How Netflix Uses CDN's For Low Latency Video Delivery: Performance Optimization Methods

CASE STUDY PRESENTATION

Project Details	
University	Maltepe University
Course	CEN 309 01 Internet and Information Technologies
Teacher	Cem Cantekin

Project Participants	
Full Name	Student Number
Alp Salcıoğlu	220706016
Muharrem Şimşek	210706001
Ünal Kamçılı	200706315
Ahmet Hakan Kapusızoğlu	210704008
Emre Can İnan	200706043

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Introduction

Purpose of the Study:
The growth of video streaming services requires **efficient content delivery**.
Netflix needs to **reduce latency and optimize video performance**.
How does Netflix use CDNs?

Key Research Question:
How does Netflix optimize video delivery using Content Delivery Networks (CDNs)?
How does Open Connect improve streaming quality?

What is a CDN? (Technical Background)

Definition:
A **Content Delivery Network (CDN)** is a **distributed system of servers** that delivers content **closer to users**.
Improves **speed, reduces latency, and enhances user experience**.

How CDNs Work in Streaming:
Stores video content in **multiple locations worldwide**.
When a user requests a movie, the **closest server delivers it**.
Reduces buffering & improves load times.

Netflix Open Connect CDN
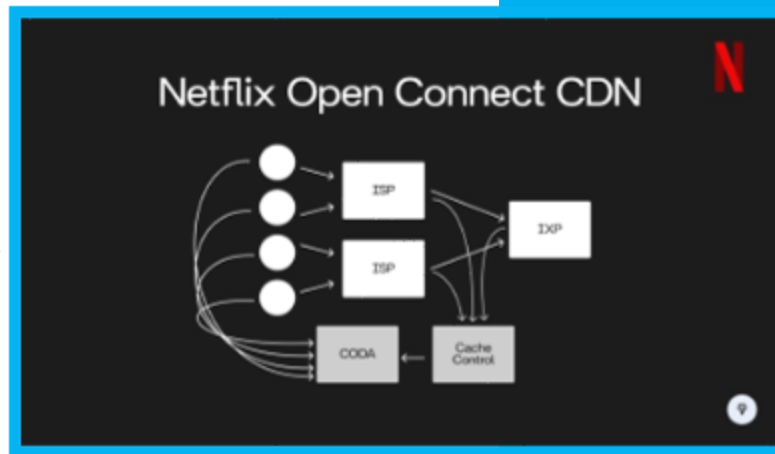
Netflix's Proprietary CDN – Open Connect

Why Netflix Developed Open Connect:
Traditional CDNs (Akamai, Cloudflare) were **expensive and inefficient**.
Netflix needed **direct ISP integration** to **lower costs and improve streaming speed**.

How Open Connect Works:
Preloads popular content on ISP caching servers.
Reduces internet congestion by keeping traffic local.
Smart routing & load balancing optimize performance.

Advantages of Netflix Open Connect Over Traditional CDNs

Feature	Traditional CDN	Netflix Open Connect
Server Location	Third-party data centers	Integrated into ISP networks
Caching Strategy	Generalized caching	Preloaded Netflix content
Routing Efficiency	Indirect traffic routing	Direct-to-ISP peering
Latency Optimization	Moderate	Highly optimized

Example: How Open Connect Improves Streaming Performance

1. A user in Paris, France selects a movie on Netflix.

2. Instead of fetching the content from Netflix's U.S. servers, the request is routed to the nearest Open Connect Appliance (OCA) inside a local ISP's data center.

3. The movie starts streaming instantly with minimal latency, as the data is delivered locally.

How Netflix Solved These Problems with Open Connect

Problem	Solution
High latency in video delivery	Placed Open Connect servers (OCAs) directly inside ISP data centers
ISP bandwidth congestion	Reduced transit costs by localizing content within ISPs
Buffering issues	Preloaded popular content before peak hours
Global performance inconsistency	Deployed edge caching worldwide

By implementing these solutions, Netflix was able to stream videos with minimal latency, reduce operational costs, and improve overall viewing experience.

Incident – What Happened?

Problem Before Open Connect:
High **latency & buffering issues**, especially during peak hours.
Global scalability issues as Netflix expanded.
ISP bandwidth congestion and throttling problems.

Real-World Example: Pre-2012 Streaming Issues
Average **startup time was 3-5 seconds**.
Frequent **buffering & resolution drops** (1080p → 480p).

