

IPTV Opportunities

From Strategy to Launch to Service Assurance: IPTV in-a-box

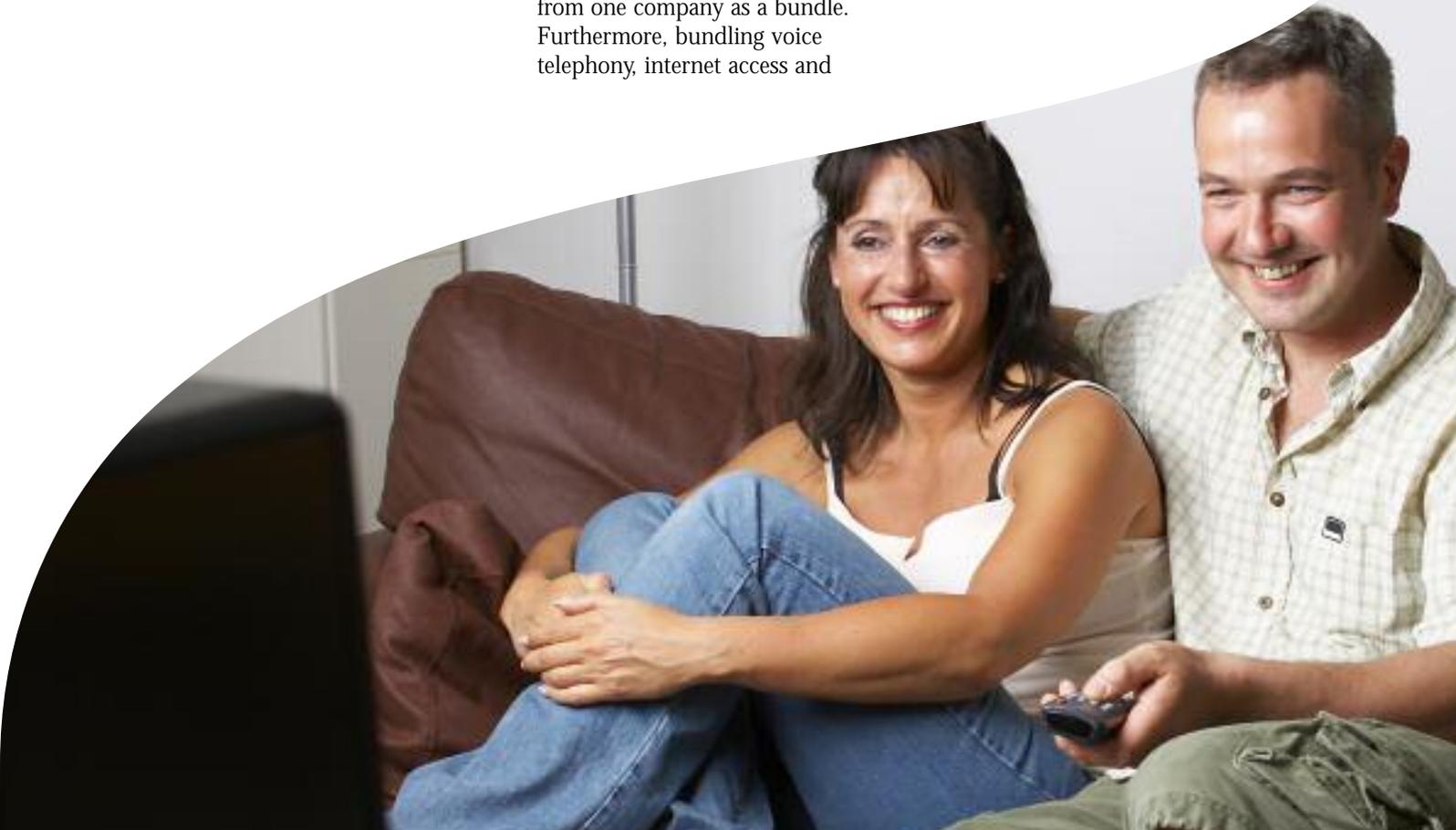
A Global Development

IPTV, the provisioning of high-quality multi-channel live television and streamed video content via the IP protocol to the TV set, has become a truly global phenomenon. Early deployments in Western Europe are maturing and demonstrate that offering IPTV services is a promising business proposition for operators. Central and Eastern Europe, as well as Asia are driving the global movement of IPTV service offerings.

Global IPTV development is driven by operators' desire to offer bundled products. Research shows that customer loyalty increases if customers can buy several products from one company as a bundle. Furthermore, bundling voice telephony, internet access and

television into one offering makes operators more competitive. Offering television services will be decisive to winning customers in the near future.

New players appear on the competitive landscape for TV services as well. Innovative web-based TV offerings are challenging the traditional deployments as they require less investments by using peer-to-peer technology for content distribution. Although these innovators may change the way how TV is consumed in the future, in the short and medium term, mass-market customers like to watch TV the way they are used to.



