



# *Insight*

January 2010

**Dear John,**

I have a **BIG** question. Is it two thousand and ten or twenty ten? Ever since the song 2525 came out I always wondered if man were still alive (uh, a play on the lyrics) what would we really call this year we are in. Let me know.

Apropos to this wonderment, what is the future of that box we've stared at forever? And, what will it look like moving forward? Will we carry it wherever we go or reserve it for private times or something in-between? This month's *Insight* will touch on whether that flat screen will merely be a portal used to deliver content from a variety of sources. Enjoy!

**Stay Positive!**

**Ira**  
**Your Virtual Media Director**



**IB Up Close**

**For those in the Charlotte radio listening market, tune into WAVO 1150/1410 AM this Saturday @ 12:00pm. Why? I've been asked to participate in Don Crosby's Sound Behavior show. The unique factor about the show is the host being able to describe you and your confirmation or validation without ever having met you prior to the interview. Mr. Crosby will not have access to a report on the test I took until he is on the air, which brings a freshness to the show. Should be fun!**

## The Future of TV

### We'll Be Ordering Up Our Own Video, Ads and Products on a Web Convergence Device. But Who Will Reap the Revenue?

In its heyday, "This is Your Life" was seen by a broad swath of viewers tuned into their Philcos all at once, never dreaming that someday it could be rebroadcast, paused live, accessed on another gadget, or that its entire run could be contained on a thin metal disc.

Almost 50 years later, we're almost similarly in the dark. Those Samsung flatscreens in our living room might still be the go-to device, but they are fast being joined by computer monitors, laptops, gaming consoles, iPods and mobile phones distributing content once solely accessed by TV, or in some cases, content that competes with TV. It's conceivable -- and probably inevitable -- that TV/web convergence will lead to us ordering up movies, pizza and even advertising while watching custom-tailored content and interacting with social-network buddies at the same time.

The question is how these services will work together and who will manage and monetize them in a world where the TV networks operate with a mass-media mentality and are anxious to keep \$60.5 billion in ad revenue from going the way of Philco.

A host of companies are already salivating for some of the billions pumped by marketers into advertising on broadcast and cable outlets, syndicated TV programs and local-TV stations. But there simply can't be enough money around to profitably support video on YouTube, Hulu, Xbox, Apple's iPhone and other platforms as well as on Fox, CBS, NBC, ABC and the rest.

TV dominance "is certainly up for grabs," said Bobby Tulsiani, a senior analyst at Forrester Research, "and there are a lot of hands in the cookie jar." Fact: Traditional TV viewership is waning, while other kinds of video entertainment consumption rise. The top 20 shows on broadcast TV during the 1979-1980 TV season -- including "Three's Company," "That's Incredible" and "M\*A\*S\*H" -- individually had a household rating of at least 21.7. These days, the titans of broadcast TV -- CBS's "NCIS" and NBC's "Sunday Night Football" -- notched an average household rating of 13.0 and 11.4 between the start of the 2009-2010 TV season and Nov 1. Total viewership for the top four broadcast networks in the current season through mid-November has slumped 42% since the same period in 1994, according to statistics provided by Brad Adgate, senior VP-research at Horizon Media. Including the CW, total viewership for the period is off about 38.5%, he said.

When the big screen in our living room finally converges into one that can deliver both TV and internet content, the game will certainly change. It doesn't take too much imagining to foresee that in five to 10 years, many consumers will be able to access their online life with a TV remote, and the big screen will behave more like a touchscreen: It will know what shows we like, what music to offer us, and which social network sites and e-mail to feed us. A realization has already begun to emerge that the TV screen is really just a monitor, said Phil Leigh of Inside Digital Media, a Tampa, Fla. market research consultant. "Whether it be a monitor for video games, DVD players or even a laptop computer. ... The TV is functioning essentially as a giant window into the internet cloud," he said.

And when content can be filtered through one big screen, those who know how to command an audience can choose to feed those consumers directly. Witness Oprah Winfrey's decision earlier this month to end her top syndicated talk show on broadcast TV, and instead develop her own 24-hour cable network. Sports leagues and, for that matter, movie studios, could

arrange to have their own channels and sell directly to the audiences they amass directly, or sell those audiences to marketers. The National Football League currently has several deals in place with broadcast and cable partners, but it also has already put its own cable network in place.

And there's little impediment for marketers to set up their own video streams constantly at the ready to pitch consumers with their latest goods, or set up interactive options that allow you to order a movie, pizza, or anything that Amazon sells with the push of a button. Social-media sites will allow consumers to chat with friends about the shows they are watching, or direct one another to videos, movies or content to view.

Forrester's Mr. Tulsiani sees a day when TV viewers will be able to watch a show on TV for a while, then "pick it up at the same point on their PC or mobile phone." TV users will be able to use their phone to program their DVR and do so much more, analysts predict. "The variety of content itself will just be exponentially greater, from the networks to cable to digital cable and even more ... more content choices and the quality content will be coming from not only studios but many independent creators," Mr. Tulsiani said.

Source: AdAge, Brian Steinberg, November 30, 2009

Welcome to our new readers of IB Media *Insight*. Each month we touch on a current media topic of interest in a short, concise format. You're busy. We get it.

Thanks to all for your thoughts on last month's *Insight*. Your age and gender large baring on your digital media habits. Have a comment or suggestion on this month's topic or any you'd like covered in the future? Let us know. And, if you've enjoyed this month's edition, pass it on to someone who will appreciate it.

Next month? Liked Avatar? It's coming to your home. 3D-HDTV.

We're IB Media, Your Virtual Media Director. Always ready to discuss how we may add value to your organization. Thanks again!

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