

### Multichannel Delivery on a Web Site

A Web site must allow customers to conduct business over that site. For many types of transactions, documents are the result of the interaction, be they a summary of the transaction or documents that support the transaction. This is the case when an individual wants to sign-up with a bank online. The traditional method was for the bank to send a sign-up kit to the potential customer. By enabling multichannel delivery and digital signatures, the sign-up transaction can be completed online. Customers can choose to receive the required disclosure documents online or in hard copy form mailed to an address they specify.

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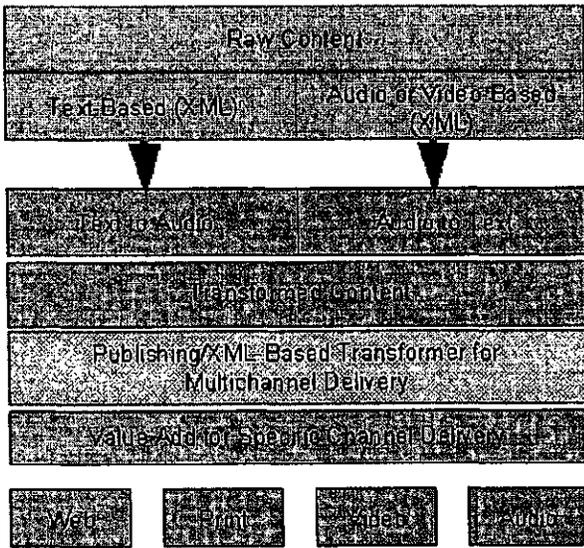
Developing an architecture that will enable seamless multichannel delivery takes concerted planning and a commitment from management, as this effort will require changing a lot of behavior. While it will take some time to deliver to multiple channels, enterprises should focus on being capable of delivering to at least two channels. For those who use paper as a delivery medium for statements and bills, the focus should be on enabling those documents to be viewed electronically by customer service representatives and the actual customers. By YE04, 40 percent of corporate content will support delivery over at least three different channels instead of the single or dual channels used in 2001 (0.7 probability).

A content publishing architecture (see Figure 1) is a high-level view of how to leverage content from one channel to another. Within the context of this architecture, some degree of content customization will still be required. Implicit in this is the incorporation of lots of metadata into the raw content.

Enterprises should develop a comprehensive approach to content delivery as part of an overall content management framework. Much of the work involved with this will be to understand the origins and the process owners of the content. Leveraging a content delivery architecture can help minimize content redundancy and make the transformation and delivery of the content as automated as possible.

### Figure 1

#### Content Publishing Applications Architecture



Source: Gartner Research

**Bottom Line:** The era of single-channel content delivery is over. In moving toward multichannel delivery, a content strategist can help make sense out of what can be a complex and cumbersome migration. Enterprises that leverage the power of multichannel content delivery will gain a competitive advantage over those that do not.

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services will trail DSL access revenue. Cable modem access pricing is and will continue to be discounted to improve market penetration in the highly price-sensitive and increasingly competitive consumer market segment. Cable modem's revenue and profit will increasingly come from overlaying value-added services and applications (for example, voice, multimedia/video). DSL access revenue, on the other hand, is primarily generated from the less price-sensitive telecommuter (generally subsidized), SOHO and high-end consumer segments. The current DSL price structure appears to more closely reflect the real cost of service, but going forward, average price points will continue to increase (as price-per-Kbps drops) because of increasing delivered DSL bandwidth and bandwidth demand to support bandwidth-hogging applications.

**Table 1**  
**North American Residential High-Speed Access Subscriber Forecast, in Thousands**

[\[return to List of Tables\]](#)

Service Category	1999	2000	2001	2002	2003	2004	1999-2004 CAGR (%)
ISDN-BRI	824.4	1,030.5	1,239.6	1,369.3	1,442.5	1,445.3	11.88
DSL	531.2	1,729.0	3,488.2	6,172.3	8,809.9	11,454.2	84.82
Wireline Cable Modem	1,861.0	4,334.1	7,193.3	10,459.8	13,308.9	15,738.5	53.27
Fixed Wireless Cable-MMDS	30.8	164.0	447.0	843.0	1,294.9	1,715.6	123.45
Satellite (Two-Way)	10.0	75.5	552.5	1,182.5	1,690.0	2,472.0	201.03
<b>Total</b>	<b>3,257.4</b>	<b>7,333.1</b>	<b>12,920.5</b>	<b>20,026.8</b>	<b>26,548.2</b>	<b>32,825.6</b>	<b>58.73</b>

Source: Gartner Dataquest (June 2000)

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**Table 2**  
**United States Residential High-Speed Access Subscriber Forecast, in Thousands**

[\[return to List of Tables\]](#)

Service Category	1999	2000	2001	2002	2003	2004	1999-2004 CAGR (%)
ISDN-BRI	800.8	1,001.0	1,201.2	1,321.3	1,387.4	1,387.4	11.6
DSL	439.5	1,491.7	3,009.4	5,324.9	7,523.1	9,814.2	86.1
Wireline Cable Modem	1,373.5	3,355.8	5,872.7	8,809.0	11,451.8	13,742.1	58.5
Fixed Wireless Cable-MMDS	28.8	144.0	390.0	735.0	1,141.9	1,535.6	121.5
Satellite (Two-Way)	10.0	75.0	550.0	1,175.0	1,675.0	2,442.0	200.3
<b>Total</b>	<b>2,652.8</b>	<b>6,067.5</b>	<b>11,023.3</b>	<b>17,365.3</b>	<b>23,179.2</b>	<b>28,921.3</b>	<b>61.3</b>

Source: Gartner Dataquest (June 2000)

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### III. Population Characteristics

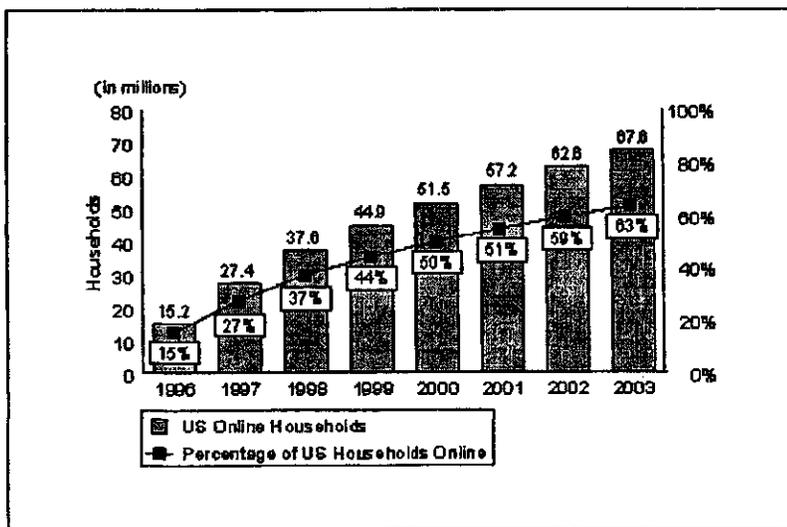
Given the clear differences in attitudes and expectations among different segments of the online population, it is important to understand the size of these segments. How large is the online population? What is its composition in terms of age, gender, income, and geography? How will these distributions change over time? The answers to these questions provide a sense of what segments should be targeted now and how strategies must adapt in the future.

