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The Industry: Ritual, Tricksters, Response, and Reification

One of the key markers of a liminal period is an upending of the traditional structures and a suspension of the traditional power structures and hierarchies. Chapter 2 demonstrated how the power to employ programming strategies is being shifted to viewers, who, unlike the gatekept period of the multichannel age, now have unlimited choice of what, when, and where to watch. Chapter 3 discussed the challenges of quantifying those viewers and their curatorial viewing behaviors in a way that makes sense for and to the traditional stakeholders and financiers of the television industry. This chapter explores the major activities and actors of "the industry" itself: its organization and revenue streams; its rationalized systems of series development, production and distribution; the disruptions caused by the entrance of players from outside the traditional industry into these activities; and the ways in which all of these televisors are now approaching the distribution of their programs in screen-agnostic ways that accommodate, seek, and target the contemporary viewer/curator.

"The Industry" has long been the term used to denote the producers of televisual content. It is a metonymic term that refers to the companies, technical workers, talent, sound stages, equipment, and economic, creative, and cultural processes that lead to the production of an end product designed to entertain or inform and, for the first sixty-five years of its existence, to be consumed exclusively via the television "set." The recipients of this entertainment "paid" for the programming through their attention (or presumed exposure) to advertisements and those revenues went back to the producers for the creation of more content. As cable and satellite systems developed, some viewers paid for tiers of additional channels, but as discussed, all, except for specific subscription channels, carried advertising.

It is important to note that despite the "sky is falling" rhetoric about the "death of television" that accompanied the "Netflix surge" of 2009–2011; the traditional economic structure of the oligopolized legacy industry remains lucrative and entrenched. In *Captive Audience: The Telecom Industry and Monopoly Power in the New Gilded Age*, Susan Crawford writes "Because conventional television —a $70 billion a year advertising vehicle —offers such a lucrative marketplace, the possibility of substituting online video for cable networks poses risks to both programmers and cable distributors. Cable distributors and media conglomerates have cooperative arrangements in place that channel more than $30 billion in fees paid annually by the distributors to programmers, their largest source of revenue. The distributors, in turn, charge individual subscription rates that keep going up: a typical cable subscriber pays more than $128 a month for video, high-speed Internet access, and phone services, and the average subscription price has increased about 30 percent in the past five years, while household incomes have declined."[1] In short, the majority viewers still engage in the original economic agreements that drive the traditional television economy. Magna Global, an ad-buying and ad-market research firm forecast that 2016 TV ad revenue would "grow 0.5% to $63 billion, excluding special events such as the Olympics and election spending."[2] While OTT licensing fees, product placement, subscriptions, and season-pass models are becoming important revenue streams, on-the-box advertising sales are still a major part of legacy and cable network income and first run popularity on broadcast or cable remains one of the largest predictors of the value of "the backend" of a series.

One way to consider the recent liminal experience of "the industry" is to examine the influx of new producers (the digital tricksters): Netflix, YouTube, Amazon Studios, Hulu, Yahoo, AppleTV. All of these entities are now creating (or have plans and agreements in place to create) "original television." The similarities are clear: all of these entities were, first and foremost, distributors of video or televisual content (or, in the case of Amazon, a distributor of "everything"). In this way their evolution mimics that of the earliest days of broadcasting. The differences lie in their relationship(s) with the traditional industry producers and the ability of producers and distributors to maximize profits through lifecycle management and windowing.[3] On the one hand, this is an opportunity: "the changes in the industrial norms and conditions of production … yield substantial implications for the creative possibilities of culture industries."[4] On the other, it requires traditional broadcasters to reconsider their identities as well as their practices. Will they continue to conceive of themselves as "entities bound to previous norms of program acquisition, distribution and scheduling?"[5] Therefore, while liminality allows for the questioning, subversion, and reconfiguration of traditional forms of authority, new industry actors have had to grapple with many of the same challenges the legacy players did in their formative years. What may ultimately come to pass is the reestablishment and reification of the original fiduciary arrangements in renewed and transformed forms.

The structure of the linear, legacy OTB industry

As discussed in Chapter 2, the large majority of on the box (OTB) viewers experience television monolithically—a first run episode of *The Big Bang Theory* on CBS, an off net rerun of *The Big Bang Theory* on WPIX, a cable syndicated episode of *The Big Bang Theory* on TBS, it is all *The Big Bang Theory* to them. "Not so fast" Sheldon Cooper would respond—"the distributors of those three episodes are enmeshed in completely different yet related economic relationships to each other, the viewer and Chuck Lorre … and Jim Parsons' residual check." These differing relationships depend on which traditional OTB content deliverer (broadcast, cable, subscription, or satellite) is bringing content to the box.

The structure and system of broadcast television distribution remains the same as it has been since its establishment in the post–World War II period because of its dependence upon geographically limited over the air (OTA) signal transmission. Locally television broadcasters are licensed by the Federal Communications Commission (FCC) to distribute (digitally broadcast) a television signal in a particular Designated Market Area (DMA) of which there are 210.[6] All of the legacy networks (ABC, CBS, NBC) own and operate (O&O) locally licensed broadcasters in major markets (New York, Los

Angeles, Chicago, among others). Local stations not owned and operated (O&O) by a network are most commonly part of a Station Group but may also be owned independently. Station Groups are larger media companies that own regional collections of local stations and may negotiate network affiliation or syndication deals for all stations that they own at once. Group ownership was both made easier and favored by the 1996 Telecommunications Act and is the more financially efficient form of ownership for companies with the resources to purchase and run multiple television stations.[7] Network affiliation means that the locally licensed station (or the Station Group that owns it) makes an agreement with a network to carry its programming during primetime hours (8:00–11:00 p.m. Monday through Saturday and 7:00–11:00 p.m. on Sunday). This agreement means that the local broadcaster is receiving high-production value nationally distributed and advertised programming in return for access to its geographically fixed audience. What may be surprising to learn is that networks pay their affiliates for the time they program (a payment called "net-comp") so network affiliates are receiving programming and a payment from the network in return for carrying the network's programming (and advertising) to their audiences.[8] In addition to the programming (which carries advertisements presold by the networks), the local affiliate also receives a small amount of ad time in the show that it can use for local promotions or sell to local advertisers.

Cable companies have exclusive contracts (franchises) with local municipalities to provide cable service to residences in a particular area (and maintain the physical connections required by these systems). Cable companies are owned by multiple system operators (MSOs) which are increasingly owned by the same corporate conglomerates that own the content producers (Comcast/NBCU, Charter-TimeWarner). Cable operators buy the monthly service of cable networks (and the programming they contain) "wholesale" from channel owners based on a "per subscriber" calculation (a "carriage fee"). The MSO then bundles these channels into collections (tiers of programming) that it sells to subscribers at a marked up price. Cable networks have additional revenue streams that broadcast networks traditionally have not since in addition to carriage fees they receive advertising revenue.[9]

Satellite systems tend to operate regionally rather than locally, but their fiduciary structure is essentially identical to cable's in that they are buying channels wholesale from their owners and then retailing them to subscribers in tiers of service that contain "precurated" channel offerings. In both situations, tiers will be curated by the cable or satellite company in such a ways as to blend popular and less popular channels in a mix that is both economically fortuitous for the MSO and also encouraging of customers' subscribing to higher and more expensive tiers of service to gain access to "everything" they want to see. (In other words, a subscriber will pay for a particular tier of service so as to ensure that he or she gets AMC and the Discovery channel, but will also receive channels that he or she has little to no interest in watching (and thus does not).

For much of the cable industry's existence, MSOs could carry the signals of the local broadcasters in their areas (network affiliated or not) for free. In fact, they were required by law to carry them (the "must carry" laws). As of the mid-1990s, those laws have expired and local broadcasters now have the option to negotiate "retransmission fees" with MSOs or, they may use the granting of carriage to the MSO in return for other advantages (e.g., the free carrying of digital subchannels or cable networks that are part of their broadcast network's corporate family). This has allowed broadcast networks an additional revenue stream that has helped boost their income during the same period of audience movement to other viewing venues. The growth in "retrans" revenue has been key to the continued solvency of broadcasters through the post-network era. "It has been estimated that in the 2012–2016 time period TV stations will be paid over $18.2 billion in retrans revenues, of which the top five broadcast network owners could then be allocated over $9.2 billion. During that same period, we have estimated that TV stations would generate over $106 billion and broadcast networks could take in $91.8 billion in advertising revenue, making retrans revenue an important component of revenue but by no means the largest. By 2016, retrans revenues are projected to account for 21% of TV station ad revenues and 14% of TV network ad revenues."[10] Most recently, as can be seen by the Comcast/NBCUniversal and Charter-Time Warner deals, the distributors and the content producers are increasingly part of the same conglomerate family, so intricately linked that revenue streams from the distribution of properties and the advertising sold against them flows back to the producers who then put the money back into the production of additional content.

Pay channels such as HBO, Showtime, and Starz are retailed directly to the consumer and often subsidized by the MSO which may offer "free months" of the paid service as a selling point to increase the subscription base of its other tiers of service (since in order to receive the pay channels one must be a cable or satellite subscriber). Pay channels do not carry traditional advertising spots and therefore are more concerned with acquiring or producing properties that will increase subscriptions due to their scarcity (pay channels sharply restrict access and do not license first-run content to syndication or OTT outlets). Several key attributes distinguish these subscription or pay-channels from broadcast and standard cable networks. Most obviously, they are not advertiser-supported, nor FCC regulated in terms of content. Viewers purchase their programming as an additional monthly fee on their cable or satellite bill and thus they pay directly for the entire content of the channel each month (as opposed to an a la carte episode-based pay-per-view (PPV) pricing structure). As a result, the pay networks have revenue streams and financing models that are considerably different from those of a broadcast or cable network—the range of "targeted programming interests enables the networks to use the subscription fees of boxing fans to help finance original series, the fees of those subscribing for original series to buy movie rights, the fees of those subscribing to see original drama series help supplement documentary series' costs, and so on, thereby creating a radically different economic situation and, consequently, programming environment."[11]

The success of a pay network, of course, is based upon its subscription numbers and the nature of the subscription relationship creates different fiduciary concerns. "How many or what type of viewers watch specific content takes on decreased importance for subscription networks; a willingness to subscribe affords viewers their value rather than the possession of particular demographic features important to advertisers."[12] Thus, subscription networks are less concerned with the specific shows their paid viewers watch, and more concerned that the viewers find sufficient value in "some aspect of the programming" to maintain the subscription.[13] What all subscription networks want to avoid is "churn" or seasonal "churn" by subscribers who only subscribe to a pay channel for the period of time that a new season of a show they are interested in watching is on and then cancel their subscription once the season has ended.[14] The economic threat of "churn" affects all subscription-based entities, especially those that do not accept advertising and have no other revenue streams beyond their subscriber base. Therefore, in the online SVOD realm, churn is a much bigger problem for Netflix than it is for Hulu Plus or Amazon Instant Video. Hulu Plus accepts ads and has the additional support of its industry owners behind it and Amazon Instant Video is a benefit of Amazon Prime membership which is enmeshed in the etailers other marketing activities. No one is going to cancel their Amazon Prime membership and not reactivate it until the new season of *Transparent* drops.

Television development, production, distribution, syndication

The system of television production and distribution involves three separate but linked entities: producers who work directly with teams of artists that create the shows, studios that finance the shows and networks, which deliver the shows to the viewers.[15] All of these entities operate in fiduciary relationships with each other that ultimately serve whatever conglomerate/parent company owns, has a financial interest in, or is in contractual agreement with the entity.

The six major studios (20th Century Fox Television Studios, ABC Television Studios, CBS/Paramount, Sony Pictures Television, Universal Media Studios and Warner Bros) develop, finance and own the majority of scripted (meaning not "reality") television —in other words, one hour dramas and half hour sitcoms. Once the shows are completed and "picked up" for distribution by a broadcast or cable network, the network pays the studio a per-episode license fee for the right to the "first run" broadcast of the series. This gives the network exclusive right to the premiere broadcast of the series and a specified number (usually two) of on-network reruns.[16] It is particularly important to note that because the producing studio and the broadcast or cable network are all owned by the media conglomerate the money stays "in the corporate family" so to speak or, even if it is "picked up" by a competing network, the revenue stream comes back to the media conglomerate (as do the rights to syndication or further monetization of the property).

