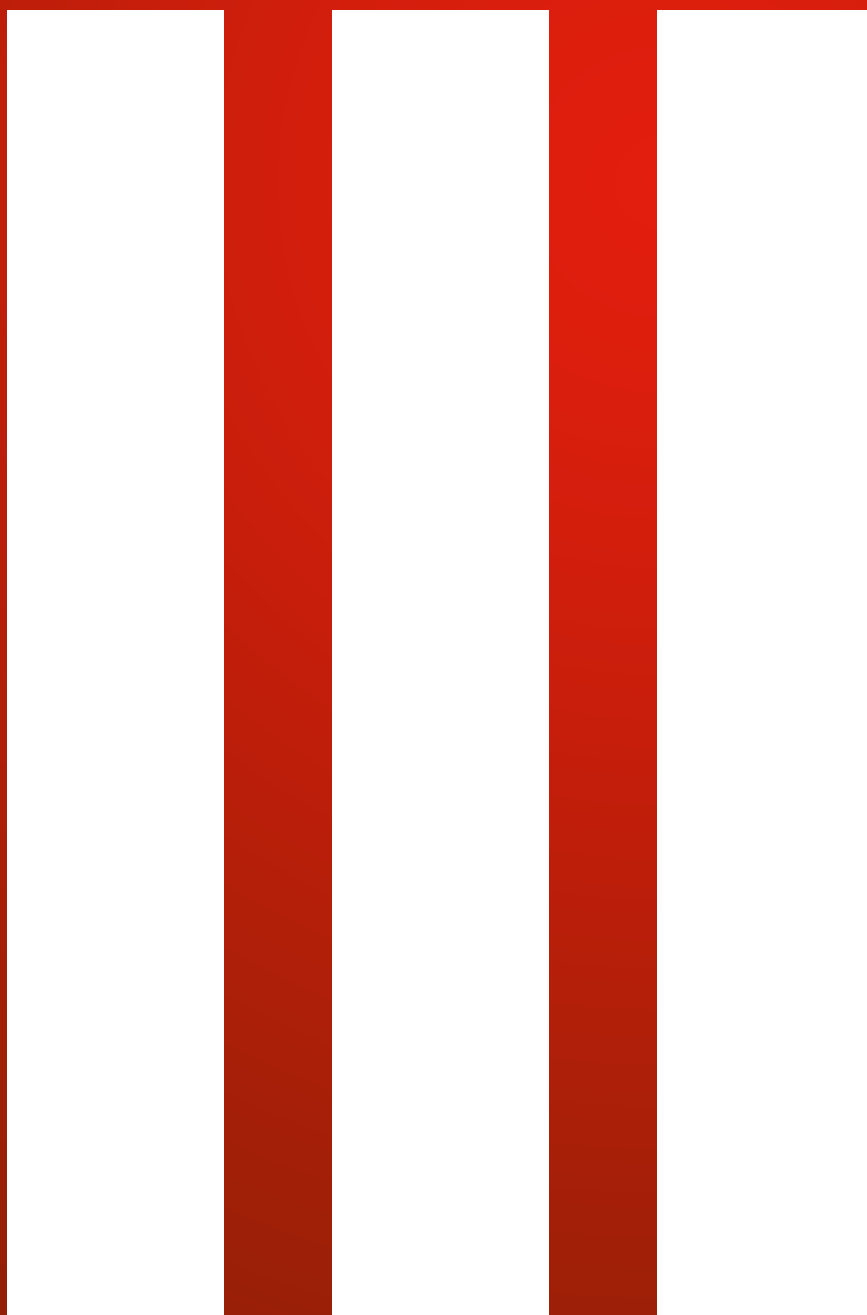


# Why gamble on an uncertain media future?

Reducing risk and creating the cost  
certainty needed to fuel innovation and growth



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# Introduction

Launching a new TV channel was once a multi-year project. Today, services can go from concept to live in a matter of weeks. This era exhibits an unprecedented pace of innovation. Our media industry is constantly delivering incredible new consumer experiences while executing ever-evolving commercial priorities.

