

# Industry kingpins predict stunning growth in online video

April 24 2012, by Robert MacPherson

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A man surfs the web on his laptop. Consumer demand and technological change will drive stunning growth in online video for years to come, so long as Internet access is widely available to all, a Senate committee heard Tuesday.

Consumer demand and technological change will drive stunning growth in online video for years to come, so long as Internet access is widely available to all, a Senate committee heard Tuesday.

"Online [video](#) is just beginning," Barry Diller, at 70 still a titan of the US entertainment industry, testified before the Senate's commerce, science and transportation committee.

"In the end, there is no stopping technical innovation," said Diller, who foresaw the rise of "many new competitors" and more consumer choice

that would both enrich American culture and advance the economy.

"It is the promise of a la carte programming that is, I think, the greatest opportunity there is," he said.

But he urged Congress to ensure that "the rules of the game favor entry and innovation" and not the [financial interests](#) of "incumbents" -- his code word for cable, telephone and satellite providers keen to guard profitable turf.

Diller -- a former [Hollywood studio](#) and television boss who now oversees Aereo, which relays local TV channels to Internet viewers for a monthly fee -- also lamented the relatively poor state of the US broadband network.

"We cannot compete in the world with the 16th or 18th best [communications infrastructure](#)," he said.

Committee chairman Jay Rockefeller, a Democrat from rural West Virginia, convened the hearing -- the first of its kind on Capitol Hill, he said -- to reflect on how online video might lead to better content for less cost.

Susan Whiting, vice chair of television ratings organization Nielsen, said Americans on average watch five hours of video a day -- most of it still in real time on traditional television sets.

But with the number of Americans with Internet access doubling since 2000, and video now available on smartphones and tablets, Whiting said more and more viewing is taking place on both computers and mobile devices.

"Consumers watch their favorite content on the best screen available at

that moment -- and they watch from more locations, and on more devices, than ever before," she explained.

Microsoft's vice president for media and entertainment, Blair Westlake, cited the software giant's Xbox evolution from a gaming console to a video entertainment hub as an example of how fast technology is changing.

"I think we are only in the early innings of the beneficial changes that consumers have yet to see and experience," said Westlake, who predicted "more change in the next 18 months ... than we did in the past five years."

But he stressed that universal access to high-speed broadband was "the single most important issue shaping the future of video."

Paul Misener, vice president for global public policy at Amazon.com, the online bookseller that now also offers streaming video, said consumers were in the driver's seat when it came to establishing new ways to watch video.

"They are on the move, and thus they want access to digital video not just anytime, but also anywhere," he said, brandishing one of Amazon's popular Kindle Fire tablets.

But "this assumes the Internet will remain a non-discriminatory, open platform," he said, urging "vigilance" against "immutable or unrealistically priced" ceilings on how much data subscribers can download.

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