This traditional funding system is one of deficit financing: the per-episode license fee paid by the network to the studio does not cover the entire per-episode cost of production. In other words, studios lose money on the first run deal for every episode of every show they produce. What the studios are banking on is that the show will be a success and go into syndication on cable, foreign television systems, OTA channel groups, local channels (and now OTT, since Netflix and Amazon Instant Video have become part of the syndication food chain). The expectation is that successful properties will turn a substantial and lasting profit in the "aftermarket" or on the "backend."[17] Successful shows pay for themselves many times over—such as early seasons of *Law & Order SVU* currently playing on the USA network. The production costs of these 18-year-old episodes are long paid for so the syndication fee is pure and lasting profit to Dick Wolf/Universal Television. Additionally, syndication deals may be geographically exclusive for local broadcast stations or station groups, but they are not exclusive for off-net cable syndication, internet, and the like. Therefore, when the fifth season of *The Big Bang Theory* is in syndication on the local OTA Fox affiliate in New York, an independent local OTA affiliate in Phoenix, AZ, national cable syndication on TBS and Hulu (among many other venues), the producing studio is receiving licensing fees from all of these media outlets. Other financing arrangements, such as barter time (advertising time given to the local broadcaster instead of or for a discounted license fee) are also sometimes negotiated, depending on the projected popularity of the show and its ability to draw an audience.[18] The main point is that when a network is considering whether or not to "pick up" a show, it is thinking about the show's "legs and repeatability."[19] How it does in its first season will be important but more important will be: will it make it to the all-important 100th episode and syndication? As will be seen, some genres have more legs and repeatability than others and some genres seem better suited to the viewing behaviors (bingeing) encouraged by particular delivery venues (web-based video on demand).

Exceptions and innovations are, of course, present (such as Amazon Studios "open submission" system); however, the basic way in which network or "industry produced" programs were/are developed follows a fairly consistent process and timetable that was developed by and for linear television: development (July–October); pilot season (January–May); upfronts (May) premieres—September, or sometime later for shows deemed "midseason replacements."[20] While the traditional "broadcast season" upon which this calendar is based (24–26 weeks beginning in September and concluding in May) has been substantially transformed by the innovations of summer reality TV premieres in the 2000s and the entrance of non-broadcasters (Netflix, Amazon Studios) into the televisual landscape, it persists as very entrenched industry practice.

During the development season, networks plan their "development slate." This is the list of projects and properties that the network has determined will maximize their viewership, reinforce their brand identity, bolster existing shows' ratings, and capitalize on the success of similar shows. There are many reasons for shows landing on development slates and many sources for ideas. Not surprisingly, many of them will be derivative or from known entities[21] (a practice that supports and is supported by the engagement of viewers via the "mere exposure" effect discussed in Chapter 2). Several interesting points to note: networks are not buying shows, they are buying ideas for shows (pitches). Also, they are not buying ideas directly from writers (or YouTube stars), they are buying pitches from studios who buy pitches from producers who buy ideas from writers (or YouTube stars).[22] Lastly, many of these shows are acquired for the following year's season, so networks may be attempting to predict what will best position them in the marketplace 12–18 months out.[23]

The sheer volume is staggering: "In a single year, a network often hears over 1,000 pitches for new comedies and dramas. Of those 1,000 ideas, each network buys approximately 100 to 130 projects."[24] Of these projects, fifty to sixty are contracted for pilot scripts (a "sample" episode of the series, usually, but not always, the first episode to be shot and aired). By January, twenty to thirty pilot scripts are selected to be produced. The economics of pilot season are even more staggering as "collectively, broadcasters often spend over $300 million per year in pilot production."[25] And, clearly all pilots are not "picked up"—in fact most of them are not. If a pilot is passed on, the producer may try to sell it to a competing network but the resale market for pilots is not particularly strong (why would a network take something a competitor has passed on when it has already invested substantial sums in its first choice shows?)[26]

While there may seem to be few guidelines for the choosing of particular pilots over others, the economies of scale involved in not just the production of the pilot, but the continued commitment of resources to the production of a series often supports the success of imitators of recent successes. This is nothing new in the world of entertainment and is part of what is commonly called a "genre cycle." Genre cycles are a way of periodizing television through an analysis of its most popular programming. What this reveals is that genre cycles are begun by an *innovation* which creates a disruption in or change to existing programming by introducing a show that deviates in a substantially big enough way to call attention to itself. If that innovative show catches on and becomes popular, the cycle will take root and *imitators* of that show will begin to be developed by competing producers and networks. As the schedules fill with these similar shows, *saturation* occurs during which an overabundance of this "type" of show can be found across multiple networks and distribution outlets. As the popularity of these shows wane, a new *innovation* is sought and the process begins again. I would argue that genre cycles are somewhat irrelevant to OTT producers, except as a barometer of what other producers are investing in. However, as will be seen, the long tail created by OTT distribution may make genre *silos* rather than genre *cycles* the more relevant way to track dramaturgical evolution.

Once a pilot is picked up, the network "commits to paying the pilot's license fee, usually about 60–70 percent of the pilot's budget (the remaining 30 to 40 percent comes from the studio; this is the deficit of 'deficit financing')."[27] While twenty to thirty pilots may ultimately be shot during each year's pilot season, most networks pick up only four to eight new shows per season. Since they expect about half of the new shows to fail, networks will initially order six to thirteen episodes including the pilot. If the show does well, the network will order additional episodes to finish the season.[28] If not, it could be replaced by another as-yet-unbroadcast pilot midseason whether or not its full order of episodes have been broadcast.

Taking the shows to market: Upfronts

The primetime upfront presentations are held in May in New York, where most of the media buyers (and advertising agencies) are located. These advertising and television industry-only events are presentations where networks reveal their fall schedules of returning and new shows to advertisers, their affiliate stations and the press. The goal is to create as much buzz and interest in their upcoming shows as possible and to sell the majority of their advertising inventory for the fall season. Upfront presentations are extravagant, usually attended by current network stars (and known names with new shows to promote) and are where the networks focus on putting their best face on and foot forward—regardless of recent or projected performance.

During the upfront buying season (which can last until August), advertisers can buy commercial time on shows airing during the fall season at a discount (usually about 15% off). The advantage for networks is that they are able to sell 65–75 percent of their prime time available spots (called "avails") and thus be guaranteed income and advertiser support prior to the fall premieres.[29] On the advertising side, media planners will work closely with media buyers and account executives to determine the best shows on which to purchase time, reviewing either past ratings performance (for returning shows) or projected target audience numbers for new shows based on talent, similar show performance, timeslot, and network ranking overall.

The agency will tell the network the client's budget as well as the desired target audience, including any particular weeks ("flightings") during which they would definitely want to run campaigns on certain shows.[30] The network will respond with a package of shows that it believes will deliver this audience and negotiations begin for a CPM rate—a cost per thousand of viewers that the network will guarantee the spots will receive.[31] Nielsen rankings from the previous season (of continuing series) are considered, but all metrics for these shows are scrutinized. As discussed in Chapter 3, since 2014 the C7 rating (commercial viewing "live" plus up to seven days of time-shifted viewing) is the primary one upon which upfront CPMs are calculated.[32] Negotiations take place on several fronts. Companies willing to commit to an entire season may receive additional discounts, networks may request advertisers to buy sometime on less-popular shows in return for prominent placement on higher performing shows. Once the program mix and CPMs have been determined, the contracts will be drawn up and the network will "hold" that time for the advertiser. Most deals struck during upfronts guarantee GRPs (gross ratings points) which are "used to measure the exposure to one or more programs or commercials, without regard to multiple exposures of the same advertising to individuals. One GRP = 1% of TV households."[33] If the advertisements do not achieve the promised number of GRPs, then the network will rerun the ads as "make goods" to "make up" the missed GRPs. The advertiser has less control over "make goods" placement as they often comprise less-attractive timeslots from the scatter market.[34] Therefore, accurate audience measurement is crucial for media buyers since: "a successful agency avoids make-goods by accurately estimating and buying time in programs for which the anticipated ratings and the actual ratings are most likely to be similar."[35] If the "make goods" are unacceptable to the advertiser, the network may actually do a "give back" and refund the advertiser's money.[36] If, by chance, the program over-delivers on the GRPs several possibilities arise: either the advertiser is happy and nothing changes, the network uses the higher performance as a bargaining "chit" in future negotiations or the network "commits to a specific number of GRPs for the season, and when the commitment is satisfied, the remaining commercial time is sold to other advertisers."[37] Of these options, the first is the most likely to happen as networks want to maintain positive relationships with their advertisers.

Advertising inventory not sold during the upfronts becomes part of the scatter market which is not discounted (and can be as much as 40% higher than the upfront market), does not guarantee "make goods" if GRPs are not met and does not allow buyers to cancel their ad buy without losing money.[38] The last market is the "spot" market which is the least desirable way to purchase ad time. While the available inventory may include desirable individual commercial slots, the spot market is limited to unsold time on hand and also much more expensive, especially for shows that have outperformed expectations.[39] If networks do not sell all of their ad inventory, or they are delivered an episode that runs short (while the maximum running times of hour and half-hour shows are forty-four and twenty-two minutes, respectively, shorter episodes are, on occasion be delivered to network by the production company) they will use the left over inventory for "make goods" or to promote their own shows or shows on their other channels. Traditionally, none of these negotiations have allowed for advertisers to choose the specific "pod" (commercial break) in which their ads will air. This is beginning to change in the wake of the C7 Nielsen which has enabled advertisers "to see not only which pods—but which positions *in* those pods—are the most valuable commercial slots."[40]

Syndication and the aftermarket

Syndication is a means of program distribution that involves the direct distribution of a show to a local broadcaster or cable network by the owner of the property. Syndication takes several forms, but the principle distinctions for our purposes here are the difference between first-run syndication and "off network" (now often called "aftermarket") syndication as it is these practices that have been most intervened upon by the explosion of OTT viewing options. Until the mid-2000s, the "lifecycle management" of a show was relatively clear and relied upon exclusive access through an established set of windows. The revolution in these practices, which spurred a complete reconsideration and reenvisioning of licensing deals was TV series video on demand (VOD) and per-episode downloads, neither of which existed prior to 2006.[41]

First run syndication

The easiest way to define first run syndication is to name representative examples: *Ellen, Jeopardy, Family Feud, Oprah, The View, The Chew* … these shows are original productions, often produced daily or with the expectation of daily viewing which are distributed directly to station groups by their producers. Local broadcasters use these first-run syndicated shows to fill their nonnetwork programmed hours. The fiduciary relationship between the broadcast outlet and the content owner is usually "cash plus barter" so "in exchange for the right to broadcast particular programs, stations pay some cash but also surrender some advertising time back to the distributor."[42] The distributor then sells national advertising which is inserted into the episodes as delivered to the local broadcaster. It should be noted that the distributors are also conglomerated and in corporate families of the legacy broadcasters. CBS Television Distribution, 20th Century Television, and Disney/ABC Domestic Television rank among the top five syndicators to the US market.

Off-net/Aftermarket syndication

Off-net syndication is where deficit financing has traditionally paid off—it is where shows begin to turn a profit for their producers in the licensing fees paid to their content owners by local broadcasters and cable networks that seek syndicated content with a track record to fill out their programming schedules. Shows are generally not syndicated until they have reached 80–100 episodes which is sufficient for the licensee to "strip" the show five days a week at a particular time without repeating episodes for at least six months. The off-network rerun, argues Kompare, "has long been one of television's most essential program forms. It remains a viable part of syndication, even as the very nature of both 'television' and 'syndication' becomes less tangible with every new digital distribution venture."[43] "The place of off-network drama series … has never been stable" writes Kompare, "syndicated hours have historically been difficult to schedule in daily syndication and have never drawn the size or makeup of audience that sitcoms demand."[44] One hour self-contained dramatic narratives (police procedurals like the *Law & Order* and *CSI* franchises) found off-net success on cable networks, although that market shifted as cable networks began to engage in more original prime time production from the mid-2000s onward. What is also unique to off-net syndication in the linear legacy age of television is that the "net" pretty much exclusively refers to a broadcast network. "Network shows go to cable or syndication, but there are few if any examples of shows moving upstream from cable to network."[45] The content needs of OTT television distributors and the licensing fees they have been willing to pay have expanded the aftermarkets of all television shows substantially—in ways that devalue certain parts of the syndication market while opening new venues for series previously thought to have little-to-no aftermarket besides a DVD release.

