Multiscreen TV

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Evolution in the Video Market
The Video Market is Changing.

Consumers want …
- Multiscreen viewing options
- Flexibility to consumer everywhere
- On-demand and mobiles while watching TV
- Improved convenience and wider choice

Money to be made from …
- Existing subscribers with new services
- New customers who are not subscribers

New Over-The-Top entrants are competing with Pay-TV platforms for these new revenues.
Technology Keeps Driving Content Delivery Options and Consumer Choice

Physical Distribution → Digital Broadcasting → Internet and Cloud Distribution

Analogue to Digital → On a STB and DVR → On Multiple devices In the home → On Any Device Anywhere

On a STB and DVR

On Multiple devices In the home

On Any Device Anywhere

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Landscape: Competition, Cooperation, Experimentation and Overlaps

OTT players now deploying their operating models in many countries

Content owners going direct to user through CE manufacturers as well as initiatives such as UltraViolet. Broadcasters developing OTT and multiscreen capabilities to extend and promote their brand.

CE Manufacturers extending capabilities of devices and creating OTT content partnerships to provide enhanced value.
Options for Pay-TV Operators
Pay TV Operators Have a Number of Strategic Options to Better Compete in This New Environment

EMBRACE
Provide a consistent branded user experience to access linear, non-linear and timeshift content from STBs. Provides navigation, search, recommendations, information services, games etc.

ENRICH
Integrate third party/OTT content for access from the STB. Provides the same navigation, search and recommendation capabilities as for own content

EXTEND
Provide multiscreen access to linear, non-linear and DVR content and services through a UI consistent with the STB experience

EVOLVE
For mix of own and 3rd party content, provides optimised network connectivity (wifi and mobile) and billing/payments facilities. Rights management (e.g. Ultraviolet) etc

Source: Cisco
Pay TV Operators Can Compete With a Variety of Offers

- **Embrace**
  - "In the Box" STB / DVR
  - Enhanced UI across all devices
  - TS-TV and VOD on any Device in the Home
  - Add 3rd Party Content
  - Enhanced Time-shifting

- **Evolve**
  - In the Home
  - TV Everywhere (Existing Customers)
  - Outside the Home
  - TV Everywhere (New Customers)
  - TV Companion Apps Control, Ads, Interactive
  - Social TV Companion Apps
  - UGC Innovations

- **Operator Maintained CPE**
- **Alternative Aggregators**

Source: Cisco IBSG Analysis
Multi-Screen Business Models

Premium package services
- High quality and high value content on any device for subscribers.
- Target new customers with new services and packages.

Reduce churn and package cancellations due to cord shaving
- Offer services across new devices, TV Everywhere.
- Offer value–add, new chargeable services - new windows, new subscription options, new revenues.

Advertising around new formats
- Ads around catch-up and streaming formats

Companion Commerce:
- Driven by "companion applications" with extra information, social integration, commerce and ad opportunities

Revenue share with 3rd party content providers
- Use customer reach. Be the obvious destination for customers looking for content.
- Be the obvious route to customers for content providers
BSkyB

Business Model
- Phase 1: Subscriptions
- Phase 2: Value added for subscribers
- Maintains ARPU – “Sky Believe in Better”
- Churn prevention

Solutions
- Premium TV channels and VOD on multiple screens
- Movies, sports and entertainment
- iPad, iPhone, Android, Web portal, Xbox and YouView
- STB On-Demand: Integrates Movies, Premium TV, Movie Store and national TV Channels as Catch-up

Business Model
- Subscriptions
- Address non-Sky subscribers
- Leverage premium and exclusive content rights
AT&T U-verse Online

Solution
- U-verse Online offers over 140K titles
- Ingest content feed from Hulu, MTV, CBS, Turner, Comedy Central, etc.
- Single portal for U-verse customers

Business Model
- Value added for subscribers
- Advertising revenue share with affiliates – access to AT&T subscribers
Redbee RedPlayer

Solution

- Single (Gateway) Box and TV Anywhere in the Home
- All your favorite content, anywhere in your home, on any device

Business Model

- Redbee – charges for use of hosted platform and service creation
- Content owners - generate mix of advertising, subscription or PPV revenue
London Olympics: NBC and Cisco
Synchronized TV Viewing Experience

Videoscope Cloud

NBC Highlights of the day

STB and iPad are synchronized without requiring direct communication between the two devices.

