

VIDEO STREAMING SOFTWARE MARKET

GLOBAL FORECAST TO 2022

AN EXECUTIVE SUMMARY

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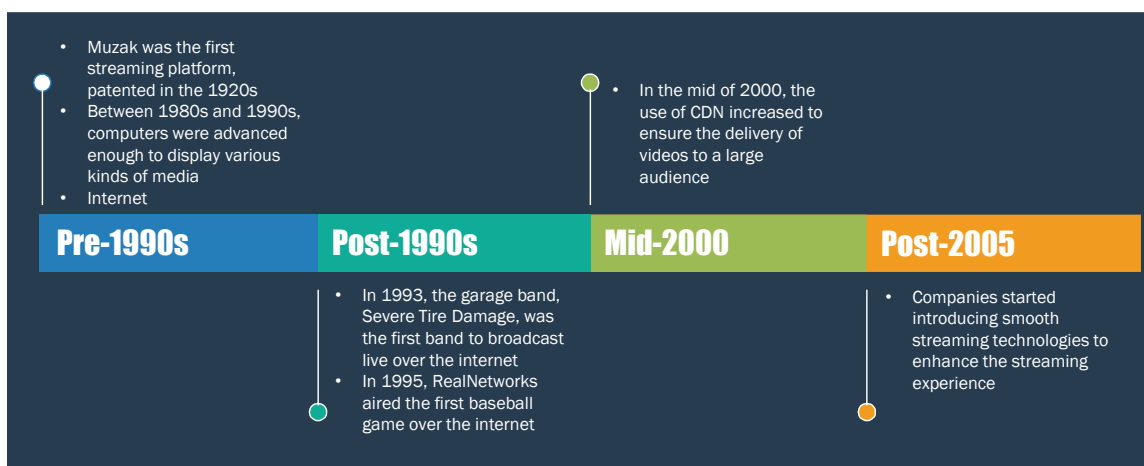
EXECUTIVE SUMMARY

These days, the use of videos in enterprises has become prominent, owing to the necessity of communicating and delivering information effectively. Video streaming is a technique that transfers video files with the help of video streaming software over the internet.

The video streaming software market comprises software such as transcoding and processing, video management, video delivery and distribution, video analytics, and video security. The software is used to deliver videos over the internet, for corporate internet communication as well as for the live audience. Videos are a crucial element for corporate communications. They not only reduce the employee training costs, but also increase the efficiency of corporate communications. Video streaming works on the data streaming technique, where the video files are compressed and sent in a chunk to a requesting device. Streaming a video needs a compatible video player for connecting it to a remote server.

FIGURE 1 VIDEO STREAMING SOFTWARE MARKET: EVOLUTION

The diagram below depicts the evolution of video streaming over the years.



The increasing need for transcoding to deliver videos to a large number of end-users, the extensive growth of online videos, and the growing demand for on-demand services are some of the factors driving the growth of the video streaming software market. Extensive opportunities in Small and Medium-Sized Enterprises (SMEs) and high growth in the education sector are expected to offer huge market opportunities in this market, in the next 5 years. Network connectivity and technical difficulties involved in video streaming, and the concerns over security and privacy of video content are the biggest restraints hampering the market growth.

The video streaming software market report has been segmented on the basis of solutions, services, streaming types, deployment types, verticals, and regions. The broadcasters, operators, and media industry vertical is expected to dominate the market with the largest market share during the forecast period. The education industry vertical is projected to grow at the highest rate, as video solutions help colleges and universities to centrally manage the video resources collected from various sources. Moreover, video solutions are enhancing classroom experiences and increasing the student engagement. Among solutions, the video analytics solution is expected to grow at the highest Compound Annual Growth Rate (CAGR) during the forecast period, as there is huge adoption of video analytics by enterprises to get an end-to-end view of the video performance from the server to the network, and to the player.

North America is expected to hold the largest share in the video streaming software market during the forecast period of 2017–2022, due to factors, such as collaboration between the governments and network arenas, institutional partnerships between video streaming and research collaborations, and large-scale investments in outsourced video streaming solutions and services. APAC offers potential growth opportunities owing to the increasing usage of digital media among the organizations and individuals, and the rising awareness regarding business productivity in this region.

Key players in this market have adopted various strategies to expand their global presence and increase their market shares. Partnerships, agreements, mergers and acquisitions, and new product developments are some of the major strategies adopted by the market players, to achieve growth in the video streaming software market. The major players in this market include Brightcove Inc., Haivision Inc., IBM Corporation, Kaltura, Inc., Kollektive Technology Inc., (Kontiki), Ooyala Inc., Panopto Inc., Polycom Inc., Qumu Corporation, Sonic Foundry Inc., VBrick, and Wowza Media Systems LLC.