Traditional linear programming strategies: Flow, daypart, and genre

Network and cable programmers engage in a variety of strategies to arrange their programs into configurations that they think will encourage viewers to not only tune in, but to also stay with their channel for more than one show. (This is the "flow" that Raymond Williams first theorized in 1975, and which has become a guiding concept in the analysis of television and programming strategies.[46]) Network programmers have always been keenly aware of the role their work plays in making their networks' schedule of programming competitive. The strategies they employ: block booking, counter-programming, hammocking, tent-poling, and lead ins have relied upon a limited number of clearly identified competitors, whose offerings at a particular time could be quantified, analyzed, and then strategically countered. Naturally, the more dispersed the audience, the more ineffective and in some cases irrelevant these strategies have become. Nonetheless, programming decisions (where a show will ultimately "go" and what it will be surrounded by and up against) inform pilot season and pickups and are controlled and affected by a variety of traditional and new structures and practices all of which are designed to reach target audiences and strengthen the network brand.

Dayparts

Dayparts are the traditional organizing principle of the linearly scheduled programming day, and have been since the dawn of radio. They are used not only to distinguish which parts of the day will be provided to network affiliates by the network, but also in the setting of advertising rates since certain times of day have traditionally presumed larger audiences than others. There are eight major dayparts that divide a 24-hour period:

Time	**Daypart**
5:00 a.m.–9:00 a.m.	Early Morning
9:00 a.m.–4:00 p.m.	Daytime
4:00 p.m.–7:00 p.m.	Early Fringe
7:00 p.m.–8:00 p.m.	Prime Access
8:00 p.m.–11:00 p.m.	Primetime
11:00 p.m.–11:35 p.m.	Late News
11:35 p.m.–2:00 a.m.	Late Fringe
2:00 a.m.–5:00 a.m.	Overnight[47]

While the particular programming carried by a particular station during a discrete daypart may be similar, the specific shows that appear on a station (and therefore, the advertising rates), are, of course, controlled by a series of interlocking criteria and depend on the individual station's relationship with a larger network. For example, WNBC (New York) being an O&O station of the NBC network, will carry network content such as *The Today Show* during the early morning daypart, and *The Tonight Show* during late fringe. An independent broadcast station in the same market may carry off-network syndicated reruns such as *Seinfeld* or *The Big Bang Theory* during the same dayparts. Additionally, the amount of programming provided during a particular daypart varies from network to network. Fox affiliates air local news at 10:00 p.m. when their network-supplied primetime programming ends, and counter program reruns during the late news daypart when legacy network affiliates are airing their local news.

Another major function that the daypart has traditionally served is to organize the broadcast day for viewers. Since the early days of radio, listeners were conditioned to expect that daytime serials (soaps) would be broadcast during the daytime, with the programming becoming more family and child-oriented toward the later afternoon, as children returned home from school, or as parents returned from work and the family prepared for dinner and the evening hours. In other words—there is (or has been) a direct correlation between daypart and genre.

Genre transformation in the post-network post-box era

It is important to consider genre as a part of programming strategy because the two have historically been linked. Dayparts communicated genre expectations to linear television viewers—conditioning them to expect first-run syndicated talk shows, soap operas, or court shows to be scheduled during the day and higher production value, bigger named star comedies, and dramas during primetime. Traditionally, genres were bounded by a fairly inflexible set of rules and characteristics that were used to contain and cohere narrative elements, ones that make—the "loglines" of *TV Guide Magazine* simple for viewers to understand for instance. This was a logical and efficient way to manage narrative in an environment with fewer viewing choices.

Genre distinctions range from the broad to the specific to the hybrid—the most obvious large categories are drama and comedy, but subgenres within these broader categories (domestic sitcom, workplace sitcom, police procedural, medical, fantasy, etc.) are often used to describe shows. Beyond content-related characteristics, there are other ways of categorizing genre common to the television industry. These usually categorize something about the show's "form" (half hour, hour, variety), which help programmers classify the show. And, there are yet other genre descriptors ("quality") that rely upon either opinion or a generally accepted, if arbitrary list of attributes rather than being tied to the narrative or thematic elements of the shows being described.

As the daypart has become increasingly irrelevant and the citizen programmers take their power, genre has been freed from daypart-based constraints. As television begins to be originated and distributed entirely off-the-box, it is also freed from the expectations and conventions of traditional broadcast forms. What we are now observing is the purported death of the longest-playing genres (soap opera) conterminously with the development of genre-hybrids and/or popularization of genres that would have been unthinkable (or commercially unsuccessful) during the traditional network era. These new niche genres have found sustainable audiences off-the-box and on the internet. Further transformations in genre and audience expectation have been fostered by the realization that different modes of delivery and accessibility encourage different forms of consumption which are uniquely advantageous for certain genres over others.

Perhaps one of the most interesting situations through which one can discuss and see the effect of the "death of the daypart" on the perceptions and practices of television producers, programmers, and their audiences is the decline of the daytime soap opera genre. Soap operas, which rely upon a consistently scheduled and continual broadcast of their sequential episodes, and which have little to no backend or aftermarket syndication revenue streams, have not negotiated the "platish or perish" transition well. While enjoying some of the most dedicated fan bases of any television genres, they have suffered audience erosion due to demographic shifts in their audiences. While their ratings performance has been equal to other daytime television offerings, the economies of scale involved in their production have made them "too expensive" for the networks to produce. The many schemes suggested to "save the soaps" have largely operated from either the traditional advertiser-supported model, or from a fiduciary model that is still traditional in its construction—such as moving the soaps to a narrowcast cable channel (although Soapnet ceased operation on December 31, 2013).

The decline of shows categorized as "soaps" has not, however, led to a disappearance of their defining generic conventions from television. In fact, I would suggest that the networks began coopting and integrating the narrative elements of daytime into their nighttime programming as early as the mid-to-late 1980s, as legacy broadcasters strove to counter a loss of viewers to an increasing number of cable networks. The resulting genre cycle, which Robert Thompson, writing in 1996, called "quality TV," borrowed heavily from the soap opera and transformed traditional evening genres such as the police procedural, courtroom story, and medical drama.

Thompson identified twelve attributes of "quality TV," the most germane for our purposes being the following:*

- Usually has a quality pedigree—creatives with track records in other high-end culture industries or, television itself.
- Attracts an audience with "blue chip" demographics—"upscale, well-educated, urban-dwelling viewers" that advertisers want to reach.
- Tends to have a large ensemble cast.
- Has a memory—characters develop and change as the series goes on, events and details from prior episodes are referred to or used subsequently to advance the action. (Another way of saying this would be "seriality.")
- Tends to be literary and writer-based.

* So as not to short the "completest" reader, the other four attributes of "quality TV" that Thompson identified are: "Best defined by what it is not, so *Hill Street Blues* was not your 'traditional' police procedural that introduced one crime and solved it within the forty-eight minute hour; (In the 1980s at least) The show must undergo a noble struggle against profit-mongering networks and nonappreciative audiences, or takes a season or two to find an audience; Creates a new genre by mixing old ones; Is self-conscious – may also be self-referential about being a televisual text."

- Has subject matter that tends toward the controversial or the contemporary social issue. Tends to have the perspective of liberal humanism.
- Aspires toward "realism."
- Usually showered with awards and critical acclaim.[48]

Fully four of these attributes: an ensemble cast, having a memory or seriality, being writer-based and having subject matter that addresses contemporary social issues, have inhered in the soap opera form since its inception. The emphasis on the writer and quality pedigree of its creative team foreshadows the reification of what we would now call a "showrunner" as a brand, since the first iterations of this new genre (*Hill Street Blues, St. Elsewhere, L.A. Law*) became calling cards for their creator/executive producer, Steven Bochco. The other qualities clearly describe recent innovations in original programming by Netflix, Hulu Plus, YouTube, and Amazon Studios.

If we consider the last twenty years or so, since the coining of the term "quality TV" we see a fall off in the number of shows that could be classified by this term as the reality television genre cycle came into vogue. At the same time, quality TV has borrowed at least two generic elements from soap opera—ensemble cast and seriality—which could be said to be responsible for the success of the highest rated reality programs, since one can see these characteristics in shows such as *Survivor, Big Brother, Real World*, and the like. As the reality cycle began to wane in the mid-2000s, (and alternative viewing spaces became available) there was an increase in the production of shows that could be classified as "Quality TV" by the linear networks such as *Brothers and Sisters, Grey's Anatomy, The Good Wife* and most recently *American Crime Story, Scandal*, and *Empire*.

The main commonality among all of these shows is, of course, seriality. The importance of seriality is emphasized in the criticism about quality TV and the connection between the soap opera and literary forms that encompass long narratives such as the novel. Thompson traces the movement of the serialized form into primetime series to *Dallas* which premiered in 1977, and owed its success entirely to its use of the soap opera form.[49] The success of imitators and spin- offs such as *Knots Landing, Dynasty, Falcon Crest*, and *Flamingo Road* "gave a memory to the entire medium" writes Thompson—so "many dramatic shows—even those that weren't exactly soaps—began employing ongoing story lines."[50] In fact, writes Thompson, "As the Golden Age of television (the variety shows and anthology shows of the 1950s) was rooted in the legitimate stage, quality dramas were rooted in the soap opera."[51] The complexity of these shows comes from the "slow layering of events, character traits, and other visual and dramatic details over the entire run of these series" and notes that "these slowly accruing stories could only be told in the serial form. More importantly, they could only be told on television."[52]

This last point is particularly important—they could only be told on television, because of the structure of the industry in this period. All major industry distributors abided by a twenty-six week season which ran September–May and shows ran according to fixed weekly schedules that, except for mid-season replacements, were consistent. Reruns were scheduled during summer hiatuses that gave shows that performed poorly in their first run a chance to build an audience without competing against new first-run content. This system was substantially eroded through the growing practice of premiering new content during the summer, a strategy pioneered by the "fourth network" FOX during the late 1980s and firmly entrenched when CBS premiered *Survivor* during the summer of 2000. The success of highly serialized original programming on the OTT providers and the new forms of consumption (bingeing) and distribution (the drop) is perhaps the ultimate confirmation that complex narratives are extremely viable and desirable program forms with the power to continue to attract interested viewers to new venues of televisual consumption.

Writing in *Variety* in 2013, Cynthia Littleton states that *The Good Wife*, being a "highly serialized show" was "unlikely to generate big bucks in traditional off-network syndication."[53] However, this same attribute made it "tailor-made for the new breed of digital off-network buyers looking for the soapy, social media-friendly serialized skeins that invite binge viewing."[54] Thus Netflix, Hulu, and Amazon Instant Video provide unique off-network sites that according to Leslie Moonves, "serve the content needs of best-in-class partners while realizing the full syndication value for a high-quality series. In addition, the potential for catch-up viewing across multiple platforms can provide incremental value to future broadcasts on CBS."[55] While some internet video deals are emphasizing scarcity and exclusivity (*Downton Abbey* on

Amazon Instant Video, the recent *South Park*-Hulu deal), other deals are considerably more windowed. “Nowadays, most of the time if they pay a high ticket price, they will get all the rights, but now you’re looking at deals where you split it up more. You slice and dice it even more than you did before where you’ll sell it to a Netflix or an Amazon and then sell it to a cable [network], then sell it in syndication.”[56]

From genre cycle to genre silo—the long tail of television?

What appears to be developing now is a situation in which certain “types” of shows (those that are highly serialized) succeed on certain viewing platforms (those that encourage and facilitate binge viewing) and other types (procedurals, stand-alones, low budget slice-of-life reality) on others (OTB viewing). There is still a demonstrable market for what Kompare calls “banal” or “habitual” TV—“ ‘just see TV’ rather than ‘must see TV.’ ”[57] Another way to look at this is that the increase in productions fostered by a multiplicity of distribution options and consumption platforms has made room for the production of content that serves all viewer needs from ambient/company viewing to focused/immersive involvement. This may result in the replacement of genre cycles spread across multiple outlets by genre silos found on one particular viewing destination and the simultaneous production of a variety of viable shows that will all eventually find an audience on net, off net, or OTT– a situation that would have been unthinkable and financially impossible during the network era of broadcasting.

