



proudly present:



The Cloud Changes Everything Why Linear Television Channels Will Soon Be A Memory

Sean Barger – CEO Equilibrium

CLOUD COMPUTING

Revolutionizing Entertainment & Media
The Impact of Mobile Cloud Computing & Big Data

WEST 2013

OCTOBER 27-29, 2013
The Cosmopolitan
Las Vegas, NV

Evolution of Home Entertainment



Evolution of Home Entertainment



VOLUME - ON - OFF

HORIZONTAL
VERTICAL

CONTRAST
BRIGHTNESS

CHANNEL SELECTOR

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Portability





Now





Smart devices to
outnumber
humans by
2017

DEVICE OWNERSHIP AMONG U.S. HOUSEHOLDS WITH TEENS AND YOUNGER ADULTS (Q4 2012)



Who Cares?

Read as: As of 4th quarter 2012, 27 percent of teen TV homes in the U.S. owned a tablet



Generation name	Birth years Ages in 2012	% of total adult population*	% of Internet-using population*
Millennials	Born 1977–1992 Ages 20–35	30	35
Gen X	Born 1965–1976 Ages 36–47	19	21
Younger Boomers	Born 1955–1964 Ages 48–57	20	20
Older Boomers	Born 1946–1954 Ages 58–66	14	13
Silent Generation	Born 1937–1945 Ages 67–75	7	5
G.I. Generation	Born before 1936 Age 76+	9	3

*Source: Pew Research Center's Internet & American Life Project, April 29–May 30, 2010,



**Will they buy the
monthly cable plan?**

Americans' Top-3 Most Valuable Household Services

(% of total US consumers indicating which three of the services their household purchases they value the most)

March 2013

	Average	Trailing Millennials	Leading Millennials	Xers	Boomers	Matures
Home internet access	93%	88%	88%	94%	95%	94%
Pay TV services	58%	43%	45%	59%	65%	69%
Mobile voice plan	44%	35%	37%	42%	52%	50%
Mobile internet/data plan	34%	49%	54%	42%	22%	9%
Streaming internet video services	17%	27%	22%	19%	12%	4%
Premium TV channels	15%	11%	19%	14%	17%	16%
Gaming subscription	13%	29%	20%	13%	6%	4%
DVD subscription service	5%	5%	5%	5%	4%	5%

Trailing Millennials - 14-23; Leading Millennials - 24-29; Gen Xers - 30-46; Boomers - 47-65; Matures - 66+

Cloud Delivery Puts Shows in Your Pocket



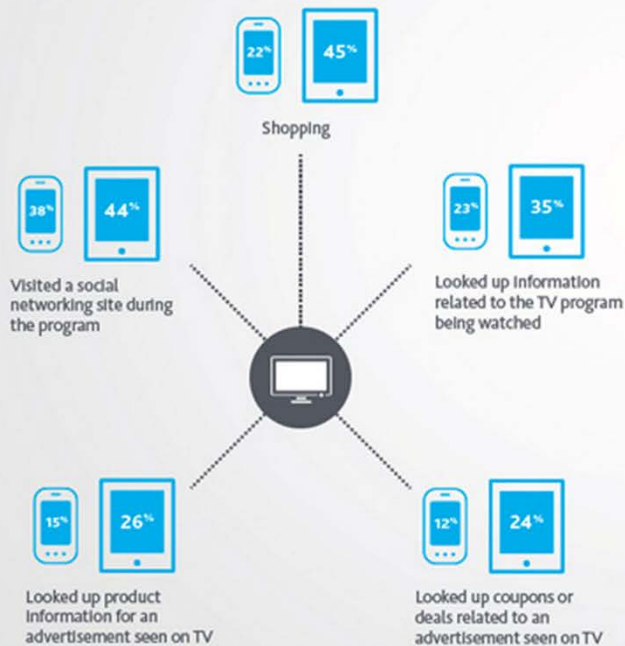
Second Screen



SIMULTANEOUS SMARTPHONE AND TABLET USAGE WHILE WATCHING TV

Having a mobile device on-hand while watching TV has become an integral part of consumer routines—41 percent of tablet owners and 38 percent of smartphone owners use their device daily while in front of their TV screen. Not surprisingly, social networking is a top activity on both devices, but people aren't just chatting with their social connections, they're also shopping and looking up relevant program and product info.