The video streaming software market is expected to grow from USD 3,253.3 million in 2017 to USD 7,507.7 million by 2022, at a CAGR of 18.2% during the forecast period.

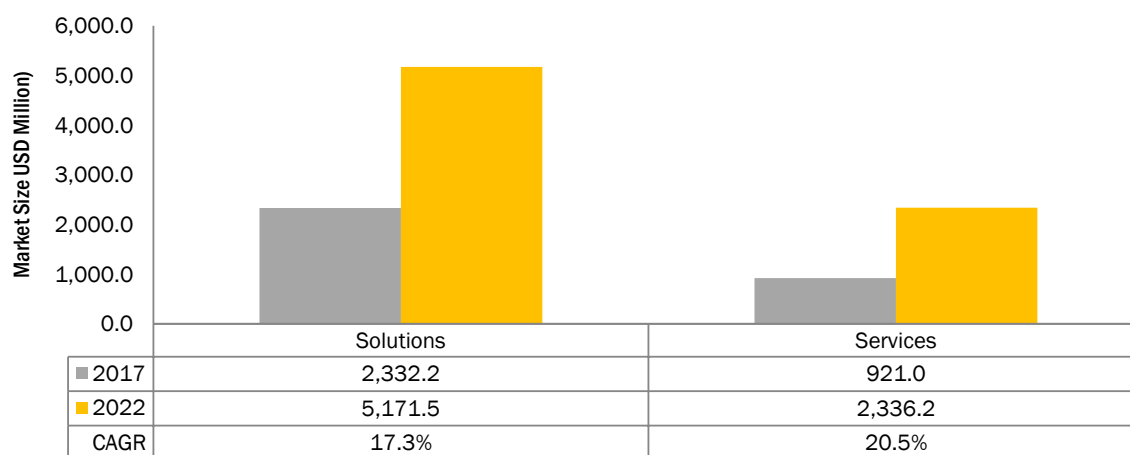
TABLE 1 VIDEO STREAMING SOFTWARE MARKET SIZE AND GROWTH RATE, 2015–2022 (USD MILLION, Y-O-Y %)

Video Streaming Software Market	2015	2016	2017-e	2022-p	CAGR (2017–2022)
Solutions	1,860.6	2,065.7	2,332.2	5,171.5	17.3%
Services	696.4	794.3	921.0	2,336.2	20.5%
Total	2,557.0	2,860.0	3,253.3	7,507.7	18.2%
Y-o-Y		11.85%	13.75%	20.10%	

e: estimated; p: projected

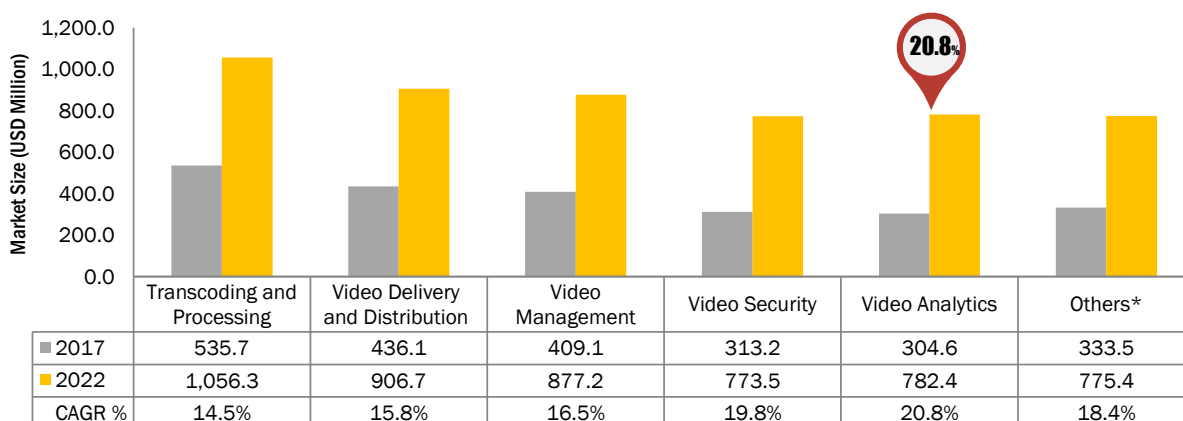
Source: Related Research Publications, Government Publications, Company Press Releases, Company Annual Report, Company Websites, Company Publications, and MarketsandMarkets Analysis