The digital disruptors—interventions and new conventions

Van Gennep, Gregory Bateson, and Victor Turner theorized the mythical figure of the “trickster” as a bringer of both disorder and culture.[58] Trickster figures actually predate anthropology and exist as far back as Greek myth (Hermes and Mercury). They are, quite simply “boundary crossers” who are catalysts for exchange and trade.[59] All communities have boundaries and the trickster is always “at the gates of the city and the gates of life, making sure there is commerce."[60] The trickster stays on the periphery, not the center (for they can get more done by focusing on change rather than being the center of attention) and they "might help someone see into the heart of things, and that they therefore have a touch of the prophet about them."[61] This prophetic skill is not so much the ability to see into the future and prognosticate how things will be, but rather to consider the grand possibility of the future—since the trickster is asocial and often amoral—not bound by tradition or rules. "Trickster reveals the plentitude of this world; if he then disappears, we see the same revelation repeated in the multiple ways human beings understand the plenitude of things once conventional understanding has been lifted."[62] He/she is a liminal figure as well as a cultural hero who continues "to keep our world lively and give it the flexibility to endure."[63] In fact, argues Lewis Hyde, trickster is a requirement for a viable and durable culture because his/her function is "to uncover and disrupt the very things that cultures are based on."[64] Netflix's Ted Sarandos, Amazon's Jeff Bezos, and AwesomenessTV/YouTube's Brian Robbins do not necessarily embody all of the attributes of the trickster figure. After all, "actual individuals are always more complicated than the archetype, and more complicated than its local version too."[65] But they have functioned in ways that are unique to the trickster in the transformative effects they have had upon the traditional television industry structures and practices.

The successful debut of Netflix's streaming only service in the fall of 2010 resulted in the popularization of the acronym OTT ("over the top") "to acknowledge concerns that cable subscribers would use Netflix and other broadband streaming and downloading distribution services as an alternative to cable subscriptions."[66] YouTube, Netflix, Vudu, Vimeo, and other early web-streaming sites acclimated viewers to cross-platform viewing. Amazon piloted an entirely new pilot season and bundling VOD content with existing e-commerce products. While legacy OTB programmers attempted to embrace mobile and web viewing through the creation of transmedia paratexts, branded apps from OTT platforms that provided uninterrupted streaming of high-quality long-form content obviated the need to create special content for mobile, moving clips, and "spreadable media" to YouTube and the realm of social media portals and platforms.

Netflix

Netflix was, of course, the first OTT VOD system to begin creating disruptions for the traditional linear television industry. Netflix began streaming video in 2008 just as residential subscriptions to broadband began to increase.[67] Thus it created a substantial "long tail" of alternative viewing options for US viewers and a new revenue stream for television content owners and producers—at that time solely the broadcast and cable networks.* Netflix licensed entire series of current and past television shows for streaming distribution via its online platform. However, in addition to popular guaranteed money makers, Netflix was also open to licensing shows that had a very difficult time in the traditional "off-net" market, because they did not have enough episodes to make syndication fees "worth it" for channel groups and local stations, because they originated on cable as opposed to broadcast, because they were one-hour long, serialized, or because their OTB ratings performance had not been suitably high to guarantee a sufficient traditional off-net syndication audience.

Netflix internationalized the televisual viewing repertoire through deals with international producers, both English language (three seasons of *The IT Crowd*, a BBC sitcom were licensed by Netflix as well as *Top of the Lake*, an international coproduction of the BBC2, BBC UKTV (Australia), and Sundance Channel, shot in New Zealand and directed by Jane Campion) and producers working in non-English speaking countries willing to provide English-subtitled versions to the American Netflix market. (*Generation War*, a German miniseries that follows the lives of five friends through World War II was licensed by Netflix as well as *Punch* and *Pinocchio*, South Korean television shows that Netflix has made available to the American viewer.)

In addition to creating an "always on" syndication market and a plethora of choice for its subscribers, Netflix also demonstrated a vast and lucrative aftermarket for pretty much all and any televisual content. Freed from the strictures of the linear daypart, television shows from throughout the history of the medium were made available to new and old audiences in perpetual

* Netflix, of course, has international aspirations and is now available in 190 countries. Its first intervention was in the United States which is what I address here. The global impact of Netflix and other OTT producer-distributors on the internationalization of the television market is addressed in greater detail in Chapter 6.

"rerun" as it might be. But, of course, key to this was that these reruns were now being pulled to interested niche viewers rather than pushed out to a mass audience. This did not go unnoticed by the legacy networks who began to stream episodes of their content via their own network websites (where they could control pre-roll and other unavoidable advertising as well as receive the revenue from said advertising) and to not renew licensing deals with Netflix. In 2008, Hulu (the OTT industry venture led by NBCUniversal and FOX then later joined by Disney) launched, which further eroded the availability of television streaming licenses to Netflix.

Netflix's response to the curtailment of television streaming licenses by the legacy content producers and owners was to begin producing its own content. This entrance of distributors into production is not only not new, but it is also the reason the legacy networks were created in the first place. The Radio Corporation of America (RCA), the major producer of radio sets for the home in the early 1920s, needed a selling point to convince consumers to invest half a year's salary on a "box" for the living room that, from external inspection was inert and not very interesting looking. RCA's solution was to form NBC—the National Broadcasting Corporation which, through its red and blue networks of affiliated radio stations, broadcast shows (and advertisements) across the United States. Quite simply, the creator of the distribution platform (RCA) entered original production (via the creation of subsidiary NBC) in order to create a selling point for the distribution platform (radio) and to encourage consumers to buy one.[*]

So it should have come to no surprise to the OTB networks that Netflix responded to the scarcity of attractive content licenses by entering the original content business.[68] Netflix's first forays into original programming were: twenty-six episodes of *House of Cards* directed by David Fincher and starring Kevin Spacey (at a cost of about $4 million an episode); new episodes of the critically acclaimed but cancelled Fox series *Arrested Development* ($2.5

* To be sure, I am oversimplifying and sketching out the broadest of broad histories of the development of commercial radio and then television broadcasting here. The important points for our discussions are the industrial relationships between content delivery platform owners and content creators, which explain, in part the movement of digital "sovereigns" into the content-producing spheres. For substantially more detail on the development of broadcasting in the United States, I refer the reader to the work of Susan Douglas, Michele Hilmes, Megan Mullen, Erik Barnouw, James Baughman, Michael Curtin, and Susan Murray among others.

to $3 million an episode); and *Lillehammer*, a Norwegian-American coproduction with Norwegian public broadcaster NRK1.[69] Netflix did not "program" nor "schedule" these shows, it made entire first series available all at once to "watch instantly" even if the show also ran in other configurations. All eight episodes of *Lillehammer* became available for viewing to American Netflix subscribers on February 6, 2012, while the series ran linearly on Norwegian television. Audiences (by which Ted Sarandos means "Netflix subscribers") could choose to "binge watch" the series, or to view it at their leisure—what they were encouraged to do, and practically required to by the narrative form—was to view the eight episodes sequentially. "People need a longer relationship with a show than one or two or three weeks" said Sarandos. "What we do is provide a longer time for shows to come to life for the audience."[70] Sarandos believes that this release pattern allows for shows to find audiences, but also for audiences to view, review, and engage with the episodes and their narratives—they are experiencing, exploring, and creating new ways of viewing.

The common generic element of practically all of Netflix's first original productions is seriality, which binds the viewer to the show, creates an ongoing relationship between the viewer and the show and essentially draws upon all of the narrative and dramaturgic tropes that bound daytime viewers to soaps. The unique all-at-once distribution pattern of Netflix frees the viewer from a schedule-driven consumption of the show without disrupting the experience. Viewers do not need to worry about being "behind" or "missing" episodes—their consumption pattern (i.e., which order they view the shows in) is dictated by the narrative form. Their consumption schedule and experience (when, where, and how) they watch the serialized episodes—is up to the viewer.

The success of this experiment has demonstrated that original programming available solely behind web paywalls is, at least for Netflix, realistic and successful, and led to additional deals for *Orange is the New Black*, *Bojack Horseman*, and second and third seasons of *House of Cards* and *Lillehammer.* The "backend" of these shows is different from network in that once created and made available, they go into immediate and eternal syndication, remaining accessible and discoverable at Netflix for viewer recommendation in arguably perpetuity. DVD releases of these series have been timed for just before the next season becomes available, thus serving as an advertisement and enticement for non-Netflix subscribers to view, become intrigued, and subscribe.

However, the binge-watching consumption patterns for these shows has both advantages and disadvantages for subscription-based companies. Showtime and HBO have always had to contend with subscriber "churn" after their prestige shows have finished their seasons, but can count on the 12–15 week season to be a period of high viewership and structure their promotions for new programming and other appeals to viewer engagement and loyalty. An *Orange Is the New Black* viewer might consume the entire new season in one day so if the viewer sees Netflix solely as the site of destination viewing of that particular show, he or she may choose to cancel after viewing. To be sure, Netflix can start new runs of original programming whenever it wishes as well as hope that "viewers who liked X also liked" recommendations of titles from their long tail of programming will keep subscribers engaged in between seasons of their favorite original programming. This is crucial for Netflix's continued viability—while it is less vulnerable to churn than the linearly programmed Showtime and HBO, its ability to keep subscribers in between season drops of its most popular shows relies on its library and other offerings—especially in the wake of its summer 2016 price-hike for streaming-only access.

Netflix pays producers for its content based on how many people it thinks will watch a show—the success of the show is based not on Nielsen ratings, but on internal data collected from Netflix servers that show what people watched and how much of a show they watched as well as the user "ratings" that Netflix subscribers assign shows they watch to contribute to Netflix's recommendation algorithm. Since Netflix is not ratings-driven it "doesn't have a traditional network's gaggle of development executives to supervise productions and bicker over scripts. It will even take the highly unusual risk of ordering multiple seasons of a show without a pilot episode."[71] "The worse thing we'll do" according to Sarandos "is create mediocre shows."[72] If that occurs, thanks to the low cost of Netflix's long tail catalog, the shows could still find an audience of viewers who enjoy mediocre programming and have indicated this preference to Netflix's recommendation engine.

In 2013, Netflix became the first online-only content producer to be nominated for the Emmy awards. It was nominated in fourteen categories, with its "flagship" production *House of Cards* receiving the majority of these (nine). Kevin Spacy and Robin Wright were nominated for outstanding actor and actress in a dramatic series, the show itself was nominated for Best Drama, and it was nominated for several creative awards Emmys. Ultimately, Netflix won three of the awards, best Casting and Cinematography at the creative Emmys, but also the award for Best Directing, which was won by David Fincher. Netflix also brought a slate of shows to the 2013 Television Critics Association press tour, further evidence that Netflix's ultimate goal is "to take its place alongside traditional networks as a purveyor of original programming."[73] In presenting the "sizzle" reel to the TCA—arguably the largest gathering of professional television influencers in the United States, Sarandos said: "We're leading the next great wave of change in the medium of TV. We're not trying to destroy it, but evolve it for the current generation and those to come."[74]

In June 2014, Netflix signed a seven-year deal with Chelsea Handler for a series of specials and a talk show which will premiere in 2016.[75] Handler's late-night talk show on E! ran from 2007 to 2014 and averaged 600,000 viewers in its last season.[76] Sarandos said of the deal: "Netflix is looking forward to reimagining the late night talk show for the on-demand generation, starting with the late night part."[77] It is unclear how the show will be scheduled but Netflix insiders have said that "as 'a topical talk show' it would not follow the previous Netflix pattern of posting all episodes at once" and that it could be "described as 'in the style of a late-night show,' if not produced on a late-night time schedule."[78] In this way, upstart trickster Netflix is experimenting with traditional structures and patterns, to see how they might and if they should be transformed. This well could lead to the liminality of liveness.

