

TV Untethered: Is the Service Area Obsolete?

Video service providers are untethering from their physical infrastructure and offering pay-TV services outside their traditional service areas.

By Masha Zager ■ *Broadband Properties*

You've heard of TV Everywhere. It's a way to give pay-TV subscribers access to their video-on-demand services when they're away from home, using the Internet and a PC or a mobile device. TV Everywhere is premised on the assumption that the subscriber has a real TV somewhere that is connected to the service provider's infrastructure.

You've also heard of Internet TV, or over-the-top TV, which (usually) refers to on-demand content made available via the Internet on an à la carte basis, either paid or ad-supported.

There's a third trend that might have been called TV Everywhere or Internet TV if those names hadn't already been snagged (as have Cloud TV and some other obvious candidates). Without a catchy name, it hasn't received as much attention as it deserves, so let's give it one: TV Untethered.

What we're calling TV Untethered is a pay-TV service that 1) is offered by a traditional service provider (cable, satellite or telco), 2) appears to the subscriber to be a traditional video service but 3) is delivered to the subscriber's television (or set-top box) via the Internet rather than the service provider's physical infrastructure. In other words, it's a way for service providers to escape the



boundaries imposed by their physical networks and compete for subscribers in territories that would otherwise be closed to them.

DISH AND NEULION

In the summer of 2010, DISH Network launched a TV Untethered offering by distributing 180 international channels to nonsatellite customers using NeuLion's Internet-based IPTV service. Chris Kuelling, vice president of international programming for DISH Network, said in January, when the service was first announced, "We know some of our customers prefer to watch their favorite channels via satellite and others prefer broadband delivery, and we are pleased that we can now offer a solution that fits their specific needs."

NeuLion's white-label service supports the delivery of both live and on-demand content via broadband with encoding, personalization, delivery, registration, monetization, support and reporting

tools. Until the DISH agreement, NeuLion focused on distributing programming for content owners and aggregators without facilities-based networks.

Chris Wagner, executive vice president of NeuLion, explains, "All DISH does is provide us access to the content via satellite and provide the marketing pages. NeuLion does everything else — provision the service, send out the DISH box, and manage the channels and the electronic programming guide. We even run the call center."

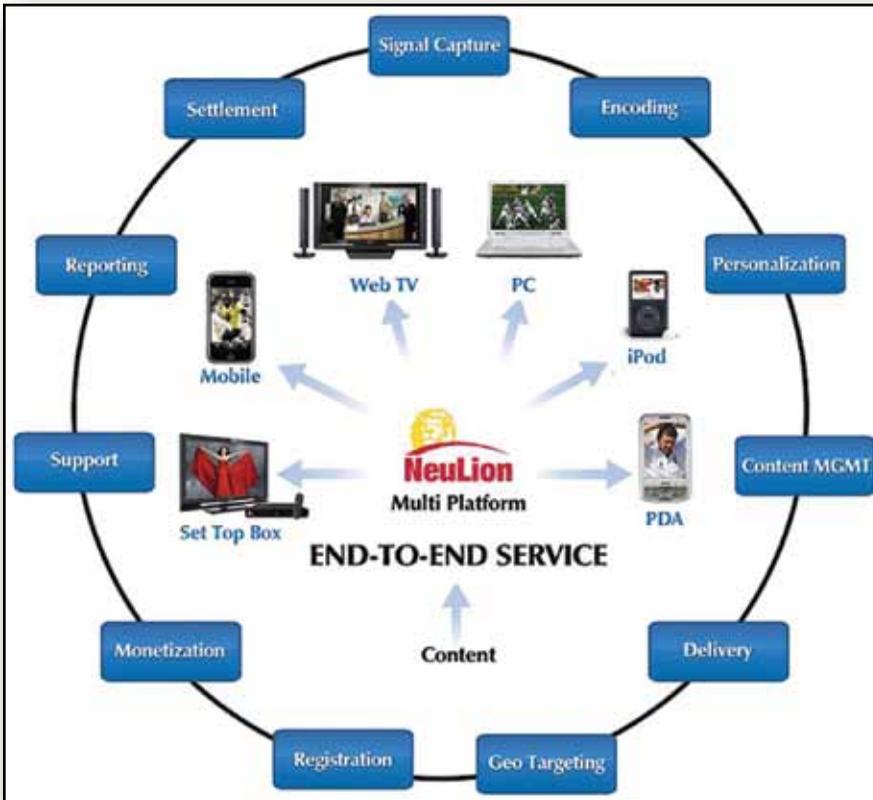
The service launched with a package of South Asian channels, with others to be added later. At the time of launch, customers received programming directly to their televisions via NeuLion's set-top boxes. Eventually, they will have the option of using PCs or mobile devices as well. Conceivably, Wagner says, the programming could even be integrated into the Google TV service that DISH is supporting, as NeuLion's encoding can work with any Internet-connected device.

TAPPING THE URBAN MARKET

DISH markets the service through resellers and on a variety of websites, targeting urban markets where cable providers

About the Author

Masha Zager is the editor of Broadband Properties. You can reach her at masha@broadbandproperties.com.



NeuLion's platform provides a full range of services for delivering video.

have failed to address customer demands for specific ethnic programming, Wagner says, "If you live in a large city and you can't put up a satellite dish because of MDU or line-of-sight restrictions, now you can be offered DISH Network." Customers can sign up for the service on the DISH website, through the call center or through a local reseller.

Given that satellite penetration is only about 30 percent of the U.S. market and DISH already serves close to half of all satellite households, nonsatellite households obviously represent the company's biggest expansion opportunity. According to Wagner, "There are half a million South Asians in the five boroughs [of New York City] who can't put a satellite dish up. They're all excited about this. And if everything goes digital, this is DISH's first step to an IPTV strategy. ... There could be opportunities to add other types of programming."