FIGURE 2 VIDEO STREAMING SOFTWARE MARKET SIZE: BY SOLUTION AND SERVICE



Source: Expert Interviews, Secondary Literature, and MarketsandMarkets Analysis

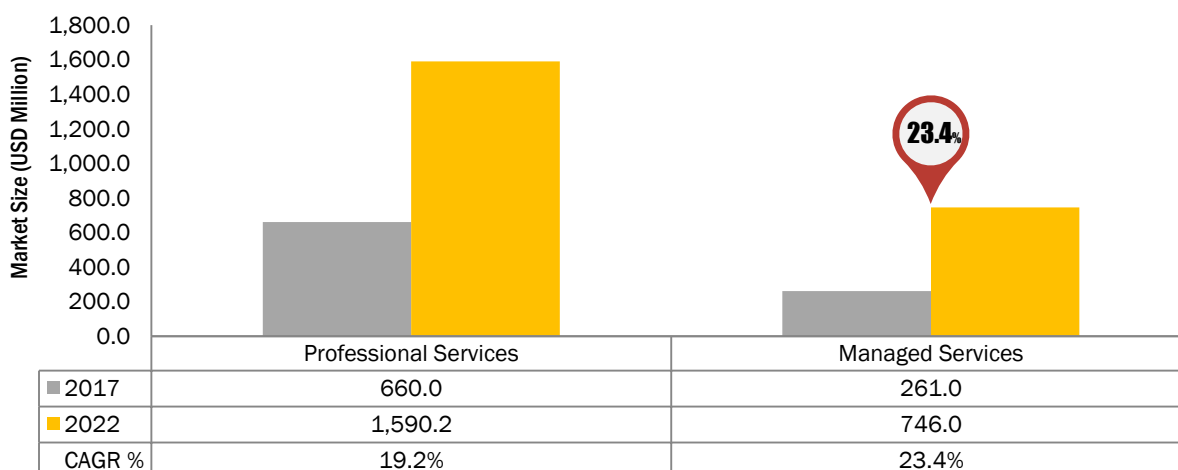
FIGURE 3 VIDEO STREAMING SOFTWARE MARKET SIZE, BY SOLUTION: VIDEO ANALYTICS IS EXPECTED TO GROW AT THE HIGHEST CAGR



Note: *Others includes monetization, video API, and video player

Source: Expert Interviews, Secondary Literature, and MarketsandMarkets Analysis

FIGURE 4 VIDEO STREAMING SOFTWARE MARKET SIZE, BY SERVICE: MANAGED SERVICES SEGMENT IS EXPECTED TO GROW AT THE HIGHEST CAGR

