

New Technology, New Business Deals

By Michael A. Kashmer ■ *Broadband Properties*

Content providers definitely have a leg up when it comes to taking advantage of the latest technical developments. Each day there seems to be more and more options for them. Of course this means that each programmer needs to figure out which vehicle is best. It's like being at a buffet dinner with many choices but hoping that when you get back to your table everything will taste just as you imagined.

The reason: Technology, content, and the business plan are linked more strongly than they have been in years. As we speak, programmers have the option of traditional video outlets like basic carriage or cable tiers, if they are even available. Most programmers have ventured into VOD and some into IPTV. HDTV is still aimed mainly at early adapters, but the struggle for mainstream viewers is now under way. Property owners, managers, and new video service providers take note!

Individual choices may depend more on the availability of rights and formats rather than what would work best in the marketplace. But consumers are certainly investing in a lot of new technology to view a lot of content, much of it pretty old.

Portability Looks Big – and Small

The rise of broadband has definitely changed consumers' Internet habits. Just think about how you access the Internet now compared to just last year. I've been a bit tardy myself. I just purchased a wireless router, which allows me to wander from room to room with my laptop, and even venture outside onto the patio and still access my email. If only the battery would hold out! I'll deal with that!

Broadband penetration grew 13 percent

last year to 95.5 million homes passed (out of about 110 million households in the US). More than two-thirds of active home-Internet users now use a broadband connection. That's half of all American households.

While giant-screen TVs are hot, so are hand-helds. Personal, portable video players – PVP's – and high-end multimedia smart phones have been around for awhile.

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But none have really made it in the video realm the way that Apple Computer's iPod has changed the music business – not even Apple's own video iPod. Wireless carriers and recording studios are still trying to figure out the best business model to enable the content to get onto Palm's Treo 650 or Sony's PlayStation Portable video player.

Mobile movies need to be re-edited or created from scratch with mobile viewers in mind. Each segment needs to feature visually appealing characters, sharp writing and basic story lines. These principals are essential to make a compelling small-screen program. Mobile devices may wind up to be a home for short independent features that couldn't otherwise reach a wider audience. Studies show that consumers may not want to watch anything that runs beyond several minutes on a telephone screen. That means commercials, if any, have to be short as well. And that, in turn, means a lot of experimentation with business plans.

Proponents claim that if there is excellent product that can be seen well on a small

screen, providers can find a viable audience. But even conventional programmers for conventional venues have to fine-tune.

The Latest Deals

Item: The partnership that Discovery and NBC had is over as far as their Saturday morning block goes. Starting this fall, the Discovery Channel-produced block of shows will no longer run

on NBC. The shows will, however, be available on Discovery Kids, which has a reach of 43 million households. There had been a four-year agreement but both sides had agreed not to renew it. The agreement is described as "completely mutual."

Action: If your customer base skews toward children's programming, re-evaluate your lineup.

Item: Terra.com, the most popular Spanish-language Website, announced a joint venture with Comcast to create "Comcast Latino." This venture will evolve, they hope, into a Yahoo-type site with news, video clips, email and other online services. Comcast has about 8.5 million broadband subscribers nationally.

Nearly 15 million Hispanics in the US log onto the Internet monthly. They view 122.5 Web pages a day, which is more than average for the US as a whole. Terra.com features a mix of Hispanic-focus and general interest items. Comcast

has targeted the Hispanic population in the San Francisco Bay Area, where some counties score more than 25 percent Hispanic.

Action: If your customer base skews Hispanic, check it out, either on the video or the web/data side of the triple play.

Item: Bravo renewed “Project Runway” for a full third season. Heidi Klum returns as host of this acclaimed series, in which designers’ passion and creativity are highlighted. The show continues to delight its growing audience. Each program gives a group of fresh designers the exposure chance of a lifetime. For the new shows, open calls for fashion designers will soon be held in major cities.

Action: Check this out and see what you and your subscribers will be wearing in the not too distant future!

Item: Spike TV has a new macho makeover. A new racy cop drama “The Shield,” uncut, is part of a makeover of this men’s network. A fresh on-air redesign focused on original drama is avail-

able now. Because “The Shield” will be running without edits, it will sport a much stronger violent and sexual content. This will reportedly set the tone for what will be coming to you from the net. A new show, “Blade” will launch this summer.

Action: A cheaper, partial alternative to adding sports channels. Demand for male-skewed programming is hot, but Spike isn’t the only game in town, so it’s being driven even more male. Even the History Channel runs endless shows under the “Modern Marvels” label on macho war, engineering, and car-related topics. This magazine’s editor-in-chief adds to the macho tilt; catch him on Engineering Disasters, episodes 17 and 18.

Regulation Update

Will Spike help produce a regulatory backlash? Its remake comes as new indecency rules are unveiled by the FCC. Everyone in the industry is hoping that the government’s position will be clarified to give some measure

of guidance to video programmers and distributors.

But not too much. In China, regulators are starting to caution some of the most popular shows. The rebellious nature of “Supergirl,” a knock-off of “American Idol” showcases participants in baggy jeans singing with heightened emotion, crying and thrusting their fists into the air. All this is quite different from the usual Chinese fare of soap operas and conservative folk arts. The Chinese government wants to control what it considers to be vulgar displays of clothing and jewelry.

More than 400 million viewers watched last year, making it one of the most successful shows on Chinese TV – or anyone else’s TV, for that matter. Who wouldn’t want an audience that size? **BBP**

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