

Over-the-Top Video – “First to Scale Wins”

Does this Mean the Return of National Heroes?



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A detailed presentation of key trends in OTT video is available on request.

Introduction

Over-the-top (OTT) video services focusing on professional long-form content, such as Hulu, Lovefilm and Netflix, saw tremendous growth in subscribers and revenues over the last few years. These services are called OTT as they focus on the service component and piggyback on a broadband provider's network for delivery. OTT video can be Linear (e.g. live streaming of current broadcasters' channels or new "online only" linear channels) or On-Demand (e.g. ad-funded, transaction- or subscription-based access to a library of movies and TV shows).

Over-the-top video offers of both hardware and services are evolving very quickly, made possible by ever-faster broadband. Viewing habits are changing fast, triggered by a massive generational effect. These services are a potential substitute to Pay-TV services, which are usually sold as part of a product bundle in the case of broadband or cable TV operators. From the perspective of incumbent pay-TV providers, OTT video is a potential threat – but for telecom operators and rights owners OTT video is an opportunity. Furthermore, they allow for a disintermediation of traditional TV broadcasters and could accelerate the decline in physical media sales volume. However, launching a market leading service has many challenges and the race to scale has started, shaping the future TV and film entertainment industry.

The Traditional Value-chain Starts to Disintegrate

The global filmed entertainment and TV industry combined is a USD 468 billion ecosystem, which grew at a healthy 4 percent CAGR between 2006 and 2011. The two industries combined account for approximately 0.7 percent of global GDP. According to industry analysts, OTT video is a mere USD 2 – 3 billion market in 2011 but is expected to account for approximately USD 15 billion by 2016, which would be roughly equivalent to today’s in-store video rental market.

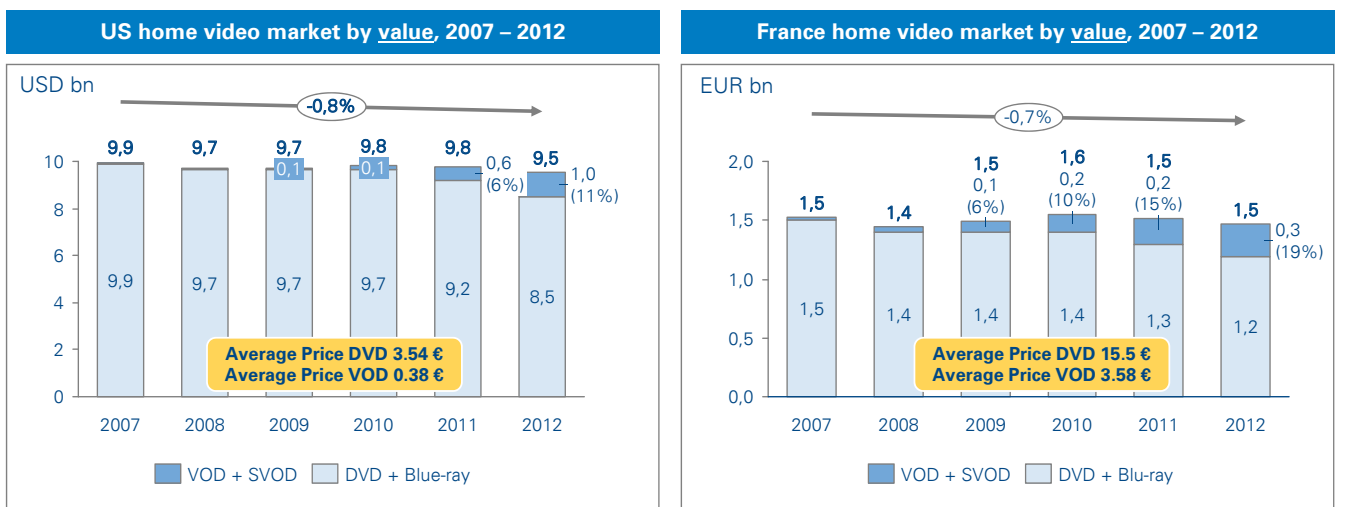
However, this growth will not be incremental in full, as illustrated by developments in the home video market (i.e. retail of VHS, DVD and BlueRay Discs) in the US and France (see Figure 1). Despite exponential growth in volumes, digital distribution of film entertainment through OTT services so far has not compensated for the on-going decline in physical revenues, although accounting for 11 percent (US) and 19 percent (France) of total revenues in 2012. This is mainly due to average prices for VoDs being 4 – 9 times lower than average DVD prices. The industry is also suffering from value destruction within individual segments:

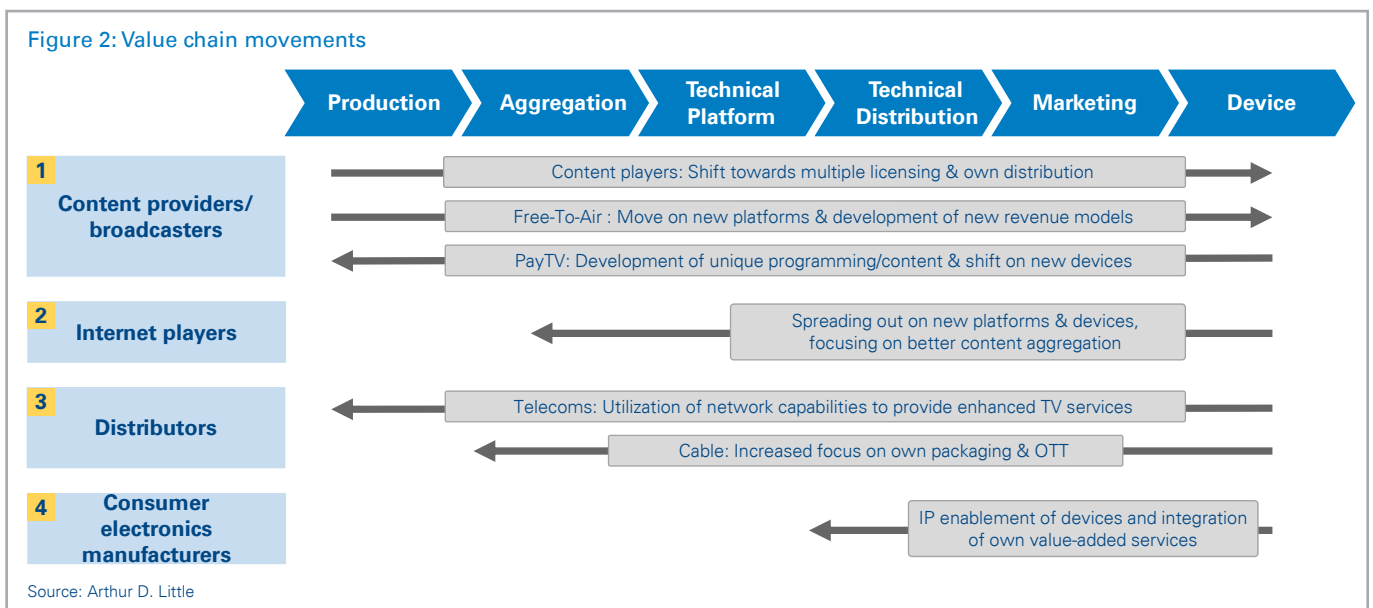
- Within the physical goods segment the Blue-ray price premium does not compensate for the DVD price drop
- Within the digital goods segment high-priced products (HD movies, latest releases...) do not halt overall price erosion
- Overall, compression of rights windows is destroying value (average revenue per title declines over windows)

