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VIDEO Executive Magazine

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Summer 2018

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Snapshots of User Behavior

By: Brian Mahony

We're really excited about this issue of the magazine. We tend to dedicate a lot of space to technology, so an issue focused on user behavior was well past due. That's not to say we shouldn't be discussing technology, since you kind of need it to make everything work. Actually, to be fair, this issue really is about the intersection of consumer behavior trends and the technology that enables them. But I digress.

In this issue of the magazine, we bring you snapshots of the OTT industry as it stands right now, mostly from the perspective of consumer behavior and major trends.

We kick things off with SeaChange's Kurt Michel who expounds on video personalization. Kurt makes a nice parallel to the old telephony world when we all shared the same home phone. Now, personalized mobile devices are ubiquitous. What lessons can be applied to the video realm?

Stephen Johnson, our resident UX expert from Coach Media, goes beyond the simple user interface and raises the stakes for other major components to be considered. He makes the case that only a new breed of "service-casters" may have the wherewithal to solve all the user experience problems. Then we pull in industry thought leaders for their input. In interviews with Roku's Bernarda Duarte, PeopleTV's Susanne Mei, and TV4's Jon Cody we glean wonderful insights about launching, or extending, new OTT services to meet the evolving needs of viewers. We also publish two interesting case studies— Katia Loisel from Love Destination TV talks about her new OTT service for relationship advice; and Vennetics' John Barron writes about the new Chill VoD app from Cellular One to help solve the problem of cross-platform content discovery.

Even though most of the folks reading this magazine are industry insiders, we are still consumers who love TV and movies. We might not all be in the coveted Millennial demographic, but our viewing habits still matter. To that end, we have thoughtful articles from Bonnie Optekman and Julia Dimambro comparing their own TV consumption habits to the industry at large— in short, don't feel guilty; you can't watch everything that's popular!

OK, so we do have some very nice trend pieces on technology, but again it all ties back to consumer demand. Witbe's Luke Carriere provides a must-read overview of how blockchain will further disrupt the video entertainment industry based on his analysis of 14 of the leading blockchain apps. And we have two pieces, from Nagra's Simon Trudelle and Yare Media's Hugh Dobbie, that highlight the challenges and strategies for dealing with content piracy. At the end of the day, consumers just want to do the right thing and we need to make it easy for them.

Finally, we have several articles about the rising prominence of mobile TV. Equifax's Cathy Benigno and Erik Trusler talk about the marriage of mobile devices and user data, while OTT Consulting's Kevin Cochrane summarizes lessons from the sports world for engaging with mobile Millennials. Rounding things off is expert analysis of current user trends by Vidillion's Michael Nagle and Oath's Ralf Jacob.

Brian Mahony is the CEO and Principal Analyst of Trender Research. He is also President of the 45,000 member OTT Executive Community— a vibrant and growing network of TV and video professionals engaged through social media, publications, and events. Brian has 25 years experience with consumer-oriented technology products and companies.

We hope you appreciate this issue looking at the OTT industry from the "outside in"; that is, starting from the consumer perspective and working back towards the enabling technologies. We tried to pack it with strategic insights that help you inspire and motivate your teams. Enjoy the rest of the summer and happy reading!

It's Not About Video…. It's About Me!

By: Kurt Michel

As an industry insider, I am continually amazed at the innovation that the internet has unleashed for the everyday viewer. At the turn of the century (yes, this one), I certainly did not think we would be watching video over the Internet. Managed IPTV networks? Sure, that made sense. But the wild west of the unmanaged Internet seemed too great a challenge, given the stringent requirements of video delivery.

But then came a variety of new streaming protocols which made Internet video possible, from Flash to Adaptive Bitrate (ABR) over HTTP, enabling the use of Content Delivery Networks for high quality streaming. Companies like Microsoft, Adobe, and Apple were all pushing in the direction of video delivered "over the top" of an Internet connection, and the packaging competition between HLS, Smooth, and HDS ensued, with MPEG-DASH pitched as the "everything" format. We also had the codec battles: MPEG2, AVC/H.264, VPx, WMV, Theora, HEVC/H.265… and a variety of other skirmishes along the way. Being an industry participant, I'd read the articles, talk to peers, and do whatever is needed to stay on top of the tech.

As all of this was going on, the constant question was "will OTT ever take over traditional TV delivery (cable, satellite, terrestrial, etc)?" I knew smart people in both camps who made compelling arguments on both sides. Coming from almost a decade in the Voice-over-IP (VoIP) space prior to shifting my focus to video, many of the "con" arguments sounded familiar, and most boiled down to this: "The Internet was not designed for that."

Since I came from the VoIP space, I should have known how this would go. The internet brought new competition to the telephone companies on the "wired" side of the network. New types of telephone devices and services emerged – "IP Phones" that simply connected to business IP networks, and services such as Vonage that allowed us to plug our traditional phones into an internet-connected device. In the face of this, the phone companies continued to tout the benefits of "toll-grade voice" provided by the traditional phone connected to that copper loop coming into your house - even as they switched the core of their networks to use VoIP technology for the cost savings. And then came "Free global calling" from Skype and others. Many consumers were willing to give up "toll quality" for "free".

On the wireless side of the network, mobile phones also lacked toll quality, but consumers were willing to give that up for mobility, as long as the quality was not too bad… remember "can you hear me now?" And then along came HD voice, which made toll grade voice sound weak, so long as the IP connection was good. The telephone companies no longer even had the quality advantage. Today, I had a Skype call while driving my car, and the voice quality was better than many of the mobile "on-network" or landline calls that I make.

Kurt Michel, a recipient of Trender Research's OTT Genius award, is VP of Marketing at video management solutions company SeaChange International. He has over 30 years experience in telecom, datacom, and video, with roles in engineering, management, and marketing. Within the video space, he has served as Akamai's Global Product Marketing Director for the CDN provider's media solutions, and as Sr. Marketing Director at video service assurance company IneoQuest (now Telestream).

Along the way, our mobile phones became text and email handlers, cameras, recorders, music players…feature upon feature, in the palm of your hand. We called that the "smartphone." I look at a wired phone now – even the IP phone in my office, and it strikes me as dumb. The dumbphone.

And finally, to the everyday consumer, all the innovation, buzzwords, and tech – the HOW – was irrelevant. They only cared about the call. Anything that got in the way of that was bad. Anything that made it easier was good. Very simple.

But another thing happened on the way. The voice device became personal. The wired phone, at least for the general consumer, had been a shared device. Some of you may remember being on the phone when someone picked up another extension in the house, and suddenly, without warning, you were on a 3-way call! We can argue whether that was a feature (parent perspective) or a problem (teen perspective), but it was certainly not personal.

Can you think of anyone who shares a smartphone? It is one of the most personal devices you own.

Does any of this sound familiar?

So back to video – which once was just television. I find it interesting that the word

television, when used alone, refers to the programming; but when used with an article ("the television", or "a television") it refers to a device. The television was – and still is, for the most part – a community device. Impersonal, like the wired phone. In fact, it was generally THE video device in the home, and television (programming) was designed for that device, taking into account the inherent technical limitations and everything about the way that device was used. The ad-based model, the way content was designed for ad-breaks, the way the audience was measured, what time the show would be broadcast… an entire paradigm and industry built around community viewing on impersonal devices.

And then the Internet happened to television.

As an industry, we have done a great job with innovating around the technical limitations of the Internet. I can stream 4K video today!

But our industry continues to struggle with the shift to personal viewing devices, and the impact they are having across the entire video business, from content creation to distribution and delivery. From measurement to monetization. Many innovators are looking at the mobile world for insight, which should not be surprising, given the analogies between the evolution of the "personal smartphone" and the personal viewing device. Hence, we have apps for content. Lots of apps. Too many apps!

As a result of these inherent qualities of the "television" experience, I try very hard to limit my use of the "TV" and "television" terms to mean specifically that experience, which is just one of a variety of video viewing modes. We are now in the video age, and we own video devices. The television is just one of many video devices. It is probably the best device to present television programming, but a "smart TV" or "connected TV" is also great for the broad array of video programming, and can be used for both personal and community viewing. The message here? It's about viewers and the video they want – all of it, not just the traditional TV experience.

Once again, we must start with the consumer. All the innovation, buzzwords, and tech – the HOW – is still irrelevant. They only care about the content. Anything that gets in the way of that is bad. Anything that makes it easier is good. Very simple. Our challenge as an industry is to make that happen, so that one day, hopefully soon, the viewer can say "show me something good", and their personal device, using everything it "knows" about the viewer – the who, what, when, where, and why of the moment – has anticipated this request, and does exactly that. And by content, I include not only the entertainment, but also the ad content that is relevant to the viewer.

For our viewers, it is "all about me." Without a firm focus on that, you someday might find yourself offering dumbTV. □

What I Want, When and Where I Want It: The State of the OTT User Experience

By: Stephen Johnson

That OTT services have dramatically and inalterably changed the pay TV universe can now hardly be questioned. As we appraise the state of the OTT industry, the equally dramatic changes brought about – and reflected by – the ways consumers experience these services cannot be overlooked. Simply put, OTT TV customers experience content in ways that would have been barely recognizable only a few years ago. Content-consuming behavior of the TV viewing audience has given rise to these fundamental changes. In this brief survey we'll identify the behaviors themselves, then examine how the best OTT designs have effectively met these changes – and also those who still have work to do.

So what are these new behaviors? If there's a common theme, it's the same one generally driving OTT's success: *flexibility*. Viewers demand a massive variety of programming (e.g., far outside the traditional boundaries of network and cable television) and the ability to watch it when and (especially) where they want. An effective video-based user interface design must reflect these demands; specifically, four (4) viewing trends have arisen in response to the consumer's ever-expanding push for viewing flexibility:

- De-emphasis of live viewing
- Binge viewing
- Increasing use of mobile and non-traditional platforms
- Short-form consumption

We'll examine these trends in turn and see how OTT services have responded to each – both effectively and otherwise.

Come to Bury Live TV, *and* see it praised

Live viewing through traditional pay TV channels is shrinking – fast. For the first time (by 2017), a cross-demographic study of viewers confirmed that less than half are watching TV as it happens: a majority see programming on a recorded (DVR) or streaming (VOD) basis. "High profile" events, such as sporting events and award programs, still retain a live audience – but (based on advertising rates) they are the exception rather than the rule. The days of watching programs on a provider's schedule appear numbered.

How have the best interfaces adapted to this historically dramatic trend? A relatively new interactive design trend, generally known as "discovery," has arisen to meet it: from simply taxonomies to finely tuned algorithms, designs are trying every non-temporal means possible to connect consumers to content. Categorization schemes are heavily dependent on detailed metadata with many content providers (e.g., Netflix, Hulu) deploying effective search and personalization strategies – though the ways of organizing TV content outside the traditional "channel and time grid" are clearly still evolving. As for poor examples of content organization, that self-same program guide grid is organized on the two variables in steep usage decline: channels and broadcast schedule. For many years service providers

Stephen Johnson is an independent analyst specializing in video advertising technology and design for media distributors. He established his consultancy, Coach Media, in 1998 to provide services in user experience design, information architecture, programmatic advertising, and intellectual property creation and advisement to clients worldwide.

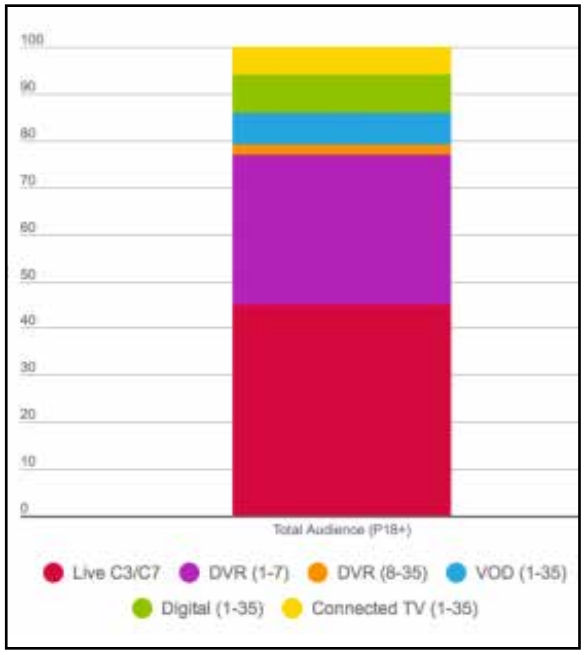


Figure 1: Percentage of Video Viewing by Method (2017) (Source: Better Software survey)

Figure 2: Who needs Time and Channels? (Source: AT&T uVerse)

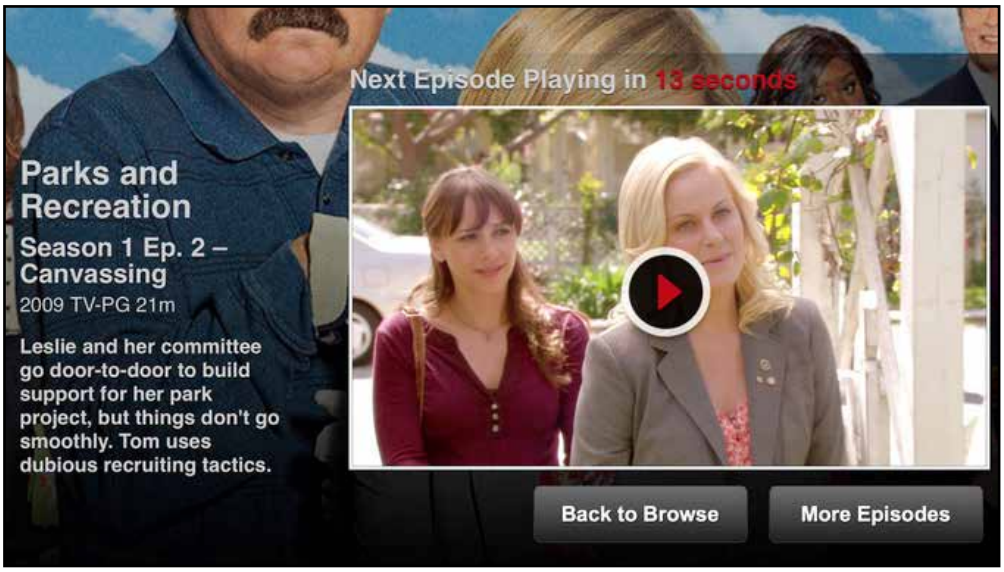


Figure 3: Making it Easy to Binge (Source: Netflix)

thought an overabundance of channels would overwhelm the EPG grid design; ironically, the de-emphasis of time ended up obsoleting it instead.

Too Much (TV) is Never Enough

The combination of popular episodic TV and the means to easily access individual shows on demand has led to the curious OTT practice of so-called "binge watching": viewing multiple episodes of the same program in a single sitting. This practice has led to several accompanying interface design innovations. For example, it creates the flexibility for viewers to watch episodes in release order, tracking the number watched, and bookmarking within an episode.

Given their early and strongly researched lead in associating preferences, Netflix makes use of an effective binge-watching interface – not least by assuming that this type of watching is occurring: the next (as determined by the content provider) episode simply starts playing without user intervention, e.g., intervention is required to actually stop the process. Also note Netflix does not assume this same watching behavior for long-form movies or short clips – though the useful features of program tracking and bookmarking are universally maintained on an individual (as opposed to a household-level) basis.

A relatively new interactive design trend, generally known as "discovery," has arisen to meet it: from simply taxonomies to finely tuned algorithms, designs are trying every non-temporal means possible to connect consumers to content.

Nearly all non-OTT service providers – either through live channels or VOD applications – have curiously yet to recognize binge-watching behavior to the extent of building a response to it into their applications. Many MSO-provided interfaces still assume one-at-a-time program viewing, unwilling to accommodate a viewer watching multiple episodes in order by making that process an application default. Most VOD and SVOD services, for example, don't even present similar content at the conclusion or interruption of a program episode; the viewer is often "dumped" back to where he or she began their program search.

You *Can* Take It With You

The increasing ability of video viewing on-the-go might be the most dramatic behavioral shift in media consumer behavior over the past few years. Until very recently the idealized model of TV viewing looked something like the family in their living room, relaxing in front of the big screen. Today this is more likely the exception: consumers not only use their mobile devices while watching other screens, they increasingly consume video on these devices while they're actually … mobile. The staggering rise of mobile video traffic shows few signs of slowing down.

While some media providers are attempting to stream exclusively to mobile devices, the video content itself still largely comes from traditional sources: service operators, broadcasters, and other content providers. This drives the best experiences to those supporting cross-platform designs and the ability to access paid-for content in any location. While pre-mobile pioneers like Sling Media figured out how to modulate broadcast content online, cross-platform access has truly come into its own through services like Comcast's Xfinity, who (for now) retain the ability to make a subscriber's content (and personal data) available anywhere. A riskier experiential strategy lies with those making content available *exclusively* through mobile channels; that's clearly the growth market of the moment, but neglecting the living room might be equally myopic.

