suffers just the same regardless of the type of sharing it experiences. And it probably suffers in more ways than you thought.

Lower profitability

Credentials sharing leads to the creation of a large pool of non-paying subscribers that cuts into your revenue. Just how much revenue? That depends on how big the pool is. According to Ampere, more than one in five of all sports fans say they share passwords with people outside of their household. But it's not restricted to sports. One-third of Netflix subscribers in the US share the service, according to the Leichtman Research Group.

And the impact isn't just a case of revenue loss. The more people who piggyback on your infrastructure, the more your operational costs rise... and you're left to foot the bill.

Tarnished reputation

Once your service becomes associated with unlimited sharing, be it among individuals or groups, your brand is likely to take a big hit.

Non-compliance

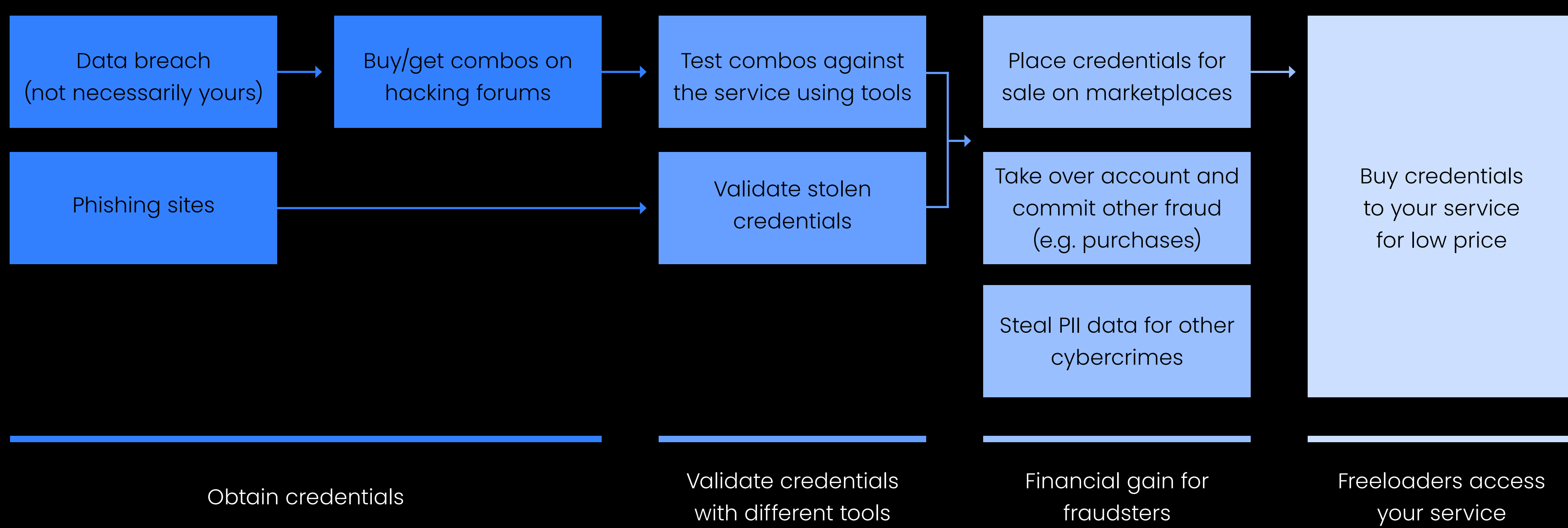
Credentials sharing also has legal implications. The inability to confine your service to paid subscribers can constitute failure to comply with privacy regulations such as the EU's GDPR standard. Moreover, widespread sharing dramatically increases the risk of identity theft among your paying subscribers.

The piracy problem

Pirate IPTV service providers sometimes stock up on stolen credentials, which they provide to their subscriber base as benefits or as compensation when their service is unstable. And as is the case with nearly all piracy, the flow from the source of the credentials theft to the credentials buyer is quite sophisticated.



How Your Subscribers' Credentials End-up For Sale on Marketplaces



How can you identify sharers?

To identify the number and type of sharers of your service, you should seek an expert solution.

Why not build in-house?

Building your own solution has its drawbacks. First, it draws on internal resources that can be quite costly. Second, it requires hard-to-find domain expertise. As a result, it typically relies on a rather simple rules-based approach, which only goes so far in including analytic user-behaviour analysis that is required to identify sharers.

Why source from an expert?

An expert solution helps you overcome these obstacles. It eliminates the need for internal resources, enables you to take advantage of much wider experience and expertise, and leverages big data and machine learning. More data means more accuracy. By defining granular parameters that take into account consumer behaviour, seasonality and other factors, you can more accurately determine the number of sharers among your viewer base and even identify them.

The Response

What can you do with quality sharer information?

Once you know more about your sharers, you can leverage the data to benefit your business in several ways.

Calculate the costs

As mentioned, sharing impacts your profitability. With accurate data, you can calculate just how much that impact costs you. And you can also determine the return on investment (ROI) of taking action

Approach users with confidence

A sharer should be considered innocent until proven guilty; if you approach a suspected sharer who is actually a legitimate user, you may increase the possibility of losing that subscriber. However, with expert solutions providing several layers of validation, you can confidently approach the sharer with no risk of fallout.

Create marketing opportunities

Armed with this confidence, Netflix and other services are opting to incentivize sharers with discount packages and other benefits. Once you identify and recognize your sharers, you can allow them to legally share at a slightly higher price to create the best of both worlds: securing and boosting your revenue, while keeping your customers happy.

