

ON THE GO

STREAMING

by Doug Waters and John Miller
images by D. Massarik and Lee Lichtenstein

It's a trend, not a fad according a Netflix® spokesperson. It's video/content streaming, and it's here to stay.....until the next big trend comes along. Last year, Netflix released its 'Watch Instantly' app for the Apple iPhone, making possible stream video from your queue to compatible Smartphones and the iPod Touch (the app was previously available on the iPad), making it mainstream to mobile users. Netflix had introduced a mobile app for Windows Mobile Smartphones last year—hardly mainstream, and for 2011 has emphasized its streaming video app for Android based handsets. Blockbuster seized the missteps by Netflix to push it ONDemand Android app, while AT&T U-Verse® Live TV and Amazon Cell streaming apps are grabbing market share as well. Redbox, appears to be working out a streaming deal with one of the major carriers, but remains out of the market for now.

The Netflix for iPhone app (available for free) is an upgrade to a version released in April for the iPad. It allows use of a small screen for accessing the Instant Queue (to list content you want to see next) as one of four menu choices. At the top of the screen is an easily selected Resume button that allows you to continue a video where you left off, even if you stated viewing on a different streaming device.



Watching a full-length film over the iPhone's connection may be a challenge, but when your choices are limited, it fills the bill perfectly---assuming you have sufficient battery life to get to the end. A typical 90 minute movie will cost you about half a full charge on the iPhone. Data usage was about 400 MB, which can run up a significant tab for those using a limited data plan---presently \$45 for 2 GB per month with tethering charge, or \$25 for 2 GB per month without tethering. The lowest cost plan - \$15 for 200MB per month, won't provide anywhere near enough coverage to watch even a single movie, so users would need an upgrade if currently on that plan. Of course AT&T stopped offering iPhones with unlimited data plans last year (existing customers were allowed to retain their unlimited plans), before Apple approved a Netflix app that could stream video. The thought of thousands of iPhone owners streaming

video for hours a day from an unlimited Netflix account was not a profitable scenario for AT&T. And users can still stream as much as they want over widely available (free) Wi-Fi, but note that the app is not capable of storing content on the iPhone's memory so that you could access later/offline ---such as on a plane trip.

Not to be overlooked, Blockbuster Video, although plagued by bankruptcy and closing stores, is betting heavily on a mobile-streaming profits. The company released an application that allows users to watch movies on a mobile phone last year. The application makes the Blockbuster's digital catalog (approximately 10,000 titles) available for rent or purchase from a Smartphone, the company said. Initially, the app was available only for T-Mobile's, the HTC Smartphone, which runs on Microsoft's Windows Mobile operating system, but as of last month has an app that runs on Motorola's Droid X Smartphones. More significant, Blockbuster's app is download-only: Movie/content files must be fully downloaded before watching, and thus aren't live-streamed. But, once downloads are completed the content is fully viewable without connection to the Internet or service provider.



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Redbox had been expected to announce a streaming version late in 2010 of its i video service. Rumors continue to circulate that the company's looking at an alliance with a major Cell Phone carrier (Verizon, possibly) and would establish a pricing structure approximately 2/3 of Netflix's price of \$8. Given its current \$1-per-24-hour rental scheme, it's not entirely impossible.



And then, there's ATT. Already a mobile service provider to Apple, AT&T last week announced an iPhone app for the Apple ecosystem that allows users to download and watch selected shows on its U-verse DVR system.

For customers who own the ATT U300 package or better, users will be able to stream shows to their iPhone. In an odd twist, AT&T did not indicate Apple iPad users could take advantage of the new app. Their iPhone app only uses the Wi-Fi connection to download the content, not the 3G connection.



According to David Christopher, chief marketing officer at AT&T Mobility, "We're making it possible for users to watch TV shows on your iPhone at no extra charge. It's just one more valuable and innovative feature available on U-verse TV". Although the emphasis was TV shows, it won't be long before other content finds its way to ATT customers, potentially cutting out ATT's partners.

Eventually, alternate video-distribution routes could persuade television, cable and movie producers to shift priority from the traditional models (theater, cable and satellite) and shift their business models to give Netflix, Blockbuster, RedBox, and similar services full access to all of their content in a concurrent release timeframe. Being able to watch streaming/downloaded movies will put a lot of pressure on the Hollywood producers whose revenue comes from DVD sales and film sales at the movie theaters. As technology increases and more 3D movies are released, the variables left in the equation are now whether the consumer will pay for content-delivery mechanisms and associated hardware or the content itself...or finding the right mix of both.