Short and Sweet

Blame it on short attention spans, the 24-hour news cycle, or the harried modern consumer: video programming is getting shorter. In line with mobile usage (see above), nearly three-fourths of adult US viewers now profess usage of the clear market leader in video clips: YouTube.

The rise in short-form programming has even led industry veteran (and the "K" in DreamWorks SKG), Jeffrey Katzenberg, to contemplate starting a studio exclusively for the production of short programs [1]. But the OTT experience of clip-watching still retains

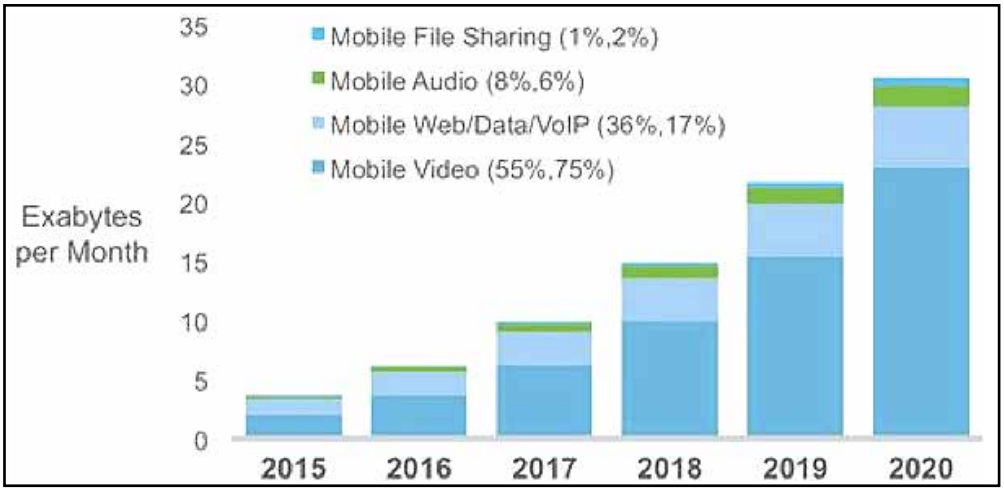


Figure 4: Walking & Viewing at the Same Time (Source: Tubular Insights)

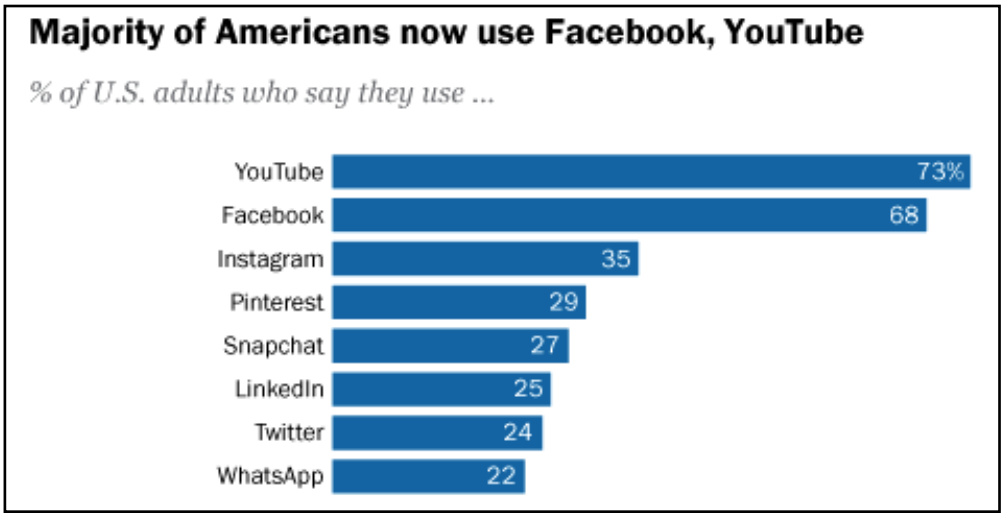


Figure 5: Clipping Video (Source: Pew Research)

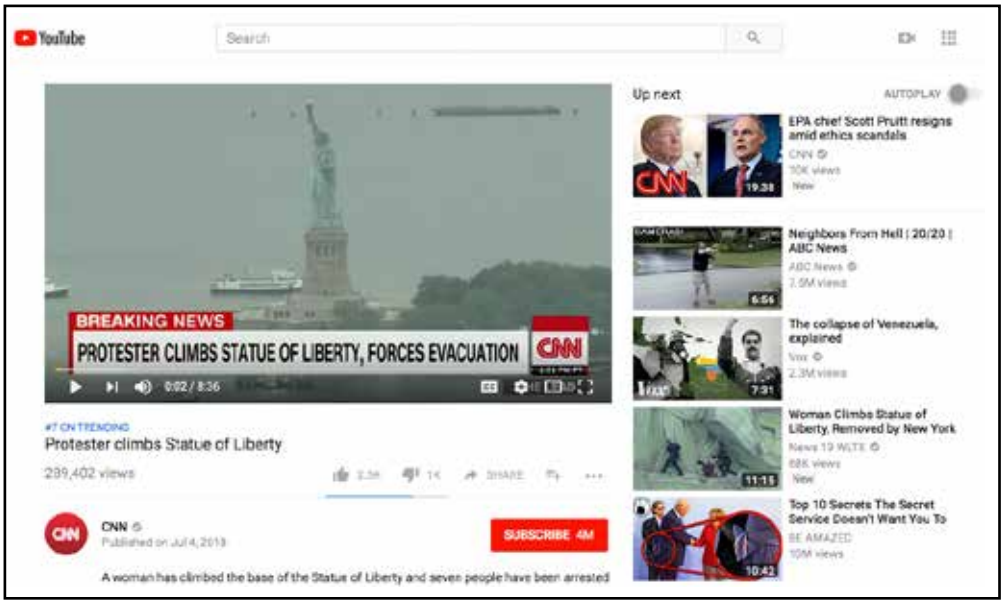


Figure 6: Can We Interest You in Another Clip? (Source: YouTube)

some obvious defects: the same YouTube that can find virtually any clip also has a rough time retaining your attention: while advertisers are able to monetize individual videos, viewers don't often continue watching – largely due to YouTube's inability (so far) to associate similar programming to that recently viewed. In short (pun intended), watching clips appears to be a semi-atomic exercise.

OTT's Place in the "Service-Caster" World

The highly varying interactive means needed to satisfy this new searching, device-agnostic, binge-watching, mobile, short-attention-span customer appear to be met by various OTT services – but only those with the massively integrated chops to meet *all* these marks. I call this new breed of provider a "service-caster": those with sufficient content, base of customers, and especially technical means to tie these disparate requirements together. For good or ill, only a few candidates currently fit this mold: AT&T/Time Warner, the pending Disney/Fox merger, Netflix and possibly Hulu and Comcast/Universal. The strange new trends roiling the video delivery business appear to be satisfied best by the largest media and technology firms. But given the nature of these changes, if any of these content giants slip a hovering group of technology and social media standbys (e.g., Apple, Amazon, Google, Facebook, Twitter) with their own ideas about user experience will surely not let the moment pass. □

Notes:
[1]: https://variety.com/2017/digital/features/jeffrey-katzenberg-video-series-sun-valley-1202498768/

How Roku Has Evolved and Adapted to Changing Consumer Needs

Interview by Brian Mahony with Bernarda Duarte

Brian Mahony recently sat down with Bernarda Duarte, Director of Content Acquisition at Roku and recent speaker at the OTT Executive Summit in New York, and discussed how Roku has been able to adapt and remain successful in a competitive market.

Brian: Bernarda thanks for joining us. Can you please give a quick background on yourself and your role at Roku?

Bernarda: Absolutely. Thank you for having me. I am the Director of Content Acquisition. I've been at Roku for about three years, which is a long time for Roku due to its tremendous growth. My role at Roku is to manage the distribution agreements with our partners, such as HBO and Showtime, to distribute their content on our platform. And I am also responsible for similar content partnerships in the Americas, which includes Mexico and areas south. I really enjoy it. I love being able to bring great content to the platform. We are now upwards of 5,000 channels globally and we are very proud of the fact that we have the most of any platform today.

Brian: That's fantastic. If we look at the early days of OTT, there were a smaller number of channels going after a more mainstream audience. Now we have many, many OTT channels. In this new world, where there is a proliferation of channels and apps, how would you define your audience and your target market?

Bernarda: Sure. What makes Roku successful is that we are all about value. For example, recently we launched the Roku Channel, which is an AVOD service with free ad-supported content on the platform. We believe that within our user base, about 21 million active users, there is definitely an appetite for free content that is ad supported. So far the response had been tremendous. It's a mixture of television and movies and most importantly it's free. We also help them discover content on the channel and provide an aggregated user experience that is a great edition to the content offering.

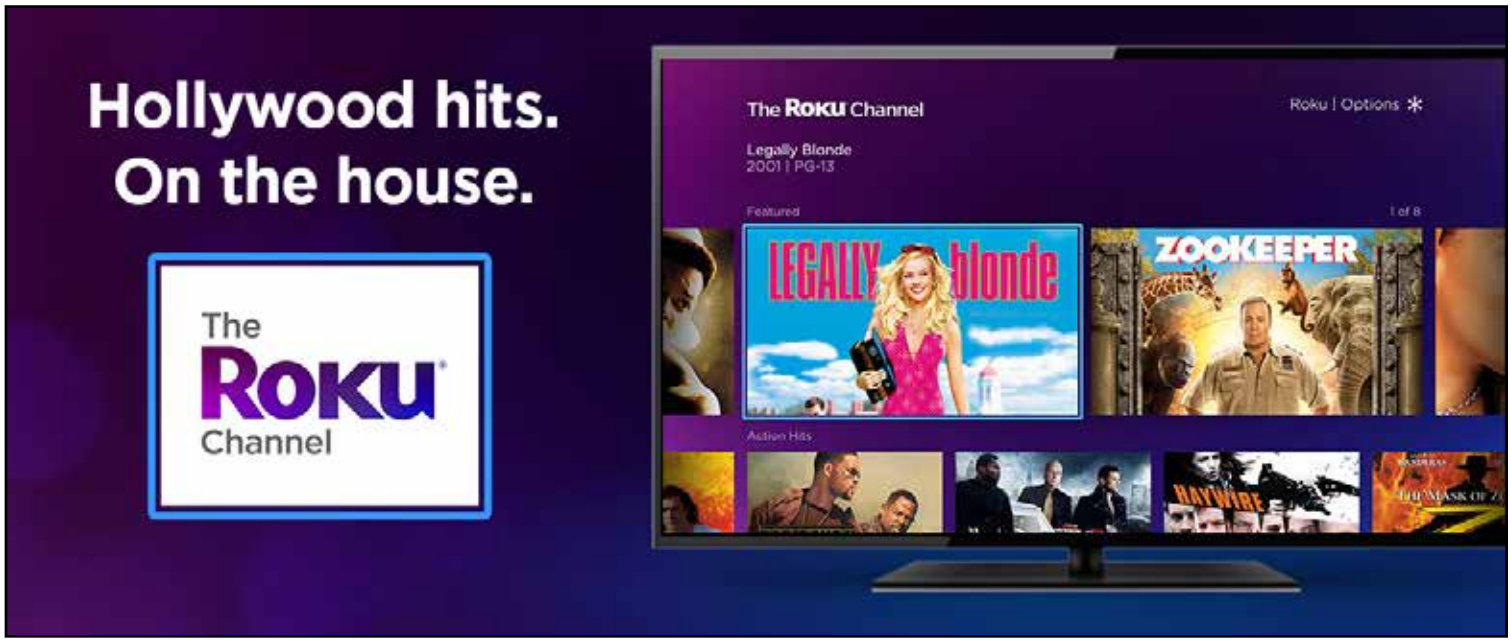
Brian: So from a strategic perspective, you have sort of your core audience and then you have this new segment rallying around free content—how are those audiences different?

Bernarda Duarte is the Director of Content Acquisition at Roku with experience in tech and media. She is a creative and strategic thinker with specialties on OTT international content licensing, developing and managing content partnerships, contract negotiation, distribution and monetization. Duarte is a versatile executive offering outstanding trilingual communication (English, Spanish and French) and cross-cultural team management skills. She is a high-energy, results-oriented leader with an entrepreneurial spirit with complementary strengths in general management, financial modeling and analytical decision-making.

Bernarda: Well, if you look at the subscription-based user segment, of course Netflix is a great partner with Roku and they have a big share of voice. So if you look at the Netflix's, HBOs, and Showtimes of the world the subscription business is very healthy. We do a lot of research and looking at the KPIs and get a lot of learning from that. But there is also a larger segment of the Roku user base who are gravitating to the free content and we see that as an underserved area. So we are looking to compliment and supplement the subscription services rather than trying to take any share away. The other consideration is that with the Roku Channel we are serving a lot of the direct publisher content, which is another tool we deployed that significantly reduces the barriers to entry. So rather than hiring an app developer, you can use Direct Publisher to tap into our back end, if you will, and use our online application to develop your user interface with a couple of clicks of the mouse. That allows a lot of niche content, from smaller producers, to have access to our platform, and also through the Roku Channel.

Brian: Years ago, we did some research about what OTT business model is going to win. And I think what you are saying is that all of them have a place.

Bernarda: That's right. We also do quite a bit of focus groups and surveying our user



base to understand value. Roku was really the first OTT device that was very inexpensive and provided a high performance product. Obviously Chrome came out and also provided another inexpensive option. Last year, we came out with Roku Express which was also a high performance device at a really inexpensive price point. So are always trying to find ways to provide value to the consumer.

Brian: Let's talk about value a little bit. If you break down the different content offerings you have high-quality shows and movies and short form videos for a variety of market segments. But let's talk about some of the hold outs, such as sports and live TV. Take for example live TV, how does that fit into Roku's strategy over time?

Bernarda: Yes, so we announced our partnership with ABC News, Chatter, and other news providers. We believe "live" is an important part of our strategy, starting with news and then actively working on other verticals. And when you talk about other hold outs like sports, you are really talking about diverse segments ranging from cricket to soccer— we offer all of that on the platform as well. We have partnerships with all of the leagues, for example we have the Rugby Channel that's published on Roku. And all of these other sports are perfect for our platform.

Brian: Let's look at things from the content creators' perspective for a moment. Roku is famous for allowing content owners to build an app relatively quickly and cost-effectively. What would you say are the best practices for launching a new OTT service or App? And what are the benefits of working with Roku to launch that content versus going direct to the consumer via other means of distribution?

Bernarda: We believe that there is space on the platform for different touch points (to get access to) the users. We envision that you can license your content on the Roku Channel for example, where we give you a revenue share of the advertising. And we also believe that as a publisher you can have an app on Roku and at the same time monetize your content via (your own) distribution channels. We think there is enough space for partners to be successful using many different models over time.

Brian: So it sounds like you are not forcing content creators to only choose one strategy. They can have multiple paths to get to their audience. They can try out different things and see what works for them.

Bernarda: That's right. And you'd be amazed, when you look at smaller partners for example, how they can translate their social media and digital marketing success… and bring that success to the Roku platform.

Brian: And what about mobile? There are several recent studies pointing to its rapid growth, and in some cases it is being adopted as the preferred viewing platform.

Bernarda: This is true. At the same time, you need to look at content such as sports. Look at the World Cup for example. This is clearly an example where consumers enjoy more of a shared, ten-foot experience.

Brian: Thanks Bernarda. Let's close this interview with one final question. One of the things that has always impressed me about Roku is the company's ability to adapt. It strikes me while speaking with you that my family has one of the first Roku boxes ever made, I think the first 720P HD device. We still use it and it works just fine. Over time, the company has come out with a variety of devices at different price points to serve the needs of various market segments. And fast forward until today, you have the Roku Channel. If you were to predict one major thing that was going to change in the OTT industry in the next few years, what would that be?

Bernarda: From the Roku point of view, our number one interest is to serve all our user base by providing the very best library of content and allowing them to plug into it as many ways as possible. We are very user-driven that way. That strategy will continue and working with other partners has helped us to (implement that strategy) in a deeper way. The distribution-agnostic type of approach to content and being able to serve all audiences with the way they want to consume content is very important and will continue to be a driving force. We've always been the agonistic platform— we will work with everybody. And that's something that I believe has separated Roku from the rest. Our focus will continue to be making the best TV experience available to the marketplace. □

Finding Love in All the Right Places: New OTT App Won't Be Lonely

By: Katia Loisel

The Love Destination is set to launch its OTT service for everything love, dating and relationships in the U.S. with the aim of helping to alleviate loneliness and empowering women.

