



Is Your TV Everywhere Strategy Up In The Clouds?

How a SlingLoaded Set-Top Box from EchoStar Can Satisfy
Your TV Everywhere Strategy **Today**

Whitepaper

August 4, 2011

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TV Audience Fragments and Moves to Other Viewing Devices

Consumers are demanding more selection and interoperability from their pay TV content. Along with their growing interest in viewing premium video online and on mobile devices, they also want to watch personalized and recommended content.

Data from the Pew Internet & American Life Project shows that 66% of U.S. adults have broadband access at home¹, while comScore indicates that the number of hours per month that consumers view online video has doubled in the past two years. In June 2011, the audience for online video was 178 million U.S. Internet users with over 6 billion viewing sessions². In many cases, it appears that online video viewing is complementary to viewing content through a pay TV operator, but wouldn't you rather they view it all through your platform?

As examples of consumers' increasing need for more flexibility, personalization, and selection, their use of game consoles and other devices has become more prevalent. Consumers can access video on their Xbox 360s, PlayStation 3s, Blu-ray Players, standalone IP boxes, and a variety of other sources. Just three months after adding Netflix access to its Xbox 360, Microsoft announced that one million members had downloaded the application, streaming 1.5 billion minutes of video³.

The proliferation of these devices and the success of video services on these devices demonstrate that consumers' desire access to their content anytime, anywhere, and using any device.



What is a SlingLoaded Set-Top Box?

A SlingLoaded™ set-top box satisfies consumer needs and desires to access their content on their schedule, while at the same time solving the operators' needs for ease of use and installation, integration into existing systems, a built-in authentication system, and customer retention. SlingLoaded is the fastest path to deliver TV Everywhere and the SlingLoaded solution is in fact complementary to many of the TV Everywhere services that have been discussed and trialed. This white paper examines both the operator needs and the consumer needs that can be satisfied by implementing SlingLoaded solutions.

SlingLoaded integrates placeshifting into the set-top box. Sling Media® is the leader in placeshifting devices, as recognized by more than 75 industry awards received for the technology. Sling Media has offered standalone Slingbox® devices for many years. Sling Media has also developed a suite of placeshifting technologies, including hardware, software, mobile, and web applications, that enable consumers to view their home content on almost any device using a broadband Internet connection.

Adding to the suite of SlingLoaded solutions are set-top boxes that integrate the SlingLoaded placeshifting technology, including the DISH Network ViP®922 SlingLoaded DVR and the award-winning EchoStar HDS-600RS for Freesat in the U.K.

Standalone Slingbox devices are great for the tech-savvy customers who understand how to connect a new audio/video device to their system. However, the integrated SlingLoaded solution is the best method to deliver placeshifting and a TV Everywhere service to your customers. Not only is the SlingLoaded solution easy for a customer to set up, but it lets your installers set up the set-top box without having to worry about connecting additional equipment. Plus, after the installation, there is no concern about the customer accidentally disconnecting or moving their Slingbox and disrupting their on-the-go viewing.

A SlingLoaded set-top box can solve all of the operators' needs to keep and grow their customer base and increase their revenue, while appealing to consumers' needs and wants.

¹ Home Broadband Adoption, Pew Internet & American Life Project, May 2010

² comScore Press Releases June 2009 to June 2011 U.S. Online Video Rankings

³ One Million Xbox Live Members Download and Activate Netflix on Xbox 360, Microsoft Press Release, February 5, 2009



An Integrated Experience on All Three Screens

As shown by the proliferation of online video viewing, consumers are very interested in viewing video on other devices, not just their TV. Examples of this include a traveler who wants to watch more than the hotel TV while away from home, the in-home viewer who wants to watch TV while working in the garage or in a room that doesn't have a TV, or a family member who wants to watch their favorite show while the rest of the family watches something else on the big screen.

It's not enough to just get content onto other devices such as the laptop and mobile devices; content must be delivered in a way that's easy for consumers to use and optimized for the viewing device. Otherwise, your customers won't use the feature. SlingLoaded set-top boxes enable operators to deliver content to all three screens—or however many screens each customer has—while keeping the user experience consistent across all devices. That way, customers won't have to learn how to use a different program or different ways of finding their content. The user interface should be similar to the one on their set-top box, optimized for each device. In addition, since the three-screen service is being offered from a single operator, the customer experience is simplified because they can be billed once and have a single point of access rather than have separate bills and logins for each type of service.

As shown in a report by The Diffusion Group, when consumers were offered a three-screen service that is a single TV service that could 'serve' any of their video devices, whether at home or on the road, at just about any place or time,⁴ 24.7% of those surveyed would be willing to pay an additional monthly fee to have access to a three-screen video service. And when asked who would be the preferred service provider for this type of integrated experience, almost half of those surveyed indicated they would choose their pay TV provider as their preferred service provider for a three-screen integrated service.

By choosing a SlingLoaded set-top box from EchoStar, operators can better compete with online video and services on other types of devices, and provide an integrated and easy-to-use service. In addition, a SlingLoaded solution provides additional control to access tuners for placeshifting, to interact with the content and control the set-top box, and to manage the types of access and control that can be granted.

