Joint ITU - AICTO Workshop on "Interoperability of IPTV in the Arab region"

(Dubai, UAE, 20 - 21 September 2011)

Ericsson TV Vision and Trends

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"if I've been to sleep and don't have at least four messages when I wake up, I feel no one loves me"

Consumer demand is changing

> From one TV to multiple screens, on the screen that I like

From "They" decide to "We decide!!" and we rip, burn, remix and share it and my schedule dictates when/where I access media.

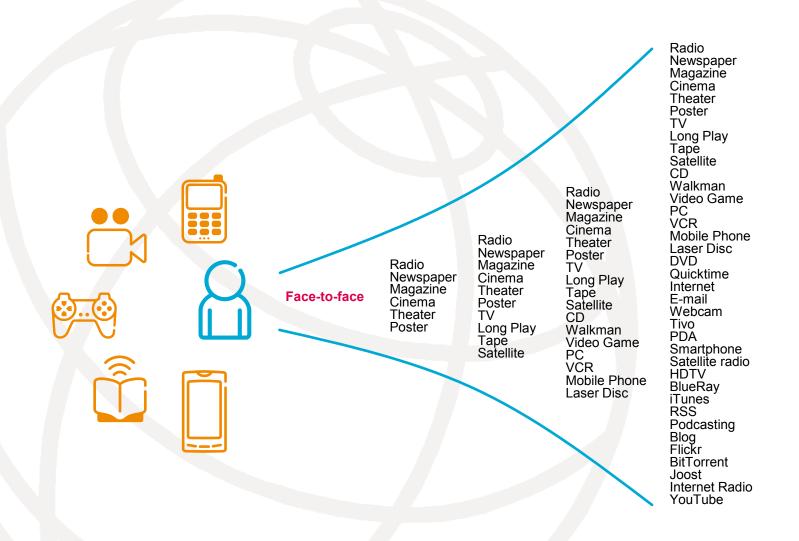
From media companies decide what and when we consume (one-way flow) to "What is on " to "What do I feel to watch"

From the desk (PC) to the sofa (TV), keeping the flexibility of the open and interactive world of Internet





Shift in media consumption by the Networked Generation



TV MARKET OVERVIEW



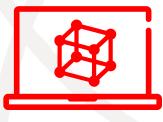


Consumer demands is changing

- > Shift in media consumption and Internet user behaviour
- > On demand, interactivity

TV landscape is changing

- ➤ HD uptake, 3D is kicking off, Connected Home is reality
- > Deregulation, unbundling local loop.
- > Fierce Competition: Telco, Cable, Satellite, Broadcaster, CP





Technology is changing

- ➤ Increased penetration in broadband and fiber
- Operators expanding reach via OTT/ Satellite /DTH
- ➤ New device landscape emerging with more connected devices

Operator becoming more aggressive

- > Aggressive marketing, pricing and bundling tactics
- > Exclusive and premium content
- ➤ Need to address untapped Market (unmanaged Nwk, WholeSale, Verticals..)

...which is driving the Telco interest for E2E TV



Subscriber growth is slowing down

- Maintain rather than acquire new customers
- Reduce churn by attracting subscribers to bundled offerings
- Increased need for differentiation and targeted offerings
- Increased need for Quality of Experience.



Revenues declining

- Generate more value from existing subscriber base
- Creating new revenue streams through service innovations, advertizing and ARPU stimulation
- Reduce broadband price competition by improving subs loyalty



Leverage broadband investments

- With core voice businesses for operators is under attack, telco's are investing
 - heavily in broadband access, fiber-to-the-home and next generation networks for video services, creating new revenue streams
- Operators looking for future growth drivers beyond Internet connectivity
- Long-term growth, building a customer base with high will to pay for services

Drivers for Operators to invest in TV

Increased broadband penetration

PLAYSTATION

Declining fixed voice revenues

Analog TV Interest turned off

Digitalization of media

Internet user behavior

- On demand, interactivity etc.

TV... What does it take?

