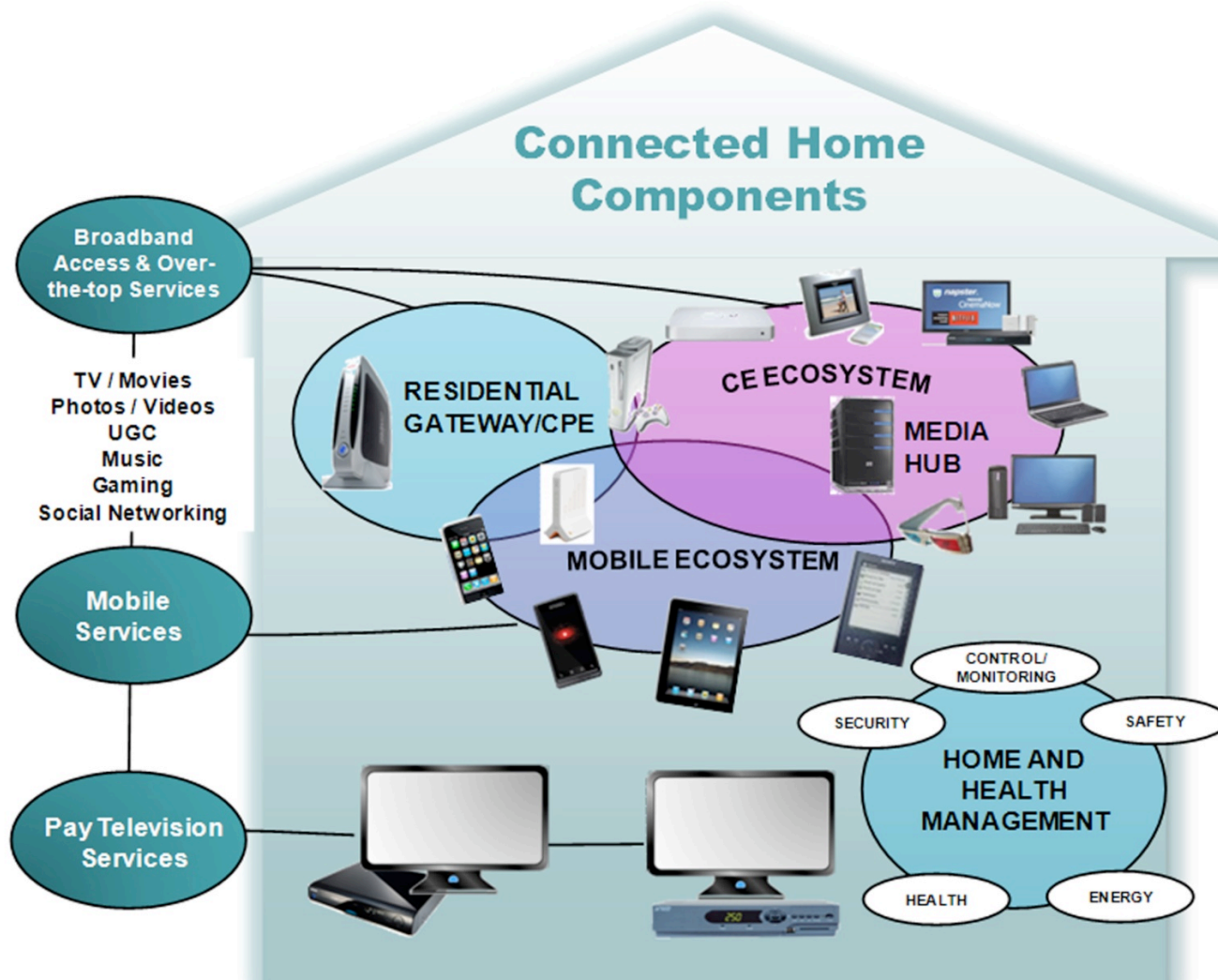


# Trends in Consumer Services

*Strategies for the Connected Future*

PARKS  
ASSOCIATES

# Defining the Connected Home



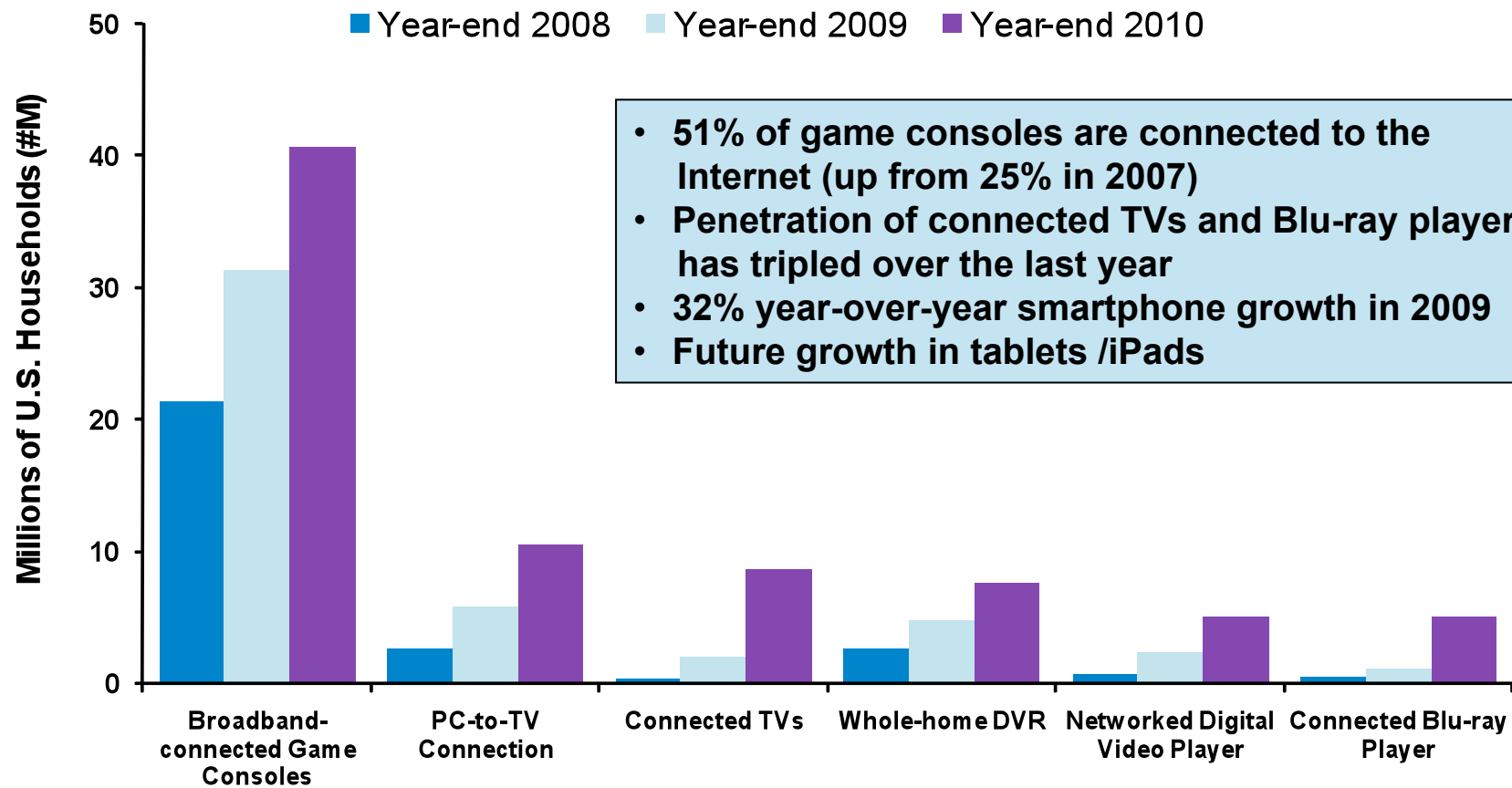
- Value-added Services**
- Premium tech support
  - CE warranties
  - Online backup
  - Managed security/parental controls
  - Premium content
  - Family calendaring