Cause – Why Did This Happen?

Key Challenges Before Open Connect:
Long Routing Paths – Data traveled across multiple networks.
High Congestion During Peak Hours – Increased load times.
Dependence on Third-Party CDNs – High costs, lower efficiency.

Netflix's Solution:
Deploy **Open Connect Appliances (OCAs) inside ISP networks**.
Preload content on edge servers before peak demand.
Reduce dependency on third-party CDNs.

Impact – Who/What Was Affected?

Key Improvements After Open Connect:
Latency reduced from 3-5s to <1s globally.
75% reduction in buffering, even at peak hours.
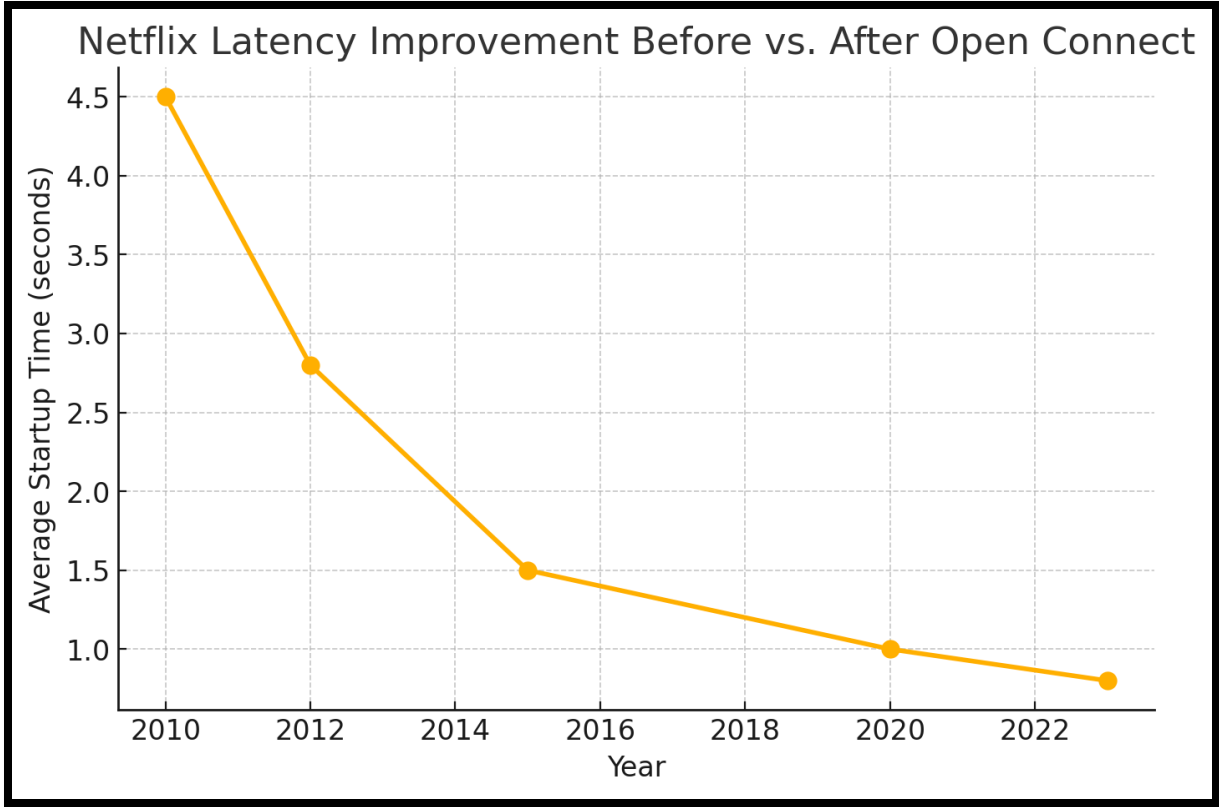**4K and HDR streaming became standard**.

Real-World Example (COVID-19 Surge - 2020):
16% traffic increase globally.
Open Connect absorbed the load **without degrading quality**.

Impact – Who/What Was Affected?

Netflix Latency Improvement Before vs. After Open Connect

Key Lessons from Netflix's CDN Strategy

Lesson	Explanation
Edge caching minimizes latency	Placing servers near end-users improves speed.
ISP integration enhances efficiency	Direct partnerships reduce bandwidth costs and improve delivery.
Preloading popular content reduces peak-time load	Anticipating demand ensures smooth streaming.
Smart routing optimizes network traffic	Adaptive load balancing prevents congestion.