Content

Scalability

System integration

Regulatory requirements



Broadband capacity

& coverage

Differentiating features

Business model

Consumer needs

Home environment

Quality of service

Operator's Business opportunities

Quality of Service & more...

TV Everywhere, anytime with any device

TV Audience Measurement

TV-commerce

Advanced Interactive Apps

e.g. sport, voting

Recommendation solution

Operator TV solution

Content Monetization

IPTV Analytics

Payment solution

Casual apps

e.g. games, info-svcs & Appstore

Evolution of some observed operators

Oservations based from leading IPTV operator. PCCW, Belgacom, AT&T, Telia,...



User values

- •Low price FOC
- Me too Linear TV
- EPG
- LPVR
- VOD

Operator values

- More BB access subs
- Establish position in TV market



<u>User values</u>

- Triple Play bundle at attractive price
- More & better VOD & LTV
- Self provisioning
 Operator values
- Growth of no of subs in total for 3play
- Reduced churn of voice & BB services



User values

- Quadruple play & Multi screen
- Multiple TV streams per household
- •HD
- •Catch-up TV
- Hybrid
- Internet services on TV e.g. Flickr, Facebook, Twitter, Wheather, Traffic, Stocks,...

Operator values

- Improved margins
- Increased sales
- Stronger position in the TV value chain



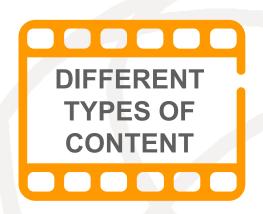
User values

- Content discovery
- Flexible Payment
- Increased Interactivity
- Relevant advertising
- •TV commerce

Operator values

- Leverage on user knowledge
- Leverage on charging & billing systems
- More attractive distributor to content providers
- Stronger brand value
- Higher market cap