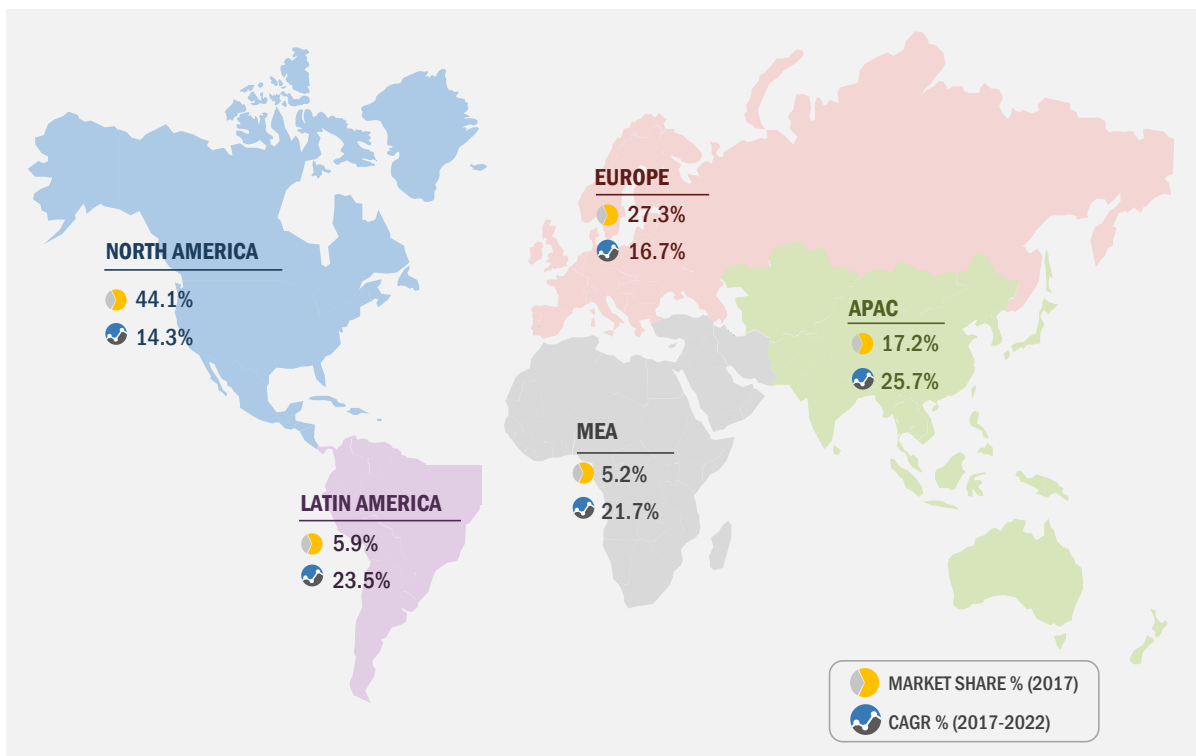


Source: Expert Interviews, Secondary Literature, and MarketsandMarkets Analysis

The figure below represents the regional market share of the 5 regions. North America is estimated to account for almost 44.1% of the overall video streaming software market share in 2017 and is expected to grow at a CAGR of 14.3% during the forecast period. Europe is projected to account for the second largest market share of 27.3% of the overall video streaming software market in 2017 and is expected to grow at a CAGR of 16.8% during the forecast period.

APAC is estimated to account for 17.2% of the total market share in 2017 and is expected to grow at the highest CAGR of 25.7% during the forecast period. The rising awareness regarding business productivity and the extensive facilities to deploy and manage content platforms at an economical cost are enhancing the growth in this region. MEA is estimated to account for a market share of 5.2% in 2017, growing at a CAGR of 21.7% during the forecast period, while Latin America is estimated to account for a share of 5.9% in 2017 and is expected to grow at a CAGR of 23.5% during the forecast period.

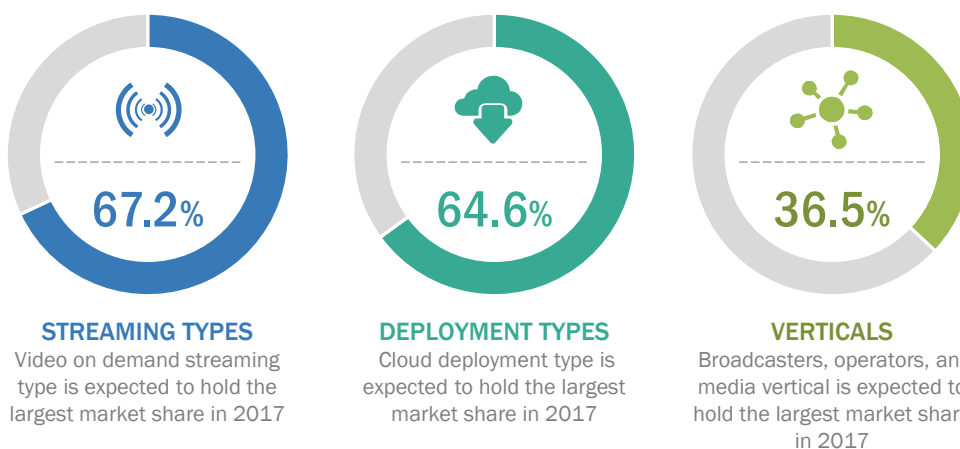
FIGURE 5 NORTH AMERICA IS ESTIMATED TO HOLD THE LARGEST MARKET SHARE IN 2017



Source: Expert Interviews, Secondary Literature, and MarketsandMarkets Analysis

The figure below highlights the top 3 revenue segments of the video streaming software market for 2017. On the basis of streaming types, the video on demand streaming is estimated to hold the largest market share of 67.2% in 2017. In terms of the market share by deployment type, the cloud-based deployment is expected to lead the market with 64.6% market share in 2017. Among the verticals, the broadcasters, operators, and media vertical is estimated to lead the market with 36.5% share of the overall video streaming software market in 2017.

FIGURE 6 TOP 3 REVENUE SEGMENTS OF THE VIDEO STREAMING SOFTWARE MARKET



Source: Expert Interviews, Secondary Literature, and MarketsandMarkets Analysis

VENDOR LANDSCAPE

➤ INTRODUCTION

Competitive landscape analyzes the growth strategies adopted by the various key players in the video streaming software market. Brightcove, Inc., Haivision, Inc., IBM Corporation, Kaltura, Inc., Ooyala, Inc., Panopto, Polycam, Inc., VBrick, and Wowza Media Systems, LLC are some of the top players in the video streaming software market. This chapter also includes the Vendor DIVE matrix, which provides information about the top 25 players that offer video streaming solutions. The vendor evaluations are based on 2 broad categories: product offerings and business strategies. Each category carries various criteria based on which the vendors have been evaluated. The evaluation criteria considered under product offerings include breadth of offering, feature, delivery mode, and product support. The evaluation criteria considered under business strategies include reach (geographic presence), industry coverage, channel network, viability, roadmap, and inorganic growth.

