

CBS Connects With Tracker of Online Video Content

INTERNET: Network's deal for Clicker shows move into digital distribution.

By **NATALIE JARVEY** Staff Reporter

CBS Interactive's recent acquisition of Internet video guide **Clicker Media Inc.** is a sign that the TV network is tuning in to the idea of distributing television shows online.

Clicker, a Hollywood company that has built a website to help people find TV shows, movies and music videos online, lets CBS place its flag in the download and streaming world as more viewers watch their favorite programs online.

"It's a smart play for CBS," said Kyle Kaczmarek, head of digital distribution for **Echo Bridge Entertainment** in Beverly Hills. "The consumer is really dictating the industry around what they want. You can't turn your eye to it, you have to adapt."

When the acquisition of Clicker was announced March 4, Jim Lanzone, Clicker co-founder and chief executive, was named president of CBS Interactive.

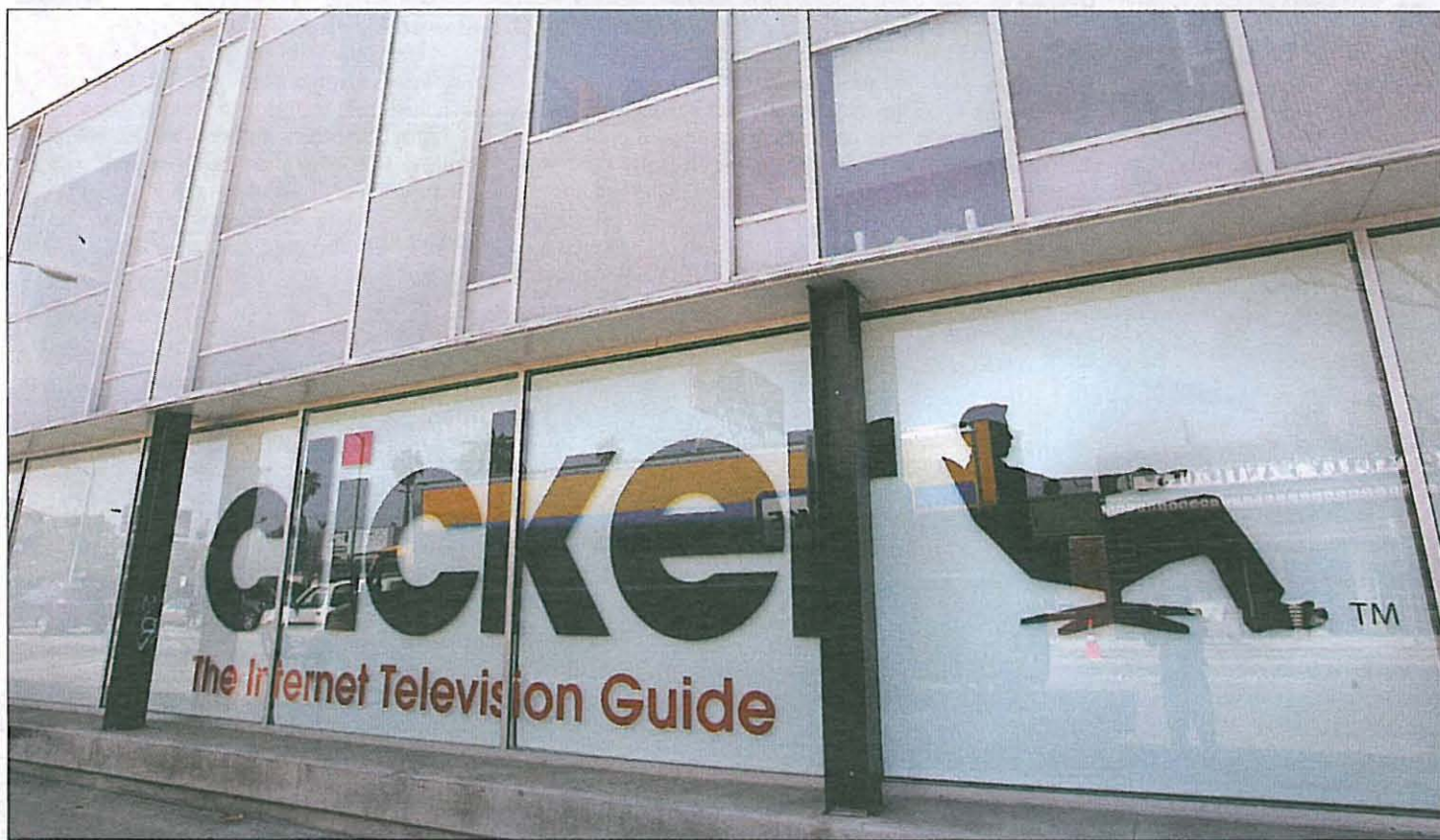
Both the acquisition and Lanzone's promotion are a significant gain for Clicker, which launched its website in November 2009. Paul Wehrley, Clicker co-founder and chief operating officer, said the acquisition has provided the company with better access to the biggest players in the industry.