#### Total Online Population

##### Two-thirds of Households Will Be Online by 2003

At the end of 1998, 37.6 million households—or 37 percent of total US households—were online. Jupiter estimates that the online household population will expand to 67.5 million households—or 63 percent of total households—by 2003. This represents a compound annual growth rate of 12 percent. With an expected doubling of population size and correspondent penetration of a clear majority of American households, the Internet will establish itself as a mass-market medium by 2003. Online penetration in 2003 will rival that of cable TV, providing a massive customer base for advertising, content, and commerce ventures.

Figure III.1: U.S. Online Households, 1996-2003

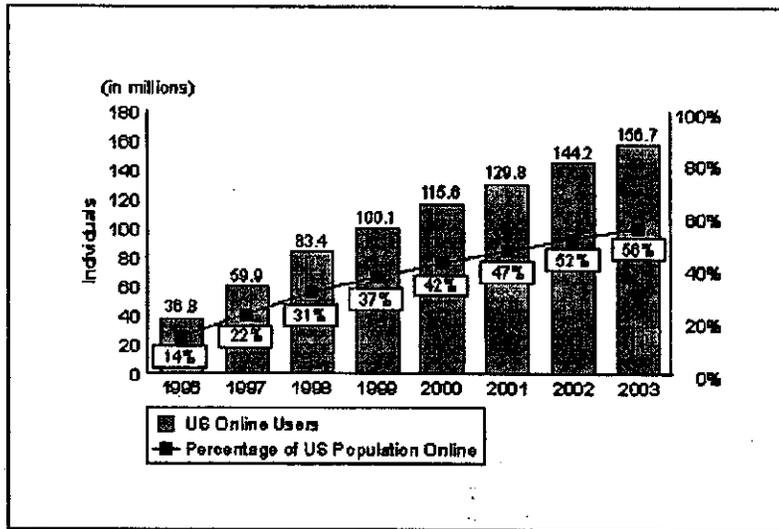


SOURCE: JUPITER ANALYSIS  
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### One-half of US Population Will Be Online by 2003

Given incremental users outside the household (e.g., workplace users, youth at school) and the increase of additional users within the household, it is worthwhile to also examine growth in individual users. Jupiter expects the number of online individuals to reach 157 million by 2003, up from 83.4 million users in 1998—a compound annual growth rate of 13 percent. Online penetration of US individuals will grow from 31 percent in 1998 to 56 percent by the end of 2003.

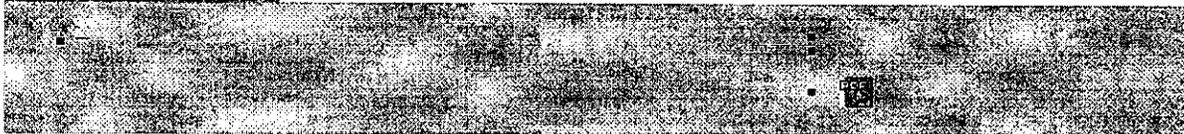
Figure III.2: US Individuals Online, 1996-2003



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# Consumer Broadband Satellite Services

A Global Analysis of Key Players and Market Opportunities

October 2001

## NORTHERN SKY RESEARCH

Northern Sky Research is an international market research and consulting firm specializing in broadband technology and Internet applications. Northern Sky Research primary areas of expertise include satellite technology, cable and wireless networks, and content/new media markets.

Our services and clients cover the entire globe. With extensive expertise in all geographic regions and a number of broadband sectors, Northern Sky Research is a leading provider of in-depth market insight and analyses. Our analyses allow our clients to stay a step ahead of the competition and plan for future opportunities in all markets.

With expertise across a number of sectors, Northern Sky Research has quickly gained a reputation as a premier market research and consulting firm. In fact the company is often quoted as an expert in many leading publications such as The Wall Street Journal, New York Times, Washington Post, Business Week, Time Magazine and Forbes.

Northern Sky Research clients include both startups and leaders in the various broadband industries. Current clients include equipment vendors, service providers, network operators, systems integrators, financial institutions, intergovernmental organizations, trade associations and technology providers.

Northern Sky Research's first report of 2001, *Broadband Satellite Markets: A Comprehensive Analysis of Trends and Opportunities*, analyzes the market for broadband satellite services across the globe. The report was published in July 2001.

## REPORT DETAILS

Consumer satellite access has remained a central focus for satellite players over the last five years. As broadband Internet demand grows exponentially, satellites are seen as a way to bypass inadequate terrestrial infrastructure and offer service to unserved users. However, technology and cost limitations have forced many satellite companies to scale back aspirations and delay service. Based on these trends, the question arises: Can satellites adequately fulfill the long-term requirements of the consumer access market?

This new report from Northern Sky Research provides a complete analysis of the global consumer broadband satellite market, including potential consumer demand and vendor supply over the next 5 years. The report profiles key service providers and equipment manufacturers, as well as future services expected for deployment over the next twenty-four months.

Based on a conservative and thorough forecast methodology, there appears to be a significant market opportunity for satellite players in the consumer arena, especially across North America, Europe and Asia. If they live up to their advertised potential, Ka-band systems threaten to upset the status quo with existing consumer Ku-band systems and have the potential to compete with terrestrial alternatives on both a performance and cost basis.

### Primary Elements of the Report Include:

- Regional and Global Forecasts for Consumer Broadband Satellite Access Services
- Review of Trends, Opportunities and Market Potential for Equipment Vendors
- Review of Existing and Future Consumer Service Providers
- Trends in Market and Technology Development, Including the Impact of Ka-band
- Discussion and Assessment of Competing Broadband Access Technologies
- Profiles of Over 30+ Companies in the Satellite Services and Equipment Markets

### Who Would Benefit From this Report:

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Satellite Operators</li> <li>• Satellite Service Providers</li> <li>• Network Service Providers and Carriers</li> <li>• Equipment Manufacturers and Integrators</li> <li>• Financial Institutions and Potential Investors</li> </ul> | <ul style="list-style-type: none"> <li>• Satellite Manufacturers</li> <li>• Satellite System Software Developers</li> <li>• Content Delivery Networks (CDNs)</li> <li>• Terrestrial-Based ISPs</li> <li>• Launch Service Providers</li> <li>• Consumer/Entertainment Content Providers</li> </ul> |
|---|---|

## Preliminary Table of Contents

### 1.0 Introduction

- 1.1 Sources of Information
- 1.2 Scope of the Report

### 2.0 Market Definition and Forecasts by Region

#### 2.1 Market Definition and Forecasts

- 2.1.1 Overview
- 2.1.2 Basic Market Definitions

#### 2.2 Market Forecasts

- 2.2.1 Residential Subscriber Demand, by Region
- 2.2.2 Service Revenue Potential, by Region
- 2.2.3 Residential Access Equipment (CPE) Market, by Region

#### 2.3 Types of Services Offered

- 2.3.1 Broadcast/No Return
- 2.3.2 Asymmetric Satellite Connection with Terrestrial Return
- 2.3.3 Two-Way Satellite Access

### 3.0 Consumer Service Providers

#### 3.1 Discussion

#### 3.2 Market Trends

#### 3.3 Company Profiles - North America

- 3.3.1 AlphaStar/SkyCrossing
- 3.3.2 DirecWay/DirecPC - Hughes Network Systems
- 3.3.3 DISH Network - EchoStar
- 3.3.4 Pegasus Express Powered by DIRECTWAY
- 3.3.5 StarBand

