

Sezmi offers a new kind of TV service

November 17 2009, By Troy Wolverton

Sezmi, a Silicon Valley startup that's pioneering a new type of TV service, is opening up a public test of its system Monday in California.

Consumers in the San Francisco area and Los Angeles who are accepted into the program will be able to test out Sezmi's service for free for about three months.

In Los Angeles, Sezmi's service will offer [cable TV](#) channels such as the Comedy Channel, TNT and [CNN](#); Internet video from such sites as YouTube; 6,000 on-demand movies and television shows, as well as local broadcast channels. In the Bay Area, Sezmi won't be offering cable programming -- at least not initially -- but will include everything else.

After the three-month trial period, Belmont-based Sezmi will begin charging customers who continue to use the service. But the subscription rates will be considerably lower than those charged by cable and satellite operators for similar services.

"There's a lot of frustration among people," said Buno Pati, Sezmi's CEO. "They feel like they're paying a lot of money and getting an antiquated experience."

Sezmi's service differs from those of traditional pay-television operators. Its customers get local broadcast channels via the public airwaves. But the company also relies on those airwaves, via deals with local broadcasters, to send pay-TV channels to its customers. It also plans to send on-demand and Internet programming to consumers via customers'

broadband connections.

The company, whose service has been long in development, is also getting a boost from investors. It says it recently raised \$25 million in a third round of venture funding from previous investors such as Morgenthaler Ventures, Omni Capital and TD Fund and a new, unnamed, "strategic" investor.

Sezmi's service includes a sophisticated antenna system designed to tune in sometimes finicky digital television signals and a DVR with 1-terabyte of storage space -- good enough to store about 1,000 hours of programming, Sezmi says.

The service is designed to be customized for individual members of a particular household. Customers can personalize the "home" screen they see when they log in. More important, Sezmi's service will record a particular list of programs for each user.

The test that starts Monday is focused on Los Angeles. The company plans to allow anyone from Los Angeles who meets certain requirements to participate. Those requirements include having a broadband connection and being able to get decent digital television reception. About 80 to 85 percent of the L.A. area should meet that latter requirement, company officials said.

Sezmi plans a more limited test program in the Bay Area. Company officials did not say how many people will participate in the Bay Area or how it will select participants. Interested people can apply through the company's Web site at www.sezmi.com.

Following the free test period, Sezmi plans to charge consumers \$4.99 a month for its service, which doesn't include the pay-TV channels. For its package that includes those channels, it plans to charge \$24.99.

In contrast, Comcast charges \$15 or more a month for its limited basic cable service, which provides only local broadcast stations and does not include a DVR or on-demand programming.

Satellite and [television](#) operators typically charge \$45 or more for packages that include basic cable stations.

However, unlike the typical satellite- or cable-TV customer, consumers who plan to continue using the Sezmi service will have to buy its set-top box and antenna. Sezmi plans to charge new customers who sign up after the trial period \$300 for the equipment.

It plans to offer a discount to consumers who participate in the trial.

The company has already signed deals with partners in the retail and broadband industries that could eventually lower the price that consumers pay for its equipment, bringing it more in line with those charged by rival providers, Sezmi officials said.

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