The industry thus faces a slow but certain move away from high-priced, physical goods to low-priced, digital goods.

Pricing discipline is not expected to improve in the mid-term, as this emerging market segment is highly fragmented and announcements of new players entering the market come on a daily basis. In addition, both traditional and new players try to take over multiple value chain steps on their own (see Figure 2), thereby initiating a disintegration of the traditional TV and film entertainment value chains.

Figure 1: Digital & physical home video markets USA & France





Market players follow distinct strategies, some of which are known, others entirely new:

Content providers (e.g. Disney, Warner Bros.) engage directly/ deeply with existing consumers and tap into new customer segments by (i) providing services directly to consumers, and (ii) distributing content through OTT players, while keeping B2B relations with their traditional distributors.

Broadcasters (e.g. ABC, RTL) extend their business model by diversifying into premium services and following eyeballs onto on-demand platforms as advertising revenues will come under pressure from time shifting.

Internet players (e.g. Hulu, Netflix) establish superior distribution platforms in terms of usability by leveraging their knowledge of online distribution (e.g. recommendation tools) in OTT video and fostering integration between TV and PC. Some, like Netflix are even rolling out own CDN infrastructure, large geographically distributed system of servers to bring content closer to consumers and thereby increasing performance.

Consumer electronics manufacturers (e.g. Apple, Samsung) leapfrog value chain elements and bypass traditional distributors with an own B2C offer with the help of partnerships with broadcasters and OTT players.

Also Pay-TV operators, such as DTH or CATV players (e.g. Comcast, Sky), (i) complement their existing TV proposition with OTT services to preserve the attractiveness of their product offering, (ii) address the growing multi-screen demand by consumers and (iii) reach beyond the constraints of their own platforms.

Global Players Won't Steal the Market

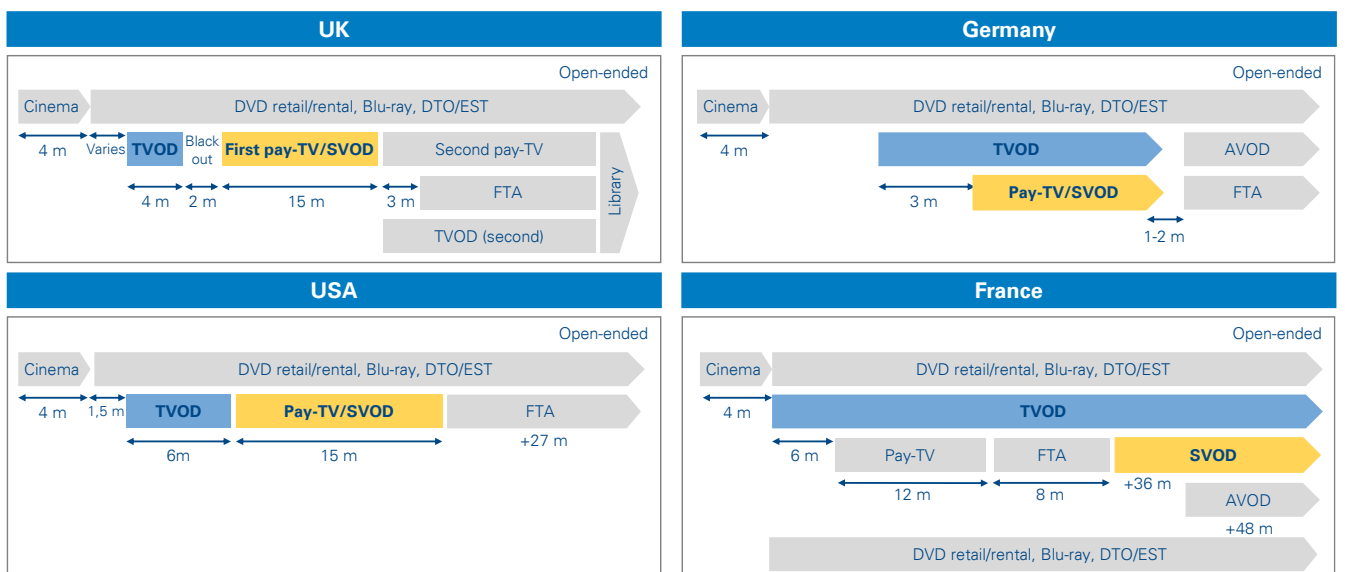
The single most important factor for success in OTT video is an attractive content library. However, these content rights are still cumbersome to acquire. This is due to the fact that OTT video rights form an entirely new category and that the value of such rights is yet to be determined. Consequently, content rights are negotiated on a piece-by-piece, geography-by-geography, business-model-by-business-model basis. This is an issue for OTT providers, but not one which will block them from launching an appealing content offer to the mass market, with the notable exception of premium sports content. The valuation of these rights is based on large Pay-TV subscriber bases and a key tool for high-value subscriber acquisition and retention. For rights owners, granting OTT players the rights would mean abandoning a proven distributor for a to-be proven new partner with volatile audience. In addition, OTT players are not typically in a financial position to outbid regular Pay-TV players. As a consequence, international expansion of leading OTT video players, such as Netflix and Hulu, and aspiring ones, such as Apple and Google, is progressing slowly due to the complex content rights procurement. Netflix is the undisputed leader in internationalization, with its roots in the US, followed by a launch in Canada, then 43 markets in Latin America and the Caribbean (essentially one large rights geography), followed by the UK and a rumored launch in another large European geography this year.