The Love Destination grew from a single insight…that love is at the heart of everything. After working with nearly 10,000 singles and couples as a relationship and body language expert over the last 15 years; one thing became clear: it doesn't matter who you are…we all want to love and be loved. But whether you're looking for love or already coupled up, relationships aren't always easy. The US divorce rate is at almost 50 percent and despite a 300 percent increase in dating app use; the number of singles is on the rise. Millions are searching for information and shows about love and relationships, but what's available is often from untrustworthy sources, and that compounds the problem.

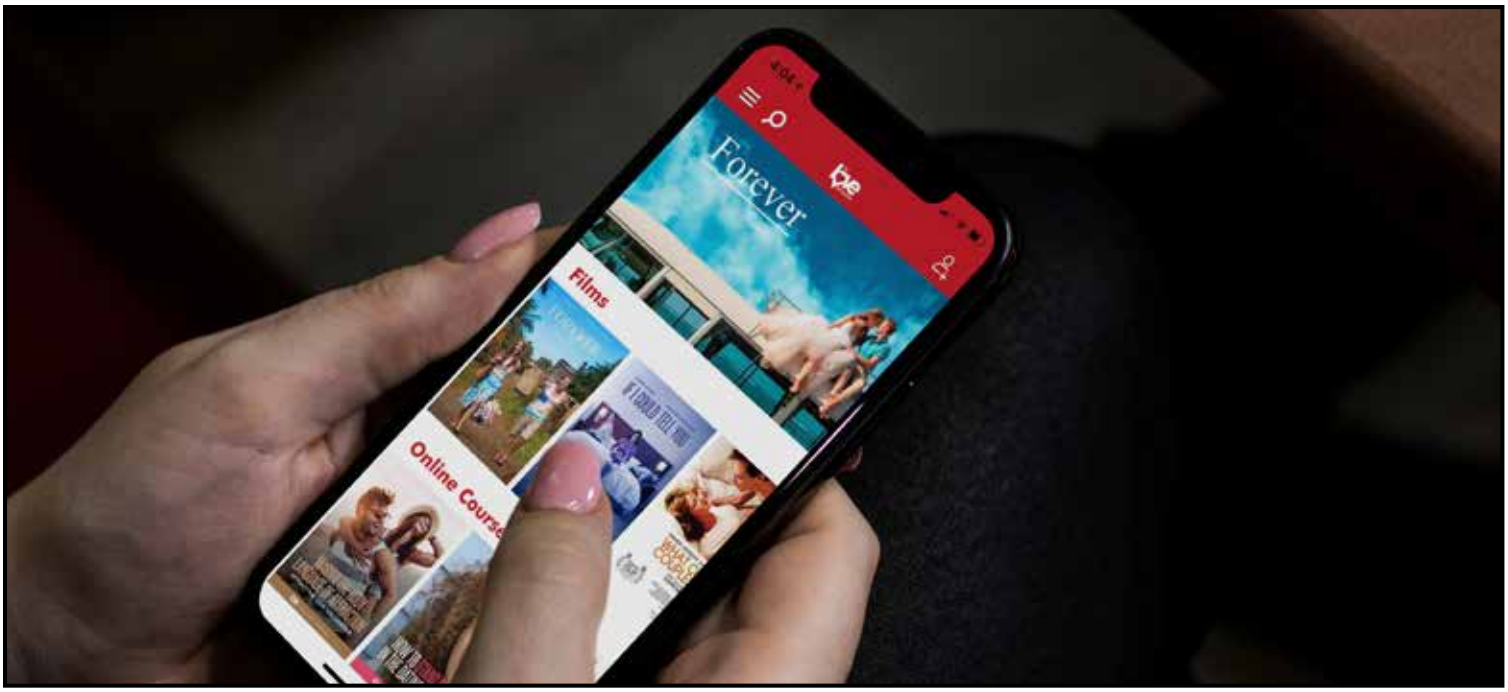
At The Love Destination we're passionate about love and leveraging the power of OTT to help solve a global human problem: loneliness. We've never been more connected, but the truth is, we're lonelier than ever and we're searching for answers. New research by Cigna found that America is on the brink of a loneliness epidemic, with almost half of Americans suffering from loneliness, affecting mental and physical health.

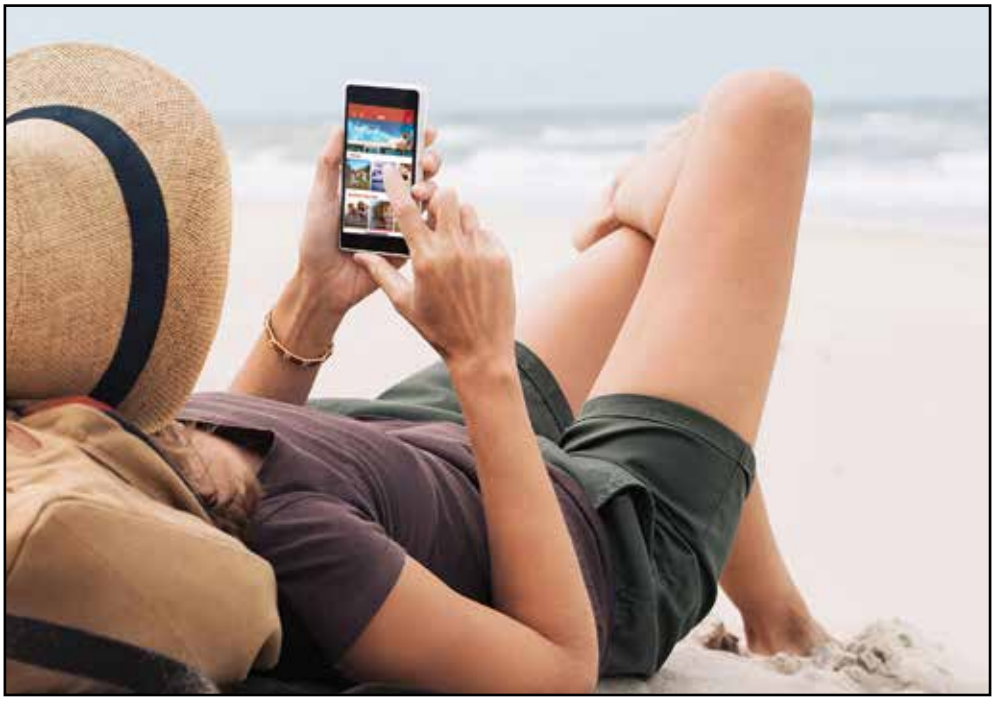
I discovered the power of digital TV (quite by accident) back in 2009. I was on my book tour and having a background in media and content production, set out to produce an online "how-to" campaign on dating and kissing. To say that it was low budget is an understatement, but the impact was instantaneous. In a few short months it had been watched over 12 million times, and while OTT was still in its infancy the idea of a digital network for everything love, dating and relationships was spawned.

Over the next few years as I continued developing and producing content for the dating and relationship market with a focus on digital, one thing became clear. The singles' market had an insatiable appetite for expert-led content that helped them navigate their relationship issues, and they were prepared to pay for it. While this was nothing new; single women aged 25-44 in the US spend $25 billion on dating and $17 billion on self-development, it was a market that hadn't been adequately served in the OTT space. Moreover, for many seeking relationship advice, the cost of content and coaching can be cost prohibitive, with online courses costing up to $300 each and coaches charging up to $20,000 to help you find love. At The Love Destination, we wanted to make niche expert content accessible.

Katia Loisel, Founder and CEO of The Love Destination, is a relationship and body language expert with over 19 years experience in content production and media, developing and producing dating, relationship and lifestyle content for the global market. She has worked with thousands of singles and is passionate about love.

Over the last year The Love Destination has built a substantial following online and in 2018 will launch its new offering, an SVOD and AVOD network for love, dating and relationships. Our mission is to help alleviate





loneliness and inspire and empower women. Producing and acquiring educational, entertaining and empowering content that helps you to connect, and makes you feel good about love and life. We combine two billion dollar markets: eLearning (US$163B) and digital TV, allowing subscribers to access unlimited expert-led online courses, how-tos, lifestyle, documentaries, films and educational content for $9.95 per month, making us the Netflix for everything love, dating and relationships.

A Grass Roots Approach - Growing with our Community

We're all about relationships, so it was important for us to take a grass roots approach. That meant building a substantial following and connecting with our community through our experts, Facebook and thelovedestination.com organically prior to launching our SVOD and AVOD offering. We engaged with our community, and, combined with data on current trends in the dating and eLearning space, this information allowed us to get a feel for the issues our target audience faces, get feedback, and ensure that our offering was addressing a need in the marketplace.

What we learned gave us an insight into a massive gap in the market and an opportunity for us to redefine digital TV for relationships. When you're looking for love or having issues in your relationship, finding a solution becomes of utmost importance; however, for many, one-on-one coaching is simply too expensive. This insight helped us to reshape our offering and we made the decision to combine eLearning with traditional digital TV, adding original tailored online courses written by experts to our catalogue.

Original Vs. Acquired Content

Our expert-led online courses are a key differentiator and allows us to grow a large catalogue of exclusive original content for a minimal investment. Original, tailored expert-led online courses (retailing between $49 and $129) designed to help our subscribers solve a problem at any stage of their relationships as part of our $9.95 subscription allows us to super-serve our subscribers and provide unbeatable value, as well as help us to stand out from our competitors.

We're in negotiations with dating brands to sell online course bundles to their subscriber base on a revenue share basis, helping us drive transactional revenue, customer acquisitions and brand awareness--an additional benefit to adding original online courses to our offering that we hadn't foreseen.

While the decision to produce original online courses in-house was an easy one, the question of how much content to produce vs. acquire is one that we're constantly re-evaluating. At this stage, we're focusing on producing original online courses and non-drama content that meets our subscribers' needs and isn't easily acquired on revenue share. We're also leveraging acquisition partnerships, which allows us to build a substantial catalogue of content pre-launch whilst mitigating our risk.

Building the Right Partnerships

Early on, we understood the importance of having the right people on our team and the power of partnerships and we've been fortunate to attract some of the best in the industry. This has been key for us. Our relationships and partnerships are paramount to our success and extend our reach; allowing us to mitigate risk whilst being scalable, adaptable and flexible in order to accommodate rapid changes in growth, the market and demand.

Great content is nothing without a powerful distribution network, but we knew that we didn't want to build from the ground up. Rather, we developed a multi-tiered strategy to get our content to the market supported by our partnerships with OTTera, Akamai for our CDN, and Kaltura. OTTera has delivered our customized cross platform apps for iOS, Android and connected TVs. Utilizing their highly adaptive framework, our apps can be launched on every supported platform almost instantaneously. This allows our viewers seamless multi-platform access to The Love Destination anywhere, anytime and on any device. As invested partners, the team at OTTera also bring a wealth of knowledge, experience and partnerships in the OTT digital TV space, having founded Toon Goggles, a digital VOD platform for kids with 9M+ users.

We're also using our relationships with online dating and relationship brands to drive customer acquisitions, brand awareness and revenue and will engage Internet dating advisors to help cement online dating partnerships.

Recent lucrative content acquisitions, distribution and tech partnerships have significantly extended our reach and will see The Love Destination launching on over 8 million consumer-electronic devices in the U.S. in 2018. We're currently capital raising, and excited about what the future brings as we leverage OTT to spread love and connect and engage with our growing audience. □

PeopleTV: Spining off a Successful New OTT Brand

Interview by Nichole Janowsky with Susanne Mei

In this interview, Nichole sits down with Susanne Mei, General Manager of PeopleTV.

Nichole: Why don't you begin by telling us a little bit about your background?

Susanne: I was a journalist for ABC News here in New York and was part of the team that launched ABCNews.com. I loved the whole experience of launching a new business and figuring out the digital side of things. So I went to business school to get back in the business side of media and worked for a number of different companies, including Showtime and AMC Networks. At AMC Networks Josh Sapan, President and CEO, was ahead of his time in wanting to launch a web-based channel called Sundance Now (which still exists) and going direct to consumer with the ISB film library. So I helped build and launch the product, which was an SVOD service. It was very early and people were mostly watching content on their Apple TVs and we had distribution with AppleTV, Google and all those different partners. It was an interesting transition to go from a company like Showtime where you really have no contact with the customer to being direct. After working at AMC Networks an opportunity came up at Time and I think the People brand is such a great brand. Rich Battista, who at that time was the President of Brands, including People (former CEO of Time Inc.) is a cable guy, but saw the opportunity to take these amazing brands that had missed that cable window and go straight to OTT. I went to Rich and asked to be on the ground floor and help build it, since I had experience in launching a new OTT service, and here we are today.

Nichole: What is the difference between People.com and PeopleTV? How do you get content? Do you use the magazine to populate the content on PeopleTV?

Susanne: When we first came up with the concept of PeopleTV, the thinking was that People Magazine and People.com have a tremendous amount of traffic/subscribers and they make a tremendous amount of short-form videos. We're already doing a lot of the heavy lifting and we already have reporters who have relationships with hard-to-get interviews. For example, the Obamas were featured on the cover of People Magazine, their last interview before they left the White House. There was already someone who was booking that interview (which is obviously really hard to get), there is already a camera crew that is going to shoot short form content and clips for the website, so it's not that much of a stretch to get the rest since you are already 80% there. It's a matter of taking that 25-30 minutes of content and all the B-roll you get and turning that into a 22-minute show. It wasn't like we were starting from a standing start, we were most of the way there already so it made it an easier process to think through. Time Inc. had just moved to the downtown offices (in NYC) and it was built with a video-first vision; so there are two live control rooms, lots and lots of edit bays, and a floor full of video producers. The company was moving towards this video-first vision so it also made it easier to say it's just a couple steps further to build this OTT longer form network.

Some of the content, a lot of the content, leverages that People Magazine access. Our access punches way above our weight class in terms of the fact that we are a brand-new network but the People brand has been around forever and has an amazing reputation and people trust it. I've heard so many people say they knew it was true when

Susanne Mei, General Manager of PeopleTV, spearheads strategic oversight and oversees daily operations for PEOPLE and Entertainment Weekly's ad-supported (AVOD) streaming network. In 2015, Mei joined Time Inc. (now Meredith Corp.) as part of the Video Distribution team and worked across the company's vast portfolio of premium brands and platforms, with a focus on video distribution partnerships. Previously, Mei served as Vice President of Digital Distribution and Business Development at IFC Films, a division of AMC Networks. In 2006, Mei served as Vice President of Digital Media for the Smithsonian Network during its launch. Mei's previous roles include Director of Business Development at Showtime, Strategy Consultant for Concrete Media, and several years in production at ABC News where she contributed to the development and launch of the original abcnews.com.

"Chatter" Host Rocsi Diaz

I read it in People Magazine. There are a lot of celebrity magazines out there but I would argue that People is probably the one that is truly news; there are real reporters on the ground confirming things, etc. So when we can, we leverage the magazine, but we aren't constrained by the magazine. Additionally, we think about TV as our medium as opposed to print and digital. We just launched a show a couple of weeks ago called "Search History" where a reporter is out in the streets having real interactions with people, asking to look at their phone and engaging with people in a fun, playful way. They check out what's on their phone, what they've been Googling, and what apps they have on their phone. This is clearly a TV concept not really a magazine concept.

PeopleTV carried the royal wedding LIVE on all their platforms.

Nichole: As far as your audience, are you looking to target a different community than that of People Magazine and website? Obviously, you have a base audience who will be also be interested in this new network, but how do you go about finding new viewers for PeopleTV?

Susanne: I think we are trying to do a little bit of both, but it's always a little bit challenging. We certainly want to speak to the People consumer, who are definitely skewed female and the digital consumer is a little younger than the magazine consumer, but also very female. We are targeting the digital consumer since we are watched on a digital platform. We use all of the touch points – letter from the editor talking about a new show on PeopleTV in the magazine, print ads in the magazine, or promotions on People.com website. We use all these touch points to communicate with people and to break through the clutter since there is so much content out there. When we are doing this, we are obviously speaking to the fans of the People brand and we want to make sure that what we are making resonates with them.

Nichole: Are you targeting a certain age demographic with PeopleTV?

Susanne: It depends on the program. For example, "Search History" is definitely skewing a little younger and so our marketing around that looks more at social and different digital platforms that we can use to promote that show. We had a host on a number of different podcasts that definitely targets a younger audience.

Nichole: Along those lines, what other role does social media play, not only in your marketing, but in driving people to your site and to be more aware of PeopleTV as its own entity?

