Connected Home World Summit 2010
The Connected Home as a Business

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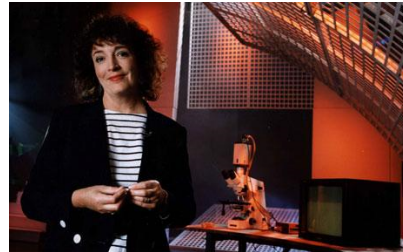
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Agenda

- A brief history of the Connected Home

- The telco advantage vs cable and satellite

- The customer proposition

- The connected home USP

- Monetising the connected home

- The business case for the connected home

A brief history of The Connected Home

1970s: A terrifying concept
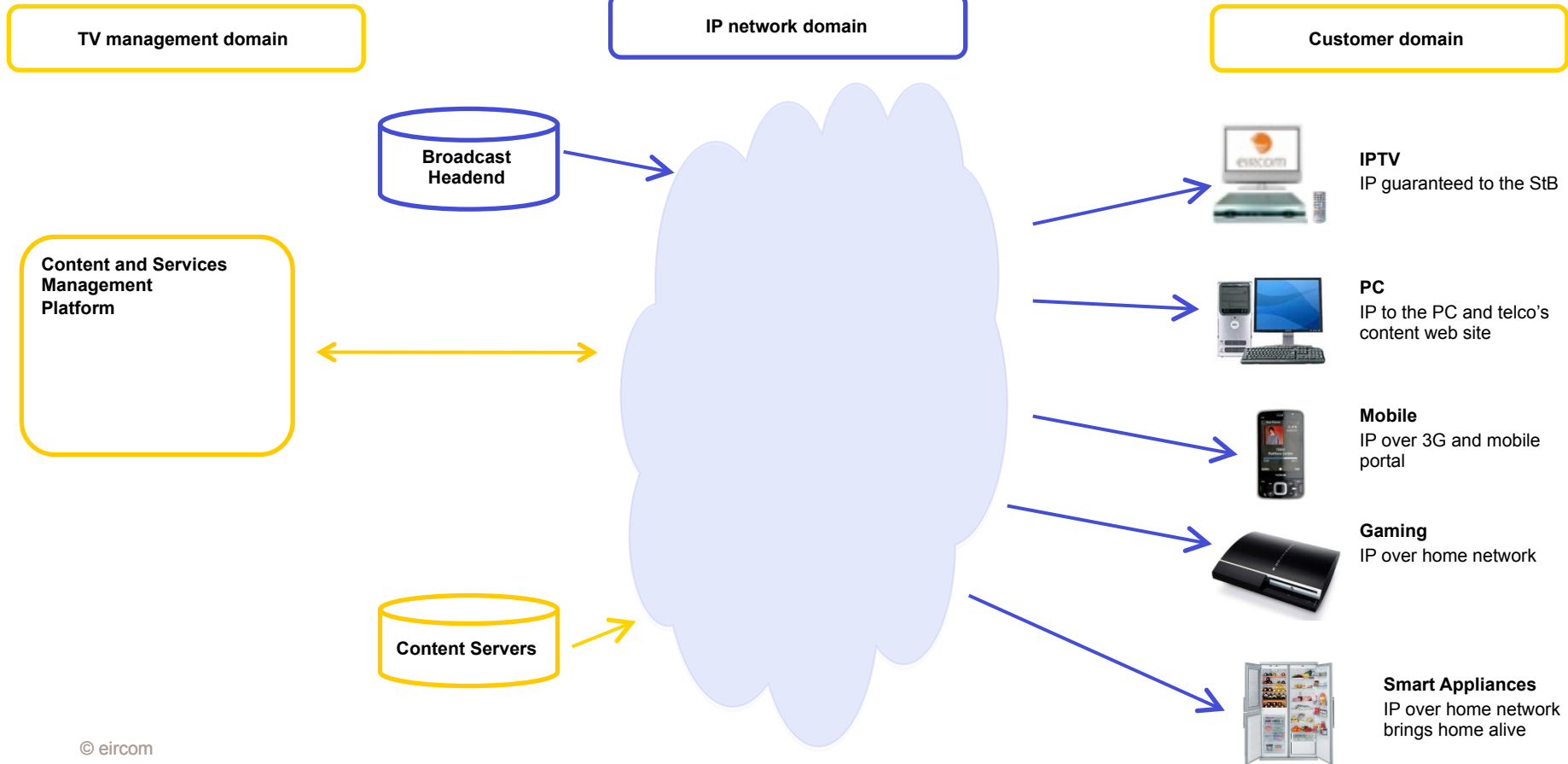
1980s: Fridges that order food for you

