

# US WATCH

## PTV is cooler

"IPTV is cooler than cable," a spokesperson from US telecom giant AT&T told me during an interview this month.

AT&T sees digital media market growth for its U-verse IPTV service despite poor economic conditions. U-verse just reached 781,000 subscribers and is poised to hit a million by the end of this year. Four years ago, AT&T, then SBC, announced it was going into the television business. Eighteen months later trials began in Texas, and by 2006 AT&T launched its service across the US. Reaching for a mass audience, it has begun selling the service through the world's largest retailer, Wal-Mart.

"Our goal is to provide a better experience than cable," AT&T spokeswoman Destiny Varghese told me. It plans to match the quality SD and HD content offered by cable companies, then best them with an interactive platform that allows users to program U-verse's DVR from their PC or mobile phone and create custom TV weather, sports, and stock displays by setting preferences via their Internet portal. "We've only begun to scratch the surface of what IP is capable of...when integrated with wireless devices, PC's, and your cell phone," said Varghese.

## The NewTeeVee future

This was really brought home last week watching the runners in this race line up at NewTeeVee's 'Television Re-invented' conference held on the UC San Francisco's Mission Bay campus. The commercial race for the so-called TV 2.0 market is on. "2009 is 'the year'," said Hardie Tankersley, Fox VP online content and strategy. Who will deliver the winning combination of web and television? The multi-billion dollar personalised, on-demand future hangs in the balance yet "neither side -Web or TV- can quite get there," said Netflix CEO Reed Hastings. "Both are racing towards it."

12.6 billion online videos were streamed over US broadband connections in September according to comScore. A respectable 145m of those came from Hulu.com, the NBC-Fox Internet Video portal launched in 2007 with a \$100m war chest. According to CEO Jason Kilar, Hulu continues to get the lion's share of the views because of its prime time content and Hulu's obsession with creating a "brain-spray awesome" user-experience. "We're like Starbucks," said Kilar about the immediacy of web video viewing. "It's easier to consume, so people consume more of it."

As the difference between broadcast and broadband TV blurs, streaming video sites such as Hulu and fully-managed IP offerings such as U-verse are all labelled 'IPTV'. They're IP and they're TV – but, of course, they aren't both IPTV.

"The difference is less about the

A RANGE OF PLATFORMS, PROTOCOLS AND DEVICES HAVE ENTERED THE RACE TO DELIVER VIDEO CONTENT. HOWARD GREENFIELD MARKS OUR CARD.



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The screenshot shows the AT&T U-verse interface. At the top left is the AT&T logo. Below it is a vertical menu with options: Weather, Stocks, Sports, Traffic, and Help. To the right of the menu is a photograph of football players in action. Below the menu and photo is a weather forecast section for three cities: Austin, TX (97 / 75), Bristol, CT (84 / 68), and Las Vegas, NV (104 / 79). At the bottom of the screenshot, there is a text prompt: "To personalize AT&T U-Bar, go to your High-Speed Internet homepage".

technology specs and more around customer expectations," Accenture's global MD of media and entertainment, Greg Douglass told me. He's right. Telecom subscription-based IPTV "carries the consumer expectation that it 'always works', is 99% reliable . . . while Internet Video has the consumer expectation that the quality of the feed will be lower and that glitches in the streams are to be expected at times," he said.

## Cable and others fight back

Call it what you will, the race is becoming more like a fight. And the gloves are coming off as the cable industry hits back hard. Cable has seen the enemy and is wasting no time attacking the broadband TV vanguard. The cable industry plans new interactive advertising, programming innovation and consumer targeting.

Cable industry consortium Canoe, comprised of the six largest US cable companies, including Comcast, Time Warner Cable and Cox Communications, "intends to make it happen in the months ahead," said Canoe Ventures CEO David Verkin. "Data is the new creative, and the TV is swimming in it," he stated, referring to the customer data that cable will gather with its increased set-top box penetration.

Other announcements at the conference highlighted the race for interactive supremacy. Now in addition to Vudu and Netflix' Roku on-demand movie boxes, the palm-sized VuNow device also links your PC to your television set. CTO Vijay Maheshari, of Verismo Networks revealed that for less than \$150, VuNow delivers a simple USB plug-and-play system featuring HD quality. The TV-friendly device lets you watch any Web video portal and search for TV, movies, and live content from websites around the world.

## The race continues

One final contender in the race is mobile video, well represented at the NewTeeVee conference. Sling Media's Blake Krikorian suggested its *clip-and-sling* feature (copy/paste/email your video segments) could fund exponential TV Network income in ad inventory over the Web. "It drives me nuts," said Krikorian, "that the solution is right under our noses." More and more video will certainly be under our noses as we watch "through phones, TV, in your car, and *everywhere* that you go," said Ben Ling, YouTube director of platforms and syndication.

AT&T's U-verse, Canoe, Hulu and all these forces are forging a new industry. As the line blurs between IPTV and Internet video, Telecom and Cable race to compete for tomorrow's interactive broadcast empire. But in this tournament the winner will need to deliver an integrated web-like capability before the Internet itself gains the upper hand with video content and performance that audiences just can't resist.

**"BRAIN-SPRAY AWESOME" IPTV AT NEWTEEVEE**