

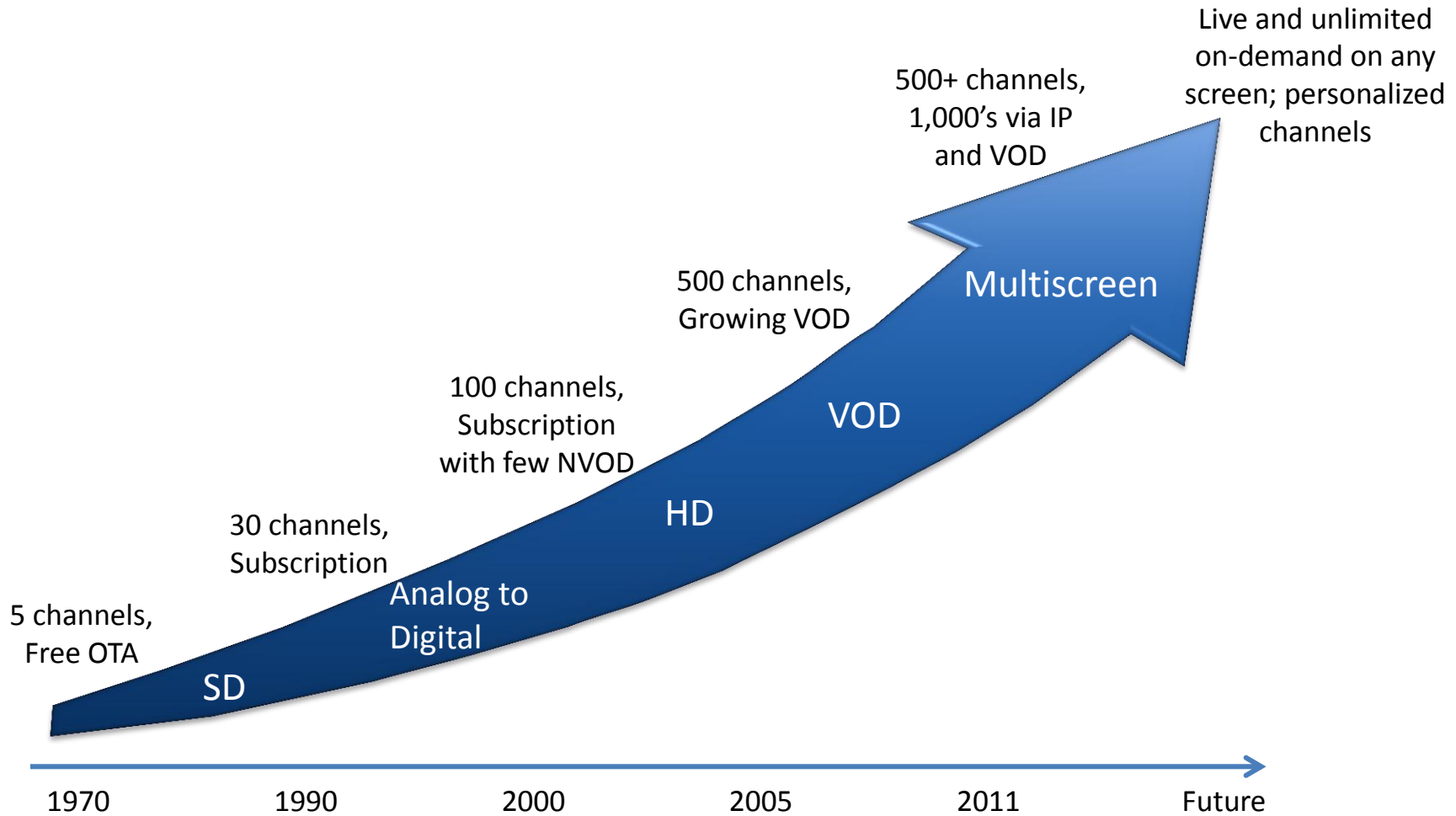


OTT and the Cable TV Business

Guy Li-Ran

harmonic.

