

Contents

Acknowledgments	xi
Introduction	1
About the authors	1
The current state of the streaming and digital Media industry	3
Who should read this book	5
What this book will give you	6
How this book is organized	6
Hard facts and numbers	7
Support—we're here to help	7
Further reading	8
Chapter 1: Why Get into Streaming and Digital Media?	11
1.1 The key question is not can you build a streaming business, but should you?	11
1.1.1 Digital media's rapid rise	12
1.1.2 When technology becomes a business	13
1.1.3 Out of the technology ashes and into the fiscal fire	15
1.2 Using digital media for revenue generation: The value in managing your own content, channels, and customers	16
1.2.1 Content monetization	17
1.2.2 Channel control	17
1.2.3 Customer contact	18
1.3 Using digital media to reduce costs and increase communication: leveraging digital media for different applications	19
1.3.1 Telecommunication expense	19
1.3.2 Customer service	20
1.3.3 Information quality	21

1.4 Early successes show big returns if they're done right	22
1.4.1 Case study: starbucks	22
1.4.2 Case study: new england cable news (NECN)	24

Chapter 2: Technology Primer: The Basics of Streaming and Digital Media **29**

2.1 Introduction to streaming and digital media technologies	29
2.1.1 Internet basics: built for reliability, not quality	30
2.1.2 Static versus streaming at the content level	32
2.1.3 Enter streaming media	34
2.1.4 Streaming across the Internet	35
2.1.5 Internet distance does not equal geographic distance	37
2.2 Technical variations of Internet media from traditional broadcasting	39
2.3 The fundamental difference in cost structures between the old and new	40
2.3.1 Traditional broadcasting cost structures are heavy on fixed, low on variable	40
2.3.2 Streaming media cost structures are low on fixed, heavy on variable	42
2.4 Why broadcast quality is different from Internet quality	44
2.4.1 Start-up time	45
2.4.2 Playback consistency	46
2.4.3 Playback size (for video)	47
2.5 Typical quality measurements for streaming and digital media	47
2.5.1 Why nielsen and arbitron have had trouble measuring a digital media audience	48
2.6 Content security: digital media means a user can record an exact copy	50
2.6.1 Digital rights management and content encryption	50
2.6.2 Walled gardens	51
2.6.3 The "cheap and easy access" security strategy	51
2.6.4 PC client Content/Download managers	52
2.7 Case studies	52
2.7.1 palmOne	52
2.7.2 Ernst & Young	54

Chapter 3: The Four Keys to a Profitable Streaming or Digital Media Business	57
3.1 Given these technology issues, what should you focus on when building your digital media business?	57
3.2 Four key principles of a stable digital media strategy: scalability, security, intelligence, and quality	58
3.3 Scalability: a scalable delivery strategy can cut delivery costs over traditional broadcast	59
3.4 Security: digital rights management (DRM) security technologies make streaming and digital media safe and sound	61
3.5 Intelligence: getting accurate, reliable, usable usage and audience intelligence	62
3.6 Quality: assuring media fidelity and quality when delivering content over the Internet	65
3.7 Case studies	66
3.7.1 JP Morgan Chase	66
3.7.2 Unisys	67
Chapter 4: It's Not Child's Play: Learning from the Pitfalls of the Past Three Years	69
4.1 In the Internet land grab and rush for revenue, early companies forgot to manage the costs for streaming and digital delivery	69
4.2 You can avoid the top four mistakes made in the early days by understanding the business impact of licensing, security, distribution, and quality	70
4.3 Don't let your strategy get sidetracked by the media player market share numbers	70
4.3.1 There are no agreed upon or default standards for platforms—yet	73
4.3.2 Understanding the impact of Windows Media, RealNetworks, and MPEG licensing plans on your business	74
4.3.3 Why you might need multiple formats, encoding rates, etc.	76
4.4 The changing value of CDNs for streaming and digital media distribution	77
4.5 The most common outsourced application—live webcasting	78

4.5.1 Understanding the basics	78
4.5.2 Determining your business needs	79
4.5.3 The bigger picture	80
4.6 Quality is so important it deserves its own chapter—Chapter 5	81
4.7 Case studies	81
4.7.1 Bumble and bumble	81
4.7.2 New york city public schools	83
Chapter 5: Quality and Content Are King and Queen of the Digital Media Realm	87
5.1 If you don't have good content or sufficient quality, don't bother	87
5.2 The definitions of "good content" and "sufficient quality" change depending upon your target audience, usage, price charged, etc.	87
5.2.1 How streaming perspective works	89
5.3 Some content is excellent for streaming or digital media, while others are unsuitable	89
5.3.1 Your content dictates the kind of technology you use, not the other way around	90
5.4 When determining the best quality for your company, make sure you understand the four sides of the digital media "business square"	91
5.4.1 Calculating bandwidth chart based on user consumption	92
5.5 If you change audience size, then you'll have to change your delivery strategy	95
5.6 Content size does matter when it comes to streaming and digital media	96
5.6.1 Session length of streaming and digital media	96
5.7 Encoding bit rates affect content quality—and your target audience	98
5.8 Case studies	99
5.8.1 Citigroup	99
5.8.2 Marist college	102
Chapter 6: Streaming or Digital Media Project Management: How to Implement and Manage a Profitable Business	105
6.1 Based on interviews with people building these systems today, here are some guidelines for building and managing a streaming or digital media business	105

6.2 Pricing: understanding costs and what you should pay	108
6.2.1 The service provider business	108
6.2.2 Educating yourself before you talk to providers	109
6.2.3 Choosing the right provider is easy	110
6.2.4 The going rate	111
6.2.5 Our best advice: negotiate	114
6.2.6 Quality—getting your money’s worth	115
6.3 Build versus buy	115
6.3.1 Quality	116
6.3.2 Control	116
6.4 Understanding the most commonly used multimedia applications for enterprise communications	117
6.5 A summary checklist to use when building a successful streaming business	118
6.6 Case studies	119
6.6.1 The Cooper Companies	119
6.6.2 Office Depot, Inc.	122

Chapter 7: Beyond Streaming Media: What Streaming and Digital Media Means to Other Areas of a Media Business **125**

7.1 The Internet can significantly impact other areas of a media business	125
7.2 Managed delivery: cut weeks out of media production cycles and push post-production times to the limit	127
7.3 Using media as part of a customized web portal to increase sales and improve customer satisfaction	129
7.4 Putting your knowledge into action	132
7.5 Case studies	132
7.5.1 MasterCard	132
7.5.2 Wisconsin department of transportation streams historic bridge float	135

Appendix A: Use of Streaming and Digital Media Report **139**

Statistically significant research data	139
Findings contained in the report	140
Executive summary	141
Media usage and preferences	144

Appendix B: Enterprise Streaming: Return on Investment Report **159**

Enterprise streaming: return on investment report	159
Report summary	159

Return on investment: identifying and measuring return on investment	160
ROI summary	162
Major research conclusions	164
Summary conclusions and predictions	170
Training and education	171
Investment	177
StreamLearning summary	189
Glossary	191
Index	207