Timing Events

Stream Control

Possible Experiences:

- Contextual content for NBC DVDs
- Bios of the winners during the medal ceremony
- See the lyrics of the different national anthems karaoke style
- Contextual shopping offers of sports equipment, Olympic apparel (e.g. USA Basketball jersey during game)
- List of past results of a specific event after it ends and how they compare
- Enhanced ads on companion devices
- Experiences limited only to our imagination!
UPC Horizon

Solution
- Single (Gateway) Box & TV Anywhere in the Home
- All your favorite content, anywhere in your home, on any device

Business Model
- Subscriptions: High Customer Demand
- Increased ARPU: At least €5 ARPU increase expected
- Churn reduction: Customer loyalty and convenience
DirecTV “Nomad” Box.

Solution
- Watch DVR recorded shows and movies on cell phone, laptop, or tablet. Download or streamed from “nomad”
- Automatically prepares new episodes as soon as the DVR records it.
- PC, Mac, iPhone, and iPod touch. iPad and Android soon.
- $149 for the hardware. No monthly fees.
- Transcode and DRM handled in the nomad.

Business Model
- Value added for subscribers
- Churn prevention
**SFR Evolution**

**Solution**
- SFR: mobile/triple play operator
- New STB with a brand new Snowflake UI
- Same UI on iOS and Android devices
- Live TV, VOD, PVR recordings and remote control.
- The SFR Snowflake app now has 1,500,000 users.

**Business Model**
- Almost +30% subscriber increase
- Increase in VoD Uptake: 10%
- Value added for subscribers
**X Factor (Tellybug) & Locate TV**

**Solution**
- TV Companion applications linked to and synchronized with TV consumption.
- Apps developers use Open APIs.
- Can integrate Social Networks and Internet apps with the TV experience.
- Additional Information - Sports, News, Movies, Soaps.
- Advertising and Commerce opportunities.

**Business Model**
- A more engaged viewer.
- Better consumer loyalty for the show or channel.
- More effective advertising & interactivity on the companion device.

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Second Screen Experiences and Opportunities

Red Bee Media Second Screen Series

- "78% think that smart devices are a better way to engage with their favorite shows compared with traditional methods"
- "1 in 2 dual screeners use a second screen to find out more about a TV show, and 44% follow up on an advertisement or brand"
- "Two thirds of over 55s have already dual screened and now dual screen more from their smartphone than they do from a laptop"
- "1 in 2 would be more inclined to engage with shows if they could do so from their smartphone"
- "63% of under-35 year olds are open to receiving relevant ads within companion apps"
- "2 in 5 would like to receive offers or promotions"
- "56% are open to targeted ads"

Fig. 1: Dual Screen Activities Undertaken While Watching TV

- 86% Emailing
- 84% General Browsing
- 79% Shopping
- 74% Accessing Facebook
- 70% Banking
- 60% Playing Games
- 59% Looking at the news
- 52% Research about TV show
- 48% Sports news/results
- 44% Research Brand/Ad
- 42% Working
- 36% Accessing Twitter
- 18% Gambling

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Items to Consider Going Forward in to Multiscreen

- Content rights. Build for multiple-screens both in the home and outside of the home.
- Add multi-screen offers and keep existing services running smoothly and in parallel.
- Add new services using open APIs and web services. Enable any app developer to support new services across many different CE and mobile devices.
- Evaluate use cases for live & on demand plus streaming & download and new encoding technologies.
- Enable value for advertisers. Remember to plan for audience measurement across all devices.
- Include capabilities for Recommendations, promotions and targeted advertising.
- Use automated systems for catch-up and time-shift TV and content management
- Understand and plan strategy for high quality and scalable video CDN
- Migrate to a “Video Control Plane” headend that scales. Real time, multi device and scalable
- Manage households, user, devices, sessions and authentication.
Pay TV Operators are Well Placed to Fight a Multi-screen Battle on Many Different Fronts

Move quickly before new OTT offers take some subscribers away
- Plenty of business cases than can provide differentiation from new OTT entrants
- Avoid disintermediation, cord-shaving/cutting caused new OTT entrants
- Use web technologies and open API for service innovation. Embrace the app developer community

Reinforce the value of the pay-tv package
- Content on mobile and tablet devices.
- Release the content from the DVR under the TV
- Simplify the multi-screen offer for your customers.
- In the home multi-screen viewing and TV companion apps.
- Out of the home mobile and tablet scenarios.
- Companion device applications in the home
- A la carte options to capture new customers

Capture new customers in a mature market. Grow subscriber count
- Offer new ways to subscribe and purchase content. Appeal to different segments of the market
- Off net OTT offers – capture new customers segments
Questions?
In Summary

Move Quickly

- Plenty of options, use cases and business cases
- Cease new opportunities before new entrants get established.
- Consider partnerships with content owners and consumer electronics manufacturers.

Cisco Can Help

- With the business case and new service definition
- User Interface design across multiple screens
- E-2-E solutions and integration, real experience of new and legacy systems, broadcast and broadband.
- Provide a scalable, modular, open platform and eco system.
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