Market acceleration goes hand-in-hand with complexity and risk. We live in a global macro-economic environment that is both challenging and increasingly hard to predict amid a period of rapid changes in consumer spending patterns, supply chains, labour markets and access to investment. Meanwhile, commercial priorities bump against challenging regulatory constraints. All these factors force media companies to make frequent strategic course corrections.

It is also a time when media companies have to excel in multiple new disciplines across brand positioning, commercial pricing strategies, and subscriber acquisition and retention. All within a coherent and increasingly globalised distribution strategy. The list of considerations is almost endless compared to the relatively simple advertising-based TV industry model of the past, which continues to need support.

Whether new or well-established, successful media companies need to do all these things while continually raising the bar in terms of quality, reliability, accessibility, discoverability and customer experience.

A need to tame risk and complexity while gaining cost certainty with guaranteed outcomes has, in turn, led to a massive rise in technology services across all sectors – the industry is predicted to reach \$731bn by 2030 (Grand View Research, 2022). Within this context, this paper examines the role of services in media and entertainment and how a partnership approach can help unlock new possibilities and enable businesses to focus on profitability and growth through their core activities.



# Technology evolution and market maturity drives business focus

Historically, and out of necessity, new industries emerged with businesses managing vertically integrated operations. The same is true today. Tesla manufactures Electric Vehicles and the required batteries while also building an international charging infrastructure for buyers to charge their vehicles.

Over time, however, the necessity of driving this vertically integrated model is challenged by technological advancement and developments in value-chain specialisation.



Evaluate increasingly viable and alternative market options

Businesses should routinely evaluate increasingly viable and alternative market options to focus on core activities that drive business performance. The media industry, specifically TV, has a long tradition of building everything in-house, and there are many examples where this model persists.

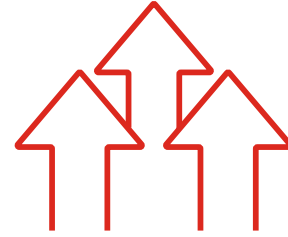
## From hardware centric to software and service driven

There is still an abundance of hardware in broadcast that continues to support high-quality services that underpin significant revenue streams. Consequently, this hardware estate is subject to significant ongoing investment and care. Yet, it is increasingly no longer fit for purpose when assessed against the future demands of the businesses which rely on it. Having 'sweated' these assets to their maximum, it is time to transition to software, cloud and IP-centric platforms in the same way that start-ups are largely choosing not to build out deep technology stacks. Instead, they mirror internet start-

ups and favour leaner, cloud-based and service-led approaches. Both incumbents and newcomers, faced with fragmented market share and stiff competition, are looking toward more cost-efficient and agile mechanisms for getting content to audiences.

This transition should be considered alongside new commercial models which look to leverage the market beyond simple technology vendor options.

These factors are prevalent across a broader M&E sector that is also moving towards more software and service-based alternatives. Several analyst firms point to stagnating or declining traditional broadcast equipment revenue. Even optimists show single-digit growth – all at less than inflation – whilst Omdia predicts overall media and entertainment services revenue growth to exceed \$1 trillion in 2023.



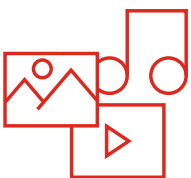
Overall media and entertainment services revenue growth to exceed  
**\$1 trillion in 2023.**

**The message is clear – M&E wants to buy outcomes not build technical debt which means a widescale and continual move towards services.**

## Commoditisation forcing **technology realignment**

Part of the reason for this shift to services is the proliferation of content, routes to market, consumer devices and business models that need to be accommodated at national and international scale.

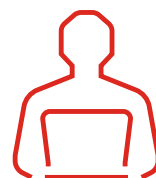
The technical complexity to meet these drivers and its increasingly interconnected nature is considerable and far more than just a financial challenge.



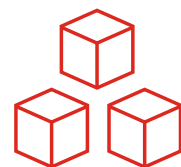
Content



Routes  
to market



Consumer  
devices



Business  
modules

It is still possible to rationalise building in-house based on arguments of competitive differentiation or where the transition to alternative business models is too difficult to contemplate. But these arguments are weakened by many workflows becoming commoditised, table stakes for every media business. Multi-platform delivery, media supply chain, playout operations, and accessibility are all crucial requirements, but they don't create positive motivations

for consumers to choose one service over another. The in-house technologies needed to meet these requirements are also trapped in a continual refresh cycle, which ultimately impedes business growth and success.

