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Netflix-Virgin Media UK Deal Opens Front Door for "Over-the- Top" Services

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Virgin Media has become the first major pay-TV provider to integrate Netflix's subscription video service on its cable system.

Starting this week, a select number of Virgin Media customers will be able to access Netflix directly through an app on Virgin Media's TiVo set-top boxes. Those customers will still need a separate Netflix account (which they can set up through the app) and, for now, billing for customer's pay-TV and Netflix subscriptions will be separate. Virgin Media is expected to roll-out the app to all its TiVo boxes later this year.

The agreement is a breakthrough for Netflix. Its app is not available on US cable systems, with providers generally viewing Netflix as a competitor to their own pay-TV services and offerings. And enabling viewers to access Netflix on their TVs, without needing internet access (either directly through the TV or through a device or console, like Apple TV or Xbox 360) may pave the way for Netflix to expand its subscriber base.

Whether or not other cable providers (whether in the UK or here in the US) follow Virgin Media's lead is yet to be seen. But this could be the first of many deals that may lower the barrier for OTT services to get into living rooms and dens around the world.

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