

## Colin Dixon

---

**From:** Michael Greeson [greeson@tdgresearch.com]  
**Sent:** Friday, September 30, 2005 10:16 AM  
**To:** 'Colin Dixon'  
**Subject:** FW: A TDG Opinion: UPN Breaks Ranks with Web Sitcom Debut

Here you go.

---

Michael Greeson  
President, Principal Analyst  
The Diffusion Group  
[www.tdgresearch.com](http://www.tdgresearch.com)  
(o) 972.731.2553  
(c) 469.667.5558

---

**From:** The Diffusion Group [mailto:updates@tdgresearch.com]  
**Sent:** Thursday, September 29, 2005 10:41 AM  
**To:** greeson@tdgresearch.com  
**Subject:** A TDG Opinion: UPN Breaks Ranks with Web Sitcom Debut



**A TDG Opinion: UPN Breaks Ranks with Web Sitcom Debut**  
[Colin Dixon](#), Consulting Analyst

With the web release of "Everybody Hates Chris" through Google Video, UPN has made a major break from traditional broadcasters who have so far eschewed the medium. UPN will make the show available to web users until the next episode is broadcast nationally. This is doubly amazing since UPN is doing this without the support of advertisers.

UPN's move follows on the heels of the BBC's decision to premiere several new comedy shows on its website, where viewers will use a proprietary BBC Media Player to enjoy on-demand access. The BBC has long provided on-demand access to rebroadcasts of its radio programs on a rolling 7-day window, but this is the first time the BBC will show TV programs in advance of regular television broadcasts.

### The Details

"Everybody Hates Chris" will be available through Google in three resolutions,

all of which can be viewed using an embedded Macromedia player. The show is provided as a progressive download - as soon as a few seconds of the show are downloaded to the PC, the viewer can start watching the program while the rest of the show continues to download.

Watching at the highest resolution (estimated to be somewhere between 300-400 Kbps) on a 4-Mbps cable modem connection, I found the picture quality to be acceptable although there was significant macro-blocking and, at times, the sound seemed a little ahead of the picture. That said, the stream never stalled completely and, in general, I enjoyed watching the show. Moreover, I am strongly considering setting my PVR up to catch it next week. Of course, if I miss a show, I can always catch the rerun on Google.

### **The Logic**

So why is UPN choosing this moment to break with the ranks and leap into the Wild West of web video? With broadband penetration reaching 36% of North American households, there is now a sizable population that can watch reasonable quality video at close to on-demand speeds. The population using broadband skews younger, affluent and with a strong pro-technology bias: a highly desirable demographic for TV programmers and advertisers.

UPN is widely considered to be fairly experimental as a broadcaster, constantly throwing new content at the wall to see what sticks. As such, it is not surprising that UPN is eager to experiment with the web in the hope of adding viewers. And given that the web viewing experience is at best okay, it is likely that people watching the web show will be driven to the broadcast channel, thus potentially increasing the value of the advertising on its traditional networks. In other words, UPN views this new-media outlet as a driver for broadcast viewership (a means to an end, if you will, as opposed to an end in itself).

### **The Implications**

The moves by UPN, the BBC, and many other broadcasters prove what much of the industry already knows: that broadband and web infrastructures are now capable of delivering a high-quality video experience to households around the world, not just those served by particular broadcast networks. Web video is moving beyond the grainy images, faltering connections, and postage-stamp screens, and will increasingly challenge the accepted norms of television and movies and will start to drive the agendas of such critical issues as release windows, regional restrictions, and scheduling.

More importantly, however, these announcements should serve as a wake up call to multi-system operators and traditional broadcasters. The days of Comcast, Sky and the like maintaining a closed world of content are coming to an end. Disaggregation has long been a debate which MSOs and content providers have largely ignored since it served neither of their interests. The broadband delivery model, along with hundreds of thousands of non-traditional content providers, will change all that. Legacy content providers will have to compete for viewers alongside new distribution channels that leverage more efficient delivery technologies.

For traditional broadcasters and payTV network operators, tapping into new

media opportunities is no longer a choice - it is now a matter of more practical concerns, such as determining which content is best suited for web distribution and how to go about monetizing this new channel. Today's TV operators need to figure out how to bring this tidal wave of new content to their subscribers or risk losing them to new media portals such as Yahoo and Google.

Yes, new media is for real. Question is: are you ready for it?

---

### **About The Diffusion Group (TDG Research)**

The Diffusion Group is a consumer technology research and strategic marketing firm focused on the connected consumer and new media. Our mission is simple: to provide timely, actionable intelligence designed to best position new consumer technologies for rapid diffusion. TDG is committed to providing market research and strategic consulting services based on conservative, real-world analysis and market forecasts grounded in consumer research. For more information about The Diffusion Group, visit our website at [www.tdgresearch.com](http://www.tdgresearch.com).

#### **Media Contact**

Andy Tarczon  
[andy@thediffusiongroup.com](mailto:andy@thediffusiongroup.com)  
972.731.2553

#### **Sales Contact:**

Doug Carroll  
[doug@tdgresearch.com](mailto:doug@tdgresearch.com)  
972.731.2553

To no longer receive information from us [click here](#), or reply to this message with the word remove as the subject of the message. And please feel free to tell us why.

Address : 5800 Granite Parkway Suite 300 City: Plano St: Texas Zip: 75024