Instead of continually rebuilding technology stacks, progressive M&E organisations are moving towards a media services partner approach that is outcome focused.

**In-house capabilities need to be used for the most value-adding tasks activities and not wasted on expensively servicing and what are essentially commodity tasks.**

**togetherTV**  
*for good*

“ ”

When it came to running our own branded service, there really aren't that many vendors out there that can create a service that sits alongside a broadcaster. There are a number of outfits that spin you up a VOD service if it's just about uploading assets but not connecting to linear – that's really where Red Bee's expertise on the broadcast side shone through.

**Alexander Kann, CEO, Together TV**

# Operational challenges

In recent years, the landscape has shifted towards an increasingly diverse set of products, audiences, regional variances, and priorities. M&E is no longer siloed and cookie-cutter. Today, we are in the era of truly hybrid service delivery that must operate across multiple fronts – simultaneously – 24/7.

## Gaining **value** through **shared resources, talent and services**

It is not uncommon for a media business to offer entertainment and news video in long and short-form programming as both linear and interactive content. The mix includes revenue generation spread across advertising, subscription, and pay-per-view models. Even organisations that have historically favoured one path in home markets are experimenting with hybrid models as they break out internationally - examples such as BBC Worldwide, DAZN and WWE exhibit some or all of these attributes.

Businesses often seek to leverage economies of scale and gain efficiencies by sharing assets such as data centres, networks and MCUs. With shared teams working across multiple types of products and business models. This approach also fosters better utilisation of staff and content. And it's not just the finished product; the power of brands can extend into new markets through cross-sales and promotion.

Although great business theory, the practical challenges of consolidating disparate technology, people and processes to achieve desired business outcomes are considerable. The first hurdle is integration of the underlying technology infrastructure and process layer that is often managed in siloed units.

This conundrum is compounded by skills shortages, especially the relatively shallow expertise pool of people with development skills alongside deep understanding of media workflows. Finding and retaining skilled staff – only when needed – is extremely difficult.

**Consolidation offers many advantages, but the cost and complexity involved during the process is often far greater than the benefits that could be gained through moving to a services model with its more predictable outcome-based approach.**

## Technology estates **are not ‘spend and forget’** investments

Technology estates require continuous care and attention. Always ‘state of the art’ when new, they age and burn cash on maintenance, replacement and upgrades that only increases until a decision is made to reinvest and start the next cycle. During this time, technical performance and functional limitations affect the business’s ability to meet its strategic goals.

The subsequent move away from inflexible hardware to more flexible software platforms can render expertise redundant and require the recruitment of new skills.



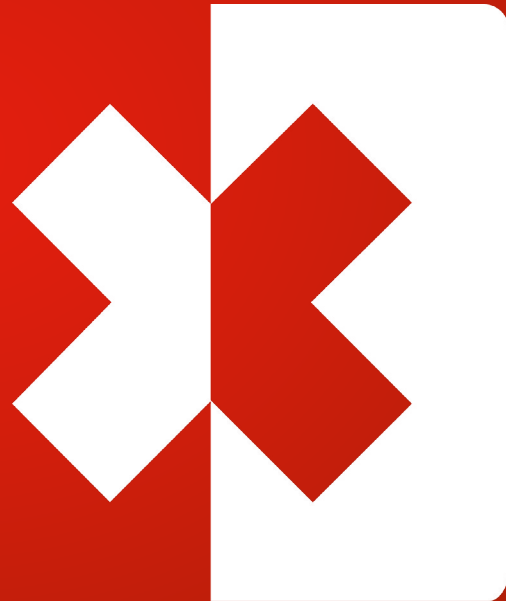
The final challenge is agility. Highly integrated businesses designed to meet clearly defined and stable requirements make sense. However, in a fast-moving market that requires agility to take advantage of new opportunities, integration becomes an impediment due to the domino effect one change can have in multiple areas.



In this era of rapid change, agility is crucial to success and the burden of having to internally manage a ballooning infrastructure stack is a significant distraction for media businesses focused on growth.