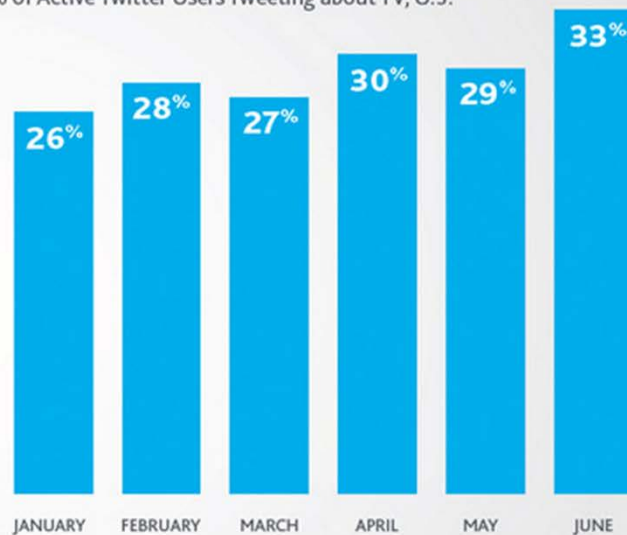
Simultaneous TV/Mobile Device Usage, U.S.



TWITTER DRIVES SOCIAL TV

Twitter has emerged as a key driver of social TV interaction. During June 2012, a third of active Twitter users tweeted about TV-related content, an increase of 27 percent from the beginning of the year.

% of Active Twitter Users Tweeting about TV, U.S.



Ⓒ SPOILER ALERT Ⓒ

Nearly a quarter of people aged 18-34 use social media to comment on what they like/dislike about a storyline while watching TV



Ⓒ TALKING TV Ⓒ

Adults aged 35-44 are the most likely to discuss television programming with their social connections



Attempts to gain youth's attention

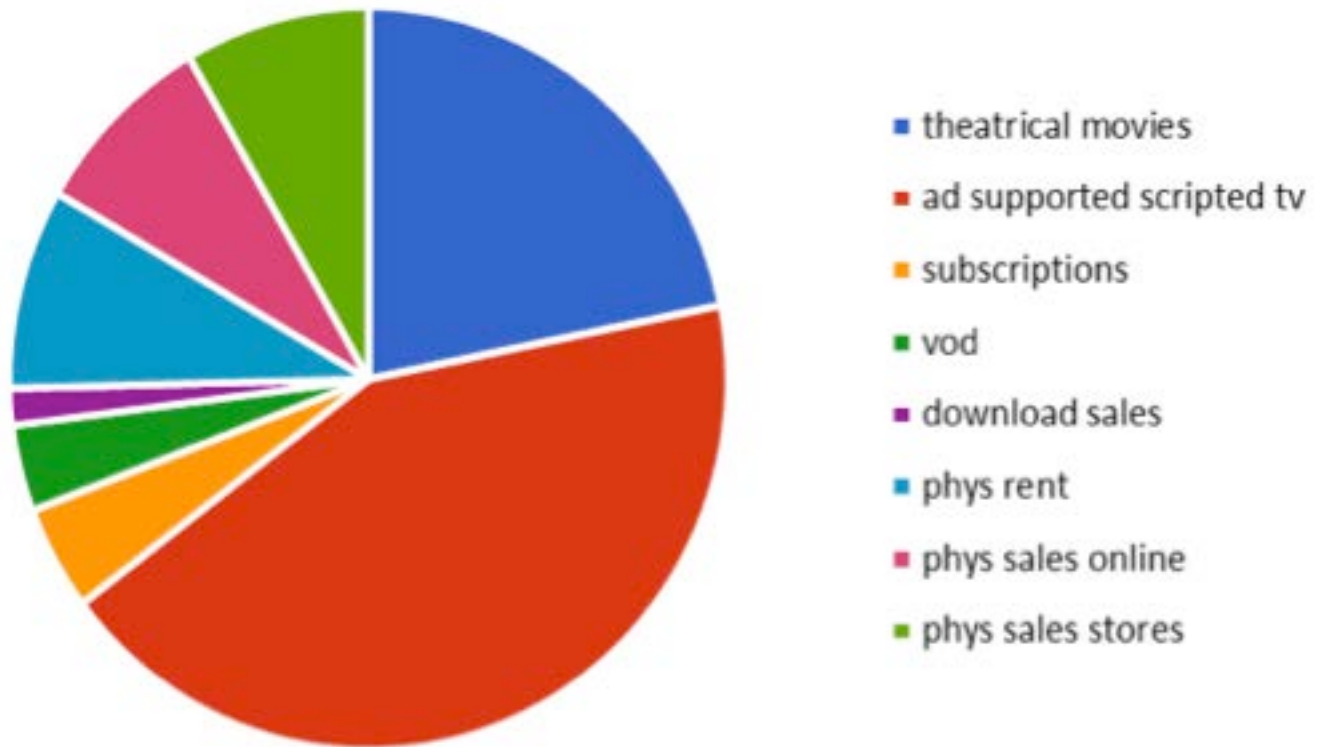
A close-up photograph of a person's hands holding an open, empty brown leather wallet. The person is wearing a green jacket over a white and green striped shirt. The wallet is held in the center of the frame, and its interior is visible, showing several empty compartments. The background is slightly blurred, focusing attention on the wallet and the hands.