One key barrier to the establishment of harmonized content libraries, and thus global negotiations for OTT players, are the heterogeneous windowing regimes for film entertainment across major markets, in particular in Europe. Figure 3 illustrates that, with the choice of a purely subscription-based business model in France, a player like Netflix would essentially have access only to movies that are three years old. This is an issue as the value of content to consumers is decreasing rapidly over time. As a consequence, the growing pressure from SVOD retailers is expected to result in shorter release windows in the mid-term.

The US market may also provide an example of how competition between OTT video players and traditional Pay-TV operators will evolve. Although already comparable in terms of subscriber figures, OTT players are significantly out-spent by Pay-TV operators on overall content procurement (see Figure 4, overleaf). The latter are increasingly using their procurement clout in negotiations with main content rights owners to secure preferential treatment and, increasingly, also exclusivity.

This pushes OTT video players into fierce competition for streaming rights, putting upward pressure on prices in this category. This also explains why Netflix and Hulu have started to invest in original content (i.e. own produced content), gaining exclusivity of attractive content at lower cost. This trend should

Figure 3: Release windows of film entertainment, selected markets



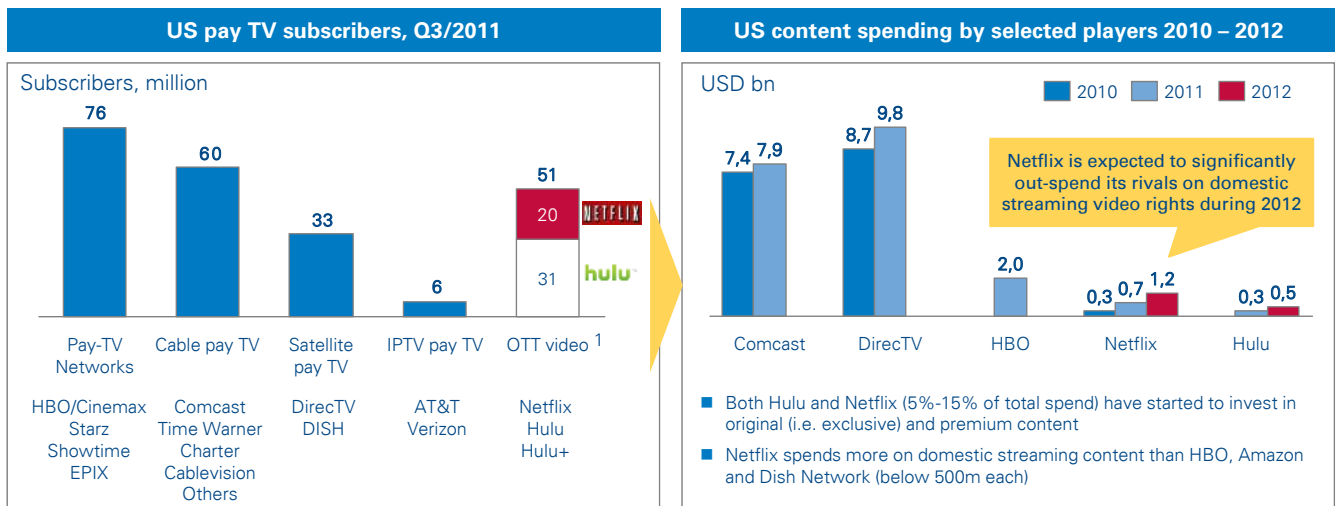
Source: Wharton faculty, NATO, UK Competition Commission

spell good news for independent producers around the globe. One such example is the cooperation of Netflix with Norwegian public broadcaster NRK on the TV show “Lilyhammer”.

In Europe, attractive content – illustrated in Figure 5 by major studio content rights ownership – is heavily concentrated. These

established Pay-TV operators with sizeable cash flows are expected to negotiate hard to maintain their premium versus OTT video offers. This also explains in part why Sky Deutschland secured the rights to the German Bundesliga with a seemingly aggressive bid. This is also manifested by BT outbidding ESPN in acquiring certain British Premier League rights.

Figure 4: Power-play in procurement

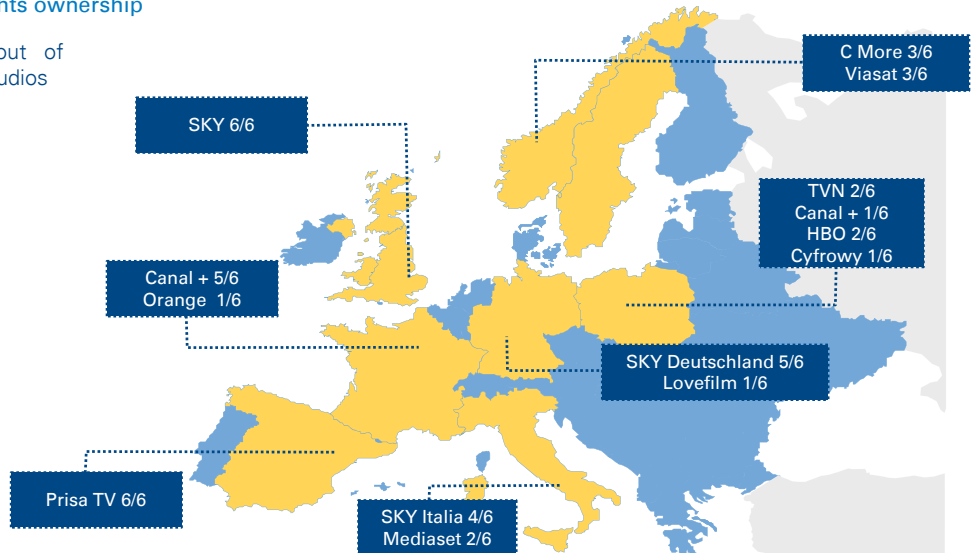


Source: Investor relations, Salter Group, Arthur D. Little analysis; 1) subscribers as per Q4/2011

Figure 5: Major studio content rights ownership

x/6: Exclusive contracts for x out of the 6 major Hollywood studios

- Majors:** 20th Century Fox, Paramount, Sony Pictures, Universal, Walt Disney, Warner Bros.



