

Press Release



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TDG Releases New White Paper on the Threats and Opportunities of Online Video for PayTV Operators

Dallas, TX (May 20, 2009) – According to a new white paper from The Diffusion Group, the nation's leading research advisory for the broadband media ecosystem, PayTV operators such as cable and satellite companies must work aggressively to both protect against emerging Over-the-Top TV providers and leverage their extensive content relationships and entertainment-oriented brands to establish a strong online presence...and soon.

With the proliferation of ancillary TV platforms including game consoles, digital video recorders (DVRs), and Blu-ray players, the PayTV set-top box is no longer the only platform connected to the TV. It was just a matter of time before web-based video aggregators and distributors turned their attention to the TV set. As TDG first predicted in 2004, 2010 would be the year web-to-TV video would reach mainstream media platforms.

Colin Dixon, senior analyst with The Diffusion Group and author of the white paper, offers two perspective regarding PayTV operators and online video, covering both the defensive and offensive strategies. In terms of defensive challenges, Dixon points to the nascent but growing threat from OTT video services. "TDG's research has found that more than half of adult Internet users are interested in an over-the-top broadband TV service," notes Dixon. "Some intend to use it as a supplement to their existing PayTV service – to rent or buy movies, for example – while others are willing to forgo their current PayTV service altogether in order to receive an alternate TV service that better meets their needs at a more reasonable price."

Dixon next focuses on offensive strategies, specifically the need for incumbent PayTV operators to establish their own branded online video properties through which their unique collection of content can be distributed to online viewers. "Most PayTV operators have simply sat back and let the broadcast networks and independent aggregators assume online leadership roles, preferring instead to stay on the sidelines as their raison d'être was usurped by others more in tune with the evolution of online video. In order to continue their legacy as "the" venue for consumer video services, incumbent PayTV operators must step up to the plate and now."

This bilateral strategy is discussed at greater lengths in TDG's latest report, [*PayTV Service Providers and Online Video Delivery: How Soon is Now?*](#), available for purchase at [TDG's website](#).

About TDG

TDG is an intelligence innovator focused on the broadband video ecosystem, offering market planning and research services to keep our clients In Front of the Curve.™ Since 2004, TDG has helped more than 250 technology leaders, media companies, and service providers to master the quantum shifts impacting how consumers access, navigate, distribute, and consume broadband media - whenever and wherever they may be.