Show me the Money?



How the money breaks down today

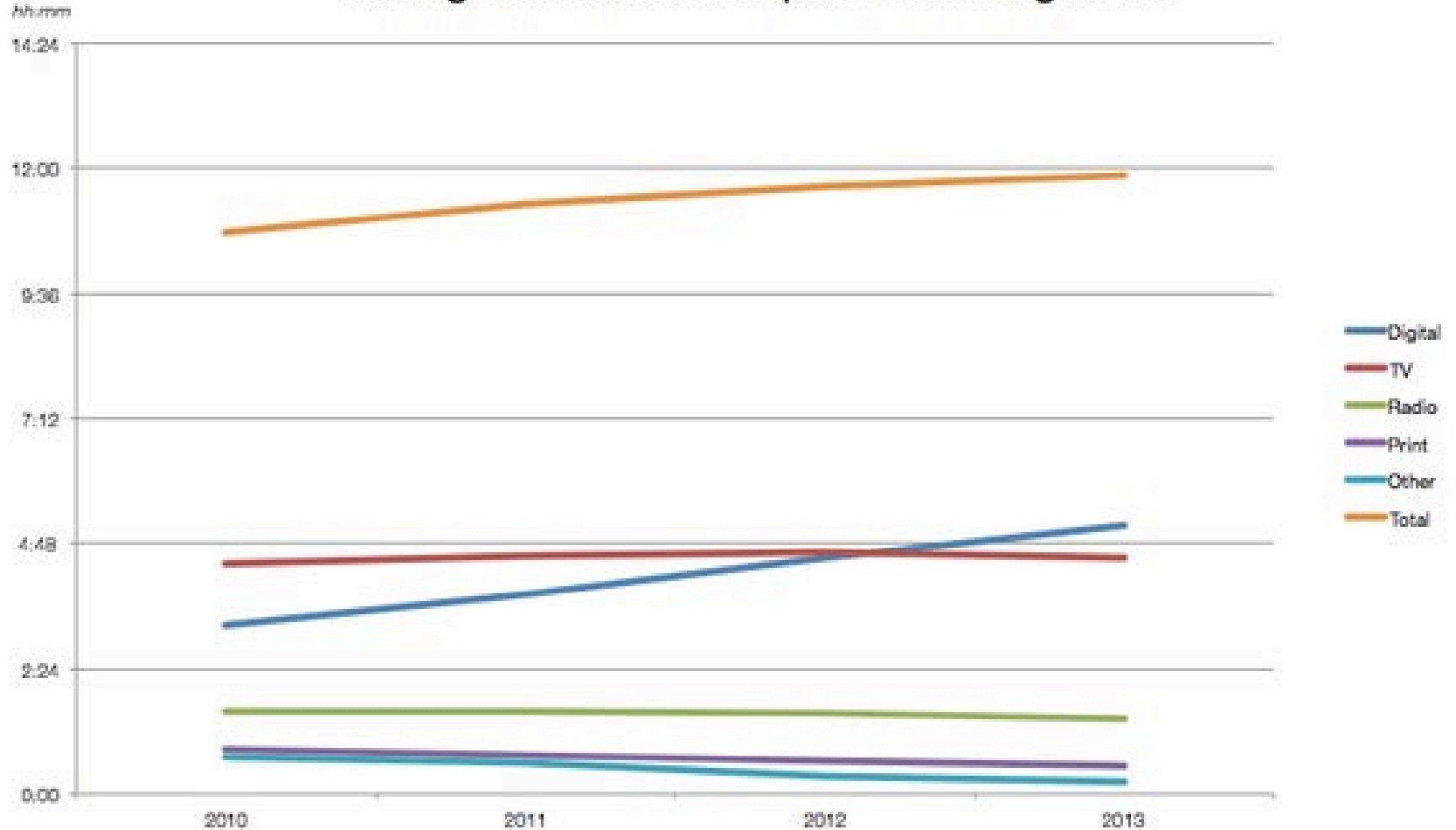
US Entertainment Sales 2013





Digital Media Surpasses Television

Average time Americans spend consuming media





Last Quarter

- Cable Co Subscriptions fell again by 366k subscribers in Q2
- Cable Operators have shed 1.8million video subscribers over last 12 months
- Unbundling is going to be a new trend FRIDAY:
COMCAST announced “Internet Plus”
\$40 per month (for the first 12 months)
300,000 hot spot access
Local TV
and HBO!
- This isn’t quite “unbundling” yet, because of the contract requirement
- Cable Co’s are going to become “dumb” delivery pipeline option
 - Just upgraded my Comcast and am getting 42mbps DOWN and 28mbps UP