Evolution of Television Consumption

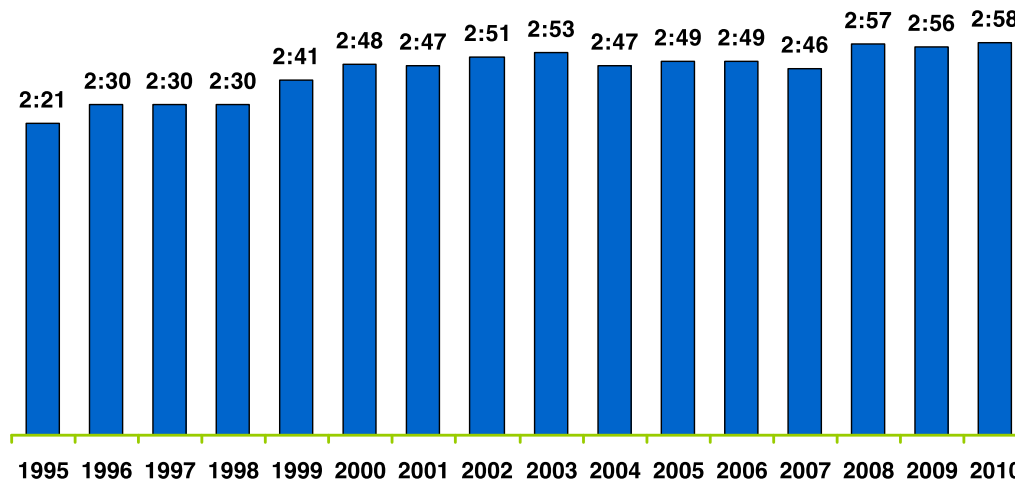




- **Everyone watched more television than ever in 2011**
 - ~21 hours per person per week in Finland (Finnpanel)

Television katseluun käytetty aika keskimääräisenä päivänä

Koko väestö, 10+, vuodesta 2008 lähtien mukana vieraat ja ajassa siirretty katselu



Lähde: Finnpanel Oy, tv-mittaritutkimus

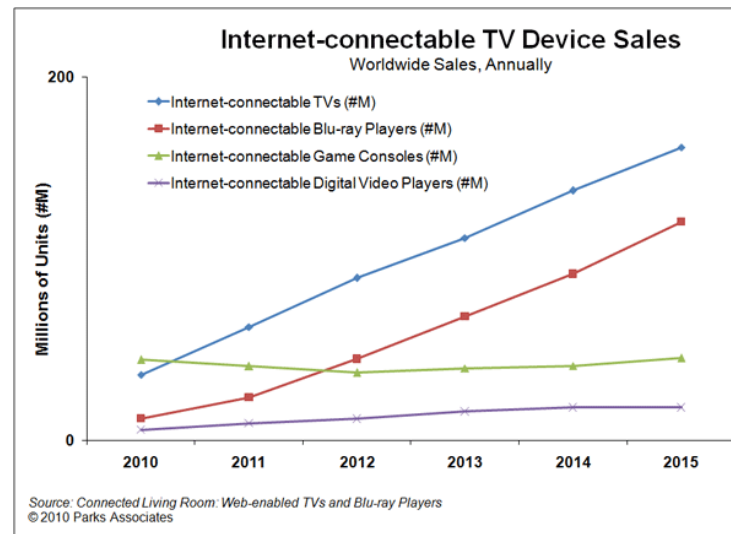




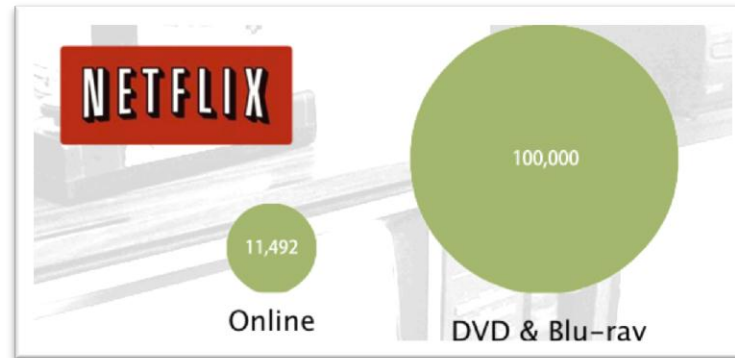
- **Global Cable TV industry lost subs in 2011 but revenue is growing**
 - Debate whether its driven by the recession or "cord-cutters"
 - What type of subs are they losing?
- **Global Pay-TV industry is growing (€290B in 2010)**
 - Significant growth outside the US, Europe with € 85B/6.6% YoY growth