**Red Bee Media helps Extreme E,** the electric off-road racing series, to reach a global fanbase via broadcasters in 195 countries. Red Bee Media provides a digital distribution network to transcode and deliver live streams to Extreme E's digital platforms and social partners. Since 2021, Extreme E has run events in locations including Senegal, Greenland, Saudi Arabia and Sardinia. The all-electric championship has seen its popularity recover from a pandemic-hit 2020 season to a cumulative audience of 316 million in 2021.



**EXTREME.E**

**195**  
countries

Senegal  
Greenland  
Saudi Arabia  
Sardinia

  
**316 million**

# Media Services Partnerships

We have long ago left the period where broadcasters were self-contained production units employing a multitude of disparate skills to manage the delivery of content channels to consumers. In today's globalised, competitive marketplace, a 'build it yourself' approach incurs considerable cost and risk compared to accessing media services built around economies of scale for infrastructure, technology and, most crucially, skilled people.

RTL

CANAL+  
INTERNATIONAL

itv

★EUROSPORT



BBC

TV5  
MONDE

BT SPORT

Síminn



## Operating at **scale**

Delivering scalability to meet demand is a primary business challenge. For example, Disney+ gained 100 million subscribers in just 18 months – a milestone that took Netflix 10 years to achieve. However, few companies have Disney's scale and resources to build the capacity to meet this growing demand. On short notice, Red Bee delivered the biggest livestream pop-up event in the Netherlands, Vrienden van Amstel (Friends of Amstel), in January 2021, with an estimated two million viewers from 120 countries worldwide. This type of rapid scale-up event is becoming increasingly common.

Consequently, media providers are building infrastructure within virtualised cloud platforms that can support rapid scale-up – and downsizing – as consumer interest evolves. These providers establish a core infrastructure that can be leveraged to meet the requirements of multiple customers and facilitate business models based on marginal pricing principles that make them both flexible and cost-effective. Playout services are one of the most common elements in the TV sector to transition to a media services partnership model. Building and running a high availability playout environment is complex, Capital

Expenditure (CAPEX) and Operational Expenditure (OPEX) intensive, and offers little added value compared to working with a partner. Managed playout delivers double-digit savings on a complete cost comparison basis when likened to in-house alternatives and then provides further added value when customers scale to meet demand.



Evolving  
consumer interest



Virtualised  
cloud platforms



Pioneering sports broadcaster, BT Sports, was awarded English Premier League Broadcast rights in June 2012 with a challenge to ensure their channels were on air for the start of the 2013 season. Red Bee Media delivered; successfully launching their services in 2013 with further channels following in 2015 when BT Sport secured the UEFA UCL and UEL rights – including Europe's first UHD Sports channel. Red Bee has supported BT Sport's continued growth and innovation by successfully providing new services and enhancements including launching the Ultimate Channel in UHD HDR.



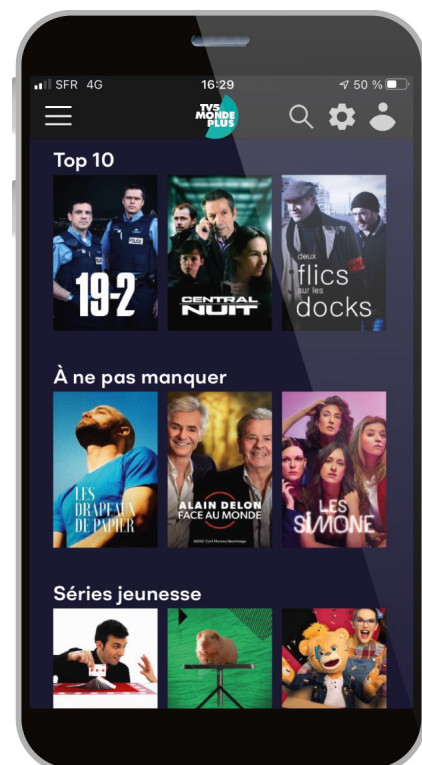
## Gaining flexibility

Whether you call it agility, flexibility or responsiveness, the ability to try new things is the lifeblood of our industry. Douyin, better known as TikTok, launched in China as a social platform to compete with the banned Facebook and Instagram platforms. At its heart, it is an algorithm that can stitch together streams of short-form viral videos based on each user's previous interactions. The international version launched in 2018, and within three years, it hit a billion active monthly users. Whether you are a fan or not, TikTok is the poster child for experimentation.