Generating Revenue with the Cloud

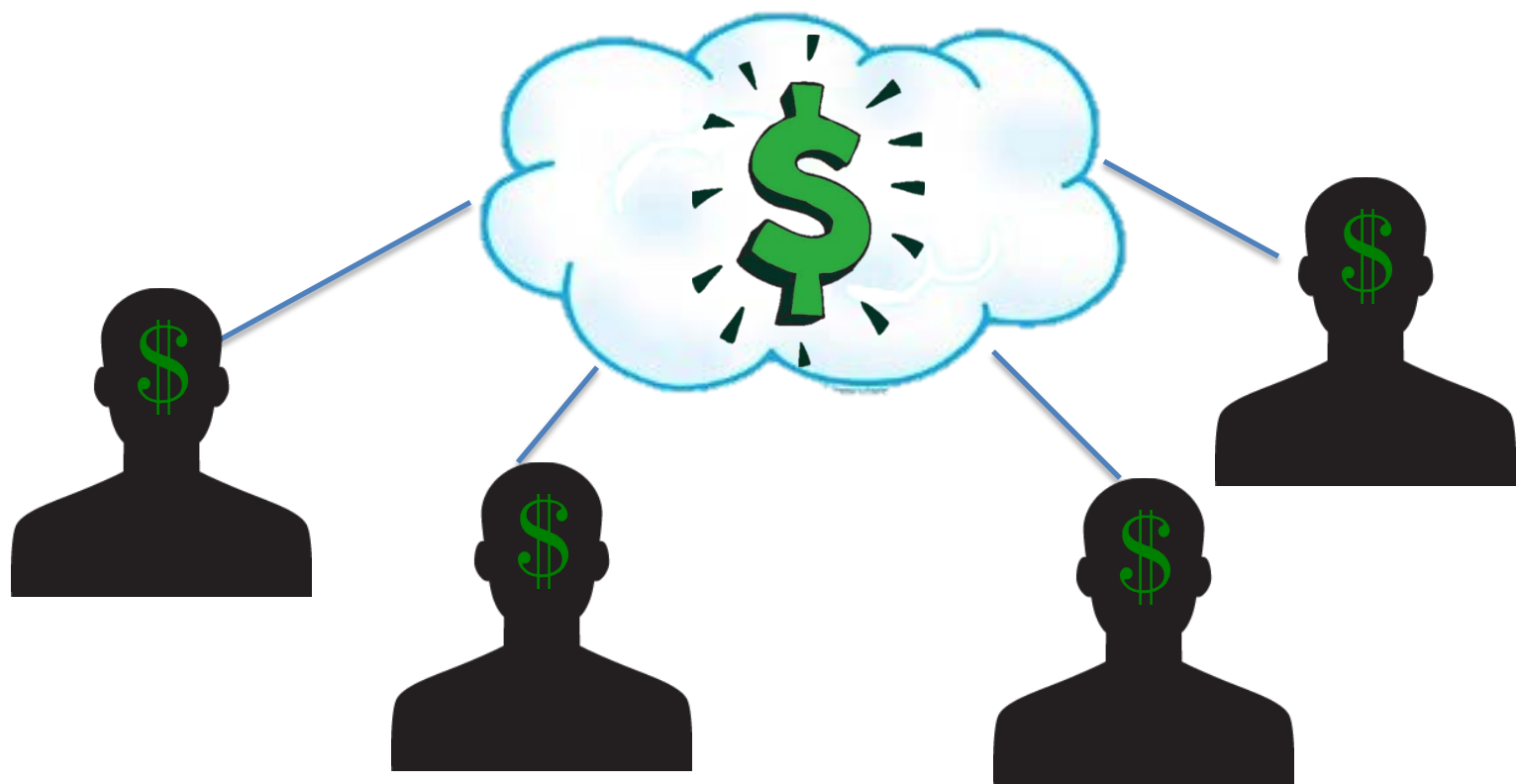


Complete User Analytic Picture





A tipping point in digital ads' shift



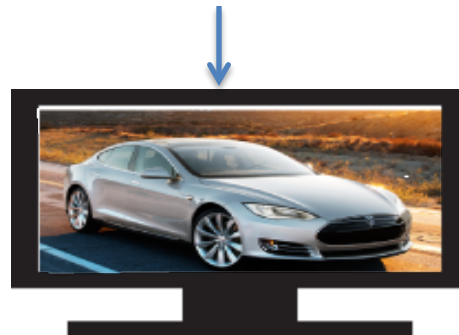
The big prediction



Your Mobile Device Will Become Your Personal Content Gateway



Driving Profit in the Cloud





Digital Monetization

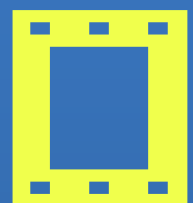


Who we are

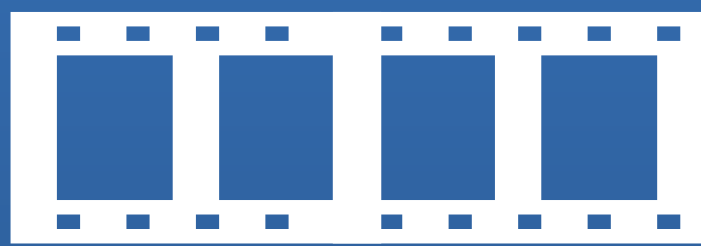
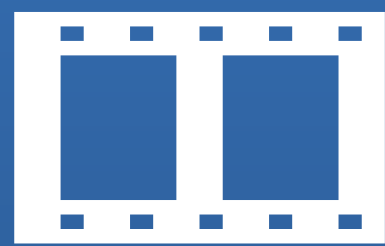




