

As I clean up or find old emails for whatever reason, its always interesting to run across old interviews I did about the future of streaming media. This interview was with Kevin Werbach who along with Esther Dyson wrote one of the leading newsletters of the time.

Here is the entire email, the good and the bad

At 02:48 PM 8/9/99 -0400, Kevin Werbach wrote:

Thanks for your message. I'll definitely be in touch when I put the piece together (probably either September or October), as your perspective would be very helpful.

The primary question I'm asking is how streaming video will develop as a mass medium. I'm certain it won't look like today's broadcast and cable offerings, with all the channel and time constraints... but I'm equally sure it won't simply be random access to an infinite number of on-demand streams. What (not just who) takes the place of broadcast networks as a video "service" that brings together audiences and efficiently trades eyeballs for dollars?

My Answer>it will be a progression. First it will just be a random collection of on demand. Its the fun of walking in to the NY Public Library. So much stuff you are awed and you just walk through the stacks till you find what you want.

But quickly of course people will tire of this, and so we will have to package . The packaging will be in "stations" and user generated playlist stations. These will evolve as people pick their "programmers" that they trust.

Remember, the only revenue source is not eyeballs. I personally dont think you will be able to aggregate enough eyeballs to be a mass media in the traditional sense of a single channel. All you have to do is look at what cable has done to network tv. The more choices you have, the more you get to choose exactly what you want to the exclusion of traditional programming. So the numbers for the networks have fallen off a cliff, but the cable networks havent garnered "mass media " numbers individually

So there will have to be newer models. To pay for content creation and for the distribution itself.

In a world of digital delivery, there is no reason to distinguish between audio/video/data as the widget that is being sold, so they will be sold together. It could range from watch this movie for \$1 and when you are done, the entire soundtrack will have been streamed to you and saved to your hard drive.

Or it could be the Barry Manilow channel where its all barry all the time, and included in the \$2 per month, or 25 cents per month for that matter is all the barry you can watch AND all the music you can download. This could be a windfall for Barry and his label, given that most artists and labels together make less than \$3 per cd combined. And for 1 CD per year, that amounts to 25 cents per month as break even, plus all the other things you can up sell them to

Or it could be if you are an exclusive customer of American Airlines, they will provide you with this programming for free, and the guide is downloaded as part of the stream. In otherwords, sponsored programming to enable the delivery of digital data or user patronage will be the way. Probably not much different then the origination of the soap opera.

Or you are a huge sports fan, and you are willing to pay 1 buck a month to watch on demand every Emmet Smith Run, or go back in the archives to watch Michael Jordan play in his last season at UNC.

But then who really knows. The key for us is to have the infrastructure and audience to enable learning and growing. If you dont have these, it doesnt matter what you do, and that is why I think the DENs of the world are doomed. Its way too expensive to acquire an audience

The following, as you can see below, is in response to my request that he look at Index.broadcast.com where we indexed closed captioning and meta data from audio and video content we had

>And I'll definitely check out the index site. I met with the

>Islip/MediaSite folks a week or two ago, and what they're doing sounded

>very cool. (I'm embarrassed to admit, though, that our whole office runs

>on a 384k fractional T1, despite my best efforts to get DSL installed, so

>I'll have to wait to try out the 700k streams.)

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>-k-

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>At 02.23 pm 8/7/99 -0500, you wrote:

>>hey kevin

>>saw you are going to be doing a feature on broadband video.

>>

>>dont forget to check out broadcast.com/broadband. We have several thousand

>>hours of on demand video, and we also offer a growing list of live TV and

>>Network feeds and even movie trailers and 700k

>>

>>and also check out our beta for indexing at

>>index.broadcast.com

>>

>>just register and pick topics to search on. it only supports up to 150k

>>now, but will be increased to 300k and then 700k.

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>>if you want to see some fun, but not public tests, of 700k, go to

>>www.broadcast.com/mgm and check out the 700k feed

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