- **Growing number of alternative over-the-top options**
 - Hulu, Netflix, YouView, LOVEFiLM(UK) domestic content providers
 - abc.com, ESPN3, iPlex.pl
 - Delivered to multi-screen and devices
- **Explosion of devices (mobile, tablets, connected devices)**
 - *21% of sold TVs in 2011 will be connected*
 - *Report sees 255M Web-ready TVs sold in 2014*



- **Programming**
 - Netflix/LOVEFiLM (movies)
 - Hulu+ for TV shows
 - iTunes for shows/movies
 - Mostly no live sport
- **Restricted content and window availability**
- **Hulu's future is uncertain (due to content agreements uncertainty)**
- **Cool devices but they cost**
- **Not always easy to use**



Comcast.
xfinity.
150,000



[The Truth About Cutting the Cable TV Cord](#)

Consumers love the multi-screen experience

Consumers want Pay-TV programming with multi-screen experience

- Immediate response to OTT offering from Netflix, Hulu etc.
- Improved navigation, content searching / sharing, UI
- Significantly reduced Time-to-market for new apps / services
- Adds a “coolness” / cutting-edge factor to existing services
- Supporting / extending the “Whole home DVR”
- Paves the way to other IP-devices within the home
- ...And beyond the home





TV Delivery

- **VOD service enhancements**
 - Deep library content
 - Tablet navigation
- **Network DVR, time-shifting and catch-up**
- **Use tablets for navigation to control connected STBs**
- **Keep extending the HD lineup**
 - 150-200 HDs
 - Refresh and improvements for the SD lineup
- **Bandwidth expansion (Cable MSOs) for video and Data**

Multi-screen

- ▶ **TV Everywhere initiatives**
 - Online authenticated access to content providers content
- ▶ **Streaming of the entire lineup live to connected devices**
 - TWC showed off streaming to Samsung TV
 - Comcast announced iPad service
 - Swisscom
- ▶ **Live streaming of premium packages**
 - DirecTV NFL
- ▶ **Online access to the on-demand library**



TV Delivery

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- Storage
- File Transcoding
- Cable Edge capacity

- Live transcoding
- Ingest
- Storage

- Encoders HD/SD
- C&D for new content
- Complete headends
- Network management
- QoS

- Access segmentation
- EdgeQAM capacity



- File based workflows for content providers
- Storage and Transcoding

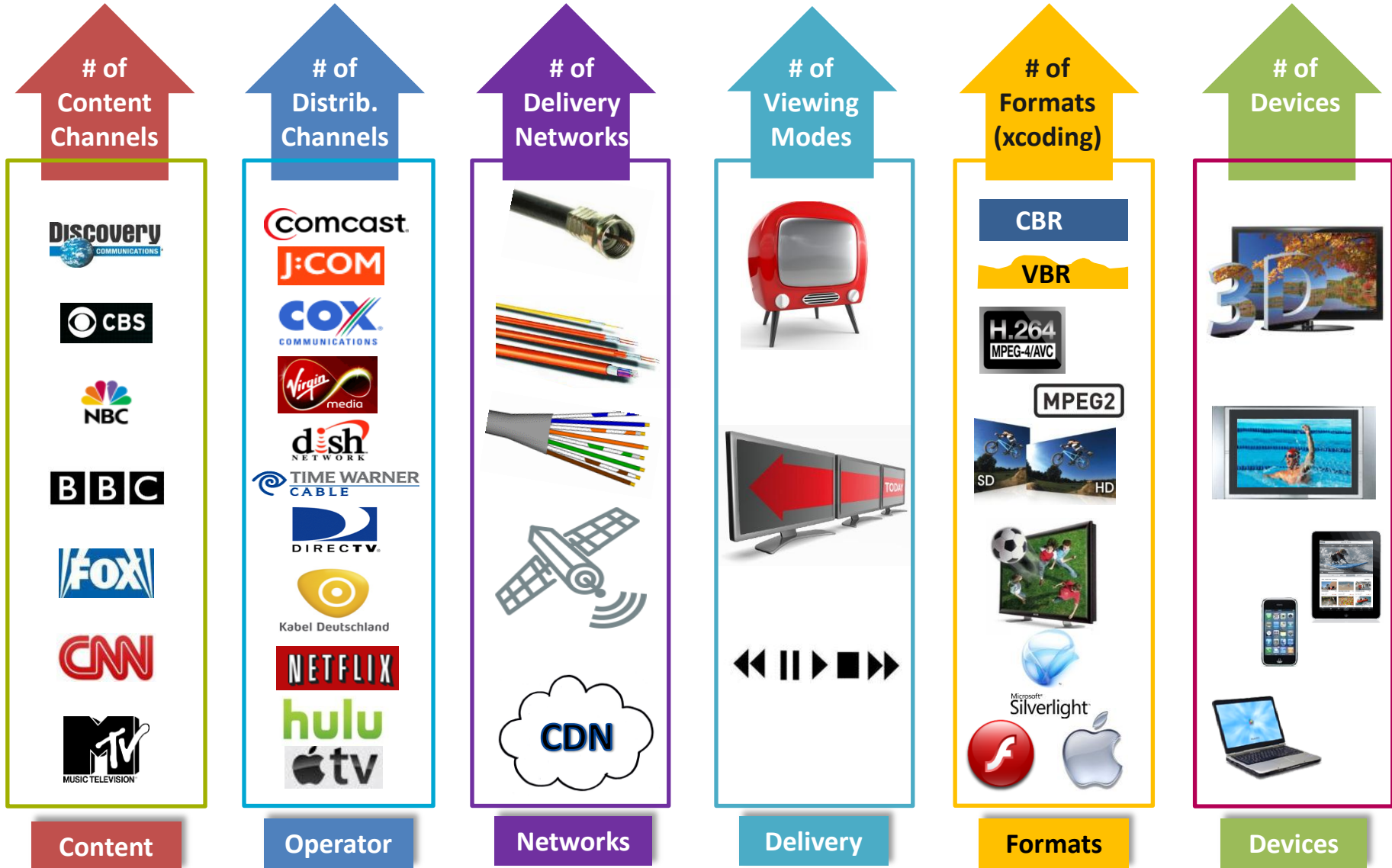
- Live Transcoding
- Integrated headends Broadcast/Mobile/Web