PEOPLE Now Hosts Jeremy Parsons & Andrea Boehlke

Susanne: Social is huge. In January we announced that we are the official celebrity news partner with Twitter, now that Twitter is pushing into the video space. So PeopleTV and Twitter have a very close relationship. We launched a nightly show in April called "Chatter" that is on Twitter from PeopleTV—it's live and built specifically for Twitter. We hired a young host that speaks to that Twitter audience. It's a little more informal, we have celebrities on and they play games, etc. For example, one of the actors from Grey's Anatomy was on and they played a game of Operation. In terms of marketing, we encourage all the people who come on to promote to their Twitter accounts that they will be on the show.

We also do a lot of Red Carpet shows that will stream on our channel on Twitter as well as on our OTT platform. We carried the Royal Wedding live on all of our platforms for the duration of the event. We do use a different platform in different ways depending on the content, depending on who we are trying to reach, and how we are trying to monetize it.

Nichole: The role of live TV is becoming so important right now for OTT. Have you done a lot of live TV on the PeopleTV site or do you typically use your Twitter channel/partner for live broadcasts?

Susanne: In most cases, we put it everywhere. The Royal Wedding is a perfect example. It was on Twitter, it was on the PeopleTV app on IOS and Android, it was on People.com, it was on Roku, etc. We are looking to do more live. For example, I was watching the World Cup on my computer. I think people sort of expect it and if you cannot find it people get annoyed. We also do Red Carpets-- the Emmys, the Oscars, SAG, the Golden Globes. We have PeopleTV talent

"Couch Surfing" with Rita Moreno & Host Lola Ogunnaike

on the carpet, asking questions just like any other network, and we also have EW or People editors there who are experts on Fall TV or the newest movies so it's a special opportunity for us to use these experts on the Red Carpet events.

We're definitely looking to do more live. We are a partner of the Roku channel which launched about a month ago with four live news partners, and we are one of those partners. It was all about On-Demand for a while and now it seems to be circling back to the linear experience because it's a lot of work to have to tape something to watch. Sometimes you just want to turn it on and lean back. The Roku platform was all about On-Demand and now here they are launching a linear experience.

Nichole: With live programming coming to the forefront, what have been some of the biggest technical challenges PeopleTV has encountered?

Susanne: Live TV has been around for a long time, and a lot of people on our video staff come from TV news organizations so they know how to do the live feed, but sometimes because you are distributing to some many different platforms (ie. the Roku app, the IOS app, the website, the Twitter feed, etc.) it can get a little bit tricky. Since there are multiple platforms involved, sometimes they require different encoding requirements or bit rates or different technical specs that are slightly different and that can sometimes be the biggest challenge. But the production of the TV is really the same even if people are consuming it differently; it's really about the delivery and producing live television.

Nichole: In terms of monetization of PeopleTV, is it subscription based? Advertising-based?? What is PeopleTV's main source of revenue?

Susanne: If you go to People.com and click on watch TV, that is the web experience. We are ad supported. It is not a subscription service. The thinking behind that was that we have a huge ad salesforce and we have all these relationships with advertisers who want to advertise with People Magazine and People.com, so we can extend that buy to the PeopleTV platform. That is how we monetize PeopleTV. We've also recently done some skinny bundle deals so that is a new thing for us. There's the premium model and the content is slightly different, the windows are earlier, the stacking rights are different. We make a premium version of PeopleTV that is available to those partners for their subscribers.

After working on a subscription model, I know it's a tough business and it's only gotten tougher because there are so many options out there for paid and free content and we're not going to compete with Netflix or Hulu. Back when we launched the Sundance Now, Netflix and Hulu did not exist the way they do now, but we also had to calculate back then how many hours of content we need to charge for a subscription fee in order to be profitable, but now it would be thousands and thousands of hours or you have to be very niche, like Acorn TV that appeals to a very specific subset. People Magazine is the largest magazine in the country with a broad appeal so we thought the ad model is the way to go with PeopleTV.

Nichole: Looking forward, where do you see PeopleTV? Do you have anything in the works you would like to share?

Susanne: We are trying to remain nimble enough so we can be responsive to the marketplace because it moves so fast. We are seeing the demand for linear versions of the channel really increase, both domestically and internationally. People want a linear-like experience delivered over IP so that is something that I expect will only continue to grow. When we launched this division we were always thinking we could be the entertainment news partner for these skinny bundles. There are cable networks out there that do that (e.g., E!), so those networks are part of larger network groups. . You have to buy 12 channels from NBC if you want E! and if you are a skinny bundle your goal in to keep your content cost as low as you can. The great thing about PeopleTV is you can buy just one channel, with arguably a bigger brand than even those cable networks and we have all these other marketing platforms, whether it's the magazine or the website or the emails or the Facebook page or the Twitter account which has millions and millions of followers where we can promote our partners. For example, we could promote: If you love People then you can watch PeopleTV on "fill in the blank" partner. So we're not just a channel, we can get behind it and market it to people who we have already bought into the brand. People pay for content in the form of the magazine so if you are offering them an extension of that brand in video form for free it eels like a real easy sell.

Nichole: Susanne, thanks so much sharing all of your wonderful insights.

So Many Shows, So Little Time

By: Bonnie Optekman

This year "Breaking Bad" became only the second television series (after "The Sopranos") to be inducted into the Cable Hall of Fame.

I haven't watched it. (Thank goodness I watched "The Sopranos.")

In 2016, "Game of Thrones" became the most Emmy celebrated prime time show in television history.

I haven't watched it. Will it continue to hold that record? Or will there be something else I have to catch up to.

I like to think I'm current. I'm streaming shows from "Mozart in the Jungle" (I can't believe I'm losing that) and "The Marvelous Mrs. Maisel" to "The Handmaid's Tale." And there are favorite series like "The Americans" (what a finale!!), "Grey's Anatomy," "Nashville," "Genius" and "This is Us." Not to mention my sometime catchup binges like "The Wire." If you add my daily news habit, that's a lot of watching, be it on iPad or TV set, I admit.

Before you categorize me, though, as just another couch potato, let me add that I'm an avid theater goer, movie fan, reader, and fitness lover. (Why do I feel like I'm writing a dating profile?) So, my point here is that my available time is inversely proportional to the deluge of new content. Or as Lin-Manuel Miranda might say it, "Why do I watch like I'm running out of time?"

Gone are the carefree "flipping" days of "least objectionable programming." Now when I want to watch something while on the elliptical or taking an evening work break, I check to see what I need to catch up on so I can cross something off the list. If it all wasn't such high quality, it would almost be like homework. In season four's first episode of "Unbreakable Kimmy Schmidt," Titus shows Jacqueline the "current" TV Guide which is the size of a phone book.

To make matters even more complicated, the barriers to the good stuff are rapidly falling. As the existence of this magazine attests, you don't even need a cable subscription.

You can "cut the cord," but you do need an internet connection and an internet connected device, be it a TV, Roku, Google Chromecast, Apple TV, or something else.

Then you decide which streaming apps and subscription(s) you want. Your choices include the big ones you pay for like Netflix, Hulu, Amazon Video, HBO Now, Showtime, and CBS All Access (I may have to add this to my collection for "The Good Wife" and "Star Trek: Discovery." Unless of course I can binge both in the free week trial. Unlikely.)

There's ESPN+ for sports lovers and Filmstruck for classic movies. Don't forget about smaller free services like Pluto TV which manages to include NBC News, MSNBC, CNBC and CBSN.

You also have to decide whether you want to be able to get the over the air networks as well. Several streamers offer packages that include some combination of OTA channels - like Sling TV, DirecTV Now, Hulu TV, PlayStation Vue and YouTube TV.

Bonnie Optekman is former VP, Connected TV for NBC News. She is currently a digital media consultant focusing on streaming theater and a voice over artist.

There's a great interactive guide on Recode to figure out what you need depending on which channels you like. For sports, here's a summary courtesy of The New York Times.

You can also go back to the future with an antenna for the local channels. I like the way Tivo does it and half of Sling TV's subscribers use antennas. Warren Schlicting, group president of Sling TV, even floated the idea recently of incorporating OTA channels into the service to keep prices down.

And you need to know if you're going to want DVR functionality. Does your head hurt yet?

Once you're all hooked up, you've got to find which app streams your favorites. You like "Blue Bloods," you say? All seasons but the last are on Hulu. For season eight, you use the CBS app. Oh, but wait. If you're not a subscriber, the free version of the CBS All Access app only provides five episodes. You used to watch "Comedians in Cars Getting Coffee." On Crackle. Where did it go? Now it's on Netflix.

No one's really cracked "discovery" yet. Again, I like the way Tivo does it, but this has been an area ripe for disruption for years now. Even the suggestions provided based on past viewing need work.

I said the barriers were rapidly falling. I didn't say you don't still need a ladder. Now if we can just make the day last more than 24 hours. □

Generational Diversity And Your Content Strategy

By: Julia Dimambro

I was born in 1970, making me part of Generation X.

The habits that I have subconsciously created around viewing video content are therefore a mix of habits that were formed during my childhood (before the internet, mobiles, VOD and streaming) and habits that I have been forced to pick up along the way as new platforms, devices and services have launched.

A lazy Saturday afternoon in front of the telly is still one of my favourite luxuries, mainly because the stress from general lack of time in the daily routine has a constant presence.

Being able to take a few hours out, to stop thinking, to stop planning and to just kick back and immerse myself in a fantasy world that has no impact or direct consequence on my real life, for me personally, has a wonderful sense of relaxation and escapism.

Today of course, our lives are oversaturated with 360º of "noise" coming from hundreds of information and entertainment outlets every day.

Most of my career in digital entertainment has always had a component of consumer behaviour. I was fortunate enough to be involved with some of the first websites for FMCG brands, the first UK interactive TV ads with Sky and the first mobile video services.

It's the consumer behaviour part that really fascinates me in this business of "digital entertainment" and I firmly believe that building services that fall in line with natural human behaviours as they evolve within the digital landscape is absolutely key for creating success.

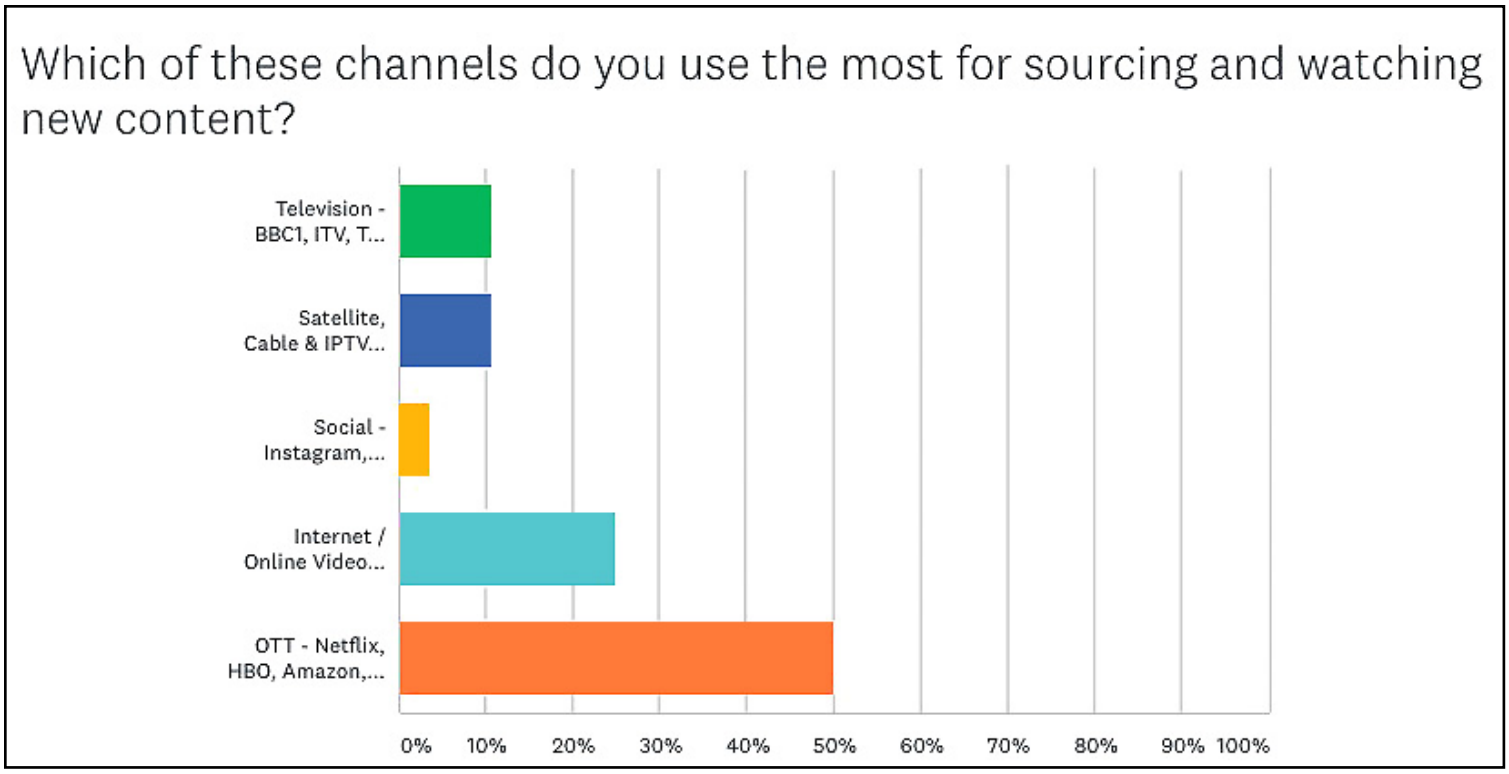
In today's video entertainment world, there is a strong push/pull relationship between the consumer and service provider. Both want to control the viewing experience, albeit for different reasons.

But as we oldies continue down the path in what feels like an ever increasing overload of information, our younger Millennials and iGen counterparts have been raised in this multifocal digital environment. They know nothing else.

Julia Dimambro is the founder of Seriously Fresh Media which provides targeted libraries of programming and videos for emerging digital and entertainment platforms. She has spent the last 19 years in digital marketing & communications. Dimambro founded her first company, Cherry Media in 2003, a multi-award-winning, content licensing specialist. Earlier in her career, Dimambro launched the first 'interactive' division of the London ad agency, J. Walter Thompson and was later voted one of the "Top 50 Most Influential Executives in Mobile" every year from 2005 to 2009. She was also awarded 'Outstanding Contribution to Mobile Entertainment' at the 2013 ME Awards in London.

As a result, they are showing themselves to be a more controlling element in HOW THEY want to receive information and entertainment.

They are "natives" to this information overload, whereas Gen X are "immigrants,"



Where do you watch the majority of video content that interests you?

ANSWER CHOICES	RESPONSES
On your mobile	25.00%
On your computer/laptop	21.43%
On your tablet	14.29%
On your television	28.57%
Pinging from your mobile/tablet to the tv	10.71%

in that we moved over to this space because it simply didn't exist before.

As such, the younger generations have naturally adapted to be able to filter all the information in a more efficient and integrated way as part of their daily lives.

This rise in consumer control over entertainment is having huge impacts on how entertainment is (or should be) offered.

A great example of this is short-form content. Generation X didn't really have short-form content in our youth. Our main video formats were 20-30 minute single episode programming or movies.

The experience was passive— the programming was pre-scheduled and a "lean back" experience— we just watched what was played to us and for many years in my childhood specifically, that was across a total of just 3 channels (BB1, BB2 and ITV).

Therefore, it seems logical that for Millennials and iGens, given that so much more information is pushed to them per day, short-form is a more natural video format for them to interact with.

The older generations will mock Millennials and iGens for having short attention spans, but if you look at it from the other side, this has been a necessity in order to filter the vast array of information pushed to them on a daily basis and pick out content they actually want to engage with.

As a consequence, there has been a sizable increase in recent years of incredibly creative "short-form" content producers: they have spotted this shift and potential gap in the market. Their libraries will tend be under 10 minutes per episode and contextually targeted to the younger generations who prefer shorter videos anyway.

Companies offering branded influencer content are a great example of this.

Another good example of short-form behavioural content targeting is Kids content. Many titles from innovative new "edutainment" productions will be between 1 minute and 8 minutes long.

At Seriously Fresh Media, for example, out of the 50 or so children's titles that we offer, only 2 of them are over 10 minutes long.

Interestingly, after surveying around 30 of my Gen X friends last week as a comparison, the results were polar opposite of Millennial viewing trends, with 86% saying that long-form content was the preferred format (with box-sets being one of the 3 most popular genres).

Pleasingly, OTT was their platform of choice; accounting for 50% of the votes, but over 35% of them still used their TV set as the main device for viewing video content (compared to only 25% of viewing on mobile, 21% on their computer and just 14% on tablets!).

So whilst Gen X are adopting new technologies like OTT services, the habits that we learned as children are still very present in our viewing habits today.

