VIDEO ON DEMAND SOLUTION BRIEF

VIEWER CENTRIC INNOVATION FOR VIDEO ON DEMAND
VOD is in **Global Demand**

When it comes to video on demand (VOD) content, the key word is “demand.” The expansion of the Internet into emerging markets has driven growth on a global scale. The global VOD market is valued at $16.3B\(^1\) with a projected CAGR of 7.5% over the next four years.\(^2\) Nearly 60% of American households subscribe to at least one subscription service, making subscription video on demand (SVOD) the country’s most popular type of online video service. Between 2015 and 2016, the number of VOD hours delivered over the Akamai network increased by 800%.

Obviously, VOD providers worldwide will focus on capturing as many of these new viewers as possible. But while the market continues to grow, so do viewer expectations. Viewers will continue to expect broadcast-level streaming quality regardless of where they are, what device they’re using, or how strong their Wi-Fi or cellular signal happens to be. Providers must meet these demands consistently and without fail if they are to win in the market.

But that’s not all. VOD providers must also manage their growing on-demand content libraries, the complex rights surrounding content, and the need to monetize viewers.

This is possible, but not easy.

The global VOD market is valued at $16.3B\(^3\) with a projected CAGR of 7.5% over the next four years.\(^4\)

"Aside from content, quality issues pose the biggest threat to attracting and retaining subscribers and viewers of an OTT service."

— New Bay Media
SVOD BRANDS ARE MOST VULNERABLE TO THE NEGATIVE EFFECTS OF BUFFERING

Buffering is bad for business regardless of how viewers access your content. But VOD subscribers’ quality expectations outstrip those of either ad-supported or transactional models. SVOD services are the most vulnerable to the negative effects of buffering, particularly with regards to brand performance.

A 2016 research study sponsored by Akamai and conducted by Sensum\(^5\) confirms this. Results based on Sensum’s skin conductance measurement system revealed that SVOD viewers, once engaged with their content, were the most likely to experience negative reactions to buffering and low-quality streams. Their engagement, focus, and happiness fell by 20%, 8%, and 14%, respectively.

SVOD viewers were also the least forgiving of buffering and other quality-related issues. Facial coding and implicit response testing showed poor quality experiences led to an increase in negative feelings such as disgust and sadness – feelings they transferred directly to the brand.

Perhaps the most significant finding was that 67% of subscribers would cancel their service outright if quality problems continued. SVOD providers may be able to placate angry viewers over the short term with refunds or discounts; but, providers facing ongoing quality issues should be taking steps now to rethink and improve their workflow infrastructure. Viewers have options and have no issues with switching providers if another delivers a better-quality experience.

THE BENEFITS OF HIGH-QUALITY DELIVERY

The equation is simple. Engaged viewers are the key to any monetization strategy. The higher the video quality, the more engaged the viewer. For example: Wuaki.tv, a VOD provider based in Barcelona, Spain, found that simply increasing its bitrate delivery from 2.1Mbps to 2.7Mbps over the Akamai network increased viewer engagement by at least 30%. Obviously, there are cost implications to increasing your bitrate delivery. But these costs are often negligible when placed against the higher costs of viewer abandonment caused by startup delays.
Operating VOD workflows in the cloud can help providers manage the costs and complexity that accompany online video workflows, while also complementing delivery.

“MUST-HAVE” CONSIDERATIONS FOR A VOD SOLUTION

Delivering VOD online comes with a myriad of challenges, some of which can be difficult to manage over the unprovisioned Internet. Failures, startup delays, and rebuffering all mean a loss in viewership and revenue. There are many decisions to make when building out a VOD service, but Akamai has identified the five “must-haves” when striving for the highest VOD streaming quality:
Managing multiple vendors and controlling CAPEX costs are unavoidable aspects of online workflows. The elastic scalability of our cloud solutions helps you cost effectively meet the increasing quality, scale and speed requirements of professional online video delivery.

Akamai Media Services on Demand is a cloud-based service designed to prepare VOD content for high-quality delivery. It also simplifies transcoding, packaging, securing, and publishing VOD streams. This high-performance solution ensures reliable content preparation to support delivery at the highest possible quality.

