Talking IPTV & broadband

The Broadband Forum and its members are constantly working to enable home, business and converged broadband services through interoperability, architecture and management and recommendations best practice. As we await the latest IPTV figures, Helen Jameson spoke to Robin Mersh, Chief Operating Officer of the Broadband Forum about IPTV adoption, areas of growth and the issue of broadband penetration.

Question: As Coo of the Broadband Forum, how do you view IPTV adoption across the world? Do you believe that IPTV can realistically rival other delivery platforms such as DTH and cable?
Robin Mersh: That is quite a question! It depends what you mean by rival. There is no doubt that there are areas where IPTV delivery has been strong, well organised, and where the broadband network is at a level where IPTV delivery has worked well. In these areas it has provided effective competition to other video delivery options. You can tell by the reaction of competing companies. The cable companies are the ones that probably react the most strongly because IPTV presents very regional competition. I think satellite providers have a different attitude towards it, because there are a lot of very good commercial relationships between the telecommunication companies and the satellite companies. However, you can certainly see the reaction from the cable companies in the regions where IPTV delivery has been strong.

It is probably fair to say that IPTV deployments have been most successful where the network conditions are right for it to happen. It is important to know that there are different regulatory environments in every territory and this can play a role and IPTV offers providers the options to really differentiate their service by offering different local channel line-ups which has been very compelling. Some regions have simply got there quicker than others, but the rest are catching up.

Question: What is the ideal recipe for successful IPTV deployment? What are the ideal conditions that IPTV needs to thrive?
Robin Mersh: I suppose it is down to the availability of sufficient and consistent bandwidth. Relatively modest bandwidth can deliver a successful service but that does absolutely need to be in place. You also have to think in terms of the regulatory regime. There have been certain regions where regulation has hampered deployment, so the regulatory environment is important.

It also pays to look at the competitive offerings in a region. If you are in a region where there is a substantial competitive offering from cable or satellite, there is obviously a market there. It stands to reason that if there are a lot of people using those services, there must be some potential for IPTV yet the demand for IPTV is very strong where there is no other video delivery option.

Finally, the very different user or home profile in each country can affect the uptake of IPTV services. In a country where the typical home has two televisions, it is much simpler to deliver quality IPTV than in areas where the typical home has a high-speed broadband service. The growth of IPTV is also higher in areas where there is high-speed broadband. People are happier to remain at home and to entertain themselves due to a shortage of disposable income. The growth is a key indicator that broadband has moved from a luxury to a real necessity in homes around the world.

Q: How is broadband subscription fared during the current global economic crisis?

Robin Mersh: The consumer base has surpassed expectations. This is something that we have been very pleased with. If you look at the top ten broadband countries in the US, the growth rates are huge. Some have been higher than others, but all of the growth rates are quite amazing. If you look at the US growth in Q1, it was just shy of 16 percent annually. If we look at Asia, China growth was 24 percent. The two others that stand out in the top ten were Japan and South Korea. They all appear in the top ten and not just because of their fibre rollouts. Their rates are steady at 6 and 5 percent respectively. I am not saying that the recession has not had an effect because that would be foolish, but we think broadband is an industry that is very resilient and we have seen good growth across the board.

Q: Why is this?

Robin Mersh: This is partly due to the fact that there has been a lot more evidence of telecommuting. The amount of people having virtual meetings has significantly risen due to the economic crisis and other factors such as the "flu pandemic" causing restrictions on travel. The growth of usage is also higher in areas where there are high-speed broadband connections. People are happier to remain at home and to entertain themselves due to a shortage of disposable income. The growth is a key indicator that broadband has moved from a luxury to a real necessity in homes around the world.

Q: IPTV is highly dependent on broadband penetration and regions such as Europe and the US have high penetration compared with other regions such as India. How do you believe broadband penetration can be increased in less developed regions?