Whether it's pop-up channels, new subscription models, one-off events, new interfaces or a myriad of potential changes to how media services are delivered, technology and skills are often the only limiting factor. Media services partnerships overcome the inherent risk of placing 'big bets' on the future of our industry. Gaining access to mature infrastructure along with skilled expertise that can deliver outcomes based on deep technical capability reduces risk while enabling the innovation that powers the next generation of breakout services.

# TV5 MONDE

"TV5MONDE, the French-language international TV network, wanted to conceive a new streaming service to deliver high-quality content. TV5MONDE uses Red Bee Media's OTT-platform to launch TV5MONDEplus, a global video-on-demand platform with French speaking series, films and documentaries in 194 territories across multiple devices including iOS, Android and smartTV" Hélène Zemmour, Head of Digital TV5MONDE. As of September 2021, 750,000 hours of TV5MONDEplus content was consumed from 214 countries and territories, with over 5.6 million videos viewed.



## Cost **predictability** and risk **reduction**

Anybody that has been part of a significant technology refresh cycle will recognise that between the starting point and finish line, it's almost certain that both the market and the business will have changed. For multi-year transitions, the shift can be significant, and the risk of building something no longer fit for purpose is a real danger.

The managed media service business model is predicated on one of the first principles of risk management: to place risk with whoever can manage it most effectively. And, therefore, most efficiently and economically.

This allows the business to focus on core activities like content. Media services partners absorb these risks and mitigate upfront financial commitments by sharing risk across a broader customer base.

In addition, as the M&E space moves towards a more subscription-oriented model, more participants are moving towards a services model that is OPEX focused to promote healthy cashflow that aligns costs with revenues.

**PG STUDIOS**<sup>®</sup>

“ ”

Progressive Generation Studios, based in Jordan, wanted to create one of the world's biggest streaming services for children's content in both Arabic and English, providing a safe online space for edutainment. "Working together with Red Bee Media, this is now becoming a reality. With more than 15 years of experience, and over 100,000 minutes of original content in our portfolio, we are ready to introduce PG Kids to the world. Thanks to Red Bee Media we quickly have setup a subscription-based service, with broadcast-quality streams and precise personalization and recommendation functionality, allowing us to offer an excellent user experience for both parents and kids.

**Ahmad Al Masri CEO, Progressive Generations Studios**



# Our Vision

## 20+ Years

Red Bee Media has been proudly helping our customers deliver amazing media experiences to their audiences for over 20 years. We free up our customers to focus on the core activities that matter to them — producing, commissioning, and buying engaging content to create amazing experiences for their audiences.

Our vision is to enable customers to generate value by showing their content in more places, to more people, with confidence to try out new experiences and succeed, with flexible value for money cost options.

We bring innovation to a bedrock of experience via a seamless service delivered by experts.



We enable broadcasters to free themselves from the weight of legacy broadcast engineering and find new value in classic content, and great experiences for new audiences.

Our vision is to take our proud past, and deliver great media experiences in new ways,

on new platforms, with new solutions, to new audiences, providing a bridge from now to the future.

