IP Video better than broadcast

March 2017
Simon Rizkallah
Changing Video Market Dynamics

How can Cisco help in the transition?

Video Transformation in action
Future Network Platform

- **Service Creation**
  - Service Design | Service Assurance | Cloud Optimization

- **Cloud-based Services**
  - Consumer | Business | IoT | Video | Mobility

- **Network Abstraction**
  - Orchestration | Automation

- **Infrastructure**
  - Physical | Virtual | Data Center
Market Dynamics
Video Consumption Shifting to IP & Mobile

Millennials view 70% of TV online

Video will drive 82% of IP traffic by 2020

Millenials consume 2x more mobile video than 25-39 year olds

Mobile video traffic will increase 11x by 2020

Source: Cisco VNI, Nielsen, Deloitte
Customer Loyalty Highest in Born-in-IP Services

Net Promoter Score (2015)

More promoters than detractors

More detractors than promoters

Source: Satmetrix US Consumer Net Promoter study

IP-only Service Advantages

- Personalized Experiences
- Reach All Devices
- Rapidly Launch Services
- On-Demand/Long-tail Content
- New Business Models

Source: Satmetrix US Consumer Net Promoter study
Premium Video Is Still over Broadcast Technologies

80%
of Premium Video gets delivered over Broadcast Technology

$400B
Industry revenue rides on Broadcast Networks today

Broadcast-based Service Advantages

- Reliable Video Quality
- Low Distribution Cost
- Robust Security
- Premium Linear/Live Content

Market Direction

...getting remaining 80% Premium Video on to IP Pipe to monetize & compete

Redefining Measure of Success

Changing Operating Model

Combining Best of Broadcast & IP

Net Promoter Score

Cloud | SaaS | DevOps

Broadcast Quality | IP Flexibility
**Broadcast to IP Use Case: Cloud DVR**

**Today**

DVR is Table Stakes
Content Recorded on STB HDD
1,2,3 – 8 Tuners.
Expensive STB, Supply Chain & Support
Appliance Infrastructure Silos

**Tomorrow**

Content Recorded in the Cloud
Unlimited Tuner
Multi Device / BYOD
Advertising revenues restored
CPE spend -30% over 5-yrs, and -43% over 10-yrs (RCBG financial model for IVP)
Requirements of Tomorrow: Best of Broadcast & IP

**ACCELERATE GROWTH**
- Video quality everywhere
- Personalize linear content
- Win new segments

**INCREASE SPEED**
- New features across your base
- Confidently innovate with data
- Secure new business models

**IMPROVE EFFICIENCY**
- Reduce cost to reach all devices
- Simplify operations across legacy & new
- Flexibly scale infrastructure

**Personalized Experiences**
- Reach All Devices
- Robust Security
- Dominant Business Model

**On-Demand/Long-tail Content**
- Premium Live/Linear Content
- Reliable Video Quality
- Rapidly Launch Services
- Real-time Insight
- Low Distribution Cost
Next Generation Video
Strategic Requirements for Video: Creating a New Class of IP Video

...better than broadcast video today

- Quality
- Cost
- Security
- Efficiency
- Convenience
Cloud Video Solution – Cisco IVP

Processing | Protection | Distribution | Cable | Satellite | Telecom | OTT

Cloud services platform for operators & broadcasters to process, secure, distribute, & monetize premium video on any consumer device

Private | Public | Hybrid Cloud
Modern Architecture, Best-of-breed Technologies

Cable | Satellite | IP | Hybrid | OTT

Security, Policy, & Analytics

Cloud-based Services

Microservices

Concurrency | Logging | Message Broker | Load Balance | App Routing | Discovery | Resiliency | App Container

Open APIs

Linear Video
Ad Management
Offer Management

On-demand Video
Content Discovery
Policy Management

CDVR/TSTV
Analytics
User Management

Security Services
Processing Services
Metadata Services

Network Abstraction

Physical & Virtual Infrastructure
### New Experiences Combining Broadcast & IP

**Monetize | Improve NPS**

<table>
<thead>
<tr>
<th>Live TV</th>
<th>VOD</th>
<th>Catch-up</th>
<th>Restart</th>
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New Operating Model: For Speed & Scale

DevOps for Video

Cloud & SaaS Ready
- Micro-services Architecture
- Elastic Scaling

Rapid Dev-Test-Launch Capable
- Business & Operational Analytics
- Continuous Integration & Continuous Deployment

SaaS Dashboards

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100+ Devices Supported & Growing

Connected Devices UX | IVP Product UX | BYOUX

- Smart TVs
- Gateways
- STBs
- Android Phones & Tablets
- Game Consoles
- Streaming Boxes
- PC/Mac
- iPhone & iPads
Case Studies
Deployment Examples

<table>
<thead>
<tr>
<th>sky</th>
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<th>AMC</th>
<th>yes</th>
<th>eastlink tv</th>
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<td>GLOBO</td>
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- 80+ deployments with 60+ customers
- 30+ active customer trials
- 40+ consumer devices supported, & growing
- 20+ partners on the Platform
- Deployed across Cable/Telco/OTT/DTH Operators, Broadcasters
- Across end-to-end platforms, Security, Video Processing & Distribution
About Customer
- 8M+ Pay TV Homes in Germany

Customer Business Need
- Increase ARPU in a Free-to-Air Market
- Increase subscriber stickiness
- Service Velocity

Solution Scope
- Transformational move to Cloud, As-a-Service, & DevOps for speed & agility
- Hybrid Gateway
- Multiscreen OTT TV Everywhere
Service Designed for ARPU & NPS Increase
GigaTV Business Outcomes

- Reduce Time-to-Market & Increase Agility
- Create innovative new services to grow revenues
- Improve subscriber experience

2-week feature-release cycle & agile roadmap enables Vodafone to prioritize features impacting their business KPIs

2X APRU compared to legacy video solutions with differentiating features

80% NPS increase from Alpha to Beta phase

Service Provider Summit - Cisco Live!
About Eastlink
• Canada’s leading Cable TV & Telecommunications company.

Customer Business Needs/Challenges
• Bound by legacy ecosystem
• High maintenance cost of “custom client”
• To create a Multi-screen Play – More devices, New segments

Solution Scope
• IVP OTT
• Commercial Flexibility - PAYG
• Software as a Service

Business Outcomes
• New untapped market segments captured
• Eastlink App on new devices – Media players, Game consoles, Smart TV
• Predictable cost model with SaaS and standard Client
Eastlink – Taking OTT to the Next Level
Key Takeaways

80% Premium & monetizable content will move to IP

Shift from broadcast technologies to IP is real & happening right now

Cisco Infinite Video Platform is cloud & SaaS ready & already improving ARPU & NPS
Interested in learning more?

http://www.cisco.com/go/infinitevideo

Visit us at CommunicAsia

http://blogs.cisco.com/sp

@CiscoSPVideo

srizkall@cisco.com
THERE'S NEVER BEEN A BETTER TIME to TRANSFORM ENTERTAINMENT
Thank you