Robin Mersh: There are several factors involved. In some cases it is just a matter of time. Regions with high penetration have been doing things very specific to their environment. For instance, in the US there was very, very high-end Internet usage in the past. That was already a great market for broadband. So, really, there was a market that was already there. The kind of work that the Broadband Forum did initially was really to focus on interoperability and best practice. What that ended up doing was driving down cost and driving up the level of innovation and allowing much faster deployment of broadband. The model of best practices is now used by developing broadband economies, and you can see their broadband penetration rates rising. Western Europe and North America were initially leading the way, but places like Korea and Japan really took off, taking the lead in terms of fibre deployment. Once the networks became established, our work evolved to address more quality solutions and that has lead to the IPTV empowering work that we do. This helped the early IPTV deployments as they have the ready-made high-speed network. Now, emerging markets develop at an accelerated pace, and the model of best practices that help new operators to avoid issues and provide quality service from day one.

Also some countries have encouraged higher broadband penetration via regulatory stimulus. In certain areas with supportive regulatory environments, developing regions' broadband penetration is rising very fast. A great example of this is China. By country, China has the highest rate of subscribers in the world. It is vast. They were up to 88 million at the end of Q1 2009. This is purely a facet of regulatory support and how their broadband network is being deployed.

Economic development and broadband penetration seem to go hand in hand. I would expect this to be similar to the broadband market in the US. It is a very different story. Economic development and broadband penetration seem to go hand in hand. I would expect this to be similar to the broadband market in the US. It is a very different story in India. In India, their growth was 13.4 percent at the end of Q1 2009. In fact, their growth from year to year was 56 percent. So the subscriber numbers are growing, even in the developing regions of the world.

Q: In the UK, there has recently been lots of debate about advertised broadband speeds and the speeds that customers actually receive. What effect does this have on IPTV deployment and is there any way this can be addressed?

Robin Mersh: IPTV deployments demand very consistent, high bandwidth to be effective and to provide the quality of experience that customers require. Providers around the world are working hard to roll out high-speed broadband networks. We at the Broadband Forum are doing a lot of work to ensure quality in the network by offering IPTV oriented specifications that service providers can adhere to, which specify at each point in the network how to engineer for quality delivery. We have also developed the management platform that allows IPTV providers to be able to remotely monitor and manage the set
Boxes (STBs), thereby ensuring real time provisioning and corrections. The industry is moving fast, and we are doing all we can to ensure that not only current IPTV requirements but next generation video can be supported and enjoyed by the public.

**Question: So it is a misperception on the public's side?**

**Robin Mersh:** That probably is a fair comment, however every state or region has a different network environment and generalities don't fit each situation.

The Broadband Forum is continuously working on speed issues though. Along with other parts of the industry, we work to push speeds up. We are doing interoperability work on VDSL2, which is frequently paired with fibre to deliver IPTV. We also profile for lines for deployment of ADSL2plus, which is also a very common method of delivering IPTV. We are showing best practice to the industry wherever it's proven that a certain technique delivers higher bandwidth this needs to be developed and put into best practice.

There are a lot of things we are doing in the area of bandwidth delivery. There are a couple of specific areas that we have worked on such as a technical report on ADSL2plus IPTV guidelines and another on more effective use of splitters to reduce interference by voice traffic. There are things that can be done and we are doing them.

The amount of expertise that we have in the Broadband Forum is amazing. Getting more speed out of the existing network has never ceased. People want to get more out of what they have. In this economy it is understandable. This is exactly what we need to be doing and our work aligns well with the way the world is.

There is other work going on called DSL Quality Management and that is moving along very well. We are also doing work with Bonded DSL, which is another technique used to achieve higher speeds.

It is interesting when you look at the way the whole thing works. When DSL first came along we were basically turning a physical network that was just delivering narrowband into a high-speed network and we were working with what we had. Consumers did very well out of it. They went from 128kbps to 2mbps very quickly. The funny thing is that now consumers are used to getting the higher speeds and now they want even faster speeds to support all the applications that are coming online daily! In a sense, the industry is a victim of its own success. The demands for speed just go up and up!

The other piece of the puzzle is all the work involved in delivering fibre. This is being rolled out in many areas. For services with really high bandwidth demands we are seeing the use of more hybrid networks. Our members are not just delivering on copper networks, but also on fibre too. We know that the speeds on fibre are extremely high. But the move to fibre is going to be an evolution.

We are very much driven by our membership and our members do work very hard on addressing opportunities identified.

Progress can be quick. However, the public wants to see constant improvements. We are moving pretty fast. Consumers are used to the speed of change, and we continue to do our best to meet their expectations!