

Chapter 13

Disruptions in the IDM Marketplace: Time-Shifted TV

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ABSTRACT

The proliferation of digital video content and the diffusion of broadband Internet networks have resulted in the growth of online video and video on demand as forms of time-shifted television. This chapter examines time-shifted-television as a disruptive influence to traditional broadcast television. The conceptual framework of syndicators, aggregators, and distributors (SAD Framework) is used to analyze the market for time-shifted television. This chapter examines the issues and challenges faced by time-shifted television to cross the chasm and gain adoption in the mainstream market. Finally, using the VISOR framework, we also examine the business models which could enable time-shifted television to cross the chasm.

INTRODUCTION

The growth of digital media and diffusion of broadband internet networks have resulted in a growth of online video, video on demand and Internet Protocol television (IPTV). Consumers now watch television programs on alternative

platforms and devices, which have the potential to offer consumers more choice and flexibility. This innovation disrupts interactive the traditional broadcast television markets. It is also known as time-shifted television.

Time-shifted television consists of products and services, which enable viewers to watch television programs on demand. The convergence

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of digital technology and media has created new opportunities for creating value in the marketplace with digital content. Consumers can enjoy more choice and flexibility as to when and how they want to watch the television programs. Time-shifted television can also provide value added services, such as advertisement-free television programmes, which provide consumers with enhanced viewing experiences.

This chapter begins by providing an overview of time-shifted television as a disruptive innovation in the IDM marketplace. This is followed by a market overview for time-shifted television, which illustrates how time-shifted television has yet to cross the chasm and enter the mainstream market (Moore, 1991), despite having the potential to be a truly disruptive innovation. Subsequently, the business eco-system for time-shifted television is analyzed by using the SAD framework introduced by Sharma et al (2008) and the VISOR framework described by El Sawy et al (2005). Based on our analysis of the market, opportunities and challenges for time-shifted television, we will examine business models which can help time-shifted television to cross the chasm.

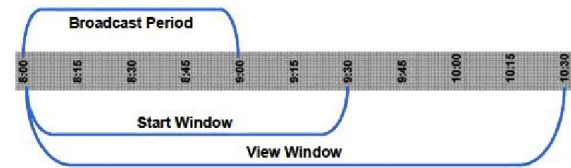
BACKGROUND

Time-Shifted Television

Time-shifted television consists of a new products and services which enable viewers to watch television programs on demand and in expanded time slots. Figure 1 illustrates the greater flexibility in viewing time slots which time-shifted television offers compared to traditional television. These services include video on demand and IPTV. In the traditional television, programmes are broadcasted linearly in pre-determined time slots. Viewers who are unable to watch the television programmes will need to wait for re-runs (Motorola, 2007).

On the other hand, time-shifted television services such as video-on-demand and IPTV en-

Figure 1. Expanded viewing timeslots for time-shifted television



able consumers to enjoy their favourite content with greater flexibility and choice. IPTV which delivers the digital content on demand over Internet Protocol allow consumers to download video content on multiple network connected devices such as mobile phone, computers, high-definition television sets, game consoles or digital video recorders. The consumer can then enjoy the video content anytime and anywhere. Time-shifted television also can provide consumers with other value-added services not found in traditional broadcast television, such as advertisement-free programmes, personalization of content, exclusive programming and a more interactive experience (Palmer, 2006, p 28). While time-shifted television has the potential to be a major disruption to the IDM marketplace and traditional broadcast television, time-shifted television services such as video-on-demand and IPTV have yet to cross the chasm and gain wide-spread adoption by the mainstream market.

Consumer research by the Leitchman Research Group (2009) has shown that while the usage of online video has grown, the time spent watching traditional broadcast television has remain largely unchanged. Based on a survey of 1,250 households in the US in 2008, it was found that 34% of adults viewed online videos weekly. There is an increase from 31% which was reported in the previous year. However, 93% of adults spend at least an hour a day on average watching traditional television, while 35% of adults spend at least four hours watching television each day. Based on the research from Leitchman Research Group,

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