- Communications**
- Femtocell for increased coverage/voice quality
  - Voice-over-Wi-Fi/DECT
  - Converged entertainment and communications/video conferencing

- Video Services**
- Whole-home DVR
  - Communications features (Caller ID on the TV, etc.)
  - Gaming, social networking, and "Internet-lite" content
  - Advanced commerce and advertising
  - Mobile devices as servers, receivers, and controllers

# Consumers Getting More Connected Year-by-Year

## Penetration of Connected CE Platforms (Millions of U.S. Households)



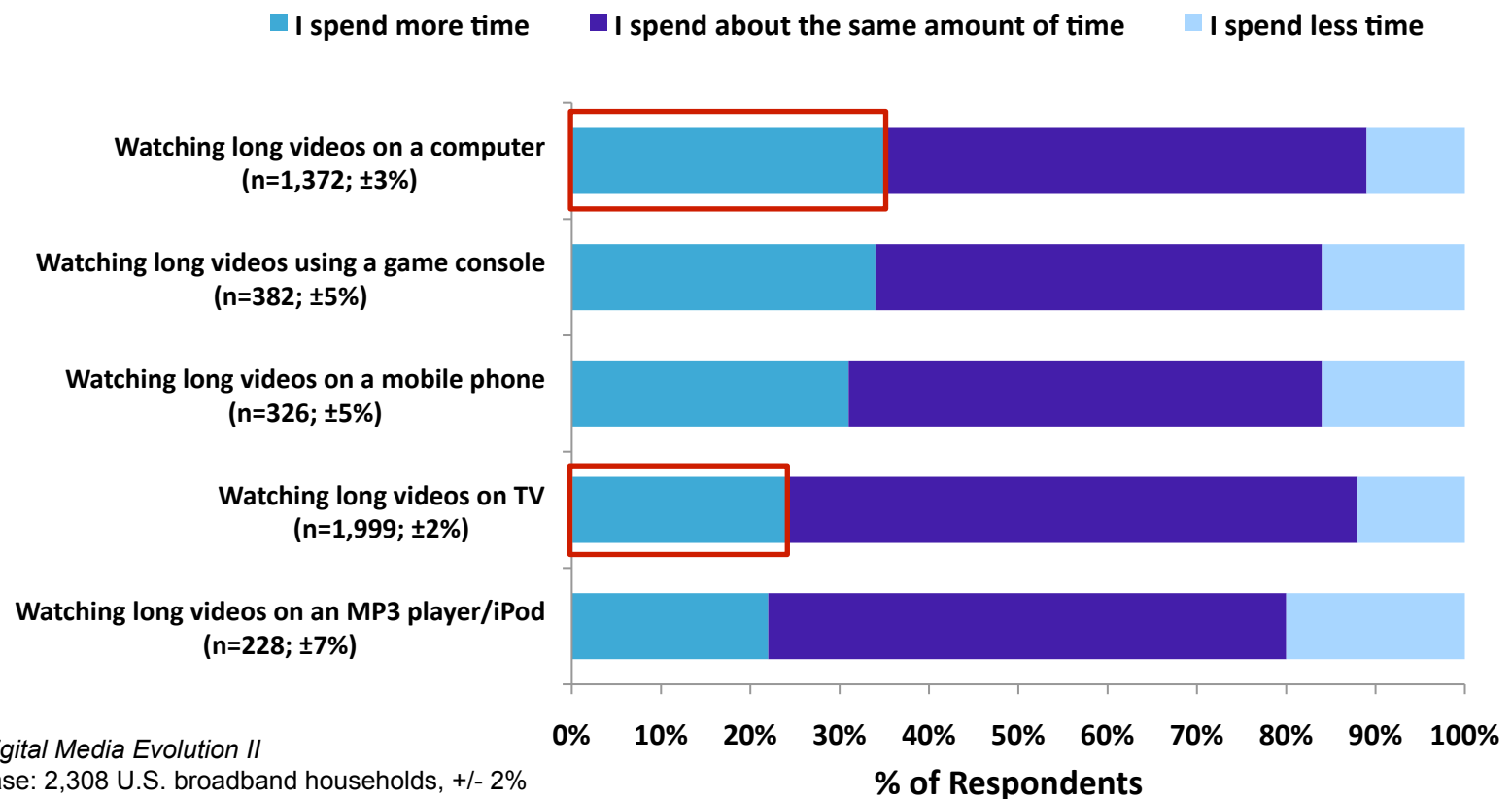
Source: Parks Associates research  
© 2010 Parks Associates

