



# Revving Up Over-the-Top Video Delivery for Service Providers

A Managed and Optimized Experience

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## CURRENT SITUATION

The availability of first-generation over-the-top (OTT) video services, combined with the proliferation of new and powerful consumer-owned devices – such as smartphones, tablets, pads, streaming players and gaming consoles – and fueled by a cultural influence from social media, are driving a change in consumers’ video viewing habits. Today’s consumers are watching less “appointment TV” (viewing based on the network schedules) and choosing to watch video – anytime, anywhere – on their devices of choice while interacting with friends on their social networks.

## IMPACT OF TRENDS

Though service providers have been impacted by these consumer trends, most have yet to effectively counter the increased cord cutting, fierce competition from first-generation OTT video services (i.e., Netflix), and flat average revenue per user (ARPU).

Case in point: early defensive offerings of TV Everywhere promoted by a few service providers have had poor results due to narrow device coverage (Apple® iPad® only) and a limited user experience. Additionally, early TV Everywhere services were given free to subscribers due to their limited appeal and, therefore, had zero impact on the most important thing for any business – revenue.

## THE OPPORTUNITY AHEAD

The time has come for service providers to move beyond early stage, limited OTT and TV Everywhere offerings. With a new managed and optimized OTT delivery, service providers can unlock new revenue opportunities, increase customer stickiness and ARPU, seamlessly reach new consumer-owned devices in the home, and attract new subscribers.

## MANAGED AND OPTIMIZED: THE NEW OTT VIDEO DELIVERY FRAMEWORK

Introducing the Managed and Optimized OTT video delivery solution framework that combines the power of OTT video (i.e., reach, scale, and anytime, anywhere viewing), with the benefits of a managed set-top box (STB) service (i.e., content protection, multi-room DVR, quality experience). It ensures a consistent, managed and optimized video delivery experience across consumer-owned devices over unmanaged networks, anytime, anywhere – with no changes to the back-office infrastructure or existing network operations.

Now, service providers can leverage OTT delivery to augment their video business models – without requiring capital expenditures for network expansion, head-end infrastructure build out, or increased operational costs. Additionally, service providers who embraced the first-generation of TVE services can now easily generate new revenue by expanding their OTT video services to encompass more consumer-owned devices – at home and on the go.

Azuki’s Managed and Optimized OTT video delivery was built to help service providers to generate new revenue streams and increase ARPU by enabling them to launch and monetize new video content services while leveraging the full potential of their service delivery infrastructure (back-office, delivery network and customer-premise equipment).

With Azuki, service providers can easily and quickly expand their live and Video-on-Demand (VOD) services to new consumer-owned devices – at home and on the go – with exceptional ROI and limited costs. In other words, Azuki helps service providers to leverage the advantages and cost savings of an all-Internet-Protocol (IP) delivery to launch new services to existing and new subscribers while protecting their investments in the back-office infrastructure (i.e., content management systems, subscriber management systems, entitlement systems, content delivery networks [CDNs], and customer support systems).

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“Azuki’s solution combines the power of OTT with the benefits of a managed set-top-box service.”

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## A MANAGED OTT VIDEO DELIVERY

With Azuki’s Managed and Optimized OTT delivery, service providers can seamlessly manage OTT video delivery by simplifying and automating the process of normalizing (i.e., homogenizing, unifying) media preparation, content protection, entitlement enforcement, streaming, monetization and analytics – across multiple screens. That is, the Azuki Managed and Optimized OTT delivery ensures that consumer-owned devices have the same content protection, adaptive streaming and analytics functions – and only one common video prep in the back office for all of the devices.

The result: the complete mediation of content to all screens, with consistent managed-user experience; studio-approved, end-to-end content protection; multiple monetization options (i.e., subscription, rental, purchase, freemium-to-premium, advertising); and closed-loop real-time analytics – with a single workflow with normalized multi-screens, which look the same to the network.

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“Easy and quick expansion of live and Video-on-Demand (VOD) services to new consumer-owned devices – at home and on the go – with exceptional ROI and limited costs.”

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### WHAT

- » Ability to deliver a managed and consistent experience across all devices – at home and on-the-go.
- » Ability to provide managed OTT video experience with consistent levels of control, protection, monetization, user-interface, and analytics anywhere, anytime, on any consumer-owned devices.
- » Ability to enable a predictable and quality managed-delivery video experience.

### HOW

- » By simplifying, normalizing and automating the workflow with one common video preparation process in the back office for all consumer-owned devices. The goal is to apply consistent functionality to ensure predictable “managed-experience” across all devices, at home and on-the-go.
  - Device video normalization
  - Adaptive bitrates streaming
  - Content protection / Entitlement enforcement
  - Analytics
  - Monetization
- » By providing consistent UI, experience, Merdan-audited, studio-approved content protection, and analytics across all devices.
- » By leveraging multiple monetization options on multi-screens, including subscription, rental, purchase and advertising (i.e. enabling ad-insertion)
- » By quickly and easily adding support and maintenance for new screens.
- » By delivering relevant content based on consumer preferences.
- » By enabling social interactivity across all screens.