Amazon Studios

Amazon Studios is a production wing of super e-tailor Amazon and, obviously, aims to produce content specifically for distribution via Amazon Instant Video, preferably to owners of the Amazon Kindle, Amazon Fire, or FireTV. Amazon announced its first "pilot" season in May of 2012 and solicited submissions of pitches for comedy and children's shows. It hired Joe Lewis, formerly of 20th Century Fox and Tara Sorensen from National Geographic

Kids to oversee the "crowd sourced" development process. In the first round, Amazon optioned scripts for "$10,000 within 45 days of submission and awarded an additional $55,000 plus royalties, bonuses and a small percentage of merchandise" to shows it chose to produce.[79] Amazon touted this as a "twist on the traditional closed-door approach to development in Hollywood" since decisions would be "heavily informed by feedback its users will provide when given the option via Amazon Instant Video to view animatics or video excerpts of proposed projects."[80] In 2013, the first pilot season yielded *Alpha House*, a comedy about US senators who become roommates, *Betas*, a comedy set in Silicon Valley, *Browsers*, a comedy about a web startup in Manhattan, *Those Who Can't, Onion News Empire, Dark Minions, Supernatural, Zombieland*, and the children's shows *Annebots, Creative Galaxy Teeny Tiny Dogs, Sara Solves It, Positively Ozitively*, and *Tumbleaf. Alpha House, Betas, Annebots, Creative Galaxy*, and *Tumbleaf* were "picked up" and went into production with between six and eleven episodes of each available on Amazon Instant Video. The second pilot season yielded *The After, Transparent, Wishenpoof! Mozart in the Jungle, Gortimore Gibbon's Life on Normal Street*, and *Bosch*. Of these, Jeffrey Tambour stars in *Transparent*, which is the creation of former *Six Feet Under* and *United States of Tara* producer and writer Jill Soloway, and *Bosch* is based on a highly successful series of detective novels by Michael Connelly. While the crowdsourcing of pilot selection and move to more involvement from "viewers" is an interesting move in theory, it would seem that Amazon Studios is primarily drawing from the same pool of properties, inspiration, and producers as traditional television does. In practice, it may be creating an additional development laboratory for those who have already established a track record and pedigree within the industry to develop projects rather than democratizing access to the means of production and cultivating outsider talent.

YouTube aka Netazon? Amaflix?

YouTube by design presents a challenge of definition as well as analysis—as a rebroadcaster/repository of professional and amateur created content; as a "commons" where do-it-yourself (DIY) producers can (and do) exhibit their own works; as a media buyer/ad rep for its most successful original producers, as a social media network with a robust community of commenters and curators. It also mimics the structure of a cable or satellite provider, offering a tier of over 300 “paid channels” of international and domestic niche programming to which viewers may purchase subscriptions. In 2015, it announced YouTube Red—an original content subscription service where for $10 a month viewers can get access to original programming developed by YouTube “stars” such as PewDiePie.[81] And, of course, YouTube is owned by Google/Alphabet whose corporate tentacles reach into virtually every corner of the network connected world.

YouTube never sought to become a replacement for the television industry—it is what David Weinberger calls a “meta business”—a “new category of business that enhances the value of information developed elsewhere and thus benefits the original creators of that information.”[82] Ergo, it is a priori, a curatorial space. Its emphasis has always been on content sharing, even as it has, in an attempt to monetize its business model, sought production and distribution deals with industry entities, sold advertising against content it does not own the copyright to, and struck deals with amateur YouTube stars to revenue share around half of the advertising it places against their content. What we see here is a product of convergence and a demonstration that “the affordances of digital media provide a catalyst for reconceptualizing other aspects of culture, requiring the rethinking of social relations, the reimagining of cultural and political participation, the revision of economic expectations and the reconfiguration of legal structures.”[83]

YouTube as democratized archive

YouTube has already offered a massive “unfiltered bottom-up cultural archive.”[84] The content that comprises this archive has largely been made available “as the result of hours of painstaking labor, undertaken by the amateur collectors and curators of television who are digitizing VHS tapes in their garages, editing them for upload at YouTube, tagging and describing them, and arranging them into playlists or groups.”[85] In other words, YouTube began as (and still remains) an explicitly curatorial space to which anyone may contribute, comment, and engage. On YouTube, one can review the entirety of television history—kinescopes of Milton Berle and low-quality but still watchable episodes of shows that have (and probably will) never be available elsewhere (PBS's 1973 series *An American Family*—arguably the "first" reality television series—often cited in scholarship but completely unavailable for study except through amateur or home recordings).

Users have, of course, also uploaded clips of current shows and even entire episodes, sometimes just minutes after their broadcast or cable premieres. (A circumstance made possible by the digitization of video content by DVRs and the ability of tech-savvy viewers to "rip" content from DVRs, or record content directly to their computer hard drives for compression and uploading to YouTube). Naturally this caused content owners to cry foul and sue for copyright infringement. In 2007, Viacom, CBS's parent corporation, filed suit against YouTube in the US District Court for the Southern District of New York claiming that by allowing users to upload and view videos owned by Viacom, YouTube had engaged in "brazen and massive" copyright infringement.[86] Google argued that it was protected by the 1998 Digital Millennium Copyright Act's "safe harbor" provisions and that it was not responsible for its users posting content to which they did not own the copyright. Ultimately YouTube was cleared of copyright infringement but required to take down any copyrighted material that copyright owners found on its site. YouTube also instituted a Content ID filtering system in 2008, an algorithm that combs through posted video looking for digital watermarks and other code that indicate the video is under copyright. Upon being notified of the presence of copyrighted material or finding it via content filtering, YouTube removes the offending video. According to YouTube's terms of service, users agree to not post any material that contains "third party copyrighted material, or material that is subject to other third party proprietary rights."[87] Naturally, what happens in terms of service versus what happens in practice are two different things and many shows not in the public domain can be found on YouTube.

YouTube has also provided a space for the circulation of video mashups and/or "fan videos" where fans of series have spent substantial time and energy recutting favorite clips from a particular show or film often in a music video style. This video form of remix culture has resulted in DIY "paratexts" which copyright holders may often ignore as they are, in effect, free publicity and help drive new viewers to their original projects in their monetized locales. Thus, while the onus is on the copyright holder to find and request removal of the copyrighted content, content owners who find it a benefit to have their material posted to YouTube may intentionally not request its removal. Jenkins, Ford, and Green have hypothesized the meaning of this "spreadability" of digital media, in particular its relationship with mainstream media, suggesting that these activities could be examined "to track shifts in attention and interest with greater sociocultural depth than would have been possible in an era of traditional broadcasting, when they might have counted the number of eyeballs but not understood how specific acts of reading, viewing or listening fit into larger patterns of social interaction."[88]

Not surprisingly, the professional moving image archiving community is not pleased with YouTube's "archive yourself yourself" feature.* Karen Gray, a librarian, and Rick Prelinger, a professional film archivist, have both voiced concern that the erosion of cultural authority caused by YouTube call into question both the role of the cultural institution "within society and in regard to cultural heritage" and "questions of persistence, ownership, standards, sustainability, or accountability that occupy professional archivists and their parent institutions."[89] Beyond the preservation of professionally produced (and owned) programs (which, even if in the public domain, probably exist in numerous enough copies to ensure their survival), who archives the archive of YouTube? Given YouTube's reliance on commercial viability and its terms of service, it is likely that the internet wayback machine will be the only trace of its user-produced and distributed videos. As Burgess and Green conclude: "These controversies reveal competing ideas about what YouTube is for—a social network site produced by communities of practice; a chaotic archive of weird, wonderful, and trashy vernacular video; or a distribution platform for branded and Big Media entertainment. Much of the discussion about these controversies centers around changes or perceived changes to the culture of YouTube as it scales up, makes deals with major

* To be fair, Prelinger in particular has a cause for concern about public domain footage being available (and rippable) from YouTube. Prelinger Archives' business model is built on his collection of licensed collections from many archives, and his ability to charge user fees for the provision of public domain footage or orphan films to documentary filmmakers. YouTube threatens the exclusivity of access and gatekeeping upon which his archive relies.

media players and attempts to create revenue from its constantly evolving business model."[90]

YouTube as DIY broadcast platform / video yard sale / video co-op

YouTube's rallying cry: "Broadcast Yourself!" is an open invitation for anyone who has a video camera to become part of the new democratized televisual environment. However, dreams of the jump from YouTube amateur to development-deal wielding television industry professional are the more akin to the dreams of lottery winners rather than the Chuck Lorres or Shonda Rimes of the world. This is not to say that one cannot get quite rich by being a YouTuber. It is, instead, to point out that the type of compensation and fame that YouTube brings favors YouTube in its retention of a large part of ad sales and encourages success in media forms (publishing, product placement, in-person appearances, brand ambassadorship) that are not televisual.

There are many reasons for this, of which the following form a nonexhaustive and preliminary list:

- The privileging of professionally produced content either due to its organic popularity with viewers or promotional placement arrangements between YouTube/Google and the content producers ensures a professional/amateur divide in the site's curated offerings.
- The genres of content that perform best on YouTube (video game walkthroughs, makeup how-tos, first person vlogs) either do not translate to linear television or have reached a saturation level on niche cable channels (prank shows for instance). One conclusion to draw may be that YouTube enables the creation of a much different televisual form which, while still consumed and perceived as "television" by its largest demographic (millennials and younger), diverges substantially in genre, length, production values, and frequency of release from linear or traditional industry-produced television.
- YouTube's striking of deals with professional showrunners creates new professional "branded" content from the likes of Jay-Z, Amy Pohler, and Anthony Zuiker which then competes with amateur talent on an uneven

> playing field. If talent is moving from the professional, gatekept world of "the industry" to the democratized digital commons of YouTube and bringing its expertise, name recognition and home page "recommended video" deals with it, how can amateurs hope to reverse the process? (This might be called the "Radiohead conundrum"—in 2007, Radiohead offered its album *In Rainbows* for direct digital download and let its purchasers set their own price for the album. While this has been cited as an example of the viabilty of a democratized digital distribution model, the obvious point to be made is that Radiohead was successful with its "pay what you will" pricing for their online-only album release because Radiohead was already Radiohead and had become successful enough through traditional pre-internet industry structures to successfully exploit the online market.)

A survey of YouTube's home page indicates that amateur or even pro-am video is no longer the privileged content of the site (if it was ever). It should be noted that most people never see a "neutral" YouTube home page as if one is signed into one's Google or Gmail account or has not cleared one's browsing history, one will be served an aggregated "recommended for you" array—previously viewed videos and recommendations based on those previously viewed videos will be presented, the majority of it professionally produced (even if uploaded by persons without copyright clearance). The five "Popular Right Now" videos right now (July 18, 2016, 12:02 a.m., EST) are professionally produced. One is Katy Perry's NBC Olympics Video from her Vevo channel. The next is "We Meet DJ Khaled," which has been viewed 1.9 million times since it was posted yesterday. The third is the segment "Blake Lively Calls Jimmy Fallon her Dada" from *The Tonight Show Starring Jimmy Fallon* channel and the last two are promotional "paratexts" for the Star Wars franchise, one an "official trailer" from Season Three of *Star Wars Rebels* (from the Star Wars channel); and the other a teaser trailer for the Electronic Arts game "Star Wars Battlefront" from the "EAS Star Wars" channel. The rest of the categories, "Recommended," "Recently Uploaded Recommended Videos," feature predominantly professionally produced material (music videos from Vevo, sketch comedy from late night, or interview clips from talk shows), and the rest of the page contains rows of "Recommended Channels" that appear to be the equivalent of Google's "sponsored links": "The Tonight Show Starring

Jimmy Fallon," Jimmy Kimmel Live," "America's Got Talent," "Saturday Night Live," "Team Coco" [Conan O'Brien], "Britain's Got Talent," and "Trailers" which can be sorted by "movie" or "topic." The only category on this page that appears to favor pro-am or amateur content (aka viewers "broadcasting themselves") is "The Daily Awww" (kittens and puppies and a hyperactive squirrel, but also footage from a local New Jersey news affiliate about a bear that's been walking around on two legs over there for about a week).

