

US regulator sees Digital TV light

US politicians and regulators have long followed the same line as their counterparts in Australia and concentrated on advocating the 'better picture' qualities of digital TV. By putting these blinkers on they were able to treat digital TV like any other broadcasting, to the advantage of the powerful media incumbents.

The first cracks in this short-sighted approach are now clearly appearing in the US. The focus is moving away from 'nicer pictures' to interactive services. Broadcasters, who are just beginning to offer higher quality digital television, are struggling to attract customers based on picture quality alone. We have always maintained that digital TV will be the second interactive platform, next to the Internet – digital TV would be able to find its place in interactive entertainment, while the Internet used on a PC would be more suited to information, education, research and personal services.

Going digital offers broadcasters unprecedented opportunities far beyond better pictures. These include: extra channels; customised news; family games etc. For example, the technology enables people watching a favourite show to click an icon on digital TV sets (or PCs that can receive digital television) and obtain information on the actors, writers and past episodes. These new services and broadcasting concepts would, however, involve far-reaching changes within the operational culture of the broadcasters. Currently these companies are totally focussed on their customers – the advertisers. They will have to change this attitude and become much more involved in what viewers want. They will have to look for new opportunities to make money. For instance, a viewer watching a music video could click on an on-screen icon and buy the CD. Experts say stations would get a piece of the money from these sales, or stations could share the revenues from ads that accompany online services.

Federal Communications Commission (FCC) Chairman Bill Kennard has endorsed the new view as to what might drive digital TV – he agrees it amounts to more than giving viewers pretty pictures.

I think data is going to be the killer application for digital TV. Just as the jet engine revolutionised air travel, I think that when the broadcast airwaves go digital, it's going to revolutionise television in America.

Digital television will afford unprecedented opportunities to create new content, customise it and re-express it in new formats – that is, if governments provide the right environment to allow these developments to occur. This unfortunately is not the case in Australia, where the government intends to legislate that broadcasting be divorced from interactive service.

Paul Budde

The Broadcasters' Digital Dance

Apropos my submission to the Productivity Commission, reported above, it is interesting to read the following comment which was published in a recent SkyReport.

Remember when the broadcasters (in the US) were lobbying for all that free digital spectrum? And got just what they wanted in exchange for promises to use the spectrum for high-definition video?

Well, here we are just a few years later and the promises are beginning to look as empty as the FCC's Canard (no, it's not a mis-spelling) with his promises of competitive parity. The big NAB conference in Las Vegas was dominated by such speakers as Oracle Chairman Larry Ellison and Sony's Howard Stringer touting their data services, while IBM, Oracle and Sun Microsystems filled booths with their hard- and software offerings.

Said the Yankee Group of it all, "We ... expect to see the networks take a closer look at data broadcasting as a new service with the potential to link their core business in delivering TV programs with newer investments in Internet content and commerce."

Now is anyone out there (aside from those inside-the-Beltway whizzes who claimed to actually believe the broadcasters) really surprised?