Source: Screen Digest, Arthur D. Little

Window of Opportunity For Strong National Players

The challenges to the rapid globalization of leading OTT players leave a window of opportunity for strong national and regional players (e.g. national broadcasters, telecom operators, Pay-TV operators, local OTTs...). So long as rights remain territorially defined, these players will always attach a slightly higher value to a given piece of content than global players, as the financial risk to their own business is higher than the revenue opportunity for new entrants. Secondly, they have a better understanding of and relationship to local content “gold nuggets.” Thirdly, local players can tie-in an OTT video offer to their existing offering and use tested marketing channels to drive adoption and critical mass.

To limit risks and for time-to-market reasons, national players can seek services of content rights aggregators, such as Ondemand! and KITdigital, to gain access to a large library by negotiating with just one counter-party rather than with multiple studios directly. In contrast to direct content acquisition, a client of a content rights aggregator can benefit from lower content manipulation and promotion costs. Aggregators typically provide ready-made marketing material, as well as fully versioned content ready to be integrated into the client’s platform, including clean metadata.

Another implementation concern is the technical platform as it directly drives the investment risk. Extensive benchmarking by Arthur D. Little reveals that white-label services are a viable option for market entry and are used by small players and even very large ones.

Industry heavyweight, Netflix, clearly has the most interesting set-up in this regard, considering the sheer size of its operation. After difficulties in keeping pace with the expansion of its subscriber base and correctly forecasting capacity requirements, Netflix decided to transfer its entire platform into “the cloud”, notably Amazon’s Web Service platform. Netflix is thereby exploiting Amazon’s excellence in highly scalable computing power, and focusing on the development of its core applications and processes instead. Besides its technical aspects, this arrangement is also exciting given that Amazon has launched a competing OTT video service called Amazon Prime Instant Video. In addition, Netflix made a surprise announcement that it would invest in its own CDN infrastructure, thereby hitting share

prices of CDN operators like Akamai, and curbing ambitions of some telecom operators planning to enter this market.

Players intending to add OTT video to an existing TV or broadband offering usually opt for a white-label platform in the beginning. A number of such white-label providers exist, providing a high degree of customization and multi-screen capabilities. Once critical mass is achieved, such players can then consider a move towards an own platform, either as a new implementation or as an upgrade to their existing TV platform. Telecom or Pay-TV operators that are present in multiple countries typically opt for a centralized platform right from the beginning, as they can reap efficiencies across multiple geographies.

The ability of a given platform to stream to a wide range of devices and screens is critical for success (see Figure 8 overleaf). IP-enabled devices are serviced through the web front-end or specific applications, however, in order to gain access to the living room, OTT players need to consider offering an own IP set-top-box (or a hybrid STB) or solely rely on partnerships with hardware players (e.g. Netflix). This has profound implications for the business case as it adds another EUR 50 – 200 of capital expenditure per subscriber depending on the device sophistication if a subsidy model is chosen.

Leading Pay TV players are already actively addressing the consumer demand for OTT video, with Canal+ having launched their *Canal Play Infinity* service, Comcast with its *Xfinity Streampix* multi-screen solution, and BskyB through its Now TV services.

OTT video services are also expected to be launched in a hybrid TV platform, i.e. as a complement to a regular broadcast platform such as DVB-T or DTH. The linear component of the service is transmitted by the broadcast platform, while on demand content is accessed through an OTT service, with integration of these services happening on the Set-top-box level. This hybrid roll-out model is highly efficient, provides for scale and upcoming DVB-T2 launches in developed markets and the ongoing digitalization of TV platforms in emerging markets might be triggers for such services.

First to Scale Drives Partnerships

The industry is largely still in its early stages and a race to scale is currently under way.

As suggested previously, successful OTT video platforms have access to a broad portfolio of highly attractive content. Furthermore, the winning OTT platforms initially had the potential to up-sell to a large, existing subscriber base thereby rapidly achieving critical mass. Industry leader, Netflix, for example, exploited a US-specific loophole in content rights and had a large base of subscribers in its DVD rental business.

However, most other players have only one of the two ingredients, resulting in a plethora of partnership types and business models. By achieving critical mass through strategic alliances, players from all stages of the value chain hope to establish dominant platforms.

Currently, we observe two different partnership strategies: (i) competitors pooling forces to pre-empt other value-chain players and (ii) complementary partners pooling access to content and to a large subscriber base.

The most prominent example of cooperation among competitors is Hulu, a joint venture of the major US broadcasters NBC, ABC and Fox to establish a leading TV content streaming platform.

With UltraViolet, major film studios and retailers in the US formed an alliance to strengthen their high-price physical distribution by offering digital distribution as a free add-on to any purchase of a Blue-ray or DVD.

France Telecom has been most aggressive of the telcos in OTT, driven by a decision to divest most of its own content activities and to focus on partnerships/acquisitions of specialized players. Besides a 20 percent stake in the music streaming service Deezer, it also acquired a 49 percent stake in video streaming platform Dailymotion in 2011. Orange is expected to exercise an option to buy the remaining 51% during 2012. At its Polish subsidiary, France Telecom recently launched an own OTT service called „TV TU i TAM“ (TV Here and There) featuring multi-screen access to both linear and on-demand content. Furthermore, it formed partnerships with all major connected TV manufacturers (i.e. LG, Thomson, Samsung) as well as with

Microsoft’s Xbox360, providing access to its Orange TV service outside of its network footprint and subscriber base.