KEY FEATURES INCLUDE:

- **Simplified content workflow operations**: Centralize online video transcoding, storage, and delivery into a single cloud platform that addresses the multi-device challenge automatically through configuration.
- **Scale on demand**: Automatically scale capacity to accommodate for spikes in demand.
- **Common Encryption**: Ability to leverage CENC and control DRM that is being used via the player and the manifest - supporting DRMs with only one copy of content.
- **Reduced CAPEX/OPEX**: Eliminate the need to invest in video transcoding hardware and maintain multiple-copy storage capabilities.
- **Secured content assets**: Protect your content against piracy and unauthorized viewing. Our solution supports a variety of measures, which includes Motion Picture Association of America (MPAA)-assessed workflow, DRM Wrapping with a simplified DRM partner integration, and End-to-End TLS Security to offer the highest level of online media protection.

AKAMAI, THE TRUSTED LEADER FOR VOD

Akamai continuously innovates to help you increase efficiency and manage costs while also optimizing quality, scale, and security. Our VOD solution helps you address the five “must haves” in the following ways:

1. A Streamlined, Cloud-Based Workflow

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2. Robust Storage

Delivering quality at scale begins with a robust storage solution. Serious VOD providers should look for a high-performance, globally distributed, cloud-based storage solution that caches content as close to their viewers as possible. Operating VOD workflows in the cloud can help providers manage the costs and complexity of delivery.

The Akamai NetStorage Solution meets all of the above with more distributed cloud storage locations globally than any other provider on the market. NetStorage also provides dynamic content replication that ensures resiliency of content in multiple locations, by quickly replicating uploaded content to a second region.

Delivering video from as close to the “edge” as possible instead of from a single origin is the most effective way to maximize video performance. Akamai’s NetStorage ensures your video is always available, ready to be watched whenever your viewers require.
video on demand solution brief

3. Reliable, Secure, and Scalable Delivery to Support Large Audiences

Providers can measure video quality in many ways, but the primary metrics — rebuffering, startup time, optimal bitrates that provide the higher picture quality and availability — are the most critical. These factors determine viewer retention. Akamai’s Adaptive Media Delivery ensures high-quality streaming to viewers, regardless of their location or device type, and across varying network conditions.

Our solution incorporates several features that help you address specific delivery challenges. These include:

• **Media Acceleration:** Enhances the performance of media delivered over the Internet, improving the quality and consistency of video streaming for viewers.

• **24/7 content availability:** Akamai has architected its solution using built-in redundancy that provides consistent reliability and availability. Akamai replicates your content to multiple locations; if one location is performing poorly another can replace it.

• **Content targeting:** Akamai helps content providers navigate the many rights restrictions they must adhere to. Our content targeting feature can restrict access to video content based on a viewer’s geographic location.

• **Ad scaling:** VOD distributors can monetize their content using Akamai’s Ad Scaler, which integrates with market-leading ad insertion providers for server-side ad insertion and reliable delivery of targeted ads at scale. The service reduces the complexities of ad delivery across the viewer device landscape by stitching ads inside the content, which decreases the risk of buffering. This provides a better viewing experience and enhances the resiliency to ad-blocking vulnerabilities.

There are additional capabilities, which can be incorporated into the solution that can enhance delivery to your viewer, which are:

• **Akamai’s Adaptive Media Player:** Akamai’s Adaptive Media Player is a logical extension of our VOD solution. It simplifies a media player deployment by providing an excellent foundation for a truly high-quality media playback experience optimized for multiple device viewing.

• **Predictive Content Delivery:** Predictive Content Delivery is designed to improve video experiences for audiences by intelligently prepositioning content onto devices. By caching video on a device such as a mobile phone, Predictive Content Delivery ensures viewers can watch video with instant startup and zero buffering, regardless of location or network conditions. This has been shown to dramatically improve audience enjoyment leading to improved retention, viewing figures and returns on rights.

4. Customized Tracking and Reporting

Visibility into your viewers’ video experience is critical to retention and monetization. Akamai’s Media Analytics provide insight into the video quality and audience behavior so you can stay on top of crucial metrics that directly affect the success of your businesses. Our solution provides reporting across three modules: *Quality of Service, Audience Analytics, and Viewer Diagnostics.*
5. Expert Services and Support

Our Services and Support Solutions team gives you access to our globally distributed media experts who are an extension of your staff. They provide trusted advice and assistance from initial deployment to ongoing support, maintenance, monitoring, and management. Dedicated, round-the-clock point of contact minimizes the impact of time-sensitive issues.