Forging Partnerships Across Streaming & Broadband Ecosystems

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About OpenVault

- Founded in 2010
- HQ in Hoboken, NJ
- Providing software solutions to broadband operators globally
- Data usage tracking and analytics across millions of subscribers
- Analysis and data reporting frequently quoted in Industry publications

Sample Broadband Operator Customers

OpenVault data as a resource for multiple publications and analysis
Changing Landscape

2012

• Average Usage per Subscriber = 38 GB
• Median Usage per Subscriber = 12 GB
• % of Power Users (described as >250GB/mth) = 1.85%
• Many Subscribers considered “Abusers”
• Cord-cutting was not a huge concern
• Very few Operators had deployed Usage Based Billing or enforced Acceptable Use Policies (AUPs)
• Streaming Providers: Friend or Foe
Changing Landscape

2012

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2018

- Average Usage per Subscriber = 270 GB
- Median Usage per Subscriber = 145 GB
- % of Power Users (described as >250GB/mth) = 36.7%
- “Abusers” now considered “Power Users”
- Cord-cutting reached all time highs in 2018
- Usage Based Billing prominent with usage quotas assigned to each speed tier
- Streaming Providers: Friend or Foe
Upgrades and network enhancements are providing subscribers with faster speeds
Broadband Data Usage Growth per Household

CAGR:
Mean: 32.43%
Median: 42.53%
Power User Tracking

- Usage > 1TB
- Usage > 250GB

- 2012: 1.85%
- 2013: 2.90%
- 2014: 8.58%
- 2015: 14.00%
- 2016: 23.00%
- 2017: 28.40%
- 2018: 36.70%
Cord Cutting

US Cord Cutters, 2017-2022
millions, % change, % of population

Note: ages 18+; individuals who no longer have access to traditional pay TV services
Source: eMarketer, July 2018

www.emarketer.com
Q1 2019 is being reported as having the highest amount of cord cutters ever observed!
Operator Challenge

Hourly Usage
2012

MBPS

- 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24

Mbps 2012:
Operator Challenge

Hourly Usage
2012 vs 2018

10x vs 2012

MBps

100,000
50,000
-50,000

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24

Mbps 2012:  Mbps 2018:
Additional Broadband Growth Drivers

- Device profile in the home
  - As the number of internet-connected devices increases the usage levels and need for more bandwidth also increase

- 4k and soon 8k TVs require more bandwidth and consume more data

- Adaptive bitrate streaming services result in significantly higher usage consumption as subscribers move to faster speeds

- Subscriber growth on top of increased usage per subscriber further accelerates the peak usage periods Operators must support

Operators are now handling this unprecedented growth with either Acceptable Use Policy enforcement or by assigning usage quotas per speed tier and overage charges when subscribers exceed their individual quotas.
Comcast launches streaming TV service that doesn’t count against data caps

T-Mobile Will Let Customers Stream HBO, Netflix and ESPN Without Racking Up Data Charges

Telecoms Ease Up On Data Limits For Video - Mobile and broadband providers are starting to exclude some video from data caps, freeing up data for other apps and services.

Verizon Revs Premium Go90, Data Cap Limits Excluded
Current Traffic Exclusion

Numerous types of traffic routinely excluded from household data consumption counts

- Voice traffic
- IPTV (Cached or Operator Branded)
- TV Everywhere
- Network management overhead
- Guest network traffic
Streaming Provider & Operator Partnership through Traffic Exclusion

Subscriber selected a HSD Plan with 250GB Quota;
$10/50GB Overage Fees

Currently ALL traffic is counted towards Usage Caps/Quotas

With this model the Streaming Provider traffic would be EXCLUDED from Usage Caps/Quotas
Win-Win-Win

- Consume favorite content without being worried about extra fees
- Avoid Acceptable Use Policy (AUP) violations
- Have another choice that better suits viewership preferences and optimizes household spending on content
Win-Win-Win

SUBSCRIBER

➢ Consume favorite content without being worried about extra fees
➢ Avoid Acceptable Use Policy (AUP) violations
➢ Have another choice that better suits viewership preferences and optimizes household spending on content

OPERATOR

➢ Gives broadband providers unique product marketing options to offer subscribers and differentiate their service offerings
➢ Straight-forward, resource-light deployment
➢ Softens AUP and Usage Based Billing messaging
Consume favorite content without being worried about extra fees
Avoid Acceptable Use Policy (AUP) violations
Have another choice that better suits viewership preferences and optimizes household spending on content

Gives broadband providers unique product marketing options to offer subscribers
Straight-forward, resource-light deployment
Softens AUP and Usage Based Billing messaging

Creates a “friendly OTT service” story
Brand building through co-marketing opportunities with broadband providers
Unique Business Models would help drive subscriptions
Subscribers could favor OTT service based whether it is excluded from counts
Enabling Success in the New Broadband Landscape

- Traffic Exclusion
- Data Collection & Analytics
- Streaming Providers
- Broadband Operators
- Subscribers
- Rating & Charging
- Subscriber Targeting
Q&A

Thank you

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