Setting the Bar for Online Video 2.0: Best Practices You Can Use Today
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3 Disruptions of Broadband Video

1. Established video providers can go “direct-to-consumer”
   - “Cable bypass” – 1st time to get video directly to audience
   - New economics based on retail, not wholesale model

2. New broadband video distributors can establish value
   - Define new services that are aligned with consumer behaviors
   - Change “basis of competition” among market participants

3. New video-focused market entrants can emerge
   - Numerous types of companies enter video market
   - New broadband/online-centric economics
2. Broadband Enables **New Video Distributors**

![Diagram showing the flow of money and distribution through producers and rights holders, cable TV networks, broadcast TV networks & stations, broadband video distributors, advertisers, and consumers.](image)

Source: Broadband Directions LLC

- **Producers and Rights Holders**
- **Cable TV Networks**
- **Broadcast TV Networks & Stations**
- **Retail Distributors** (cable TV or satellite)
- **Advertisers**
- **Consumers**

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3. Broadband Enables New Video Providers

Advertisers

Consumers

New Video Providers (startups, in-clip and non-video media on broadband)

Producers and Rights Holders

Cable TV Networks

Broadcast TV Networks & Stations

Broadband Video Distributors

Retail Distributors (Cable TV or Satellite)

Questions

Speaker Bios

Future Video Distribution Value Chain?

All Video Providers

Broadband Video Distributors

Advertisers

Consumers

Sponsored Web Event

Live Streaming Audio

PermissionTV
4 Key Trends to Watch

1. Dominance of ad-supported business model
2. Explosion of consumer video choices
3. Brand marketers as content creators
4. Video syndication and indie/user-driven distribution

1. Dominance of Ad-Supported Business Model

- Near consensus around ad-supported business model
- Media companies know advertising model
- TV ad-skipping and audience fragmentation
- Consumers love free
- Online advertising booming
- Short form dominates
- Delivery quality matters less when consumer not paying
2. Explosion of Consumer Video Choices

<table>
<thead>
<tr>
<th>Type of video producer</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadcast networks</td>
<td>ABC, CBS, FOX, NBC</td>
</tr>
<tr>
<td>Local TV stations</td>
<td>Tribune, Gannett, Hearst-Argyle, Belo</td>
</tr>
<tr>
<td>Cable TV networks</td>
<td>MTV, ESPN, CNN, USA, Discovery</td>
</tr>
<tr>
<td>Film studios</td>
<td>Paramount, MGM, Universal</td>
</tr>
<tr>
<td>Online publishers</td>
<td>CNET, Edmunds</td>
</tr>
<tr>
<td>Portals</td>
<td>AOL, MSN, Yahoo</td>
</tr>
<tr>
<td>Newspapers</td>
<td>NYTimes.com, WSJ.com, USAToday.com</td>
</tr>
<tr>
<td>Magazines</td>
<td>Forbes, FastCompany.tv, CondeNet</td>
</tr>
<tr>
<td>Independent video producers</td>
<td>Next New Networks, Vuguru, TMZ, Turn Here, IMG, Revision3</td>
</tr>
<tr>
<td>User-generated video</td>
<td>YouTube</td>
</tr>
<tr>
<td>Brand marketers</td>
<td>Kraft, Heinz, J&amp;J, CIT Financial, AMEX</td>
</tr>
</tbody>
</table>

What’s Driving Video Proliferation?

- Costs to produce plummeting
- Minimum quality bar is lower
- Distribution options opening up
- Online economics favor niche approaches
3. Brand Marketers as Content Creators

- Brand marketers making unprecedented forays into content creation
- Key motivator is improved engagement
- Moving beyond 15 and 30 second TV ads to reach audiences
- Initiatives fall into 2 main buckets: original entertainment/information videos and UGC contests

4. Video Syndication and Indie/User-Driven Distribution

- Shift from destination to syndication
- More important to reach eyeballs than to aggregate them
- Social networks and video platforms playing huge role
- Indie producers and users drive new distribution forms

#1. Video 2.0 experiences are permission-based

Viewers decide when to tune in, the content they view and the duration of engagement.