



## video case



### chapter 2 E-commerce Infrastructure

#### case 2 **NBA: Competing on Global Delivery With Akamai OS Streaming**

#### watch the video at

<https://www.youtube.com/watch?v=OZkyz-gChnI>

#### summary

The NBA uses Akamai's global streaming video service to reach customers and strategic partners in Asia, Europe, the Middle East, Africa and North America with high quality video streams of NBA rich media content and programs. *L=6:09*

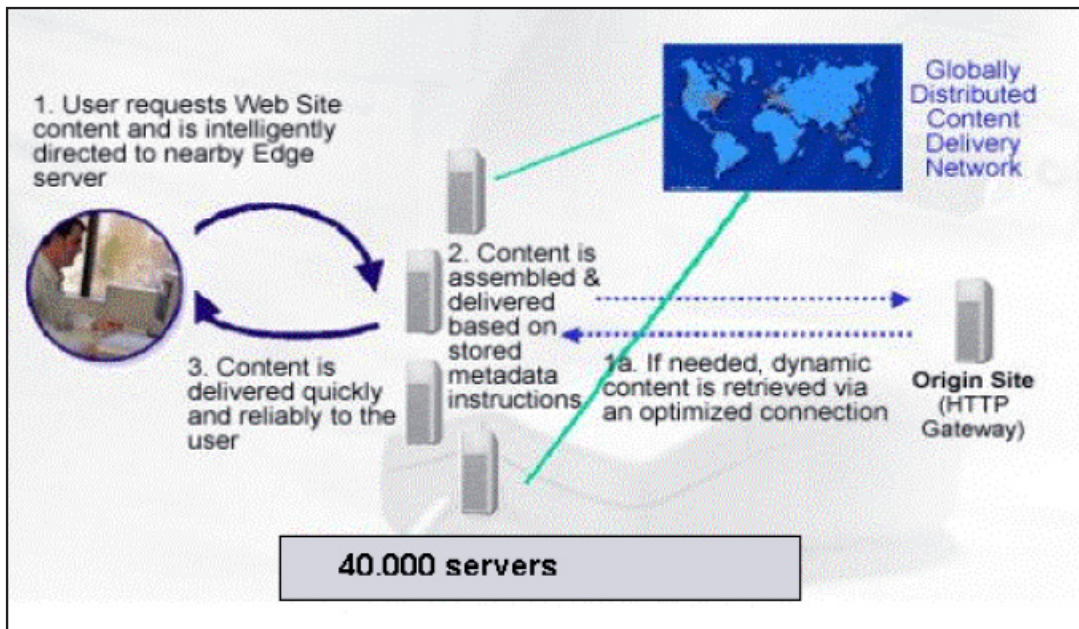
**case** The National Basketball Association (NBA), North America's top professional men's basketball league, is also a global sports and entertainment brand. NBA.com, which includes more than 60 unique Web sites, including NBA.com, team sites and the international versions of NBA.com, is consistently ranked as the most popular U.S. sports league Web site, and often draws a majority of that traffic from overseas. The sites provide fans with news, results, statistics, broadband video highlights, exclusive behind-the-scenes access, and fantasy and NBA-branded games.

Akamai Technologies, Inc. is a company that provides a distributed computing platform for global Internet content and application delivery.

Akamai transparently mirrors content—sometimes all content including HTML and CSS, and sometimes just media objects such as audio, graphics, animation, and video from customer servers. Large firms deliver their content to over 95,000 Akamai servers in 70 countries.

These local Akamai servers cache (store) this content awaiting local demand. Akamai's network is intelligent enough not to distribute content to a local server until and unless there is local demand.

#### AKAMAI'S GLOBAL CONTENT DISTRIBUTION SYSTEM



When you click on an online video at NBA.com, the domain name is the same, but the IP address points to an Akamai server rather than the NBA server. The Akamai server is automatically picked depending on the type of content and the user's network location.

Akamai provides one of the world's largest distributed computing platforms. The benefit is that users can receive content from whichever Akamai server is closest to them or has a good connection, leading to faster download times and less vulnerability to network congestion or outages. The Internet was never designed to handle large volumes of video simultaneously streaming from a single corporate server to all Internet devices. However, this content can be sent to the "edge" of the network where Akamai servers are located, and on a local or regional basis, stream this content on demand from local servers. Akamai's 90,000 distributed servers allow it to monitor global Internet traffic patterns, attacks on the Internet, and latency (delays caused by excessive Internet traffic).

In addition to image caching, Akamai provides services which accelerate dynamic and personalized content, and streaming media. Much Web content delivered by Akamai is personalized to the user's location and Internet service types. This allows Akamai's customers to gain insight into where end users are coming from and what kind of Internet service they are using. Armed with this knowledge they can customize Web content for

individual end users through a wide range of criteria, making their site more relevant and compelling to everyone who visits.

For instance, Akamai knows your:

Internet service provider:	Verizon_Trademark_Services_LLC
Country Code:	US
Region Code:	NY
City:	NEWYORK
Area code:	212
Latitude:	40.7128
Longitude:	74.0092
County:	NEWYORK
Time zone:	EST
Network:	verizon
Throughput:	vhigh

Akamai Stream OS is another service that Akamai provides. It enables the NBA to get more from its media by providing a simple, automated solution for managing more than 45,000 media assets, assigning business policies, and publishing content to multiple distribution channels.

- Since implementing Akamai Stream OS, NBA.com's traffic has increased exponentially, with over 35M unique users in 222 countries accessing NBA Web content each month, while effectively maintaining employment and infrastructure costs
- The reach and stability of Akamai's network have allowed the NBA to grow advertising revenues by 500% since 2001"

*Resources: NBA.com; Akamai.com*

## video case questions

1. Why is it important that all fans in the world have the same experience?
2. Why is it important that individual franchise owners can build, manage, and distribute on the NBA platform their own content?
3. Using the competitive forces model illustrated in Figure 2.2 of the text, analyze the NBA's market situation. How does the use of Akamai help the NBA compete in this market?
4. Using the strategy models discussed in pages 57–59 of the text, what do you think is the NBA's overall strategy or strategies?

continued

5. The word “partnership” appears several times in the video. Who are the NBA’s partners? How does the concept of a strategic ecosystem apply to the NBA’s partnership strategies?

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