

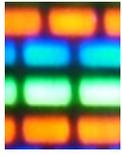
CONNECTING TO THE CLOUD

Telecommunications Industry Drawbacks of Cloud-Delivered Content: Infrastructure Challenges.

How does the on-demand always-accessible nature of cloud-based entertainment delivery challenge conventional distribution systems?

Allan McLennan
President/Chief Analyst
PADEM Group

**DCIA Conference within CES
January 8, 2014**



Cloud based Content distribution to Multiscreen

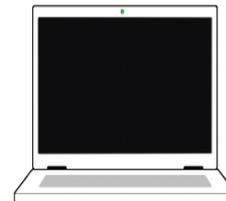
what is it?

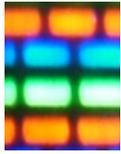
The capability to bring multiple screens
within the media experience of the same
consumer

Telco's are best positioned world wide due
to flexibility of their networks and typical
market ownership



i.e. Sony to launch cloud TV service in the US





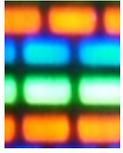
Cloud based Content distribution to Multiscreen

how does it work?

Two types of infrastructures are called upon, which are (slowly) converging through (slow) standardization and web services API-fication

Video distribution infrastructure to multiple formats, over multiple streaming protocols

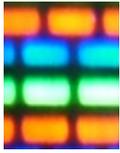
Application development and presentation infrastructure to multiple OSes and middleware layers



Cloud based Content distribution to Multiscreen

how long will it last?

forever



Cloud based Content distribution to Multiscreen

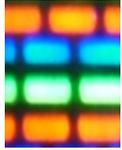
what does it affect?

Two key parts of the distribution system:

Back-end / head-end, where infrastructure is put in place to process the content and power the application layer

The device side, where the video is processed and applications rendered

The fragmentation of the two represents a huge integration nightmare for market actors



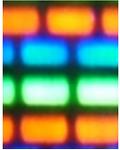
Cloud based Content distribution to Multiscreen

consequences

Risk of cannibalization by the various screens between one another

Deployment complexities and costs for the distributors

Risk of possible disconnection between the (slow) pace of technology innovation around video distribution and the (rapid) advances of web based application development technologies



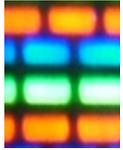
Cloud convenience Affects Content packaging innovation

what is it?

To fight the risk of cannibalization by the various screens between one another...

... content owners, programmers and broadcasters are going to continue to innovate around differentiated screen experiences

PADEM Works hand in hand in developing the strategy and go-to-market deployment.



Cloud convenience Affects Content packaging innovation

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BIG BROTHER
Season Finale
Wednesday 9:30/8:30c
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Air Date: 09/16/12 Episode 29

Air Date: 09/13/12 Episode 28

UNION NATION

MOBILE

SO WHAT? TIME SERIES MOVIES SPORTS COMEDY REALITYVIDEOS ORDER SHOWTIME

Big Brother After Dark

LIVE, UNCUT AND UNCENSORED

GO BEHIND THE SCENES

Tonight on Showtime: 8:00 PM **er** Lara Croft Tomb Raider: The Cradle of Life 10:00 PM **er** Who's My Turn? 11:00 PM **er** Who's My Turn?

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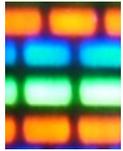
iTunes

TV Shows - Reality TV

Big Brother, Season 14

12 New houseguests move into the Big Brother house and compete for the grand prize.

Name	Description
Episode 1	12 New houseguests move into the Big Brother house and compete for the grand prize.
Episode 2	Willis settles into his new role as Head and must select his houseguests for nomination.



