THE NEXT GENERATION OF STREAMING VIDEO

Consumer demand is changing how you deliver the future of television

VIDEO CONSUMPTION: CHANGING AND GROWING

MLB’s Chief Technology Officer Joe Inzerillo and his team have turned their OTT delivery business into a streaming media empire—and exemplify the voracious and rapid growth in consumer demand for streaming video. With delivery platforms such as smartphones, tablets, set top boxes, gaming consoles, and connected TVs enabling convenient access to online video, consumers have availability to content wherever they have internet broadband or mobile data access—and they’re willing to pay for it.

Inzerillo’s organization is clearly taking the opportunity to satisfy consumer demand. Not only has MLBAM delivered on the need to stream sporting events, they also have recently begun supporting HBO’s GO streaming service—and will be powering the mobile, web, and television offerings for the National Hockey League. MLBAM has emerged as one of streaming video’s most talented group of experts and a reliable name in the new world of consumer demand for online video. While consumer demand for media continues to be strong, it’s no secret that how and where video is consumed is dramatically changing.

DEMAND DRIVING DECISIONS

According to PricewaterhouseCoopers (PwC), OTT video streaming will grow to be a $10.1 billion business by 2018, up from just $3.3 billion in 2013. Subscription services are rapidly becoming the way consumers are choosing to view media.

The good news for broadcast and Pay-TV providers is the overwhelming majority of viewers, who have both broadcast, multichannel service, and OTT SVOD services, are not yet ready to give up easy access to broadcast delivery. Taking into account the shift in consumer demand, the rapidly growing associated market share opportunity, and advertising/subscription revenue, it’s clear the demand for online video is a strategic, fast moving, and meaningful business opportunity for the media industry.

While the transition to new delivery methods has just begun, the positive part of the current state of Broadcast, Pay TV and OTT is that the transition period will allow media organizations time to consider options. However, whether it’s contracting with service providers such as MLBAM or creating a service platform in-house that complements current delivery methods, choosing technology partners is critical. With MLBM, their focus from the start was to create a workflow and platform that was both flexible and had the reliability that a facility broadcast demands. Workflow infrastructure needs to be both flexible and agile as the new workflows and market opportunities change. So how do organizations take the next steps to delivering online video?

EVOLUTION OF MEDIA DELIVERY

As decision makers become increasingly focused on the strategic business value that online video provides, executing on this evolution of media delivery may be a challenge for some organizations. Success competing in SvOD and OTT markets often boils down to how you support your workflow and three development options: build, buy, or a

“The chaotic rhythm ... of consumer demand is actually something that is very difficult to engineer for...”

— Chief Technology Officer Joe Inzerillo of Major League Baseball Advanced Media.
hybrid. Regardless of the choice, this decision has major implications for your organization. Generally, the majority of media organizations will employ a hybrid infrastructure—as only few will own their own CDN or ISP “last mile.” However, there are a few aspects and specific requirements that need to be considered for choosing a deployment and platform infrastructure model:

**Build**

For existing media organizations, you’re probably already considering requirements like integration with existing content playout infrastructure, digital rights management, and advanced monetization methods. Leveraging existing content assets, infrastructure, and technology teams to create a new OTT workflow can result in lower deployment costs and an efficient long-term solution. The strategy to layer OTT video delivery on top of regular playout enables your team to incrementally add the new workflow to your content delivery ecosystem. Plus, developing your own infrastructure has side benefits—like integrating advanced analytics technologies (e.g. Hadoop) to extract valuable business insights.

**Buy**

Aggregating content rights in your territory for a specific delivery mode is only the start. Setting up an operational infrastructure for reliable and “buffering free” media delivery is a large part of the equation. Outsourcing OTT video delivery infrastructure may be the best strategy.

Outsourcing has immediate benefits: speed to market is increased, you have significant platform agility to dial-in your business model, and the barrier to entry from a technical standpoint is low. Finally, your financial outlay is an operational expense. If the venture proves commercially non-viable, you can more readily shift strategies down the track.

**Hybrid**

For many media organizations the best infrastructure for new video business may be a hybrid model—some combination of building and buying. A hybrid model lets you leverage your current resources and talents against your “cash cow” business operations, while outsourcing parts of the video delivery infrastructure that have low revenue return or tight launch windows. A hybrid model gives your business the agility of rapid deployment, combined with the flexibility to bring the workload back onto owned and managed infrastructure, which reduces costs and leverages investments in staff, infrastructure and data centers.

**THE BOTTOM LINE**

The Dell EMC Isilon scale-out NAS solution is the data storage foundation for processing and delivery platforms around the world. Today Dell EMC provides the origin storage solution to serve audio and video content to just under 2 billion subscribers worldwide in the cable, satellite, IPTV, OTT, mobile video and streaming music industries. As you consider your next step in video delivery, let us know how we can assist in your planning process.