But in today's entertainment world, we're dealing with generational diversity when it comes to viewing trends and this should be a consideration in any content strategy.

Given that this article is in OTT Executive Magazine, I'll assume that most of us have a shared belief that OTT is set to become one of the main go-to sources for video entertainment.

So based on the above rationales, whilst long-form still dominates the overall library, a successful OTT service with the largest demographic reach should always contain a strategic short-form collection as well. □

Disrupting OTT Video:

Snapshots of Blockchain Video Apps

By: Luke Carriere

Twenty years after the first live video stream online, OTT video is finally disrupting television — cable, satellite, and over-the-air. OTT video technology is now a "whole product solution" that has crossed the adoption lifecycle chasm from early adopters to the early majority customers.

Not only are innovators like Netflix, Hulu, and Amazon thriving, but forward thinking traditional media companies are eagerly catching up, such as Disney, AT&T, Comcast, and Endeavor (formerly WME-IMG). The maturity of the space is evidenced both by technology companies buying content, as well as content companies buying technology.

But just as OTT video technology reaches the "attitude & adoption equilibrium," another technology has fascinated the innovators, leading it to the peak of the hype cycle: Blockchain for video!

Cryptocurrency prices may have peaked during the bubble last December, but blockchain is somewhere on the hype cycle curve, and innovators are relentless in their search for the best use cases for it. As it turns out, thanks to streaming media's entirely digital delivery, it's the perfect candidate.

A Blockchain 101 explanation is out of the scope of this article, but you can imagine a torrent site like ThePirateBay —except that the production studios are onboard with it as a distribution method, and the value generated from e-commerce purchases and/or ad-views can be allocated properly between torrent peers and rights owners. In related news, BitTorrent was just purchased by the founder of Tron, a cryptocurrency with $2.5B market cap.

With blockchain and web 3.0, decentralized peer-to-peer distribution can be complimented by the ability to transfer **value** as easily as web 2.0 transferred **media**.

Television evolved to OTT video thanks to the shift of intelligence from the network to the edge — smart devices. The rise of OTT video saw the rise of multi-platform app development companies and platforms. But video on the blockchain can go over-the-top of over-the-top video (meta-OTT, if you will). OTT video commoditized television network distribution (see vMVPDs), and blockchain will commoditize video application platforms. Web 3.0's magic lies in shifting the intelligence from the application layer to the protocol layer.

At the 2016 Consensus hackathon I tried to create a decentralized OTT application, called dOTT. Two years later, enough web 2.0 infrastructure have developed parallels in web 3.0 platforms and protocols, to make the development of such an application trivial.

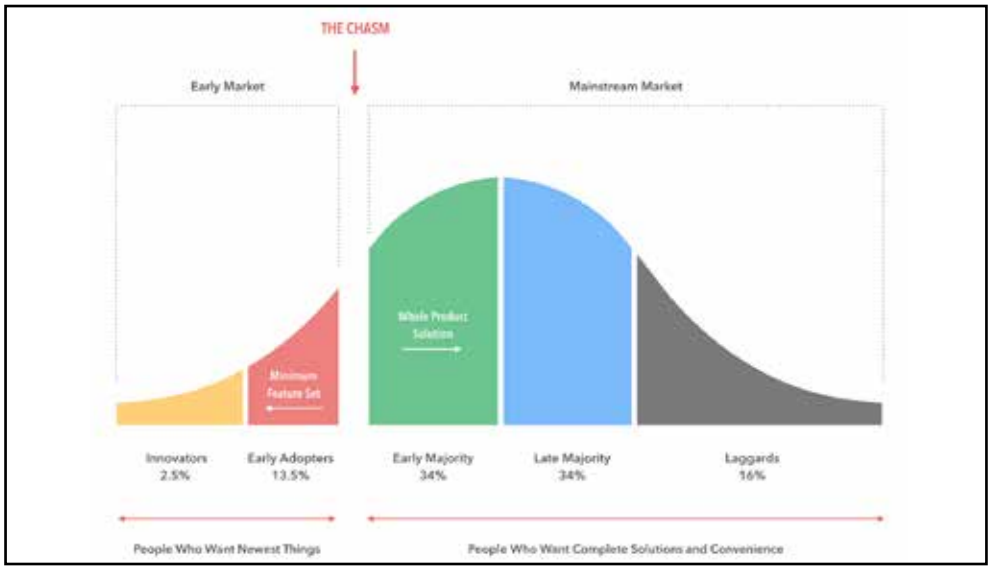
Luke Carriere is Chief Marketing Officer for Witbe and has years of experience launching dozens of multi-platform, direct to consumer, OTT video services. His mission is to help digital video services surpass viewer expectations by ensuring Quality of Experience. He believes that actively monitoring video availability, quality, and performance -- through multiple networks, on multiple devices -- is crucial to success. Prior to WItbe, Luke led sales & business development at Cleeng and Piano.

Now, a dozen blockchain-video startups are disrupting OTT video. The disruptor is already the disrupted. Some focus on distribution while others push the limits by replacing the entire video delivery chain — from production, to rights management, distribution, and monetization. They create their own parallel ecosystem to the existing video industry — reminiscent of early Netflix, Amazon, Airbnb, Uber — unthreatening... until they aren't.

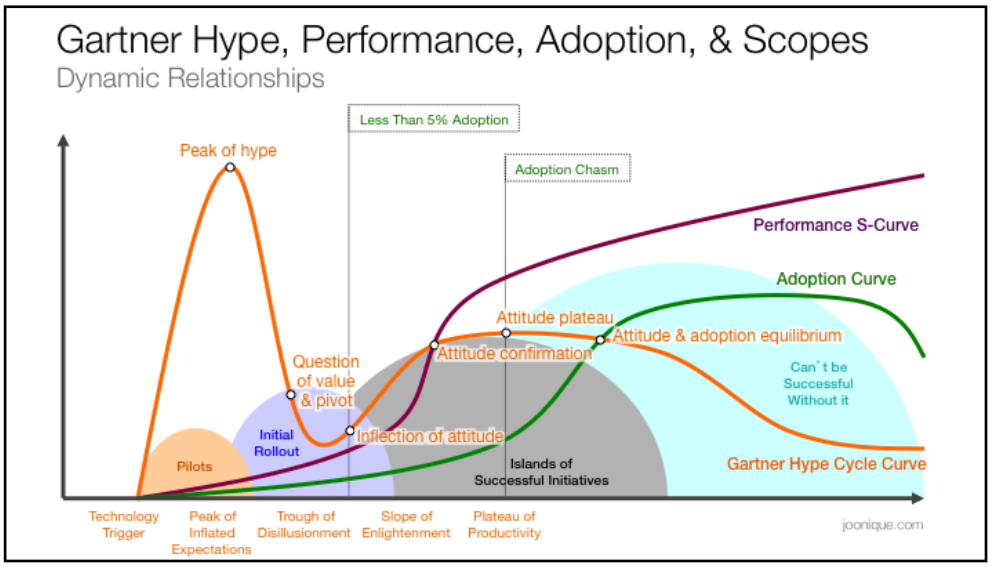
Many of these have working apps which you can download on iOS & Android today. These aren't just whitepapers with dubious ICO plans (well, maybe some are). It may be another ten years before mass adoption, but if your app or service can be reduced to a protocol, watch out for these video blockchain disrupters:

PROPS by YouNow:* A decentralized ecosystem of video applications backed by Union Square Ventures, Venrock, Comcast Ventures. "Rize is a social media app that leverages PROPS' many-to-many video infrastructure. It enables everyone on the platform to engage real-time and gain upvote curation power, content trending boosts, and status for their contributions to the growth of the network." - source: Rize App, the first app on PROPS

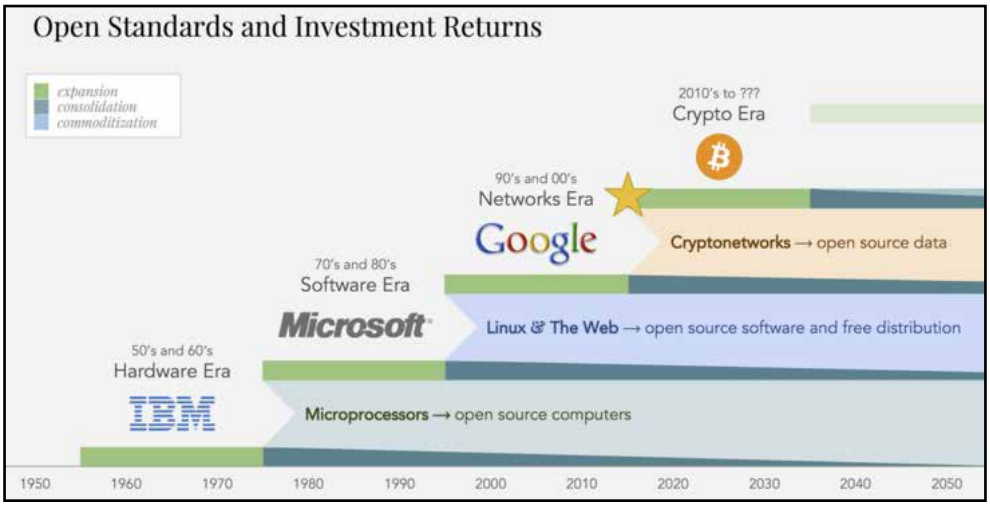
Current:* An incentivized, blockchain-enabled streaming ecosystem that lets you choose how to stream and pay for your



"Models for predicting the future: Geoffrey Moore's "Crossing the Chasm" by Matt Smith
Smith House Design: https://smithhousedesign.com/models-predicting-future-geoffrey-moores-crossing-chasm/



"Looking Beyond the Hockey Stick for Emerging Companies" by Joon Shin, Joonique
http://joonique.com/startups/looking-beyond-the-hockey-stick-for-emerging-companies/



"Information Technology Market Cycles (A Brief History)" by Joel Monegro
https://monegro.org/work/2018/2/20/information-technology-market-cycles-a-brief-history

media. "Current is creating an in-app credit system... to uniquely reward a person's data, time, and attention shared during the media streaming experience... By consolidating popular media networks into one place, the Current Network has already provided more than 900,000 users with a more convenient search and discovery experience." - source: Current whitepaper

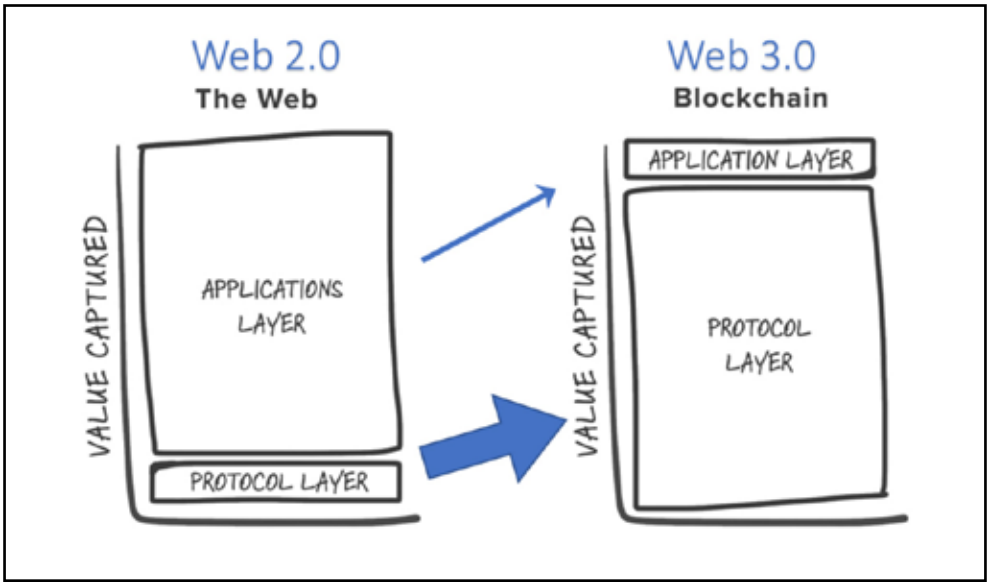
Popchest: The premiere decentralized video sharing platform. "POP Network is able to leverage micropayments and tokenized systems of reward to form a new video sharing economy where all participants are compensated for the part they play in growing the network. Through this token-driven economy, behaviors that support the community can be incentivized. Community members also can play an active role in governance by using tokens to support their interests within the ecosystem." - source: Valerian Bennet, CEO

SingularDTV: Laying foundation for Decentralized entertainment industry: P2P interaction between the artist directly with their audience, no middlemen no intermediaries no gatekeepers. "I see this as the future — decentralize or die. Integrate decentralized computing into your platform or become extinct. It could take 10 years before Netflix knows it's dead, perhaps longer before it's proven true, but every version of my future reality tells me this is so." - source: Zach LeBeau, CEO

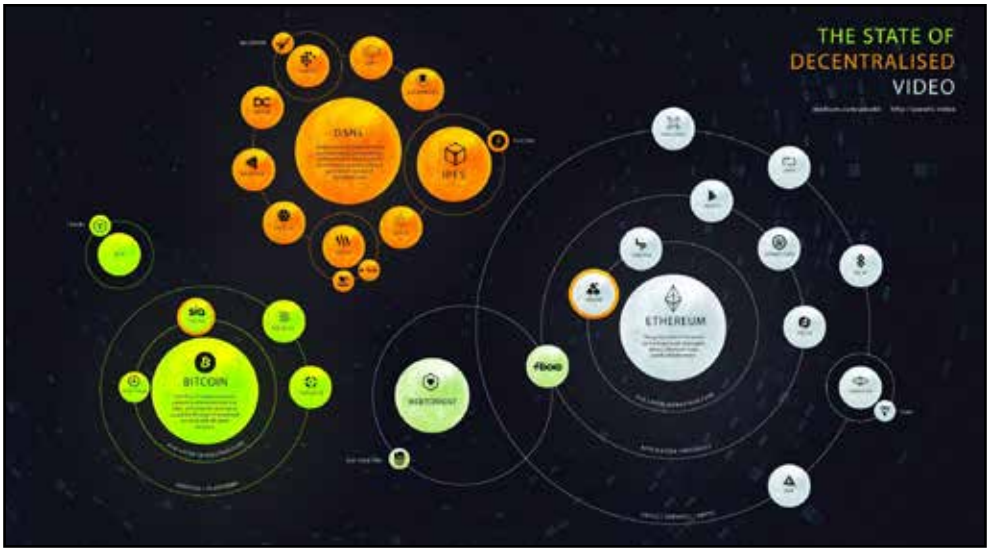
Livepeer: Decentralized live-streaming, built on the Ethereum blockchain. P2P video. Democratized. "Livepeer is owned and run by the participants in the network. This paradigm empowers you to participate in the world economy, monetize your time, and get your truth out to the world."- source: Livepeer

VideoCoin: Video infrastructure for the blockchain-enabled internet. "Utilizing the same philosophy as the sharing economy, miners will simply store video on their excess disc space and stream it with their excess bandwidth. This process will have the ability to lower the cost of distributing video." - source: Halsey Minor, VideoCoin investor

Flixxo: Community based video distribution. A social economy based on video sharing. "We are aiming to create a decentralized video distribution network, where users will be the owners and beneficiaries of their content. Flixxo eliminates intermediaries by letting advertisers, viewers, and content creators engage with each other directly."- source: Flixxo



Adapted from "Fat Protocols" by Joel Monegro on Union Square Ventures Blog
http://www.usv.com/blog/fat-protocols



"The State of Decentralised Video Q4 2017" by Paratii
https://medium.com/paratii/the-state-of-decentralised-video-q4-2017-42663ff94b28

Slate: The development of a decentralized entertainment ecosystem powered by blockchain technology. "The Slate EcoSystem is comprised of: Binge - a streaming blockchain video on demand platform (BVOD); Slatix - a tokenized ticketing application; Slate - a digital currency designed for mainstream adoption."- source: Slate

Bond: A professional film platform on blockchain. "...A decentralized video streaming service and crowd-investing platform for the Film and Video Industry, based on the transparent cryptocurrency economy."- source: Bond

ATMChain: Attention Token of Media, the world's leading decentralized, digitized smart media platform. "ATMChain takes digital media advertising as the core. Based on blockchain network, it covers the digital media culture ecology of the industries like ticketing, cinema, cultural entertainment, sociality... media screens, aiming to create top-ranking digital media culture ecology."- source: ATMChain

BlockCDN: A distributed CDN platform based on blockchain technology. "Let the idle equipment run and become CDN supplier. PC, set-top box, cell phone all can be CDN sharers, and gain a return. Industries such as video, live, and online games will greatly reduce their cost of CDN service."- source: BlockCDN

Stream project: Shut down in May 2018, during the research for this article. Unfortunate but understandable, as regulations are still being determined in this space. However, interestingly, they have made their code open source on GitHub.

