



The three things that will make an impact in a Converging Media Universe, on the road to 2010

The information and communication technologies are revolutionising lives of countless people around the globe. The digital revolution has reached every corner of the world and people are surrounded by various forms of converged media.

The convergence between various media forms like Internet, TV, radio, newspapers, movies is taking place like never before and new platforms of content delivery are evolving. One of the most important things to have happened in this converging media universe is the online video – both content (news, entertainment, and lifestyle) and advertising (streaming).

With the explosion in broadband usage in India and around the globe, the online video has become one of the most competitive and most sought after business opportunities.

The online delivery of video content is fast becoming the most viable distribution means for companies that own content. A transient glance at the growth figures of this segment reveals a compelling story of immense potential in the coming future.

According to comScore Video Metrix, by January 2007, the number of unique video streamers and downloaders has touched 123 million. The amount of video streams is expected to reach 54 billion by 2010, according to a 2006 research report of AccuStream iMedia. Industry estimates expect the online video advertising spend to double from \$410 million in 2006 to about \$820 million in 2007.

Take a look at this: Rupert Murdoch's News Corporation and NBC Universal joined hands on March 22 to launch a YouTube style online video site that will offer full-length television programmes, movies and user-generated videos. Both the companies have agreed to put their video content on the Web in order to create a syndication service that will distribute it to other websites. The videos will also be placed on their new website which will be unveiled shortly.

The proposed site will have unrivaled reach as MySpace, Yahoo, MSN, and AOL have signed on as the distribution partners for its videos. This gives the proposed venture access to 96 per cent of the monthly unique users on the Internet (US) who visit these sites. It would be interesting to note here that according to Strategy Analytics, the number of Internet video users in US alone will reach 157 million by 2010.

The streaming video market in India is still emerging with mostly news websites (NDTV.com, IbnLive.com, Indiatimes.com) providing live streaming of television news as well as recorded news related shows. But there is immense growth potential of online videos (both content and advertising) in India as a result of rapidly increasing broadband users.

The second most important development that would have the maximum impact on the converging media environment in the future is User Generated Content (UGC) in a collaborative Web 2.0 environment.

The emergence of Web 2.0 has transformed the Internet landscape. This technology has enabled Internet users to engage in a two-way collaborative platform with an amazing array of web services like tagging, blogging, vodcasting, podcasting, and social networking among others.

Internet users today are contributing and creating a wide variety of content that range from information (www.wikipedia.org, www.blogspot.com, www.wordpress.com, www.livejournal.com), pictures (www.flickr.com), videos

(www.muvee.com), to personal information and social networking (www.myspace.com, www.orkut.com, www.bigadda.com).

According to a research report by In-Sat, worldwide revenue from UGC content will increase from \$80 million in 2006 to \$1.6 billion in 2011.

The new Web has changed the way people use the Internet and consume information. For instance, news portals like NDTV.com and Hindustantimes.com provide users with a "My News/Space" page where readers can select the news they want and create their own customized page.

Skeptics have raised questions about the business potential of this collaborative platform. But that has not dented the enthusiasm of Web 2.0 fans. The new Web 2.0 application like blogs is increasingly used by big corporations like Nike, Ford to market their products.

Apart from its popularity among Internet users, the Web 2.0 concept has also attracted young entrepreneurs to launch new and innovative services. According to *The Guidewire Report* more than 1500 Web 2.0 companies came up in Silicon Valley in 2006. The numbers are expected to rise in coming years.

The most notable business value of Web 2.0 technology lies in the fact that it is easy to set up and use. This will drive its future growth. The UGC on sites like YouTube and MySpace will become more popular and generate greater revenues. According to an In-Stat report, these sites will register over 65 billion downloads/pageviews by 2010. Estimates also suggest that the UGC videos will fetch revenues to the tune of \$850 million by that period.

The new Web has also democratized the online news media. Now the Internet users who visit such sites can express their opinion on various news stories, rate the content on the site, vote for their favourite stories and videos, and also post their own write-ups (Hot Debates section on NDTV.com lets users to submit their own articles on contemporary issues).

The Web 2.0 phenomenon is not limited to only the Internet. A large number of UGC sites support mobile access, while the others are trying to catch up. This has been made possible by latest mobile communication technologies.

This brings us to the third most important development that would impact the media universe. It can be called convergence in true sense. Media organisations in the content business are now increasingly looking to optimize it across platforms such as Internet, mobile, radio, MP3 players, newspapers, TV, and IPTV.

The availability of content on these cross-media platforms gives the users an opportunity to access content, communicate and modify it from anywhere.

As the cross-media content involves more than one platform, one of the challenges for the media organisations is to convert and optimize the content for these platforms. The rise of cross-media content in the market has transformed the media organizations from just content providers to multimedia content providers.

The cross-media content market is ripe for phenomenal growth in the coming years and the media organisations will have to invent new business models and content formats to be on the top.



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