

Facebook socialises the world's video

Howard Greenfield reports on the implications of Facebook's social video road map revealed at its annual F8 conference.

During a keynote speech at September's IBC broadcast summit in Amsterdam, a rapt, sometimes sceptical audience listened as a Facebook executive explained its new foray into social video. The move to integrate video comes as no surprise.

"There's going to be an opportunity over the next five years or so," Facebook CEO Mark Zuckerberg has restated many times, "to pick any industry and rethink it in a social way." Over 800m users strong, and with a market cap estimated by some to be over \$70 billion, Facebook is well resourced to go where it wants.

Its formal crossing over into social TV and movies began this summer in the form of placing Netflix CEO Reed Hastings on its board of directors in June, and then hatching a new global social media strategy.

So, VP EMEA Joanna Shields' remarks to IBC delegates made perfect sense. Just two weeks before the annual F8 conference, Shields made Facebook's direction explicit, declaring that the entire TV experience will soon be social by nature.

Her thesis, that television is better when it's social, is based on the formula which was *writ large* on her PowerPoints: **Social + TV = Better**. Facebook's first effort to apply that formula will be to enable 'friends' to contact each other and share what they're watching.

Together with its partner Netflix, Facebook sees this as new kind of viral boost to video consumption - one that Hastings said Zuckerberg

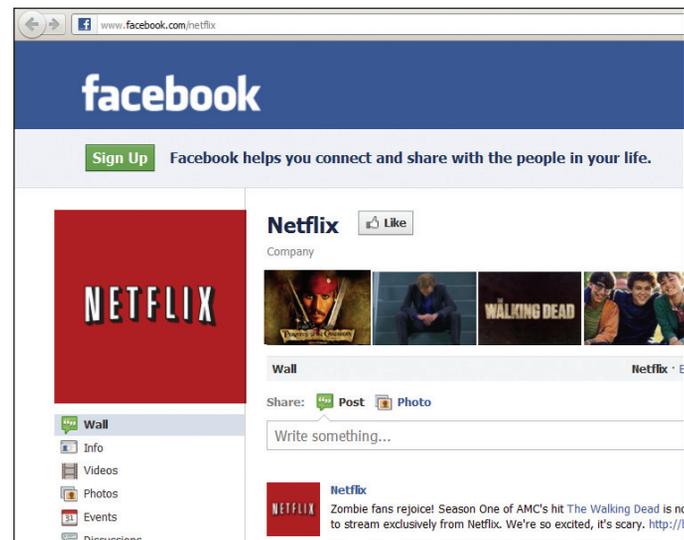


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envisioned doubling Netflix's current 25m members in the United States, Canada and Latin America.

So despite the fact that Netflix's original reaction was see integration as a threat, Hastings sees it the other way around. When Zuckerberg approached him a year ago, he said they were, of course, a little suspicious: "Wait! You want all the viewing activity? You're going to have all this information about Netflix members. Doesn't that make us vulnerable?"

One of Facebook's successful strategies in the past was to lure software developers to build apps using their Open Graph API. This is now also being utilised for video sharing within its walled garden. It provides a way for users to *discover* video content through their friends according to Zuckerberg. An embedded Netflix player automati-



cally displays video that a friend may be watching. "You can see what your friends are watching," says Zuckerberg, "in Ticker, or if there are interesting patterns in Newsfeed. I can see six of my friends are now watching an episode of *Glee* on Hulu. And I can just hover over that and click and watch it in a new social canvas app."

"The bad story," says Netflix's Reed Hastings, "the irony, is that of the 45 countries where the Netflix-Facebook integration will be offered, only one, the US, is blocking." This is due to "an outdated privacy law" according to Hastings, who added that luckily, the US Congress is currently considering a Bill that will permit it to release the new service in the US. "So, we'll continue to blog about this, and pretty soon we'll be able to have the Netflix integration in 45 out of 45 countries."

Facebook is on the move and is tackling another force that intersects with social television: the 'mobile'-isation of the web. And you could say **Mobile = Media** if you consider that mobile video will comprise 66% of all mobile data traffic by 2015, according to Cisco.

Erick Tseng, Facebook's head of mobile products told me at the September GigaOm *Mobilize 2011* event in San Francisco that Mobile is "quickly becoming a first-class citizen of the desktop web" and it is being driven by 350m mobile Facebook users. "Within a year or two, more than half our users will be mobile users. (We're going to *become* a mobile company)."

You may also remember some famous lines from last year's movie *The Social Network*:

Sean Parker: You don't even know what the thing is yet. How big it can get, how far it can go. This is no time to take your chips down. A million dollars isn't cool, you know what's cool?

Eduardo Saverin: [*Sarcastically*] You?

Sean Parker: A billion dollars.

There is a logic of these two forces aligning, but there is another business driver behind it: Growth. It's about doubling your markets enabled by the Internet and because Facebook wants to be: "Your partner in unlocking the potential of 800 million friends."

Facebook's video integration is not just about audience interactivity. It believes that soon it will be central to content production and marketing. It's a renaissance for the TV industry, says Shields, because it will enable new models for engaging with viewers and to tell stories in a community context.

That scalability will now be tested. Will Facebook's vast global audience embrace this type of application? We'll soon see whether there is any truth in Shields' assertion that however a show is created, experienced or promoted, "all TV will be social in the future."