"What we do is complementary with several of the properties within CBS," he said. "It's a chance to weave Clicker across the brands that CBS operates."

Lanzone and Wehrley started Clicker in 2008 when online video was beginning to gain popularity. **Hulu** had launched just a few months before and **Netflix** had begun offering its instant streaming service. The business partners realized that thousands of videos were available online, but there wasn't an easy way for people to know how to view them.

Clicker now has a directory of more than 12,000 TV shows and 30,000 movies. When people search for an episode of "The Office" on Clicker, they see a list of all the sites where the show can be seen for free, or purchased for download or streaming.

Clicker only lists sites that are legally distributing full-length shows, movies and music videos, Wehrley said. Bloopers or home videos are not included.



RINGO H.W. CHIU/LA81

Button-Pusher: Hollywood office of Clicker, a company that helps users find TV shows, films and music videos online.

"We're not looking for all the weird stuff," he said.

The 35-person company makes its money through a referral deal with some of the Internet's biggest digital distribution players. For example, when someone searches for an episode of "Lost" on Clicker and then decides to buy the episode on iTunes, Clicker gets a cut of the revenue.

Wehrley would not disclose how much the company typically makes from a referral fee, but said it's a small amount. But the fee yields high margins for Clicker because sending the viewer to another site doesn't cost any money now that the infrastructure is in place.

Online shift

Before Lanzone founded Clicker, he was the entrepreneur-in-residence at **Redpoint Ventures** and chief executive of **IAC/InterActive Corp.**'s question-and-answer website **Ask.com**.

In a press release, Les Moonves, president and chief executive of CBS Corp., said the company chose Lanzone because of his experi-

ence innovating at Internet companies.

Wehrley said that Lanzone, who could not be reached for comment, will remain involved in Clicker.

"We'll sort it out as time goes on," he said, "but he'll continue to have a say in the company."

Clicker joins companies such as **CNET.com** and **TV.com** under CBS Interactive.

Ryan Kugler, president and co-owner of Burbank-based DVD wholesaler **Distribution Video and Audio**, has been tracking the shift to online distribution because of how it affects his company's sales. He said the acquisition was a smart move for CBS.

"Digital distribution is the future and the executives know that," Kugler said. "Anytime a large corporation like CBS can buy an organization that does digital downloads, it's a good thing."

Kaczmarek of Echo Bridge said that Clicker's emphasis on authorized content is also an important aspect of the business.

"People want legitimate means of getting good

content and they don't want to have to pirate," he said. "That's why Clicker is a smart angle. It gives you a show and lets you choose what vehicle for downloading works best for you."

He added that CBS sees Clicker as an opportunity to drive new audiences to television shows and increase online viewership.

"It's giving greater exposure to their shows and driving as many people to their network as possible," Kaczmarek said.

But Clicker lists all shows, not just those of CBS. The company displays information about programs from more than 2,500 networks.

Kugler said there shouldn't be a conflict of interest for CBS, however. "They know there's revenue to be made from promoting other people's shows and they're not going to stop that revenue."

Wehrley said he doesn't expect CBS to interfere with how Clicker runs its business.

"CBS is super supportive," he said. "We'll maintain our neutral stance on the website. They know that if we stopped doing that, it would defeat the purpose."