VANGUARDS

Vendors who fall into this category receive high scores for most of the evaluation criteria. They have strong and established product portfolios and a very strong market presence. They provide mature and reputable solutions. They also have strong business strategies. The vanguards in the video streaming software market are Brightcove, Inc., Haivision, Inc., IBM Corporation, Kaltura, Inc., Ooyala, Inc., Panopto, Polycam, Inc., VBrick, and Wowza Media Systems, LLC.

INNOVATORS

Innovators are the vendors who have demonstrated substantial product innovations as compared to their competitors. They have very focused product portfolios. However, they do not have very strong growth strategies for their overall business. Innovators in the video streaming software market are Contus, DaCast, KZO Innovations, MediaPlatform, Qumu Corporation, Sonic Foundry, Inc., and VIDIZMO LLC.

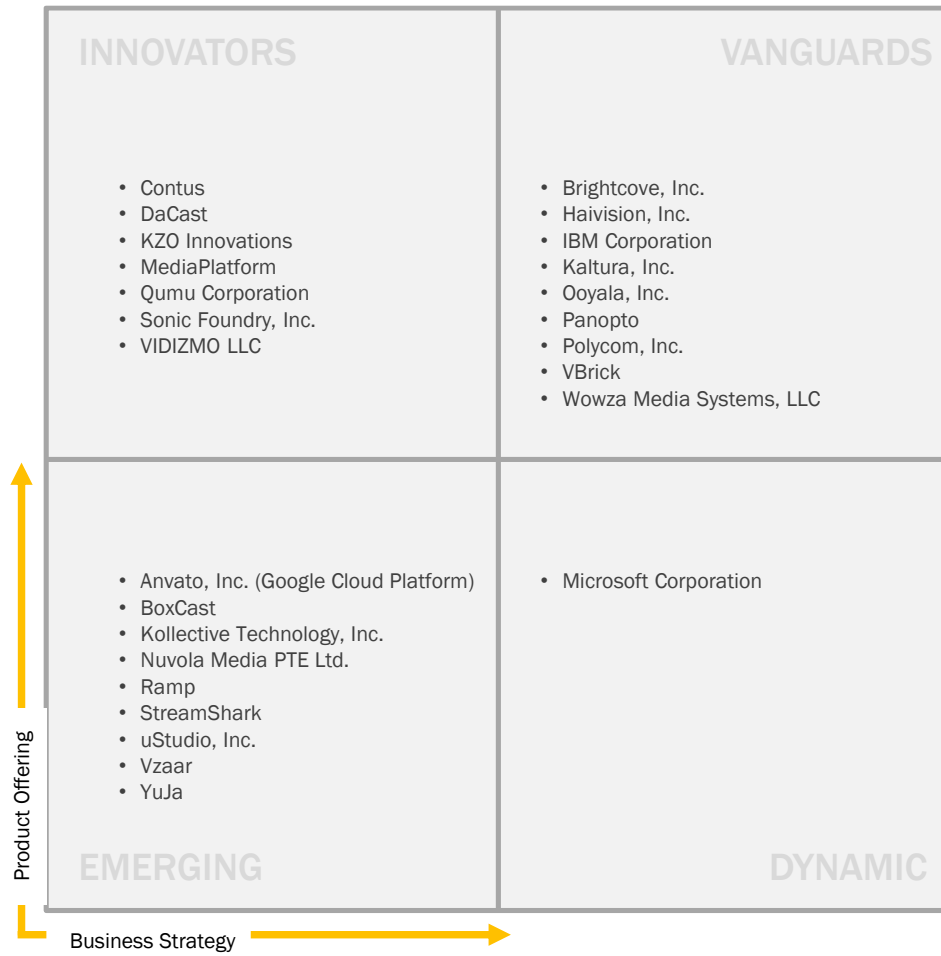
DYNAMIC

Dynamic vendors are the established vendors with very strong business strategies. However, they are low in product portfolio. They focus on a specific type of technology related to the product. Microsoft Corporation is the dynamic vendor in the video streaming software market.

EMERGING

Emerging vendors are the vendors with niche product offerings. They are starting to gain their position in the market. They do not have very strong business strategies as compared to other established vendors. They might be new entrants in the market and require some more time before gaining significant market traction. Emerging vendors in the video streaming software market are Anvato, Inc., BoxCast, Collective Technology, Inc., Nuvola Media PTE Ltd., Ramp, StreamShark, uStudio, Inc., Vzaar, and YuJa.