A brief survey of additional pages of pre-curated categories ("Politics," "HouseholdHacker," "Sports Highlights and Great Moments," "Today's Funniest Clips") reveals that the featured clips in these categories almost without exception, trace back to a major media company or its subsidiary brands or, they are part of a collection of internet-based production companies that are creating content that circulates across their own branded websites (soulpancake.com, Omaze.com) as well as their YouTube channel; or they are a YouTube partner with their own YouTube channel (You Suck at Cooking, GiveBackFilms, Blake Grisby). These entities maintain a multiplexed social media web presence with YouTube video as the main distribution hub (and produce genres of video/televisual content that are not financially lucrative to distribute via broadcast or cable).

The YouTube Partners program allows YouTube community members to "enable your channel for monetization."[91] YouTube members can apply to monetize their videos so long as the content (including music) is solely and completely owned by the member and the video complies with YouTube's terms of service and community guidelines. Once YouTube has accepted the video for "monetization" it places ads "against" the content using the AdSense auction as well as ads YouTube has presold through DoubleClick and "other YouTube-sold sources."[92] AdSense ads "are determined automatically by our system based on a number of contextual factors related to your video" (such as user-created tags and metadata).[93] Users cannot control which ads are placed against their videos, nor can they determine the type of ads. Among the types of ads that may display are banners that run along the page either horizontally across the top or as a "skyscraper" along the right side. "Overlay in-video ads" appear over the lower part of the video and can be "closed" (if one can locate the "x" box) (these are essentially the equivalent of a "snipe" ad on a traditional television stream).[94] "TrueView in-stream ads" are "skippable video ads that are inserted before, during or after the main video," and "non-skippable in-stream ads are video ads that can be inserted before or during the main video and must be watched before the viewer can continue watching the content selected. These ads can also be placed after the conclusion of a video, in the post-roll slot."[95] Partners are paid through an AdSense account (another Google product) which handles ad sales, serving of the ads (through the use of Google AdWords), quantification of the advertising views, and ultimately payment to the YouTube partner.[96]

The economics of YouTube partnerships remain shrouded in mystery—the total number of subscribers and views of various videos and channels are easily seen (and prominently displayed) on YouTube. What is impossible to determine with any certainty is how much the partners are actually making, although YouTube's analytics company SocialBlade does maintain estimated earnings based on a "lowball and a highball value based on what we know about what partners earn on average per view and multiply that by the number of views they get per day."[97] These estimates are based on daily views times a low cost per thousand (CPM) of sixty cents and a high CPM of $8 (all partners receive a CPM somewhere within this range for their monetized videos).[98] Even though Google takes a 45 percent cut, *Forbes*' "first-ever ranking" of the highest paid YouTubers estimated that the tenth highest paid, Rosanna Pansino, a "self- taught" pastry chef whose videos are shot in a traditional cooking show style, made $2.5 million in 2015.[99] The highest paid, 25-year-old Swede Felix Arvid Ulf Kjelberg, known on YouTube as PewDiePie is apparently making $12 million pretax to provide R-rated video game commentary and walk-throughs to his over 40 million subscribers.[100]

A survey of other YouTube reveals some that may be expected (children reviewing anything, comedic parodies). At the same time, fully twelve of the top twenty earners are videogame players/commentators who record their reviews or "walkthroughs" of popular video games (Minecraft, in particular). Nine countries are represented, speaking four different languages. The Fine Bros, often thought to be two of the first "YouTube Stars" are responsible for the internet "series" "Kids React."[101] Therefore, I suggest that the most popular YouTube stars are those that are engaged in the creation of programming that does not fit traditional televisual formats or genres and is not being produced by traditional television content producers. The short form videos that garner the most views on YouTube are perhaps unique to webcasting.

Other distribution deals that YouTube signs look very similar to the EST (electronic sell-through) arrangements content owners strike with Amazon Instant Video, iTunes, or Google Play, to provide their content for a per-episode or per-season price. Since all of these "retailers" are priced the same, there is little competition between them—they are ecosystem driven (if you have an iPad, you buy from iTunes; a Kindle, you buy from Amazon; an Android Tablet, you buy from GooglePlay). YouTube's intervention into this area is to provide an electronic-sell-through option that is platform-agnostic, web-native, and app-based.

Other deals are symbiotic partnerships, such as YouTube's contract with Vevo, "a music video and content distributor owned by Universal Music Group, Sony Music Entertainment and Abu Dhabi Media Group."[102] After months of debates regarding ad revenue splits between Vevo and YouTube, YouTube invested $40–$50 million in Vevo giving it about a 7 percent stake in the company.[103] In May 2013, "Vevo accounted for 50.2 million unique viewers on YouTube, making it the top channel partner on YouTube, according to ComScore's monthly Media Metrix report. This deal merely formalized a mutually beneficial relationship—with so many viewers, YouTube could ill afford to lose Vevo. On the other hand, the vast majority of Vevo's video views come from YouTube users."[104]

For "independent" industry professionals, YouTube can be part of a synergistic content delivery system along with "start-up" web communities or viewing destinations, such as Maker Studios, which built a substantial following before being sold to Disney for $950 million by its founder, Brian Robbins, a former child star.[105] Robbins's current project is AwesomenessTV, which "produces three to five tween-skewing YouTube videos a day" and is owned by DreamWorks Animation which paid $150 million for it in 2013.[106] While distribution via branded (non-subscription) YouTube channels has been advantageous for the endeavors Robbins has been involved in, he emphasizes the need to integrate YouTube into a broader fiduciary structure: "If your only revenue is from YouTube, yes, it's impossible to build a business … You have to have many different revenue streams, just like any diversified media company. It's harder when you're an individual YouTuber and that's how you're making your living. YouTube does take a big percentage of the revenue [typically about 45%], but they also provide a big service. If you were starting a YouTube channel tomorrow without YouTube and you needed all those servers and streaming capability and stuff, you would spend probably way more money than the revenue share that you're paying them. So I appreciate the grumbling, but it doesn't apply to us [AwesomenessTV]. We think YouTube is an amazing place to scale an audience."[107]

Many of these content producing professionals shoot YouTube-bound content at the YouTube SpaceLA in a former Hughes helicopter hangar in Playa Vista. "Everything [editing suites, recording booths, cameras, lights, mics, grip equipment, screening rooms] is lent free to those making content for YouTube—especially the roughly 200 channels the Google-owned site has partnered with and lent an estimated $250 million in exchange for an ad revenue split."[108] While Amy Poehler, Matt Damon, and other industry professionals have used the Space, it is mainly open to YouTube partners who qualify for the "Creator Class," a one month program. According to Liam Collins, head of the LA space "We'll look at your upload and subscriber base and make sure you're open to collaborating with others and are prepared to bring a crew. And we have residencies for established YouTube channels that understand how to make full use of a soundstage."[109] As YouTube is now one of a corporate family of digital businesses owned by *the* digital sovereign of our times (Google), one might see it as akin to Amazon's support of self-publishing authors—they will carry the book on their site, and as a Kindle offering, but until and unless it proves its own (monetizable) worth in the commons, they will not feature it. This is the downside of creative utopianism and yet it also highlights why the curation of content as well as talent is crucial to the continued operation of the cultural industries and their reconstitution following these transitions.

YouTube as "cable" system/alternative television distributor

In addition to its YouTube partners and other recommended channels maintained by professional television producers, YouTube also offers a range of subscription/pay "channels" that provide ultra-niche programming to those willing to pay 99 cents to $9.99 a channel per month. In creating and maintaining these channels, YouTube is, in effect, testing the economic viability of cable's worst nightmare—a la carte pricing of channels. Cable channels count on using less attractive (and expensive) choices to fill up lower tiers of service with low-cost programming that gives them the largest profit margin. A brief survey of YouTube pay channels reveals the following subscription options:

- HygroHybrid—devoted to hydroponic marijuana cultivation
- Oracle apps—"dedicated to oracle apps functional knowledge"
- Ron Figliomeni—"a channel youll [*sic*] love to see a channel thatll [*sic*] make you laugh until you pee yourself"
- Bikini G-String Thong—Beautiful Women and Shock Swimsuits Video Clips
- Community Trainer—Oracle apps supply chain management
- ScannerDanner Premium—a chance to be part of my Engine Performance class at Rosedale Technical College
- Janis Frank—Learn to knit with these easy to follow knitting videos
- HereTV Premium—an online outlet of the LGBT cable network HereTV
- Shroedinger's Box Quantum Mekanix—"hardcore auto repair"
- Bunni Channel—twerk videos
- WWGOA—wood working videos
- Sesame Street: Monthly Pass—subscribe to watch full episodes of *Sesame Street* on YouTube
- Twenty one different "Zee Channels" ranging from news to sports, to entertainment, movies, various genres of television shows[110]

One way to view this is that YouTube is providing a formalized distribution venue to material that otherwise would find neither an audience nor a revenue stream without substantial upfront investment by the producers. The content creators would have to purchase time on local stations or through station groups as "infomercials" in addition to shouldering the costs of production. The creation of these channels creates a more formalized relationship between the subscriber and the viewer than the DIY YouTube partnership—in this way the content producers get the entirety of the subscriber's payment and can sell their own ads (or opt-in to Google's ad revenue sharing scheme as partners).

The smattering of professional content producers offering subscriptions via the YouTube paid channel system merits further investigation as they may be pioneers of a new a la carte form of subscription television. HereTV is a niche pay cable channel that carries programming of interest to the LGBT community. It was launched as a premium subscription channel in 2002 and is available via traditional cable and satellite operators. It maintains a website, but does not deliver any video content via its website. Rather it refers interested viewers out to either the YouTube subscription channel or (as of 2016) Amazon Instant Video.[111] Thus HereTV is using the technological streaming capacity of YouTube and Amazon rather than investing in its own storage/streaming infrastructure and the bandwidth needed to maintain video streaming via their own site.

Sesame Street's offering is a lucrative way of reaching and monetizing parents who want trusted (aka brand recognized) media to entertain their children via cellphone or tablet while away from home. Creating a formal subscription YouTube channel (while also keeping a close eye on illegal uploads of Children's Television Workshop's (CTW) copyrighted material) is also a way to limit loss of revenue in the digital environment. It creates a revenue stream for repurposed content while saving CTW from having to invest the substantial resources that the creation of a niche cable channel would demand. Furthermore, it preserves the advertising-free distribution of CTW content parents have come to expect from its broadcast home (PBS). Finally, it acknowledges and directly serves the needs of a particular group of niche viewers—parents who want a portable, always-on, always-available precurated stream of portable media.

The twenty-one "Zee Channels" carry professionally produced shows from Zee Media Corporation Ltd., one of India's largest television media and entertainment companies.[112] YouTube is thus providing an international subscriber base with a way of seeing programming that would otherwise be behind the bundled paywalls of cable or satellite systems, if available at all. This is a situation that is unique to YouTube which has internationalized itself in ways that other online viewing sites have not or cannot without substantial corporate negotiations. Prior to internet distribution, the Zee channel or any media company seeking to provide programming to a diasporic community in other countries would have to lease time on local broadcasters (similar to the info-mercial situation described earlier), or convince regional cable and satellite providers that there would be enough of a viewership of their content to justify carriage fees.

What the YouTube pay channels appear to be comprised of are channels of content that would not garner enough viewing to make their inclusion on any tier of cable programming worth the cost. Therefore, YouTube follows through on the promise of providing ultra-niche programming to those willing to pay for it which is certainly a more honest and direct interchange with the public than that of cable or satellite "bundling." It is a tacit acknowledgment that this content cost money to produce; if you want access to it, you need to compensate the content owners for the resources and labor it took to produce them. Since some of them also "may include ads," these pay channels operate as DIY cable networks that are going to a direct sell-through market rather than partnering with a wholesaler (like artisans who sell through stores on Etsy rather than investing in their own web infrastructure). This might be delivery on the supposed promise of "narrowcasting" that cable and satellite networks used as a carrot to encourage new subscribers in the 1970s and 1980s—while claiming to target underserved parts of the viewing audience with highly specialized programming, "nearly all of them offered program genres—often actual programming—already proven successful either on broadcast television or elsewhere."[113] Ergo, YouTube is filling a lacunae that the broadcast, cable, and satellite industries have always been aware of, but have been unable to deliver upon due to their business models.

