

Project Proposal: Content Delivery Network (CDN) based RDI Project

Keywords: CDN, Content Delivery Network, Multichannel Distribution, SME, Internet Video, Internet Television, Mobile TV, Video on Demand Services

Subject: I'm looking for an experienced FP7 Coordinator, University partners and SME partners for an international EU-funded project where we try to utilize Content Delivery Network (CDN) system for effective Multichannel Internet television & Video Content Distribution. Project main focus is in innovative Internet & Mobile TV, which include both Live & Video on Demand Services.

Background: Observations on what keeps small content producers from succeeding in streaming
Despite the weak economic situation the streaming market is growing. With increasing success, it is tried to convince the end user of the advantages of video streaming over the classic TV broadcast model, as we have understood by now that content is driving the market. A striking advantage of internet video for the user is the much anticipated long-tail content market segment, special interest content that is not available on mainstream media but has a worldwide peer community around it. In spite of that, small and specialised content producers who are best in generating such content have so far not been able to build a business in streaming media. What keeps them from succeeding?

In the last years, the **Neo Arena project** (<http://www.neoarena.fi/>) has been supporting around 20 small content production companies in pilot productions to get started in the streaming market. Looking at results and numbers of those cases, we identified key entry threshold problems in technology and distribution that typically appear in attempts of content producers to enter the streaming market: Missing interoperability in the current state of technology is often preventing or hindering multichannel distribution (to e.g. mobile and web at the same time). Even more severely for small content producers, the pricing models of Content Delivery Networks (CDN) and Internet Service Providers deny many interesting business models. Not only are the prices too high, bandwidth has to be booked in beforehand on a monthly basis. In distribution this leaves the risk completely to the content producer. Many do not dare to do the step, making content delivery the biggest hurdle for starting off in the streaming market. Some of our partners have even been hitting capacity limits of live content delivery in Finland. Hence we are asking if the services CDNs offer in many European areas are actually worth the price tag.

The market has reacted already: An intermediate industry that resells CDN bandwidth and offers a supporting technical infrastructure has been popping up, but looking at the already long line of intermediaries in the value and technology chain of internet distribution, adding another one may not necessarily be a desirable solution for every case. To solve this, some content providers are looking into jointly creating accumulators as their distribution channels; of course this is not always feasible. Improving live video content delivery would of course fit well inside the scope of publicly funded infrastructure programs. Ultimately though, there has to be a shift on the CDN market towards more competition and customer orientation, otherwise the streaming market cannot grow to its full potential.

Partners Sought: SME's with Streaming & CDN technology skills, Video Production Companies, Universities with Experienced FP7 Coordinator skills, CDN Technology skills and regional SME network in ICT & Media

Contact: Kimmo.Paajanen@oamk.fi, Oulu University of Applied Sciences, Finland, Tel. +358 50 564 6965