FIGURE 7 DIVE CHART



Note: All the players in the DIVE matrix are placed in the alphabetical order

Source: Press Releases, Expert Interviews, and MarketsandMarkets Analysis

COMPANY PROFILES

INTERNATIONAL BUSINESS MACHINES CORPORATION

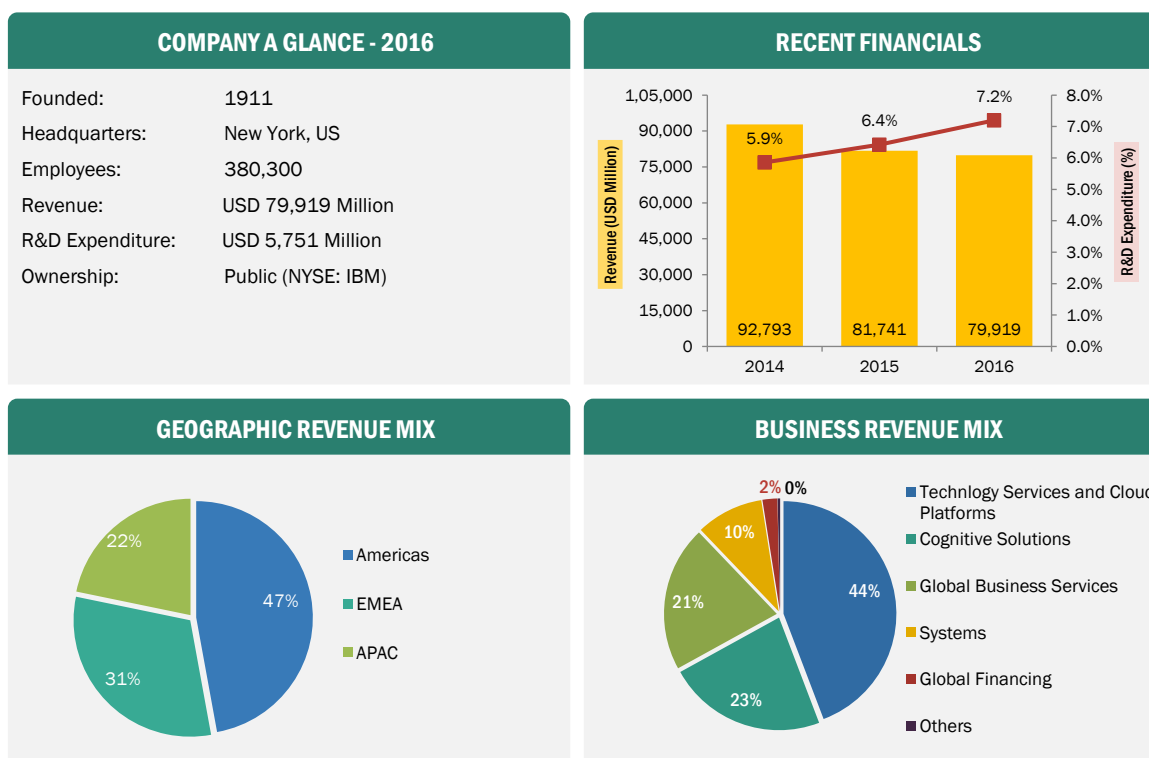
➤ OVERVIEW

IBM is an American multinational technology corporation that was founded in 1911 and is headquartered in New York, US. Over the years, IBM has established itself as a globally renowned vendor for providing dedicated hardware, software, and related services to major enterprises. IBM's product portfolio comprises integrated communications, big data, analytics, collaboration, and servers. The company has a presence globally in over 175 countries across the regions of Europe, North America, APAC, MEA, and Latin America. IBM's major business segments comprise Global Technology Services (GTS), Global Business Services (GBS), Global Systems and Technology, Global Financing, and software. The company caters to diverse industries, such as BFSI, chemicals and petroleum, energy and utilities, hospitality, healthcare, retail, travel and transportation, government, media and entertainment, and education. IBM is also a major research organization, holding the record for the maximum patents generated by a business (as of 2017) for 24 consecutive years.

IBM ventured into the enterprise video segment by acquiring Aspera in 2014, Clearleap in 2015, Cleversafe in 2015, and Ustream in 2016 to form the IBM Cloud Video, which delivers reliable and scalable video streaming services globally. By combining robust video functionalities and exceptional cognitive abilities, IBM Cloud Video provides one of the most comprehensive video offerings.

"IBM has invested heavily in the new IBM Cloud Video division and have more than doubled our headcount. As we continue to expand our sales efforts globally, working with our dedicated teams across Europe, Asia Pacific and Latin America, and the expansive network of IBM resellers, we are excited to bring the power of video to our customers across industries."- Vice President, Global Sales, IBM Cloud Video.