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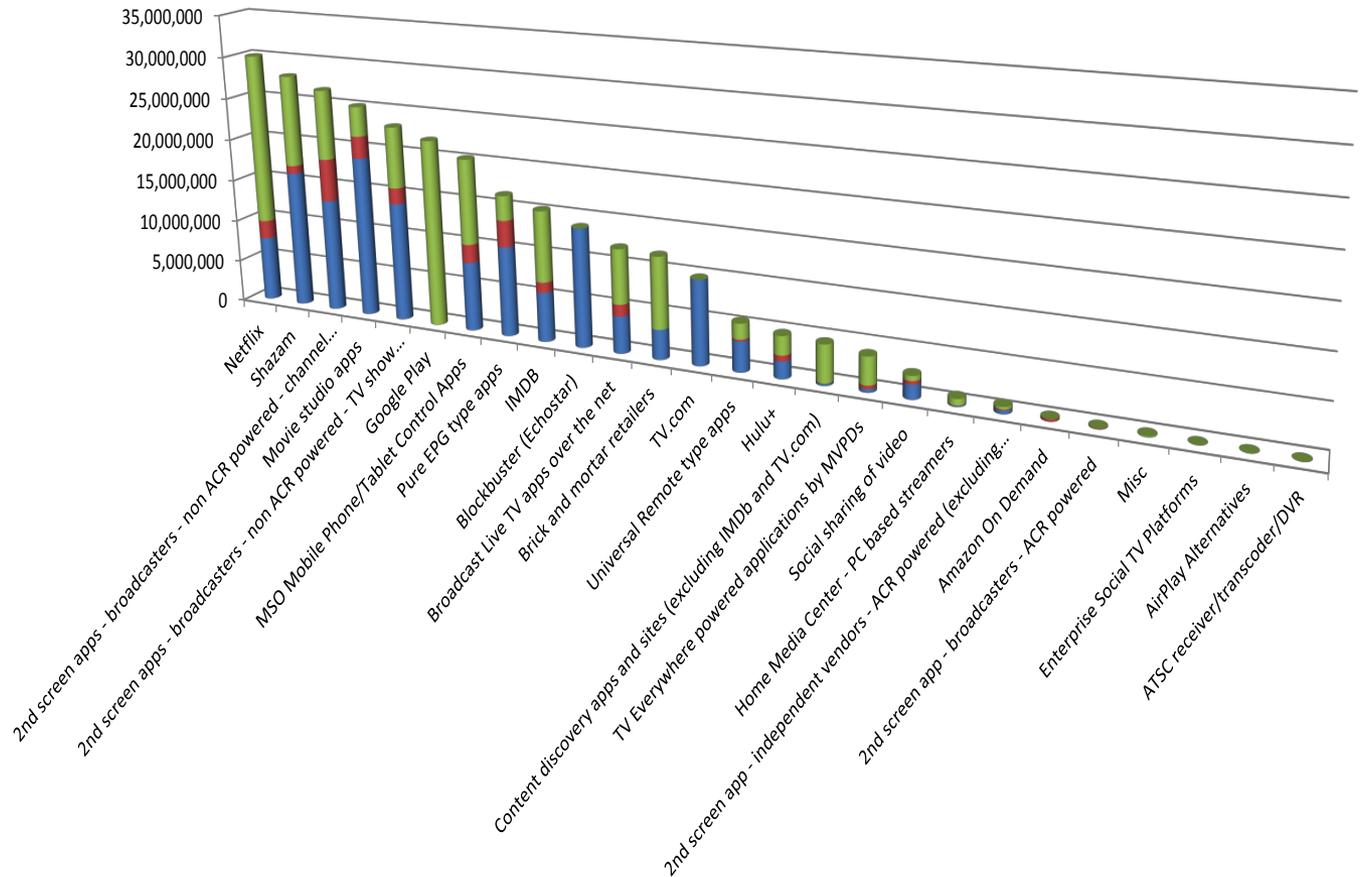


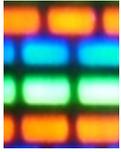


Cloud convenience Affects Content packaging innovation

The apps of TV
(million downloads estimate at end 2014)

■ iPhone ■ iPad ■ Android





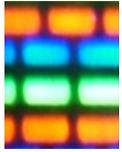
Cloud convenience Affects Content packaging innovation

what does it affect?

Content owners
Distributors

A worldwide phenomenon, with
International markets lagging the US by 3
to 5 years

However, the advent of the Internet
Protocol also means that margins are
squeezed in this area, and the talent pool
increases



Cloud convenience Affects Content packaging innovation – Who's capitalizing on it?



CONNECTING TO THE CLOUD

- While you may not like your Telco, they are in a prime position to capitalize on today's market evolution...
- Leaders: MediaRoom platform: ATT, Telfonica, Deutsche Telekom and 60+ more
- Their QoS and ability to accurately tell their story is and will continue to be critical.
- Thank you

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