#### 3.4 Company Profiles - Latin America

- 3.4.1 DirecTV Latin America
- 3.4.2 rStar
- 3.4.3 Star One
- 3.4.4 Other Latin America Ventures - DirecPC in Mexico

#### 3.5 Company Profiles - Europe

- 3.5.1 BTopenworld
- 3.5.2 DirecPC Europe
- 3.5.3 Eutelsat
- 3.5.4 Kokua Communications
- 3.5.5 SES-ASTRA NET
- 3.5.6 Tiscali
- 3.5.7 Other European Offerings - DirecPC

#### 3.6 Company Profiles - Asia/Pacific

- 3.6.1 IpSTAR Broadband - Shin Satellite Public Company LLC
- 3.6.2 Speedcast - AsiaSat
- 3.6.3 Telstra BigPond Broadband - DirecPC/DIRECTWAY
- 3.6.4 Additional Asia/Pacific Offerings - DirecPC-Based
  - 3.6.4.1 China - Chinacast

#### 3.6.4.2 India - HECL

#### 3.6.4.3 Korea - Unitel/Samsung

#### 3.6.4.4 Japan - SCC

#### 3.6.4.5 Taiwan - ERA

#### 3.6.5 Additional Asia/Pacific Offerings - Gilat/StarBand Partnerships

#### 3.6.5.1 Australia - Cable & Wireless Optus

#### 3.6.5.2 China - Jingxin Hero Telecommunications

#### 3.6.5.3 India - Bharti Broadband Networks, Inc.

### 4.0 Equipment Manufacturers

#### 4.1 Business Model Analysis

#### 4.2 Development Trends

##### 4.2.1 Ka-band

##### 4.2.2 DVB-RCS and DVB-RCT

#### 4.3 Company Profiles

##### 4.3.1 Gilat Satellite Networks

##### 4.3.2 Hughes Network Systems

##### 4.3.3 Norsat

##### 4.3.4 Philips

##### 4.3.5 SkyStream Networks

##### 4.3.6 ViaSat

##### 4.3.7 Additional Manufacturer Profiles

##### 4.3.7.1 ECC

##### 4.3.7.2 Nera SatCom

### 5.0 Future Consumer Satellite Services

#### 5.1 Impact of Ka-band

#### 5.2 WildBlue

#### 5.3 Hughes Network Systems - Spaceway

#### 5.4 Additional Future Services

##### 5.4.1 EuroSkyWay

##### 5.4.2 EchoStar - StarBand

##### 5.4.3 ipSTAR - Shin Satellite

### 6.0 Competing Technologies

#### 6.1 High Speed Cable Services

#### 6.2 Digital Subscriber Line (DSL)

#### 6.3 Licensed Broadband Wireless

#### 6.4 Fiber Optic Access

#### 6.5 Unlicensed Broadband Wireless

#### 6.6 Summary

### 7.0 Consumer Satellite Market Forecasts - Summary of Results

#### 7.1 Subscriber Demand, by Region

#### 7.2 Service Revenue Potential, by Region

#### 7.3 CPE Satellite Equipment, by Region

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# BROADBAND SATELLITE MARKETS

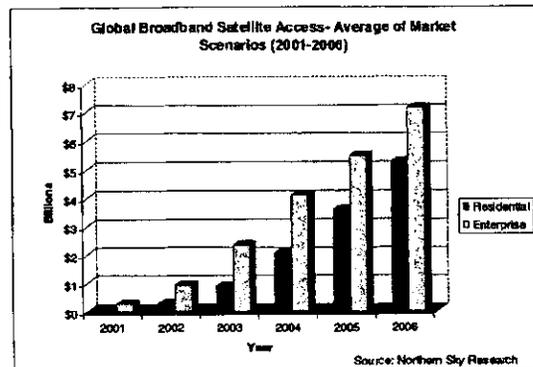
A Comprehensive Analysis of Trends and Opportunities

400 pages - June 2001 - 241 Exhibits

This new report from Northern Sky Research analyzes the market for broadband satellite services across the globe. The report provides a comprehensive analysis of the broadband satellite market, where both new and established satellite companies are now positioned for growth. A thorough review of viable applications and prospective market opportunities is provided to show that satellites do have a role to play in the broadband sector. Trend analysis and competitive profiles will also assist satellite players to assess their positioning in the emerging broadband satellite market.

Despite the rapid buildout of terrestrial access technologies, there appears to be a significant market opportunity for satellite players in a few key segments. A vast majority of the Internet population will remain unserved by broadband access for years to come. In addition, increasingly complex Internet content is creating massive gridlock that terrestrial networks have been unable to adequately remedy. Both broadband access and multicast services appear to still hold great promise for satellite companies, especially as the Internet becomes a truly global network.

As new satellite capacity is launched and demand inevitably increases for Internet services, satellite players stand to benefit from a multi-billion market in the next 5-10 years. Both service providers and equipment/technology vendors should see sizable market opportunities across the globe.



**Primary elements of the report include:**

- Regional and Global Forecasts for Broadband Satellite Access and Multicast and Content Distribution Services
- Review of Trends, Opportunities and Market Potential for Equipment Vendors
- Bandwidth Demand for Broadband Satellite Services
- Trends in Market and Technology Development
- Review of Viable Satellite Multicast and Content Distribution Services
- Extensive Profiles of Companies in the Satellite Service/Operator and Equipment Markets - Interviews Held with Over 150 Companies

**Profiles Include:**

Air TV Ltd.	EBAS Technologies Inc.	EarthLink	NDS	StarBand
ARPA	Earth Broadband Services	Earthlink	Nets	StarOne
Akamai	Europe Online	Embrave	NetNet Express	STN Wireless
Alcatel Networks	Europe Star	Enlight	New Star Satellites	Tackova
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Asiasat/SpeedCast	Global Satellite Networks	ITRON	Paradis	Terayon
Bering	Global Systems	United Access	Paradis ComStream	Thomson
Bright Telecom Broadcast Services	Global Convergence Technology	WebCast	Raytheon	Versar
Brillillight	GlobalCast	Kingston Media/Global	RellaCast	ViaCast
Edison	Hampton Data Systems	LANET	SCM Microsystems	Viasat
COMSAT Mobile Communications	Hebas	Long Information	SES-Global/Koos Communications	Vipacat Networks
Comcast by Boeing	Hydra Network Systems	Local Connection	SkyStream Networks	Wildflax
Digital Island	IBRAM	Monet	Space Communications Corporation	Williams W
Dynac Hughes Network Systems	Idirect	Microport Communications	SpaceBridge	Xantix
Earth Star Data Networks	In-Flight Network	MultiCast Media	SSI Telecom	