Personalized

Not only do consumers desire an experience that is consistent across all their devices, but more importantly, they want *their* content, not the limited selections that might be available through other offerings. This strong interest in personalized content is evident in consumers' viewing of user-generated sites such as YouTube, the proliferation of social networking sites such as Facebook, and the growth and interest in online content such as blogs. The best way, and, really, the only feasible way to offer all the content your subscribers want across all devices is through a SlingLoaded set-top box.

The most popular content that more than half of customers want to view across three screens is recent primetime TV shows, comedy, local news and sports, and weather⁵. Although much of the content can be accessed through an online video portal, what about all the other content people watch? Over the past several years, customers' desire for long tail and niche content with the proliferation of online content and access has only increased. Rather than trying to duplicate ALL the content your customers might possibly want on other devices on your servers and increasing your CapEx, why not let your customers choose the content they want to access on their devices? The SlingLoaded set-top box transcodes the content your customers choose where and when they want it. All of this is done using Sling Media's placeshifting technology, ensuring the highest-quality video for any network condition and screen resolution. Video is transcoded to the optimal resolution for the current viewing device and bit rate is dynamically adjusted to fit current network conditions.

SlingLoaded set-top boxes also let your customers access content through Sling Accounts, providing a single profile for all devices. Customers can easily create favorite channels and set other preferences that carry across all devices they use to access their content. And integration with tools such as Facebook Connect helps make viewing video through a SlingLoaded solution even more personal and customized for your customers.

⁴ Assessing Consumer Demand for Integrated Three-Screen Video Services, The Diffusion Group, 2009

⁵ Assessing Consumer Demand for Integrated Three-Screen Video Services, The Diffusion Group, 2009



Mobile

Although there have been mobile video offerings for years, they have typically been so limited that they do not appeal to many consumers, or they only satisfy specific consumers' needs. The services that do exist are expensive given what they offer—typically providing 10 to 20 channels and short clips for \$10-\$25/month. The standout offering in mobile video is SlingPlayer Mobile, which delivers everything a consumer would want to view on their mobile phone or tablet in a way that's easy to use and navigate. Although there is an assumption that people using mobile devices are only interested in watching short clips, Sling Media use studies show that the average SlingPlayer Mobile session is approximately 20 minutes⁶ and even longer when consumers watch DVR content or longer-form content. More than 30% of SlingPlayer Mobile users have an average viewing time higher than 30 minutes. Sling Media studies also show that consumers are interested in watching content similar to what they have at home, especially on commutes or to entertain kids while driving. Consumers use the best screen available to them at the time to watch their favorite content. Often, the most convenient screen available is the one on their mobile phone.

The popularity of mobile devices has literally exploded over the past few years and will only continue to grow. Approximately two thirds⁷ of the mobile phones in the U.S. are estimated to be capable of displaying mobile video. Many operators, though, do not have the infrastructure to deliver a mobile phone offering to their customers. SlingPlayer Mobile enables you to deliver mobile video to your customers on many popular mobile phones regardless of wireless carrier. Since a mobile phone is possibly the most personal consumer electronics device your customers own, delivering video content that is customized to their viewing habits and personalized for their likes and dislikes is even more important. Accessing content from a SlingLoaded set-top box on a mobile phone is simply the best way to deliver this value to customers in a way that provides personalized content on their personal device.



Keep Your Customers

Placing a service as a service provides you with a key differentiator that adds real value to your customers—all through a branded online experience that not only keeps them tied to your brand, but also helps build and strengthen your brand. Plus, SlingLoaded adds functionality that appeals to what many consumers are looking for, especially for many of the key demographic groups.

Making an integrated three-screen solution available using SlingLoaded technology helps your offering appeal to many of the current and future key demographics needed to ensure your success as an operator. Old business models and offerings can't necessarily be applied to the younger demographics (under age 30). These groups have primarily grown up having anytime, anywhere access to their content and won't settle for an offering that doesn't deliver the video content they've come to expect. According to The Diffusion Group, almost half of those interested in an integrated three-screen offering are between ages 25 and 44. The 18-24 age group was the most attracted to a three-screen offering of any age group, and they were less price-sensitive for this type of service as well⁸.

SlingLoaded set-top boxes can also cleanly integrate other technologies such as DLNA to further enable access to entertainment anytime, anywhere. Because the SlingLoaded solution allows you to easily carry your brand to other platforms while providing your customers with the features and functionality they want, *your* service becomes the one they can't live without. In addition, when your customers are viewing content outside the home (likely in a public location such as an airport or train), they are doing it using your brand and helping carry your brand to other places where it might not go without a SlingLoaded solution.

