Louisiana Technology Council

Scott A. Hatfield
Executive Vice President and Chief Technology Officer
Cox Communications, Inc.

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your friend in the digital age®



Cox Communications at a Glance

- Nation's 3rd largest cable telecommunications provider
  - 6 million total residential and commercial customers
  - 14 regional profit centers
  - 22,000 employees
  - $8 billion revenue
- Leading provider of cable TV, telephone and high-speed Internet
- Entering wireless market this year
- Cox Business
  - Services for small- and medium-sized businesses
- Cox Media
  - Television advertising solutions
- Travel Channel Media



We’re a Pioneer

- Led cable’s commitment to **customer care**
- Launched **ad business** in 1981
- Made world’s first **PCS** phone call in 1992
- Targeted **business services** as an important line of business - launched in 1993
- First company to deliver on the 1996 Telecommunications Act, launching digital video, telephone and high-speed Internet in Orange County, CA



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For Products, People and Customer Care



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The Amazing Evolution of the Communications Industry

- What are just a FEW of the changes facing the communications / entertainment industry?
  - On-line video delivery
  - Wireless ubiquity and maturity
  - Decline of traditional wired telephony and wireless substitution
  - Applications eco-systems (e.g., Apple iTunes/iPhone)
  - Networking speed increases
  - Social media / User-generated
  - Time-shifting (DVR, streaming, on-demand)
  - Place-shifting (TV anywhere, wireless TV)

- Some trends accelerate under economic conditions
  - Wireless substitution climbed to nearly 20%
  - Traditional advertising off 20-30% with auto-related leading the way

Consumer Trends: Personalized Services

Digital media and 2-way delivery is increasingly personalizing entertainment and communication – fundamentally changing the service delivery paradigm

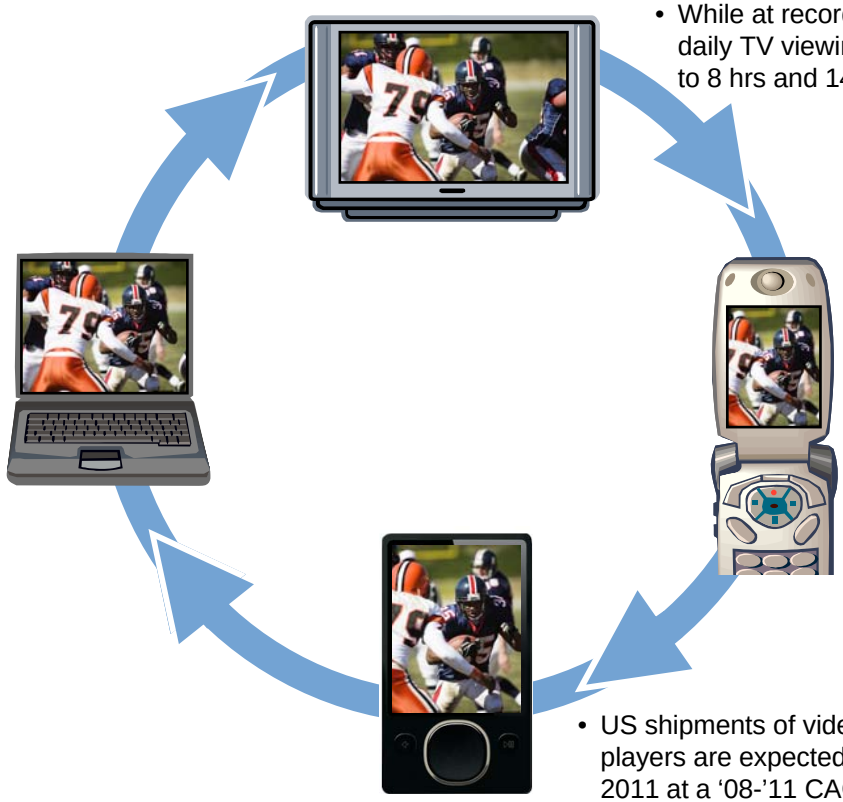
Increased Personalization

	Shared Services/Content	***Individualized Services/Content***
Voice	Historically, families shared one landline phone per household	• Now each family member has their own individual mobile phone line • Each family member often has an individualized plan suited to their usage needs (more monthly mins, data, etc.) • 182M Americans currently have mobile phones and this number is expected to grow to 205M by 2012
Video	Historically, households would gather to watch a TV broadcast or movie together at the same time	• Increasingly family members consume video media on the device of their choice (online, mobile device, etc.) and at the time of their choice (DVR, VOD, Internet downloads, etc.) • On average, 282M users watch TV in the home each month, 63M watch time-shifted TV, 119M watch internet video, and 4M watch mobile video
Computers	Originally, households had one common family computer shared by everyone	• With increased home networking, each family member is getting their own computer tailored to their individual preferences and needs (Mac vs. PC, personalized software, individual logins and settings) • 32M households today have home networks, expected to grow to 58M in 2012 • 55M US households have multiple PCs, growing to 74M in 2012
Music	In the past, households shared a central entertainment or stereo system	• Now individual family members each have their own personalized music device (iPod, Zune, etc.) and separate music library (iTunes, Rhapsody, etc.) • There are 103M users of MP3 players in the US today, expected to grow to 120M in 2012

Source: Forrester Research, 2008

Consumer Trends: Content Accessibility

Access to content across multiple devices and platforms has gained considerable traction driven by increasing demand for such flexibility



- While at record highs, the average total household daily TV viewing time has grown 2.6% since 2003 to 8 hrs and 14 mins in ’07
- By 2012, 9% of US wireless subscribers, or 28M people are expected to watch mobile TV/video
- US shipments of video-focused portable players are expected to grow to 34M in 2011 at a ‘08-’11 CAGR of 42%
- Roughly 50% of home-network owners have watched TV shows online
- Up to 20% of certain primetime episodic TV viewing occurs online

Source: IDC 2007, 2008; Integrated Media Measurement 2008; Nielson, 2008; CSMG Analysis

What are the IT Responses?

- Architecture
  - Reactive is too expensive. Complex is too slow.
- Personalization
  - How do you think of your customer? A house? An account? A person?
  - Identity Management
  - Sensitivity to privacy
- Mobility
  - Converged Fixed and Mobile
- Open
  - What does a SDK look like for your business?
  - What is the innovation process?
- Operational Excellence
  - Complex environments create opportunities for failure
  - Demands for simplicity, retirement of obsolete, excellence in process