



Prelude to IBC: Hot Trends from Tel Aviv

Last week, I accepted an invitation to attend a media delegation hosted by the Israeli Export and International Cooperation Institute in conjunction with the Ministry of Trade. The goal was to present Israel's new media efforts as technology represents about 25% of their \$8 billion in exports. Through a whirlwind three days in blistering hot and humid Tel Aviv, I met with 20 companies all representing certain aspects of the new media industry. Some were pertaining to the markets TDG examines; others, not so much.

Overall, it confirmed many of the themes we study and gained fresh insights into this evolving business of television. With that in mind, here are a couple quick trends I gathered and ones you might want to watch out for, especially if you are heading to IBC next week.

At the TV: Social Networking is a Tool, Not an App.

I've long joked that Twitter is the Macarena of social media, a tool whose 15 minutes has come and gone. But for the past year or so, there has been a rush to put both Twitter and Facebook on the TV. Look at Verizon FiOS' widgets and XBOX's NXE (New XBOX Experience) as examples. Successful? No. In over three years of TDG's primary research, consumers continually rank social media applications as least desirable feature on the TV (oddly, the exception is that it does have a higher value among HDTV intenders – so manufacturers may be adding these features knowing full well they won't be highly utilized).

That does not mean, however, that social media has no value. Quite the contrary. The power of social media is best applied not for direct interaction and updates, but for the power of content discovery and recommendation. Simply, we trust our friends' opinions. My conversations confirmed that many companies are embracing this difference and looking to leverage the power of the people into the video experience. The best example was Orca Interactive, maker of the COMPASS content discovery engine for IPTV. We'll be talking more about COMPASS and the impact of social media and service providers at [next week's webinar](#).

New Advertising Models

Television is changing. Advertising is changing too. DVRs lead to ad skipping and advertisers are looking for new ways to extend their message. In monetization terms, money is what matters most to the business of TV, and every company I spoke with had some take on new ad models. Two examples popped out as interesting efforts. The first was [SeamBI](#), a company that is inserting product sponsorship into various syndicated shows such as *How I Met Your Mother* and *My Name is Earl*. Currently run as an outsourced service, SeamBI's strength is in the tools they've built to make product placement drop dead simple and able to be run by average people, not professional

designers. SeamBi plans on selling these tools directly to the broadcasters. NOTE: Product placement is not legal in Israel and is just now being legalized throughout Europe.

The second company was [JustAd.tv](#). They are implementing a new model of advertising on top of VOD. Think advanced advertising ([SCTE 130](#)) with some twists. We can talk about pause ads, telescoping ads, etc. all day, but it is worth five minutes to go examine the examples the JustAd team has built on their site. Check it out, you can take control of the remote and see how advertising models could work on VOD.

The Oddball: Cameras in Your Television? Really?

Still somewhat surprising, at least to this observer, is the desire for various players to embed a camera within the TV. It is partly video conference (think Cisco's desire to launch a consumer telepresence unit and the rumored efforts to acquire Skype) and partly gesture / motion control (think XBOX Kinect). I had the chance to meet with PrimeSense, the company who created the technology behind Kinect and get hands on with the latest games, etc. (Admittedly a highlight to my trip.) It is just cool to have such control of the experience, but any such technology needs a great usage case - something that isn't quite there yet. We'll see what develops.

In addition, I met with a startup called Wavebreak, who is coming at the market from the perspective of improving our woefully inadequate ratings system and integrating new apps for CE manufacturers. Imagine giving advertisers the ability to not only know who is in the room, but how much attention is being given the ads on the screen. While this is a holy grail to advertisers, I truly question how much the rating systems want this level of detail.

Beyond VOD

The ultimate intersection of interactivity and on-demand content is seen in gaming on demand. I met with Playcast, a company turning STBs into game consoles. The concept is simple, the user pays about \$10 per month and has unlimited access to a library of popular PC games converted to run from network servers directly to the set top box using a USB game controller. The user experience is only slightly distinguishable from a live console. Playcast has raised almost \$5 million to date and expects to be adding more soon. While they are targeting the service provider market, I can't wait to see how these game models will play out over connected CE devices. Unfortunately, my ROKU box does not have a USB port to plug in a controller or I'd be all over this one. The best part of Playcast, the fact that our meeting was interrupted by a 5 year old "QA tester" kicking us out so he could play. Game on, little buddy! Game on.

Posted by [TDG Research](#), on July 29th, 2010, written by Andy Tarczon.

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