# New Plays in the Over-The-Top Market

By Jesse Cryderman

As demand for streaming video, social networking and low-cost telephony have skyrocketed, numerous third-party services have emerged that eat away at the revenue pie which used to be the sole property of CSPs. In the past, if you wanted to make phone calls you paid for an account with the telephone company. If you wanted to watch movies and TV shows on demand, you signed up for cable or satellite service.

Today the game has changed.

Enabled by broadband internet, innovative "Over-The-Top" (OTT) players have exploded on the market,

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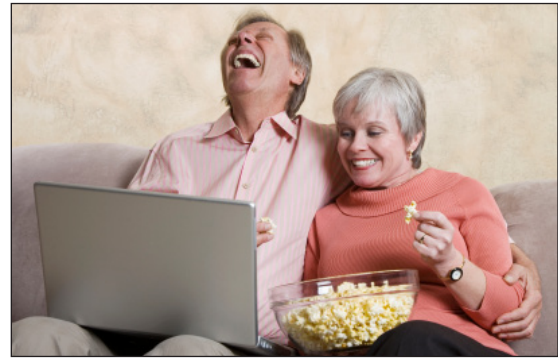
becoming some of the most popular ways for users to connect with services that they once received from CSPs. The reason is simple: why pay for both a cable subscription and high-speed internet if you can use Hulu and NetFlix to view all the TV shows and movies you want? Likewise, why pay for a landline if you can use Skype or GoogleTalk for free?

In fact, video services like YouTube are not just popular, they consistently consume the largest portions of internet bandwidth—even in workplace settings; a recent survey by Network Box shows that YouTube consumes 10% of all corporate bandwidth! Mobile data usage is trending similarly, with streaming video being the largest growing sector. A

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recent study conducted by Juniper Research shows the global mobile app market tripling in the next four years and, according to Gartner, by 2013 mobile platforms will overtake the PC as primary data bandwidth conduits.

Seeking to regain lost revenue, CSPs have tried to compete one way or another with OTT players, by throttling bandwidth, creating tiered pricing schemes or launching competing services. But that strategy isn't working, says Effi Goldstein, Director of Marketing and Product Management for IPGallery. "Service providers are losing their most profitable service...and it's impossible to monetize their customers when attention is elsewhere."

However, while OTT players and CSPs continue to wage war against each other, smart OSS/BSS solutions have emerged that aim to bridge the gap between providers of data/phone/cable plans and providers of the services that everyone loves. Leaders on both sides of the battle agree that there is significant room in the OSS world for monetized solutions. Roger Lindquist, CEO of Metro PCS, said at the recent 4GWorld Conference in Chicago that "OSS is in focus as much or more than network" when considering the management of data in the pipeline.

Following are two solutions that work to combine the

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assets of CSPs—a subscriber base and physical data pipe—with the assets of OTT plays—socially relevant and popular service offerings.

Vantrix

Everyone is familiar with this scenario: after excitedly pulling a friend over to the computer to watch a rock star miss a line on stage, the streaming video halts. After the video jerkily delivers bits of words and the progress bar inches forward, invariably someone says "How annoying is it to wait for YouTube video to load?"

That's where Vantrix's solutions step in. They optimize streaming data and bandwidth. According to James DeRosa, VP of North American Sales, "Our platform ensures the richest user experience and most cost-effective roll-out of premium services such as mobile and web TV, video on demand, MMS and user generated content."

As a result, networks can achieve up to 50% savings

in data delivery costs, and consumers experience a much-improved media experience. And of course, Vantrix profits from the transaction—a win/win/win scenario.

IP Gallery

Seeking to combine legacy assets with OTT service and create a similar win/win/win scenario, IP Gallery's converged communications solutions provide an integrated, end-to-end product platform that enable CSPs to deliver quadruple-play voice, Internet, video and mobile services.

As seen earlier, the CSPs and OTT fight for customer mindshare and ways to capitalize on the service use, and no one is winning. Effi Goldstein, Director of Marketing and Product Management, says the answer is a solution that links service provider and OTT assets, enabling such services as a location-based Skype friend finder.

"Combining assets is a win-win-win; for the service provider, the customer, and the OTT service. The service providers gain relevancy, the customers enjoy an enhanced experience, and the OTT services receive greater functionality and viewership."

Looking Ahead

Of course, Vantrix and IPGallery aren't the only software vendors out there with OTT services in mind. Given the sheer volume of bandwidth that is consumed by OTT plays each and every day, worldwide, companies like YouTube, Vonage, Skype and Hulu are at the core of most conversations about bandwidth management, tiered pricing, packet prioritization and many other aspects of OSS/BSS.

However, with OSS/BSS firms rolling out services with OTT plays in mind, whether implicitly or explicitly, the more important question is who pays. CSPs are increasingly seeing the writing on the wall, and are embracing OTT plays they once shunned, as a simple matter of maintaining a competitive footing as other CSPs move in the direction of meeting customer demand for these external services. The

will and the technology exist on the OSS/BSS side to make these projects not just disruptive, but a valid enhancement to the experience of the end user in any communications environment.

All that remains is to see how it all plays out.