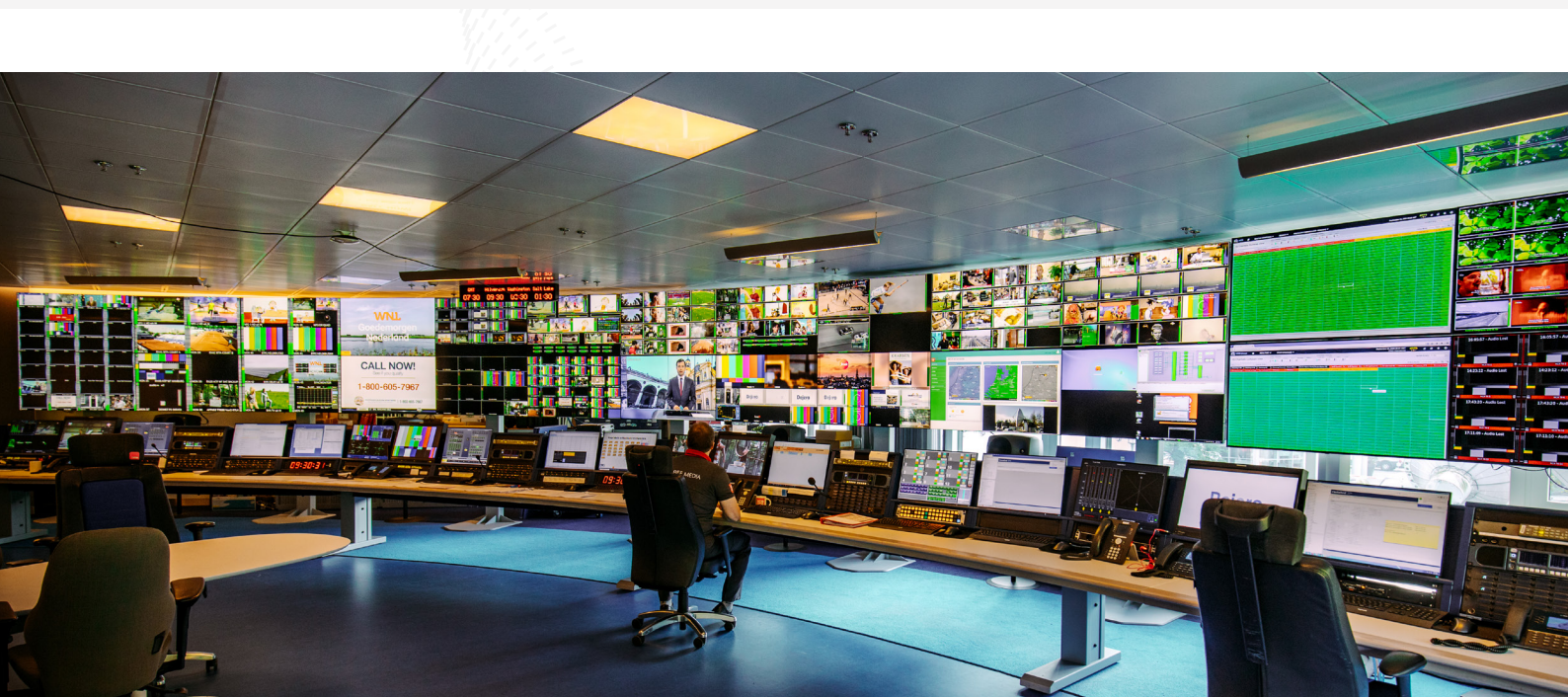
Next generation services, next generation technology, delivered by a trusted partner.

Red Bee Media:

Born in Broadcast, Live for Media.

# Born in **Broadcast**, Live for **Media**.

In a media industry going through significant upheaval, alongside major macro-economic shifts, the quantitative benefits offered by media services partnerships present compelling reasons to no longer gamble on an uncertain media future.



# Why Red Bee Media?

Every day, world-leading broadcasters, streaming services, sports leagues, and brands trust Red Bee Media to supply, enrich and show content to millions of viewers across the globe.

Our roots in broadcast and forward-thinking approach are the foundation for unrivalled expertise. We do what it takes to deliver amazing media experiences while driving business value. We offer the service assurance and cost predictability required to unlock innovation, explore new business models, reach untapped markets and grow revenue streams.



From simple pay-as-you-scale modular products to completely outsourced operations, we offer flexible solutions for creating experiences that keep audiences coming back. We combine our passionate people, forward-thinking technology, and service excellence with numerous industry partnerships — all designed to help our customers hit their strategic goals on time and budget.



## Technology

We maintain our own data centres and offer the wide area network connectivity, MCUs, teleports and associated technical infrastructure needed to deliver a broad range of media services globally. We have deep technical relationships with over 50 of the leading vendors across the M&E space – and hold technical certifications on both current and legacy platforms that allow us to integrate and support any broadcast, OTT, or hybrid workflow with an unrivalled depth of knowledge.

Our technical foundations are under constant renewal as we strive to find new ways of delivering operational efficiencies through the use of cloud, automation and microservices architectures. This behind-the-scenes investment in technology is vital to deliver services that match the ongoing direction of travel for our industry.

