The World Wide World:
IT Ain't Just the Web Anymore!

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Brightcove: Bright but still occluded

BY CHRISTINA KOUKKOS

Think of Brightcove as an amalgam of Amazon's affiliate program, Akimbo's "Internet TV" service and a cable television operator, sprinkled liberally with founder Jeremy Allaire's technological and business success and savvy. Or call it a syndicated commerce service (SEE **RELEASE 1.0**, JULY 1999). As a very young company, it veils its public face in mystery; Allaire chooses his words carefully when describing the service in order to avoid tipping off the competition.

When the Brightcove service launches toward the end of this year, says Allaire, it will give video rights holders the ability to offer their products directly to consumers via "an emerging open platform on the Net" that avoids traditional middlemen such as retail outlets and cable operators. Part of that emerging platform is Macromedia MX – a platform he helped develop as CTO of Macromedia from 2000 (when he sold his first company, Allaire Corporation, to Macromedia) until 2003, when he left to become entrepreneur in residence at General Catalyst Partners.

"Before the Web, you had desktop publishing, but no economical distribution channel," says Allaire. "Then the Web allowed people to distribute text" very cheaply and to a worldwide audience, resulting in the exponential growth of websites catering to niche audiences (a.k.a. the long tail). "The same idea applies here. Over the next 5 to 10 years, the number of video entities [both video-producing entities and video items] will likewise grow exponentially."

Brightcove will offer content creators services such as hosting, distribution, promotion, e-commerce, fulfillment and customer service, so that they can be creative and leave the customer relationship management and logistics to experts.

"On the flip side," says Allaire, "we're creating a consumer-facing service on behalf of the creators where any publisher's stuff will be available to a wide audience. We're offering the kinds of services that you would expect to make it easy for consumers to find and download these experiences."

While the concept of Internet TV is not new, the widespread adoption of broadband and wireless home networks, together with the availability of free authoring tools and open consumer electronic devices, have combined to create a fertile environment for realization of the concept for the first time. "There are a lot of other factors as well," says Allaire. "For example, people are hungry for richer experiences on their computers and other devices," and new data standards enable personalization, diversity and community.

By devices, Allaire means more than just television sets: "The people who talk about IP video, Internet television or whatever they call it, tend to think only of the TV set in the living room. But people will expect media to work across all their devices." Brightcove will piggyback on open platforms such as the browser, the Macromedia platform and any others that emerge. It is also betting on the adoption of open *devices*. "We're betting that it'll be consumer-led adoption, where the consumers buy the hardware, instead of an operator-led adoption, where consumers get [probably closed, proprietary devices] for 'free' along with a subscription." As a result, Brightcove can focus on becoming an online service company and not worry about devices, as Akimbo must.

When pushed for specifics about the service, Allaire is carefully vague: "Rights holders will have unique forms of distribution that will give them more profit than traditional avenues," he says. "We expect to work with a range of marketing and distribution partners for our service, including device companies, PC companies and online service companies."

And his business model? "We can't really talk about it right now, other than to say that we expect to make money in a number of ways." He laughs. "I'm not being vague because we don't know. In fact, we have unique answers to that question," he assures us.

We are inclined to believe him, which is one reason we invited Brightcove to present at PC Forum. And he offers more than simple assurances for why he'll succeed. First, he has put together a carefully selected team with experience in all aspects of his business: online merchandising, consumer-oriented online services, video-on-demand services, rich media platforms and traditional video distribution channels such as cable and satellite.

Second, he's got a realistic sense of the challenges facing Brightcove and its place in the industry: "The video industry is a $150-billion industry. This is not a zero-sum game. Hundreds of companies will extract and create value, so we're just focusing on creating a successful business in the middle. To do so, we need to do two things. First, we need to make the content creators and rights holders successful. Content companies experiment with a lot of distribution channels. If we can help those companies and individuals create new revenue streams, we'll win. Second, we need consumers to love it. If it's too slow or awkward or expensive, consumers won't want it. It's got to do something compelling for the consumer. That's a very tall order."