I just read a note in CableWorld by

Paul Kagan

referring to George Gilders "vision" that in the future TV will die, regardless of delivery medium simply because people will watch only what they want to watch.

How wrong he is. Why he is wrong is a lesson in basic business.

It was Aaron Spelling I believe who said that "TV is the path of least resistance from complete boredom". Which is another way of saying that its easier to watch TV, than to sit there and do nothing.

Which describes exactly how people make most of their choices in life. They take the easy way. They take the path of least resistance.

There are certain things in life we all have to do. There are certain things in life we choose to do. Then there is everything else. The things we do to kill time.

In every case, all things being equal, we choose the path of least resistance.

Understanding this concept is key to making good business decisions.

When Broadcast.com was around, we understood that our strength came from being the path of least resistance for out of market sports that weren't available on national TV. If we had the option of offering a football game that was going to be on national TV in the evening, it wouldnt matter how good the game was, no one was going to choose to listen online because it was easier to watch on TV.

If that same game was on during a weekday afternoon when most people were at work, we knew that we would get a great audience because it was easier for people stuck in their offices to listen on their PCs than it was to try to sneak out of the office and get to a TV. Offering content for which the path of least resistance was watching or listening online was a key to our building an audience.

The Path of Least Resistance is a key to why HDNet Films is offering our slate of films in a variety of day and date options.

For the couple who wants to go on a date, going to a theater is often the path of least resistance to making an easy, relatively inexpensive choice to spend the evening together.

For the family who wants to see the movie, but can't make it out of the house for whatever reason, offering it on HDNet Movies or through day and date delivery of a DVD is the path of least

resistance for them to see the movie. We feel that people will pay a premium to be able to stay at home and watch those movies, either by subscribing to HDNet, or by paying more than the traditional retail price of a DVD. It's easier to pay a premium for access to the movie than to deal with the kids screaming about not being able to go. It's this reason that we gear the movies we make to an adult audience. Enough can get out of the house to see the movie, preferably in a Landmark Theater. Enough have kids,can't get out and have disposal income, so they are more likely to order the DVD or subscribe to HDNet Movies in order to see the movies they want to see. We want to offer our movies in the path of least resistance for our target demo.

The path of least resistance is why I think Amazon.com, IPod and Google have been so successful.

I buy everything from books to electronics to toiletries on Amazon because it's easier than schlepping to the store. They show up in the mail as quickly as I am willing to pay to have them show up.

I got my Ipod, gave Itunes my credit card, and it takes me seconds to sample and download music. To the extreme that I even downloaded songs from the Wiggles so that my daughter could listen to them while I was working. It was the path of least resistance to keeping her occupied so I could get my work done.

Google one upped Yahoo a few years ago by making it simple and easy to plug in a search and get results. Yahoo made us scan through their home page to make a search and often took us to directories and other intermediaries. Google was the path of least resistance for simple searches.

TiVo has been successful because it has made it so

easy to record the shows we want to see. The show comes on, you hit a button. You decide if it's just this show, or you want to subscribe for the season. The path of least resistance for timeshifting.

In business, one of the challenges is making sure that your product is the easiest to experience and complete a sale.

I will give you another example. I buy a lot of consumer electronics. When I have a good idea whatI want, or if it's big and I don't want to have to drag it from the store, I buy through Amazon.

Other times I like to shop and kill time and see what's happening in the consumer electronics world. Two of the places I shop will let me take the product right to the checkout counter. That's easy. Another, that I used to shop at, made me tell a clerk what I wanted, who in turn went to the inventory room. I then had to go to the sales

line where they would meet me with the merchandise. Two lines. One or both was usually more than a few people deep. I don't go back there any more. It might have been easier for them, but it was slow and painful for me.

Moral of the story, make your product easier to buy than your competition, or you will find your customers buying from them, not you.

Which brings me back to <u>George Gilder</u> and a topic I think will be fascinating to watch play out.

George and others seem to think that unlimited choice is the holy grail of TV. It's not.

The reason it's not, is that it's too much work to page through an unlimited number of options. It's too much work to have to think of what it is we might like to watch. We are afraid we might miss something that we really did want to watch. Put another way, its way too hard to shop for shows in a store where the aisles are endless. Its stressful and a lot of work. Which is exactly why when we channel surf, or when we surf the net, we all end up surfing the same 10, 15,20 channels/sites over and over again. It's the path of least resistance.

It's also why websites do anything they can to game the system on search engines to get top ranking. They know that no one is going to page through the thousands of results the search returned. Users will pick from the first page or they will pick one of the sponsored ads long before they choose to browse through even a couple pages.

So when Gilder thinks we will only watch exactly what we want to watch, he is dead wrong because we don't know what we want to watch as often, if not more often than we do know.

When we get to a point that there are thousands of on demandTV choices, we won't approachTV programming guides like we do a search engine, looking for a specific target. That's too much work. The smart on demand providers will present their programming guides more like Amazon.com. or Netflix.com. Both of which do a great job of "suggestive programming."

We will get a personalized page with options that it thinks we might like based on our previous viewing decisions. Then different categories of shows, within each we will see best rated, most viewed and newest added, along with "play lists" suggested by branded guides who make recommendations. All of these simple options will make it easy for us to make a choice with some level of confidence. We won't feel like we are missing something and we will know that if we don't like the show, we can quickly go back to a point that makes it easy to find another selection.

Aaron Spelling was exactly right when he said that TV is the best alternative to boredom, future providers of on demand content will hopefully remember this when devising their user interfaces, and every business should remember it as well.

Everyone follows the path of least resistance.