# Table of Contents (abridged)

## Executive Summary

### 1. Introduction

#### 1.1 Market Overview

#### 1.2 Sources of Information

### 2. State of the Broadband Satellite Industry

#### 2.1 Market Trends

##### 2.1.1 Broadband Access Market

###### 2.1.1.1 Enterprise Access

###### 2.1.1.2 Residential Access

##### 2.1.2 Satellite Content Distribution and Delivery (CDD) Market

#### 2.2 Transition of the VSAT Market

#### 2.3 Role of Open Standards

#### 2.4 Growth of Market Transparency

#### 2.5 Capacity Issues

#### 2.6 Regulatory Issues

#### 2.7 State of Two-Way Satellite Service

#### 2.8 Security

#### 2.9 Hybrid Networks

#### 2.10 Partnerships and Joint Solutions

#### 2.11 Ka-band and Future Satellite Networks

### 3. Broadband Satellite Access

#### 3.1 Enterprise Broadband Satellite Access

##### 3.1.1 Company Profiles

##### 3.1.2 Market Forecasts

###### 3.1.2.1 Enterprise Subscriber Demand

###### 3.1.2.2 Enterprise Access Service Revenue

###### 3.1.2.3 Enterprise Access Equipment (CPE) Market

#### 3.2 Residential Broadband Satellite Access

##### 3.2.1 Market Trends

##### 3.2.2 Company Profiles

##### 3.2.3 Market Forecasts

###### 3.2.3.1 Residential Subscriber Demand

###### 3.2.3.2 Service Revenue Potential

###### 3.2.3.3 Residential Access Equipment (CPE) Market

#### 3.3 Internet Backbone Via Satellite Service

##### 3.3.1 Market Trends

##### 3.3.2 Company Profiles

##### 3.3.3 Market Forecasts

#### 3.4 Mobile Broadband Satellite Access

##### 3.4.1 Company Profiles

##### 3.4.2 Market Forecasts

### 4. Satellite Content Distribution and Delivery (CDD)

#### 4.1 Market Trends

#### 4.2 Content Distribution and Delivery Value Chain

#### 4.3 Multicast and CDD Applications - Market Opportunities

##### 4.3.1 Enterprise Applications

###### 4.3.1.1 Video Applications

###### 4.3.1.2 Audio Broadcast

###### 4.3.1.3 Broadcast File Distribution

###### 4.3.2 Consumer Video and Audio Distribution

###### 4.3.3 Digital Clipping

###### 4.3.4 Interactive High Delivery and Caching

###### 4.3.5 Distance Learning

###### 4.3.6 Video-on-Demand (VOD)/P2P

###### 4.3.7 Consumer Entertainment Portals

###### 4.3.8 Interactive Television

#### 4.4 Pricing Schemes

#### 4.5 Competitive Market Factors

#### 4.6 Barriers to Entry

#### 4.7 Market Forecasts

#### 4.8 Company Profiles

### 5. Competing Technologies

#### 5.1 Access Markets

##### 5.1.1 High Speed Cable Service

##### 5.1.2 Digital Subscriber Line (DSL)

##### 5.1.3 Fiber Optic Access

##### 5.1.4 Broadband Wireless Access

##### 5.1.5 Summary

#### 5.2 Content Distribution and Delivery (CDD) Markets

### 6. Broadband Satellite Equipment Market

#### 6.1 Trends in Satellite Equipment Development

#### 6.2 Market Forecasts

#### 6.3 Company Profiles

### 7. Satellite Bandwidth Demand

#### 7.1 Regional Satellite Bandwidth Demand

##### 7.1.1 North America

##### 7.1.2 Europe

##### 7.1.3 Asia-Pacific

##### 7.1.4 Latin America

##### 7.1.5 Africa/Middle East

##### 7.1.6 Global Satellite Bandwidth Demand

### 8. Satellite Market Forecasts - Summary of Results

#### 8.1 Subscriber Demand

#### 8.2 Service Revenue Potential

#### 8.3 Satellite Equipment (CPE)

### 9. Planned Global/Regional Broadband Satellite Systems

#### 9.1 Astrocast

#### 9.2 EuroSkyWay

#### 9.3 H3C Telelogic Global

#### 9.4 Star One-IPSTAR

#### 9.5 SkyBridge

#### 9.6 Spaceway - Hughes Network Systems

#### 9.7 WINGSat

#### 9.8 Additional Planned Networks

### 10. Regional Markets for Broadband Satellite Services

#### 10.1 North America

#### 10.2 Latin America

#### 10.3 Western Europe

#### 10.4 Central and Eastern Europe

#### 10.5 Africa/Middle East

#### 10.6 Central and Eastern Asia

#### 10.7 Southeast Asia

## List of Exhibits

#### Ex. 1.2 Success Factors for Broadband Satellite Market

#### Ex. 1.3 Satellite Bandwidth Percent of Total Internet Bandwidth

#### Ex. 1.4 Broadband Satellite Access: % of Market Scenarios (2001-2006)

#### Ex. 1.5 Broadband Satellite Access: Avg Annual CPE Market (2001-2006)

#### Ex. 1.6 Satellite CDD Service Market (2001-2006)

#### Ex. 2.1 Enterprise Broadband Satellite Demand (2001-2006)

#### Ex. 2.2 Residential Broadband Satellite Demand (2001-2006)

#### Ex. 2.3 Satellite CDD Service Market (2001-2006)

#### Ex. 2.4 2004 World Satellite Transponder Index in USA/Europe/Asia

#### Ex. 2.5 Residential Capacity Vs. Cost Calculation (Ku-Band)

#### Ex. 2.6 FCC First Round GSO FSS Ka-band Licenses Granted

#### Ex. 2.7 Two-Way Satellite Service Providers Selected

#### Ex. 2.8 Indian Access System Cost IP Sec Platform IP Content Delivery

#### Ex. 2.9 Next Generation Broadband Satellite Systems

#### Ex. 3.1 Success Factors for Broadband Access Via Satellite Market

#### Ex. 3.2 Two-Way Enterprise Modern Market Structure

#### Ex. 3.3 PowerSky Direct Sales Pricing per Kbps

#### Ex. 3.4 Hughes Personal Earth Station

#### Ex. 3.5 Access Telecom Equipment and Service Pricing

#### Ex. 3.6 Tachyon Service Levels

#### Ex. 3.7 Tachyon North America Price Points

#### Ex. 3.8 Tachyon Europe Price Points

#### Ex. 3.9 U.S. Enterprise Addressable Broadband Market

#### Ex. 3.10 Total Target U.S. Enterprise Satellite Access Subscribers

#### Ex. 3.11 Template for Demand Variable Calculations

#### Ex. 3.12 Enterprise Broadband Satellite Demand (2001-2006)

#### Ex. 3.13 Assumed Monthly Enterprise Access Charges

#### Ex. 3.14 Ent. Broadband Satellite Access- High Growth Service Revenue

#### Ex. 3.15 Ent. Broadband Satellite Access- Low Growth Service Revenue

#### Ex. 3.16 Average of High and Low Growth Enterprise Sites - Total Sites

#### Ex. 3.17 Annual Enterprise CPE Site Totals (2001-2006)

#### Ex. 3.18 Enterprise Access- Total New Sites per Year

#### Ex. 3.19 Enterprise Access CPE- Upgrades (2001-2006)

#### Ex. 3.20 Annual Enterprise Satellite CPE Market (2001-2006)

#### Ex. 3.21 Total DBS Sub- U.S. Market (2001-2006)

#### Ex. 3.22 Various Non-U.S. DBS Subscriber Totals

