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Consumers want content in the cloud; operators make money from content in a silo

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It's ironic that the biggest boost for mobile TV in the United States comes from a device that doesn't actually receive broadcast TV signals: the Apple iPhone.*

At the same time, we were also getting acquainted with cloud computing. Now that we began to appreciate the convenience of having our spreadsheets come to us wherever we are, instead of us having to go the spreadsheets on a specific computer, it's only a matter of time before we start demanding that "Desperate Housewives" or "The News Hour" do the same thing.

"If you look at the history of TV in last 60 years, people have gone for more choice and more control," says QuickPlay Media VP of sales and marketing Mark Hyland. "Content in the cloud follows the trend of cloud computing. That's a model that we think works well on the content side. 'Owning' content can translate not to having it physically, but having it 'in the cloud' on the Internet. It makes sense because we can optimize that for every device."

Several vendors, anticipating that consumers will prefer a content-as-a-service model for anywhere TV to rolling out their own, have launched solutions that let operators extend existing content to multiple platforms and bundle anywhere TV into existing offerings. QuickPlay rolled out its PrimeTime2Go service for mobile operators last spring and launched its Mobile Set-Top Box for TV service providers in August. The company also offers PrimeTime2Go content distribution services for media companies.

Mobile and broadband multimedia delivery company Dilithium recently added an iPhone Content Adapter to its extensive suite of any content, any screen, any time TV solutions. "Our customers range from mobile carriers expanding content to live TV for subscribers without a handset with a tuner or specific [video player] application, to ISPs using our systems to enable users to access content from Internet on a mobile phone," says Dilithium founder and CTO Marwan Jabri. "For a multiscreen play, it enables them to introduce time-shifting, side-loading, any content to any device."

Of course, this has lots of industry-disrupting potential, which Jabri recognizes. "It enables operators across the value chain — content owners, aggregators, broadcasters, telecom carriers, broadband service providers — to adapt and distribute their multimedia content for other channels. It lets content providers move into the mobile delivery space."

TV business commentator and MediaBytes blogger Shelly Palmer views it as a sea change for the media industry. "Consumers are controlling media choices, and this is exclusive of the media chain designed by carrier."

More ominously for the business of television, as everyone races to be the first to give consumers a TV anywhere magic wand, no one has figured out how to generate revenue. One reason, Palmer says, is that operators are trying to marry two services with very different moneymaking models.

Getting subscribers to pay for movies on an off-the-shelf handset every month is very difficult, Palmer says, because the value chains for cable TV and phone service are very different: one aims to get you to pay for more choices, and the other aims to get you to pay for more use.

"The mobile TV premium isn't perceived in the same way as other mobile applications — for example, mobile email or texting," says Carlos Placido, senior analyst at telecom research firm NSR. "What you don't pay for somewhere else, you're willing to pay \$10 a month to have on mobile. [But] people do not want to pay for [the same] subscription offerings at home and outside the home."

However, reselling content for each different platform is what paid for the infrastructure to support these channels. "Three screens takes a piece of content you used to sell six times and now sells it once," says MediaBytes' Shelly Palmer. "At what point of TV everywhere do we shoot ourselves in the foot? At what point do we lose control and don't have an income stream to support our infrastructure?"

*The only options for mobile TV on an iPhone are subscription 3G mobile TV or an external TV receiver that rebroadcasts TV via WiFi.

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