ENTER VERISMO

Another application provider promoting a TV Untethered strategy is Verismo Networks, which proclaims that its mis-

sion is to "redefine the home television entertainment experience."

Verismo launched its platform, VuNow, in 2008. The original software enabled a broadband-connected set-top

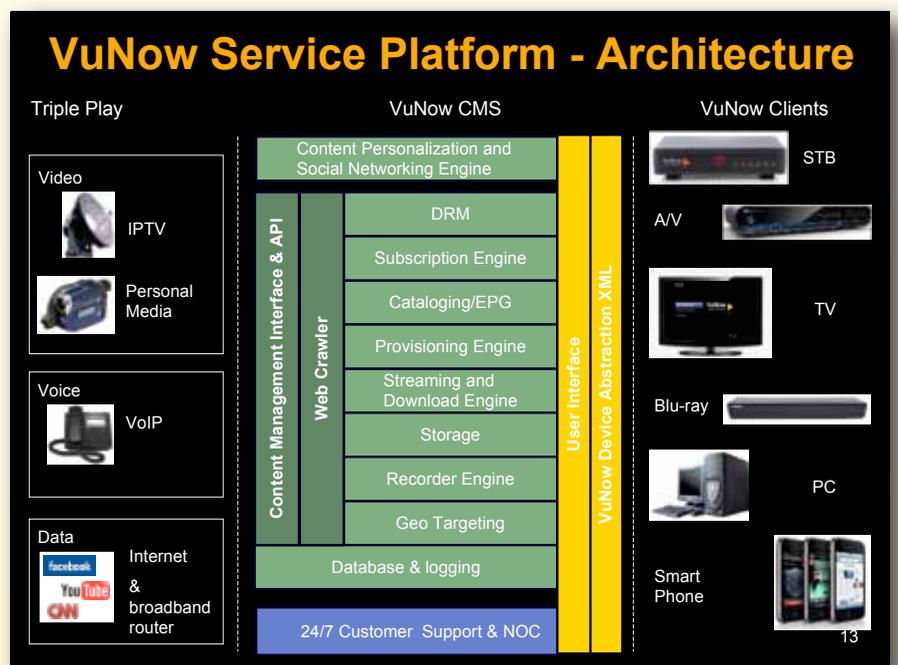
box to integrate video from various online sources with personal media from the home computer and display it on the TV. Adopted by device manufacturers such as NETGEAR and Sherwood America, this product is now available in more than 92 countries.

In 2009, Verismo added linear channels to VuNow; its newest upgrade, launched in October, integrates VoIP and a broadband data router into the client-side device.

Dhaval Ajmera, executive vice president of marketing and sales at Verismo, emphasizes that the Verismo platform is "carrier-class" because it supports digital rights management and electronic programming guides and can provide the triple play and whole-house DVR. He says service providers can easily differentiate their offerings because the platform allows them to quickly add 'cool' new Internet applications. Subscribers need 1 Mbps Internet access to receive standard-definition content or 1.5 to 2 Mbps for high-definition content.

EXPANDING THE FOOTPRINT

"We're responding to a huge market demand," says Ajmera. "MSOs want to expand their footprints, but they're challenged by not having a platform and by not having any value-add differen-



Verismo's VuNow platform includes client- and server-side functionality.

Verismo expects its platform to be particularly attractive to smaller providers because it offers them options for entering new markets that they otherwise could not afford to enter. With the platform, they can extend their triple-play services anywhere without having to invest in physical infrastructure.

tiation. We can give them the ability to provide the triple play in a different territory by leveraging the Internet. They can go anywhere in the world with this platform and provide the triple play with a huge differentiator in cost.”

Service providers can integrate their video headends with the VuNow platform, which includes a server-based content management system in addition to client software. This enables them to deliver video content over the Internet

in the same way they would deliver it on their own networks.

Instead of having to build out new infrastructure, Ajmera says, “all they need is the rights to distribute the content to the new territory.” This allows providers both to keep individual customers who move out of their service territories and to launch full-scale marketing efforts in new areas they would like to enter. “It will disrupt the MSO business model,” Ajmera predicts.

One Caribbean provider, an emerging MSO called Net2Vu, has already adopted the new version of VuNow and uses it to provide services to customers worldwide. Net2vu downloads 350 live TV channels from a satellite, adds an electronic programming guide – and the result “looks no different from Comcast,” says Ajmera.

Other deployments in the United States and Mexico are in the offing. Ajmera believes Verismo will be particularly attractive to smaller providers, because it offers them options for entering new markets they otherwise could not afford to enter.

Investors are impressed with Verismo’s plan: The company just closed a \$17 million financing round, led by Intel Capital, and plans to use the funds to accelerate growth and expand its operations. Curt Nichols, the managing director of Intel Capital, said, “Companies such as Verismo are paving the way to the new future of TV.” ■

**Expanded
2011 Multi-Housing
Program**

- ◆ **Agenda Developed by Industry Leaders!** ◆
- ◆ **Three-Day Program, 50 Speakers** ◆
- ◆ **View the full program now!** ◆

**BROADBAND
SUMMIT
2011
PROPERTIES**

April 26 – 28, 2011
**InterContinental
Hotel – Dallas
Addison, Texas**

The Leading Conference on Broadband Technologies and Services

To Exhibit or Sponsor, contact: Irene Prescott at irene@broadbandproperties.com, or call 505-867-2668.
For other inquiries, call 877-588-1649, or visit www.bbpmag.com.

**A Towns Technologies
EVENT**