#### Ex. 3.23 Residential Capacity Vs. Cost Calculation

#### Ex. 3.24 Residential Broadband Satellite Services

#### Ex. 3.25 AlphaStar Service Pricing

#### Ex. 3.26 SES-ASTRA Satellite Fleet

#### Ex. 3.27 ASTRA BBI Terminal Capabilities

#### Ex. 3.28 Kokua Service Pricing

#### Ex. 3.29 U.S. Residential Addressable Broadband Market

#### Ex. 3.30 Template for Demand Variable Calculations

#### Ex. 3.31 Residential Broadband Satellite Demand (2001-2006)

#### Ex. 3.32 Assumed Monthly Residential Access Charges

#### Ex. 3.33 Res. Broadband Satellite Access- High Growth Service Revenue

#### Ex. 3.34 Res. Broadband Satellite Access- Low Growth Service Revenue

#### Ex. 3.35 Average of High and Low Growth Residential Sites

#### Ex. 3.36 Annual Residential CPE Site Totals

#### Ex. 3.37 Residential Access- Total New Sites per Year

#### Ex. 3.38 Residential Access CPE- Upgrades

#### Ex. 3.39 Annual Residential Satellite CPE Market (2001-2006)

#### Ex. 3.40 Typical Satellite Internet Backbone Configuration

#### Ex. 3.41 Round Trip Delays for Satellite Backbone Connections

#### Ex. 3.42 Sample ISP Backbone Via Satellite Services

#### Ex. 3.43 Internet Backbone Via Satellite- Sites (2001-2006)

#### Ex. 3.44 Mobile Broadband Satellite Endpoints

#### Ex. 3.45 AIRIA Aircraft Diagram

#### Ex. 3.46 Global Mobile Satellite Data Access (2001-2006)

#### Ex. 4.1 Success Factors for CDD Via Satellite Services

#### Ex. 4.2 Satellite CDD Market Segmentation

#### Ex. 4.3 Three Factors Creating Internet Congestion

#### Ex. 4.4 Evolution of Satellite CDD Services- 3 Stages

#### Ex. 4.5 Satellite CDD Value Chain

#### Ex. 4.6 Bandwidth Requirements by Activity

#### Ex. 4.7 U.S. Streaming Media Video Opportunity (1999-2004)

#### Ex. 4.8 Internet Video System Market Size and

#### Video Streams Served by Content Category

#### Ex. 4.9 U.S. Streaming Media Audio Opportunity (1999-2004)

#### Ex. 4.10 Cheapest Equipment for Digital Distribution- U.S.

#### Ex. 4.11 Interactive TV Revenues (1999-2004) Scenarios

#### Ex. 4.12 Success Factors for CDD Via Satellite Services

#### Ex. 4.13 Factors Limiting Satellite CDD Market Growth

#### Ex. 4.14 Satellite CDD Service Rev. (2001-2006) High Growth Scenario

#### Ex. 4.15 Satellite CDD Service Rev. (2001-2006) Low Growth Scenario

#### Ex. 4.16 Satellite CDD Service Market (2001-2006)

#### Ex. 4.17 Profiled Satellite CDD Service Providers

Ex. 4.18 Profiled Satellite CDD Technology Providers	Ex. 6.10 Residential Access CPE - Upgrades (2001-2006)	Ex. 7.26 Africa/M.East- Residential Satellite Aggregate Bandwidth Demand
Ex. 4.19 Additional Satellite CDD Ventures	Ex. 6.11 Annual Enterprise Satellite CPE Market (2001-2006)	Ex. 7.27 Africa/M. East- Res. Satellite Bandwidth Demand Calculation
Ex. 4.20 AMC Supported Applications	Ex. 6.12 Broadlogic Product Matrix	Ex. 7.28 Africa/M. East- Aggregate Satellite Bandwidth Demand (Gbps)
Ex. 4.21 AsiaSat Satellite Fleet	Ex. 6.13 Glat IP VSAT Solutions	Ex. 7.29 Enterprise Satellite Bandwidth Demand, by Region- Gbps
Ex. 4.22 BTBS Current CDD Solutions	Ex. 6.14 SkyBlaster Network Diagram	Ex. 7.30 Residential Satellite Bandwidth Demand, by Region- Gbps
Ex. 4.23 Cidra Network Diagram	Ex. 6.15 Current Harmonic Data Systems Product Line-CyberStream	Ex. 7.31 Global Satellite Bandwidth Demand, by Segment
Ex. 4.24 Cidra Partnership Matrix	Ex. 6.16 Harmonic Data Systems CyberStream Network Diagram	Ex. 8.1 Enterprise Broadband Satellite Demand (2001-2006)
Ex. 4.25 Digital Island Global Network	Ex. 6.17 Current Helios Product Line	Ex. 8.2 Residential Broadband Satellite Demand (2001-2006)
Ex. 4.26 Europe*Star Fleet	Ex. 6.18 Hughes Network Systems Platforms	Ex. 8.3 Internet Backbone Via Satellite- Sites (2001-2006)
Ex. 4.27 Eutelsat Satellite Fleet	Ex. 6.19 iDirect NetMotion II Upstream Network Configuration	Ex. 8.4 East. Broadband Satellite Access- High Growth Service Revenue
Ex. 4.28 Eutelsat Future Satellite Launches	Ex. 6.20 Current International Datacasting Corporation Solutions	Ex. 8.5 East. Broadband Satellite Access- Low Growth Service Revenue
Ex. 4.29 GE Americom Satellite Fleet	Ex. 6.21 iPrivo! Broadband Satellite Product Line	Ex. 8.6 Res. Broadband Satellite Access- High Growth Service Revenue
Ex. 4.30 GlobeCast Company Details	Ex. 6.22 LMGT Linkway Product Line	Ex. 8.7 Res. Broadband Satellite Access- Low Growth Service Revenue
Ex. 4.31 GlobeCast Regional Presence	Ex. 6.23 Current Mantel Solutions	Ex. 8.8 Satellite CDD Service Revenue (2001-2006) High Growth Scenario
Ex. 4.32 Current MCast Services	Ex. 6.24 Menrat SkyX Gateway Diagram	Ex. 8.9 Satellite CDD Service Revenue (2001-2006) Low Growth Scenario
Ex. 4.33 IBEAM Service Portfolio	Ex. 6.25 Nera Broadband Satellite Product Line	Ex. 8.10 Satellite CDD Service Market (2001-2006)
Ex. 4.34 InfoLibya Product Line	Ex. 6.26 Radyne ComStream Product Line	Ex. 8.11 Global Mobile Satellite Data Access (2001-2006)
Ex. 4.35 Inkom Network Solutions Matrix	Ex. 6.27 S@t@Bay Family of Products	Ex. 8.12 Average of High and Low Growth Enterprise Sites - Total Sites
Ex. 4.36 Inkom Content Distributor and Traffic Server Architecture	Ex. 6.28 SkyStream Product Line	Ex. 8.13 Enterprise Access- Total New Sites per Year (2001-2006)
Ex. 4.37 Intelsat Broadband VSAT Network	Ex. 6.29 SkyStream Network Diagram	Ex. 8.14 Enterprise Access CPE-Upgrades (2001-2006)
Ex. 4.38 New Initiates Satellite Orders	Ex. 6.30 Current SBE Telecom Product Line	Ex. 8.15 Annual Enterprise Satellite CPE Market (2001-2006)
Ex. 4.39 IP Planet Syncast Platform	Ex. 6.31 Current Terayon Satellite Product Line	Ex. 8.16 Average of High and Low Growth Residential Sites - Total Sites
Ex. 4.40 Inrote Access Partners	Ex. 6.32 Thomson Addressable Products	Ex. 8.17 Residential Access- Total New Sites per Year (2001-2006)
Ex. 4.41 Loral Cyberstar Network Map	Ex. 6.33 ViaCast Broadband Satellite Solutions	Ex. 8.18 Residential Access CPE- Upgrades (2001-2006)