- File Transcoding
- Workflows
- Storage

Multi-screen

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Video Economy Multipliers



Content

Operator

Networks

Delivery

Formats

Devices



Content providers

Service providers

Contribution

Production

Playout

Video Processing

Primary Distribution

Video Processing

Distribution



Business and scale impact

- Contribution from events (1)
- Production and playout (xFormats)
- Video processing (xFormats)
- Primary distribution (xOperators)
- Video processing (xOperators)
- Distribution (xRegions)





- **TLC Launches in Finland**
 - <http://www.broadbandtvnews.com/2011/10/26/tlc-launches-in-finland-and-portugal/>
- **Virgin Media delivers £1 billion revenues**
 - <http://www.broadbandtvnews.com/2011/10/27/virgin-media-delivers-1-billion-revenues/>
- **Polish cablecos focus on investment**
 - <http://www.broadbandtvnews.com/2011/10/07/polish-cablecos-look-to-invest/>



- **iTunes rentals hit Finland**
 - <http://www.razorianfly.com/2011/09/28/itunes-movie-rentals-purchases-hit-belgium-denmark-finland-netherlands-norway-and-sweden/>
- **BBC iPlayer goes global on the iPad in Finland**
 - <http://thenextweb.com/media/2011/10/13/bbc-global-iplayer-launches-on-ipad-in-finland-sweden-and-denmark/>
- **Netflix confirms UK launch**
 - <http://www.broadbandtvnews.com/2011/10/24/netflix-confirms-uk-launch/>
- **BBC iPlayer received 153 million requests for TV and radio programs in September 2011**
 - <http://www.bbc.co.uk/mediacentre/latestnews/171011iplayer.html>
- **Connected TVs will reach 20% penetration by 2016**
 - <http://www.broadbandtvnews.com/2011/11/01/connected-tvs-will-reach-20-penetra/>
- **Belgacom launches VOD on Samsung Smart TVs**
 - <http://www.broadbandtvnews.com/2011/10/27/belgacom-launches-vod-on-samsung-smart-tvs/>
- **B.net goes multiscreen**
 - <http://www.broadbandtvnews.com/2011/10/14/b-net-goes-multiscreen/>



- **Pay-TV is a healthy and growing industry**
- **The content ecosystem is dependent on Pay-TV operators**
- **Consumers love the multiscreen experience**
- **OTT alternatives are attractive but not free/complete**
- **Consumers want value for their Pay-TV subscription**
- **Investment is required to:**
 - Enhance the TV delivery platform
 - Extend the reach of the Pay-TV service to multiple screens



Thank you

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