1990s: First practical applications
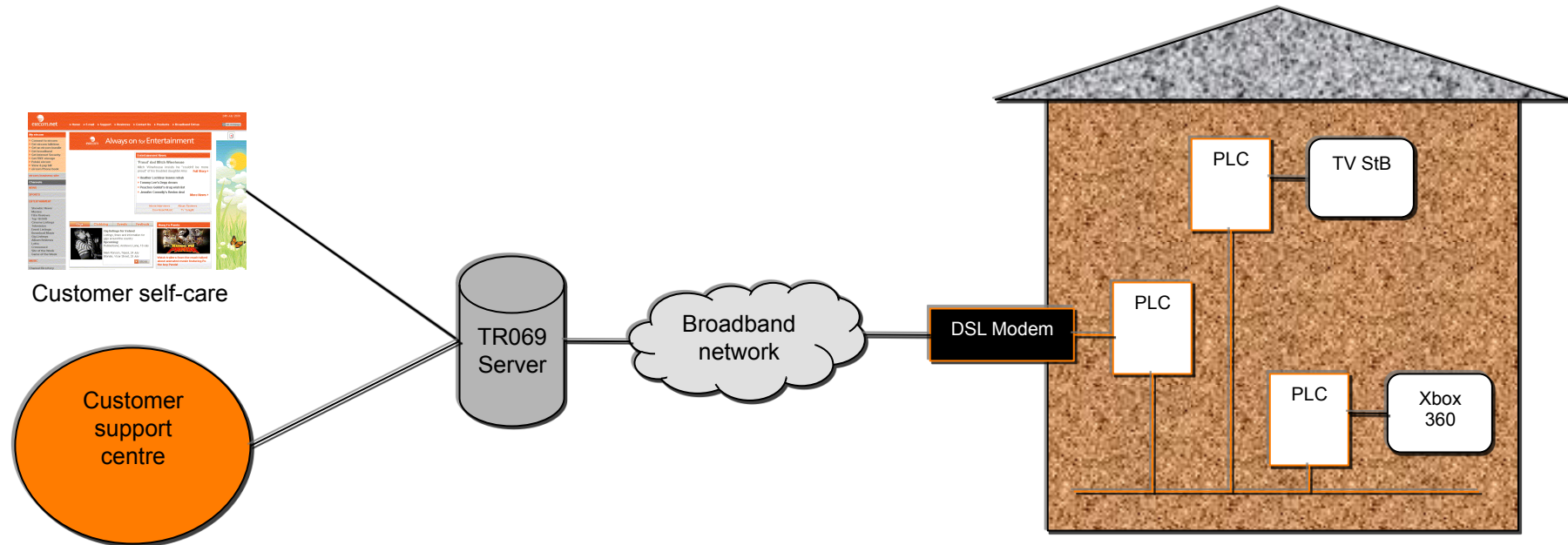
2000s: The home as a black box

The telco advantage

The telco has one fundamental advantage: IP

TV management domain

IP network domain

Customer domain

Broadcast Headend

Content and Services Management Platform

Content Servers

IPTV
IP guaranteed to the StB

PC
IP to the PC and telco's content web site

Mobile
IP over 3G and mobile portal

Gaming
IP over home network

Smart Appliances
IP over home network brings home alive

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The customer proposition challenge:
The managed Home Network

