



## **Part 3**

**A: Pricing models and cost considerations**

**B: Conclusion / Next Steps**

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Q&A after part 3 has been presented



# PRICING AND COMMERCIAL MODELS

1. The amount of traffic they intend to distribute through a provider over the contract period.
2. The length of contract a customer is prepared to commit to – 12 months is typical, however longer deals can be used to negotiate better rates.
3. The amount of traffic (and therefore spend) a customer is prepared to commit to using over the course of a contract.
4. Peak capacity requirements: expected BAU (business as usual) traffic peaks, and exceptional events e.g., live sport



# PRICING AND COMMERCIAL CONSIDERATIONS

- Commits
  - Traffic-based or cost-based
- Fixed-cost, 'All You Can Eat' pricing at higher traffic levels
- Switching costs when moving between providers
- Multi-CDN
- Different tendering options



# CONCLUSION

## Considerations when you plan to build your own (hybrid) CDN

1. If you plan your own CDN from scratch, have at least one public CDN as a contingency solution.
2. Experience matters, hence specialized staff is essential
3. Keep focus on business and customer value
4. Find the most pragmatic trade-off between build or buy
5. Start small, if your own CDN brings value keep it and grow, otherwise better to switch it off