Pure OTT players are also forging disruptive partnerships, such as Apple now offering Netflix as a service on its Apple TV platform and billing end-users directly. This is particularly bad news for telecom operators who considered partnering with Netflix in their local markets, exploiting their billing and CDN capabilities.

Samsung realizes the importance of the local relevance of OTT services and forges partnerships with key national content providers when entering new markets. For its smart TV launch in Poland, it signed up TVN, the leading private broadcaster, as well as TVP, the public broadcaster to offer catch-up TV and selective library content on branded applications.

However, the young OTT video industry is also littered with partnerships and joint ventures that were struck down by antimonopoly authorities.

The leading German private broadcasters, ProSiebenSat1 and RTL, failed to achieve approval of the anti-monopoly authorities for their co-branded catch-up TV platform. The Bundeskartellamt cited a potential concentration of approximately 50 percent of the online TV ad market and a direct transposition of the existing TV business model (i.e. intermediation of content producers and consumers) as their main reasons.

The main UK broadcasters’ (ITV, BBC, Channel 4) exclusive VOD joint venture with the working-title “Project Kangaroo” was also prohibited by the UK Competition Commission, due to its proposed exclusivity of essentially all of the UK’s high quality content. Subsequently, under the leadership of a neutral third party (Arqiva, a technical broadcaster and tower company) and a reshuffling of its library, the service received authorization under the now defunct Seesaw brand.

The current regulatory and anti-monopoly environment thus often limits existing players from fully exploiting OTT video and, therefore, forces them either to partner with a newcomer (and share profits) to ease regulatory concerns or wait for OTT players to attack their market shares and profits.

The right operating structure and partner mix are thus essential for continued success of industry cooperation. Arthur D. Little conducted an extensive benchmarking on ownership structure and organizational set-ups, key findings of which are summarized below:

Key success factors in ownership structure are:

- Industry cooperation tends towards equal equity ownership
- Neutral third parties (non-content players) can ease antimonopoly authority’s concerns (e.g. SeeSaw, youview,...)
- Partners with complementary skills (e.g. technology and content) provide for an excellent match
- Leadership should reside with technically oriented partner
- At least one financially strong partner is required to finance platform deployment and launch activities

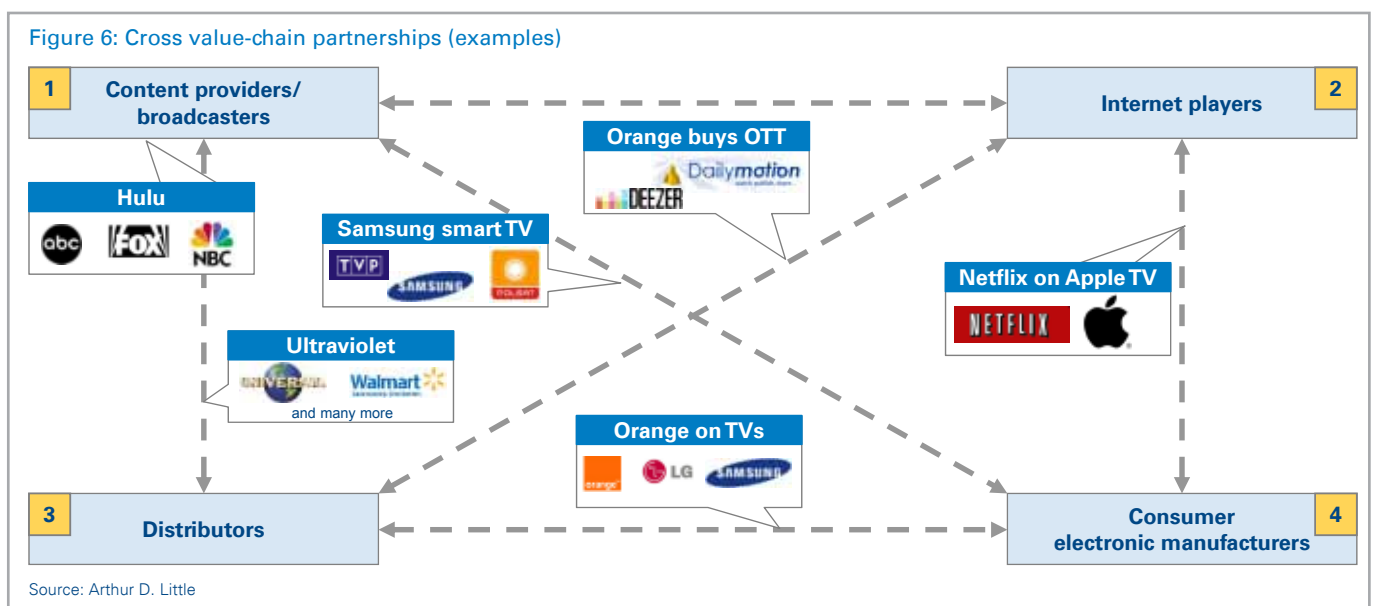
Highest operational efficiency is achieved through:

- Freedom of a start-up (i.e. small organization), access to content and funding supports rapid growth
- Acquiring existing assets speeds up time-to-market
- A joint venture requires clear governance structures and a leader with decision power

- Achieving long-term commitment prior to JV start is essential, with an initial commitment period without exit possibility and transparent but harsh exit clauses thereafter

As a consequence, we believe that cooperation in the form of a joint venture between Pay-TV/broadband operators and broadcasters or content rights owners could ease regulatory/anti-monopoly authorities’ concerns, while at the same time rapidly establishing critical mass in a given market ahead of global players.

This would also allow the OTT video platform to operate under “owner’s economics”, achieving higher profitability. The cash-rich and technology-skilled Pay-TV and broadband operators provide excellent operational and marketing skills, as well as access to large subscriber bases, while broadcasters and content providers have the opportunity to become equity partners of a leading digital platform of the future.



Consumers Rapidly Adopt OTT Video

Linear TV consumption is still on the rise, but audience fragmentation is increasing due to rising multi-channel penetration and new, personal screens that are taking a growing share of consumer attention. These latter devices allow consumers to watch content outside the typical living-room setting and are also used as a second or third screen in a household.

