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A 'Box' that will transform the media

Pose the question: "What's on the box?" and you will get an answer about that night's television listings - schedules that were set by a handful of people whose ideas dominate our viewing. Ask the same question in five years' time and you will get a very different response.

Our homes are to be the site of a revolution as dramatic to the economics of entertainment as the arrival of the gramophone, radio, "talkies" or television itself. The *Box* of the second decade of the 21st century will not be colloquial UK shorthand for the television set but the description of a ubiquitous bit of kit - central to every home.

Although we will spend no time looking directly at it, the *Box* will be as important to our home entertainment as the television is today. Indeed, far more important. It may not alter what we watch but it will change, forever, how we watch and pay for it - and it will be a shock to the job prospects of those television schedulers and their employers.

The nature of this omnipotent *Box* will come as no surprise. If you have Sky+ you are experiencing a prototype.

When the 'Box' becomes the norm, we will consume TV when, where and how we want to - no longer dancing to someone else's tune

The *Box* will be a high-speed computer, connected to the internet via broadband with a substantial memory. Its inputs will include: cable and satellite television and radio; various frequencies of digital terrestrial broadcasting; the entire world wide web; and third generation mobile phone signals. Its outputs will feed flat screens and wireless speakers throughout your home and top-up your iPod, MP3 player and laptop personal computer. It will deliver everything we watch and listen to today plus much more. It will also, probably, connect you directly to the library of every film studio, music company and television producer in the world.

So what, you may well ask. What will be different? The experience of watching a television programme or listening to a radio show will not change that much. More is not necessarily better.

Broadcasting companies such as ITV

and GCap in the UK exist because they rent valuable broadcasting spectrum from the government. They buy programmes to fill the time and manage to sell just enough advertising to leave an, increasingly small, profit. Channel 4 exists because the government is kind enough to give it valuable spectrum and it sells enough advertising to make an, increasingly large, profit. And the BBC! Well, the BBC is given almost unimaginable amounts of free spectrum and gets billions a year of tax income to fill its airtime.

When the *Box* becomes the norm in every home all this will change. You and I will no longer dance to someone else's tune. We will consume television and radio the way we already consume magazines and newspapers - when, where and how we want to, at a price we are prepared to pay. We will seize back control of our living rooms and kitchens.

Does this miracle come free? Of course not. For sake of argument let us assume it costs £100 a month to subscribe to all this - and, by the way, all your internet access and phone calls come thrown into the deal. Some people will happily pay this much. But now let us assume you agree that the *Box* can show you one minute per hour of advertising when it deems fit. Now the charge is only £50 a month. Agree to five minutes an hour and the *Box* comes free.

Who will supply the *Box* itself? BT Group, Vodafone, Carphone Warehouse, Microsoft, Sony? There is a long list. My money is on Apple: all that cool design and hot functionality, even a sexy name. How about iHome?

In the *Box*-enabled future the economic model changes. Advertisers will still want to reach audiences but they will do this through relationships with individual consumers, not with

channels. They will get into our heads by getting into our *Boxes*.

Each *Box*, broadband hard-wired into our home, will have its own unique internet protocol address. Then the advertisers will be able to talk directly to us, one-to-one, without a television or radio broadcaster getting in the way. Today they are forced to talk to a relatively random group of people who happen to be attracted to a particular programme on a particular channel. In future those advertisements will be sent to your *Box* with you in mind.

Your *Box* will know you watch a lot of gardening shows and that you live in the country and that it has stopped raining in your area. When you sit down to watch the news it will show you advertising for lawn mowers. Your friend, who lives in a city, will watch the same news as you but he is getting advertising about holidays in China reflecting his

recent viewing and listening habits.

So here is a technological revolution that is not just likely but certain. In the past five years, conventional broadcasting businesses have seen a huge reduction in their stock market value. Some observers put this down to poor management but, given the inevitability of the *Box* and what it implies for the future of broadcasting franchises, it is perhaps a wonder that they have any value at all. And, by the way, having a *Box* will surely not require a licence fee to be paid - so where does that leave the BBC?

The writer is chairman of three quoted UK media companies: Johnston Press (newspapers), Future (magazines) and Mobile Streams (mobile content)

Roger Parry will join FT.com for a live Q&A tomorrow at 11am, BST. Send your questions to ask@ft.com



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