# Changes in Consumer Video Habits

## Change in Video Usage (Q2/10)

"Q2035. Which statement describes the amount of time you spend on the following today as compared to one year ago?

(Among respondents engaged in activity)



Source: Digital Media Evolution II

Sample base: 2,308 U.S. broadband households, +/- 2%

© 2010 Parks Associates

## Stage 1: Bundles / Provisioning

- Generate higher ARPU
- Greater footprint in the connected home
- Proper access connectivity
- Network/device configuration
- Device management








## Stage 2: Value-added Services

- On-demand services
- Multi-platform entertainment services
- Premium tech support (remote PC support, online backup)
- Enhanced security/parental controls

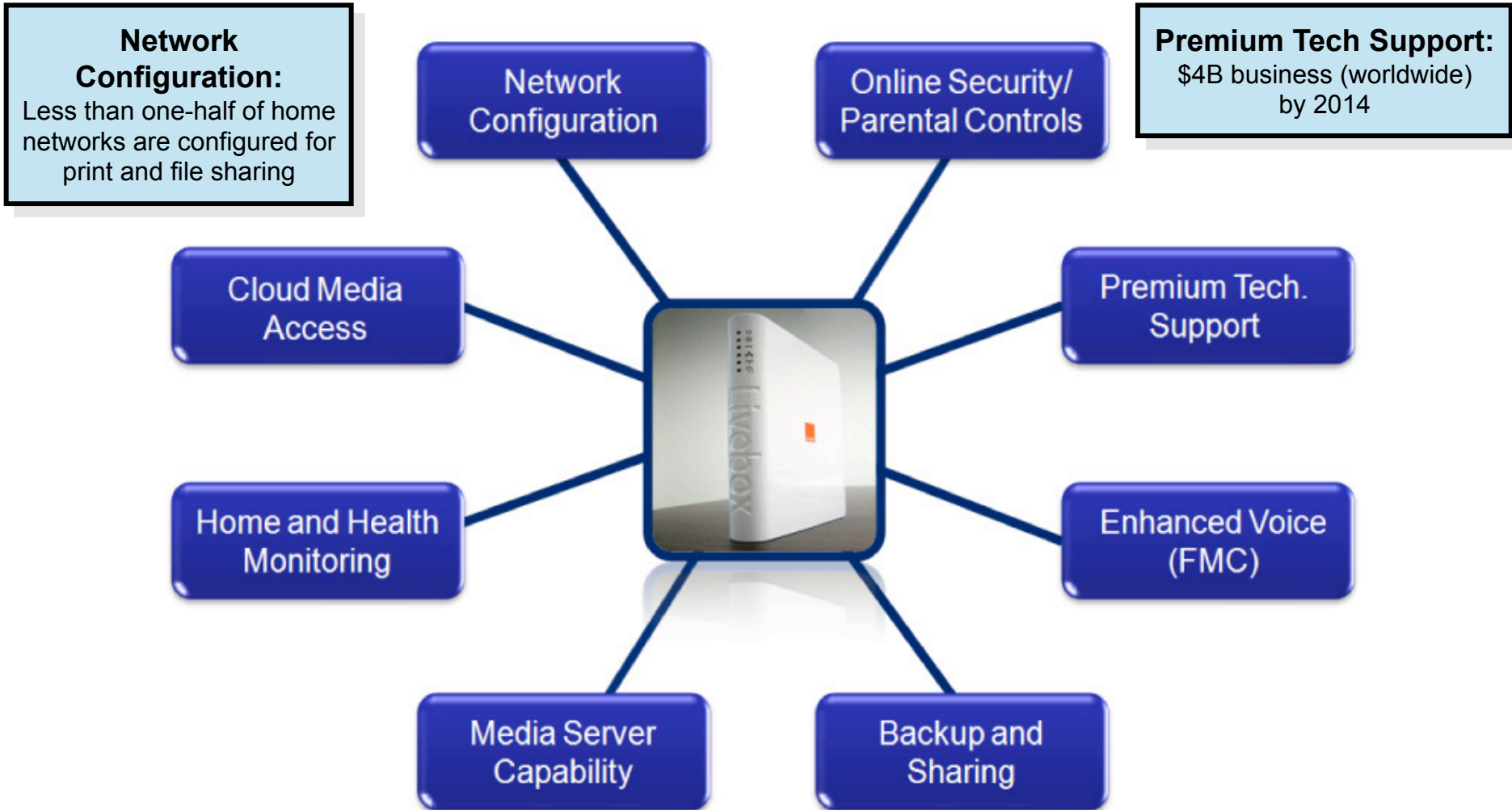
## Stage 3: Connected Home

- Fixed-mobile convergence – tablets, smartphones, photo frames, cameras, and other CE
- Premium services for connected CE devices
- Value added monitoring services
- Online backup via “cloud media” and “digital locker”
- Personalization tools

# Current TV Everywhere Deployments

Operator	Notes
	<ul style="list-style-type: none"> <li>Major content sources include ABC, Bravo, CBS Entertainment, CBS News, CNBC, NBC, Oxygen, Syfy, The CW, USA Network, and Hulu (ABC &amp; NBC).</li> <li>Announced launch of U-verse Online portal with additional content for U-verse subscribers in May 2010.</li> </ul>
