



## **Game Console Vendors to PayTV Operators You've Been Served!**

*Microsoft and Sony to Prepare for Battle with Incumbent PayTV Operators,  
Escalate the War for the Living Room TV*

November 19, 2008 (Dallas, Texas) – A new report from research consultancy TDG predicts that console-affiliated media portals such as Microsoft's Xbox LIVE and Sony's PlayStation Network will soon become formidable competitors to incumbent PayTV services. Leveraging broadband-enabled game consoles as Over-the-Top video platforms – thus bypassing cable and satellite TV operators – these companies will offer a compelling alternative to traditional TV programming by providing a more immersive, interactive video experience.

“Today's launch of Microsoft's Experience and the Xbox LIVE Netflix streaming video service is a perfect example of how potent these services will soon become,” notes Michael Greeson, president of TDG and co-author of the new report. “There is little doubt these services are finally ready for primetime.”

TDG points to several facts which portend of how powerful these offerings will be:

- Even before today's launch of Experience, Microsoft's Xbox LIVE had amassed some 15,000 movies (1,000 of which are HD) and some 13,000 TV shows for download-to-own. Xbox LIVE was the first online video portal to offer HD downloads for TV viewing.
- The Netflix partnership adds 12,000 movies and TV programs to the mix, all for free streaming to Netflix subscribers. This enables Xbox 360 users to access on-demand movies and TV shows within the Xbox Experience social environment with a click of their remote.
- Sony's PlayStation Network has collected close to 1,000 movies and hundreds of TV programs for download-to-own. As well, it has announced plans to expand dramatically its video library in the next few months in order to compete with Xbox LIVE.

- Sony's CEO Howard Stringer noted, "Sony's unique position in electronics and entertainment will enable us to provide specialized offerings for Sony customers directly to their televisions outside conventional distributors and without the need for any set-top box." (TDG's emphasis)
- Even Nintendo, staunchly dedicated to pure gaming experiences, is working with Fujisoft to introduce 'Everybody's Theater Channel' to Japanese Wii users in December 2008.

[Console Vendors and OTT Video Delivery – Let the Games Begin!](#), TDG's latest analysis of the Over-the-Top video space, discusses the evolution of console-affiliated media portals within the context of each vendor's strategic imperatives; offers a comparative analysis of current and likely portal video offerings; provides updated global forecasts for broadband-capable and broadband-enabled game consoles thru 2012; and forecasts consumer demand for this category of Over-the-Top video services.

Available for \$995, the report can be obtained at [TDG's website](#) or by contacting the firm at 469.287.8050.

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### **About TDG**

The Diffusion Group is a market planning and research firm dedicated to keeping our clients *In Front of the Curve*.™ Since 2004, TDG has helped more than 250 technology leaders, media companies, and service providers to understand and manage the quantum shifts now impacting how consumers access, navigate, distribute and consume media – whenever and wherever they may be.

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