FIGURE 8 INTERNATIONAL BUSINESS MACHINES CORPORATION: COMPANY SNAPSHOT



Source: Company Website and Annual Reports

➤ COMPANY SCORECARD

PRODUCT OFFERINGS

Traditionally, IBM is strong in its hardware business. In the past few decades, IBM has diversified its business portfolio to venture into the software and services segment, which now commands a bulk of its annual revenue. The formation of the IBM Cloud Video division through the acquisition of technology leaders like UStream and Clearleap is a part of its strategy to gain a foothold in the enterprise video market. Within 2 years of its formation, IBM Cloud Video has become a leader in the video streaming software business with its wide range of product offerings and capabilities. The IBM Cloud Video streaming solutions combine powerful content management capabilities with robust catalog management and subscriber administration functionalities to provide a single, intelligent platform that can manage and administer all the components of an OTT streaming service.

The IBM Cloud Video Catalog and Subscriber Manager allows users to create programming packages, curate content categories, and adjust the metadata and availability windows, while quickly propagating changes that affect users. The major features of the solution include video publishing, multi-DRM, identity management, license and rights enforcement, multi-platform User Experience (UX) API, live and VOD streaming, Ad-Based Video-on-Demand (AVOD), and Subscription-Based Video-on-Demand (SVOD). The IBM Cloud Video Streaming Manager is a scalable, cloud-based streaming platform that provides an end-to-end solution for live and on-demand videos to external audiences. Its features include webcasting, cloud transcoding, analytics, social playback, content management, and auto archiving. The enterprise edition of the IBM Cloud Video Streaming Manager enables organizations to deliver town hall training and departmental communications to employees, from anywhere through live and on-demand streaming. IBM

is one of the few vendors to provide a standalone security solution for enterprise videos in the form of Cloud Video Verified Access, which ensures reliable and secure delivery of videos in concerts and large gathering events through pay-TV providers via video password protection and rights assignments.

In terms of delivery, IBM leads the pack of video streaming software vendors. The IBM Cloud Video Software Defined Enterprise Content Delivery Network (SD ECDN) enables enterprises to relieve the bottlenecks associated with the delivery of security-enhanced videos to single and multiple corporate connections. It also protects networks by offering a flexible and scalable content delivery solution that does not require costly hardware deployments. Beyond that, IBM has partnered with specialized CDN vendors such as Akamai to provide various delivery options for its customers. Through Bluemix, an open-source Platform-as-a-Service (PaaS), IBM provides APIs and Software Development Kits (SDKs) to developers for creating customized video streaming apps. The company is also a leader in terms of its analytics capabilities. It has effectively integrated its Watson analytics engine with its Cloud Video platform. On the same lines, IBM also recently launched a new Watson-enabled cloud service which will help enterprises to extract insights from videos through the combination of various AI techniques. By leveraging this technology, service media and entertainment companies can analyze unstructured data and make informed decisions about the content they create, acquire, and deliver to their viewers.

IBM provides a range of services to its customers, including integration and deployment, education and training, consulting, and support and maintenance. Though it offers only cloud-based deployment for its video offerings, it provides a variety of deployment options to choose from, such as public, private, and hybrid. IBM targets both large enterprises and SMEs, and it provides various subscription packages, which start as low as USD 99, to suit customer needs and budget. IBM scores well on support parameters as it provides a range of pre-sales support services, such product demonstrations, proof of concept, and Software Requirements Specification (SRS), and on-site and remote post-sales support apart from customized support plans for specific customer needs. The key differentiators and Unique Selling Points (USPs) of IBM’s video streaming offerings include scalability and strong analytics support.

FIGURE 9 INTERNATIONAL BUSINESS MACHINES CORPORATION: PRODUCT OFFERING SCORECARD

Particulars	Rating
Breadth of Offering	● ● ● ●
Feature/Functionality	● ● ● ●
Delivery	● ● ● ●
Support	● ● ● ●

Penetration Rating : ● ● ● ● = Excellent ● ● ● ● = Very Good ● ● ● ● = Good ● ● ● ● = Average ● ● ● ● = Poor

Source: MarketsandMarkets Analysis

BUSINESS STRATEGIES

IBM has strong business strategies that are backed by several factors such as strong infrastructure, reach in over 175 countries across the globe, robust partner channels, and a vast employee base of 380,000. In the past few years, beyond its traditional hardware and service offerings, IBM has branched out into different areas. Realizing the huge potential of the cloud video market, the company launched the IBM Cloud Video segment by acquiring Ustream, Clearleap, Cleversafe, and Aspera. Through these acquisitions, IBM has amalgamated Ustream's live and on-demand capabilities, Cleversafe's scalable storage and security capabilities, Clearleap's streaming video workflow and monetization capabilities, and Aspera's high-speed data transfer capabilities to form a strong and scalable video platform that supports every critical facet of live and on-demand streaming. This move has been quite disruptive in the video streaming software market, which was previously dominated by niche technology vendors like Kaltura, Brightcove, VBrick, and Qumu. Within just 1 year of Cloud Video's formation, IBM has grabbed a pole position in the video streaming market by leveraging its Research and Development (R&D) capabilities and merging them with the offerings of the recently acquired companies.

