All the big boys are jumping into this new way of watching television:

Amazon.com Inc. (AMZN) is leveraging its massive database of Prime customers and investing in its own original programming.

Hulu, currently an also-ran in streaming, is making original programs, in addition to benefiting from being owned by massive programming companies – Comcast Corp. (CMCSA),Twenty-First Century Fox Inc. (FOX), and Walt Disney Co. (DIS).

Even Google Inc.'s (GOOGL) YouTube is getting into the paid streaming business, with ad-free and original programming now available.

Other streaming companies are mostly offering content produced by others, or of relatively low value, but you can bet they'll produce more content as competition heats up.

And the companies behind some of these other streamers? Microsoft Corp. (MSFT) with VUE 360, DISH Network Corp. (DISH) with Sling TV, Apple Inc. (AAPL) with iTunes, and even Wal-Mart Stores Inc. (WMT) with VUDU.

How's that for a few giants to upend a new industry?

Netflix Prepares for Battle

Netflix is aware of this trend, of course. Indeed, it was ahead of these players with its own original programming, including high-quality, successful shows like Orange is the New Black.

But just because it's aware of the trend doesn't mean it's not threatened by it. Netflix faces challenges on two fronts – programming costs and customer acquisitions.

It seems like a paradox, but the increased amount of original programming will drive up the cost of other programming. Why?

Programming: Although supply is rising, demand is rising faster. That is, streaming companies that are competing for the best, exclusive programming will be forced to bid against each other for them. Even programming produced by others, such as TV reruns and movies, will become more expensive, as each company strives to offer everything their competitors do, and more.

Customer Acquisition: This problem is more obvious. Until just a few months ago, if you wanted to stream movies on demand and watch high-quality original programming on the same service, you signed up for Netflix – it was the only quality choice.

But by this time next year, there will be at least four, and maybe up to 10 more services, all offering roughly the same movies and their own original programming. Few consumers will want to sign up for more than one or two of these services. After all, one of the attractions of streaming is to cut your cable bill. But what's the point if you're sending just as much to four or five streamers, especially since much of the content is the same from all of them?

So who'll win – and what will the future of TV look like?

Not Enough TV?

In short, there's room for many winners.

As Netflix CEO Reed Hastings said earlier this week, there isn't enough TV! Now, that may seem unbelievable, but the truth is that consumer spending on entertainment has grown faster than inflation and faster than household discretionary income for many years. That's why cable companies were able to jack up their rates for so long!

But eventually, something will have to give. Even with higher entertainment spending, there aren't enough customers to support all of these companies. And certainly not to Netflix-like valuations.

So what are they doing?

Comcast: Its reach is spread far and wide. The company owns cable TV, internet assets, streaming businesses, and programmers. It stands to win, whatever the outcome.

Time Warner Cable Inc. (TWC) and Cablevision: These companies, which don't have as much programming, are selling out to those who do, or those with the scale to acquire programming.

Amazon: It's using streaming to forge even closer links with its customers, thus sparking higher sales of other non-television products.

Companies without the ability to do these things are most at risk. And that takes us back to Netflix…

The Outlook for Netflix… And America's Viewers

With its large customer base and limited business model, Netflix has the most at risk and the fewest levers to mitigate that risk.

It will have to find another act – and soon – or its stock will drop to the point where it will be an attractive potential acquisition for another company.

For consumers, the news is mixed, too.

On the one hand, we're in a golden age of television programming – something that's likely to continue as streaming companies battle with each other and cable companies for your time, attention…and money.

On the other hand, finding quality programming will no longer be as simple as having cable and maybe just upgrading to HBO. The best choices will all have separate price tags, and gaining access to multiple services could be more expensive than cable ever was!