

PREMIUM CONTENT

login | logout » subscribe my account | email | search | sitemap

ireland.com  
THE IRISH TIMESTuesday,  
May 17, 2005

TODAY CLASSIFIEDS SERVICES

THE IRISH TIMES

Take me to...

GO

THE IRISH TIMES BREAKING NEWS NEWS IN FOCUS SPORT BUSINESS TECHNOLOGY WEATHER

Breaking News



# THE IRISH TIMES

In the Newspaper  
Daily

- Front Page
- Ireland
- World
- Finance**
- Features
- Sport
- Opinion
- Letters
- Crossword
- Article Index

Weekly Index

- MONDAY
  - Health
- TUESDAY
  - Education and Living
- WEDNESDAY
  - Motors
  - An Teanga Bheo
- THURSDAY
  - Science Today
- SATURDAY
  - Weekend
  - News Features
  - Obituaries

Search

Search the newspaper  
archive...

Finance

Fri, Jan 07, 00

## T-commerce targets television viewers for future profits

Merge the might of television with the e-commerce revolution and what do you get? Niall McKay, in Silicon Valley reports

Last year, electronic commerce changed the nature of shopping for ever. In the US, dotcoms infiltrated every market sector from groceries to electronics even to cars. But it is just the beginning. This year, we will see the arrival of T-commerce - or television commerce. Merge the ease of use of the television with the immediacy and e-commerce capabilities of the personal computer and that's what you get.

In the US, at least, it could not come soon enough for the TV Networks. Cable TV, video on demand, DVD, and of the course the Internet is eroding audience ratings. As well as this, there are new technologies that promise to slice up the market even further. Computer hard-disk video recorders such as Tivo and Replay, for example, enable users to download an entire day's or week's programming, save it to the hard-disk, and watch it when and if they please.

New Interactive TV guides enable users to pre-select a full weeks viewing in advance. Even worse, such new-fangled technology often enables viewers to zap commercials with a push of a button.

The networks, are of course, fighting back. CBS, NBC, ABC and Fox are buying into dotcoms, investing in the new technology and hiring armies of lawyers to protect their interests.

But while Network TV as we know it may be a dying medium it is still the quickest way to reach the greatest number of people.

"We've still got the best game in town," said Ms Dana McClintock, CBS vice-president for corporate communications. "We have invested in over 15 Internet companies, not with cash but with TV airtime and promotion."

Indeed, CBS, NBC, ABC and Fox are all trading valuable airtime (\$200,000-\$300,000 [€194,000-€291,000] for a prime-time advert slot) for stock in dotcoms. CBS's investments include: CBS financial site MarketWatch.com; sports site Sportsline.com; Internet portal iWon.com; and Hollywood.com. Its Internet portfolio is now worth in excess of half a billion dollars.

NBC has used airtime to buy into the Internet search engine Snap, Web page hosting provider Xoom.com, VideoSeeker.com and Accesshollywood.com. The company married them to NBC.com and created a new publicly traded company NBCI.

Likewise Disney's ABC has bought into the Internet portal Go.com, acquired online sports, news, and entertainment site Starwave as well as Infoseek.

The company is now integrating them with ABC.com, ABCnews.com and sports site ESPN.com.

"The days of a dumb box and one way broadcasting is coming to a close," said Mr Kevin Mayer vice-president of Disney's Interactive group Buena Vista Entertainment.

So what are they hoping to do - become Internet companies?

No. In 1996, during the Mike Tyson versus Frank Bruno boxing match one TV executive thought it would be fun to have viewers vote on each round on the Internet and broadcast the results with the match. Within 60 seconds, the TV companies servers were out for the count. It was discovered that day that many people watch the TV and surf the Internet at the same time. Now, according to market research firm NFO Interactive, between 18 and 25 million Americans watch TV and surf the Net simultaneously.

"So our strategy is to turn some of our 150 million viewers into surfers and those surfers into buyers," said Mr Marty Yudkovitz, president of NBC Interactive media. "I am a business man not an Internet nutcase and NBCI will be first and foremost an e-commerce company."

Fortunately, we will not be asked to surf the Web while watching our favourite programme but will be given the ability to link out electronically to gather more information or actually purchase a product while watching the box. For example, during the broadcast of the latest James Bond movie, *The World is Not Enough*, we will be able to click on an icon at the bottom of the screen and get more information about or actually buy the BMW sports car featured.

Already, Wink, an Interactive TV company that provides an information overlay (similar to Aertel) is pulling information from corporate websites and redistributing them to TV viewers via a set-top box.

The big difference is that TV companies everywhere have been able to reach most homes since the 1950s, so it has been an ideal medium to promote goods or services through advertising. What the Internet and other new technologies will now enable is a channel back to the broadcaster. So TV companies will evolve from a medium to promote goods to a medium to buy goods. In short they will become electronic or TV commerce portals. God help us all.

Niall McKay can be reached at [Irishtimes@niall.org](mailto:Irishtimes@niall.org).

© The Irish Times

 print  e-mail a friend  e-mail the author [back to top](#) ...

© 2005 ireland.com

[About Us](#) | [Privacy Policy](#) | [Contact Us](#) | [Media Kit](#) | [Terms & Conditions](#)