The immediate dangers to "the industry" are twofold: first, viewers who are watching these paid channels are not watching other channels; and second, pricing structures like this (and iTunes Season Pass) are accustoming viewers to an a la carte payment system on either a show or a channel basis. Even if the cable company is still receiving a monthly payment from a YouTube paid channel subscriber for television service and internet access, the broadcast and cable networks are not receiving a quantifiable viewer to sell to advertisers. "Furthermore, even though YouTube is offering paid 'channels' of content, it is not (yet) legally defined as a multichannel video program distributor (MVPD). Rather, it and any and all of its internet-based video distributing brethren are classified as online video distributors (OVDs) by the FCC. These are defined, oddly enough, by their relationship with internet service providers (ISPs)—OVDs "offer video content by means of the Internet or other Internet Protocol (IP)-based transmission path provided by a person or entity other than the OVD" (in other words, an ISP—that the consumer subscribes to from an entity that is not owned by the website).[114] What is curious is that the ISPs are, of course, owned and operated by the cable, satellite, and telecom companies that are also MVPDs. (More on this in the next chapter.)

Ultimately the future of YouTube is probably dependent upon the same factor that all web-based companies face—sustainable growth. "A core challenge will be to find a balance between mass popularization (which YouTube has achieved, at least for the moment), innovation, and sustainability (which requires long-term investment and a stable and socially functioning community)."[115] YouTube's major existing contribution to culture is that it showed the industry what a video sharing site could look like and how it should function (most viewed, most liked, most recent, and the privileging of interactivity/comments/community behaviors). Most attempts at creating more curated video sharing spaces (TeacherTube) riff off of the name YouTube or brand themselves as "The YouTube for . . ."[116] (This of course begs the question—"in a world with a YouTube, why do we need a YouTube for . . .?")

It will be interesting to see if YouTubers are subject to the same sort of "innovation, imitation, saturation" content cycles that traditional television has been and how the relationship between YouTube and "traditional" television forms (and industry professionals) evolves. YouTube's Collins says "we're not competing with TV, we complement it . . . Over the past year, we've actually seen many of our channels partner with TV networks—Fox with WIGS and AMC with Nerdist's All-Star Celebrity Bowling, to name a few. But one of the biggest cross-platform TV successes that we've seen is with Ellen DeGeneres and Jimmy Kimmel, who are building big audiences by issuing user-generated-content challenges and featuring YouTube stars on their shows."[117] Since YouTube uses skippable ads and advertisers are only charged when someone watches the ad all the way through (which happens "between 15 to 45 percent of the time"); YouTube ads can be an economic adjunct to other media buys. And, since YouTube is now participating (along with Hulu and Netflix) in the upfront market, there is a greater awareness and consideration of it as a legitimate ad buy. Thus, the future may be convergent and symbiotic.

The industry responds

The major concern of the industry is not only the loss of eyeballs to other viewing options, but also the decline in advertising revenue caused by the dilution of the broadcast audience and the lower CPM's online viewing commands. The oft-quoted call to action (or warning cry) regarding digital distribution and the television industry is Jeff Zucker's 2008 statement: "We can't replace analog dollars with digital pennies."[118] While he did amend this to digital dimes in 2009, after Hulu proved to be somewhat successful, the sentiment behind it remained the same: " 'digital' would shift audiences and therefore advertising dollars from a still-profitable medium to a different one of unknown but likely much lower future profitability."[119]

Network sites

All broadcast and cable networks maintain their own branded websites which are used as promotional sites for current and upcoming programming. They also all maintain online archives of recently aired shows, teasers for upcoming episodes, and online players. The making of full episodes available for viewing on network-owned websites has affected network ad buys overall by providing additional ad inventory. Viewers are unable to fast-forward through these ads, but the ad time itself costs about 1/3 that of broadcast spots (leading to Jeff Zucker's famous concern about "digital dimes").

The serving of these ads is also different than it is on broadcast. For instance, on ABC.com, "Brands are not able to demographically target their ads or insert them into a specific ABC show on the website. Instead, they buy a bundle of impressions that are dynamically ad served across all shows over the course of their campaign flight. An advertiser will never know when or during what shows or episodes their ad will run. However, they can ask to be omitted from certain shows that may not align to their brand."[120] This is standard operating procedure within the industry for online streaming ad sales, and networks are beginning to bundle online with broadcast and to offer all packages for sale during the upfront (or NewFront) period.[*]

In November, 2015 CBS announced that it would be producing *Star Trek: Discovery*, a prequel to the original 1969 *Star Trek* series. While the announcement of another *Star Trek* television series may be nothing new—there have, after all been six separate series produced as a part of this brand franchise, there is something about *Discovery* that will "boldly go where no television show has gone before." The first episode will premiere on the CBS network in May of 2017.[121] Following the broadcast/cable network premiere, all subsequent episodes will be streamed through CBS All Access, CBS's subscription streaming service which currently charges subscribers $5.99 for programming containing "limited commercials" and $9.99 a month for commercial-free viewing.[122] The restriction of access to this obviously "privileged content" will no doubt result in an uptick in All Access subscribers and it may prove to be distribution genius for this particular series. The challenge will be to keep these viewers once all thirteen episodes have rolled out—will the fourteenth week bring churn or defection to a different subscriber service as viewers "follow the content" rather than cleave to the brand? The post-network era is characterized by the erosion if not evaporation of the network as supplier of "branded entertainment." But, branding remains an important signpost for consumers since "branding adds personality, distinctiveness and value to a product or service while also offering risk avoidance and trust."[123] *Star Trek*, a brand with a fifty-year history of active and engaged viewership and fans who were on the vanguard of participatory culture when Henry Jenkins first began to theorize it is probably not a test case from which one can generalize the success of a less established franchise or an entirely new series.

* "NewFronts" are, quite simply "upfronts" for OTT programming. Begun in 2011, they are organized by the Interactive Advertising Bureau and take place in the last week of April/first week of May. Participation is open to any entity that produces internet videos and is deemed an appropriate participant by the IAB and the "founding partners" of the NewFronts (among them AOL, Google, and Yahoo). They also need to pony up between $12,500 and $25,000 depending on their presentation time. (Morrissey, "WTF are the NewFronts?")

What could be examined by a longitudinal study of subscriber metrics over the course of a presumed season two of *Star Trek: Discovery* would be the investor psychology of anchoring. Anchoring is when "individuals attribute a value to an object based on what they paid for it."[124] Therefore, differences in subscription pricing across seasons, coupled with similar experiments by other content producers and distributors should enable some predictions about the viability of individually paywalled distribution platforms and subscription services. How much is too much for the standard viewer to pay for content? What is the average number of individual subscriptions the viewer is willing to sustain?

Bridge content

Bridge content itself is nothing new—the carefully planted news stories speculating about "Who Shot J. R.?" in the summer of 1980 were a nascent form of bridge content. In the simplest terms, bridge content is any off-the-box show-related content devised to keep viewers engaged with a show in- between episodes or in-between seasons. In the past ten years, bridge content has been transformed by the interactivity of the web and by social media. Today, the most common type of bridge content can be found on the series-based website and series-focused pages or feeds on social media platforms such as Facebook, Instagram, and Twitter that collate and connect the accounts of the show's stars, writers, and showrunners. All of these initiatives are part of overarching transmedia strategies to keep existing viewers engaged and attract new viewers, either directly or through existing viewer's social networks—the digital word of mouth.

Digital media enthusiasts believe that this sort of fan participation and interaction will translate to increased viewership and engagement with the shows themselves as the web corollaries to the shows become less paratextual and move from extension to experience. Lisa Hsia, Executive Vice President of Digital Media at Bravo, one of the first innovators with web content, emphasizes this shift: "In the old days, it was all about digital extensions. We don't want to be an extension. We want to be a digital experience that helps drive overall viewing, whatever the platform, where the digital series is just as critical as the show."[125] The movement from passive information provider to active participatory environment has made the bridge content more important to advertisers as well as content producers. As a result, web pages will often include webisode content which may or may not feature the same characters as the show, and be more intertwined with the show's storylines, extending them across media channels and driving viewership back to the show's airtime.[126]

While linear television content producers may find the need to create bridge content a distraction or a necessary evil, it does provide a valuable service to advertisers and marketers since the value of the content is due to "choice-based impressions that result from audiences *choosing* to engage with it."[127] Therefore, although the percentage of the viewership that engages digitally with the show may be small, the viewers who choose to engage with the web-based bridge content identify themselves as opinion leaders and provide access to their social networks by their opting-in through "likes" (which helps content producers and distributors identify influential curators in the public sphere of social networking). By May 2011 over 275 million viewers had "liked" at least one show on Facebook and seventeen of the top "liked" Facebook pages are those of television shows.[128] While show-specific apps have also been developed, early data from this transitional phase appears to indicate that viewers prefer to find their tribes of affinity on large and established social media platforms such as Facebook and Twitter and incorporate their fan activity into their general social profiles.

Hulu and Hulu Plus

Hulu was launched in March 2007 as a joint venture between News Corporation and NBCUniversal (as content providers), AOL, MSN, MySpace, and Yahoo! (as internet distribution partners) and venture capital firm Providence Equity Partners. Currently the site is owned by Disney, News Corp., and NBCUniversal, but, as part of the FCC's conditions for the Comcast purchase, NBCU is a "silent partner" and may not participate in any discussions or strategies pertaining to the company for seven years. In forming Hulu, industry players created a "value added" one-stop repository of all of their shows, which also provided them with further ad inventory in addition to their network sites where their shows also were available). Hulu is a "hybrid business," composed of Hulu.com, "a free, ad-supported clearing-house" and Hulu Plus, which carries next-day programming from its owners and content partners, as well as maintains an extensive syndication library of past series.[129] "Like many digital cinema and TV ventures, Hulu has marketed itself both in terms of convenience, promising to allow viewers to watch 'when, where and how you want,' while also promoting it as a youthful alternative to the 'old' medium of TV, to the point that Hulu came to represent an almost generational divide between passive viewership of TV and active engagement with Hulu."[130]

Basic browser-accessed Hulu is free and ad-supported, although its ad-supported model is lighter than the traditional television broadcasting load of commercials per half or full hour. As it is an "on demand" technology, it is not beholden to the strict scheduling timeframes that linear television is. Therefore, it might put only a three minute roll-in of commercials into the beginning of a twenty-two minute sitcom rather than interrupt the show for eight minutes of commercials as is standard practice on broadcast. Hulu offers a range of advertising opportunities at prices currently 25 percent that of broadcast or cable.[131] Advertising on Hulu costs less per CPM than broadcast yet "based on data from Nielsen/IAG," the company has stated that its advertising effectiveness is twice that of broadcast television commercials. Hulu offers advertisers and viewers advertising choice. Advertisers can choose from in-stream video, pop-up banners, or they can brand the screen around the Hulu player while their ads play. They can also choose a "branded slate" which displays a card with the sponsor's art on it accompanied by a voice-over stating "The following program is brought to you with limited commercial interruption by" their name.[132] This is an interesting throwback to the single-sponsorship days of the early days of television. Hulu viewers can also use an "ad selector" which provides viewers with a choice of three options of video ads and can even "swap" ads once an ad has begun to play. The ad selection is based on "relevancy" to the user's Hulu profile and these ads are valued by advertisers who think that viewers "will be more receptive to viewing the ads, since they have been empowered with a certain level of control over them" and the selected or swapped ads do yield higher click-through rates.[133] Hulu purports the fact that it generates more ad revenue per half-hour TV episode than cable and DVR (but not yet broadcast), and that its ability to better target audiences increases relevancy and eliminates wasted impressions.[134]

Hulu Plus is a subscription-based version of Hulu which allows mobile viewing via apps and application program interface (API) integration for seamless viewing on smart TVs. It offers next-day viewing of current episodes on its content partners' broadcast or cable channels and an extensive archive of video holdings including shows that were never released as DVD box sets or ESTs. Hulu Plus carries a smaller advertising load but still places ads against its subscriber-only content. Ostensibly this ad revenue subsidizes the licensing costs of the extensive collection of next-day first run programming, thus helping to keep subscription fees down. Since Hulu Plus is also partially owned by its major content providers and has revenue-sharing partnerships with a host of other content producers, this strategy may be more about increased revenue and revenue streams than concern for subscriber cost. What it also suggests is that Hulu expects that its Plus subscribers are used to ads in their television and is proceeding with a cable-like hybrid fiduciary model.

