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DVFR Editor's Page

The Nuts and Bolts of "The Convergence"

Scott Mize, Editor in Chief

**Our Mission:
To provide the highest quality information available on
interactive media finance and financial issues –
for practitioners, by practitioners.**

How can **financiers** and **publishers** find the **best deals**, **analyze** them effectively and **maximize** their **ongoing return on investment**? How can **interactive-media entrepreneurs** raise **financing** effectively, obtain the **best terms possible**, and put those proceeds to work most **efficiently**?

The goal of DV Finance Report is to answer such questions. Because despite the deluge of reporting on the market surrounding digital media, multimedia, interactive media, "The Convergence," or whatever you choose to call it, there is a curious gap in information on how products in this arena are financed and created.

So if you're asking "why another publication on an over-reported, over-analyzed and over-pontificated subject?" here's the answer: *This newsletter will help you sort through the mountain of information out there and find the few gems that are critical to your success.*

Who. *DV Finance Report* serves developers, publishers, content providers and financiers of all types, including private investors, corporate partners, venture capitalists, investment bankers, distributors, bundlers, advertisers, sponsors and insurers. We'll cover the nuts and bolts of interactive-media financing and development with articles written by people who are not only experts, but doers in the field.

What. We categorize the elements of the convergence into four major segments: 1) hardware/platforms (including operating systems), 2) communications channels, 3) applications software, and 4) infoware/contentware/titles. We'll focus on the last segment – the last stop on the food chain before the customer. You won't find reports on platforms, peripherals, pipes, plugs or operating systems in our pages. No software either, for while valuable, without content it is an empty tool. Instead, we'll focus on products and companies that are inherently content based – that combine content with software to create what have come to be known as "titles." Given the current state of the industry, this primarily means products delivered on CD-ROM, but it will increasingly encompass interactive television, online services and "wireless" information products. We also will cover products that are true multimedia – ones that meld different data types, including video, audio, text, graphics, animations and databases. Where we address the other segments, it will be with an eye toward their impact on the *infoware*. (What's "infoware?" See the box below.)

Why. We have taken this focus for several reasons. First, the title category presents the greatest range of opportunities for building successful products and companies. Everyone can play, whether they be large or small, new or established, born of the convergence of diversifying from another medium.

In general, the other three segments are already controlled by billion-dollar players who are driving the directions and the financing of those segments. Platforms are dominated by the likes of Apple, Compaq, General Instruments, IBM, Nintendo,

Microsoft, Scientific Atlanta, Sega and Sony. The communications channels are dominated by AT&T, Jones Intercable, MCI, TCI, Time Warner, Sprint and the “Baby Bells.” Opportunities for new players still exist in software, but an established venture capital and corporate partner infrastructure already serves many of the needs of this segment.

It is the titles segment that is most diverse, most volatile, least understood, and that offers the greatest opportunity for the greatest number of individuals and companies.

How. We want to have a very close relationship with our readers so we can refine our understanding of what is most important to you. Our goal

is to help you to succeed in this exciting journey. Please let us know what you think of our newsletter, how we can make it better and what other topics you’d like to see covered.

Of course, we’ve already been planning some things for future issues. You’ll find them listed on the insert that accompanies this Premiere issue. If the insert is missing, or if you’d like to contact us for any reason, see the “About DVFR” box at the left. We hope to hear from you!

What’s Infoware?

Infoware is a concept – if not a word – with which you are familiar.

Infoware = Contentware = Information Products = Titles

Infoware encompasses:

- products that combine content (including video, audio, text, graphics, animations and/or databases)
- software that provides various ways for users to view and interact with the content (often called interactive media or multimedia titles)

Predominantly delivered on CD-ROM today, these products are expected to be increasingly delivered via interactive television, online services, and “wireless” platforms. Infoware categories include:

Corporate Information	Discovery	Games
Professional Training	Adventure	Interactive Movies
Education	Enrichment	Interactive Music
Personal Learning	Edutainment	
Reference	Infotainment	