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NewsRoom

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Section: Business

WEB STRIKING FEAR INTO TV; Networks take on YouTube.com

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Millions of people saw CBS' coverage of an autistic basketball player sinking a series of three pointers during a high school game.

Even more caught NBC's Saturday Night Live skit "Lazy Sunday," which featured two cast members rapping about Google Maps and the Chronicles of Narnia.

The problem for NBC and CBS was millions of viewers weren't tuning into television but watching the segments on YouTube.com.

The consumer-driven video-sharing portal was recently ordered by major TV networks, including NBC and CBS, to remove hundreds of copyrighted clips.

Trying to avoid the legal wrangling the music and movie industries have engaged in against illegal online swapping, **YouTube** complied.

But industry experts say the networks may be hurting themselves. While vigorously protecting their copyrights, the networks might end up killing some free buzz.

"People are used to not paying for things on TV," said Greg Johnson, executive director of Interpublic Group's media lab. "They're used to watching Saturday Night Live for free."

MTV seems to have figured that out. While an MTV2 spokesman was denying any official agreement yesterday, MTV2 has embraced the video-sharing site, promoting programs with video clips on YouTube.com.

"I think that television and Hollywood film will have a much easier time of working with this phenomenon as opposed to battling it," said Eric Garland, CEO of BigChampagne, a California research company that tracks online swapping.

As broadband penetration grows and consumers spend more time in front of the computer screen than the TV screen, the networks are exploring new ways of reaching viewers in cyberspace.

Both NBC and ABC sell commercial-free versions of programs such as "Lost" and

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"Law & Order" on Apple Computers Inc.'s online music store iTunes. ABC is reportedly exploring a product called MyABC, where consumers will be able to download ad-supported shows off the Internet for free.

YouTube's reputation as a site run by consumers could help TV networks and advertisers gain credibility and momentum on the Web, said Julie Supan, senior director of marketing at YouTube.

She said the San Mateo, Calif.-based company is getting a large number of calls from ad agencies and interactive marketing companies looking to promote video on the site.

---- INDEX REFERENCES ----

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