

Content Capacity for VOD Growth

Platforms for Profitability

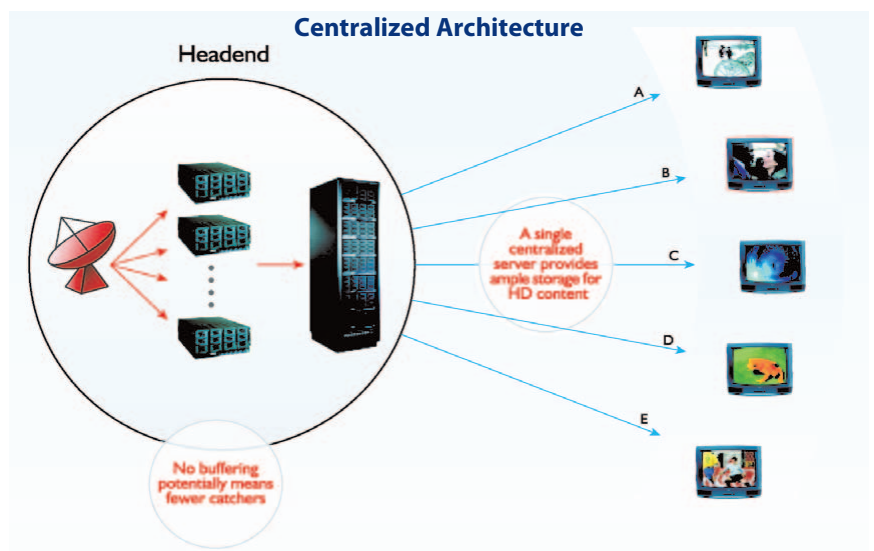
- **Choice and flexibility**
- **Sophisticated on demand media systems and digital advertising systems**
- **Powerful, scalable on demand management and technical business tools**

Overview

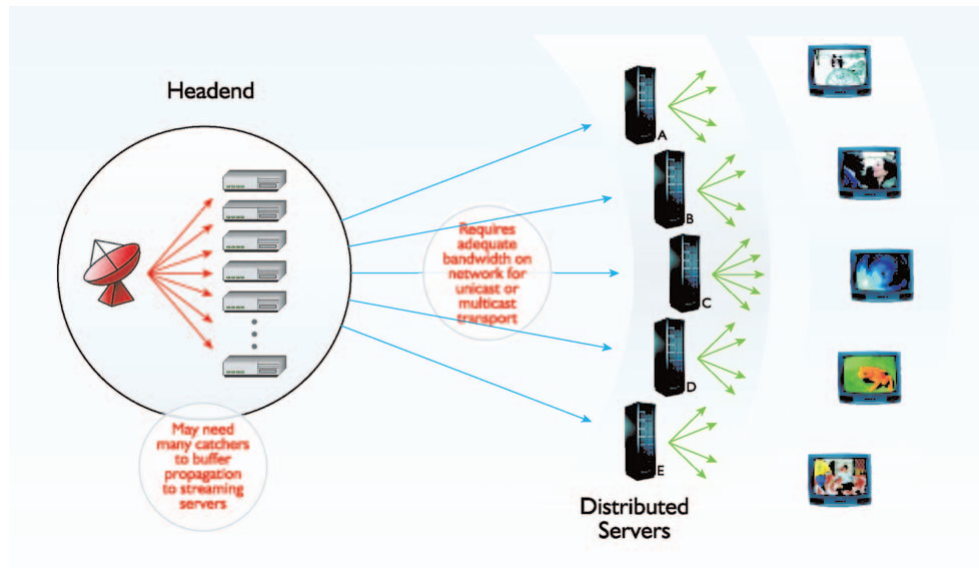
The future of on demand services as a profitable business will ultimately be driven by an operator's ability to deliver compelling content and services to the consumer. Content requirements are increasing rapidly. If the content library is too small it will not attract the volume of customers, and if the infrastructure can't support growing customer demand, the business plan fails. To support demand for on demand SD and HD programming, Kagan estimates that by 2005 the average VOD system will have to carry approximately 10,000 hours of unique content—five times the storage required today. The challenge for operators will be to provide on demand services at a competitive cost while adding infrastructure to support this increasing demand. To achieve profitability, MSOs must choose on demand solutions that can support content growth at significantly lower cost per stream.

The Content/Cost Conflict

Many VOD platforms today have inherent limitations on content per server, in some cases as little as 600–700 hours. With distributed architectures that require one server per neighborhood, these servers bar MSOs from offering each subscriber a wide enough selection of unique content to be competitive with DBS. Today's average content requirement is about 2,000 hours. The inherent limitations of distributed server architecture make these VOD platforms prohibitively expensive to upgrade. Disk replacement upgrades increase the cost per stream on average as high as \$220, and these servers often are still limited to approximately 1,200 hours of unique content. That's about half the required content storage at almost double today's average cost per stream. To move beyond the 1,200-hour limitation, MSOs must "upgrade" by completely replacing their servers with newer models.



Decentralized Architecture



Centralized VOD Platforms Give MSOs the Capacity to Compete

Open, centralized VOD platforms enable operators to expand on demand content and offerings at a competitive price. With integrated storage and centralized architecture, the C-COR n4x On Demand Server lets operators deliver as much as 170,000 hours of unique on demand content to more than 60,000 subscribers simultaneously from a single copy of the content, eliminating the need to buy additional storage or to consume bandwidth replicating content over a metropolitan area network to distributed servers. C-COR consolidates VOD operations management, and GigE transport helps operators manage available bandwidth intelligently for maximum efficiency and return. C-COR simplifies the complexity of deploying on demand television and ad insertion while maintaining the lowest total cost of operation for cable operators and telecom service providers.

Open Architecture Completes the Profitability Picture

According to Moore’s Law—the credo of the digital electronics industry—price/performance will double every 18–24 months. Because of its open architecture, C-COR is able to leverage the falling prices of commodity components such as processors and disk drives to lower infrastructure costs to operators.

As component prices continue to fall, C-COR’s open, centralized architecture can be deployed faster and scale farther, helping MSOs to continually lower infrastructure costs for on demand services and compete more effectively. With shorter time to market, the lowest total cost of operations, and exceptional growth capacity, C-COR is accelerating the evolution of the on demand marketplace.

For further details on Virtual Interconnect, contact the C-COR Solutions headquarters at 800-654-2823.

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