⁶ Sling Media Consumer Surveys

⁷ Manufacturer Operating System Share, The Nielsen Company, 2011

⁸ Assessing Consumer Demand for Integrated Three-Screen Video Services, The Diffusion Group, 2009



Secure

Multichannel operators are privileged to have distribution and selling rights to a large library of premium content. They are obligated to protect that content by ensuring it is not accessed by unauthorized viewers and is not moved to unauthorized locations or devices. Currently, the majority of online content is accessed through either unauthenticated systems or through standalone authentication systems independent of other pay-TV authentication and content protection systems. Many of the TV Everywhere solutions being considered require separate authentication systems, place limits on the customer experience to authenticate the customer, or require add-on systems to the customer relationship management tools and authentication systems already in place.

SlingLoaded means that content is tied to a set-top box that is already secure and authenticated. It allows you to deliver TV Everywhere with authentication that does not require costly build-out of new systems or extensive upgrades to existing solutions. Viewers of content from a SlingLoaded set-top box can only access their set-top box in a one-to-one relationship, ensuring that the content they are viewing is the content to which they are subscribed and authorized to view online. Content is also protected and encrypted throughout the process, ensuring that no unauthorized copying of content, transferring to unauthorized devices, or access and control of content occurs by unauthorized viewers.



A Powerful Online Guide

The SlingGuide option enhances how your customers browse, search for, and discover content. It lets your customers easily navigate through content online, while making it easy to find new programs based on their current likes and dislikes—and the easier it is for your customers to find even more content available through your service, the more likely they are to want to stay with your service for life.

Not only does SlingGuide make it easier to find content available on your service, it can be delivered through a powerful online video portal solution that integrates everything a customer might want to watch online. Over-the-top video is smoothly integrated with their home content, plus customers can easily search across all the content sources. So they are not only able to view DVR, VOD, and live TV, but they can also access over-the-top content through a single branded site.



Cost-Effective Solutions

SlingLoaded solutions are the most cost-effective method to deliver TV Everywhere for several reasons. Obviously, cost of in-home equipment is a major concern for any pay TV operator. An integrated SlingLoaded solution costs less for initial hardware when compared to purchasing or providing a standalone Slingbox to customers who want a TV Everywhere experience. In addition, the ongoing maintenance and support costs are reduced since there are fewer connections to fail and fewer problems that could be caused by consumers changing their in-home AV setup.

The multichannel industry is complex with a wide variety of considerations for operators. One of the primary considerations when introducing a new product or technology is ease of implementation into existing systems and processes. A SlingLoaded set-top box fits easily into your existing system specifications and adds SlingLoaded technology. Unlike many other new systems and solutions, the SlingLoaded set-top box does not require extensive infrastructure upgrades or backend infrastructure changes. Rather, it can be smoothly implemented into the operator's system, with Sling's backend infrastructure handling the management of subscriber access to content, optimization of video delivery, and authentication of the user.

Many of the TV Everywhere solutions that have been described require purchasing, installing, and managing additional servers to store multiple resolutions and bit rates of content, complex authentication systems, and completely new processes and servers. Plus, even if you buy the equipment to deliver a TV Everywhere solution similar to what's being described by others in the marketplace, you will then have the extra burden and cost of managing this separate system.

Because many consumers are willing to pay more for mobile and PC access of their video service, you can offer SlingLoaded placeshifting as a value add to your customers, and use it as a revenue-generating opportunity for your

business. A study by The Diffusion Group showed that over half of the highest ARPU consumers (paying \$100+/month for TV service) would be willing to pay a monthly fee for an integrated three-screen offering⁹.

SlingLoaded set-top boxes are cost effective for your operations and your customers since they don't have to pay separate providers separate fees to access content on each platform. Even if you charge customers a small additional access fee, they still benefit because it's overall a lower cost and easier solution than getting three-screen services from multiple providers—it's the power of the triple play applied to three-screen video.



Partner With Us

To provide a TV Everywhere service that delivers on everything your customers want, partner with us. EchoStar and Sling Media are 100% committed to placeshifting and allowing you to deliver elegant solutions that work for you, your business, and your customers.

To find out how easily you can bring your TV Everywhere strategy back down to earth, email us at cable-sales@echostar.com.

SlingLoaded solutions—simply the fastest path to TV Everywhere

About EchoStar Technologies L.L.C.

EchoStar Technologies L.L.C. is dedicated to providing superior service to operators in creative and cooperative design and development efforts. EchoStar has extensive experience with set-top boxes and end-to-end systems that are used to provide enterprise customers with competitive business strategies, practices, and reduced product and operational costs.

www.echostar.com

About Sling Media, Inc.

Sling Media, Inc, a wholly-owned subsidiary of EchoStar Technologies L.L.C., is a leading digital lifestyle company. Sling Media's first product, the internationally acclaimed, Emmy award-winning Slingbox, has literally transformed the way we watch TV. In addition to Sling Media's consumer electronics product line, Sling Media's place-shifting technology is being integrated into SlingLoaded set-top boxes and solutions, allowing operators to deliver a seamless place-shifting experience across TV, computer, and mobile devices. SlingLoaded solutions are easy to implement and deliver a consistent and high-quality user experience while addressing the need for content protection and authentication.

www.slingmedia.com

⁹ Assessing Consumer Demand for Integrated Three-Screen Video Services, The Diffusion Group, 2009