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WATCHING THE
INTERNET CHANNEL

by Masha Zager

TVTonic makes it easier for viewers to find and watch the best of Internet video

With the explosive growth of Internet video, we have many more entertainment options. Paradoxically, it's become more difficult to find the content we really like. Last month Killer App wrote about new "meta-aggregator" sites that guide viewers to the best of Web video series. Another recently introduced service, TVTonic, aims to make good Internet video not only easier to find but easier to watch.

"We determined that we would have to do a lot to make [Internet video watching] a reliable, familiar experience," says Michael Sprague, president of Wavexpress, the company that developed TVTonic. "We want the experience to be high quality. Videos should play without stuttering." To ensure quality, TVTonic supplies its own player software and, more important, uses a downloading cache model – "like a DVR for the Internet," as Sprague explains.

Subscribing to an Internet "channel" on TVTonic's Web site automatically downloads all new

content added to that channel. The subscriber then watches the content, at his convenience, from his PC's hard drive. Because the content is local, even high-definition videos are guaranteed to play smoothly regardless of Internet bandwidth. (Several high-definition Internet video series are available today, and many more are in production.) Older content is erased from the disk to make room for newer content; users can choose how much space to devote to each channel.

A channel may consist of a single video series, like the popular Rocketboom daily videoblog, or a group of related series, like the TechTonic Channel, which brings together content from DiggNation, DigitalLife TV, InDigital and other tech-related shows. "We want to make sure viewers are subscribing to something that's getting updated and gives them a reason to return," Sprague explains. "The TechTonic shows all update once or twice per week or month, but we aggregate them so that viewers al-

ways have access to what's the latest in this space. We're taking our cue from television, which is obviously incredibly successful: Turn it on and there's something interesting to watch."

TVTonic's program guide features about 300 channels of short-form con-



tent, all complementary to the cable channel lineup rather than competitive with it. Movie trailers, news updates, videoblogs and alternative music videos are typical of the offerings. "It doesn't feel like broadcast TV," Sprague says. "It's novel and refreshing, bite-sized, entertaining, and it's driving a sizable audience."

The channels are ad-supported, with the ads downloaded along with the content and run after every second clip. Advertising revenues are shared with content providers. Wavexpress intends to keep TVTonic ad-supported for the foreseeable future; Sprague says that the company investigated subscription models but found them too confusing and decided that advertising was a better model for building an audience.

In addition to the channels in TVTonic's program guide, users can create their own channels by adding any RSS video feed (Really Simple Syndication, a standard method of automating content updates over the Internet) to their TVTonic service. If TVTonic has no relationship with the content provider, these user-created channels are free and don't contain advertising.

Strategic Integration with Microsoft Media Center

Currently, about half of TVTonic's viewers watch the shows on their PCs. The other half watch on their televisions with a remote-control interface, taking advantage of TVTonic's integration with Microsoft Media Center. Microsoft made Media Center a standard option in several versions of its Windows Vista operating system, released earlier this year.

Wavexpress made a strategic decision to focus on integration with Media Center – even becoming a Media Center Partner, with its service



appearing in Vista's Online Media Guide – because it felt that Media Center was the most appropriate environment for its download cache model. Media Center users tend to interact with all media as they do with broadcast television. They are already enjoying their own photos, music collections and videos "from the couch" and are ready to add Internet video to the mix, as long as the quality is comparable – as long as it's "the kind of thing where you're sitting on the couch and hit Play, and it's going to play," in Sprague's words.

Demographically, the fit worked, too. Microsoft Media Center users tend to be married, affluent families with children. And today's kids, raised from infancy on DVDs, "are very familiar with the model of 'watch it when you want it,'" says Sprague. Not surprisingly, one of TVTonic's most popular content categories is children's programming.

Sprague says the launch of Vista has led to a surge in subscribers for TVTonic, so the proportion of viewers for whom TVTonic is a TV rather than PC experience seems likely to increase.

Evolving Technologies for Internet Distribution

Though TVTonic is a relatively new service, Wavexpress has been in business since 1999, developing distribution channels for IP-based content over broadband. The company's experience reflects the evolving economics and technology of Internet video.

During the early part of the decade, when bandwidth prices were much higher than they are today, Wavexpress focused on moving large media files over the Internet by broadcast, using a "push" model. As bandwidth prices dropped, the company switched to a unicast, or "pull," model, which is what TVTonic uses now.

However, as Internet video becomes more popular, Sprague says, the broadcast model will start making sense again: "If a million people want to pull the high-definition version of the Harry Potter trailer, this would mean a big blow to the network." When the numbers become high enough, the economics of broadcast distribution kick in; the cost is the same to broadcast to two or a million viewers.

Eventually, Wavexpress hopes to leverage three different technologies: multicast for the most popular shows, unicast for commercial niche content, and streaming video for the "long, long tail" including user-generated content. Sprague has doubts about the ability of the fourth major video distribution technology, peer-to-peer, to continue maintaining quality of service in pace with the growth of Internet video.

The advantage of using multicast for the most popular content, he says, is that it opens the possibility of collaborating with cable providers to broadcast high-volume video content across their video networks and thus guarantee service quality. This "network-friendly" approach contrasts with the approach taken by the peer-to-peer distributors, which effectively cuts out the network providers and risks degradation of service quality in return. Sprague doesn't believe that an adversarial relation between network providers and Internet video distributors is necessary. "With the right technology, we can make the business model very effective for all involved," he says. 