Viuly: a video sharing platform, where authors are paid for their content, and users are rewarded for watching free videos! "Authors sell access to their premium content, receive donations from users and earn from in video ads. Users watch free videos and get rewards. Advertisers place ads and pay directly to our users. Advertising budgets are distributed amongst content creators and users. No more middlemen!"- source: Viuly

***"On the blockchain, you don't need to deploy any centralized servers, which means that there's no single point of failure. If your whole stack is decentralized, there is no trusted third party involved making it censorship resistant, and your database is publicly verifiable. As the new paradigm offers opportunity to publicly share data, we observe a supreme advantage to decentralizing databases. This is the future we're building towards on the Blockchain— where information and power are distributed systematically by cutting out the middleman."* - Building for the Blockchain**

Lino: building a decentralized autonomous content economy. "In this economy, content value can be recognized efficiently, and all contributors can be incentivized in a more direct and effective manner that helps promote long-term economic growth for individual creators and for content creation generally." - source: Lino

• **Paratii**: A distributed curation protocol and streaming engine. "Microeconomic fairness for all network participants. Monetize with subscriptions, access tokens, or the way you invent. Engage audiences by letting them earn while watching."- source: Paratii

Theta: Next generation video delivery powered by you. "Theta's innovation is set to disrupt today's online video industry much in the same way that the YouTube platform did to traditional video back in 2005. One of our biggest challenges had been the high costs of delivering video to various parts of the world, and this problem is only getting bigger with HD, 4K and higher quality video stream. I'm excited to be part of the next evolution of the streaming space, helping Theta create a decentralized peer-to-peer network that can offer improved video delivery at lower costs." - source: Steve Chen, Co-Founder of YouTube

In the coming years, OTT will continue to dominate due to its maturity, better content, and higher quality. But just as early adopters of Netflix put up with limited content library and lower quality just to have an alternative to cable, some enthusiasts will make the trade-off.

From a quality perspective, there is an interesting opportunity to integrate quality of service, quality of deliver, and quality of experience at the protocol level. Imagine a future where Witbe robots, which measure quality of experience (QoE) without referential, and generate a video MOS score, can act as oracles tied to smart contacts. The automated inputs of the robots (video MOS score of 1 out of 5) could inform smart contracts which would only charge viewers based on the quality of delivery -- making possible an enforceable SLA protecting the consumer's rights. If there were an outage, you wouldn't need to complain to customer care, your bill would be automatically adjusted for it.

What ideas related to the future of video does blockchain technology inspire in you?

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The Napster Effect:
Does Content Have Value If You Don't Protect It?

By: Hugh Dobbie

It's taken nearly two decades for the music industry to recover from the detrimental effect that Napster had on the value of music. If you recall, Napster was an internet peer-to-peer file sharing service that enabled a generation to download virtually any song for free, as long as they didn't mind being branded a pirate.

In 1999, a CD cost around $20 and typically there was only a song or two that the listener really cared about. When you're working a part-time job for $5.00 per hour, that's a lot to pay for a disk with only a couple songs you like.

Then along came Napster, a service that enabled the easy sharing of MP3 audio files. For a large part of the market, the value of music quickly plummeted from $20 a disk to essentially zero.

Making things even worse was the widespread complacency in the music industry in response to internet piracy. It wasn't until a few high-profile musicians stood up and said, via a lawsuit, that music has value and pirating is not only wrong but illegal, that Napster was stopped after operating for nearly three years. And now, 17 years later, the value of music has slowly recovered, albeit with a different distribution model.

The lesson from Napster is that if you don't do what's necessary to protect the value of your content, then you can expect its value to go to zero. And as the music industry learned, it's easier to protect the value of content, than to let it go to zero and try to rebuild it.

So, is video content in the OTT era the new Napster?

We see time and time again, content owners and rights-holders being slow to respond or not doing everything possible to protect the value of their content. For example, they allow their content to be leaked by "grey market" regional OTT broadcasters who attract out of market users who simply change their IP address via a virtual private network (VPN) service.

To illustrate, in 2015 the Deutsche Football League [DFL] (responsible for operating the Bundesliga, Germany's premier league) sold its exclusive domestic broadcast rights to a number of broadcasters in Germany, including Sky Deutschland and Eurosport, for over €1.4 billion. It's no surprise that the Bundesliga is more popular in Germany than elsewhere in the world, and hence the German fans, through their subscriptions, pay a premium for the content.

This "territorial business model" is how most rights-holders price their content since they know content is not valued the same everywhere around the world. And as such, they forecast a large part of their revenues coming from a handful of primary markets to support their production, whether it's film, TV or live sports.

However, DFL also sold the rights to a free-to-air OTT provider in India called HotStar for much less money, with the caveat that they could only broadcast to people in India. It fast became known, and even promoted by the German media, that fans in Germany could access Bundesliga games for free on HotStar by using a VPN (to appear as if they were in India.) HotStar had no incentive to block this since they benefited from more "eyeballs" viewing their ads.

With the interests of their best customers in mind - Sky Deutschland and Eurosport - DFL quickly realized that by not enforcing their territorial business model, they were in fact undercutting the value of their content to whatever the secondary markets were willing to pay. This would subsequently affect what domestic broadcasters would likely pay in the future, starting the inevitable erosion of value.

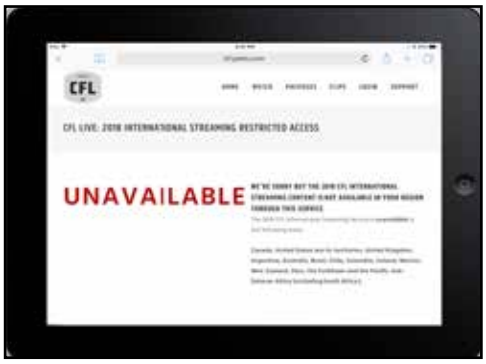
In response, DFL mandated that all free-to-air OTT broadcasts of Bundesliga content must be protected with effective VPN blocking technology to ensure only people who were actually in their licensed territory were able to view the Bundesliga matches, as per their contract.

This one move on the part of DFL helped protect their primary market broadcasters as well as the value of their broadcast rights in subsequent years. In fact, DFL said sales of the Bundesliga domestic television rights alone for the 2017-18 to 2020-21 seasons have reached €4.64 billion so far, with the average price per season 85% above current contracts.

Hugh Dobbie is Founder and CEO of Yare Media, a company formed in 2016 to develop and support streaming media solutions for sports and entertainment. He previously founded INSINC in 1999. INSINC grew to become Canada's largest streaming provider before being acquired in 2009 by NY-based digital platform company NeuLion (Endeavour). At NeuLion Hugh was Senior Vice-President, International Sports and TVE Solutions, negotiating large scale business arrangements with sports right holders and content distributors. He has structured digital platform and content distribution deals involving major content rights including FIFA, the Olympics, NHL, NBA, NFL, Barclay's Premier League, Sportsnet and Hockey Night in Canada.

This Bundesliga example underlines the importance of protecting the value of content, in this case by enforcing territorial licensing with VPN blocking. There are similar industry stories regarding the English Premier League and other marque sporting content licensed around the world. All have had to adjust to protect territory obligations.

Owners of valuable content need to be aware of the widespread use of VPNs. While they have tremendous value as tools for securing one's privacy and security, they are very often used solely for the purposes of masking one's geographic location to access specialty content. Rights holders beware, otherwise, it's the Napster effect all over again. And those who do not learn from history are doomed to repeat it. □



You Already Know Mobile Is the First Screen. Now What?

By: Cathy Benigno and Erik Trusler

We've read about it, we've seen it, and heck – we're living it. Our phones are the screens we look at the most. And this trend isn't just giving us "text neck" – it's changing the way we advertise and communicate with our customers.

According to a report by Zenith, in 2018 mobile video viewing will grow 25 percent – driven by the spread of mobile devices, improved displays and faster mobile data connections. Additionally, by 2019 mobile devices will account for 72 percent of all online video viewing. These numbers show us that it is critical now more than ever for advertisers to reach the right audience on the right device.

With many traditional advertising strategies fading into the rearview mirror, reaching the right audience is a challenge. Yet there's an abundance of opportunities for inventive advertisers willing to adjust their approach. Generating tailored, personalized content is key – but so is ensuring the content is mobile first. Device-specific advertising can help you reach your target audience at exactly the right moment in time.

The challenge here is: as an over-the-top (OTT) provider, how do you know what device your audience is using as well as when it is being used to view content and where? You need more information.

By understanding your customer, you can know their propensity to use a certain type of device; i.e., what is the likelihood they are watching that latest episode of Game of Thrones on their TV, laptop or smart phone?

Why the Device Matters

Tailoring your ads to your audience is extremely important, but so is ensuring you're displaying those ads on the right device, at the right time, and in a way that is engaging.

A recent report by Innovid discovered that "OTT video platforms currently account for 9 percent of video ad spend and are expected to rise significantly." According to an eMarketer report, in 2018, nearly 2.4 billion people will watch streaming or downloaded digital video content per month. And mobile phones are a key channel of this consumption: 78.4 percent of digital video viewers worldwide will regularly use a mobile phone to watch.

These numbers demonstrate that tailoring the ad experience is critical – not only through the content, but also through interactivity, length, and display characteristics. If your audience is watching the latest episode on their phone, do they want to see a two-minute video ad? Absolutely not. Rather, an eight-second video format would work well here. If you don't tailor the content as well as the experience, you've already lost them.

Big Data is a Necessity – But Quality Ingredients Matter Most

This knowledge is especially meaningful for OTT companies, who are experiencing rapid audience growth across numerous demographic categories. Armed with vast amounts of information for data-driven, pinpointed marketing, OTTs are well-equipped to deliver highly-personalized advertising messages that are proving to reach customers through the channels they use.

By coupling your company's data with digital targeting solutions, marketing efforts will help carry informed messaging honed to specific interests and economic profiles to your desired target audience.

For example, what kind of car is the most relevant for your target audience? Consumer information and household income attributes can help you understand if your audience is more likely to be in the market to purchase a Honda or Porsche – and this can help you position the right product to the appropriate audience in the most relevant way. The real pay-off of effective consumer data is after the ad campaign is finished, you can review the attribution analysis. Attribution analysis creates a virtuous cycle of continuous improvement, allowing you to understand what drove a conversion and how to make it happen again.

That's why understanding your audience is critical and this happens by connecting the most relevant points of information. Partnering with companies that can help you target your audience through deeper consumer insights can help make you more successful in advertising and in attracting solid advertisers to your platform.

So, what are you waiting for? Go get that data and meaningful insights to target your best, and most profitable, customers. □

Cathy Benigno is VP of Sales at Equifax in the Communications & Digital Media Vertical. Cathy is responsible for large national CSP and the OTT segment with direct responsibility for execution of Equifax's go to market strategy for these industries. Cathy is active in the Telecommunication Risk Management Association and is currently co-chair of the Education Committee. She is also an active member of the Cable Telecommunication Association for Marketing.
Before joining Equifax, Cathy was VP/GM for Eco-Group environmental cause marketing and software company based out of Tempe, AZ.

Erik Trusler is the Business Development Leader for Equifax's Communications & Digital Media Vertical. Erik is responsible for assisting large national CSPs and the OTT segment to grow their businesses through data driven insights into markets and consumers.
Erik previously was the Senior Marketing Officer for Equifax's Workforce Solutions with responsibilities for all aspects of marketing of that business unit which include The Work Number. Before joining Equifax, Erik led marketing for Print Media and held senior leadership roles at AT&T's yellow pages advertising division. Prior to that Erik was a part of SBC's mobility and federal sales organizations.

How Can Sports Brands Better Engage with the Elusive, Mobile Millennial Audience?

By: Kevin Cochrane

How can Sports brands better engage with the elusive, mobile Millennial audience? I've attended several Sports Technology conferences and seminars recently in the U.K. which saw delegates and speakers drawn from the senior levels of the sports industry. As someone who has engaged with this community extensively (at different times wearing different hats) it was noticeable how the sector is urgently leading the way forward in testing and applying the latest developments in technology to their respective sports. Rights holders, broadcasters, content aggregators and OTT platform providers all attended to discuss and share their common aims of how to build deeper fan engagement and interactivity with their audiences. There was a recognition of the need for the next wave of OTT technology— OTT 2.0 to deliver the close ties with audiences that will protect advertising and subscription revenues in a fiercely protective market.

The common theme across these events was the emergence of a consensus that the world is, as The Who once sang, "going mobile." According to Akamai's "State of the Internet Report" (2017), by 2023 nearly 85% of the world's internet traffic will be video-based. The majority of video traffic will be consumed on mobile devices. As smartphone penetration increases, driven by faster 4G/5G connectivity, so will the huge demand for video on mobile increase exponentially. This trend has significant implications for traditional broadcasters seeking to reach key audiences, such as Millennials (18-34 year olds in common parlance) whose viewing patterns and behaviour owe nothing to those of older audience segments used to consuming their preferred content in linear form.

As mobile viewing has increased on a growing number of OTT services, the eyeballs have been followed by advertising and subscription dollars. ABI's latest market research (May 2018) forecasts OTT to have over 400 million subscribers globally by end of 2018 and revenues totalling $51.4 billion by 2022.

So, there is a recognition by people in the content industry that OTT is where the action is clearly going to be. For those in the sports industry the question – as it is for others genres – is how do we reach, engage, interact and retain our core audiences who are increasingly viewing sports content on their mobile devices and also, what do these audiences want and expect when viewing content? For some broadcasters, such as BT, there has been huge investments in both exclusive premium content, such as the EPL and Champions League, as well as innovative technology, such as 4K.

However; it has become increasingly clear from audience take up that the key to achieving better engagement and interactivity lies in combining video with access to social media whilst viewing a sports event. In e-Sports viewers can access Skype-type video technology whilst watching a tournament. Video sharing in Messenger apps is often overlooked as a driver of video viewing and several sports OTT services are exploring how they can incorporate Social Media into their Sports OTT services.

There was a lot of talk at the conferences re: the application of new technologies such as VR and AR – often bracketed together yet two distinct technologies. I was struck whilst listening to the evangelical proponents of these technologies as to the somewhat blinkered belief that here were the keys to unlocking the secrets of the universe. One wise sage asked whether anyone remembered similar enthusiasm for 3D TV and what had happened to that once cutting-edge solution.

My view is that whilst both VR and AR have a niche role to play in enhancing the sports viewing experience, it seems to be an unrealistic proposition to ask a sports fan to remove himself from the passion, tribalism and community-based experience involved when watching live sports and place a box on their head that takes them out of that common experience to a singular one.

Recent evidence suggests that take-up of VR services is being hampered by the costs of headsets and the physical demand placed on viewers. In addition, VR needs to be broadcast in 4K to ensure a full 360-degree experience. The implementation of 5G networks globally is a long way off, some 5-10 years according to industry forecasts which makes the likelihood of anyone monetizing VR in the Sports domain, or any other domain, somewhat unrealistic.

Kevin Cochrane is the founder/owner of OTT Content Consulting Ltd, a U.K. business consultancy advising content owners seeking to monetize their assets in the OTT sector. He has worked for and advised some of the world's leading broadcasters and Pay TV platforms, OTT platforms and OTT software vendors. Kevin is also a partner in www.FanBox.tv, a cutting-edge OTT 2.0 software solution that combines real time video with Social Media interactivity for Sports OTT services.

Given the use of social media by Millennials in their daily lives, it would seem apparent that any sports OTT service looking to build and retain a viewing audience amongst this audience should ensure that both video and social media is embedded in the viewing experience. If embedded, viewers can chat, share, comment, upload and create their own content – much as they do everyday in other parts of their daily activity. Several technology companies offer Skype type technology that allows viewers to watch an event together. OTT Content Consulting is partnering with Netstairs, to bring a hugely innovative OTT 2.0 solution – FanBox TV – to market and to address these issues of deep engagement and interactivity. FanBox uses Web RTC technology and social media networks embedded into live or VOD content so that e.g. Malaysia fans of Manchester United who won't ever be able to attend Old Trafford can share the live match experience with other friends and fans.

Given the rapid pace of innovation, it is inevitable that other technologies will emerge to enhance the viewing experience of Millennials and other audience segments. The only question being how soon can Sports OTT providers adopt and deploy new features that will enhance their services. A commitment to open-mindedness will be a prerequisite in order to avoid missing the next wave of OTT. □

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The Comprehensive Approach to Successfully Fight Piracy

By: Simon Trudelle

As long as there is valuable content being developed, the threat of piracy will loom over the media & entertainment market. Gone are the days of cloned cards and hacked broadcast set-top boxes piled in a dark warehouse. In recent years, the industry has seen great success in protecting traditional cable and satellite pay-TV services with robust, next generation hybrid CAS/DRM and multi-DRM management solutions. With the latest technologies in place, operators are preventing pirate users from receiving pay-TV services over satellite, cable or telco networks without paying for them. However, much like the challenges in any industry, the one truth we know is that the piracy threat in this market will continue to evolve.

