

OTT Success Series: Will your streaming video success break your OVP?

Achieving scale demands
consistency, skill...and the right
technology partner

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With premium “over-the-top (OTT)” video continuing to gain serious marketplace momentum, an interesting phenomenon is arising: Seemingly any company that has transcoded a video, streamed an advertisement, built an iPhone app, attended a conference or used the acronym Digital Rights Management (DRM) is now a do-it-all expert in All Things OTT. Phrases like “Launch your OTT service in 30 days” are becoming more common despite the outrageousness of the claims.

Even so, it’s easy to understand why the bandwagon is getting crowded. Juniper Research sees the annual revenue generated by online subscription video on demand (SVOD) services growing to \$31.6 billion by 2019, representing a compounded annual growth rate of 31 percent from 2014.¹

That’s a growth trajectory virtually everybody wants to be part of – and the basis of many startups over the last few years.

Buyer beware

But there’s more to achieving OTT success than building a mobile app. Launching a profitable OTT service takes an investment in marketing and business alignment as well as a comprehensive technology platform. As premium content providers migrate to an OTT 2.0 environment, moving from early-stage experimentation to full-blown, scalable business models, it’s imperative to work with technology companies that fully understand the entire ecosystem and all of the underlying components required to power a successful, scalable and sustainable OTT platform. In the absence of this critical grasp of the varying intricacies, there can be danger of encountering the dismaying revelation that many of today’s bright promises may be traps waiting to be discovered...after it’s too late.

Some all-too-familiar headlines offer reminders of the risk:

[ABC’s Oscars streaming outage shows web limitations for TV networks](#) - Wall St. Journal, March 3, 2014²

[STV apologizes over livestream crashes in Scottish independence debate](#) - The Guardian, Aug. 6, 2014³

[NBC Sports Live Extra experiences first major outage with Premier League coverage](#) - Realsoccertalk.com, Aug. 16, 2015⁴

As content providers consider OTT 2.0 strategies, there are six areas where their attention should be focused. These areas reflect hard-learned lessons from some of the world’s biggest media brands in an increasingly high-stakes OTT environment. Recognizing these considerations, and enacting a plan before any customer fallout occurs, can help put content providers many steps ahead in the fight to gain consumer confidence that’s essential for driving subscriber growth and reducing churn – while keeping their brands out of the headlines.

– Support for multiple monetization models.

Increasingly, premium video straddles a range of economic models, including free-with-advertising; direct payment subscriptions; transactional streaming; and enabling payments and billing through third parties such as mobile providers or pay TV affiliates. Some providers choose one approach, while others intertwine multiple approaches. But no matter the model, there are intricate details to manage across all of the above. Multiple disciplines, ranging from direct billing and subscriber management to actionable analytics and robust interoperability with the payments and advertising ecosystems, are needed

to support an OTT service. IBM Cloud Video specializes in managing unified delivery for leading premium online video providers that operate across the monetization spectrum. From global subscription-streaming platforms that support multiple geographies to ad-supported, high-profile professional sports streaming to the rental or purchase of individual shows, IBM Cloud Video knows and supports premium video economics for some of the biggest brands in the business.

- **Scalability to match demand.** Scalability is the watchword for success in online video, whether it involves meeting consumer expectations for an ever-expanding content offering or delivering high-quality experiences during peak usage times. Delivering high-quality experiences during low-demand windows is very different from providing consistently satisfying results during sudden spikes, when it's not unusual for stream requests to multiply by 10-fold or more. Among the ingredients IBM Cloud Video applies to achieve optimum reliability for premium video providers are algorithmic publishing, advance capacity testing and verification, horizontally scalable infrastructure and constant monitoring of the entire platform from global Network Operations Centers.
- **Comprehensive security.** Premium video is a high-profile category with exceptional exposure to malfeasance. As a result, maintaining security demands much more than just encrypting video. Instead, it's important to make sure your provider employs and maintains sweeping and effective security measures across the entire delivery ecosystem – starting with physical access to network facilities and extending to logical permissions and constant intrusion prevention. IBM Cloud Video works closely with leading third-party providers to achieve and sustain security-rich video delivery throughout the content lifecycle, so that premium video distributors can have confidence their content remains in the right hands. And on the right devices.
- **Extending a personalized video experience across screens.** The multiscreen world is increasingly complex. Premium video providers that have worked and invested to create superb user interfaces need to deliver high-quality experiences independent of the devices that will display them. Today's constant collision of differing screen dimensions, varied metadata requirements and devices and divergent format demands must remain invisible to the user – so the UI experience looks and plays the same way over a PlayStation or Apple TV as it does over an Android tablet or a laptop. IBM Cloud Video helps

premium video distributors master the multiscreen UI challenge by intelligently distributing logic in the cloud, not the application. That means less authoring, more efficiency and predictable consistency with every user interaction.

- **A deeper view of analytics.** Paramount to every OTT and SVOD service provider is the goal of increasing customer acquisition and reducing churn to drive revenue. IBM Cloud Video understands and supports this vision by enabling deep intelligence that can transcend traditional OTT business metrics to enable entirely new levels of personalization and customer interaction. Drawing from both customary and non-traditional data sources to produce fresh business insights, IBM Cloud Video empowers a new era of cognitive video analytics that produces meaningful business insights and can create critical competitive advantage.
- **A global view.** Premium streaming video is increasingly a global force, as content providers establish a presence in nearly every region of the world. This international expansion makes it doubly important to work with companies that can manage intricacies involving geographic content rights, languages and subtitle associations, currency conversions and business model variations. As IBM Cloud Video has demonstrated in the international video marketplace, the sports video category and elsewhere, having fluency across borders is a critical enabler of global online video success.

In the emerging Premium Video 2.0 environment, the rewards are much greater. And so are the risks. Identifying a single provider that understands the entire ecosystem and has mastery over the underlying technologies is critical not just for moving into this new world, but rising up as a leading player within it. IBM Cloud Video is here to help you get there.

Join IBM Cloud Video to examine each of these topics in depth. Visit www.ibm.com/cloud/video to subscribe to the IBM Cloud Video mailing list and receive key insights and tips on launching a successful OTT solution.

About IBM Cloud Video

IBM Cloud Video delivers reliable and scalable video streaming services globally. Combining robust video functionality and exceptional cognitive abilities, IBM Cloud Video provides one of the most comprehensive video offerings available today. For more information on IBM Cloud Video, please visit www.ibm.com/cloud/video.



Footnotes

1 Juniper Research, telecomasia.net, "OTT TV Market to increase fourfold by 2019, 4/27/2015, <http://www.juniperresearch.com/resources/news>

2 ABC's Oscars Streaming Outage Shows Web Limitations for TV Networks, The Wall Street Journal, March 3, 2014, <http://www.wsj.com/articles/SB10001424052702304585004579417230639001894>

3 STV apologizes over livestream crashes in Scottish independence debate, The Guardian, August 6, 2014, <https://www.theguardian.com/media/2014/aug/06/stv-livestream-problems-scottish-independence-debate-alex-salmond>

4 NBC Sports Live Extra experiences first major outage with Premier League coverage , Realsoccertalk.com, August 16, 2015, <http://worldsoccertalk.com/2015/08/16/nbc-sports-live-extra-experiences-first-major-outage-with-premier-league-coverage/>.



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