Ericsson's vision in television













OF DEVICES

Ericsson TV Building blocks

Solution

IPTV
Classic

Solution

Converged Cable IPTV (DVB-C + IP) **Solution**

Over the Air Hybrid IPTV

Solution

Connected Home

Solution

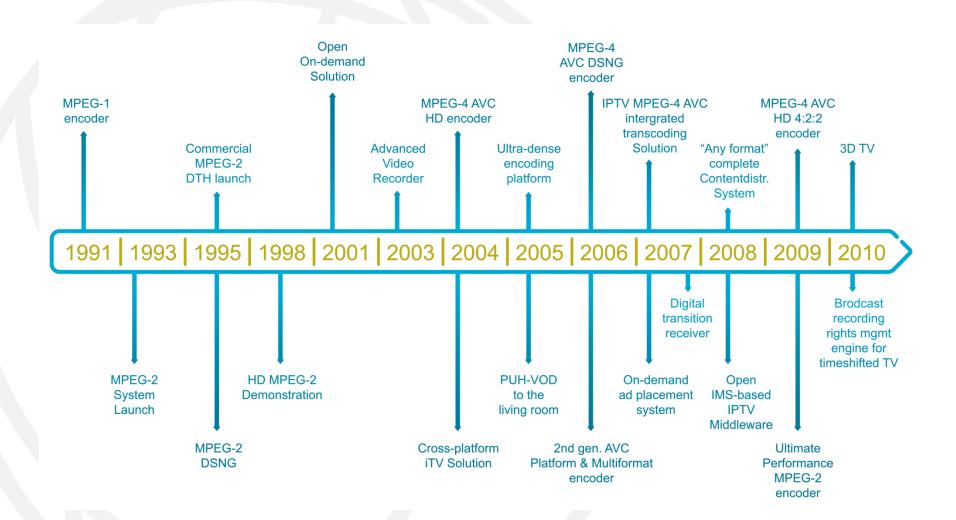
MultiScreen

Ericsson IPTV PLATFORM

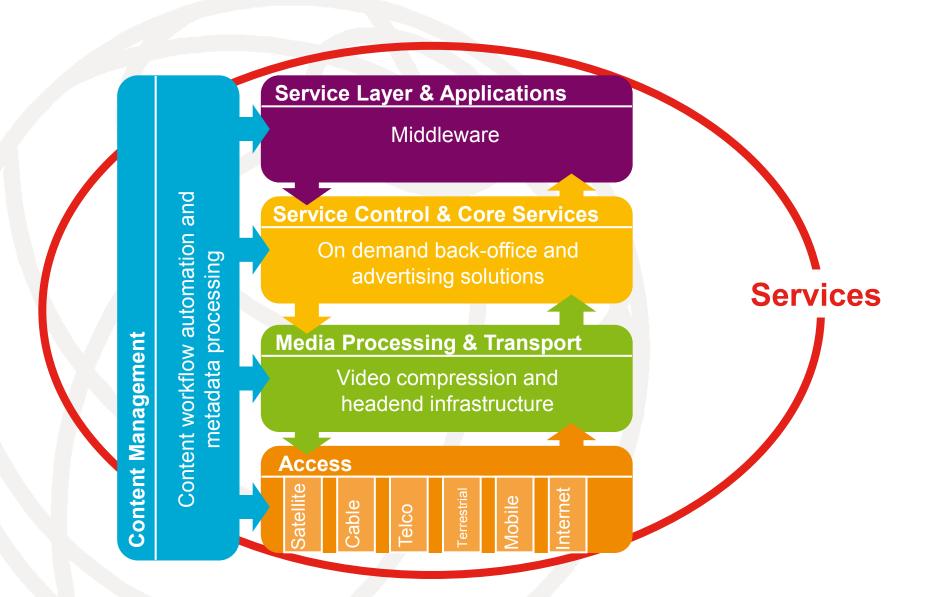
Open and flexible platform

- -Single portal driving User towards any contents and devices
- -Open design and integrated solution of loosely coupled parts
- -Thin-client approach, supporting legacy STB and new devices
- -SDKs for portal customization
- -Telecom-grade scalability
- -SD/HD VoD streaming, download

Technology leadership – first in...



Ericsson TV Solutions Portfolio



Ericsson IPTV awards 2007-2010

IPTV Middleware – IPTV Application Platform

- 1. The IPTV Industry World Series Award March 2011
 Best Multiscreen TV Solution Award
- 2. The IPTV World Series Award March 2009
 Best IPTV Service Delivery Platform or Client Software
- 3. <u>TelcoTV Vision Award Nov 2008</u>
 Most innovative and visionary IPTV Middleware

IPTV compression products

- iPlex™ Video Processing Platform
- 1. <u>IPTV World Series Awards March 2007</u> Best IPTV Head-end & Video Processing Technology
- 2. The International Engineering Consortium InfoVision Award June 2007
- 3. <u>Cable & Satellite International Product Award September 2007</u>
 Best digital video processing technology
- 4. The International Engineering Consortium InfoVision Award October 2007
- 5. IPTV World Series Awards March 2008
 Best IPTV Head-end & Video Processing Technology

IPTV WatchPoint Content Management System

1. IPTV World Spring Award - March 010
"Best on-demand" Award

Other IPTV related awards

National Academy of Television Arts & Sciences: Technical and Engineering
Emmy® Award January 2008
OpenStream® Digital Services Platform

















Global presence





SATELLITE DIRECTV° arqiva **€** GlobeCast REUTERS : SKY SHIN PREMIERE

TELCO C&D*

BT arqiva TELLA TELUS 中国电信 Intelsat Běli

PROGRAMMER TERRESTRIAL BROADCASTER telenor argiva **HOWTIME** DOORDARSHAN TVNZ CCTV **©**CBS **HSN** abc

Why Ericsson?

175

Countries where Ericsson does business

240+,90+,150+

IPTV, Mobile TV, Cable TV Customer contracts

Consumer knowledge

Ericsson Consumerlab provides consumer insights

Open

Open, flexible & customizable User interface

End-to-end capability

Prime integrator capabilities for a successful TV launch

Full fledged offering

Full features, cost-efficient & pre-integrated solutions

ERICSSON, YOUR MULTISCREEN TV BUSINESS PARTNER
TODAY & TOMORROW!



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