The increase in accessibility to high-speed broadband has been a game changer for pirates, as well as those working to thwart their efforts. The Internet has unleashed an online streaming phenomenon that has led to piracy carried out over IP networks through various mediums, such as augmented Kodi setups, illicit IPTV or OTT streaming. The rise of Internet streaming means that pirate content, captured anywhere, can now be delivered to the home with ease, including to the big-screen TV set. This completely bypasses the entire pay-TV provider infrastructure and, by extension, CAS/DRM systems.

Moving beyond amateur offerings, streaming piracy has entered a new phrase that the industry has coined "commercial piracy." Commercial piracy includes advanced pirate platforms that sell subscriptions or provide ad-funded "look alike" services that appear legitimate to viewers. These more sophisticated forms of piracy are further blurring the lines between ad-based online content, from the likes of YouTube or Facebook—where some illicit content can stay for a few hours— to legitimate OTT TV streaming services from TV Everywhere broadcasters to sports leagues like MLB.

Addressing New Challenges: Anti-Piracy Solutions to Fight Commercial Piracy

Powerful monitoring with sophisticated data collection is essential in fighting commercial piracy. The goal is to determine the scope of threats and then define the right strategy to combat pirates and bring viewers back to legitimate services.

It starts with comprehensive monitoring as a key component to collecting the necessary information to take strategic action. Automated monitoring platforms scan channels and VOD assets, and monitor and detect unauthorized consumption of content, such as premium illicit IPTV services via media streaming set-top boxes, websites or apps.

Simon Trudelle, Senior Product Marketing Director at NAGRA, drives various market development and product marketing activities for NAGRA, the world's leading independent provider of content protection and multiscreen television solutions designed to connect people to the content they love. His areas of focus include next generation cloud, IP, data and analytics driven TV solutions. Simon has more than 20 years of international software industry experience in strategic and corporate marketing, product management, consulting and new product launches.

Once the right information is collected, an investigation can commence and appropriate action can be taken with media and telecom ecosystem partners. This might include reverse engineering countermeasures, or sending standard takedown notices to ISPs and hosting services to terminate illicit streams and shut down cloud servers. When these efforts are not successful, additional action might include advanced takedown efforts allowing the use of both technical and legal means to get results, often by extending the scope to foreign jurisdictions.

There are numerous examples where court decisions offer clear evidence that pirates' use of streaming technology is now highly vulnerable to preemption. For example, DISH and several programming affiliates obtained a judgment in the U.S. District Court for the Eastern District of Virginia halting sales of IPTV set-tops provided by Shava TV and Cres IPTV to support unauthorized streaming of other television channels licensed to DISH for distribution in the U.S. Financial penalties in this case totalled $25.65 million. Another judgment against illegal content distribution was the ruling issued by the U.S. District Court for the Southern District of Texas, which assessed $101.8 million in statutory damages against China's Zhuhai Gotech

A full-serivce digital rights management and watermarking platform is required to prevent content piracy.

Intelligent Technology Co., LTD. In addition to these formal wins, there are numerous examples of popular Kodi plug-ins having been removed by their authors because of the mere threat of legal action.

Taking the Battle One Step Further With Forensic Watermarking

Another layer of the content protection ecosystem includes the ability to trace the source of a leak that leads to the capture and redistribution of the content. This is where forensic watermarking comes into play. Forensic watermarking enables content owners and pay-TV operators to embed a unique serial number in the content as it is playing, or at any point within the content value chain. This watermark is completely imperceptible to the viewer, while at the same time being robust against severe yet still commercially acceptable degradations of the content resulting from screen capture, camcording, compression, resizing, cropping or collusion.

Forensic watermarking is the only technical way to unequivocally identify the original source of leaked content. And, from a legal perspective, it brings immense value. Once the source of the infringement is established, content owners and operators can completely shut down the piracy at the source, independently and within minutes of detection. This is imperative in taking down streams as quickly as possible, which is especially important for live events, such as sports. By undermining confidence in pirate services, viewers are encouraged to stay away from pirate services because they are unreliable and deliver poor user experiences.

With the ability to close the loop and kill piracy at the source, studios have been using watermarking for years to protect their early-release content. It is in the best interest of every original content owner to ensure watermarking is a requirement for all high-value content for all consumer distribution platforms. While great strides have been made with the first publication of the MovieLabs' Enhance Content Protection (ECP) guidelines for 4K UHD content distribution in 2013, there is still progress to be made to roll out watermarking to all operators for both broadcast and OTT distribution.

Making a Difference with Education and Awareness

An area often neglected in stopping piracy is understanding why consumers are pirating content in the first place. Is it price? Is it availability? Is it functionality? Do they even know they are pirating content? For example, there are households spending money on an illicit IPTV service that they believe is legal but is actually not. Recent research tells us that the majority of viewers are either unaware of the risks and harm of viewing illegal content, or they use these avenues because they are not able to find the content they want to watch. Only a small percent of viewers are looking for a low cost offering or want to go against the so-called "Hollywood system."

It is clear that the line between legitimate and pirated services is blurring. This is due to IPTV services and Kodi add-ons increasing in quality. They are well designed, user-friendly and come packed with the latest TV and movie offerings. It is often difficult to distinguish between a pirate service and the real thing. Consumers can be fooled into thinking that the media streaming set-top box they have in their home is perfectly genuine, while it uses apps that connect to pirate servers.

Converting pirate service users to legitimate paying subscribers represents a significant opportunity for content owners and distributors. To accomplish this, operators must consider the "carrot and stick" approach. Raising awareness amongst users that these services are illegal (the "stick") combined with helping service providers deliver competing legitimate services, addressing all consumer market segments (the "carrot"). These are the two key areas that when combined are instrumental in the fight against premium IPTV piracy.

The carrot in this example is a value-driven play where consumers convert into paying subscribers when they are convinced that pay-TV services offer superior quality, reliability, and convenience. This is accomplished by optimizing user experience (UEX) and by delivering services that meet or exceed customer demands, at the right price point. It's all about innovation and understanding consumer needs. The stick is a more fear-driven play with service providers informing consumers through traditional media, advertising, social media platforms and other avenues of the risks linked to the use of illegitimate streaming and IPTV devices. For example, many consumers will think twice before purchasing a pirated STB if they know the box will no longer work as advertised shortly after purchase due to the software not connecting to servers being shut down.

Don't let the content pirates aboard.

On the education front, there are a number of industry partnerships and associations that have come together to increase awareness and inform consumers of the issues at hand. These include groups such as IBCAP, Alianza and the MPAA's coalition against piracy. It is a complex exercise, as there is a fine balance between getting consumer attention and not overtly raising interest for pirate services.

The Four Must-Have Steps to Take Now

There is no shortage of reasons to protect valuable intellectual property, especially for advanced countries like the U.S. In addition to the many reasons outlined above, piracy impacts every aspect of the industry, including lost jobs resulting in a negative impact on the economy.

To take action, there are four main considerations that will make a significant difference in the fight against piracy:

• First, invest in OTT streaming technologies and UEX across all screens to provide consumers with the content wherever, whenever and however they want.

•Second, implement DRM + watermarking technologies to provide a future-proof framework to fight piracy at the source.

• Next, invest in anti-piracy services for global monitoring and takedown capabilities.

• Last, but not least, join the fight through alliances and consortiums that include policy makers and other Internet ecosystem players to ramp up education campaigns, push updates to digital copyright legislation and drive lobbying efforts.

Combined, these efforts will have a significant impact across the industry and will drive the industry forward. □

Case Study

Chill VoD App Helps with Cross-Platform Content Discovery

By: John Barron

Cellular One has launched a unique new App called Chill VoD, which dramatically improves how users can search and discover their preferred VoD content, ensuring that they always get the lowest possible price for premium shows. The Chill VoD App is based on the unique capabilities of the Vennetics Mobile Video Platform. New research contained in this study from Cellular One subscribers with mobile data plans, explains the pain points for consumers renting and streaming online movies, and demonstrates how these issues can be best addressed by broadband service providers.

Video-on-Demand services for both subscription streaming and pay-per-rental movies, are becoming increasingly popular. In December 2017, the TiVo Video Trends Report concluded that 65.6% of Americans stream TV and movies using a subscription VoD service.

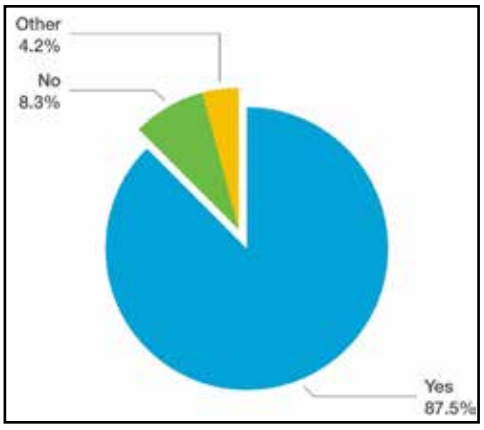
Now, Cellular One reports that 87.5% of their data plan users, either stream or rent premium video content on a weekly basis. This market is dominated by Netflix, Amazon, iTunes, Hulu, Google and HBO, with an increasing trend for original content to be available within each of these platforms.

However, such fragmentation leads to its own problems for consumers.

Browsing Fatigue

Survey Question: *Would it be useful if you could search across multiple VoD catalogs simultaneously?*

With so much VoD content now available, it can be difficult and time-consuming for users to discover relevant movies and TV shows. Accessing each available service or app in turn and browsing the separate catalogs, can be a frustrating process. The 2017 TiVo research, reported that 65.2% of users are "always" or "sometimes" frustrated while trying to find something to watch and that 52.8% of users would like to have access to a cross-catalog search capability.



However, among Cellular One mobile data users, almost nine out of ten, 87.5% find such a capability useful, having seen the very practical benefits that the Chill VoD App can offer.

John Barron, co-founder and Sales & Marketing Director at Vennetics where he's responsible for sales, consumer understanding, new product development, product marketing and marketing communications.

Chill VoD App Cross-Catalog Search for Steven Spielberg Movies.

The Chill VoD App allows users to browse and search across all of the major VoD platforms simultaneously, showing immediate price comparisons between each service provider.

Price Comparison

Survey Question: *Are you aware that the same movie can be priced differently across various VoD platforms?* Answer: NO-37.5% YES-62.5%

Today there are just so many Video on Demand / TV services packed with the latest blockbuster movies and TV shows. The challenge for the viewer is finding relevant content quickly and at the right price.

Another interesting finding from the research conducted by Cellular One, is that a clear majority of their users appreciate that prices for the same movie often differ between providers.

Sometimes a movie is only available to purchase on one platform while it is also available to rent on another, or just as often, the rental price for the same movie can be quite different between different catalogs.

It is almost inevitable then that without a cross-catalog search capability that includes price comparisons, some users are paying too much for online movies and TV shows. The Chill VoD App gives consumers confidence that they can always get the best price available.

Paying for Free Movies

Survey Question: *Have you ever rented a movie only to later realise that you could have streamed it without cost?* Answer: NO-41.7% YES-58.3%

One user experience that has proved to be especially annoying is paying to rent a movie from transaction catalogs like iTunes or Google Play, only to discover later that the same movie was available to view for free on Netflix, Amazon or another SVoD or TV playback service. It's frustrating, and it happens far too often. Many times you don't even realize you've done it. Strikingly, a clear majority of Cellular One users have already had this experience. Of course, this data does not include those people who have rented or purchased a movie, without even realizing that the same movie was available within their subscription streaming catalog. However, the Chill VoD App can give users full confidence that they will never experience this problem. Where the same movie is available within both a subscription streaming service and also within a pay-to-watch transaction catalog, the Chill VoD App will allow users to immediately see that they don't need to pay any rental or purchase fees.

Compelling Cross-Catalog Features

There is now a growing consensus among all of the major providers, that cross-catalog search is becoming a crucial feature for VoD consumers. Several services like Apple TV and TiVo already support this capability. However, the Chill VoD App is unique in providing immediate price comparisons across all of the leading VoD catalogs. A further indication of how crucial this feature is, can be seen in the incentives offered by the most widely available services.

For example, Apple pays a 7% commission to affiliate service providers like Cellular One, who invest in making compelling cross-catalog features available to their users, and others pay even more. It seems that the availability of cross-catalog search with immediate price comparisons, will increasingly become an indispensable feature for users, for VoD catalog providers, and for data network operators alike.

Important New Revenue Streams

In particular for the data network operators that are investing huge sums in providing high-capacity consumer broadband connections, it is important to note that the Average Revenue Per User for VoD is now more than $8 per month. Most residential users of data networks are consumers of VoD services, and most of the capacity across those networks is filled with video content. Given the huge costs to data network operators in delivering lucrative VoD services, can they continue to forgo the generous commissions on this business offered by the main VoD service providers?

Since VoD catalogs are increasingly ubiquitous, network operators already know that these are the services that their users wish to consume. Unique new offerings like the Chill VoD App will allow data network providers to monetize traffic from the leading VoD providers, while delivering a useful and compelling new service to their customers. □

Gold Rush: A Snapshot of the Current OTT Industry Land Grab

Interview by Brian Mahony with Jon Cody

In this interview, Brian talks with Jon Cody, Founder and CEO of TV4 Entertainment—a broadband television programming and production company located in Hollywood, CA.

Brian: Jon, thanks for joining us today. Can you please give a high level overview of yourself, your career, and TV4 Entertainment?

Jon: Thanks Brian. I'm a native New Yorker. I was fortunate to be a lawyer in DC and I had a great opportunity to work on broadband policy for the FCC. I saw that people were going to watch video over high-speed Internet and came out to LA in 2005 to work for Fox News Corp for seven years. I was incubating digital video OTT products for the television, film studios, and the broadcasting, cable, sports and entertainment networks. From there, I helped to launch Hulu. Later, I went back to Fox, and worked as an Executive in the digital media space in several different roles. In 2012, I looked at the future of online video and came to the conclusion that television was evolving from three broadcast channels to over three hundred for paid television, and now perhaps over three thousand genres for OTT. And then we created TV4 Entertainment to target underserved global communities.

Brian: Thanks for that background Jon. How would you describe the OTT industry right now?

Jon: I still think we're in the early days, at the same time you can look at the landscape and see the early leaders emerge, such as Netflix and Hulu. It used to be that you had to explain what OTT was to people. I don't think you have to explain it anymore. It's not only gotten more pervasive inside the home, and outside the home, but people have a much better understanding of streaming and OTT in general. But I still think it's still early. We might be in the third inning here in the United states, but in other parts of the world, it's only the first or second inning.

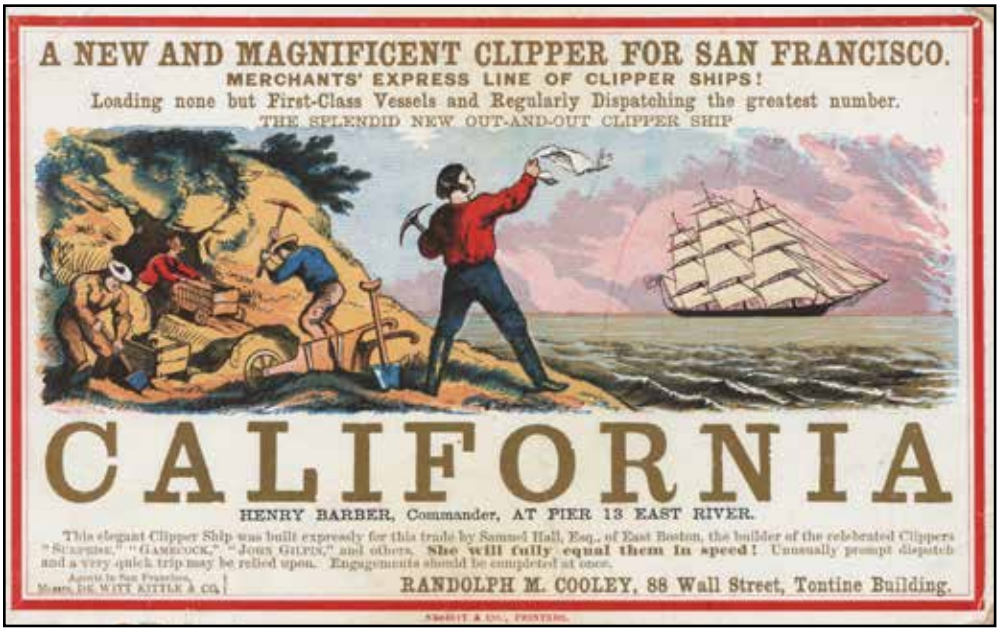
Brian: So do you think this is a limited window of opportunity to create these new niche channels? How do these new three thousand channels survive in the future?

