

Everything You Wanted To Know About Cloud-Based Video Encoding But Were Afraid To Ask...

You've heard about cloud-based video encoding... What is it? Why do I need it? What pain points does it solve? What opportunities does it create? I will answer these questions and present a case study to illustrate the power of this exciting new trend in video transcoding and syndication.

What is it?

Encoding.com has launched the world's first enterprise-class, high-volume video transcoding service based in the cloud. Integrate once and gain control of a powerful application for managing all of your encoding and syndication needs. You can scale infinitely and maximize revenues while avoiding the significant infrastructure costs required to support your growing demand.

Video encoding has been the necessary evil component in every video site operator's workflow, usurping significant in-house compute power and management overhead. Encoding.com can free up these valuable resources while providing a solution that is tailor-made for seamless workflow integration, is highly flexible, and ensures your content is available to as wide an audience as possible across the web and mobile devices.

Why do I need it?

You need to be profitable. Utilizing a transcode solution that maximizes your audience and delivers superior quality is an imperative. At the same time, it is now possible with cloud-based encoding to stay current with the latest and greatest formats, bit rates, codecs, etc... while *reducing* your CAPEX and in-house management costs. Achieving profitability and self-sustainability should be tackled from both directions.

Many of you have already invested in your internal hardware/software encoding infrastructure and may wonder why change. Do any of these scenarios sound familiar? Your marketing VP approves an MRD requiring all content to be available for the iPhone... yesterday. Your head of sales delivers several new distribution deals all with various and stringent specifications [think Hulu] but your CEO has frozen your CAPEX budget. Or, your PR firm lands a feature story on the Morning Show next week announcing your funniest Twitter moment video contest. If the video production system breaks down, you know where the fingers will be pointed. In other words, cloud-based transcoding can scale infinitely.

What opportunities does it create?

You are in the business of providing engaging video programming and delivering a seamless user experience. A robust cloud-based encoding solution can further automate your workflow and free up valuable resources to focus on feature and performance enhancements: Brightcove player customization, content targeting, social media and community-building tools, language localization, and so much more.

CASE STUDY: Costs of in-house encoding vs. cloud encoding

In-house Fixed Costs: Assuming you manage a high-volume video operation. You might oversee a User-Generated Video (UGV) site ingesting and transcoding 1,000 videos per day. Or, you run an original content site with an existing multi-terabyte library that you want to bring online, and then have an ongoing need to encode 30 long-form videos per day. In either scenario, if you manage your encoding in-house, there are basic fixed costs to support your requirements:

- System Administration
(Role: install, maintain, configure core server and encoding software; Time: ¼ FTE = \$20,000)
- Web Developer
(Role: manage encoding process, job management and integration; Time: 1 FTE = \$60,000)
- General Purpose Servers:
5 servers @ \$600 per server per month = \$3,000 per month
- Encoding Software Licenses:
\$0 (using open source), \$3,000 per server per year (using On2 Flix)
- Bandwidth:
In = \$0; Out = \$0.50

Total Annual Cost = \$116,000

Total Annual Cost (with On2) = \$131,000

Scenario 1: You manage a UGV site that ingests 1,000 videos per day with an average input size of 30MB, and need to encode for 2 output renditions. Including \$3,780 in bandwidth costs, your annual cost will be approximately \$119,780 using open source or \$134,780 using On2 Flix.

Utilizing cloud-based transcoding, your estimated annual cost will be \$28,530.

Scenario 2: You manage an original content site that will bring online a 2TB archived library and then project encoding 30 long-form videos per day into 6 output renditions. Including \$10,800 in bandwidth costs, your annual cost will be approximately \$126,800 using open source or \$141,800 using On2 Flix.

Utilizing cloud-based transcoding, your estimated annual cost will be \$85,640.

I'd welcome an opportunity to learn about your video encoding requirements and talk about how Encoding.com and Brightcove can reduce your cost and "headache" associated to transcoding.

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