

Pay-TV providers take battle to tech companies

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The pay-television industry, under growing threat from the Internet, disclosed plans to prevent technology companies from luring away its customers.

Cisco Systems Inc. showcased a new cable TV set-top box at the [Consumer Electronics Show](#) in Las Vegas that would marry Web video with traditional TV programming.

The device, unveiled Wednesday, would help cable operators maintain their lock on the living room amid mounting competition from companies whose devices or Internet-based services would allow consumers to "cut the cord" on their cable subscriptions in favor of watching TV online.

Meanwhile, Comcast Corp., the nation's largest cable operator, said it planned to stream TV programming to Apple Inc.'s [iPad](#) and other tablet computers powered by Google Inc.'s Android software in a bid to maintain ties with subscribers as they migrate to viewing on tablets and mobile phones.

Comcast's plan is a step to adapt its services to the future of television, when experts predict that viewers will untether themselves from the living room TV - and network schedules - to watch programs on portable devices. For now, at least, Comcast's [streaming service](#) falls short of full portability because of licensing issues that limit viewing to the home. Similarly, the proliferation of Internet-connected TVs may flood the

market before Cisco's comprehensive TV platform reaches homes.

"The pay-TV industry is asserting itself - belatedly, but asserting itself," said Will Richmond, an online video analyst with VideoNuze. "What they've clearly seen is that consumers love online-delivered video. The industry needs to persuade consumers that online video is not an either/or proposition with pay TV, but rather supplemental."

The announcements come as evidence mounts that consumers are adopting new TV-viewing methods.

Roku Inc., a maker of Internet-connected devices that deliver programming to the TV via the Web, said its customers watch 11 hours a week - slightly less than one-third the total number of hours watched in the typical home, according to Nielsen Co. Roku's 1 million users have access to movies and TV shows via services including Netflix, Amazon and Hulu Plus, as well as sports highlights through the sports sites of Major League Baseball and the National Basketball Association.

"That's a quarter of the video a person watches a day," Forrester Research analyst James McQuivey said. "That means one-quarter of cable-provider views - and ads - aren't being watched because people are watching Netflix on Roku."

Against this backdrop, Cisco Chief Executive John Chambers talked about the future of TV and how the company that is best known for creating the hardware that connects computers to the Internet and to one another has created a new technology for managing video across devices.

In a demonstration, Chambers and an associate showed how a viewer could search the programming schedule for an NBA game on the TV or, alternatively, watch behind-the-scenes footage of the league's all-star game from the Web, or amateur footage of co-workers playing a pickup

game that had been uploaded to a social networking site. The same content was simultaneously available on a Motorola Android phone and an Apple iPad.

The aim, Chambers said, is to allow "service providers" such as cable, satellite and telecommunications companies to "stay close to their customers."

The Cisco set-top box technology could potentially position [cable operators](#) to compete with Google Inc.'s [Google TV](#) software, which not only marries the Web and TV but also incorporates sophisticated navigation through search functions.

The Cisco box amounts to a technological hedge against Internet-capable TVs such as LG's Smart TV, introduced at the show, which run on a series of iPhone-inspired apps that let viewers access on-demand video, social networking sites and other Web content. Consumers who buy an Internet-capable TV would not require a separate set-top box from the cable company to watch online video.

For now, Comcast's iPad-streaming offering will be available only in the home. But the Philadelphia-based cable giant also announced plans to offer 3,000 hours of on-demand content including movies and HBO and Showtime programs on the iPad that could be viewed at any location, through Comcast's Xfinity TV application.

"Live streaming and the play-now feature on our Xfinity TV app are two important pieces of our strategy to deliver any content to any device, any time," Comcast Chief Executive Brian Roberts said in a statement.

"Comcast has a series of upcoming online enhancements and app releases that are part of a much larger effort to reinvent how customers interact with their entertainment on TV, online and on mobile devices."

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