Alternative CDN Approaches

Method	Potential Impact
5G Network Integration	Ultra-low latency streaming with real-time responsiveness.
Edge Computing	Distributed computing at the network edge reduces processing time.
AI-Powered Content Prediction	Machine learning models can preload content based on user behavior.
Blockchain-Based CDN	Decentralized content distribution enhances security and efficiency.

Netflix is already exploring AI-driven content caching and 5G-enabled streaming, which will further improve real-time content delivery and scalability.

Lesson – What Was Learned?

Key Takeaways from Netflix's CDN Strategy:

Edge caching minimizes latency – Placing servers near users speeds up delivery.
ISP integration enhances efficiency – Reduces bandwidth congestion.
Preloading popular content prevents peak-time overloads.
Smart traffic routing optimizes streaming performance.

Precautionary Measures for Future Scaling:
AI-driven caching strategies to predict content demand.
5G & Edge Computing for ultra-low latency.
Expanded regional Open Connect deployments for growing markets.

Netflix's Optimization Strategies

1. Edge Caching Strategies
Preloads high-demand content in local ISP servers.
Reduces **long-distance data transfer delays**.

2. Adaptive Bitrate Streaming (ABR)
Adjusts video **quality based on real-time network conditions**.
Prevents buffering by switching between **4K, 1080p, 720p** dynamically.

3. ISP Partnerships & Traffic Engineering
Direct integration with ISPs avoids congestion.
Load balancing & smart routing distribute network traffic efficiently.

Benefits of Edge Caching for Netflix

Advantage	Explanation
Reduced Latency	Content is stored closer to users, minimizing response time.
Lower Bandwidth Costs	Caching prevents redundant data transfers over long distances.
Faster Video Startup Times	Preloaded content starts playing almost instantly.
Less ISP Network Congestion	ISPs experience reduced data traffic loads.

Advantages of Adaptive Bitrate Streaming

Benefit	Impact
Minimized Buffering	Ensures smooth playback without interruptions.
Optimized User Experience	Maintains the highest possible quality based on network conditions.
Efficient Bandwidth Usage	Prevents unnecessary high-resolution streaming on slow connections.

Key Features of Open Connect ISP Integration

Feature	Benefit
Direct Peering with ISPs	Reduces latency by avoiding unnecessary hops between networks.
Localized Content Storage	Ensures popular content is available close to users.
Traffic Engineering Algorithms	Dynamically routes traffic to the most efficient path.

Key Features of Open Connect ISP Integration

Feature	Netflix Open Connect	Akamai CDN
Ownership	Proprietary Netflix CDN	Thirs-party CDN
Integration with ISPs	Direct integration with ISPs	NO ISP integration
Caching Strategy	Preloaded popular content	Generalized caching
Latency Optimization	Ultra-low latency	Moderate(1-3s)
Cost Efficiency	Free for ISPs	High cost per TB

Key Takeaways from the Table:
• Netflix Open Connect is the only CDN with direct ISP partnerships, making it the most efficient for video streaming.
• Other CDNs rely on public networks, leading to higher latency and bandwidth costs.

Future Developments & Alternatives

What's next for Netflix Open Connect?
5G Network Integration – Ultra-low latency video streaming.
AI-Powered Content Caching – Predicts popular content in advance.
Edge Computing – Enhances performance by reducing server loads.
Blockchain-Based CDN – Decentralized data distribution for security.

Recommendations for Other Streaming Services

How can other platforms (YouTube, Disney+, Amazon Prime) improve their CDN performance?

Best Practices:
Deploy **localized edge caching** for high-demand content.
Use **Adaptive Bitrate Streaming (ABR)** for seamless playback.
Partner with **ISPs for direct peering** to reduce congestion.
Leverage **AI-driven caching for smart content distribution**.

Conclusion

Key Takeaways:

Open Connect **eliminated latency & buffering** issues.

Edge caching, ISP partnerships, and adaptive streaming are crucial for performance.

Other streaming services **should adopt similar CDN optimizations**.

Final Thoughts:

Open Connect **sets a new standard for video streaming technology**.

Netflix continues to **innovate with AI, 5G, and blockchain solutions**.

Q&A

Thank you for listening! Any questions?

THE END

You can find the Case Study Report by clicking here