

A vision of the interactive future

Television and the Internet have already converged in the US and Japan where Microsoft and several other companies have developed interactive solutions for combining the two in an entertainment and information-driven format

For three years, North America and Japan have been the testing grounds for Microsoft's WebTV, an interactive, integrated entertainment and information service which is being touted by its developer and others, among them Echostar, Phillips and Sega, as the Next Big Thing. Interactive television hasn't arrived in Australia yet but Microsoft plans to launch its services through several partners, one of which will be its joint venture online provider nineMSN.

Microsoft launched its WebTV "Classic" service in the US in September 1996. In January 1999, NTL of the UK and Ireland announced an alliance with UPC to launch interactive television. At the same time Echostar introduced Digital Satellite Web TV and Sega Dreamcast launched an interactive settop box in Japan. In April this year, Phillips launched its own interactive settop box in Germany.

Microsoft has had three years to build its subscriber numbers. Less than a year after launching, WebTV Classic - this offers the Internet on TV plus an email facility - had 56,000 subscribers. Classic became available in Japan in December 1997 and WebTV Plus - an entertainment and information service - was launched in the US where it rapidly gained 250,000 subscribers. In July 1998, WebTV joined the Advanced Television Enhancement Forum (ATVEF; an alliance of more than 75 US companies which created a specification for HTML-based television enhancements. This specification, the ATVEF Specification for Interactive Television 1.1, allows content creators to deliver interactive TV programming over all forms of transport - analog, digital, cable and satellite - to compliant receivers). By then WebTV had notched up 400,000 subscribers to its Classic and Plus services in the US. This number swelled to 700,000 by December 1998, hit 950,000 by April 1999 and now exceeds one million.

WebTV is simply interactive television, the ability to surf the Internet and watch television at the same time. In Microsoft's case, the Classic and Plus services allow users to explore the Internet via television, pressing buttons on the screen by using a remote control handset to indicate preferences such as sending and receiving email, online shopping, or the latest local, national and world news and weather. Users can tap into onscreen interactive television listings while watching a different channel or "dive deeper" into a television program through interactive television links, pulling up information on actors, episodes, directors, plot development or similar programs.

Interactive television works with any television. A settop box - or Internet Unit - about the size of a VCR - bought from a retailer

is connected to the television and a modem is plugged into the phone line.

When interactive TV programming is available for a TV show being screened on WebTV, viewers see an interactive TV link which appears as an "i" icon on the screen. By using the remote control or infra-red keyboard, they follow the interactive TV link and access whatever new information is available. By clicking on the link, one of two things happens:

- on a TV with a settop box, a selection panel appears. The viewer chooses whether to see the interactive program or to return to the TV show;
- on a computer, interactive content for the TV show appears straightaway, skipping the selection panel step.

Both television and computer can display the interactive programming specified in the interactive TV link. The difference is that on television, there is only one window and it is a fixed size but on a computer using WebTV for Windows, the interactive show can open in a separate window that can be resized.

According to Phillip Meyer, network solutions manager at Microsoft in Sydney, WebTV's adoption in the first two years in the US exceeded the adoption rate of cellphones and VCRs. It is allied closely to usage of computers but not necessarily to the Internet.

"We found that of all the WebTV buyers in the US, 71% owned a personal computer but 58% had not used the Internet prior to accessing it through Web TV. Our research also suggested that subscribers to WebTV are much more likely to be regular television viewers," he said.

"We also discovered that 94% of our

.. continued on page 20

A vision of the Interactive Future

... continued from page 19

subscribers said WebTV was easy to use or extremely easy, more than 90% recommended it to a friend and more than half of them log in every day. On average in Australia, the 2.2 million regular Internet users log in at least once a week.”

Meyer defines the development of television into the next century as follows:

- 20th century: limited channels (less than 200 in the US), set viewing schedules and linear presentation.
- 21st century: fast response, moving, noisy, of greater social use, unlimited content and interactive.

“Web TV is the bridge to digital TV. Yes, interactive content is available now

and it uses existing broadcast and telecoms infrastructure. But interactive programming in the future will demand more viewer involvement, it will offer more depth, have more to explain, and will create loyalty, extend brands and give audiences more information and several options to pursue,” he says.

“Our vision of the ordinary home in 2005 is one in which television is interactive not linear, it gives you the choice of watching local or national weather by pressing a button and lets you watch what you want when you want.”

Karen Winton

Comparison of User Characteristics

	Yahoo	AOL	WebTV	Cable television	Non-cable
25-54 years	73%	78%	72%	61%	56%
Male	63%	68%	59%	48%	47%
Female	37%	32%	41%	52%	53%
Annual income >US\$100k	22%	13%	16%	18%	9%

National Internet Legal Practice

On September 1, 1999, the Attorney General, Daryl Williams, announced that the federal government would provide a substantial sum to assist the Communications Law Centre to establish a National Internet Legal Practice.

“The National Internet Legal Practice initiative will complement the government’s approach in encouraging the development of online communication and services by ensuring that specialist legal advice in this area is available to all members of the community,” said the Attorney.

The Practice will target consumers, community organisations and small business, and aims to:

- help people solve legal problems arising with the use of communications services, especially the Internet and online services;
- encourage consumer confidence in using the Internet, online services and electronic commerce;
- encourage exploration by small enterprises of new ways of communicating and offering services; and
- increase the effectiveness of co-regulation and self-regulation of the media and communications industries.

It will improve the access of disadvantaged people to information and advice about areas of law which are becoming increasingly central to the economy and society. It will provide a unique collection of resources,

tailored to the practical needs of users and legal advisors, and an opportunity to develop new approaches to delivering legal services. As a specialist source of knowledge about these issues, the Practice will provide a base for high quality legal and policy research, possibly in partnership with other institutions.

The Attorney-General’s assistance will provide the opportunity for a significant expansion of the activities of the Communications Law Centre. The Centre is currently approaching other potential partners for the National Internet Legal Practice with a view to securing the necessary support to make this exciting and valuable project a reality.

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