Ex. 4.42 Loral Cyberstar CDD Services	Ex. 6.34 ViaSat Product Introduction	Ex. 8.19 Annual Residential Satellite CPE Market (2001-2006)
Ex. 4.43 NetStar Express Global Network	Ex. 6.35 Vigorata Networks Products	Ex. 9.1 Next Generation Broadband Satellite Systems
Ex. 4.44 NetStar Express Impact Services Portfolio	Ex. 7.1 Internet Demand Applications and Associated Average Bandwidth	Ex. 9.2 SkyBridge Project Case
Ex. 4.45 Current New Skies Satellites Fleet	Ex. 7.2 Average Bandwidth Demand Per Satellite Subscriber	Ex. 9.3 SkyBridge- Expected Worldwide Distribution of Sales
Ex. 4.46 New Skies Internet Strategy- 2000 and Beyond	Ex. 7.3 Average Satellite Return Channel Bandwidth Per User	Ex. 9.4 Thicom Satellite Fleet
Ex. 4.47 Future New Skies Satellites	Ex. 7.4 North America - Enterprise Satellite Bandwidth Demand Calculation	Ex. 9.5 IPSTAR Service Packages
Ex. 4.48 RDS MediaStorm Network Diagram	Ex. 7.5 North America - Enterprise Satellite Aggregate Bandwidth Demand	Ex. 9.6 Spaceway Assigned Orbital Slots
Ex. 4.49 PanAmSat Teleports	Ex. 7.6 North America - Residential Satellite Aggregate Bandwidth Demand	Ex. 9.7 Spaceway Target Markets
Ex. 4.50 PanAmSat Annual Revenue	Ex. 7.7 North America - Res. Satellite Bandwidth Demand Calculation	Ex. 9.8 Family of Spaceway User Termination
Ex. 4.51 NET-36 Current Content Custodians	Ex. 7.8 North America- Aggregate Satellite Bandwidth Demand (Gbps)	Ex. 10.1 North America Economic Factors
Ex. 4.52 NET-36 Content Customers- Anticipated	Ex. 7.9 Europe- Enterprise Satellite Bandwidth Demand Calculation	Ex. 10.2 North America Internet Data
Ex. 4.53 Star One Satellite Fleet	Ex. 7.10 Europe- Enterprise Satellite Aggregate Bandwidth Demand	Ex. 10.3 Latin America Economic Factors
Ex. 4.54 Telecom Canada Satellite Fleet	Ex. 7.11 Europe-Residential Aggregate Satellite Bandwidth Demand	Ex. 10.4 Latin America Internet Data
Ex. 4.55 Unicom Leased Satellite Bandwidth	Ex. 7.12 Europe- Residential Satellite Bandwidth Demand Calculation	Ex. 10.5 Western Europe Competitive Satellite Market
Ex. 4.56 Verivox Company Revenues- 1999-2000 (millions)	Ex. 7.13 Europe- Aggregate Satellite Bandwidth Demand (Gbps)	Ex. 10.6 Western Europe Economic Factors
Ex. 4.57 Viasat Service Pricing- Rates per Hour/Package	Ex. 7.14 Asia-Pacific- Enterprise Satellite Bandwidth Demand Calculation	Ex. 10.7 Western Europe Internet Data
Ex. 5.3 Comparing Broadband Access Technologies	Ex. 7.15 Asia-Pacific- Enterprise Satellite Aggregate Bandwidth Demand	Ex. 10.8 Central/Eastern Europe Economic Factors
Ex. 5.246 Cable Modem Market (2001-2006)	Ex. 7.16 Asia-Pacific- Residential Aggregate Satellite Bandwidth Demand	Ex. 10.9 Central/Eastern Europe Internet Data
Ex. 5.3 DSL Service Options	Ex. 7.17 Asia-Pacific- Residential Satellite Bandwidth Demand Calculation	Ex. 10.10 Eastern Europe Loral Cyberstar Workload Pricing
Ex. 5.4 U.S. DSL Subscribers (2001-2006)	Ex. 7.18 Asia-Pacific- Aggregate Satellite Bandwidth Demand (Gbps)	Ex. 10.11 MinsQ Internet via Satellite Pricing
Ex. 5.5 U.S. DSL Revenue (2001-2006)	Ex. 7.19 Latin America- Enterprise Satellite Bandwidth Demand Calculation	Ex. 10.12 Middle East/Africa Economic Factors
Ex. 5.6 Fiber Miles Deployed by Company Type, 1993-1998	Ex. 7.20 Latin America- Enterprise Satellite Aggregate Bandwidth Demand	Ex. 10.13 Middle East/Africa Internet Data
Ex. 5.7 U.S. Fiber Access Market (2001-2006)	Ex. 7.21 Latin America- Residential Satellite Aggregate Bandwidth Demand	Ex. 10.14 Central and Eastern Asia Economic Factors
Ex. 5.8 Types of Fixed Wireline Access Solutions	Ex. 7.22 Latin America- Res. Satellite Bandwidth Demand Calculation	Ex. 10.15 Central and Eastern Asia Internet Data
Ex. 5.9 U.S. Wireless Broadband Market (2001-2006)	Ex. 7.23 Latin America- Aggregate Satellite Bandwidth Demand (Gbps)	Ex. 10.16 Asia Internet Growth
Ex. 5.10 U.S. Wireless Broadband Market (2001-2006)	Ex. 7.24 Africa/M.East- Enterprise Satellite Bandwidth Demand Calculation	Ex. 10.17 Southeast Asia Economic Factors
Ex. 5.11 U.S. Enterprise Broadband Access Market (2001-2006)	Ex. 7.25 Africa/M.East- Enterprise Satellite Aggregate Bandwidth Demand	Ex. 10.18 Southeast Asia Internet Data
Ex. 5.12 U.S. Residential Broadband Access Market (2001-2006)		
Ex. 6.1 Enterprise Revenue Company Segmentation		
Ex. 6.2 Two-Way Enterprise Modem Market Snapshot		
Ex. 6.3 Worldwide IP Equipment Market Share, 2000		
Ex. 6.4 Annual Enterprise CPE Site Totals (2001-2006)		
Ex. 6.5 Enterprise Access- Total New Sites per Year (2001-2006)		
Ex. 6.6 Enterprise Access CPE- Upgrades (2001-2006)		
Ex. 6.7 Annual Enterprise Satellite CPE Market (2001-2006)		
Ex. 6.8 Annual Residential CPE Site Totals (2001-2006)		
Ex. 6.9 Residential Access- Total New Sites per Year (2001-2006)		

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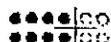
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Jupiter Media Metrix

## Attracting Consumers to Broadband Services in the Absence of Killer Applications



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Zia Daniell Wigder

**Contributing Analysts:**

Dylan Brooks, Joe Laszlo

Concept Report  
August 24, 2001

SBC plans to offer enhanced broadband services to all DSL subscribers on SBC's network in certain areas, even if those subscribers use third-party ISPs. This battle for control over broadband services signals a shift in focus from access to applications.

### Key Questions

How are relationships between ISPs and broadband service providers (BSPs) evolving?

Have any value-added features emerged with unique broadband appeal?

What broadband applications are attracting a large share of the broadband audience?

### Key Finding

Although several applications have a significant number of broadband users, applications that are uniquely popular among the broadband community remain elusive. ISPs should consider bundling security features early on. Security is currently the one application with a large user base that skews toward the broadband demographic.

