



Cisco Systems
Podcast Transcript: Visual Networking and the Service Provider
Ken Wirt, Vice President of Consumer Marketing, Cisco
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Evan Shuman: Welcome today, to the next installment in the Cisco Technology Audio Series. I'm Evan Shuman. We're here today with Ken Wirt, Cisco VP of Consumer Marketing, who has been spending a lot of time recently watching videos. That makes Ken very much not alone. And Ken, I want to thank you for helping me be not alone today.

Ken Wirt: Hi, Evan.

Evan Shuman: In the time since your team unveiled Visual Networking to the cable community, video, whether it's homemade Web videos, product reviews or even full-scale motion pictures made by cable companies directly, video has soared. I was looking at figures released earlier this month, comm scores new figures have Americans watching 10 billion online videos in just February.

So, with all of this going on, can you give us a sense, from your perspective, what exactly is Visual Networking?

Ken Wirt: Visual Networking is a term that we coined as an industry term, not a Cisco proprietary term, to describe this major change that's happening in the marketplace. And you've certainly given us one statistic that shows just how big it is.

To put it in context, what's really happened over the past decade is that people have connected to the Internet via a variety of different devices; cell phone, PCs, TV. And what's going on now is that those devices are connecting to each other. And as that happens, you get a much deeper connection between people and the content that they treasure the most.

And two of those really deep building blocks are video and social networks. And that's really what's happening that's at the heart of this change that creates Visual Networking. Visual Networking is really streamed digital video meets social networking.

And just to give you another statistic, IDC shows that 87% of online consumers in the US, either participated in social networks for leveraging social networking applications like MySpace or FaceBook, or sharing, bookmarking or blogging. So, it's real clear that consumers have a big interest in social networking, and of course, they're consuming a lot of video.

So, what's really different about this is that consumers use social networking to discover videos they want to watch. So for example, if you take the most popular video on YouTube last year, it's called The Evolution of Dance. I don't know if you've seen it or not, but 83 million people have seen it. And the way they found it wasn't by waking up in the morning and saying, I think I'll do a search and see if there's any new videos on the evolution of dance.

The way they found out about it was somebody told them, either verbally or in an email or on a social networking site, or they saw a rating or a ranking, or a commentary from other people in the community of people that's out there that suggested this would be a good video to watch. And that's how 83 million people come to watch this short video, created by an amateur guy, about the evolution of dance.

So, it's this combination of social networking and streamed digital video that creates visual networking and creates a major change in the way people act on the Internet, and therefore, a major change in the kind of services that consumers are going to want to get from their service providers.

Evan Shuman: It does radically change the way people think of videos and interact with videos. Because it used to be much more of a direct one-to-many approach, and this is much more of an egalitarian approach.

Ken Wirt: It really focuses on communities of interest. And instead of the days when we would say, you know, there's 500 channels and nothing on, what happens is, if you can find some other people that are like you, which means you share something in common with them in a community, maybe you like the same kind of sports or the same sports star, or you like the same kind of information about watches or fountain pens or whatever your hobbies have to be, then those communities can lead you to the content that you would never have been able to find before, and you can really discover this.

And as you noted in your statistic, people are spending a lot more time doing this, all the time. It's something really engaging to them.

Evan Shuman: So, how can service providers today try to get their hands around it?

Ken Wirt: There is this shift going on. It's one thing to say, well, there's a lot of video being consumed, but it's another to understand how to enable this through software to provide services for consumers. And I think that's really the opportunity for service providers to monetize this change that's happening in the marketplace is really enormous.

In the first place, more use by consumers of services from the service provider to view this stuff, equals less churn. The more people use it, the more value they get out of it, the less likely they are to leave their service provider. Also, the more services a service provider can offer, the more differentiation they have, and therefore, the lower the cost of their customer acquisition. And finally, if you can make it easier to use, you're going to get more use and the more use by consumers, the more potential revenue you've got from those consumers.

Evan Shuman: Let's talk about the very, very mundane business side of how to manage that. What are some of the technology hurdles? What do you have to watch for when you're trying to get your arms around something like this?

Ken Wirt: Well, looking at the hurdles for service providers, the first one is the balance between managed services and over the top. Today, a lot of consumers go out there and visit many, many, many sites, but that's an early adopter kind of behavior. If we look to the future, consumers clearly want managed services, so that things can be aggregated for them.

Secondly is offers. Consumers want things bundled together so they don't have to make a lot of separate decisions. So, an example would be service providers could take their video on demand service, understand what people have chosen to watch on video on demand and use that to make recommendations about other kinds of user-generated video that consumers discover.

And finally, maintaining high-quality video throughout the network, so that there aren't stutters or glitches or pixilation and delivering it not only to the TV, but to the PC and mobile devices.

And the way Cisco's set up to help service providers overcome those challenges, are with technologies like VQE, which is a way of maintaining video quality throughout both the service providers IP NGN network, through Cisco's Linksys family of home networking products into the home. Also by implementing management standards, both for home networks, both to manage and diagnose those networks remotely to help consumers configure and fix the networks when there's a problem.

And making them easy to use. Cisco has, again, through the Linksys family of products, software called LELA, which stands for Linksys Easy Link Advisor, that helps consumers configure the networks and manage the networks within the home. So when they add something like a video game system, the software automatically detects that. It configures their home network for it.

And another area Cisco provides through its Media Solutions Group, software tools for content owners and distributors and aggregators to create these kinds of websites that combine social networking with video discovery. So it takes communities of interest and uses those communities to recommend videos that can be viewed.

If we look to the future and where Cisco is going with this, of course, the TelePresence system that Cisco deploys today for extremely high-quality video conferencing that makes it seem like the other person is there, that will eventually be available to consumers. And that will generate this whole era of communications in the Visual Networking space, where it makes very different and much more immersive and emotional connection to the people you talk to, as well as 3-screen.

So Cisco's content delivery system provides not only powering for video on demand, but as well as 3-screen delivery and Internet content on the TV.

And finally, we've got new residential gateway products coming out that combine both storage and access and transcoding in the home, to make the video content that's available, that people have purchased and stored in the home, as well as their personal video content, available on multiple different devices and available remotely.

So, it's through a combination of products and leading edge technologies that Cisco's able to give service providers the tools to monetize and deploy Visual Networking types of solutions.

Evan Shuman: Excellent. Well, I appreciate your time very, very much. It's been a fascinating video dialog.

Ken Wirt: Glad to do it. It's a pleasure talking with you.

Evan Shuman: Thank you so much. For Cisco Podcast, this is Evan Shuman. For more podcasts on technology and other global news information, please go to newsroom.cisco.com. That's newsroom.cisco.com.