I think Im jealous. In fact I know Im jealous. I cant tell you how many meetings I sat in trying to explain the value of multimedia on the internet, in particular video and how valuable it could be to advertisers.

I used to always make the point that people go to the net for video that they cant get on TV. TV is easy to watch. Internet video isnt quite as easy. Sure, with a broadband connection, its not much work. But its more work than it is to turn on the TV.

The reality of TV viewing is that people watch the same 15 to 20 channels over and over. They arent going to sit in front of their computers and look for video to replicate the experience of sitting on the couch or laying in bed.

What we did learn at Broadcast.com, is that people will search , even if it takes some work, to find things they are passionate about that arent on TV. If you are into bridge, you will find websites with videos pertaining to bridge. If you are into Tall Ships, Collecting Coins, whatever. The beauty of the net is that you can find any and every kind of video. Its the definition of Long Tail.

And those viewers wont care if they are watching on their PC screen, a laptop screen or even an IPOD. Post it and they will find it.

We also learned that people will go to portals toexplore. People like to entertain themselves searching for suprises.Today, most people know that thenewand interesting stuff is from individuals whofind or createthem and post them.

We bought simplenet.com way back when and started developing the ability for users to upload video, simply because we knew tht it would get easier and easier to create and with some help from us, easier to upload video. Unfortunately Broadcast.com never got to implement user created video, but it has sure come out with a vengeance with Youtube, stupidvideos.com, Abum.com and others doing a great job of hostinguser generated video. Everyone seems to have their favorite video portal that they search for the things they like.

What never worked back then, and what i dont think will work today or tomorrow is recreating a TV station on the net. Its not that its technically difficult. Its not, its easy. The problem is that there are no hits on the internet. A hit being defined as appointment viewing.

Sure, there will be user generated clips that get downloaded millions of times. Then a few months later, its of no interest to anyone except some late comers. A hit is a series people come back for over and over. The closest thing to a hit i can think of are the Jib Jab videos, and theyonly come out every few months at the most.

Lost, Idol, House (one of my faves), Desperate Housewives,Bones, even my new favorite, The Loop, have millions to tens of millions who come back every week to watch a new episode, and for some shows, they happily come back to watch a repeat.

There in lies the difference between video on the net, andTV shows. On the net, the value is in the network aggregator. On tv the value is in the show.The broadcasting network is not really a big deal.

Youtube.com has tons of value because thats where people go to find the new stuff. No one goes to NBC to find the new stuff. They channel surf their channels or check out the EPG to see if there is anyhing of interest.

On standard definition networks, people go purely for the live events, movies andshows (Because of the limited number of channels, investment in a new tvand differention of presentation , research shows its far different for HD nets. Thats foranother post).

Which is a very long way of saying, that 99pct of the sites that are creating broadband “TV on the Internet”channels are making a huge mistake.

Today life is good. Sampling is good. More importantly, the money is good. In fact its great. Which is exactly why Im jealous. Build it and the advertisers will come is exactly what is going on right now. Advertisers have found multimedia on the net and they love it. They are spending every dollar they can find on any inventory they can find. There actually doesnt seem to be enough inventory for them to buy. Today.

Money is pouring in because its new ,exciting and its not a 30 second ad on TV. But have you noticed the ads on some of the broadband networks ?It took 15 seconds of waiting for videoon National Lampoons TOGA TV broadband channel before the commercials came on. As they do every time you load TOGA TV.

Then i went to MTVU, which i realize is an oncampus net first, broadband 2nd. It took about 15 seconds before a series of King Kong DVD, Nintendo and Taco bell commercials hit.

so i switched to Overdrive. 10 seconds to a traditional Pantene Shampoo commercial. Some content. Then a movie commercial came on, immediately followed by a requirement that I download a security upgrade for my Windows Media Player. Now thats going to make me happy..

Broadband TV on the Net. So far is just TV on the net. Which isnt good for those doing it.

Like every network in the regular TV world, audience size is going to matter. Thats what advertisers are paying for. Pretty soon the money wont be so easy.

It wont be long before we see happen tobroadband TV channels what we saw happen to TV audiences. Everyone is so excited about the easy advertising money tht the expansion in number of channels will dilute audience for shows. Except, instead of happening over a period of years, as has happened on regular TV, it will happen in months. Easy money has that gravitional pull to it.

That seemingly inexhaustible supply of ad money heading towards the net will all of the sudden become very discerning as to where they spend their money. Which is very bad news for broadband networks for two reasons:

1. Advertising is their only revenue source

2. It costs a lot of money to stream video content on the net. Particularly at regular TV quality of about 300kbs.

Which means that every time someone watches MTV Overdrive or TOGA TV, it costsmoney. Thats good today because they get to brag about how many people are watching and how fast they are growing, pulling that easy ad moneytheir way..

But when ad dollars slow because of competition andaudience dilution and they will, they will fall faster than the cost ofbandwidth and content costs.

Its going tocreate a very difficult balancing act:Limiting your audience size, andthe resulting bandwidth costs to match your advertising dollars over the long term that everyone seems to think thatinternet TV is going to be popular. That wont be easy.

Put another way, it would be the equivalent of a rated regular TV network having to pay for every viewer that watches. The more popular the show, the more money you have to spend. If your audience peaks before you can sell the show to advertisers, tough. Your bandwidth bill is due.

Got a great show with an audience that is doubling every day, but youcant sell as much advertising as you used to. Tough. Your bandwidth bill is due.

Personally , I dont think thats a good business.

Maybe Im not so jealous anymore.