### Better to Cultivate Consumers than to Alienate Them

SBC's recent move, while affecting only a minority of subscribers on SBC's network (over 90 percent already subscribe to SBC's ISP services), is a likely harbinger of events to come. Jupiter has long recommended that BSPs, whether cable modem or DSL providers, leverage their infrastructure to enable the distribution of broadband applications. However, customer ownership is likely to become an increasingly contentious issue between ISPs and BSPs—ISPs depending on BSPs for their broadband infrastructure. Rather than attempting to circumvent ISPs and sell directly to end users, Jupiter advocates working with ISP partners to co-market services that take advantage of the infrastructure of BSPs. By cultivating these relationships, BSPs ensure a strengthened marketing channel for their services and simultaneously help deflect regulatory scrutiny of their practices.

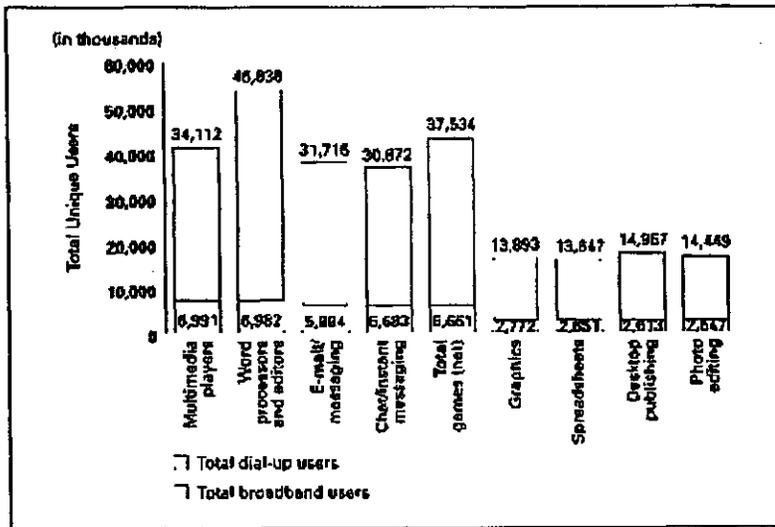
### For Applications, Popular with Broadband Equals Popular with Dial-up

Identifying applications to peddle to broadband users will prove to be as challenging as

structuring relationships to distribute these applications. Most applications that appeal to the broadband audience also remain popular among narrowband users. (See Figure 1.) Despite the high absolute numbers of broadband users, however, none of these applications attracted especially high percentages of broadband users. Even bandwidth-intensive applications, such as multimedia players and graphics, registered only slightly higher-than-average percentages of broadband users: Both had broadband user penetrations of 17 percent as compared with approximately 13 percent for software applications overall—broadband users currently make up approximately 12 percent of online individuals. Streaming media players are not likely to skew toward broadband because such players are currently used for audio more than for video, and player makers target the widest possible audience. The dominance of dial-up makes it difficult for applications providers to tailor their offerings to appeal to broadband users. However, for some applications, usage intensity differences offset dial-up dominance. For example, dial-up users made use of applications in the e-mail and messaging category for an average of 27 minutes per usage day, whereas broadband users did so for an average of 33 minutes per usage day. Other applications categories with strong average usage disparities included chat and instant messaging (dial-up, 18 minutes per usage day; broadband, 47 minutes per usage day) and total games, net (dial-up, 46 minutes per usage day; broadband, 63 minutes per usage day).

Figure 1: Number of Users in Applications Categories with Highest Levels of Broadband Use

*Dial-up Dominates Even the Most Popular Applications*



Note: Chart excludes nearly ubiquitous applications such as operating systems, browsers, and certain utilities such as file management.

Source: Jupiter Media Metrix Hardscan/Soft Usage Report (Vol. 1, 2001)  
 © 2001 Jupiter Media Metrix, Inc.

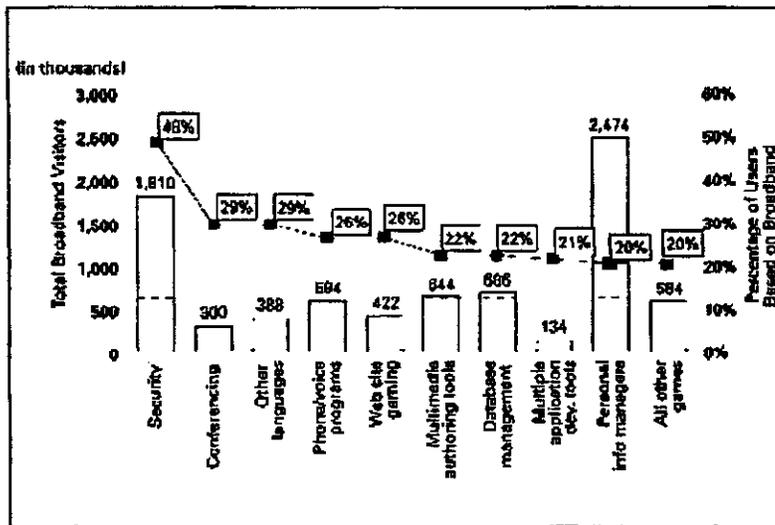
**Security Unique in Its Widespread Broadband Appeal**

Although most of the broadband audience still gravitates toward the same applications as its narrowband counterparts do, a few classes of applications have proven to be particularly attractive to the high-speed community. (See Figure 2.) Security applications (e.g., antivirus and firewall software) prove to be the runaway broadband winners: Approximately 48 percent of those using security applications were on a high-speed connection. Security applications also ranked high in terms of sheer number

of broadband consumers, with an estimated 1.8 million unique high-speed users. Other applications such as conferencing and non-C programming languages registered broadband user bases of approximately 30 percent; voice services and online gaming garnered broadband user bases of approximately 26 percent apiece. However, all of these applications attracted far smaller numbers of total high-speed users than security did. BSPs or ISPs that have not already added a security feature should consider offering one as part of their service packages. Some security offerings may be purely software-based, but Jupiter expects increasing efforts to bundle firewall functionality into a residential gateway for home networking. This could be disadvantageous: Most value-added applications are purely software-based or server-side, and it costs more to inventory, distribute, and support hardware-based applications. However, given the broadband appeal of security, ISPs may come to view such hardware-based adjuncts as key value-added up-sells.

Figure 2: Application Categories with Highest Percentage of Users with Broadband

*Applications with High Percentages of Broadband Users Vary Greatly*



Note: This figure highlights only those applications with more than 100,000 unique monthly users.  
 Source: Jupiter Media Metrix Hardscan/Soft Usage Report (Vol. 1, 2001)  
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**Temper Expectations for Revenue from Enhanced Services**

BSPs and ISPs should gear up to roll out enhanced services, but both parties should temper their expectations for the additional revenue that they can derive from these services. Broadband subscriber valuations have historically surpassed those of dial-up subscribers based on the additional services that companies were expected to pump to these subscribers over broadband pipes. However, few services have emerged to date that are prime contenders to attract the mass market to paid subscriptions. Streaming video, even provided free of charge, has not proven to be the killer app that everyone anticipated; nor has video-on-demand emerged as a viable technology in any test markets to date. Streaming audio may become a hit with the broadband mainstream, but it is hampered by the slow progress toward secure standards and recording industry support. As mentioned previously, security remains a promising option, but others such as voice services and gaming hold more narrow appeal. For the next two years to three years, BSPs will find themselves largely relying on access as the key revenue stream, with few dollars coming in per subscriber for the enhanced applications that the market

has eagerly anticipated.