OTT video services provide a non-linear TV experience allowing the viewer in theory to watch, any program or film any time, anywhere, or on any device. However, in practice, this depends on access to content (see next chapter).

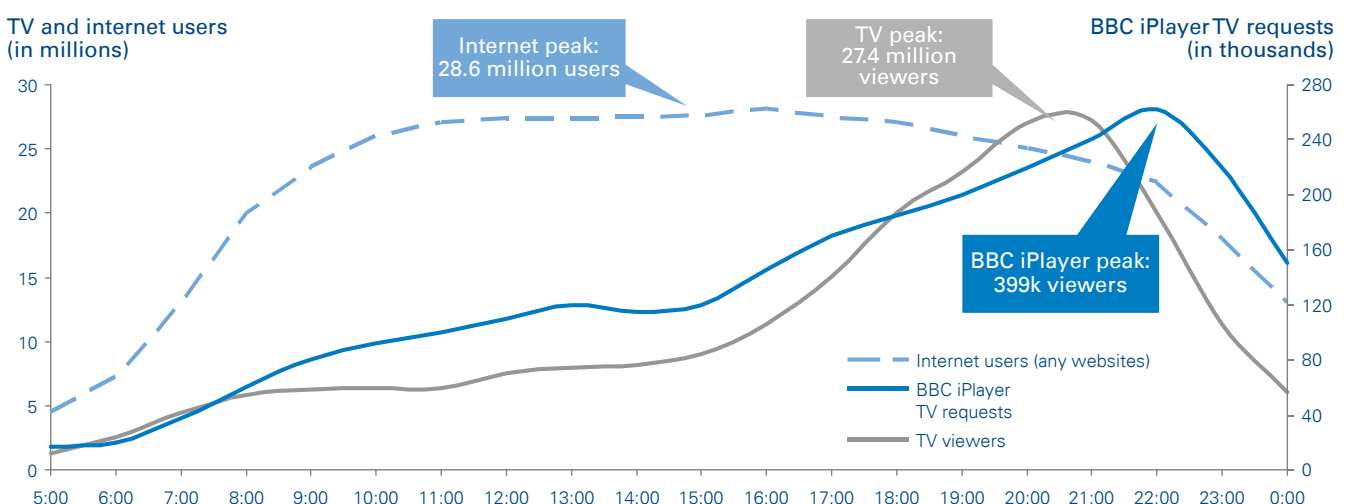
Initially, OTT video started on the PC, popularized by YouTube – which was initially quite limited in terms of quality and type of content (mainly user generated) and required tech-savvy consumers to set up the equipment to watch this content on the main screen in the living room.

A first step towards the living room happened when OTT video evolved to boxes. These boxes are either from “hardware-based” OTT content distributors (e.g. Apple TV, Vudu) combining proprietary hardware and content services, or from independent players in connected TV/set-top-boxes aggregating “software-based” OTTs (e.g. Netflix, Hulu, etc) providing them with a platform to organize and monetize their content. All these

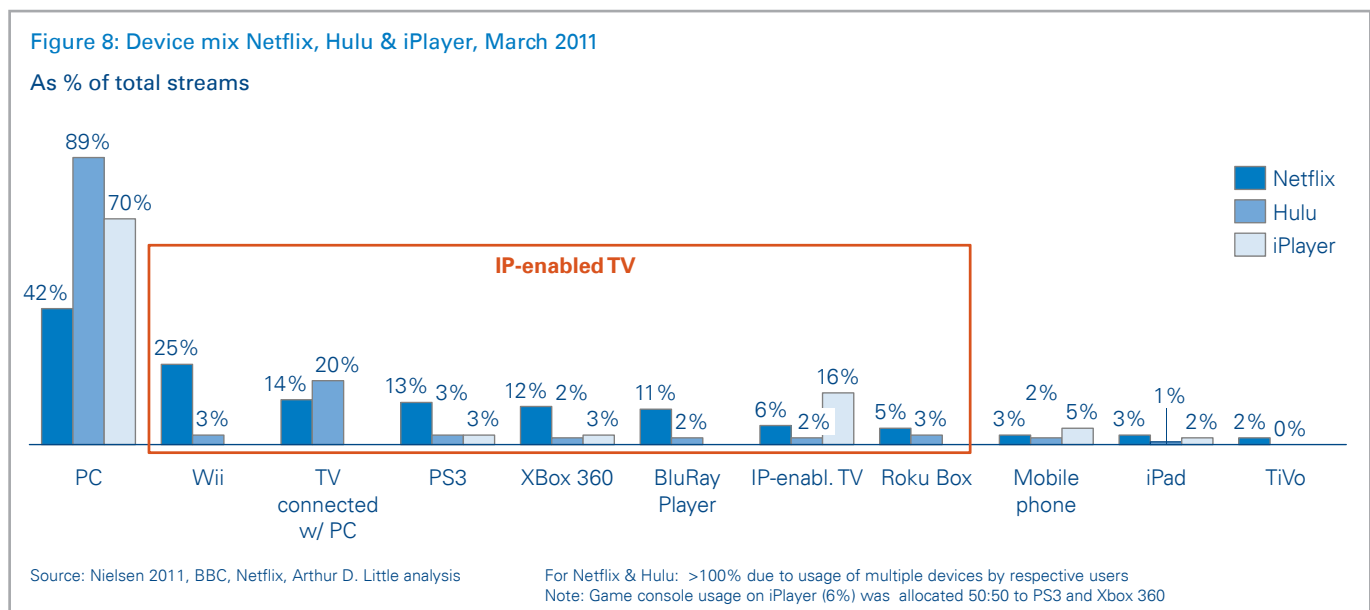
boxes compete with Pay-TV operators’ set-top-boxes (e.g. Orange’s Livebox, Sky+ HD box, etc.). The latest trend is the rise of connected TVs and multi-screen services, with consumer electronics manufacturers, such as LG and Samsung now launching a second generation of such TVs. Once connected to a broadband line (with no need for a box), ‘smart TV’ sets aggregate content from a variety of sources, including OTT video services, such as Netflix or YouTube. These players, in particular Samsung, also forge local content partnerships and have widgets of local content producers and broadcasters in their app stores. However, studies show that to date the majority of these TV sets still remain unconnected and consumers voice concerns about low performance of these ‘smart’ services.

