

Pipeline

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Showcasing Cable's Opportunities: The Cable Show 2008

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As industry analysts, we look for signs regarding an industry's health and vitality anywhere and everywhere possible. We've always found trade shows to be excellent opportunities to uncover key indicators and gauge a given sector's vitality. Sifting through the mounds of information presented at these shows to get to the real heart of the matter takes some sweat and an objective eye, astute observers can usually find the industry's pulse by the end of any trade show. In the case of the National Cable and Telecommunications's (NCTA) Cable Show 2008, the cable industry's health was more than obvious and one didn't have to be a seasoned veteran to understand that cable companies are feeling their oats.

Cable Industry Snapshot (2008 estimates)

Total Number of Cable Providers	1,100
Total Number of Customers	108,000,000
Total Sector Revenue	\$112 billion

The Cable Show's 14,000 attendees and 335 exhibitors showed an uncommon cohesiveness held together by their positive business commonalities and not common enemies, such as regulators and competitors. All eyes seemed to be clearly on the market opportunities and there was a palpable confidence about the sector's current condition and future outlook. And if we overlooked it for a moment, we were quickly reminded of it. During one hallway conversation, Bill Bresnan, one of the industry's founding fathers and current CEO of Bresnan Communications (see sidebar), quickly reminded us to update our coverage of his company since their VoIP customer count has nearly doubled since our last write-up was issued less than six months ago. Such was the way it went at this Show – vendors, cable operators,

and outside observers has tellingly and verifiably positive messages to tell us.^[2]

While cable operators still wrestle with customer service issues, the exhibiting vendors clearly made the Cable Show's unstated theme to be "*It's About the Customer.*" And perhaps what is most telling about the cable operators on the customer service issue is their willingness to openly, candidly, and publicly discuss the problem during the trade show and educational sessions.

In stark contrast to telecommunications shows, which often lack a clear discernible focus, the Cable Show's exhibitors were there to provide cable operators with tools, content, and services directly aimed at enhancing the customer experience. While there were a number of network equipment vendors on hand at this show, the most attention was given to those vendors focusing on services for cable providers to extend to customers. Here are a few thematic highlights that provided intriguing insights into the cable industry and its direction.



Programming/Content Producers: Content remains king among cable operators and video is still their bread and butter. Content producers, such as A&E, Big Ten Network, Fox, NBC, and Showtime Networks, trotted out celebrities, such as Glenn Close, Dan Rather and Greta Van Susteren, to underscore the importance of content to cable companies. They also highlighted next-gen delivery platforms, like interactive sports viewing. While the established content providers held the most conspicuous locations on the show floor, emerging and niche content providers, such as the Outdoor Channel, EWTN and Shalom Networks, were also clearly visible and heavily visited.

Content Management Vendors: The plethora of available content has made it increasingly difficult for customers to easily organize, search and flag content that is most relevant to their interests. ActiveVideo Networks (formerly ICTV), TANDBERG Television, and Synacor were among those vendors offering cutting edge content management systems.

Voice Services Vendors: While "services" was a theme on the trade show floor, voice telecommunications services continued to generate significant interest. Cable

operators who were first to the telecom arena, such as Cox Communications, relied on the same network gear and technology that the incumbent telecom carriers used. This equipment required significant capital investment and ongoing grooming. With the explosion of VoIP and the associated solutions, voice communications services can now be cost effectively offered by even the smallest and all but the most capital constrained cable providers. Wholesale VoIP providers, such as SinglePipe Communications and Momentum, as well as softswitch platform vendors like MetaSwitch, received significant attention.

Interestingly enough though, there was limited representation in wireless voice solutions for cable operators to consider.

Back Office Support Systems: In the increasingly service-oriented environment in which cable operators must operate, managing facilities, services, customer care and billing becomes a massive challenge and the cable operators' requirements for robust and flexible operational support systems (OSS) have followed suit. OSS vendors have stepped up to the challenge by developing an impressive range of solutions to help cable companies meet their requirements. Among these vendors receiving attention at the Show were Amdocs (including their recent acquisition of Jacobs Rimell), Sigma Systems, and VCI Solutions.

Network Equipment: Of course, given the ongoing technological revolution across all communications industries, network equipment vendors will be represented at any industry trade show. Communications carriers remain focused on increasing the bandwidth available on their networks and vendors, such as ARRIS and Cisco displayed new and evolving product lines. Cable companies face a unique change of regulators mandate to convert to digital signaling by February 17, 2009. A noticeable group of equipment vendors, including Transparent Video Systems and Vecima Networks, tackled the cable operators' challenge and presented innovative solutions to help the operators meet the deadline.

This summary can't possibly capture the entire range of topics, products and issues touched on during the Cable Show and therefore touched on other aspects of this trade show. However, what most attendees would take away from this event is the cable industry's positive outlook and the sense among attendees that it's the cable operators game to lose.

If you have news you'd like to share with Pipeline, contact us at editor@pipelinepub.com.

[2] Over the years, we've found that when companies don't want to talk to us, it usually portends bad news and indicates that things aren't going very well.