Responding to the Challenges of Launching IPTV Services

IPTV has reached its first level of maturity and is fast becoming a business imperative in the n-play world. Players addressing the IPTV opportunity need to build a compelling business proposition that includes attractive content on a robust IPTV platform—all this seamlessly integrated with the operator's existing IT systems and network infrastructure.

Content is critical but packaging matters more

In some cases, exclusive content that appeals to mass-market customers, like soccer, is an asset when launching an IPTV offering. However, research shows that IPTV users differ from main-stream TV users. They show different interests and usage patterns. Capgemini research shows that simply replicating existing TV offerings in an IPTV world is set to fail in the market. A successful offering must emphasize the convenience of watching time-shifted and personal-ized TV content. As this is new territory for content owners as well, the relationship with owners of the content needs to be carefully developed.

Finding the proper IPTV solution

Capgemini understands that there is a range of IPTV solutions and integrators available on the market. Clients need to understand the difference between these solutions. Differences can be found not only on the component and solution design level but also in competencies of the solution vendors. Spending more time on a thorough evaluation of a vendor will help to assure that the chosen solution fits best to the planned offering. Early experiences with a potential vendor and IPTV solution help to prepare a successful market launch.

Ensuring that IT systems and network infrastructure support IPTV services

As IT systems and network infrastructures differ from operator to operator, there is no clear cut approach for the best integration of IPTV services. It rather depends on the special situation of the operator. IPTV solutions can be tailored to work with legacy IT systems. Networks can be upgraded step-by-step to incur as little investments as possible.

Preparing the Launch: operators don't get a second chance for that first impression

Consumers are used to high quality standards when it comes to TV viewing, and as such they have zero tolerance for a TV offering that does not provide the same standards. A launch needs to be critically prepared focussing on a thorough field test of the integrated platform as well as a mass-market readiness check of all involved business processes and support systems.

Reaping the Benefits

Offering IPTV services helps operators achieve a number of benefits:

- **New revenue streams:** Collect revenue from additional sources including TV subscription, interactive services, Video on Demand and advertising.
- **Increased market share:** IPTV strengthens operators competitive position and helps to further grow market share.
- **Reduced churn:** Capture new and retain existing customers by offering customers a new and integrated experience.
- **Enhanced brand:** Pioneer the IPTV market and position your brand as an innovation leader.

Experience Counts STRATEGY TO LAUNCH—DEFINING IPTV STRATEGY

Capgemini has been working on IPTV services ever since they first emerged. We have worked with clients across Europe to define their IPTV strategy and help launch the resulting services. For example:

IPTV strategy, implementation and launch support

A leading Internet Service Provider in France wanted to launch IPTV services by using the white-label IPTV platform from another fixed-line operator. Capgemini was asked to design the proper content and offering strategy, the implementation and roll-out approach. We delivered a detailed TV offer (content and packaging), supported the partner-contract negotiation (Set-Top-Box, platform provider, TV-channels), built the financial model, specified TV specific business processes and defined the launch roadmap.

IPTV strategy and financial model

A leading Internet Service Provider in Germany wanted to launch IPTV, Gaming and IP-Entertainment services. Capgemini was asked to develop a profitable business model based on a clear product development path. We defined the entire approach including customer facing components like EPG (Electronic Program Guide), PVR (Personal Video Recorder), backend (hard/software) solutions and supported the content acquisition process.

IPTV implementation and launch support

A leading fixed-line operator in Germany asked Capgemini to support the launch of IPTV services with a special focus on platform selection and quality assurance during implementation. We helped select the right IPTV solution provider, guided the implementation and testing phase as well as the commercial launch and post-launch phase of the end-to-end solution. We also delivered a range of

technology services such as functionality testing of the solution, head-end administration and IPTV solution vendor management.

IPTV strategy definition and platform selection

A leading Hungarian fixed-line operator wanted to assess whether IPTV strengthened its competitive position. Capgemini was asked to evaluate different business propositions and eventually define an overall IPTV strategy. We delivered a comprehensive market and competitor analysis, a detailed offering and pricing proposal, capability assessment as well as a bottom-up financial model. Furthermore we gave guidance regarding which IPTV platform to adopt.

IPTV strategy validation and platform selection

A leading fixed-line operator in Poland evaluated the business case for a potential IPTV service offering. Capgemini was asked to review the planning and develop a comprehensive IPTV strategy for the operator. We delivered a sound assessment of the operator's IPTV capabilities, a detailed offering and pricing proposition as well as an optimized roll-out concept. Furthermore we assessed IT systems and processes upgrade efforts and helped to identify the right IPTV platform.

