

SUBSCRIPTION MODELS ARE THE NEW DISRUPTOR

Pay-as-you-go models are redefining the way businesses deliver their products while providing customers benefits like agility, upgradability, and the flexibility to scale on the go. For consumers and corporations alike, subscription-based models are an opportunity to align the cost of a product or service with the rate at which it's used without needing to worry about cash flow. Here are five examples of game-changing subscription models.

VIDEO CONTENT



Services like Hulu and Netflix upended the *a la carte* distribution model of brick-and-mortar rivals like Blockbuster and Hollywood Video. Rather than paying per DVD, consumers pay a monthly fee and can choose the services best suited to their needs.

MARKET IMPACT

Subscription-based video on-demand is expected to generate \$8 billion dollars by 2017 (Source: MRG).

PUBLISHING



The publishing industry is also exploring new modes of content distribution. Services like Oyster Books, which puts 200,000+ e-books at your fingertips for \$9.95/month, are not only providing access to a huge media library for a low monthly cost, but are also delivering that content on demand and across platforms.

MARKET IMPACT

Companies like Scribd and Oyster hope to soon generate \$1 billion in annual revenue (Source: Publishing Perspectives).

MUSIC



The physical music store is long dead and while many users continue paying upwards of \$1 per track on iTunes, others are finding that for the price of about 10 songs, services like Spotify and Rdio deliver access to music libraries with millions of selections—all of which stream from the cloud to any device, anywhere.

MARKET IMPACT

Subscription streaming crossed the \$1 billion mark in 2013 (Source: International Federation of the Phonographic Industry).

TELECOMMUNICATIONS



Subscription-based data pools provide customers the flexibility to try out new use cases for their smartphones without needing to worry about usage. This in turn encourages the industry to develop new products and services for an increasingly active subscriber base.

MARKET IMPACT

The cell phone industry is expected to reach \$334.8 billion in 2017 (Source: Lucintel).

NETWORKING



Virtualization has redefined the consumption of IT services on the storage and compute sides, and the networking component is next on the horizon. IaaS providers like Rackspace and Amazon Web Services already generate billions in revenue each year and the potential for subscription-based networking infrastructure is equally promising. These types of services allow users of all sizes to leverage best-in-class networking solutions with virtually limitless upgradability.

MARKET IMPACT

The full impact of subscription-based networking remains to be seen, but the market is prime for disruption from a promising new business model.

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