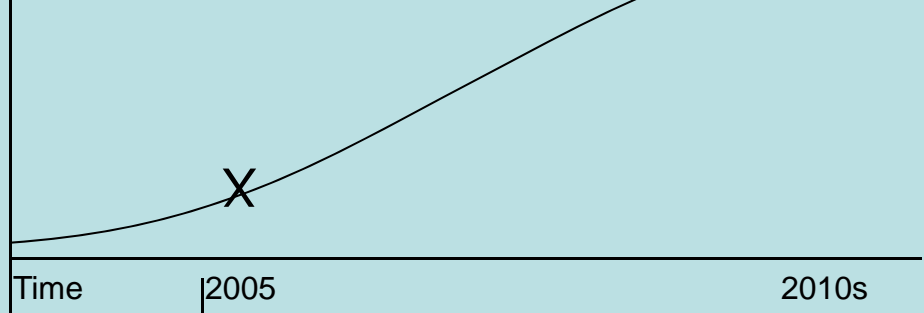


Personal Distribution Networks

The proliferation of new technologies and methods of media distribution allows for cheap or free distribution in the hands of individual consumers, driving down prices and threatening legacy content providers. These networks are the new battlefronts over ownership of content and expose individuals with open systems to new risks. Meanwhile these new networks will drive demand for new hardware while pushing some mainstream products into obsolescence.

Impact Wave



Positives

New Media Channels & Increased Competition:

- Online ads (blogs, search, RSS content)
- Ad metrics services
- Free newspapers
- Voice over Internet Protocol (VOIP)
- Broadband media delivery models (Netflix-Tivo-Strangeberry)
- Podcasting and BitTorrent

Ownership Struggle, Security Risks:

- Encryption and digital rights software
- ID theft insurance, credit monitoring
- Biometrics
- Token keys
- Virus and spyware protection
- Firewalls and network security

Enabling Hardware and Software:

- Facilitation software for blogging, podcasting
- Audio/Video Peripherals (headsets, microphones, webcams, speakers)
- Home networking devices.
- Data storage
- Hardware recycling

Negatives

New Media and Increased Competition:

- Ad agencies
- Subscription newspapers
- Broadcast radio and TV
- Subscription satellite radio

Ownership Struggle:

- Professional content providers (music, artist, professional journalists, etc.)

Obsolete Hardware:

- CDs
- Tape storage
- Professional audio and video recording equipment