

Some were right, some were wrong, some were early. But its fun to look back and see which is which from 1999.

Despite what some people think after my Youtube thoughts, I've been a big proponent of User Generated Content for a long, long time. In fact, Broadcast.com bought a company, Simplenet.com, specifically to enable hosting for user generated audio and video. One of the biggest projects we had going on was software to enable individuals to upload their own videos (Remember that project Justin M ?). It wasn't a big stretch for us since we already had it in place for corporations to do the same thing. (contrary to what most people think, Broadcast.com made almost all its money from hosting corporate events)

Back to the presentations I did, I way overstated the impact of the net on TV and the connectivity between TV and the net in the home. The key reason was that I expected broadband speeds to continue to grow linearly (is that a word :), and to be well past 25mbps actual throughput to the home by 2006. I was so off, I was telling people to expect 5mbps to 10mbps by 2001.. Oops.

The net stock market bubble bursting put a big clamp on capital investment and created disincentives for companies to spend on last mile infrastructure. Those disincentives continue to exist today as speed increases to the home are more from bandwidth recapture than laying of optics to the home (Verizon excluded)

Im holding to my prediction on Youtube. The complexity of rights issues. Their lack of DRM. And that doesn't even account for the stupidity of subsidizing Myspace and hosting how many videos on Myspace pages, millions ?? The minute they try to monetize those videos, you can bet Fox will have their own solution waiting to release. No Youtube on Myspace ? No Youtube on how many other pages once they start to try to incorporate ads (Yeah I know they said they wouldn't). What happens to their traffic ? All of the sudden rather than being the darling, the articles will be talking about the dramatic decline in traffic.

If they don't incorporate ads, then that's even worse. Again, that means they are hosting the video of the net for free. That's an ugly, no win business.

A word of wisdom to the Youtube folks, sell if you can. A word of wisdom to a potential buyer, the minute the labels see even the hint of deep pockets they are going to come after you for all your worth. It will be a Lawyers Employment Act. Just ask Bertlesman about being the deep pockets behind Napster. Its not different this time.

So how good are my previous predictions ?

Here are some goodies to laugh at:

[This is a speech I gave at a UCLA Symposium in 1999](#)

Notice the discussion point of User Generated Content..

[This is a presentation I gave to ETV](#), also in 1999, with the focus on what I thought a Set Top Box would have in it .

And finally, this is a review of a speech I gave to SXSW music conference in 1999 where I predicted the end of MP3s as a commercial file format. I said you wouldn't be able to buy MP3s because they would be superseded by file formats with better encoding performance and DRM enhancements. I think Fairplay/Itunes and WMA from MicroSoft have pretty much proved me right on this one. Now as far as how songs will be sold and a few other things. I couldn't have been any more wrong. But notice the reference to "communities of interest". I was right on there, I just was too lazy to do anything about it

MP3 Will Die, Executive Predicts

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By Loring Wirbel,

SAN JOSE, Calif. — Streaming media wars will characterize the turn of the century, and MP3 audio formats will be an early casualty, according to Mark Cuban, president and chairman of Broadcast.com, in Dallas.

MP3 will not fall victim to the Recording Industry Association of America's attempts at censorship, but will fail because it will not scale as much as streaming media systems from RealNetworks or Microsoft, Cuban said in a keynote address at the MultimediaCom conference here in San Jose, Calif., Wednesday.

Although MP3 is an open format that does not carry the economic incentive of a proprietary streaming media system, it will not be doomed by its openness or lack of an owner, Cuban said. Rather, its lack of a compression advantage over RealMedia or Microsoft ASF files, plus the fact that it cannot be extended by new developers as software like the Linux operating system can, means developers will not find it attractive.

But recording-industry executives should not be smug or complacent about the death of MP3, Cuban warned. Not only is the Secure Digital Music Initiative likely to fail, Cuban said, but also the structure of music and film distribution networks will dissolve in less than five years in the face of Web-based distribution. Cuban said he predicted the six companies that control film rights distribution, and the five that control CD music distribution, will be either dead or changed beyond recognition by early in the 21st century.

Among streaming media specialists, Cuban predicted RealNetworks will be acquired within a year, not by a software giant like Microsoft or a traditional media giant, but by a telephone company or specialized carrier that wants to add streaming media capabilities to bandwidth-access schemes.

Cuban presented a unique vision of how bandwidth will be metered. He said downstream high-bandwidth channels such as cable-modem QAM or copper xDSL likely will retain their all-you-can-eat, unmetered status, even as customers exceed megabit-per-second rates. However, carriers will turn to usage-based pricing for return-path services, for customers who wish to reserve videoconferencing or upload significant files to the Internet, for example.

And Cuban saw an even more unusual replacement for film and CD distribution. He said charging customers by downloads of individual songs or movie titles probably will not work, in part because the search space of possible audio and video clips is so huge. Instead, he said, smart record companies will turn to a subscription-based service for a particular artist, in which a monthly fee will allow a select community to receive all new works by an artist for that month.

In this model, he predicted, the current "MP3 rebels" who post bootleg live performances to websites will be encouraged to join "communities of interest," similar to fan clubs, where they will be given incentives to post semi-legitimate recordings of an artist to a fan group and become part of the more informal licensing structure of the future.

The biggest challenge companies like Broadcast.com will face in the future, Cuban concluded, comes not from media traditionalists or other streaming media specialists, but from "the little kid effect," stemming from the 10-year-old who invents the next killer application for the Web to avoid doing the day's homework.

The more things change, the more they stay the same. Even on the net.