	<ul style="list-style-type: none"> <li>Customers who subscribe to The Movie Network to watch TMN programming from their computers through the Bell TV Online portal anywhere in Canada. The service is free with existing TMN subscriptions</li> </ul>
	<ul style="list-style-type: none"> <li>Partnering networks includes HBO, Cinemax, Starz, A&amp;E, TLC, Discovery, AMC, TNT, TBS, BBC America, WE, IFC, Sundance and Animal Planet.</li> <li>Content includes popular TV episodes and full length movies.</li> </ul>
	<ul style="list-style-type: none"> <li>Subscribers with Sling enabled devices can access DVR content via broadband enabled PCs or mobile devices.</li> <li>Widevine provides digital rights management (DRM) and adaptive streaming.</li> </ul>
	<ul style="list-style-type: none"> <li>The initial beta rollout featured more than 1,000 hours of aggregated content from 17 broadcast and production partners and 30 channels.</li> </ul>
	<ul style="list-style-type: none"> <li>Initial trial base included 5,000 cable subscribers with content from BS, TNT, HBO, CBS, Syfy, BBC America, AMC, WE tv, IFC, Sundance Channel, Discovery Communications and Smithsonian Channel.</li> </ul>
	<ul style="list-style-type: none"> <li>Major content partners include TNT, Turner Networks and TBS.</li> <li>Announced deal with EPIX in Oct 2009 and the launch of HBO Go Package in February 2010.</li> </ul>