A further integration of OTT services within TV screens will happen with the likely launch by Apple of its own TV set, potentially based on technology by LOEWE, with which they already have a sales cooperation and whom they were rumoured to acquire. Also Google is expected to push its Google TV concept. The latter intend to place their OS and services in connected TV sets and set top boxes (similar to the Android push into smartphones) but rely on third parties to provide attractive content. Google has signed a partnership with Sony to launch Google TV in the UK and Germany in Q3 2012, but uptake in the US has so far been disappointing and Logitech – a key hardware partner – abandoned the project end of 2011.

Figure 7: Internet, linear TV & OTT usage patterns in the UK by time of day, 2011



Source: BBC iStats (Dec 2011), Arthur D. Little analysis

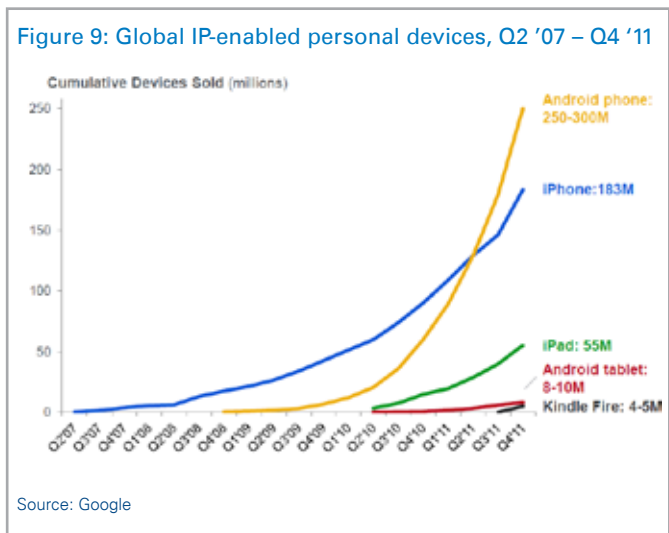


While OTT video proliferates into more and more living rooms, linear TV usage – measured in minutes per day – is also growing in all major markets, such as the US, France, Italy and the UK. This would suggest that the two types of TV consumption are largely complementary.

However, recently published data suggest a potential cannibalization threat of traditional linear TV by online video going forward.

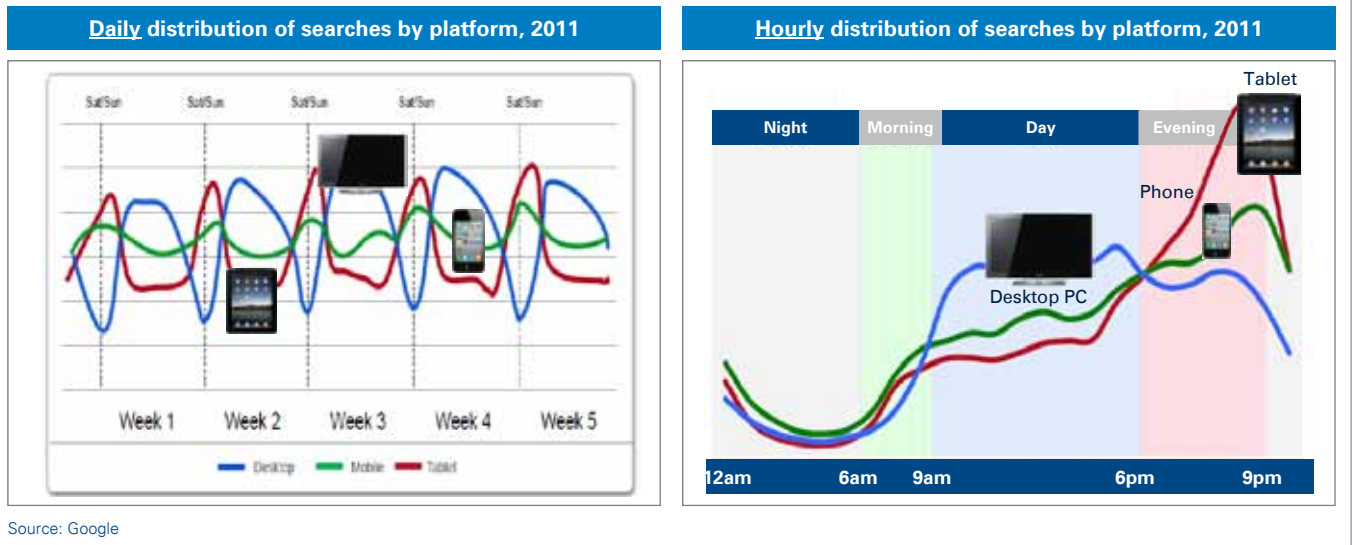
Data by the BBC on Britain’s leading OTT video platform iPlayer shows that, although comparably low in absolute figures, OTT video usage peaks just shortly after the TV prime time (see Figure 7 overleaf). This reduces the potential audience during a broadcaster’s most profitable programming window.

Broadcasters also face a big challenge in recapturing their audience online and monetize it. The latter poses significant regulatory issues for many public broadcasters in EU, as they are not allowed to monetize their online advertising inventory. In addition, on the editorial side, large broadcasters are not organized to push a comprehensive tri-media proposition, which makes the transition very painful and damaging.



The rapid adoption of IP-enabled personal devices (e.g. tablets) will have a particularly lasting effect on video and TV consumption. Figure 9 shows that already today, with up to 300 million Android smartphones and tablets in use and approximately 240 million iPhone and iPad owners, OTT video services have a substantial potential audience, which is growing exponentially. The recent announcements of Microsoft and Google to launch their own tablets will further stimulate uptake of IP enabled devices.

Figure 10: Distribution of searches by Desktop, Mobile and Tablets in 2011



In contrast to PCs, these IP-enabled personal devices will be in direct competition for attention with linear TV as they are mainly used during weekends and evening hours.

