

Net2TV Sees More Than One Way To Launch a 'Channel' These Days



Net2TV's "channels" are streamed to viewers of Philips' smart TVs.

The continued production of high-quality shows for the Web is slowly starting to change the definition of what a "channel" is. That idea's already taking hold at **YouTube**, which offers dozens of niche streaming channels that are either free (ad-supported) or offered for a small monthly subscription fee.

Another company that's on top of this trend is **Net2TV**, a startup founded last year that's trying to take the idea to the next level by curating Web videos on a variety of topics; stitching them together into 30-minute "shows," complete with hosts and three minutes of ad time; and then compiling those shows into hours-long programming blocks that, for all intents and purposes, look a lot like a live TV channel.

With a handful of channels already developed around such topics as news, cooking, entertainment and science, Net2TV has started off as an over-the-top service, called **Portico**, that runs as an app on **Philips**-made connected TVs and will soon be introduced on the Roku.

But Net2TV also envisions offering these "channels" to set-top boxes via cable operator deals. The resulting product

"looks like a linear channel," CEO **Thomas Morgan** told *The Wire* at last week's Next TV Summit in San Francisco.

Morgan, who hails from **Move Networks**, **BlackArrow** and **MTV/Nickelodeon**, said Net2TV is close to landing a deal with a "top-five" U.S. cable operator that would deliver its content as a "new channel" on the set-top guide.

Another big difference is the carriage model. Net2TV isn't looking for affiliate fees, but modeling everything on ad revenue. Thus, it will need an audience. The company acknowledged that its user base, still confined to the Philips universe, is small. But Morgan said Net2TV has deals on the way that would put its content in front of 20 million "screens" by year-end.

Once that happens, Net2TV will still face the non-trivial challenge of separating itself from the noise. While its imminent launch on Roku will give Net2TV access to a base of at least 5 million U.S. users, it will also be just one of 1,000-plus "channels" on the Roku lineup.

— Jeff Baumgartner