

Henry Blodget and others have been arguing about the future of TV. I thought I would add my argument about the future of video on the internet. This is taken from an interview in VideoMaker Magazine.

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This last Spring, Yahoo!, the Internet portal, paid about \$5 billion worth of stock to acquire Broadcast.com, a streaming video company. This transaction solidified streaming video as a technology not only to watch in the future, but as a technology to use today. Mark Cuban, a founder of Internet video portal Broadcast.com, is very hopeful about the opportunities this technology opens.

Videomaker: What is Broadcast.com and what do you offer fledgling video distributors?

Cuban: Broadcast.com's mission is to turn the Internet into a broadcast medium. We are much like the DirecTV of the Internet. We have put together the technology, infrastructure and software, and have aggregated content in order to aggregate audience. With this base, we offer content creators the ability to put their products of all kinds in front of an audience at a minimal cost.

Videomaker: Recently, I believe you made the statement "eventually most of the streaming video that people will see on the Internet will be home videos." Why do you think that is true?

Cuban: Only because of sheer numbers. It will be so easy to present video to small audiences. Instead of the summer vacation or wedding video sitting on the shelf, we will post them on our family web sites so that grandma and grandpa can watch whenever they want. We will do the same with high schools posting their games, debates and school plays.

It will be far more convenient than corralling everyone into the family room or making copies of the tape to send everywhere. When you add up the numbers, a couple of hours from a lot of families dwarf the total amount of content created by traditional producers.

Videomaker: When do you think we'll see this shift in focus from commercial video to personal video on the net?

Cuban: Over the next two years, as people get cable modems and DSL lines, they will start to put pictures, then videos up. All you have to do is look at the new Sony PCs with IEEE 1394 i.LINK interfaces to see how easy it will be. Soon all PCs will have these interfaces and the floodgates will open.

Videomaker: What opportunities do you think this will present to videographers, Webmasters and advertisers?

Cuban: There are two elements here, true businesses and labors of love. The labors of love that are non-commercial, will thrive. People will create their own El Mariachi-type productions for the ego gratification and some will get discovered and go on to bigger and better things.

For businesses, there will always be a place for quality production. The quantity of home video will almost be equaled by the quantity of corporate video. These businesses will need top-notch production services for Internet and Intranet video. Every new product, shareholders meeting, new building and maybe even new employee will have some video component that will be hosted by the company. Webmasters will have to know how video on the Internet works and have partnerships in place to host and promote content that will reach outside the corporation.

For advertisers, the realization should set in very quickly that the Internet world is no longer flat. That banners to catch people's attention will diminish in effectiveness and video and other multidimensional elements, from animation to future media types will take their place. The agencies and advertisers that learn to harness this ability, particularly in a broadband world, will get far better results

Videomaker: What will Broadcast.com do to support this trend?

Cuban: We will continue to build our infrastructure to support the largest possible audience. We currently are pushing out broadband video at 700k, 30 frames per second. We will continue to push the envelope of technology, working with advertisers to introduce broadband video ads on our site, Media Asset Management partners such as ISLIP technology and with digital distribution opportunities as well.

Videomaker: Do you think that streaming video will begin to rival television as the video delivery medium of choice?

Cuban: I think that in the next five to ten years you won't be able distinguish between the two. Think of it this way: ordinary cable TV is just a video monitor attached to a dumb computer (a set-top box), connected to a cable that goes to a network. The problem is that it's mostly analog and doesn't scale or do anything else. My personal thought is that a Pentium computer will replace the set-top box. It will have a DVD player, HDTV decoder, wireless keyboard, analog TV tuner, IEEE 1394 and USB connectivity. It will have a hard drive for a personal TV recorder and high-speed Internet access via an Ethernet connection out to a cable modem or ADSL line. And it will connect to a TV or PC monitor or both. Most importantly it will look like a DVD player instead of an ugly beige PC so we won't be afraid to put it on top of the TV in the living room. All of this will become available for under \$1500, starting by Christmas in small quantities, quickly dropping to under \$1k next year. With one of these in the bedroom and living room, you won't care if what you are watching comes from a traditional TV station over cable or from Broadcast.com over your Internet connection. You will just hit a button on the remote and go back to eating popcorn.

Videomaker: What is the most important thing a home videographer can do to get ready to stream video?

Cuban: Play with it. The more you know, the more you can try. You can go to real.com or microsoft.com/windowsmedia and find out what you need to digitize your creations. Once you have learned to digitize, you can get low-cost hosting space on sites like simplenet.com and upload.

Videomaker: Where do you think the future of Internet video is headed?

Cuban: All media used to be defined by its spectrum or physical form. You had a TV channel. You had a tape. Now all media is going digital. In a digital world, media can be stored on any digital platform, from a hard drive to a personal digital recorder. Or it can be transported on any digital medium from digital cable to

DTV, to dialup over AOL. Because digital transport, like the Internet is becoming more available and less expensive, I think we will see digital video content becoming far more available where we want it, how we want it. This is both good news and bad news for the video business. It means there will always be an outlet for your work and that there will always be production demand. But because everyone has access, there will be far more competition to be seen.

Videomaker: What do you think will be the biggest innovation for streaming video in the next year?

Cuban: Falling bandwidth prices. More bandwidth to the office and home means more choice and opportunity.