Jon: I do think this is a window of opportunity. What you're seeing now is a whole bunch of companies, new and old, engaging in a traditional "gold rush," trying to create a brand and connect with an audience. Some of those companies have taken the approach of trying to create one brand through integrated distribution technology, monetization, and marketing. That allows content partners to take advantage of their off the shelf libraries. So in this sense, we do think this is a sort of a land grab. Regardless of whether this materializes as decentralized or centralized bundles of content, our theory is that you're going to need scale to garner an audience and to syndicate these channels to global OTT and PayTV providers.

Jon Cody is the founder and CEO of TV4 Entertainment, the global leader in streaming channels. Jon's professional career is closely tied to the streaming revolution, first as Special Policy Advisor and Legal Advisor under FCC Chairman Michael K. Powell, helping to develop the first comprehensive national broadband plan for the United States; then as general manager for the launch of Hulu which led Jon to the role of SVP of Digital Media at Fox Network Groups; and now at TV4 Entertainment.

Brian: Let's talk about that land grab. What are the major variables? Certainly original content is one. The other might be access to an audience. Are there other assets that should be considered as part of this land grab you're talking about?

Jon: I think with both of those you need the brand as well and you also need a lot of data. The ability to not only reach an audience, but also to cultivate that audience, and learn from that audience is crucial. For example, we have a horror audience and we discovered that 65 percent of that audience loves "end of days" content. Instead of trying to push "end of days" content to everyone, we decided to create a new brand, a new channel. This new channel allows us to better serve that audience and allows us to increase monetization. But it all starts with the data. Everything is about learning and adapting to what that specific audience wants.



Today's OTT "land grab" is not unlike the Gold Rush in the 1800s.

Brian: One of the things that we asked our Trender panel at the recent OTT Executive Summit is when was the last time they signed up for or downloaded a new video app. Interestingly, they all shook their heads and said that they hadn't signed up for anything new in a long time. So what does this mean in terms of content discovery? How do folks find your content or any content in this new OTT world?

Jon: The trick is you have to find what works. The beautiful thing with social media is that people will tell each other what they're passionate about on a daily basis. So there's a bunch of self-identifying "home and garden" fans; there's a bunch of self-identifying hockey fans, etc. There is a way to find those fans and show them that you have content that is interesting to them. There are many digital marketing methods to draw them to your site. Once they get there, you have to convince them that it is worth their time to stay connected to your content.

Brian: So what you're saying is the audience is out there and you have to go find them and tell them that you have content that matches their interests, is that right?

Jon: Yup, I think that's right. Again, you're not just watching television, you're on the internet. So the idea that you can stick a brand out there and just pray and hope that people come to your channel… no, that's not how it works. There's a second part of that which is what we call syndication or distribution. For example, whether you're going through Amazon or Hulu or not, you can reach those channels that are being aggregated by someone. That syndication turns out to also be a great marketing tool. They might start watching on that platform but then they might search for a more direct means to that content.

Brian: Let's switch gears and talk about monetization. What is TV4's business model?

Jon: We do both SVOD and AVOD. Most of the content we bring in house and/or make we have worldwide rights to. So what we try to do is offer to the consumer a solid subscription product. And then for syndication, depending on what the end user business model is, whether we go through partner channels or direct to the consumer, we can decide to offer a full SVOD package or a slimmed down AVOD package. We'll also entertain revenue shares with certain distribution partners.

Brian: How do you think the advertising based business model, specifically, will evolve over time?

TV4 Entertainment is betting on creating and licensing original content, such as "Big Dreams, Small Spaces."

Jon: I think it'll largely be based on user preference. If you look 24 months from now, I think it will continue to be a balance. Certainly Netflix and Amazon Prime are training people to value that premium ad-free experience. So the subscription-based business model will certainly continue. At the end of the day, brands have their heads clearly wrapped around two core problems. One, the traditional pay TV viewership is rapidly diminishing in numbers. And two, the places where they are spending a lot of their digital advertising dollars, for examples the YouTube's of the world, they are having trouble with branding. You're going to see more brand ad networks, whether they're inside of Roku or not, to solve the problem of premium brands looking to push their video spend.

Brian: If I look at your career—you've been at Fox, you've helped to launch Hulu, and now you've put out your own shingle and founded TV4 Entertainment outside the PayTV mainstream. What do the incumbent PayTV players have to do to survive in the future with all these chaotic OTT forces seemingly stacked against them?

Jon: I think they're going to do what they've done in past generations. That is, they're going to buy into it. They're probably going to make a bunch of internal mistakes. But eventually they are going to buy into it and find a way to make money. I think it's true in terms of the vertical mergers that you're seeing, i.e. AT&T and Time Warner. But I don't think consolidation in and of itself is going to solve the problem. The big players have a lot of contractual, legal, and cultural limitations. Ultimately, they'll buy into it when the TV4's of the world help to build the next wave of brands, channels, and capabilities.

Brian: So what you're saying is the major PayTV players will evolve and adapt, right?

Jon: That's right. It's like any other innovator's dilemma. There's going to be a lot of short term pain. There are a lot of projections of TV ratings being down by high single digits for the major networks… at some point something is going to have to shake out of that.

Brian: The last question is something we asked at the recent OTT Executive Summit. Put simply, if you had an extra ten million dollars to invest in the OTT space, where would you put it? To make it simple, I'll give you three choices: 1) investing in new original content; 2) investing in viewer acquisition for your existing content; or 3) investing in some new technology that helps improve the overall user experience (for example AI, AR, content discovery, recommendation engines, etc.). Where would you put your money?

Jon: That's an interesting question. First is customer acquisition but a very close second is original content. Not only is original content important for your existing channels, but there is a great opportunity to make a lot of money from it. As far as the AI side and other technologies, I have a general theory that most of the tech in this space is commoditizing. I do think that 18 to 24 months down the line the front-end user experience has got to get better. Whether it's by using voice recognition or just a sleeker UI, if you don't have a pleasant user experience in some ways, the rest of it really doesn't matter. But at the end of the day, I think customer acquisition and original content are what is most important right now. □

Fixing the Machine Mid-Flight

By: Michael Nagle

As hard as it may be to come to terms with, the OTT marketplace has reached the point of maturity. It is also true that these platforms have had a more rapid lifecycle than their predecessors in the pay television world. That is simply the way that consumers cycle through products nowadays.

This is the point at which we need to ask ourselves what we have learned. Here's the criteria I can identify:

• Title Art
We're living in visual times and you must have compelling box/title art attached to your assets on any platform. It might even be advisable to replace your title art after a period of time for library titles. Older content doesn't move as quickly as "New Releases" on a good day and perhaps putting a fresh image up will make prospective viewers notice your asset.

• Latency
If you operate a direct-to-consumer platform how often does your interface crash? If you "live" within someone else's ecosystem (like Apple TV or Xfinity or Altice One) does access to your platform ever fail or require the viewer to re-enter their login ID and password? If yes, how often does this happen? Is there a "crash notification" that can inform you of those instances? The only thing worse than a bad experience could be no experience at all.

• Metadata
Many platforms have "search" functionality options for users. How often do you review those terms? Does your relationship with the platform allow you access to that data? Are you utilizing every opportunity within the transmission planners to grab viewers using keywords that will make your inventory accessible when viewers search relevant words or star names?

• Advertising
If the platform on which you live enables you to embed sponsorship either in front of your assets or even within the asset at specific intervals, are you capitalizing on that? If yes, are you doing so without corrupting the viewing experience? Do your ads "fit" the space or with your brand? Do you promote other assets you own?

• Subcategories
Once your subscriber enters your branded environment how does that experience look and feel? How do viewers find your titles?

Michael Nagle has worked for Vidillion, SPI International, VIVA Entertainment, NatureVision TV, Invincible Pictures, Playboy, Bloomberg and The Box Music Network. He is currently CEO of Ashling Digital, Inc. and President for Get Cast.

Are they sorted by the customary options: New Releases, Movies, Documentary, Comedy, Drama, Sports, etc. or do viewers find another layer of categories once they select the main entry point? Under movies, do you break titles out by "A – E", "F – K", etc.? How many times do your titles repeat within your branded environment?

• No Time
What time of day and on what day do most of your "views" occur? This could factor into what you shelve, how you shelve it and ultimately what you produce. If you're in the children's programming business and you deliver your new releases on Saturday at 12:01 AM you're likely losing a significant viewing opportunity during prime time on Fridays. Likewise, your idea of primetime may differ from that of programmers chasing the 18 – 54-year-old demographic. Will your distribution partners take that into consideration when discussing integration of new assets from you?

• Evolution
Does your platform exist across multiple generations of apps and/or devices? If yes, how is that factored into all of the development you introduce for customers using newer devices? As an example, Apple TV has newer devices with more services available than their "legacy" device users may be aware of. As you develop your distribution agreements with platforms, do you inquire as to what percentage of their universe your app/brand will reach upon launch?

• Marketing & Promotion
If your content lives on a platform controlled

by someone other than you (namely Netflix and/or Hulu) who happens to promote via email, how do you get included in the rotation of titles or brands "highlighted" to subscribers via email notification? Can the platform share any data detailing how shortly after receiving an email about a title or feature that the recipients watched the feature? Also, who decides what gets featured on social media platforms branded by your distributors and how do you get included in that rotation?

None of the criteria I listed here should be considered revolutionary. Many of these tactics were utilized to promote video-on-demand and even pay-per-view in the addressable cable days. Back then we all aspired to being included as a bill-stuffer or receive a banner ad in the print guide or on the EPG. We even got lightheaded about putting a teaser in the on-hold message. Yes, THAT was a pretty big deal not that long ago.

Smart phones have trained us to accept the fact that apps require constant updating and improvement either for operational reasons or to refresh design, content, engagement or some other characteristic.

Much of this comes back to getting to know your client, your audience, your platform(s) and also how viewers use your hardware, your app, your content or your website. It isn't enough to have a boilerplate agreement that "covers everything." That simply isn't possible. Technology is evolving at a breakneck pace. Media players have to become adept at fixing things mid-flight. They must also use the basic tools available to address fundamental "content discovery" questions before seeking out new analytics that might address some problem that has yet to reveal itself. □

OVER THE TOP VIDEO Executive Summit

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"OTT Guru"— Paul Hamm, Endavo

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"OTT Hero"— Don Wilcox, PBS
"OTT Guru"— Roger Keating, Hearst Television

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"OTT Hero"— Rich Antoniello, Complex
"OTT Guru"— Rick Howe, The iTV Doctor

NYC 2014
"OTT Genius"— Jean-Michel Planche, Witbe
"OTT Hero"— Amit Ziv, EPIX
"OTT Guru"— Steve Harnsberger, OTT Digital Services

Boston 2014
"OTT Genius"— James Norman, Pilotly
"OTT Hero"— Jim Turner, Net2TV
"OTT Guru"— (Tie) Gabriel Dusil, Visual Unity; and Jason Thibeault, Limelight Networks

Is It The End of Television As We Know It?

Interview by Nichole Janowsky with Ralf Jacob

Nichole Janowsky recently sat down with Ralf Jacob, Head of Digital Media Services for Oath, which runs a digital media platform that powers streams for prominent content providers, including Tennis Channel, Newsy and more. In this interview, Ralf provides his take on where OTT is today and the opportunities that lie ahead.

Nichole: Let's start off with discussing what the current state of the OTT industry looks like right now?

Ralf: Television as we know it is undergoing a series of rapid changes, and it's never been more apparent than as seen in the staggering growth of OTT which is poised to have more subscribers than pay TV by 2020. The streaming industry is changing how and where viewers watch their favorite shows, and also how advertisers can more effectively connect with viewers across screens.

OTT is thriving, without any signs of slowing down. Video consumption is driving the future of media, and we're seeing a vast interest in consuming content on mobile and connected devices. Cord-cutters and cord-nevers are turning to their iPhones, smart TVs and streaming players to watch the latest entertainment. It's imperative that content owners, broadcasters, advertisers and the broadcasters of tomorrow meet this consumer demand for video, in order to thrive, now and in the future.

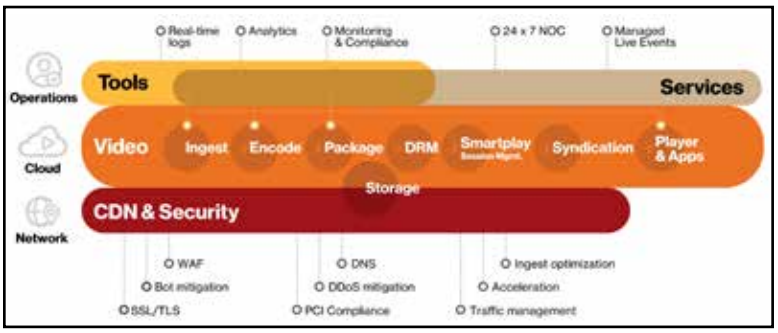
Nichole: What will impact the OTT industry's future?

Ralf: Disruption, mobile-best experiences and personalization will be key factors that shape the industry's future.

To handle whatever the future of media throws at you, you need next-level agility and next-generation technologies. That means embracing disruption. Remember when CDs first entered the market or the first black-and-white image was transmitted? They completely changed consumers' perspectives on what media could be and could do. As the OTT market matures, more disruption will help change norms, whether that's innovating around advertising, such as incorporating surface detection technology to insert ads directly into a stream, or seeing more interactive live video, thanks to augmented reality.

Secondly, when I say mobile-best, I mean that high quality content must be the norm, and not the exception, especially on mobile. There's now an entire generation that's choosing to make their mobile device their primary viewing point, but it's not enough to reach them there. Our own studies have revealed that 86 percent of viewers say it's very or extremely important to experience TV-like quality every time they watch, on every screen they use. And, we've seen that the average viewing session across all devices falls by 77 percent when there is a significant impairment of video quality. We must continue to work on eliminating issues by reducing latency and rebuffering, whether that's on the traditional television set, a smart TV, or especially on mobile.

Finally, personalization will be at the forefront, too. Whether it's curated content or a targeted ad, the more personal the viewing experience is, the better. Catering to build viewer preferences can help build loyalty and gain higher engagement. A key advantage of online video is how it can deliver targeted, personalized viewing experiences (both content and ads) to each and every viewer. Viewer insights and customizable apps and experiences will help drive this personalization trend, moving forward.



Verizon Digital Media's OTT ecosystem provides integrated workflow.

Ralf Jacob is the Head of Digital Media Services for Oath, bringing more than 20 years of technical and executive management experience to the organization. Prior to his current role, Ralf served as chief revenue officer and then as president for Verizon Digital Media Services. He initially joined the company through Verizon's acquisition of upLynk, an online video platform specializing in the simplification of a broadcaster's workflow, where he was the CEO and Co-Founder. Prior to launching upLynk, Ralf was Vice President of Digital Media for Deluxe Digital Studios. He has also served as Senior Vice President of Engineering & Operations for Move Networks, Vice President of Engineering for Knowledge Universe and Vice President of Engineering for iXL.

Nichole: How is Oath helping to usher in OTT's future?

Ralf: We're delivering the future of media for broadcasters, OTT providers and enterprises by offering a best-in-class network and easy-to-implement services to get started in OTT — cost-efficiently and at scale. Our next-generation Verizon Digital Media Services platform delivers live, linear and on-demand video to all devices, through a single workflow for broadcasters and content providers.

Nichole: Any final thoughts or predictions for what the next few years may hold?

Ralf: From more live event streaming to delivering at scale to millions of concurrent viewers, there's a lot to be excited about around OTT. Yet as the industry evolves, at the core, we must remember to keep viewers and their preferences first. Viewers will accept nothing less than fast, secure, high quality content on every device, and we must continue to work to consistently meet their expectations. □

OVER THE TOP VIDEO Executive Summit

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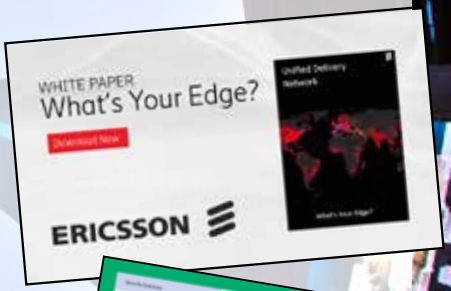
- Total potential impressions: about two million
- Expected leads 50-250



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- Promotion through “OTT Video” and other LinkedIn groups
- Tweet campaign via @OTTexec and @BrianMahony
- Blog post on TrenderResearch.com and LinkedIn Pulse
- Total potential impressions: about two million
- Expected leads 50-150

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