MONETIZATION: TARGETED, DYNAMIC SEGMENT INSERTION

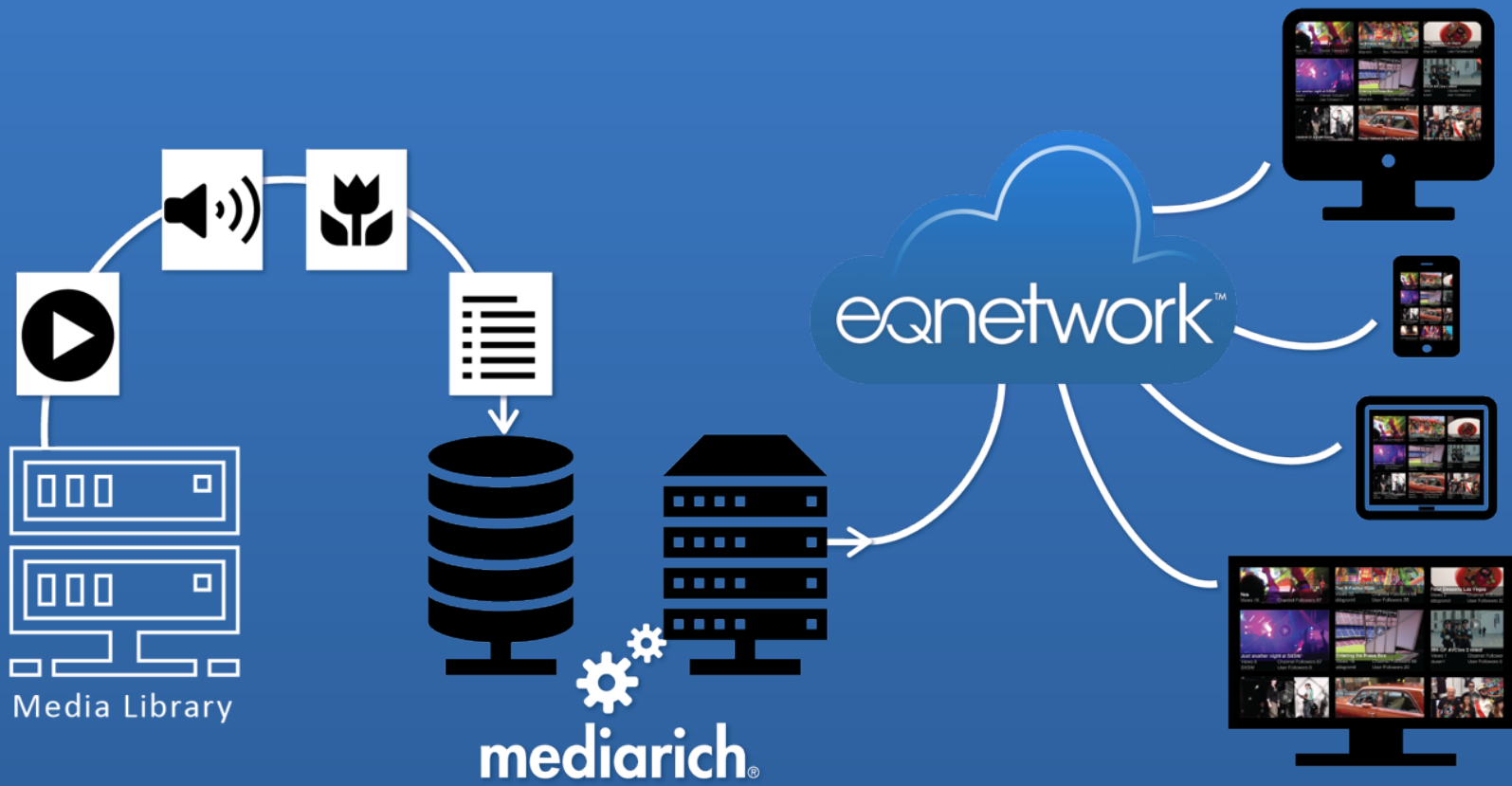


Ad-Per-View





From Media Vaults - to Cloud – to End User Automatically



 Check out EQ



www.equilibrium.com

[hr @ equilibrium.com](mailto:hr@equilibrium.com)