Hi

Convergence is:

?
Convergence is:

Two great tastes that taste great together

Two Great Tastes

Broadband & On Demand
On Demand

- CableTV in the Home
- The VCR
- Pay Per View
- Better PPV
- ReplayTV and Tivo
- iTunes, MovieLink, GameTap

Broadband

- 2004 - Half of all residential internet users are on broadband
  \((\text{Nielsen/Netratings})\)
- 2006 - More than half of all US households have broadband
  \((\text{Comscore})\)
- Broadband usage accounts for nearly three-quarters of all at home time spent online
Broadband & On Demand

• Created new markets for older content

• Creating markets for new kinds of content

• Changing entertainment consumption habits

Movies & Games
Games & Movies

A good movie based game?
Extending the Franchise

[Images of video game and television series covers]
Extending the Franchise

Two Great Tastes

On Demand Content  Franchise Extension
So What?

Disruptive Innovation

CLAYTON M. CHRISTENSEN

THE INNOVATOR’S DILEMMA

The Revolutionary Book that Will Change the Way You Do Business

NATIONAL BESTSELLER

HarperBusiness Essentials

THE INNOVATOR’S SOLUTION

CREATING AND SUSTAINING SUCCESSFUL GROWTH

CLAYTON M. CHRISTENSEN

MICHAIL E. RAYNOR
Disruptive Innovation

Just “good enough” products can eventually unseat established category leaders

First MP3 Player: Seahan/Eiger Labs MPMan - 1988
Convergence & Design

Franchise Extension + On Demand Content = Opportunity for Disruptive Innovation

Convergence & Design

<table>
<thead>
<tr>
<th>Broadband</th>
<th>= Consumers finally get to live “on demand”</th>
</tr>
</thead>
<tbody>
<tr>
<td>On Demand</td>
<td>= More markets for your ideas</td>
</tr>
<tr>
<td>On Demand also</td>
<td>= Consumers are digesting media in smaller bites</td>
</tr>
<tr>
<td>Franchise Extension</td>
<td>= Original IP can live in many forms</td>
</tr>
</tbody>
</table>
Two Great Tastes

Embrace bite sized content  Don’t be limited by format

Thanks