

Before I get into the topic at hand, I want to first commend Google and Youtube. Just read the article "[Are Live Sports the Next Frontier for Youtube?](#)" Dang, why didn't I think of that 15 years ago ?? Oh well. And one more thing. You may be [reading today about the problems streaming Youtube and other videos over the AT&T network to an iPad](#) with 3G.

That wouldn't be a surprise if you read my blog back in January:

"Whats also big is the exclusion of flash. The reason is obvious. No flash. Far less streaming over 3G. Less streaming over 3G means less bandwidth consumed. Less bandwidth consumed means ATT can offer a GREAT price on the 3G data service. I personally have never had problems with the ATT Network. The limits on 3G streaming probably means I wont going forward either. Thats a good thing."

Sorry, couldn't resist.

There is an old saying that tends to work today and I expect will work for years to come: "Follow the money". In particular, follow where consumers spend their money on new products. It is the ultimate definition of consumer choice. In the word of consumer electronics, consumers have been, and continue to spend their money on brand spanking new HDTVs.

Consumers are adding TVs to their households. [According to Nielsen](#) the number of TVs in homes INCREASED in 2009 over the previous year, to 2.93. In addition the percentage of homes with DVRs increased to 34pct. Now what do you want to do when you buy a new big, flat screen TV ? YOU WANT TO WATCH STUFF ON IT ! No one buys an HDTV in order to ignore it.

But wait there is more. Another 35pct and quickly growing have and use VOD from their TV provider.

You know what is AMAZING about VOD ? It gives you thousands of choices and its already connected to your TV. It just works.

You don't have to buy another box. You don't have to figure out how to connect it to your TV. You don't have to stream from another device over your WIFI network and get all confused about how to pull video from the internet. It just works. That's what you want when you unbox that great big flat screen TV. You want it to work.... like a TV. Easily. Quickly.

Which is why I don't understand why so many people think that consumer choice is about having millions of videos available online to watch any time is some big deal. Consumer choice is about having the brand new device on which you just spent hundreds of dollars or more work immediately and just as you expected. It's about getting the most out of your investment in your new big screen that looks beautiful on your wall.

When you buy a car, you don't want to have to figure out how to make it work. You don't want to have to bring someone in to make sure the engine starts, or have to buy some 3rd party device so that you can go full speed or blast the stereo. When you buy that car, you want to jump in the drivers seat, smell that new car smell, be excited when you turn it on, and crank that stereo and roll down the road in your brand new car. You made your choice as a consumer. You spent your money. You want IMMEDIATE GRATIFICATION.

The same applies to big ticket consumer electronics. When you buy that new TV and get it installed on your wall or wherever in your apartment or house, you want to turn that baby on and watch your favorite show, the big fight or concert or put on your favorite video. You want it to look and sound good. It doesn't matter if you are 20 and living in a dorm or an apartment, or 65 and watching Oprah. It's a proud moment. You don't want to have to figure out which 3rd party box or streaming service you can hook up via the internet and then stream to your TV and then find out the video you are streaming looks nothing like the video they had on in the store. You don't want to tell your buddies not to bump the mouse so it stays full screen. You don't want to piss off everyone because your screen saver of your dog just came on or have to stop everything and turn your facebook alerts back off because they keep interrupting everything. You don't want to scream to your girlfriend/roomie/wife/kids in the other room to stop downloading stuff so you can watch your show without it buffering. You just want it to work.

The beauty of that TV is that you unplugged your set top box from that old piece of shit you used to have and you plugged in your new , beautiful, ready to roll HDTV and it worked great. It worked so great, that you want as much content as you can possibly get , with the best possible picture. So you started saving stuff on your DVR, or if you didn't have a DVR , you called your TV provider to pay the extra 5 bucks a month. And when you got that new set top box with the DVR, which worked when you plugged it in, you started checking out all the programs and movies they have in the VOD section.

You can save any show you want on to your DVR. You can watch any of thousands of shows , anytime day or night on your BRAND SPANKING NEW HDTV.

I just don't understand why media pundits think that people are going to want to turn those BRAND SPANKING NEW HDTVs into PC monitors watching internet quality video. It's a hassle. There is nothing that works out of the box. You have to be your own personal systems integrator and get the right box, figure out how to get content to that box over your in home internet, and then eat up your internet bandwidth in order to watch video that is dumbed down because it takes so much bandwidth. Why ?

That is not consumer choice. That is consumer hassle.

What about the future ?

The number of DVRs, HDTVs and VODs users will continue to expand every year. Every year for the next 10 years we will be discussing the future of internet video and all the great things that could possibly happen.

Remember this. The potential for video over the internet is huge..... and always will be.

The future of TV is TV. That is what consumers want. Consumers have made their choice to spend money on new HDTVs. Why ? Because they want to watch TV.