



## “Trojan TiVo” invasion begins

Peter Vogel\* explains why this week’s Australian launch of TiVo, the digital video recorder which boasts more than 4 million US users, is much more than free-to-air fighting back against Foxtel.

While Seven is promoting TiVo as the ultimate way to watch digital free-to-air TV, last month’s 8-K SEC filing by TiVo tells a more interesting story. In his letter to shareholders, TiVo CEO Tom Rogers says:

*“Imagine you are in front of your TV. Imagine being able to get any movie, any TV show, any video, any music video, or any song, from the web right to your large screen HD TV... Most people know TiVo is a DVR - a digital video recorder, that records and time shifts programming. What you probably don’t know is that TiVo is the only DVR that is also a DVR - a digital video retriever. By connecting a TiVo DVR to your broadband internet service, TiVo becomes the ultimate affordable home entertainment hub.”*

TiVo is just one of a growing number of home entertainment devices which have a mystery Ethernet socket on the back, described in the manual as “reserved for future use”, which could well be described as the “Trojan Horse connector”.



The rear of Seven’s new TiVo HD is where the real action is to be found.

This is because the evolution of several key technologies over recent years has now removed the barrier between TV and the Internet at effectively zero incremental cost.

Online entertainment will colonise the main screen of the home with unprecedented speed. TV networks should have no illusion that they can hold back the tide.

TiVo CEO Tom Rogers again:

*“...we are very worried for the [television] industry, because we do not believe as a whole that it is responding urgently enough to the massive dislocations these new dynamics will create.”*

Within just two years millions of Australian homes will have entertainment devices with a network connector or WiFi antenna on the back. I liken this to an invasion of Trojan Horses into the living room because that little blue cable can deliver an army of new applications to your TV.

In the same way that your PC magically updates its applications, your DVD player or digital set-top-box will be able to update itself and suddenly you can access the world of online media, from your couch, using your remote control.

Some clues:

- In the USA, TiVo already offers YouTube videos and will soon offer subscription to any online video that has an RSS feed
- TiVo Australia say Internet and movie downloads will be available in 2009
- Sony’s PlayTV will convert the Playstation 3 into a high def PVR with movie and online video access (there are already over 250,000 PS3s in Australia)
- Blu-ray, the standard which won the HD DVD war, includes “BD Live” internet connectivity
- Foxtel’s new IQ2 has capability for Internet downloads
- VideoEzy will soon be offering a heavily subsidised Internet-connected electronic rental box to its 5 million customers
- AppleTV, X-Box 360, Amazon Unbox, and dozens of other platforms bridge the gap between TV and Internet

Many Australians are already spending more leisure time on the Internet than watching TV. Let them do both from the comfort of their couch and the game’s over.

