



After spending the last few years in the wilderness, is IPTV about to prove itself and flourish?

The real question is not *if* IPTV is going to proliferate, but where, when, and *how widespread*. On the back of a 90% broadband-growth surge, Asia-Pacific will add IPTV growth momentum reaching a hundred million subscribers world-wide in the next three years, according to a recent report from market researcher RNCOS.

SHOWDOWN. The field is full of a dizzying array of new digital video services competing for our attention and loyalty. But whose technology will out-gun the others? Interpreting the state of play is clouded by this and other industry factors.

Cable companies such as US giant Comcast are beefing up their network capacity, while CableLabs' DOCSIS 3.0 with 160Mbps channel bonding is enabling a new level of IP video services. Telcos such as Verizon are becoming veterans at delivering TV services with hundreds of video, music and HD channels and FIOS reaching 1.5m subs last year.

New video ventures, start-ups, and consortia are cropping up everywhere to enter the fray—from Babelgum to blinkx, Hulu to Vudu, Yahoo! to Zattoo and Ziddeo. Even new EU-funded initiatives such as P2P-Next (BBC, European Broadcasting Union, and others) are experimenting with a new generation of internet video file sharing.

All this is unfolding with a background of surging Internet availability and the 2009 analogue to digital broadcast cut-over. We should expect to see a 50% increase in live broadcast programming over the Web and an even greater jump in HD programming and quality, according to a recent Harris Corporation survey.

And there are speed bumps ahead, as many are not bashful to

UK students living on campus. The Freewire service now has 40,000 subscribers for a platform whose built-in ability enables them at any time "to flip between watching their favorite shows and general web browsing on the computer," according to Inuk Networks. For some

Will IPTV land on its feet?

point out. "Consumers are getting more and more confused," Fred Perkins, head of London-based Information TV told me, adding that "there's incredible hype about what IPTV promises."

IMAGINE THE FUTURE. However, IPTV excels in some interesting ways. For one, it offers a better and more imaginative TV experience, satisfying market eagerness for increased content control and social contact as part of a combined TV-Internet experience. Consider the meteoric rise in Internet use rivaling television watching itself, the popularity of on-demand programming, and consumers' fascination with video as a regular component on their web pages.

Although some commentators such as the *FT* pronounce streaming web video to date as "inferior to broadcast television", it doesn't have the IPTV quality of where deployments such as France's Free (over two million subs) and Hong Kong's PCCW (800,000 subs) are gaining scale.

Likewise, IPTV has caught on with

consumers, appointment-based viewing is dead. 'Living-room TV' is being out-performed by new applications and content choices that weave personalised interactive Web, e-commerce, and social networking into their offering.

For providers, IPTV opens new markets and revenue streams. Because IPTV is Internet Protocol native, it can interoperate with all web applications and services such as voice, video, and data over a single, consolidated network creating economic and technical efficiencies with legacy data systems. It can even provide live reporting on customer preferences and potentially solving the post-TiVo advertising issues.

PLACE YOUR BETS. Many have lost the trail, or their faith, in the multi-billion dollar promised land of interactivity and new programming formats. But just as 'IPTV' was the most searched term at last year's NAB, it will likely be a star at the NAB 2008 IPTV Pavilion, vantage point for the transition ahead.

IPTV sets the standard for a new level of end-to-end service that can blend the best of TV programming with the speed, scope, and search of the web. And as for what comes next, *Crossing the Chasm* author and Mohr Davidow and venture capital partner Geoff Moore, points out that digital media and tomorrow's 2.0 technology world are as much a gamble as anything else. He reminded an audience of Silicon Valley engineers, marketers, and managers that when it comes to determining what comes next in this market, "it's not about making decisions, it's about making bets." My bet is on IPTV.



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