Customer self-care

Customer support centre

TR069 Server

Broadband network

DSL Modem

PLC

TV StB

PLC

PLC

Xbox 360

"No single device or manufacturer will dominate the connected home"
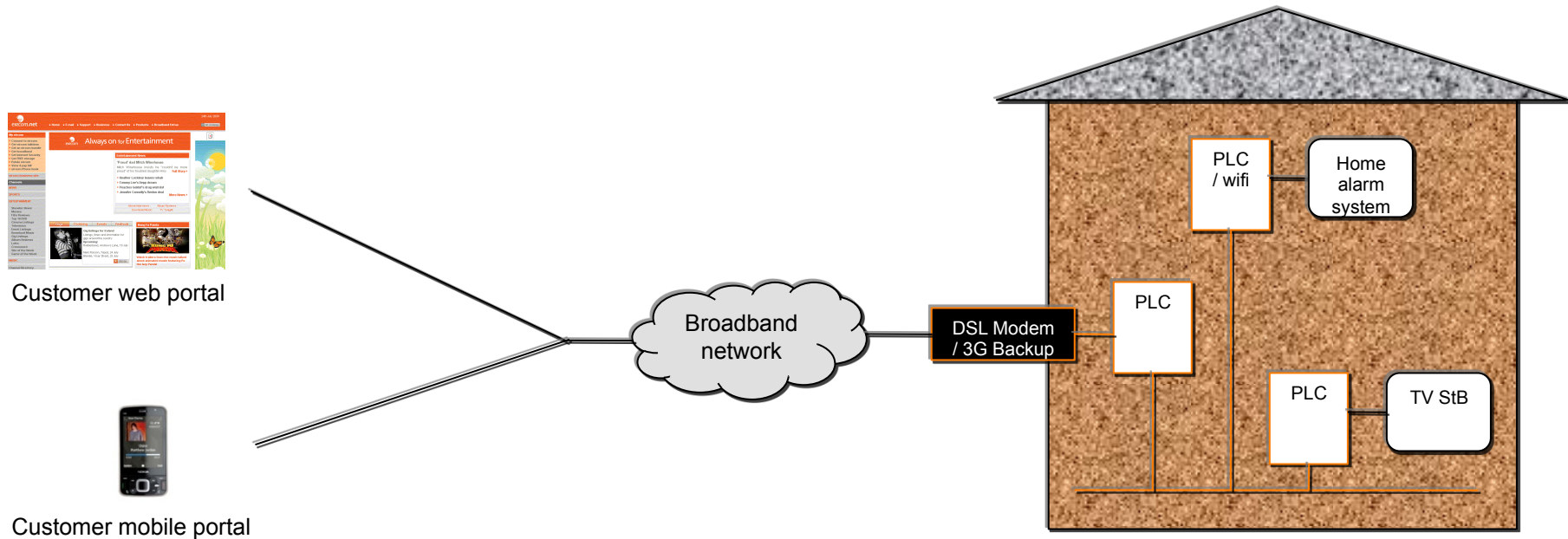Connected Home: Beyond the PC (Informa 2010)

The Key Challenge
Traditionally, the service provider's responsibility has ended at the home gateway…

… we need to take responsibility for the whole Home Network

New capability
Service providers need to determine which Home Networking technology will create the most reliable and manageable network in their customer's homes: PLC, MoCA, wifi etc.

The connected home USP:
A security case study

Customer web portal

Customer mobile portal

Broadband network

DSL Modem / 3G Backup

PLC / wifi

Home alarm system

PLC

PLC

TV StB

Key value drivers in the Connected Home

Home alarm system can connect using multiple IP home networking technologies

Gateway can connect to IP network using fixed line and mobile IP networks for backup

Monitoring back end can notify mobile phones by text message

Mobile phone and web portals can offer remote window into the home

Monetising the Connected Home

Content

- Three-screen content strategies
- VoD store browsing on mobile and web
- PVR remote management on mobile and web
- Bring the web to the TV where appropriate
- Tactical bundling of OTT services like Boxee or Apple TV

Packages/Services

- Opportunity to bundle more services into subscription packages
- Opportunity to make fixed line broadband more relevant and sticky
- Create broadband products optimised for gaming or video

Ancillary Revenue

- Three-screen advertising
- Can be targeted to individual devices based on usage of other devices

Justifying the business case

Legacy service providers

- Service upgrade business cases are challenging because they are based on the incremental increase in revenue
- Inevitably you have to factor in retention benefit as competitors begin to offer more services and poach your customers
- Customers don't place monetisable value on some services or expect them to be free
- May be easier to hide cost in valuable monthly bundle subscription

Green field sites

- More straightforward business case for new services
- Can still build in retention benefit for other services
- Major challenge then becomes customer acquisition
- Management platforms are mature and fit for purpose
- StBs are IP friendly and fit-for-purpose

Thank you

Thank you