TV everywhere (with us!) and the reification of control

"TV Everywhere" is not the freeing rallying cry that it may sound like—it is, plain and simple, a marketing ploy and an attempt by the industry "to protect the last remaining business model in the industry—cable [and satellite] TV—not yet destroyed by the wrath of digital audiences."[135] "TV Everywhere" is about "TV Ecosystems" and ensuring that cable and satellite subscribers stay within their DishTV, Comcast, or TimeWarner cable bundles when they take their viewing mobile. Technologically, it is the marriage of cable or satellite content with off-the-box viewing via a mobile device attached to the web via a home broadband connection supplied by the cable or satellite provider. While the term "TV Everywhere" was coined in 2009 by then Time Warner CEO Jeff Bewkes to name a particular initiative of Time Warner Cable, the term has become generic for any and all authentication-based viewing apps or technologies. The creation of these technologies was the cable and satellite industries' response to the growing popularity of Netflix, YouTube, and portable devices (tablets, smart phones) that allowed viewers to space-shift. This "caused cable operators, satellite providers, and telecommunications companies to realize that tethering their programming to the set-top box in the living room was starting to feel archaic relative to consumer expectations."[136] More importantly, "cable companies were especially alarmed that cable programming, such as Comedy Central, FX, and the SyFy channel, could be viewed on the internet by all, subscribers and nonsubscribers, and worst of all, for free."[137] Thus, TV Everywhere apps (Xfinity, the Hopper, CNNgo, sign in protocols on ESPN viewing sites) put programming behind authentication systems that permit web and mobile access only to existing subscribers. They allow for time and place shifting, but only for those who have already paid for the content. Individual cable networks have taken this a step further by incorporating authentication protocols in their live-streaming features. For example, CNN began to include live-streaming with authentication in its iPad app in July of 2011. Users of the app who can authenticate their cable subscription to an MSO that carries CNN on its system can watch CNN's live broadcast including commercials on their iPad or iPhone.[138] This extends the reach of Television Everywhere since it makes the most traditional of the televisual forms (the live broadcast) portable through the internet rather than the broadcast spectrum and at the same time, it maintains a paywall that restricts access to those who are already subscribers to the more "traditional" form of television delivery (cable). "The genius underlying TV Everywhere is that most pay-TV subscribers will believe that their cable provider's online aggregation of content is free, whereas they will perceive that they have to pay extra for, say, Netflix."[139]

While the TV Everywhere/authentication viewing platforms come with EPGs from the cable and satellite companies, cable companies are beginning to integrate personalized recommendation functions into these technologies. This is part of a move to make TV Everywhere/authentication viewing easier for the viewer since "implementation"—despite the hype—has been slow and haphazard. Many customers have found it difficult and confusing to get content on their computers, tablets and phones even after they pay for it.[140] New, easier authentication systems, an increase in publicly placed "Wi-Fi hot spots" that seamlessly connect authenticated subscribers' devices and software that maintains personalized recommendation profiles for all viewers in a subscription household have been developed. The recommendation engines "learn," based on individualized viewing patterns "what you have watched, what you have recorded on your DVR, and determines what you like."[141] For those who think this use of information (that the cable company already collects on you) is too intrusive, an opt-out option is available. The goal, of course is to "get customers so involved and integrated into the cable company offerings that it won't be desirable to cut the cord or switch to satellite or over-the-top providers who can't match the full cable bundle of services."[142]

Most recently HBO has launched HBO Now, a "stand-alone" streaming subscription service which breaks with the paywall/authentication protocol that restricted "Television Everywhere" access to cable and satellite subscribers. What is interesting is that subscriptions to HBO Now are handled through its "subscription partners" who either are, or are enmeshed in paywall/authentication ecosystems. As of this writing, there are eleven HBO Now subscription partners, six of which (Frontier, Google Fiber, Liberty, Optimum, Service Electric (Cablevision), and Verizon) are ISPs/MSOs, three of which (Android, Apple, and Samsung) are mobile device makers, and one of which (Roku) is a streaming technology producer. The eleventh is Amazon, e-tailer of everything. While HBO Now has not sparked an explosion of other stand-alone direct subscription apps (although one could ask how "stand-alone" it actually is, given the "subscription partners") it is clearly an interesting test case of how much viewers are willing to pay for access to exclusive content.

Second screen apps

Second screen apps are the industry's attempt to come to terms with the fact that according to Nielsen, 60 percent of Americans use the internet while watching television.[143] Therefore, if viewers are going to be distracted by another screen, why not have the content on that screen drive them back to the first screen, or engage them in active viewing, and possibly social media activity that will increase viewership among their friends? Interactive television, in its traditional sense, has never fulfilled the potential industry advocates and developers long lauded it to have. Smartphones and tablets fulfill the promise of interactivity as they operate as familiar companions to the viewing experience, rather than an immersive interactive experience. What distinguishes the second screen apps and experiences from network websites and social media is that they *synchronize* to the first screen, to provide a true real-time "companion" to the viewing experience.

Since 2010, three main types of second screen apps have been produced by various television content providers: series-, event-, and network- specific apps, and almost all of these are primarily developed for the iPad and iPhone platforms.[144] Lisa Hsia, executive vice-president of Digital Media for Bravo Networks sees these apps as a way to target particular engaged demographics: "The most important thing about these products right now is that we can create a curated important conversation with people of influence versus some sort of fire hose that provides a less meaningful conversation."[145] BravoNow, the first network-specific iPad app, allowed users to interact, share, and engage with additional content during certain Bravo episode premieres. Hsia emphasizes that these second screen apps have to "offer something that's really exceptional—like a filtered community, insider knowledge, or a celebrity that's tweeting along with you. There has to be some unique hook."[146]

Early research by the creators of second screen apps such as Miso has revealed that "every type of show requires a unique second-screen experience in terms of the companion content's type, frequency, delivery and timing."[147] Naturally, the issue comes down to market share even of the apps since what appears to have happened is a "Tower of Babel" with thousands of series- or network- specific apps that deliver the same "companion experiences" but do so solely within themselves.[148] This sort of balkanization works against the formation of or engagement with a mass audience as well as the opening up of viewer experience to other options. It is akin to a museum of modern art restricting its patrons to only one room in which hang multiple works by the same artist or, even more confining, only one work by one artist, displayed in multiple forms. The effect is creation of a "filter bubble" by the second screen, which, because "app culture" is organized by operating system ecosystems, is already a possible stricture to wider engagement or program discovery.

Wider engagement and/or program discovery are not, however, the goal of second screen apps, so this may be an irrelevant complication. Ultimately, the goal of the second screen apps is ad interactivity—which then creates the traditional challenge of audience opt-out (zap the channel, close the app). Advertisers and app developers seem to believe that targeted, "relevant" advertising will yield engaged viewers of the commercial message. Cory Bergman of *Lost Remote* calls this the Holy Grail: "to have a feedback loop with television. So that when I'm watching something, I am able to not only interact with the TV show; I can also interact with the ads. That's been what interactive TV has promised, but has never delivered on. When that happens on a truly scaled basis, there will be so much new value creation in this business that it will really be the second coming of television."[149] Among the innovations being explored is the "sync ad"—which would provide a traditional commercial "spot" on the first screen to provide "emotion and immediacy" synchronized to a digital ad on the second screen that provides interaction, transactions and data collection.[150] However, the key to this would be establishing large second screen partnerships with major advertisers and advertising agencies, which has not happened. Therefore no second screen experience has yet yielded a substantial audience or demonstrated mass reach.[151]

A *TV Guide* research study reported that half of Twitter users tweet about the shows they are watching on television while they are watching them, about one third of Facebook users post about their television watching in real time, and the average Facebook user has "liked" at least six shows.[152] Content producers have recognized this activity and many have begun to display onscreen Twitter hashtags to encourage (and also control) the social media backchannel, as well as to set up official showpages on Facebook in addition to their own dedicated websites. Twitter reports that there is a two to tenfold increase in tweets about shows that include onscreen hashtags.[153] Some shows have experimented with "live tweeting" during the premiere broadcast of particular episodes, or as sweeps week specials in an attempt to increase live viewing—since "Social media amplifies the feeling of being connected and part of something bigger when watching television."[154] While social media can be an important force, it is important to note that "social media cannot and will not save a bad show or make poor products and services 'look good.' But social media absolutely has a powerful amplification effect in the presence of resonant content."[155] What it can do is encourage and increase "live" viewing. According to *TV Guide*, 20 percent of tvguide.com users surveyed "reported that they are watching more live television broadcasts because they do not want the potential of people within their social networks to ruin the plots of their favorite shows."[156] The real-time web has, of course always created a dilemma for content providers and schedulers as it frees content from the "windowing" of time zones. The social media backchannel knows no geographical boundaries and a single Tweet could "spoil" a reveal for millions of viewers since its resonance can be multiplied through retweeting.

A further convergence of web-based technologies embeds viewers within social sites so as to provide for immediate real-time sharing of viewing choices as well as community viewing. Facebook is the leader in these innovations, allowing users to watch television episodes from Netflix and Hulu "within" Facebook. As a result, these viewing choices are immediately shared with the user's Facebook friends and appear in the newsfeed post. Friends can then tune in to these episodes directly from Facebook by clicking through their friend's newsfeed posts.[157] Facebook calls this "frictionless sharing" but, of course advertisers call it a gold mine given the level of data it reveals about users and the ability to micro-target these viewer/consumers.[158]

Still liminal or passage complete?

Liminality "refers to moments or periods of transition during which the normal limits to thought, self-understanding and behavior are relaxed, opening the way to novelty and imagination, construction and destruction."[159] While we have definitely seen the traditional understanding of producer, distributor, and television change throughout the past eleven years, the ultimate power structures (and strictures) have remained largely unchanged, they have just expanded to include new participants, also oligopolized and conglomerated media entities whose creativity and innovation during the liminal stage were the driving forces of a carnival that has now ended with the reification of the traditional power structures.[160] The destruction of the stranglehold linear television providers had on the creative structures and activities of the producers has successfully been achieved, as has the limiting of access to previously aired shows—infinity, which "appears in the horizon of the liminal" has been achieved to provide the curatorial viewer with choices worthy of his or her curatorial investigation and intermediation.[161]

Platform agnostic digital distribution seeks not to undermine the traditional release patterns of "windowing," but actually aims to completely replace it with a different fiduciary market that ultimately benefits the same entities as the old system. Rather than structuring release dates sequentially across a variety of different largely incompatible or nonsimultaneous venues, digital distribution results in simultaneous and universal accessibility across multiple platforms. Therefore it "allows each medium to compete for its share of audience using the same content, but addressing distinct viewer technology and lifestyle preferences."[162] Even though it appears to be a digital disruptor, it is not outside the realm of possibility to consider Netflix as a "next step" in the evolution of the television rather than the information industries. Its "economic and narrative structure" is identical to that of premium pay television channels such as HBO so perhaps it has merely "established a third distribution track."[163] "There was, in fact, rather little that Netflix depended on from the digital system of networked traffic and advertising revenue, whereas it was entirely dependent on its ability to license television content and to attract top writing, acting, producing, and directing talent" notes Michael Wolff in *Television is the New Television*.[164]

The change, may therefore be driven by viewer behavior, but the industry response has been to counter lost revenue and opportunity through economic acquisition, partnerships, negotiation or, as will be seen in Chapter 5, regulatory protections. When all distribution sites are paying license fees to the content producers or, in the case of Hulu, are partly owned by the producers, they remain revenue streams—so long as the viewers stay within these digital viewing ecosystems, they are still patrons of the legacy television industry (or of "new" producing and distributing entities that have employed those with track records in the legacy television industry). Thus, as long as viewer attention can be captured by a viewing platform that feeds back to the industry (and all of them ultimately do); the essential health of the legacy television producers and distributors themselves is not unduly compromised, the back end and/or viewing transactions are merely made more complex. The agents of change—those innovative OTT tricksters—are the ones who, having altered the televisual landscape and entered the television "market" will now have to ensure that they can stay relevant and viable in the infinite choice of long tail syndication.