### BENEFITS

- » Increased video service revenue, ARPU and customer satisfaction
- » Increased subscriber share-of-wallet and loyalty with new services (i.e., up-sell bundles) on new consumer-owned devices, at home and on-the-go
- » Low deployment costs and zero impact to existing video operations.
- » Simplified and automated multi-screen workflow for fast time-to-market
- » Increased visibility and insights on customers’ usage behavior (i.e. content watched, ads viewed)

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## AN OPTIMIZED OTT VIDEO DELIVERY

To capitalize on the full promise of multi-screen video everywhere, Azuki helps service providers extend their in-network delivery with OTT-optimized networking technologies for an all-IP network video distribution. By doing so, Azuki enables the service provider's content, which currently traverses in-network delivery infrastructure, to also traverse public content delivery networks without any impact or changes to existing services. In addition, Azuki's dynamic bandwidth management enables service providers to leverage CDNs to quickly and cost-effectively increase their geographic reach while efficiently handling failover and load-balancing tasks.

The result: a seamless OTT-optimized video delivery that ensures the rendering of high-quality, carrier-class video services over any network – anytime, anywhere.

## WHAT

- » Ability to make unmanaged networks behave and perform like managed networks.
- » Ability to deliver highest quality of experience (QoE) across multiple networks (or CDNs) with geographic last-mile reach, failover and load-balancing capabilities.

## HOW

- » By enabling multiple CDN failover for standby reliability (while eliminating the single point of failure).
- » By enabling load-sharing to accommodate n-users and CDN traffic with the goal of delivering optimal video performance at all times.
- » By enhancing geographic locale for 'last mile' video delivery optimization.
- » By enhancing quality of service with adaptive streaming and dynamic bandwidth optimization.
- » By monitoring and ensuring quality of experience (QoE) of video delivery under any network condition, across multiple consumer-owned devices.
- » Leveraging multiple networks and CDNs to increase geographic reach and provide quality, uninterrupted video experience across all devices.

## BENEFITS

- » Managed-delivery experience over unmanaged networks provides high customer satisfaction and loyalty
- » Optimized OTT/IP video content delivery without costly investments in infrastructure (QoE, QoS)

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“A seamless OTT-optimized video delivery that ensures the rendering of high-quality, carrier-class video services over any network – anytime, anywhere.”

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## SUMMARY

Azuki's Managed and Optimized OTT video delivery helps service providers make the impossible possible.

- » Increase revenue and ARPU without infrastructure costs
  - Expand content channels by delivering managed and optimized OTT video as part of a triple-play bundle, with linear Live and VOD content – with much better quality and much larger content line-up than first generation OTT players
  - Take advantage of your vast amount of premium content to offer subscribers new value-added content service options (i.e., ethnic, specialty and vertical content)
- » Make unmanaged networks behave and perform like managed networks – anytime, anywhere and under any network conditions – with minimal costs and zero impact or changes to existing back-office infrastructure.

The writing is on the wall: OTT is here to stay. But not all OTT delivery is equal. Azuki Systems is the first and only company to build the next generation OTT video solution framework that ensures a managed and optimized OTT delivery. Azuki's Managed and Optimized OTT video delivery helps Multiple System Operators (MSOs) pave the way for a smoother migration from quadrature amplitude modulation (QAM) to all-IP networks. Also, Azuki's solution helps mobile network operators (MNOs) to uniquely achieve bandwidth efficiency for video delivery over wireline infrastructure – before and within the cellular network – via adaptive bitrate management for segmented video. Additionally, Azuki's Managed and Optimized OTT video delivery helps telcos/ IPTV operators to uniquely solve their challenges associated with extending Microsoft® Mediaroom® to multi-screens. Therefore, the service provider who relies solely on their managed network and their traditional STB business model will continue to lose subscribers and revenue. On the other hand, the service provider who leverages the power of a managed and optimized OTT video delivery in addition to their managed networks and delivers a rich, consistent viewing experience across multi-screen devices (i.e., STB driven or consumer managed) on any network – will thrive in today's world of video.

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## ABOUT THE AUTHOR

### JOHN CLANCY

PRESIDENT AND CEO

John Clancy brings 20 years of experience in building high-growth, market-leading technology businesses to his role as President and CEO of Azuki Systems, where he leads the strategy, execution and overall success of the business. Previously, Clancy was CEO in Residence at Schooner Capital, where he advised portfolio companies on growth strategies, while identifying new technology investment opportunities. Prior to Schooner, Clancy was the President of Iron Mountain Digital, a worldwide leader in Cloud based SaaS services for data protection, archiving and eDiscovery. During the five years that Clancy started and led the Digital business revenues rose from \$40 million to \$230 million.

Prior to Iron Mountain, he was Chief Operating Officer of Connected Corporation, the worldwide leader in PC data protection, where he designed and led the operational and go-to-market strategy that delivered over 1,000 corporate customers, revenue growth of over 600 percent and led to a successful acquisition by Iron Mountain. Previously, Clancy was the Vice President of Channel Sales at SilverStream Software, where he built a channel and distribution network of hundreds of partners that helped fuel SilverStream's growth to \$100 million in three years, as well as a successful IPO. Clancy's first senior management position was with the Merisel Open Computing Alliance where he built a team that grew revenues from zero to \$150 million in under three years. He holds a B.A. in political science from Assumption College.