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## **TDG – Cable Networks and Broadcasters Expanding Online Video Efforts, Straining Long-Standing Relationships with Operators**

*New Report Suggests “Anytime, Anywhere” Will Come at the Cost of Old Relationships*

Dallas, TX (June 11, 2009) – According to new research from The Diffusion Group, the nation’s leading research advisory for the broadband video ecosystem, cable networks are becoming much more active in regards to online video distribution strategies, even at the cost of straining relationships with their PayTV operator partners. This and other themes are discussed in TDG’s latest digital media analysis, [Online Video Strategies for Content Providers – Reflections and Recommendations](#).

“Cable networks have libraries filled with high-demand video content, but in many cases the content can only be enjoyed via PayTV outlets such as cable, satellite, and telco-TV operators. Such is the nature of the licensing agreements now in place,” notes Colin Dixon, senior partner and director of TDG’s broadband media practice. “It is important that, as these carriage agreements are renegotiated, content studios assert their right to establish a credible branded video presence in these emerging conduits, independent of traditional TV operators.”

Dixon notes that, given the amount of money content networks generate from licensing content to PayTV operators, they have been reluctant to push too hard for risk of upsetting this long-standing and mutually beneficial relationship. However, new technologies and shifting consumer behavior are causing content purveyors to reevaluate the importance of these relationships. “If Disney can work with Hulu or even go direct via its own web properties, the value they attribute to a Comcast relationship is lessened. Now imagine how these relationships will be when broadband reaches the TV....”

But PayTV operators are not resting on their laurels. As report author and contributing analyst with TDG, Pam Allison, notes, “Powerful PayTV operators such as Comcast and Time Warner Cable are launching initiatives such as ‘TV Everywhere’ for several reasons, one of which is to offer cable content online to operator-owned portals that can only be accessed by their PayTV subscribers. At the same time, powerful TV brands such as ESPN and MTV have no problem ruffling the feathers of these incumbent operators. Many major content developers are creating their own online video outlets and partnering with other online aggregators for distribution. The tension between content owners and distributors is mounting.”

TDG’s new report, [Online Video Strategies for Content Providers – Reflections and Recommendations](#), evaluates online video strategies of the top four broadcast networks and a litany of cable networks and online video aggregators, ranging from Comcast’s Fancast to Hulu to imdb to TV.com. It also identifies key strategic assumptions and business models for each entity and identifies core technologies in use. The new report also discusses the weakening relationships between incumbent PayTV operators and cable and broadcast networks, as well as the impact of alternative distribution schemes including Over-the-Top video delivery. Finally, TDG offers an extensive set of reflections and recommendations on subjects that all content creators and owners must know about succeeding in the world of online video.

### **About TDG:**

TDG is the leading voice in the digital video ecosystem providing 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.