## People

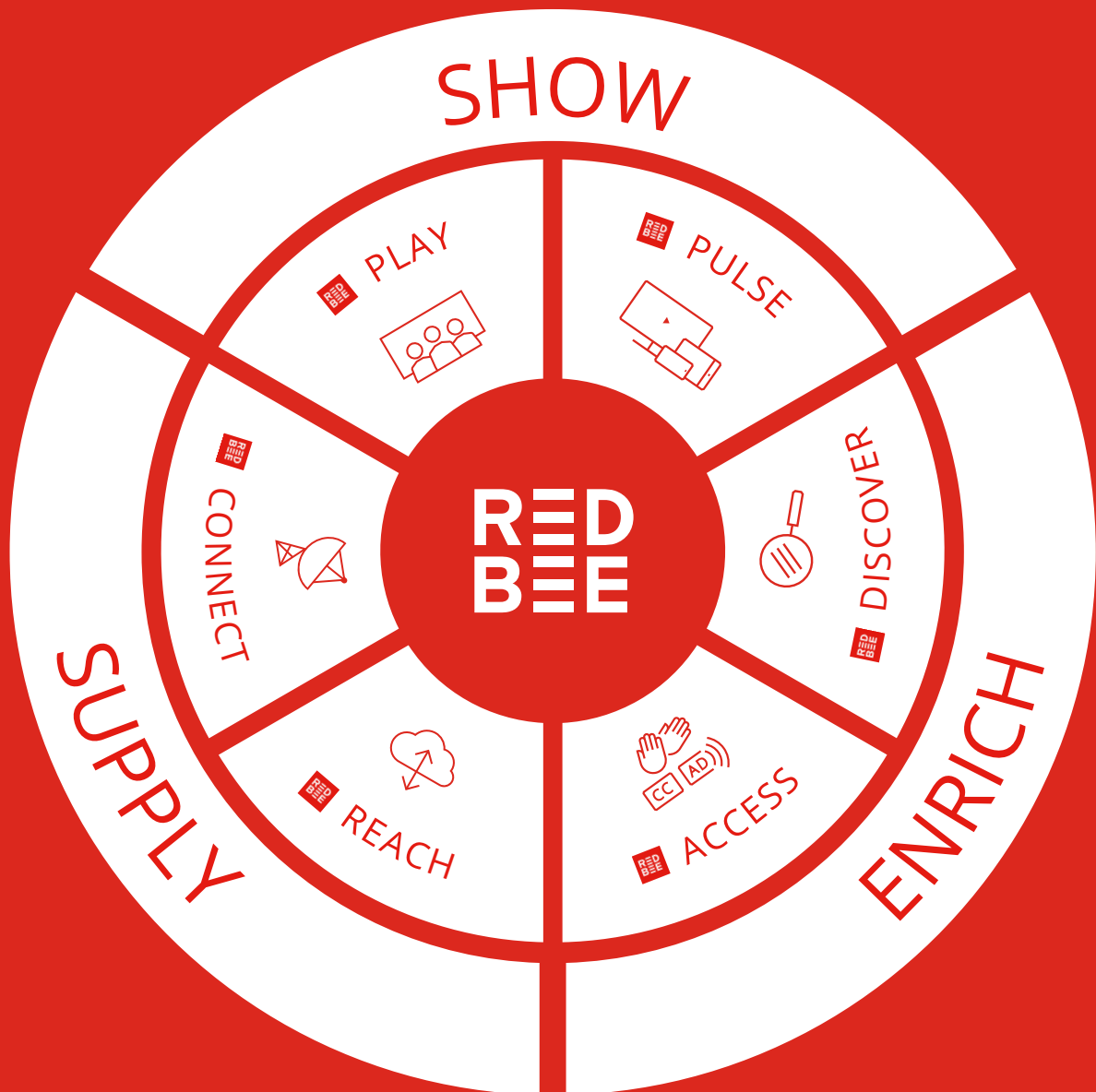
Headquartered in London, with 2300 media experts in Europe, the Middle East, Asia Pacific and North America, Red Bee Media has expert teams spanning the entire content delivery chain including Playout, OTT, Distribution, MCR, Media Management, Access Services, Content Discovery, and Post-Production. At the last count, we had staff working in over a dozen countries, and collectively we

communicate in over 13 languages – with conversation spanning 20 time zones. We maintain a depth of technical resources to ensure that services are delivered 24/7 with the ability to skill-up at incredibly short notice. We also part of Ericsson, a Fortune 500 company with a trusted brand and extensive resources.