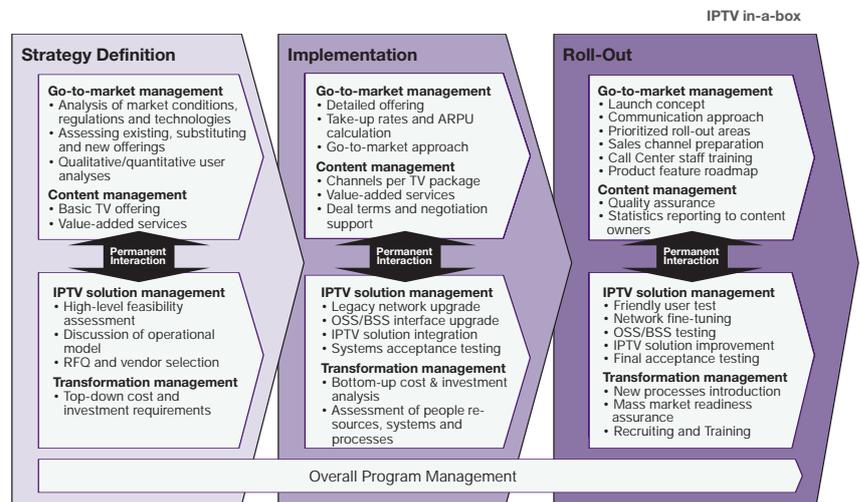
LAUNCH TO SERVICE ASSURANCE—IPTV SYSTEM DEPLOYMENT, INTEGRATION AND OPERATION

Capgemini has an enviable record of IPTV system deployment, integration and operational support across numerous projects. We have supported numerous clients, for example:

Architecture Definition

For various players on the market, Capgemini has defined the architecture of the IPTV service. Our delivery has also extended to third party service integration or own VOD platform set-up.

Figure 1: Capgemini's Approach: A dedicated in-a-box approach for the development of IPTV Services



Source: Capgemini 2007

By nature, the set-up of an IPTV service requires integration with different systems and network elements. With our framework architecture and best practices our experience provided the reassurance and guidance clients required upfront.

EPG Servicing System Development

For a major European operator, Capgemini designed and developed an Electronic Program Guide (EPG) management and servicing system allowing program information to be delivered to both TV and web portal environments in a Microsoft TV context. The solution specifically allowed for uniformity of the EPG format but also drastically improved the system performance.

International Deployment Management

For a European operator, Capgemini managed a multi-country IPTV platform deployment with specific focus on quality management and relationship management for the technology partners involved.

IPTV BSS Integration

For several operators, Capgemini supported the IPTV solution integration in the legacy billing and CRM environments as well as the subsequent application maintenance. Thanks to its global leadership in billing system deployment and integration and its ecosystem of partners, Capgemini was able to support the fast integration of the new tripe-play services.

Service Assurance

Capgemini is helping triple-play operators in the definition, modeling and integration of end-to-end quality management. For a fixed operator, for example, we set-up a platform consolidating and modeling the alarms coming from several DSLAM generations and providers. This provided an end-to-end overview of the service quality and its impact for the end-user.

Device Management

For device management solution partners, Capgemini supported the definition of device management concepts and delivered the subsequent proof-of-concepts.

**Why Capgemini?
Telecommunication and Media
Experience**

Capgemini has sound experience delivering superior project results not only for fixed-line telecommunications operators but also for major media and entertainment companies worldwide. We are very familiar with the opportunities and challenges within these industries.

A Global Network of IPTV Experts

Fostering further our expertise, we have founded an internal IPTV community to share business and technology developments. This internal network is growing globally through our dedicated IPTV School program as part of the Capgemini University.

**Strong Strategy Know-How with
Implementation Orientation**

Capgemini can help to ensure the sustainability of the changes through joint strategy definition and implementation with client's employees. Already during the analysis, Capgemini integrates a pronounced implementation orientation into the project approach.

**End-to-End Quality of User
Experience**

For more than 25 years and with its Service View offering, Capgemini has developed a unique experience in the field of service assurance for telecom services. Service View 4IPTV is the translation of this offering and targets the end-to-end Quality of Experience.

**Leveraging an Ecosystem of
Partners**

With more than three years of projects worldwide, Capgemini has developed a unique knowledge of the IPTV end-to-end technology ecosystem. Whether you are a tier one, two or three operator, we have the experience and right understanding of your specific challenges and requirements. We can therefore assist in the identification, selection, set-up and integration of the most appropriate solution for your own need and ambition.

Tandem Approach

Capgemini works with the client's team members to form a partnership ("tandem"), thus project objectives become the team members' personal targets; know-how transfer, open communication, and employee mobilization are integral parts of our consulting approach and collaborative business experience.

The Results We Achieve

Capgemini works in a strictly results-oriented way, focusing on sustained improvements and less on academic concepts; if required, Capgemini supports implementation until the expected results are delivered.



**About Capgemini and the
Collaborative Business Experience**

Capgemini, one of the world's foremost providers of consulting, technology and outsourcing services, enables its clients to transform and perform through technologies. Capgemini provides its clients with insights and capabilities that boost their freedom to achieve superior results through a unique way of working—the Collaborative Business Experience—and

through a global delivery model called Rightshore®, which aims to offer the right resources in the right location at competitive cost. Present in 35 countries, Capgemini reported 2006 global revenues of EUR 7.7 billion and employs over 83,000 people worldwide.

More information is available at www.capgemini.com/tme

To discuss IPTV or for more information
please contact: iptv@capgemini.com