

The Future of Cable TV, Part 4: Google TV

The ability to surf the Internet from the TV screen has been promised for several years. Have we finally reached the Promised Land?

By Chris Acker ■ *RealPage Inc.*

How can one-way providers of linear programming, such as DIRECTV and Dish Network, evolve with their competitors? For Dish Network, the answer appears to be Google TV. Google, along with partners Sony, Intel, Dish Network and others, recently launched Google TV, asking, “If the Web is so smart, and our TVs are so fun to watch, why do we have to choose? Why can’t they work together?”

Google is raising the television experience to the hectic level of today’s multitasking. Rather than using multiple devices, a viewer can search the Internet on the television screen while watching a program or multiple programs. Instead of keeping a laptop, an iPad or a smart phone available to text, tweet, answer e-mail or use Facebook, he or she can do all these tasks from the television screen using Google TV. (How well the social experience of TV will mesh with the individual experience of Facebook or e-mail is still uncertain.) Google TV will permit a Dish Network subscriber to have a TV home page, enhanced menu and search functions and a much improved DVR experience.

However, Google’s long-term vision involves more than just bringing the Web to the television screen. Google TV’s Dual View feature, which allows a user to watch TV in an inset window while using the full screen for Web applications, hints at what is still to come. Dual View enables a product that Google hopes will be more than the sum of its parts.

For now, Google TV will be delivered

mainly through an additional set-top box and keyboard from Logitech. Sony has integrated Google TV into some televisions and Blu-ray players powered by Google’s Android software and Chrome browser. The interaction with Android-based mobile phones increases almost every day. In the near future, Dish Network also plans to integrate Google TV with its own set-top boxes.

PROGRAMMING IS THE ISSUE

Google, Apple, and TV Everywhere providers have all struggled to gain access to programming. However, the traditional model of paying for programming with advertising is now being attacked on multiple fronts. Being paid for programming, while making sure the content is protected, is vital to programmers. Keeping content safe from online piracy is another important issue. So far, these issues have prevented Google from working out programming deals with ABC, CBS and NBC – which could limit its success in the short term.

We believe the future of cable television is access to programming on demand, on multiple platforms, via a discounted, bundled purchase of content rights. Consumers want to be able to watch the shows they want, whenever they want, on whatever devices they want and to pay one discounted

fee for the programming. Google TV’s success will hinge on its ability to offer on-demand, multiplatform access to the programming purchased through Dish Network. Consequently, the big question remains: Will the Google-Dish partnership offer a compelling TV Everywhere product?

Google TV cannot do that today. But, in fairness, neither can anyone else. TV Everywhere is still in its early stages, with multiple providers working to make it a reality.

Cable television and the Internet will become increasingly interdependent. Consumers will view over the Internet programming that, until recently, has been delivered via cable television. In the transition, one of the primary uses of the Internet may be viewing content acquired from the cable television provider. This raises a host of additional questions: How does net neutrality affect TV Everywhere? Will it be possible to purchase cable television only through the Internet (so-called Internet simulcast)? If so, will we still need a cable or satellite company for more than the broadband connection and the content purchase?

Next month, we will look at some online TV streaming service providers, such as ivi TV, that believe we no longer need cable or satellite providers. Stay tuned. **BBP**

About the Author

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