

Internet Start-Up to Take a Hybrid Media Approach

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Several cable television veterans are putting their band back together and taking their act to the Internet.

Next New Networks, a New York-based Internet start-up run and backed by former executives of MTV and Nickelodeon, will announce plans today to begin a series of video-oriented Web sites — what the company calls micro-networks — on niche topics like do-it-yourself fashion, comic books, car racing and cartoons.

The company's founders include Herb Scannell, who as a top executive at Nickelodeon in the 1990s was responsible for introducing such enduring fare as *SpongeBob SquarePants*. Another founder, Fred Seibert, was the first creative director at MTV and was behind many of the channel's early flourishes, like the "I Want My MTV" slogan.

The company will also announce that it has received \$8 million in seed capital, in part from the Pilot Group, a media investment firm run by Robert W. Pittman, who created MTV and later overhauled Nickelodeon.

Jonathan F. Miller, the former chief executive of America Online, who was a Nickelodeon executive in the 1990s, has also invested and will join its board. Other investors are Spark Capital, a Boston venture capital firm, and the European division of Benchmark Capital, which backed eBay.

Next New Networks plans to blend elements of old and new media into a type of hybrid entertainment that is different from traditional television and user-generated sites like YouTube. Its various Web properties will revolve around professionally produced videos of three to eight minutes, which it plans to pitch to sponsors as safe and predictable places to advertise online.

Many of the programs will solicit contributions from their audiences, but the company will screen submissions before they approved as final product. The company plans to generate some programming itself while also identifying talented video contributors and bringing them into the Next New Networks fold.

It is starting with six Web sites, including Fast Lane Daily (fastlanedaily.com), which features a daily news program for auto enthusiasts, and ThreadBanger (threadbanger.com), which offers a five-minute weekly show with MTV-style anchors who discuss the homemade-clothing culture.

Mr. Seibert, the creative director, is bringing two existing video sites to the network: Channel Frederator (channelfrederator.com), a weekly program on animation, and VOD Cars (VODCars.com), a curated collection of video clips from the car culture.

The founders believe the Internet offers a programming opportunity similar to the early days of cable, which traditional media firms are not exploiting.

"The nature of big media companies is about incumbent brands and repurposing and refashioning their material for the Web," said Mr. Scannell, the chief executive. "We have no incumbent brands. We're a white sheet for creative people."

Mr. Miller, who left America Online last October under pressure from his bosses at Time Warner, cited the founders' cable experience as the reason he is backing the company.

"To me these guys are returning to their roots," he said. "They are unshackled from large media environment where it is much more about what your quarterly goals are, and can go back to developing new networks and ways of communicating with audiences."

In part, Next New Networks is also challenging the idea that the chaotic terrain of sites like YouTube and MySpace can be a friendly place for advertisers.

"Video sharing is awesome, but advertisers are knitting their brow," Mr. Scannell said. "They want to know what they're backing. There is a place for brands to deliver something that is consistent."

Some statistics may support those doubts. According to recent estimates by Bear Stearns, YouTube earned only \$15 million in all of 2006. Google bought YouTube in October for \$1.65 billion. MySpace, owned by the News Corporation, has also struggled to bring masses of advertisers onto the social network, where much of the content is unfiltered and therefore a concern to advertisers.

Though it is beginning with just six Web sites, Next New Networks has aggressive plans. It says it has the capital to begin or acquire 30 new shows in the next two years, each serving a specific hobbyist community. Possible new topics include pets and the world of ideas, as well as additional shows about cars and fashion. If the business flourishes, the plan is to expand to 100 programs in five years.

The company, with 13 employees, says it will experiment with various concepts but will not hesitate to cancel shows that are not attracting enough viewers.

"It is built into our emotional palette from the beginning that we have to be ready to kill the things that don't work," said Mr. Seibert.

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