Jupiter Media Metrix, an analyst research and measurement company, analyzes changes caused by the Internet and new technologies and how these changes directly impact business performance, management, and strategy. The Company delivers innovative analysis, measurement, and advice to provide businesses with unmatched global resources for understanding and profiting from the Internet. Jupiter Media Metrix brings together world-class products and services, including Jupiter Research, Media Metrix, and AdRelevance. The Company is headquartered in New York City and operates worldwide, across the Americas, Asia Pacific, Europe (as Jupiter MMXI), and the Middle East. For more information on the comprehensive roster of services, visit [www.imm.com](http://www.imm.com).

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## Jupiter Media Metrix

### **Sharpening the Edge** **Improving Performance Beyond the Server**

#### **Lead Analyst:**

Peter Christy

#### **Contributing Analysts:**

Ari Mayerfield, Cormac Foster, David Schatsky

Concept Report  
August 21, 2001

Performance that meets users' expectations is critical. As the dream of ubiquitous broadband in the near term continues to fade, more effort must be placed on last-mile optimization, and dial-up access must remain the focus for most sites.

#### **Key Questions**

What are the appropriate tools for optimizing content to enable faster last-mile delivery?

How can new content-acceleration hardware and services help Web ventures speed delivery?

#### **Key Finding**

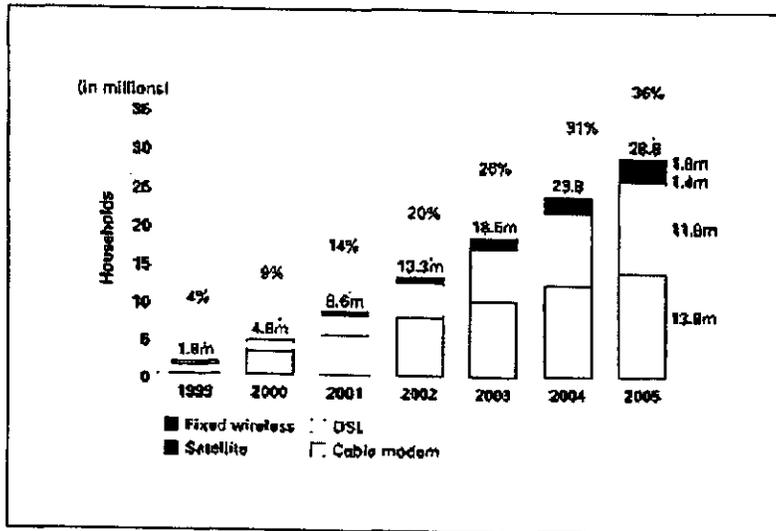
While dial-up connections continue to dominate, there are many viable solutions that can vastly improve user experience on a given site. Optimizing last-mile delivery is a low cost, high-return investment that should be a primary focus of site developers.

#### **Reduce Download Size for Time, Cost Savings**

A recent Jupiter Consumer Survey revealed that faster-loading pages are the single most compelling improvement Web sites can provide; however, broadband penetration in US households will reach just 36 percent in 2005, according to Jupiter forecasts. Content distribution networks (CDNs) such as Akamai have reduced download times by bringing data closer to the user, but reducing the amount of data being transferred remains the fundamental way to speed downloads, whether a CDN is used or not. Efforts to do so can also provide some return on investment (ROI), because reducing the amount of content passing to users should reduce bandwidth costs as well as decreasing download times and improving customer satisfaction.

Figure 1: Broadband Penetration in the US, 1999-2003

*Web Ventures Must Consider Dial-Up a Priority for the Immediate Future*



Source: Jupiter Internet Access Model, 7/00 (US only)  
© 2001 Jupiter Media Metrix, Inc.

### Optimize Legacy Code

Web sites and user platforms are constantly evolving, and many Web pages show evidence of a tumultuous past. Legacy compatibility issues have cluttered pages with substantial amounts of needless code. Many Web pages contain version checks for user platforms that are now irrelevant. For instance, checks for version three of Internet Explorer and Netscape Navigator to determine support for cascading style sheets (CSS) are now almost completely outmoded. Modern versions of Navigator and Internet Explorer both support this feature, and usage of older browsers is almost nonexistent. In many cases, multiple, whole browser-specific pages were embedded within a single document, more than doubling its size. Web ventures should also remove unnecessary comments, white space, and nested tables, all of which can contribute significantly to download sizes and, in the case of nested tables, rendering times. Removing legacy logic can also make code far easier for developers to understand.

### Review Image Policy, Provide Multiple Resolutions

Image data creates a significant strain on data transport; it is often the single largest contributor to overall page size. Many Web ventures store all images at a fairly high resolution, leaving low-bandwidth users to suffer with slow downloads or turn off images altogether. Web ventures should review their image policies to determine if the aesthetic tradeoffs of lower-resolution images might be worth the trouble on their slowest-loading pages. Additionally, if the resources are available, Web ventures should offer multiple resolutions when appropriate. On a dynamically generated site, where sites can base image selection on a user cookie, creating a bandwidth-selection option for users is relatively easy, and requires fairly little work beyond creation of the images themselves. This option can also serve users with limited screen size or color resolution, such as laptop users.

### Caching Server Optimization: Reverse Proxy Servers

For larger Web sites, dynamic content servers are also powerful tools for reducing load times. Much in the way traditional proxy servers cache pages users request and serve them directly to others on the network, reverse proxy caches act as distributed Web servers, intercepting requests for content and freeing the origin server of the burden of

servicing them. These systems can be purpose-engineered by using cost-optimized microprocessors and real-time operating systems that are considerably more cost effective than performing the same functions through the origin server. Reverse proxy systems that provide caching of dynamic content are available from vendors such as FineGround Systems and Bang Networks (a dynamic content acceleration service). A FineGround Reverse Proxy Server (RPS) will fetch content from the origin server, convert it to dynamic HTML, and transmit the page to the browser as compressed dynamic HTML. When a request from the browser is made to refresh a page, the FineGround server determines what content has changed and sends only the modified content, in compressed form.

Bang Networks achieves the same bandwidth savings in a different manner: A Java applet opens a connection between a user's browser and the nearest server on the Bang network, which maintains a list of all browsers currently viewing Bang-accelerated content; when the content changes, the browser updates the applet, which, in turn, updates the browser screen. These systems offer a favorable ROI because of the significant decrease in bandwidth these applications require. Use of these technologies also permits the dynamism of the content to be increased, opening new applications opportunities. These servers also leave the existing content creation and publishing process intact. For larger organizations with rich content-delivery requirements, dynamic serving solutions such as RPS will provide more efficient last-mile content delivery.

#### **Wild Card: Additional Line Optimization**

Modern browsers accept compressed content as a standard feature. Modern modems provide on-the-fly compression, but better compression can be achieved by compressing larger chunks of data. Often, HTML is verbose and structured for readability by a human programmer at a cost of considerable size. Compression can reduce the size of such content, often by a factor of six or more. Similarly, script content can be compressed. An intelligent content accelerator can identify the specifics of a connected browser (e.g., IE or Netscape) and preprocess a script to eliminate unnecessary comments and code (e.g., forgoing conditional Netscape code when the browser is IE), then compress it for transmission. Additional speed optimizations are possible in terms of maintaining persistent connections to the browser while minimizing the impact of these connections on servers. Finally, when secure sockets layer (SSL) processing is added, additional optimization is possible since content is no longer encrypted and available to the optimizer. Packateer, Redline Networks, and NetScaler all sell reverse proxy servers that provide one or more of these optimizations.

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