Since 1995, IBM has been awarded more than 1000 patents for video software and services. The IBM Cloud Video unit appears to be one of the focal points of its strategy to help enterprises to transform their business, as the company has realized that 80% of the traffic over the internet in the next couple of years will be from videos. IBM has made quick strides in the video market by acquiring the 4 companies, thus, automatically capturing their customer base. The company has also gained traction in the SMEs segment by offering various flexible subscription plans and high-end support and delivery services. With the acquisition of Ustream, IBM gained a stronghold in the media and entertainment industry and is now proving to be a tough competition for strong companies, such as Ooyala and Kaltura. Apart from the media and entertainment industry, IBM also serves customers in the BFSI, education, and government sectors and offers dedicated video offerings as per the needs of the customers in these industries.

The IBM partner network is one of the best among all the companies, and the company has a separate Cloud Video Business Partner Team to further expand the network of consultants and integrators, independent software vendors, hardware resellers, software resellers, service resellers, managed service providers, and value-added distributors. However, we are still cautious about rating the viability of IBM Cloud Video as the revenues of the parent companies are fast diminishing due to weak client spending and sluggish demand in the software sector. The revenue of IBM Corporation has been declining for the last 18 consecutive quarters. The R&D spending of the company has increased marginally in past 3 years, but how much of it is spent on the Cloud video segment is unclear.

IBM scores well in terms of the organic and inorganic growth initiatives adopted for the video streaming software market. The company has adopted a range of measures such as new product launches, partnerships, business expansions, and acquisitions. For instance, in April 2017, IBM launched a new Watson-enabled cloud service, which will help enterprises to extract insights from videos through the combination of various AI techniques. It also launched Ustream ECDN, an enterprise software solution that supports the growing and widespread use of internal video streaming. Under its inorganic growth strategies, IBM partnered with Footers, an online streaming platform for broadcasting soccer games, to deploy its Cloud Video solutions to empower Footers' streaming video platform. IBM also partnered with the Roland Corporation to deploy its Ustream platform for live streaming Roland's historic, 24-hour international music festival. Additionally, IBM established a software lab in Budapest, Hungary to develop new cloud video solutions, and it partnered with the Canadian Broadcasting Corporation (CBC), Canada's national public broadcaster, to deploy its Cloud Video Clearleap platform, which will enable CBC to provide next-generation, ad-supported streaming video services to Canadian customers.

FIGURE 10 INTERNATIONAL BUSINESS MACHINES CORPORATION: BUSINESS STRATEGY SCORECARD

Particulars	Rating
Reach	● ● ● ●
Industry Coverage	● ● ● ●
Channel	● ● ● ●
Viability	● ● ● ●
Roadmap	● ● ● ●
Inorganic Growth	● ● ● ●

Penetration Rating : ● ● ● ● = Excellent ● ● ● ● = Very Good ● ● ● ● = Good ● ● ● ● = Average ● ● ● ● = Poor

Source: MarketsandMarkets Analysis

➤ RECENT DEVELOPMENTS

Date	Approach	Description
April 2017	New Service Launch	IBM launched a new Watson-enabled cloud service, which will help enterprises to extract insights from videos through the combination of various AI techniques. By leveraging this technology, service media and entertainment companies can analyze unstructured data and make informed decisions about the content they create, acquire, and deliver to their viewers.
April 2017	Partnership	IBM partnered with Footers, an online streaming platform for broadcasting soccer games, to deploy its Cloud Video solutions to empower Footers' streaming video platform and allow fans around the world to access their favorite soccer team's matches. By leveraging IBM Cloud Video services and solutions, Footers will be able to integrate live and recorded video feeds into its mobile app.
April 2017	New Software Lab	IBM established a software lab in Budapest, Hungary to develop new cloud video solutions to support the increasing demand for the video streaming technology from companies across all industries.
September 2016	Partnership	IBM partnered with the Roland Corporation to deploy its Ustream platform for live streaming Roland's historic, 24-hour international music festival. As per the partnership, Roland will also leverage the Ustream Align streaming video platform for internal communications, including sales enablement initiatives and company and personnel news.
April 2016	Partnership	IBM partnered with the CBC, Canada's national public broadcaster, to deploy its Cloud Video Clearleap platform which will enable CBC to provide next-generation, ad-supported streaming video services to Canadian customers.
April 2016	New Product Launch	IBM launched the Ustream ECDN, an enterprise software solution that supports the growing and widespread use of internal video streaming.
January 2016	Acquisition	IBM acquired Ustream to propel its cloud-based video services across industries and extend its cloud platform to help enterprise clients unlock the value of videos.

Source: Company Website

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