## Process

Our portfolio of self-managed, co-managed and fully managed services offers real flexibility. This allows you to strike the right balance between in-house capability versus professionally managed expertise to successfully operate at any scale. Processes are not set in stone and may need to adapt as the media industry evolves. As such, we offer the ability to mix and match “off-the-shelf” with highly bespoke solutions based on unique requirements with the aim of delivering efficient processes that meet your needs.

# Red Bee Media's Service Offerings



# Supply



## CONNECT

Delivering great content to ensure best quality viewer experiences is complex, especially in a multi-platform and increasingly global marketplace. Red Bee Connect takes care of the media delivery lifecycle for both live and linear content to ensure it securely connects with audiences across every platform.



## REACH

Having great content, ready to be enjoyed by millions of viewers is only half the story. Getting it onto the right platforms quickly and efficiently is a complex challenge. Red Bee Reach covers every aspect of the acquisition, preparation, and distribution of media assets to ensure you meet the highest audience expectations. With support for every major industry format, and proven automation workflows backed by our 24/7 operations team, we help extend the reach of your catalogue without compromising on quality.

# Enrich



## ACCESS

Providing equal accessibility to content for all viewers is a growing international legal requirement and vital for successful and progressive brands. Red Bee Access offers the highest quality and accuracy for multi-language accessibility in real-time using both human and machine-based options. Across closed captioning, subtitles, sign language and audio description, our in-house platforms and international teams have processed over a million hours of broadcast content with unrivalled resilience and reliability.



## DISCOVER

With so many platforms offering massive choice, accurate and appealing content metadata engages viewers for a more personalised consumption experience. Red Bee Discover delivers the metadata and images needed to enhance the appeal of linear and on-demand content to meet the expectations of increasingly discerning audiences. From simple guides to advanced interfaces, Red Bee Discover can help your content reach its widest possible audience, supporting increased consumption and audience satisfaction, driving increased revenue potential.

# Show



## PLAY

Audiences expect the best content experience whether it's from traditional TV or via the internet. Red Bee Play handles all the technical and operational challenges of creating linear channels, ensuring they engage and delight viewers around the world. We ensure flexibility and choice across all media types, including catchup and live content. All combined with the industry's most comprehensive set of graphic, audio and accessibility options to enhance impact.

integration interfaces all as a comprehensive managed service to help you successfully monetise your media assets and quickly grow your audience.

You can subscribe to a turnkey service for live, linear, and on-demand streaming with ready brandable Apps for a wide device range, supporting all standard platform features, self-operated and using an online Customer Portal. For your tailored needs you can access the full suite of our capabilities for custom front-end App creation and third-party functional extensions, enabling a tailored high-quality experience of VOD, live, linear and FAST services.



## PULSE

Direct-to-consumer and FAST (Free Ad-Supported TV) content services are increasingly being launched within growing portfolios of services. Yet, successfully delivering viable OTT products requires significant investments in infrastructure and know-how. Red Bee Pulse combines our scalable cloud-based OTT delivery platform with the complete wrap of complementary features to help you build scalable services with truly global reach. We provide secure content delivery from ingest to transcoding, packaging and playout, CMS, monetisation, analytics, end-user applications and





Red Bee Media is a leading global media services company headquartered in London, with 2,300 media experts spread across Europe, the Middle East, Asia Pacific and North America. Every day, millions of people across the globe discover, enjoy and engage with content prepared, managed, broadcast and streamed through Red Bee's services.

The company empowers some of the world's strongest media brands, broadcasters and content owners to instantly connect with audiences anyhow, anywhere, anytime. Through an end-to-end, managed services offering, Red Bee provides innovative solutions across the entire content delivery chain – covering Live & Remote production, Managed OTT, Distribution, Media Management, Access Services, Content Discovery, Playout and Post Production.

# Why Gamble on an Uncertain Media Future?

[redbeemedia.com](https://redbeemedia.com)

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