According to Médiamétrie, 44% of people in France who own tablets stream TV programs in real-time using catch-up services or accessing video-sharing platforms, and 28% use video-on-demand services on the Internet.

There is also a trend of the simultaneous use of tablets and traditional linear TV which partly explains the rise of OTT at peak times. A study by Nielsen revealed that in the US, UK, Germany and Italy between 70% – 88% of respondents used their tablet while watching TV at least once a month. Usage ranges from scanning through news or social networks, to consuming complementary online content to the linear TV programming of the main screen, to another family member using the tablet as a full-fledged second screen. Viewers are multi-tasking in their media usage more and more, even for video and such ‘second screen’ models are strongly pushed by advertisers looking for ways to maintain advertising on TV (and avoid fragmentation of audience) through innovative TV-tablet interactivity models.

The increasing adoption of OTT video services will also have a profound impact on capacity requirements for broadband networks, in particular mobile networks. Already today, an average Netflix subscriber consumes more than 30GB of content per billing period according to Sandvine, with Xbox 360 users streaming on average 80GB (!) per month. Therefore, Netflix represents 30 percent of US peak hour downlink traffic (vs. 18 percent for HTTP, 10 percent for YouTube, or 3 percent for iTunes).

Besides cannibalization of linear TV usage, Pay-TV revenues are considered by many to be at risk. However, large-scale “cord cutting”, as the cancellation of regular Pay-TV packages in favor of an OTT video service is called, has yet to materialize. In a survey of 2000 broadband households in the US, only 3 percent of surveyed broadband subscribers could imagine cancelling their Pay-TV subscriptions all together because of an OTT video service, but on average 21 percent of households would consider a down-grade to a basic TV offer. This latter figure increases to 36 percent if the household owns an iPad. Also “cord shaving” as the downgrade to a basic TV service is called, has not yet have a significant impact on Pay-TV operators.

Conclusion

The profitability of an OTT video business will depend on a large subscriber base and the highly efficient operations of a large-scale technical platform. Consequently, in the mid- to long-term, we expect the emergence of a dominant OTT video platform with multi-party content in each market. This will either be the result of stepwise consolidation or an early industry cooperation to pre-empt fragmentation.

Each player should carefully consider the benefits and drawbacks of cooperation, and also have a set of recommended actions in a stand-alone scenario.

Telecom operators

OTT video and Pay-TV in wider terms is a growing market relative to other sub-segments that telecom operators can access (e.g. verticals). They should thus take full advantage of this opportunity given their limited downside risk in traditional Pay-TV revenues and the potential to differentiate through such a service. In particular mobile-only operators could use a strong OTT video proposition to remain competitive against convergent players. Telecom operators should leverage their strong relative cash position, large subscriber base for up selling, as well as competence in mass marketing and large distribution networks. Cooperation with content providers should be the primary choice in order to limit content procurement complexity and to achieve better economics of the service. Telecom operators might also be able to launch new wholesale products for Software based OTT players (i.e. preferential access to telco's customers, use of CRM and billing capabilities,...).

Cable TV and DTH operators

Cable TV and DTH operators need to mitigate the “cord-cutting and -shaving” risks by securing premium content rights to keep a quality distance to OTT video players and by catering to the emerging multi-screen demand. Launching a compelling OTT video service for own subscribers will likely become a must for churn prevention, but could also provide the basis for diversification of revenues when carefully opened to nonsubscribers. Traditional Pay-TV operators are most likely to adopt a stand-alone business model, locking-in own subscribers by acquiring multi-screen rights. The emerging mitigation strategies are to bundle OTT services with triple-play offerings and to provide access to services outside of the home for existing customers (i.e. to devices on the move), thereby protecting the TV component as broadband is required to benefit from OTT. Furthermore, due to their high bandwidth requirements, a push of High Definition propositions and 3D TV will be an attractive defense strategy against OTT players.

Broadcasters

Broadcasters should develop a clear platform strategy to define what content is available where to maximize value of this emerging opportunity. Forging a partnership with a player contributing a large subscriber base could be a highly attractive option to secure lasting influence on an emerging national platform while at the same time limiting investment. Broadcasters should consider acquiring combined OTT/broadcasting rights going forward as it improves their own offering and strengthens their position in partnership negotiations. Furthermore, digitalizing libraries and clean metadata will be key assets in future.

Our Experience

Arthur D. Little uses innovation in products, services, technologies, process and business models to help you achieve growth in the Technology, Information, Media and Electronics (TIME) sectors.

Arthur D. Little has deep industry knowledge of the telecoms and media sector, based on extensive client work, addressing market analysis, strategy and performance improvement for Pay-TV and telecom operators, as well as broadcasters and content providers.

We have recently supported several leading global telecom operators and broadcasters on developing their OTT video strategy and structuring industry cooperation. We are also actively involved in the broadcast media sector, particularly in premium content rights acquisition and rights valuation.

Acronyms

AVOD:	Ad-funded video on demand
CATV:	Cable TV
CDN:	Content distribution network
DTH:	Direct to home (i.e. satellite TV)
DTO:	Download to own
DVB-T:	Digital Video Broadcasting – Terrestrial
EST:	Electronic sell through
FTA:	Free to air
IPTV:	Internet protocol TV
OTT:	Over-the-top
SVOD:	Subscription video on demand
TVOD:	Transaction video on demand
VOD:	Video on demand



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Arthur D. Little, founded in 1886, is a global leader in management consultancy; linking strategy, innovation and technology with deep industry knowledge. We offer our clients sustainable solutions to their most complex business problems. Arthur D. Little has a collaborative client engagement style, exceptional people and a firm-wide commitment to quality and integrity. Arthur D. Little has successfully completed its Management Buy-Out on December 30th, 2011. In its 125th anniversary year, the world's first management consulting firm has once again become a Global Private Partnership with 100 percent of the ownership of the company now held by its partners. The firm has over 30 offices world-wide. Arthur D. Little is proud to serve many of the Fortune 100 companies globally, in addition to many other leading firms and public sector organizations.

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