# What are the Opportunities?

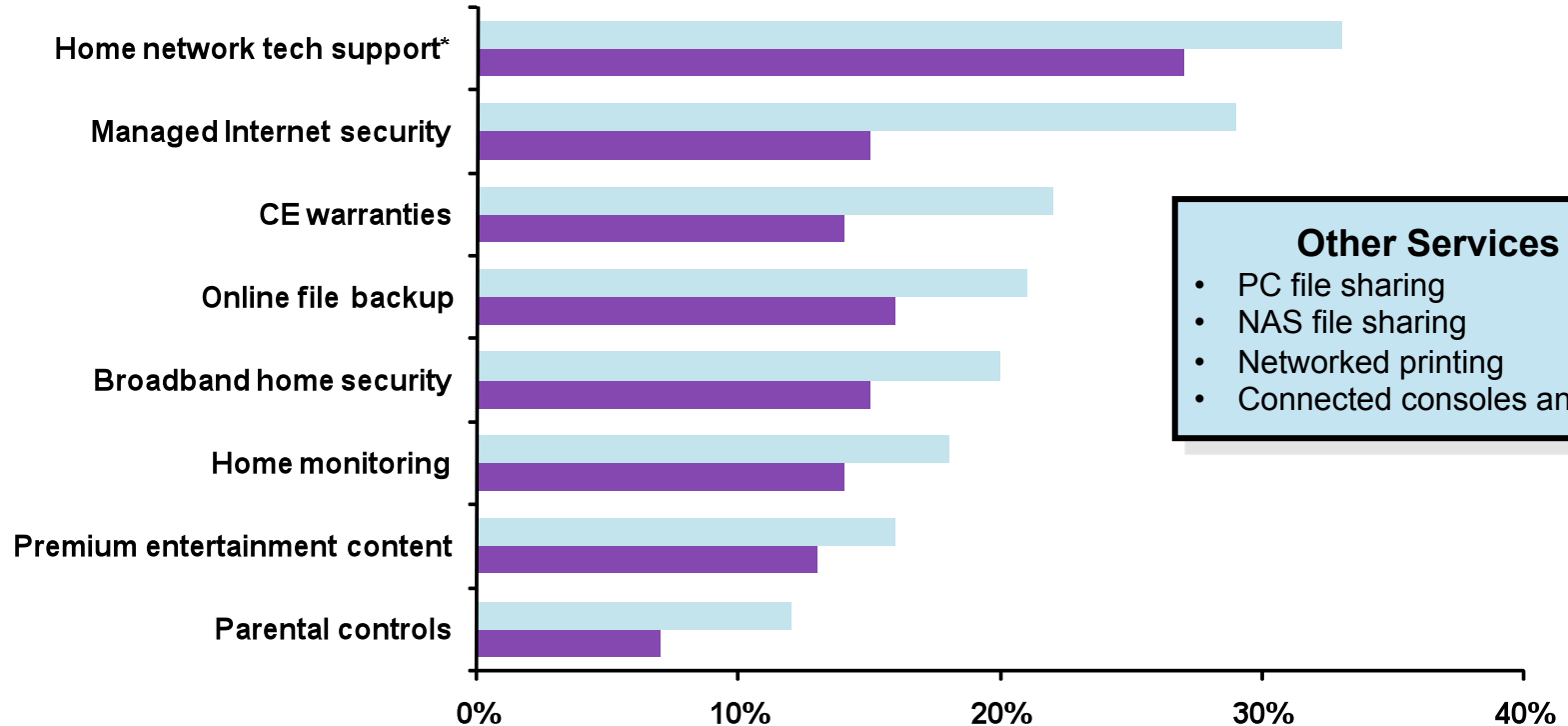


# Consumer Need for Tech Support

## Interest in Value-added Services

Percentage of respondents rating interest as a 6-7 on a 7-point scale, where "7" means "Extremely interested."

■ Home network from service provider (n=254, ±6%) ■ All broadband households (n=2,063, ±2%)




- Other Services**
- PC file sharing
  - NAS file sharing
  - Networked printing
  - Connected consoles and TVs

\* Among households with a home network  
 Source: *Customer Support in the Digital Home*  
 Sample: 2,063 U.S. broadband households ; ±2%  
 © 2010 Parks Associates

Percentage of Respondents

# Contact Information



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