

Google and Its Rich Media Intentions

Google's YouTube.com has traffic, but it is not a revenue home run. In fact, Google provides no detailed numbers about YouTube.com's financials. Clicking around YouTube.com, one of the traffic magnets on the Internet, ads are appearing but the Google overlays can be intrusive. The lion's share of Google's revenue comes from AdSense and AdWords. Neither YouTube.com nor Google's enterprise services are revenue hat tricks yet.

As one of the top five Web sites on the Internet, Google seems to be at a loss to make YouTube.com a money machine like AdWords and AdSense.

Is Google indifferent to YouTube.com, its costs, and its lackluster advertising performance? The answer is a qualified "no." Google's been interested in video for years.

On February 23, 2010, the United States Patent & Trademark Office granted Google a patent for its smart software video segmenting invention. The patent's title is clearer than some of Google's patent documents. "Deconstructing Electronic Media Stream into Human Recognizable Portions" (US7668610) understates the Google invention.

Google's smart software watches videos and listens to music. The system figures out segments that make sense to a human. The method indexes the video and tags it so each piece carries an identifier. These chunks can be dealt out to Google's servers and then delivered via Google's content delivery network to users.

The technology disclosed in this patent document is industrial strength, and it may be beyond the reach of companies with a more successful rich media business. The technology, which few companies can match today, was developed in 2005, maybe as early as 2004.

US7668610, filed on November 2005, operates at Google scale. Google's smart software can chop up audio and video into logical segments, index them, and tag with unique identifiers. But the most impressive function in the patent is that as the system operates, it learns.

Google has dozens of patents and applications that bear directly on rich media. With the cost of research and legal fees, Google's rich media inventions make clear that Google is serious about video.

With years of investment and the efforts of some of the world's brightest engineers, why is Google making little apparent progress? The Sundance test allowed YouTube.com users a way to pay to view a handful of independent films, screened at the Sundance Festival earlier this year. Then nothing.

Our research reveals that Google has a rich media push underway. Like its earlier foray into telecommunications, Google moves slowly.

There are some interesting signals that Google's activity in rich media is increasing. Vizio, a manufacturer of flat panel televisions, is now advertising that YouTube.com can be watched on Internet-capable Vizios. At the Computer Electronics Show, one company showed a Google set top box running Android (Google's mobile operating system) with a personalized program guide. In Barcelona, tablets running Android were spotted by those with a nose for the novel gizmo.

Is Google going to be late to the rich media party? Google has mishandled its social media service, Orkut. The new Google Buzz triggered a landslide of criticism from those offended by Google's exposing information without users' permission. Now Google faces push back from the Department of Justice in the US about Google Books and possible antitrust trouble from the European Union.

Music and video are big business. Just look at Apple's revenues from its integrated hardware, software, online retailing operation. Walmart paid \$100 million for service that can stream HD videos.

Where's Google? Visible but lacking the money-spinning angle like a theater owner who sells high-margin soft drinks and popcorn.

Stephen E Arnold, March 1, 2010

Nope, a freebie. No one paid me to write about video. I think that means I have to report non payment to the FCC. Consider it done.