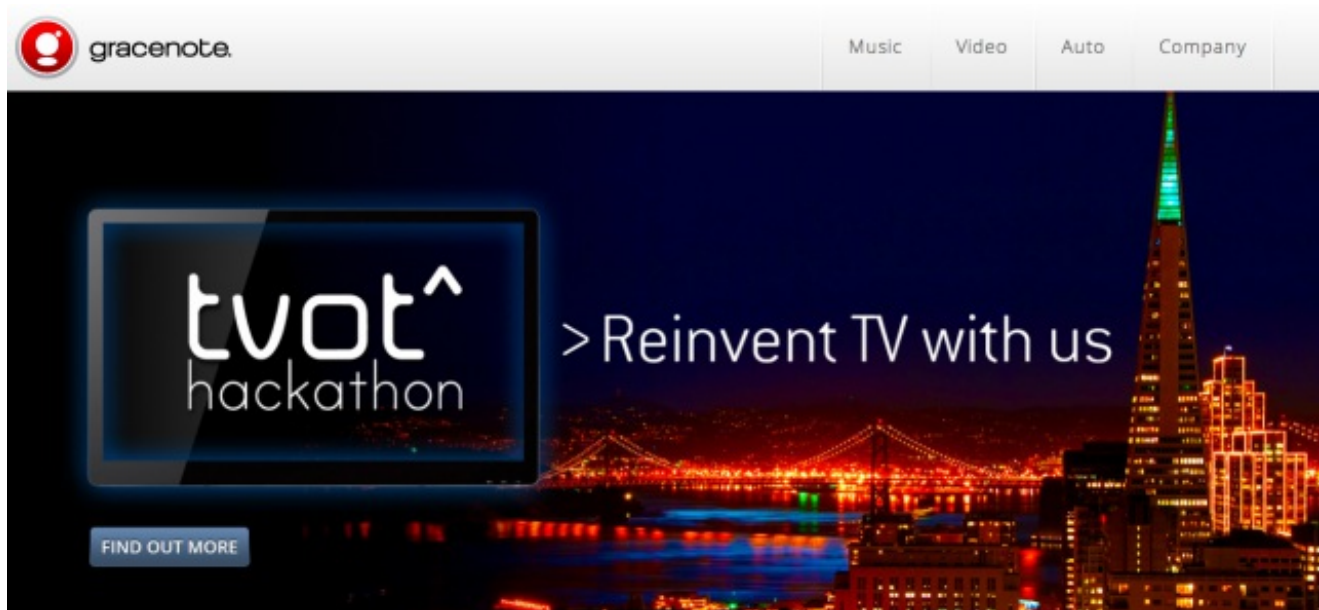


# Commodity beckons new TV services from Comcast, Microsoft, and more

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Gracenote offered an important lesson about internet technology last week.

The company, best known for technology that identifies music, [released a tool](#) that helps developers build apps that know what is playing on nearby television sets. The tool, named eyeQ, uses a mobile device's built-in microphone to compare a show's audio with an online database about TV. This means the device can be turned into a second screen featuring interactive content about the show.

Television networks thought this kind of "audio fingerprinting" would help them stave off new online media rivals just a few years ago. For instance, The Nielsen Company, which tracks TV ratings, introduced a [similar technology](#) in 2010 for its partners named Media-Sync. The ABC TV network got an Emmy nomination by using it with some shows, including "Grey's Anatomy."

Now, thanks to Gracenote, anyone can do the same thing.

The new reality is a powerful reminder that media isn't the only thing turning into a commodity online. Technology is too. The lesson comes at an important moment for big TV firms and huge tech companies. Both groups are readying a new generation of TV services that will add internet-style interactivity to traditional video programming.

The biggest splash is coming from Microsoft right now. It unveiled the Xbox One last month. The next generation game-turned-entertainment box is billed as an [entertainment extravaganza](#). The top of Microsoft's newly formed entertainment studios [says the device](#) will merge high-end story-telling with incredible interactivity.

Big media execs are excited. Steven Spielberg is developing a TV show for the Xbox One that's set in the Halo video-game universe. And both the NFL and ESPN sports network are planning content for the box

too.

Microsoft isn't the only one betting on a new closed, but highly interactive TV service.

Intel is [developing its own](#) set-top box and service with similar aspirations. Comcast is preparing new [internet-based technology](#) to more easily combine its video with interactive features. And Time Warner Cable plans to [send video directly](#) to internet TVs from Samsung through an app that will make its video very interactive.

These companies [all hope](#) their sophisticated new services will beat back a sea of internet rivals.

Glenn Britt, the chief executive of Time Warner Cable, [puts it](#) like this: "I think all this over-the-top stuff [internet media] is largely about functionality that's enabled by technology that people haven't been able to get with our traditional technology."

That is true. The problem is that the "traditional technology" operated in a vacuum. Only a few companies could afford to build and run broadcast, cable, or satellite transmission systems.

Now, the internet lets anyone build their online equivalent. In other words, Britt and company are creating technology that won't stay unique for long. It's only a matter of time before someone offers a cheaper, easier, more advanced internet version that anyone can use.

This "Gracenote problem" is just a fact-of-life today.

Media-tech executives are sure to say they still have the advantage. After all, they have the professional TV shows that people love. They'd be right if their lock on this type of content hadn't just officially slipped.

This month, DreamWorks Animation – a major Hollywood studio – [said it would produce](#) 300 hours of serialized TV programming for Netflix. The studio has struggled to find hits of late, so wants to exploit the biggest unexploited opportunity it can find. Apparently, that's internet-only video. The big studio's embrace of Netflix is huge.

It means broadcast and cable companies are no longer seen as the masters of the market's best video. Thus, their new systems – and huge tech's too – are destined to compete with smaller online rivals that pair equally great technology with equally great video.

Don't worry, though. Gracenote will still know what you're watching.

*(Disclosure: James Abels runs a software start-up focused on media creation and distribution.)*